

GREATER LONDON AUTHORITY

REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD235

Title: Replacement Finance and Purchasing System

Executive summary:

This report requests the approval of the Deputy Mayor for Fire and Resilience to authorise the London Fire Commissioner (LFC) to commit revenue expenditure up to the amount set out in the Part Two report over 10 years for the provision of development, implementation and maintenance of a new Finance and Purchasing system.

The current system is reaching the end of its useful life. It is crucial that a replacement is found to support the organisation's decision-making, strategic objectives and transformation programme. There has been a lengthy, robust, open and transparent procurement process and the LFC is now in a position to proceed to contract for up to 10 years.

A previous decision (Deputy Mayor for Fire and Resilience Decision [DMFD] 135) agreed expenditure on a new Finance and Purchasing system by LFC in 2021. This decision will update DMFD135 and will approve a higher level of expenditure, which LFC has identified as necessary following the procurement process. The costs will be considered as part of the final 2024/25 budget setting process and London Fire Brigade Budget Report in March 2024.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".

Decision:

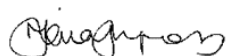
That the Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner to commit revenue expenditure up to the amount set out in the Part Two report over 10 years for the development, implementation and maintenance of a new Finance and Purchasing system.

Deputy Mayor for Fire and Resilience

I confirm that I do not have any disclosable pecuniary interests in the proposed decision.

The above request has my approval.

Signature:



Date:

04/03/2024

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE DEPUTY MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. Report LFC-24-016 to the London Fire Commissioner (LFC) explains that there are around 5,500 employees at London Fire Brigade (LFB) many of whom use the current finance and procurement system. It is imperative that they are able to use good, easy to use intuitive systems in their day-to-day activities.
- 1.2. It has been identified that LFB's Finance department struggles to recruit and retain staff as the current finance system (Masterpiece) needs updating and requires considerable manual intervention and workarounds resulting in control risks (as highlighted in internal audit reports) as well as demotivation and high turnover of finance staff. There are similar issues with the LFB's current procurement system Purchase Order Management System (POMS), which LFB report is not fit for purpose in the modern era and has not been for many years. The current user experience is very poor with end users, especially at the fire stations, getting frustrated with processes that should be simple when trying to order uniform or equipment.
- 1.3. In 2021, DMFD135 approved expenditure for a new system. Approval is now sought for additional funding to align with the actual cost of the contact over 10 years. This is needed to ensure there is a robust system in place to support the high level of users and the move to more modern ways of working.
- 1.4. LFC is required to collaborate with other Fire and Rescue Services as well as across the Greater London Authority Group. The ideal solution will be consistent with group related organisations wherever possible allowing for collaborative opportunities. Discussions are ongoing to this effect.
- 1.5. All financial costs are currently commercially sensitive, as the tender process has not yet completed, and are shown in Part Two of this report, which is confidential for this reason.
- 1.6. The option to do nothing and remain with the existing Masterpiece core system was considered in the previous report, including the procurement POMS application. This is not considered to be a viable option as we have been advised that the current system is approaching end of life and clearly no longer meets the strategic needs of the LFC. Continuing with the current system poses a significant risk to the delivery of core finance and purchasing services, limits LFC's ability to deliver its strategic objectives, due to its age and lack of modern technological functionality.

2. Objectives and expected outcomes

- 2.1 The objectives and expected outcomes for this additional funding for a replacement Finance and Purchasing system remain the same as stated in the previous decision (DMFD135) which was approved by the Deputy Mayor in 2021. These include:
 - Development of a fit for purpose specification for an off the shelf, configurable Finance and Purchasing system instead of a bespoke and heavily customised option;
 - At a minimum, functionality in the following areas: core finance, budget monitoring, E-invoicing, purchasing, contracts, catalogues, operations support group, integration and document management;
 - The possibility of including budget management and warehouse management into a single solution;
 - Enhanced capabilities over the existing system including reporting and analytics, self-service,

workflow automation and mobile access;

- Procurement of a software solution that is easy to use, maintain and support. Adopting standard integration methods for data capture and transfer where required and be accessible across different LFC access points. Additionally, it will integrate with Microsoft 365 suite of applications and services to provide an excellent user experience for all staff groups.

Benefits

- 2.2 As part of the LFC's project/programme governance, the Finance and Purchasing System Project Team has considered the benefits of this project and a benefits management approach.
- 2.3 Expected benefits and how they will be measured are listed below:

Benefit Overview - Section 1			
Benefit Category	Benefit Description	Strategic Alignment – Community Risk Management Plan	Owning Department/Team
Efficient resource utilisation	<p>Benefit as detailed in the Project Initiation Document (PID):</p> <p>Improved processes, financial and procurement controls, management information, workflow and enhanced automation should reduce the amount of manual effort involved across all areas. More financial management to be undertaken in the finance system, rather than through spreadsheets or 'front ends'. This should include significant high profile work including the budget and accounts.</p>	<p>This project is part of CRMP Programme 6.- <i>We will work together to provide the best possible services to meet your needs.</i></p>	N/A

