

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE:</b>	Finance and Resources
<b>DATE:</b>	15 March 2012
<b>DIRECTOR:</b>	Stewart Carruth
<b>TITLE OF REPORT:</b>	Revenue Budget 2011/12 Monitoring
<b>REPORT NUMBER:</b>	CG/12/039

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### 1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to inform Members on the forecast outturn and current financial position for the Council for financial year 2011/12 and to advise on areas of risk and management action that have been highlighted by directors.
- 1.2. The report also seeks approval for the upgrade of the financial monitoring and reporting tools that the council uses and presents the business case for this to take place.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

1. notes the content of the report;
2. approve the business case in relation to the development and upgrading of the Council's financial monitoring and reporting systems;
3. approve an exemption under Standing Order 1(6) (a) in order to authorise the purchase of the upgrade without a competitive tendering exercise being undertaken; and
4. approve the cost of the upgrade of £169,951

### 3. FINANCIAL IMPLICATIONS

- 3.1 The Corporate Management Team (CMT) are now forecasting to achieve a better than balanced budget position in the current financial year, reducing the need to call on one-off funding streams in this financial year and preparing the council for sustainable service delivery into 2012/13.

- 3.2 The present forecast shows that should the forecast outturn be reflected in the accounts at the end of the year there will be an increase in the General Fund uncommitted balance of £2.8 million. This is an improvement of £3.9 million since the last report to Committee (an improvement of £0.8 million since the last management performance report).
- 3.3 It is important to recognise that the budget has been set with the intention of using one-off funding sources. The use of this funding is either set aside from the uncommitted reserves and balances available in the General Fund or expected as a one-off receipt in 2011/12. Risk remains as to the generation of £4 million from asset utilisation and as such the forecast position has been adjusted to reflect non-recovery.
- 3.4 Uncommitted General Fund balances at year end would be £14.1 million and therefore above the recommended balance of £11.3 million that the Council has previously set, which is defined as 2.5% of the net revenue budget.
- 3.5 The costs associated with the upgrade of Business Objects are to be met from the Finance Budget, which has within it a sum to maintain the eFinancials system. The cost for this upgrade is in excess of the annual budget available due to the scale of this change and as such the one-off use of savings generated in the management of vacancies throughout the year will be used to cover the cost. As contained in the business case the cost in 2011/12 will amount to £121k.
- 3.6 Ongoing annual cost of software licences and maintenance agreements is £12k. This cost will be offset by a reduction in staffing within Finance, the total expected saving being £94k per annum.

#### **4. OTHER IMPLICATIONS**

- 4.1. Every organisation has to manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by Members. This report is part of that framework and has been produced to provide an overview of the current operating position.
- 4.2. In relation to the business case to upgrade the business objects reporting tool there are legal risks associated with this. The procurement team has looked at the case and on further discussion it is believed that a very low level of risk exists in these circumstances.

## 5. BACKGROUND / MAIN ISSUES

- 5.1. The report enables the Committee to consider the overall financial position, with specific reference to the General Fund, for this financial year. Building on the previous report considered by the Committee, this report provides the opportunity to recognise the progress that has been made since then.
- 5.2. Since the last Committee the Corporate Management Team has received regular reports on the financial performance and is aware of the risks that exist.
- 5.3. This report considers the projected outturn for the Council as a whole and is based upon information and analysis provided to the individual Service Committees, in reports that have been considered during the current cycle of meetings.
- 5.4. Information within this report provides a high level expenditure projection for the consideration of Members and presents actual financial figures to the end of January 2012 and the latest available projections for the full year.
- 5.5. Appendix A includes a summary of the overall Council projected position.

### **Financial Position**

- 5.6. In overall terms the statement at Appendix A shows the Council is balancing its budget overall and forecasting to make a contribution to the General Fund balance of £2.8 million during the year.
- 5.7. This represents a 0.6% variance from budget and the CMT has tracked the progressive improvement since the last Committee report. The potential for further improvement still exists in the final two months of the year and this will be monitored by the CMT, prior to the statement of accounts being prepared.
- 5.8. While there is only a short time until the financial year ends the most significant risks and matters arising from the figures that are presented include the following:

