

REPORT OF THE AGRESSO WORKING GROUP
TO THE SCRUTINY COMMITTEE
14 FEBRUARY 2008

Review of the Agresso 5.5 Financial Management System implementation

1.0 Introduction

- 1.1 The Agresso Working Group was set up by the Scrutiny Committee on 14 June 2007 “to review the problems encountered during the Agresso 5.5 computer system implementation, in particular the following:
- a. The quality of the project management;
 - b. The impact of the backlogs in terms of cost, inconvenience to Council tax payers, and suppliers of goods and services;
 - c. The Council’s policy on Information Technology implementation”.
- 1.2 The Working Group has met on three occasions since July 2007, has read a considerable amount of documentation and held discussions with key Vale of White Horse District Council (VWHDC), South Oxfordshire District Council (SODC) and Capita personnel.
- 1.3 This short report lists the main findings of the Working Group. It should be noted that the Working Group decided at an early stage that it would be more productive to learn from the Agresso experience, rather than try to assign “blame” onto any particular individual or organisation.

2.0 Background

- 2.1 Implementation of a new accounting system is a challenging task for any organisation. In this instance the challenge was made much greater by the following factors:
- (1) The introduction of the Agresso system was part of a much larger change being implemented at the same time;
 - (2) A common system was being introduced for two clients (SODC and VWHDC) who had historically two radically different accounting systems and working practices which meant considerable compromise was required to introduce a common system;
 - (3) The implementation of the system was carried out by an external contractor (Capita) with the associated challenges of client/contractor interaction;
 - (4) After the contract had been signed with Capita, Agresso released a new version (5.5) which it was decided to implement but without a full appreciation by the contractor or the clients of the scale of differences between v5.4 and v5.5;

- (5) The implementation timetable was driven by external factors (the expiry of existing software licenses at SODC) which meant the scope for delay was limited (unless SODC and VWHDC had chosen to have different “go-live” dates – a point discussed further below).

3.0 Lessons

- (1) Prior to signing a software contract of this magnitude, in future a formal (joint) client review meeting should be held involving all interested parties (in this case: contracts, legal, IT, accountancy) which should review the scope of the contract against the initial specification (in this instance it appeared that the “Best and Final Offer” which as contracted was different in crucial aspects from the initial specification).
- (2) Furthermore, in the case of a multi-client contract it is important that an internal VWHDC meeting is held to ensure all important VWHDC concerns have been addressed.
- (3) In multi client projects, the VWHDC should always appoint a senior officer to the project oversight team.
- (4) When software projects are being carried out by external contractors, the contract and/or Project Implementation Document (PID) should ensure that the VWHDC’s well established IT implementation procedures are followed.
- (5) The agreement of, and signing of, a PID is a crucial part of a project – in future no work should commence until this document (which defines tasks and responsibilities) has been signed off.
- (6) In particular, there should be a well documented system for distributing specified progress reports and charts to named officers and Councillors. In this instance it was clear that although the Contractor regularly produced an updated Gantt chart it was not distributed widely, which made it difficult to measure progress against the plan.
- (7) In the event that the Contractor wishes to use a different version (or type) of software from that specified in the contract, the VWHDC should ensure that it:-
 - (a) is aware of the extent of the changes involved;
 - (b) seeks confirmation that the contractor has the appropriate experience and expertise to implement this new version, and if necessary require the Contractor to place appropriate sub-contracts onto specialist companies.
- (8) Training of staff is a vital part of any software project and should be carefully planned, trialled and timetabled. Should for any reason the training schedule slip, then serious consideration should be given to delaying the “Go Live” date (if appropriate contingency plans should exist in multi-client projects to allow for different “Go Live” dates at different clients).
- (9) In complex software projects the VWHDC should appoint either a senior (non-involved but suitably qualified) officer or an expert consultant to act as a “critical

friend” and produce regular reports for Councillors (in this instance it was apparent that the Contractor convinced members and officers that the system was ready to go live when in reality a delay to improve staff training and understanding would have been worthwhile). Such reports should confirm compliance with the VWHDC’s own IT implementation procedures.

- (10) In the event of problems arising post-implementation, a senior VWHDC officer overview team should be convened at the earliest opportunity, and include the Communications Team.

4.0 Impact of the Agresso Conversion

- 4.1 There is no doubt that the conversion problems have had a significant impact on staff morale in the VWHDC, has had an impact on some suppliers, and also incurred extra VWHDC officer resources to be devoted to devising and implemented a remedial programme. However, there does not appear to have been a widespread impact on Council Tax payers.
- 4.2 Whilst the Working Group is satisfied that the project will produce significant increases in productivity and consequent cost savings, it is concerned that the implementation problems have created short-term costs for the Council. It urges the officers to ensure as far as the contract permits, the contractor reimburses both extra direct expenditure (for example, un-refunded double payments) and indirect costs incurred (ie staff costs of the additional effort deployed to resolve the problems).

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