

Cabinet

6 March 2025

Approval to procure accounting system

Recommendations

That Cabinet:

1. Authorises the Executive Director of Resources, in consultation with the Portfolio Holder for Finance, to commence a procurement process for the provision of the Council's financial accounting system.
2. Authorises the Executive Director for Resources to enter into all relevant contracts and agreements necessary to implement this decision on terms and conditions acceptable to him.

1. Executive Summary

- 1.1 The Council's current finance system is provided by Unit4, with the contract for this service due to expire on 31st December 2027.
- 1.2 Approval is sought to commence a procurement exercise for the re-procurement of the finance system to ensure continuity of service for a business-critical system which is used to pay suppliers and employers, provide visibility of expenditure against budgets, and support the production of the Statement of Accounts, amongst other things.
- 1.3 Although the current contract has nearly three years left of its term, the procurement activity needs to be conducted in advance of the current expiry date to allow sufficient time for any implementation requirements to be considered.

2. Financial Implications

- 2.1 The current Unit4 contract costs £298,000 per annum (c £1.526m over the five year contract life) and covers the hosting and maintenance of our core financial ledger, alongside the Financial Planning & Analysis (FP&A) forecasting tool and the HeyCentric income management tool. These costs are met from the core Finance service budget.
- 2.2 Initial market testing has indicated that even with the same solution, there is likely to be an inflationary increase in costs as a minimum. Work will be

undertaken to establish the anticipated increase in costs, the funding of which may be the subject of an allocation request as part of the next MTFS refresh.

3. Environmental Implications

- 3.1 Our current ERP solution is operated 'in the Cloud' and any future system arising from the procurement activity is likely to be offered on a similar basis. As part of any procurement exercise, we would consider the environmental implications of the suppliers' tenders, particularly in relation to any sustainability measures they may have and appropriate certifications.

4. Supporting Information

- 4.1 The Unit4 ERP is the Council's key financial system, responsible for a variety of core deliverables, including ensuring accurate and timely payment to suppliers, payment of salaries to Council employees, recognition and coding of all income received by the Council, monitoring and forecasting across all revenue cost centres and capital projects and the production of the Statement of Accounts.
- 4.2 As such, it is imperative that the Council has a reliable and stable system which allows its officers to carry out its key duties, as well as providing the ability to drive efficiencies and implement new functionality to support improved financial decision making.
- 4.3 Given the essential nature of having a working financial system, it is vital that the Council has a clear plan on how it will transition to any new solution to ensure continuity of services and to guarantee that suppliers and employees continue to get paid on time during this cutover. Early consideration of potential avenues will allow these time considerations to be factored into any decision and to ensure that any change is delivered with the minimum of impact to our staff and our residents, as well as those individuals who interact with the Council.
- 4.4 The procurement and contracting process will ensure sufficient flexibility to deal with any Local Government Reorganisation (LGR) scenario which emerges from Government's programme of LGR however, due to the criticality of the Finance system to ensure robust financial management and the fact that current contract expires in December 2027, the Council cannot wait until after 2028 to let a new contract
- 4.5 This procurement activity will be delivered in line with the new Procurement Act Regulations which commenced in February 2025.

5. Timescales associated with the decision and next steps

5.1

Description	Date
Seek approval from Cabinet to procure	6 March 2025
Review available routes to market and procure	March 2025 to December 2025
Contract Awarded	December 2025
Implementation	January 2026 to December 2027
Current Contract Ends	31 December 2027
New Contract Begins	1 January 2028

Appendices

None

Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): N/A – County wide matter

Other members: Cllr Adrian Warwick, Cllr Parminder Singh Birdi, Cllr Sarah Feeney, Cllr Sarah Boad, Cllr Will Roberts