- 5.9. Social Care and Wellbeing reports that reduced expenditure on commissioned services, staff cost savings and other miscellaneous running expenses will all contribute to a forecast outturn that is below budget. Against these favourable costs is a shortfall in income which reduces that under spend forecast. This favourable position is in addition to the £4m budget reduction that was agreed by the Committee in June 2011. As part of that budget adjustment, and held within corporate contingencies, is £1 million retained to assist the Service with in year pressures associated with service redesign if required. At this time there has been no requirement to access this funding.
- 5.10. The Social Care and Wellbeing forecast against budget is an improvement of £0.7 million on the last report presented to the Committee and represents £1.4 million below budget at the year end.
- 5.11. Within the Education, Culture and Sport budget there are a number of areas of risk the Service is currently trying to manage. This includes out of authority placements and school transport. These issues remain consistent with those reported to the last meeting. The forecast outturn is impacted by additional costs for school transport and a shortfall in income, which is offset by savings from strike action on 30 November and refunds received on Non Domestic Rates, following a successful conclusion to appeals that were submitted.
- 5.12. The Education, Culture and Sport forecast against budget has improved by £0.8 million since the last report and represents £0.2 million below budget at the year end.
- 5.13. Enterprise, Planning and Infrastructure reports a significantly different forecast outturn from the last report to committee, as the transfer of the Housing element of architecture design service has been transferred to Housing and Environment. This not only aligned the delivery of the specific services it split the under recovery of income for the service between the two Services – approximately £2 million – resulting from changes to the capital programmes. Staff savings across Enterprise, Planning and Infrastructure were covering much of this shortfall and as such the forecast outturn is now substantially under budget. An increase in income from building application fees has improved the position in recent months. The main risks that have been identified are in relation to winter maintenance, although this has reduced significantly since there has been no major snow falls this year to date. Also the income streams that the Services receives, such as planning fees and school meals are subject to a degree of variability which is not in the control of the Council.
- 5.14. The Enterprise, Planning and Infrastructure forecast against budget has improved by £2.7 million since the last report and represents £2.3 million below budget at the year end.

- 5.15. Housing and Environment has the impact of the transfer of the architecture design service from Enterprise, Planning and Infrastructure, and as such has had to adjust its forecasts to recognise the income under recovery that is expected, as mentioned at 5.13 above. In addition to this there are savings anticipated on waste disposal in the region of £1.5 million while housing costs for homelessness services are also under budget due to the level of recoveries being seen. Cost pressures of £1.4 million are being experienced in relation to horticultural services, which is subject to a current review.
- 5.16. The Housing and Environment forecast against budget has deteriorated by £2 million since the last report and represents £1.8 million above budget at the year end.
- 5.17. Corporate Governance is forecasting that staff savings and a further saving on insurance premiums against budget is having a beneficial impact on its ability to work within the budget. Cost pressures exist in relation to the closure of the Whitemyers purchasing centre and a shortfall in income.
- 5.18. The Corporate Governance forecast against budget has improved by £0.3 million since the last report and represents £1 million below budget.
- 5.19. The Corporate budgets which are made up of things such as funding to Joint Boards, Council Expenses and funding set aside for contingencies and to pay for service redesign / workforce reduction costs are generally forecast to be in line with budget, with three exceptions.
- 5.20. The first exception is in relation to a reduction in the overall surplus generated by the various trading accounts. During the year, based on a report to Finance and Resources Committee in October 2011 the number of trading accounts was reduced. The impact of this has now been incorporated into the budget monitoring, with new reporting relationships having been created within the main Service budgets. The remaining trading accounts are forecast to generate surpluses in the region of £7.1 million and within this the main contributors are Property Letting and Car Parking.
- 5.21. It has been identified that the Car Parking income is expected to be lower than had been budgeted and this is having a direct impact on the overall surplus. Furthermore the Building Services function is forecasting that a surplus approximately half of that budgeted will be achieved. The overall forecast outturn for trading surpluses is a shortfall against budget of £1.9 million.

- 5.22. The second exception is the one-off funding stream that had been budgeted to be received from Asset Utilisation. It has been recognised that this will not be received and adds a cost pressure of £4 million to the corporate budgets. The offsetting factor to balance the position is the adjustment that was made to the Social Care and Wellbeing budget referred to at 5.9 above, with £3 million being held to address this income shortfall.
- 5.23. The other exception is in relation to Joint Boards, where a return of surpluses / reserves to the council has been made by all three of the Boards. A total of £1 million has been returned and this has a corresponding benefit to the budget.
- 5.24. Within the overall General Fund Budget there are contingencies that are in addition to the sums that are earmarked against the General Fund balance, and provide a degree of protection against unexpected or unplanned expenditure being incurred. At present the council retains £1.9 million in contingencies.
- 5.25. The figures outlined reflect progress on achieving approved budget savings of approx. £22 million which were incorporated into the budget.

