
Subject:	IMPLEMENTATION OF CONSOLIDATED INCOME SYSTEM
Meeting and Date:	Cabinet – 4 March 2024
Report of:	Helen Lamb, Head of Finance and Investment
Portfolio Holder:	Councillor Jamie Pout, Portfolio Holder for Transport, Licensing and Environmental Services
Decision Type:	Executive Non-Key Decision

Classification:	Unrestricted
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Purpose of the report:	To streamline the finance systems associated with receiving and processing income to reduce manual handling of data, increase efficiency and deliver savings.
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Recommendation:	To approve the purchase of additional modules in TechnologyOne to replace Adelante and Pay360 and to take all necessary actions to deliver the project, including awarding the contract.
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1. Summary

1.1 Dover District Council has decided to move to a preferred cloud first route and to streamline systems where possible for the following reasons:

- Improved Business Continuity and Security
- Enabling digital transformation
- Leveraging new technologies
- Flexibility of infrastructure (coping with high demand periods)
- Readiness for modernisation of systems (SaaS)
- Streamlining systems where possible to reduce complexity and to increase efficiency
- Eventual reduction in ICT costs.

1.2 The purpose of this report is to approve the transfer of the current income receivable and management functions onto the main financial management system (Technology One) to deliver a modern, effective and fit for purpose, fully integrated finance solution. This will support the impacted departments to be more flexible, innovative and creative, further developing the functionality available in the main financial management system.

2. Introduction and Background

2.1 There are currently three main systems that the Council uses to deliver finance functions - Adelante, TechnologyOne and Aim360.

- Adelante – Integrates with systems across the Council enabling them to take payments from residents and customers, these include online forms, Idox Cloud, Echo, Imperial and NEC Housing. The finance team currently use Adelante to monitor card payments and to process refunds/disputes. Adelante is also accessed by users within the Council i.e. customer services for use of chip and pin devices and staff who can take department specific payments over the phone. Adelante is due a major upgrade to ensure integrations continue to function, this includes significant one project costs, which have led to a review on whether this is still the most suitable system for the Council.

- Capita Pay360 - This is the main income management system. It processes all income received by the Council through daily imports from NatWest, Santander, Adelante, TechnologyOne and open revenues. It then exports the transactions to the target systems 1) Open Revenues; 2) Northgate Housing and 3) TechnologyOne. Capita Pay 360 is due to be renewed in January 2027.
- TechnologyOne – Is a modular cloud-based solution that could incorporate the functions of Adelante and Capita Pay360. The Council currently has modules for Financial Management, Reporting/Analytics and Enterprise Budgeting. It is used as the main finance system for business processes such as budgeting & forecasting, procure to pay, general ledger tracking, analysis, and reporting. The contract for TechnologyOne is due to be renewed in April 2026

2.2 This current set up, which relies on a complex routine to update each other overnight, is inefficient and increases risk of failures and requires daily manual reconciliation by the finance team, increasing workloads.

2.3 TechnologyOne has the capability to replace Adelante and Pay360 and would simplify the technical set up which would remove the need for complex scripting and manual processes, creating efficiencies.

2.4 All necessary procurement will be conducted in consultation with the Procurement Manager and in compliance with the Council's Contract Standing Orders and the Public Contract Regulations 2015 (where applicable).

3. **Implementation Proposal**

3.1 During the project modern methods for systems to transfer data securely such as Application Programming Interfaces (APIs) will be utilised where possible, replacing the current scripts and reports being extracted into files on network servers. We would aim for direct integrations such as Idox Cloud, NEC Housing and Jadu forms.

3.2 The data would also be in a single system format which would aid bank reconciliation and enable auto-matching to be put in to place. This would erase the issues that currently arise from coding irregularities between systems. This causes failures in file transferring data between systems and additional work for Accountancy to journal transactions between accounts.

3.3 Due to the level of change to critical processes, the project will be planned in multiple stages. During the planning stage a map of all current processes will be created along with a map showing how these will be streamlined using TechnologyOne. The plan will attempt to minimise disruption to the finance processes during implementation.

3.4 During the first implementation phase, TechnologyOne will be setup with the new module to replace Adelante. Each integration/process will be designed, configured, tested, switched over and monitored. Feedback from the finance team will be collected regularly to ensure new processes are working as expected.

3.5 The second stage will enable the module for Enterprise Cash Receipting (ECR) for TechnologyOne, creating an integrated solution for income management and removing the need for Pay360, whilst still enabling reporting to the department specific systems, for example, Northgate housing solution.

4. **Identification of Options**

4.1 Option 1 – Approve the project to migrate the two systems to TechnologyOne.

4.2 Option 2 – Upgrade with Adelante, renewing the contract.

4.3 Option 3 – Do nothing (including not upgrading Adelante).

5. Evaluation of Options

5.1 **Option 1.** Is to approve a project to replace Adelante and Pay360 with an extra module in TechnologyOne. TechnologyOne has the capability to replace Adelante and Pay360 and would simplify the technical set up which would remove the need for complex scripting and manual processes, creating efficiencies.

5.2 This is the recommended option.

5.3 **Option 2.** Is to upgrade Adelante and continue with the finance systems in the current setup. The update would cost more than option 1 and realise less business benefits.

5.4 Regular failures with updates, reporting and downloads between the systems uses staff resource across the Finance and IT teams to manually fix issues in-house, and to liaise with the system providers by raising support cases. This can lead to additional ad-hoc costs depending on the type of issue and if system configuration is required.

5.5 This option is not recommended.

5.6 **Option 3.** The option to do nothing is not viable. The current version of the Adelante solution is not fit for purpose, it requires an upgrade to continue integrating with the system used by parking, this version will eventually become unsupported by Adelante, causing more issues for system integrations and payments across the Council.

5.7 This option is not recommended.

6. Resource Implications

6.1 The current annual costs of the income management services are £141k. It is forecast that the revised costs (based transaction quantities remaining at current levels) will reduce to c.£115k per annum once the proposals are implemented.

6.2 Additionally, the total costs of implementing the new proposals are anticipated to be between £60k and £70k, c.£10k lower than the anticipated upgrade fees for the existing services.

6.3 The proposed solution will bring efficiencies and resource savings from a reduction in manual interventions and issue resolution as all financial transaction data will be dealt with by TechnologyOne. It will negate the need for data to be exported/imported to different systems multiple times. It will reduce the time spent on fixing issues and improve reporting freeing up staff to work on adding value to services. Application Processing Interfaces (API's), that allow systems to automatically transfer data will be used to connect systems in real time, including Housing, Regulatory Services Parking and Planning.

6.4 Resource from the Digital team will include a Lead User, Business Analyst, Project Manager, Web Analyst/Developer and overall governance from the Digital and Technology Manager. The core team will call on other resource in the team when necessary. Resource will also be required from Financial Services, Accountancy and departments that have integrations or inputs into the current solution. Testers from impacted services areas will also be required for any User Acceptance Testing cycles.

7. Climate Change and Environmental Implications

7.1 In 2023 TechnologyOne received Climate Active certification as operations became carbon neutral in their global operations.

8. Corporate Implications

8.1 Comment from the Section 151 Officer (linked to the MTFP): Members are reminded that the Council's revenue and capital resources are under pressure and so they will wish to assure themselves that all proposals progress the Council's priorities, are the best option available and will deliver value for money. (AG)

8.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make (BD)

8.3 Comment from the Equalities Officer: This report on the migration of finance systems does not specifically highlight any equality implications however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010
<https://www.legislation.gov.uk/ukpga/2010/15/section/149>

9. Appendices

None.

10. Background Papers

Relevant papers on Digital Services files.

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