Benefit Details – Section 2			
Details and Schedule of Realisation	Realisation Measure	Changes Required for Realisation	Owning Department/Team
Capital budgeting executed in the new system rather than in external spreadsheets. Realised after budget cycle complete.	This capability will be in place and available for use at go live with new system. Qualitative feedback from the staff and managers that the system has improved efficiency.	To use new system. Finance and other departments will need to adapt and change business processes and ways of working to accommodate the new systems benefits and functionality.	Finance
Transactional analysis executed in the new system rather than in	This capability will be in place and available for use at go live with new system. Qualitative feedback	To use new system. Finance and other departments will	Finance

multiple alternative applications/interfaces. Realised as soon as the system is live.	from the staff and managers that the system has improved efficiency.	need to adapt and change business processes and ways of working to accommodate the new systems benefits and functionality.	
Capability to better interface with the feeder systems, including iTrent (Payroll), realised as soon as the system is live	This capability will be in place and available for use at go live with new system.	Would require development work.	ICT
More accessible, granular and better structured data. Once implementation is complete the data will be available.	At present this is not possible as data options are limited in the current system.	System live.	ICT
Automated and more efficient purchase to pay process with less manual intervention.	Based on the successful execution of User Acceptance Testing (UAT) test scripts proving automation of purchase to pay processes including streamlined POMS functionality and user experience for end users. Qualitative feedback from the staff and managers that the system has improved efficiency and processes take less time.	System live. Finance and other departments will need to adapt and change business processes, guidance and ways of working to accommodate the new systems benefits and functionality.	Finance and Procurement
Streamlined and fully audited ordering and authorisation lifecycle.	Based on the successful execution of UAT test scripts proving automation of ordering and payment processes and audit capability.	System live.	Finance and Procurement
Further support our strategic aims around staff and manager accountability, realised once system implementation is complete.	Based on the successful execution of UAT test scripts proving segregation of duties, appropriate authorisation levels and audit capability.	System live. Finance and other departments will need to adapt and change business processes and ways of working to accommodate the new systems benefits and functionality.	Finance and Procurement
More user accessible reporting capability and improved strategic planning, realised one full year after implementation is complete.	Report creation more user friendly and system queried more easily, based on user feedback from Finance and Procurement staff. More clearly defined procurement category strategies and spend analysis. Capture of additional data for	Business as usual strategic planning process will not change but less assumptions will need to be made due to data improvements referenced above.	Finance and Procurement

	compliance, performance KPIs and reporting purposes.	Compliance data will be fully captured.	
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3. Equality comments

- 3.1 The LFC and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
- 3.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3 The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
 - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic.
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- tackle prejudice
 - promote understanding
- 3.8 An Equality Impact Assessment has been completed and the impact of the integrated and accessible system like this one proposed is very positive for all, so also for protected characteristics. As part of

any tendering process, LFB requests an Equality Statement, Modern Slavery Statement, and more specific policies, such as a trans policy.

- 3.9 The new system would promote inclusion because it will better utilise accessibility tools enabled in the system and compliment accessibility tools provided by the new LFC desktop and Microsoft 365. This benefit would also be enhanced by the more widespread use of tablets /laptops (outside of Citrix) where accessibility tools such as dictation, voice control and speech recognition will be able to run locally offering enhanced functionality.
- 3.10 It is expected to benefit those with neurodiversities to select the viewing option most appropriate for their specific needs and all training provided on the system will be inclusive, considering neurodiverse communication, different learning styles, training documents handouts for training sessions as appropriate etc.
- 3.11 Microsoft package also includes 'text to audio' and 'enlarge screen' options, which would serve as adjustments for people with sight and hearing problems. Altogether, the proposal has a very positive impact on accessibility and cognitive processing of finance and purchasing.
- 3.12 Whilst the Finance and Purchasing system is used by a relatively small group of staff, the procurement element (i.e. POMS replacement) could in theory be used by the majority of the organization.
- 3.13 The software itself has not yet been selected, however, the project team will welcome the opportunity to ensure any requirements from the equality groups are captured.

4. Other considerations

Workforce comments

- 4.1. Engagement with staff, consistent with Local Digital Declaration principles will be required, to meet principle 1 which is: 'We will go even further to redesign our services around the needs of the people using them. This means continuing to prioritise user needs above professional, organisational and technological silos'.
- 4.2. During Phase 1 of the project (development of business requirements) there were a significant number of stakeholder workshops and engagement sessions involving staff from various teams in Finance and Procurement, as well as staff from OSG, ICT, Fleet, Fire Stations and Property. The stakeholders who have contributed to the workshops will be involved in every further stage of the project to ensure that the software produced meets their requirements and is easy to use.

Sustainability comments

- 4.3. At present no specific sustainability implications have been identified in relation to this procurement.

Procurement comments

- 4.4. Procurement comments are contained within Part Two of the report.

Conflicts of interest

- 4.5. There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

5. Financial comments

5.1 Finance comments are contained within Part Two of the report. There are no direct financial implications for the GLA.

6. Legal comments

6.1 This report seeks authority to commit expenditure set out in Part 2 allowing the LFC to award a contract up to 10 years for a new Finance and Purchasing system.

6.2 Under section 327D of the Greater London Authority Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.

6.3 By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor"). In particular, paragraph (b) of Part 2 of the said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...". The value of proposed contract, as set out in the Part 2, exceeds this threshold, therefore the prior approval of the Deputy Mayor is required in accordance with the aforementioned direction.

6.4 Report LFC-24-016 to the LFC, as reviewed and commented upon by LFC's General Counsel, confirms an open and transparent tender process has been undertaken in accordance with the Public Contract Regulations 2015. The contract award decision is delegated to the Assistant Director of Procurement and Commercial Services.

6.5 These comments have been adopted from those provided by the LFC's General Counsel Department in report LFC-24-016 to the LFC.

Appendices and supporting papers:

Appendix 1 – Part 1 of report LFC-24-016 to the London Fire Commissioner

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer

Richard Berry has drafted this report with input from the LFC and in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service

Niran Mothada has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Fire and Resilience for approval.

✓

Advice

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

A summary of this decision was reviewed by the Corporate Investment Board on 4 March 2024.

✓

INTERIM CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:

Date:

04/03/2024