#### **Management Actions**

- 5.26. As the financial year progresses it is imperative that Services continue to deliver the Priority Based Budgeting options that are included within Service budgets. Indications are that while there are a number of areas of risk Services are generally working towards full delivery of the options. This positive momentum also needs to be maintained within the context of the Council's 5 year business plan.
- 5.27. Services should be looking ahead with planning and implementation activity in relation to the savings that have recently been approved by the Council for implementation in 2012/13. At the meeting of the Council in December 2011 a further £3 million of savings were agreed.

### **6.0 Financial Monitoring and Reporting System Upgrade**

- 6.1 In order to develop and upgrade the financial monitoring and reporting capabilities of the Council an opportunity has arisen in conjunction with the ongoing upgrade of the eFinancials system to improve the Business Objects tools that are presently used.
- 6.2 Contained at Appendix B is a business case outlining the various aspects of the opportunity and identifying the savings that can be achieved in future years following the upgrade.

- 6.3 The key features of the investment include year on year savings from streamlined and more effective and efficient ways of working; business systems remain fit for purpose and are fully integrated with the core financial system (eFinancials); and enables enhanced devolved reporting capabilities that provides Service Budget Holders with easy access to timely, consistent budget information at their convenience.
- 6.4 The need for this upgrade to be integrated with the eFinancials system means that the supplier of such an upgrade has to be the supplier of the eFinancials system – Advanced Business Systems. This creates a procurement risk as the value of the upgrade is in excess of the EU threshold for goods and services. This means that a spend of this amount should be subject to a competitive tender exercise in accordance with the Public Contracts (Scotland) Regulations 2006 (the “2006 Regulations”). Where a contract of this value is directly awarded it breaches the requirements of the 2006 Regulations and exposure to a risk of legal challenge.
- 6.5 The special circumstances that require exemption under Standing Order 1(6) (a) are that no other supplier could provide Business Objects Licences that can integrate with their efinancials system. If purchase of licences was undertaken from another supplier, we would still require input from Advanced Business Systems to undertake work with the licence supplier to integrate the licences with efinancials. This would add additional cost to the upgrade and also support costs following any upgrade of efinancials.
- 6.6 The risk has been explored with the Procurement team who, on assessing the risk, have advised that the Council’s exposure to challenge is extremely minimal
- 6.7 In accordance with Standing Order 1(12), the terms and conditions of contract for the upgrade shall be subject to the approval of the Head of Legal and Democratic.
- 6.8 It is therefore recommended that an exemption to Standing Orders proposes that a competitive tender will not be undertaken.
- 6.9 The full business case is shown at Appendix B.

## **7. IMPACT**

- 7.1 As a recognised top priority the Council must take the necessary measures to balance its budget. Therefore, Services are expected to work within a financial constraint as defined by their annual budgets.

7.2 Opportunities to balance the budget will be identified by each Director and reported as necessary through the relevant service committee.

## **8. BACKGROUND PAPERS**

Financial ledger data extracted for the period, and service committee reports on financial monitoring;

## **9. REPORT AUTHOR DETAILS**

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**ABERDEEN CITY COUNCIL  
2011/12**

