

BLYTH TOWN COUNCIL

Governance Committee

7 January 2025

Report

Financial Software

Recommendation

The Committee RESOLVE to agree:

- i) To consider allocating funding to purchase sector specific financial accounting software ahead of the 2025/26 financial year, and**
- ii) To delegate power to the Town Clerk to determine which accounting software is most appropriate, subject to further detailed demonstration with the preferred companies.**

Costs: Shown in the table in Appendix 1.

Ward

All

Risk Management

Purchase cost and annual license/support cost. Improved the efficiency and accuracy of the Council accounts by using a reliable sector specific database. There is no budget provision for this, but it would be offset by existing costs to support the system of VAT submission.

Objective

To increase the efficiency of managing the council accounts with an easy to use robust, fit for purpose and sector specific accounting software package.

Report

The Council operates its financial accounts on a complex excel database of spreadsheets with vast amounts of formula and functions holding it together to operate efficiently. Budget monitoring is held on a separate spreadsheet that links to the main cashbook. While the database is very clever, it does have weaknesses. While spreadsheets can be familiar to many, the Blyth Town Council database is extremely advanced. The existing staff structure is strained and limited by the many intricacies that are not user friendly, making version control, data sharing and report production inefficient.

The Council have an annual subscription with Free Agent at a cost of £330 for the submission of VAT claims as HMRC do not support VAT claims via excel. This results in the finance officer manually duplicating the information of all transactions information from the cashbook to another system which has potential for human error, and manually inputting to create bank payments. On our initial research, Company 1 integrates securely with banking systems to facilitate the creation of payments for authorisation.

Accounting software packages exist that are specifically designed for local councils which are user friendly, intuitive, robust and are tailored to council needs, like compliance with regulations, efficient asset management, and AGAR preparation. They can streamline the input process into one single piece of work which will free up valuable staff resource, a job that currently takes up to three hours to carry out due to duplication could be done in one hour. The removal of duplications will save on administrative time from which the additional hours will be to the benefit of the office.

Staff have attended demonstrations of three of the leading sector specific software packages and received quotations. Two of the three providers are used by Town and Parish Councils within Northumberland including Cramlington, Morpeth, Choppington, Pegswood, Newbiggin by the Sea, Amble, and Berwick-upon-Tweed. Ashington TC is currently in the same position as Blyth in considering the move from spreadsheets to a sector specific system.

An advantage of the sector specific software packages is that we do not need to worry about creating, managing and maintaining the formulas behind the database and there is zero risk of user error in this respect making the system user friendly to all. It will also save costs and significant staff time.

Other advantages of the software can include features such as:

- Cloud based.
- Supports Making Tax Digital
- Purchase ledger
- Integrated asset register
- Explanation of variances report
- Year-end rollover
- Budget monitoring/forecasting reports
- AGAR preparation
- Multi-user access
- Access to support

To purchase the software ahead of the financial year would allow set up and to be done and prevent the dual running of systems. Following

demonstrations from all three companies, the preferred software options are Company 1 & 2. Company 3 appeared too basic for our requirements.

Elaine Brown
Deputy Town Clerk

19 December 2024

Appendix 1

	Initial costs	Ongoing annual costs	Additional details
Quotation 1 a Company 1	£4892	£1175	Accounts software, sales and purchase ledger, set up and installation, 3 x training days, annual support and maintenance for the accounts, sales and purchase ledger, annual making tax digital. The sales ledger would link to the existing allotment software
Quotation 1b Company 1	£3656	£940	Accounts software, purchase ledger software, set up and installation, 3 x training days, annual support and maintenance for the accounts, purchase ledger, annual making tax digital
Quotation 2 Company 2	£1099	£1908	Accounts software, support, training, accounting support, integrations with making tax digital
Quotation 3 Company 3	£1963	£1429	Software, configuration, 3 x hours training. Includes ledgers.