**FINANCIAL MONITORING**

As at end of January 2012 Accounting Period 10	Full Year Revised Budget £'000	Year to Date			Forecast to Year End		
		Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Forecast Outturn £'000	Variance Amount £'000	Variance Percent %
<b>Services</b>							
Office of Chief Executive	771	627	669	42	755	(16)	(2.08%)
Corporate Governance	27,199	22,018	20,084	(1,934)	26,179	(1,020)	(3.75%)
Enterprise Planning and Infrastructure	43,570	27,072	24,502	(2,570)	41,277	(2,293)	(5.21%)
Housing and Environment	40,750	31,131	28,536	(2,595)	42,586	1,836	4.50%
Education Culture and Sport	174,458	135,925	133,871	(2,054)	174,221	(237)	(0.14%)
Social Care and Wellbeing	120,384	98,982	96,337	(2,645)	119,023	(1,361)	(1.13%)
<b>Total Service Budgets</b>	<b>407,132</b>	<b>315,755</b>	<b>303,999</b>	<b>(11,756)</b>	<b>404,041</b>	<b>(3,091)</b>	<b>(0.76%)</b>
<b>Total Corporate Budgets</b>	<b>37,772</b>	<b>30,417</b>	<b>26,841</b>	<b>(3,576)</b>	<b>38,124</b>	<b>352</b>	<b>0.96%</b>
<b>Total Net Expenditure</b>	<b>444,904</b>	<b>346,172</b>	<b>330,840</b>	<b>(15,332)</b>	<b>442,165</b>	<b>(2,739)</b>	<b>(0.62%)</b>
<b>Funding:</b>							
<u>Government Support-</u>							
General Revenue Grant & Non-Domestic Rates	(338,269)	(281,891)	(278,838)	3,053	(338,269)	0	0.00%
<u>Local Taxation-</u>	0						
Council Tax & Community Charge Arrears	(106,635)	(88,863)	(88,655)	208	(106,650)	(15)	0.01%
	0						
<b>Total Funding</b>	<b>(444,904)</b>	<b>(370,754)</b>	<b>(367,493)</b>	<b>3,261</b>	<b>(444,919)</b>	<b>(15)</b>	<b>0.00%</b>
<b>Net Impact on General Fund</b>	<b>0</b>	<b>(24,582)</b>	<b>(36,653)</b>	<b>(12,071)</b>	<b>(2,754)</b>	<b>(2,754)</b>	

**Upgrade of Business Objects – Business Case**

Within the Service Accounting Team, Budget Reporting and Monitoring business system produces the following outputs:

- Monthly budget monitoring reports;
- Highlight reports (for Corporate Management Team and Service Management Teams);
- Ad hoc reports; and
- Ad hoc advice.

These outputs are produced to support a wide range of internal and external stakeholders including Committees, Corporate Management Team, Service Management Teams, Service Budget Holders, External Partners, Internal Audit, External Audit, Audit Scotland, Regulatory Bodies and the Scottish Government. In addition to these reports there are many specific reporting requirements within the Finance teams e.g. for collation of grant claims, control reports, background reports, summary reports, year end information, etc.

**Cost of the upgrade**

Costs, Cash Flow and Net Benefit

£	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	TOTAL
<b>Revenue Expenditure</b>						
<i>Maintenance for Software Licence Fees</i>						
<b>TOTAL (A)</b>		12,153	12,153	12,153	12,153	48,612
<b>Capital Expenditure</b>						
<i>Software Licence Fees and Consultancy</i>						
<b>TOTAL (B)</b>	121,339					121,339
<b>TOTAL (A+B)</b>	<b>121,339</b>	<b>12,153</b>	<b>12,153</b>	<b>12,153</b>	<b>12,153</b>	<b>169,951</b>
<b>Benefits</b>						
One-off benefits						
On-going benefits		94,000	94,000	94,000	94,000	376,000
<b>TOTAL (C)</b>		<b>94,000</b>	<b>94,000</b>	<b>94,000</b>	<b>94,000</b>	<b>376,000</b>
<b>NET BENEFIT (C-(A+B))</b>	<b>-121,339</b>	<b>81,847</b>	<b>81,847</b>	<b>81,847</b>	<b>81,847</b>	<b>206,049</b>

**Investment Appraisal**

Measure	Value
<i>Payback (years)</i>	1.3 years
<i>Net Present Value (over 5 years at 5% discount)</i>	£160,844
<i>Internal Rate of Return (IRR)</i>	56%

**The Reason for upgrading Business Objects.**

The upgrade is required to assist in providing an improved service to stakeholders, who receive outputs from the Budget Reporting and Monitoring business system, by allowing the four areas of the business system to work in better harmony so that performance can be optimised and the expectations of the stakeholders and the business needs can be fulfilled.

There is a business need to:

- ensure the Finance business intelligence technology is fit for purpose, supported and fully integrates with eFinancials and supports better financial management of £450m of public money;
- enhance devolved reporting capability and provide Service Budget Holders with easy access to timely, consistent budget information at their convenience;
- reduce the manual effort Services Accounting spend on non value added tasks related to collating and producing reports, so allowing them to redirect their effort towards the value added tasks of budget holder training, improving financial processes and controls and providing financial advice, therefore allowing them to become more efficient and effective in meeting the expectations of the stakeholders;
- to improve the quality of management information and financial controls;
- reduce the various routes to obtaining information and review and simplify the process for Service Budget Holders; and
- provide more cross cutting reports and overarching control reports that will provide earlier opportunities to highlight risks and therefore target resource more effectively

As shown above in the cost to upgrade table, the upgrade of the Business Objects system provides the opportunity to make significant budget savings over the next 5 years. The current supplier Advanced Business Systems can undertake this upgrade. Business Objects is the only business tool that has been developed to integrate with eFinancials and for which the manipulation of data in eFinancials universes is fully supported. eFinancials is their proprietary system.

**The need for an exemption from (the need to undertake a procurement exercise)**

The key risk associated with undertaking the upgrade as a direct award is that the aggregated expenditure on the Business Objects upgrade is in excess of the EU threshold for goods and services. This means that a spend of this amount should be subject to a competitive tender exercise in accordance with the Public Contracts (Scotland) Regulations 2006 (the "2006 Regulations"). This request for an exemption to Standing Orders proposes that a competitive tender will not be undertaken. Where a contract of this value is directly awarded it breaches the requirements of the 2006 Regulations. A breach exposes the Council to the risk of legal challenge, which if successful, could result in the reduction of the contract; a fine and an award of damages. There are also reputational and operational consequences that would need to be considered.

The risk has further been explored with the Procurement team who, on assessing the risk, have advised that the Council's exposure to challenge is extremely minimal.

If the exemption is not granted either no upgrade will happen or there will be a requirement to tender for a new Accounting's Budget Reporting and Monitoring business system which is anticipated to take a minimum of 6 months.

As shown above and in the costing table, the upgrade of the existing Business Objects system provides the opportunity to make significant budget savings over the next 5 years.

Funding has been agreed and secured for the system upgrade from the Finance service budget – specifically the development team budget where a sum to develop and upgrade the system is held. As the one-off costs are in excess of this budget then these costs will be met from the use of savings achieved in the current financial year across Finance, including savings from staff vacancies. Ongoing annual costs will be met from savings achieved through the reduction in the Finance staff establishment.

Given these circumstances, an exemption under Standing Order 1(6) (a) is requested.

### **Impact of Having to Tender**

In the event that a tender process is required, this would delay the process of improving the support to Budget holders who receive outputs from the Budget Reporting and Monitoring business system. This could take in excess of 6 months, additional costs will be incurred to deliver what is currently in place, particularly as our current version of Business Objects will soon be unsupported, and staff within Services Accounting Team will have to increase manual effort to deliver information to Budget holders.

### **Failure to upgrade Business Objects**

If the upgrade of Business Objects does not go ahead this will lead to:

- Weaker financial control and unplanned overspend/under spend of £450m of public money
- Our current version of Business Objects will become unsupported.
- Our current version of Business Objects won't fully integrate with the next release of eFinancials.
- Existing Business Objects reports that can, currently, be simply updated may not work.
- We may have to revert to Excel and other eFinancials tools for some reports and this is very time consuming.
- Services Accounting will have to redirect effort from value added tasks to non value added tasks.
- Without increasing staffing levels Services Accounting won't be able maintain the current level of effort spent on the value added tasks.
- The devolved reporting capability will be reduced and the opportunity to enable budget holders' access to timely, consistent information at their convenience will be lost.
- Increased negative feedback from Service Budget Holders.
- Increased negative impact on Services Accounting's service provision.
- Without increasing staffing levels Services Accounting won't be able to improve the quality of management information and financial controls.
- Without increasing staffing levels Services Accounting won't be able to provide more cross cutting reports and overarching control reports that provide earlier opportunities to highlight risks and therefore target resource more effectively.
- It will become more difficult to sustain the business system.
- It will become increasingly difficult to meet our statutory requirements.

**Operational benefits of buying the upgrade**

- the Finance business intelligence technology will be fit for purpose, supported and fully integrate with eFinancials and so support better financial management of £450m of public money;
- enhanced devolved reporting capability that provides Service Budget Holders with easy access to timely, consistent budget information at their convenience;
- improved processes that allow for a reduction in the effort required to carry out non value added tasks of 3.3 FTEs so this effort can be redirected towards value added tasks within Services Accounting by 31<sup>st</sup> March 2013;
- Services Accounting will become more efficient and effective in meeting the expectations of the stakeholders by reducing manual effort spent on non value added tasks related to collating and producing reports and redirecting this effort towards the value added tasks of budget holder training, improving financial processes and controls and providing financial advice;
- positive feedback from Service Budget Holders;
- positive impact on Services Accounting's service provision;
- improved processes that allow for a staffing reduction of 2.5 FTEs within the Reporting and Monitoring section by 1<sup>st</sup> July 2012;
- improved quality of management information and financial controls;
- the provision of more cross cutting reports and overarching control reports that will provide earlier opportunities to highlight risks and therefore target resource more effectively;
- future potential to extend functionality to include capturing data from other management information sources; and
- a more sustainable business system.

**Risks**

See attached Risk Register

Budget Reporting and Monitoring Business System  
Initial Risk Register

No	Description	Type	Causes/Scope	Potential Consequences of Risk	Risk Matrix	Risk Score	Proximity	Risk Control Measures	Action Now Proposed	Critical Success Factors	Owner	Date of Last Review
1	Change management - Senior Management do not support and provide direction for the project	Organisational/management/ human factors	Poor project and change management	Benefits not fully realised, leading to weaker financial management of £450m	 Consequences Likelihood	6	Now	Project and change management	Manage project effectively and establish change management plan	Realisation of benefits	B Jenkins/ G Stevens/ C Smith	
2	Change management - poor engagement from Service Budget holders	Organisational/management/ human factors	Poor project and change management	Benefits not fully realised, leading to weaker financial management of £450m	 Consequences Likelihood	9	Project Stage 1	Project and change management	Manage project effectively and establish change management plan	Realisation of benefits	B Jenkins/ G Stevens/ C Smith	
3	Change management - poor engagement and development of staff roles in Services Accounting	Organisational/management/ human factors	Poor project and change management	Benefits not fully realised, leading to weaker financial management of £450m	 Consequences Likelihood	6	Project Stage 1	Project and change management	Manage project effectively and establish change management plan	Realisation of benefits	G Stevens/ C Smith	
4	Preparation and data cleansing not completed effectively and to timescales	Technical/operational/ infrastructure	Poor project management	Project delay or system/process implementation weaker than best practice	 Consequences Likelihood	6	Now	Project management	Manage project effectively	Realisation of benefits	G Stevens/ C Smith	
5	Supplier does not deliver software/installation or training effectively and to timescales	Strategic/commercial	Poor project management	Project delay or system/process implementation weaker than best practice	 Consequences Likelihood	6	Project Stage 1	Project and contract management	Manage project effectively and manage contract terms	Project delivered on time and to budget	G Stevens/ C Smith	
6	Risk to financial management due to all aspects of project not delivering effectively and to timescales	Organisational/management/ human factors	Poor project and change management	Project delay or system/process implementation weaker than best practice	 Consequences Likelihood	4	Project Stage 1	Project and change management; ensuring that existing systems are maintained during change process in case of delays	Manage project effectively and establish change management plan	Project delivered on time and to budget	C Smith	
7	Benefits not realised in Services Accounting	Strategic/commercial	Poor project and change management	Benefits not fully realised, leading to weaker financial management of £450m; investment of additional time in value added tasks not achieved	 Consequences Likelihood	6	Post Project	Project and change management	Manage project effectively and establish change management plan	Realisation of benefits	C Smith	
8	System does not meet requirements of Service Directorates or is difficult to use - leading to avoidance or system weaknesses	Technical/operational/ infrastructure	Poor project and change management	Benefits not fully realised, leading to weaker financial management of £450m, continued negative impact on Services Accounting	 Consequences Likelihood	6	Project Stage 1	Project and change management; in particular pre-implementation planning, consultation, process review	Manage project effectively and establish change management plan	Realisation of benefits	B Jenkins/ G Stevens/ C Smith+T17	
9	Poor value for money of investment	Strategic/commercial	Poor project and change management	Investment does not deliver benefits	 Consequences Likelihood	2	Post Project	Risk controls on all other risks	Manage project effectively and establish change management plan	Realisation of benefits	B Jenkins/ G Stevens/ C Smith	
10	That we require a dedicated server rather than a change in specification of servers	Technical/operational/ infrastructure	unexpected circumstance	A delay in the infrastructure being available	 Consequences Likelihood	6	Project Stage 1	Project Issue management	Manage project effectively	Project delivered on time Additional ongoing cost	Ian Lamb	