



**Case Study**  
East Kent  
Finance Consortium

You need an advantage...  
...You need AGRASSO



# When local is best

All public sector organisations are under pressure to be more efficient and plough cost savings back into 'frontline' services and nowhere is this truer than the NHS.

Sharing 'support' services, such as finance, between neighbouring organisations has become an accepted way of looking for efficiency savings and one of the earliest experiments in operating a local health economy is proving both effective and economical.

The East Kent Finance Consortium (EKFC) has been in existence since 2002 and now provides finance services for six healthcare organisations – the East Kent Hospitals Trust, the East Kent NHS and Social Care Partnership Trust plus four Primary Care Trusts (PCTs).

Vanessa Howlison, finance director of the Consortium, said: "Our core objective is to provide high quality financial services for clients at below average unit costs, which reduce year on year, to support them in achieving their own objectives. We also need to drive change by embracing the technological advances available and the opportunities presented by key national initiatives such as NHS Professionals and the government's Agenda for Change."

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## System

Central to the Consortium's ability to deliver its objective is having a finance system flexible enough to cope with the differing needs of the individual Trusts and a robust hardware platform with reliable network links to allow fast access for several hundred remote users.

EKFC runs Agresso's Business World system in a managed service agreement with the company, giving the Consortium a single point of responsibility for maintenance of the hardware, the database, the operating system and applications.

AGRESSO Business World was first installed at the East Kent Hospitals Trust in 2001, closely followed by the East Kent Community Trust (whose responsibilities were later split across the five other Trusts now in the Consortium).

The AGRESSO system was chosen with the future in mind. It had the flexibility and scalability to meet the needs of the larger, single local

health economy from 2002 and its web capabilities meant it could fulfil longer term visions such as e-commerce.

## Processing

The East Kent Finance Consortium's main role is to handle all transactional processing, including inter-Trust recharges, providing the figures for each Trust's finance team to carry out their management accounting. Each Trust has complete control over its own budgets and they analyse, interpret and report as they choose.

The Consortium also acts as a centralised resource, supporting each Trust by designing reports, including a suite to mirror each Trust's own final accounts and returns. This means their finance teams do not have to be expert AGRESSO users although EKFC runs regular training courses and an East Kent AGRESSO user group that shares experience and best practice. The Consortium also manages the shared master files and maintains the system.

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Largely for historical reasons, the Hospitals Trust still has its own ledger, with a second, much more complex one, serving the other five Trusts. EKFC uses AGRESSO’s client identity attribute functionality to ensure transactions on the joint ledger are posted to the correct organisation.

Each Trust has a two figure identity code as part of its cost centres which automatically routes transactions to its own ledger and takes payments from the right bank account. Control reports within AGRESSO highlight any errors which are then easily reversed. The Trust identity codes also ensure that each user only has access to the data they are entitled to see.

Mike Deal, the Consortium’s corporate finance manager, said: “We find this set up works very well. It is efficient, economical, secure and meets everyone’s needs. The six Trusts have the benefit of a central resource and expertise whilst still having control over their own individual ledgers, transactions and reports.”

Bill Jones, Shepway PCT’s finance director, agreed: “The service works for us. We get good back office support and I believe it will generate cost savings, although they will be hard to quantify because of the constant organisational changes to PCTs.”

Brian Allpress, finance director of the NHS and Social Care Partnership Trust, added: “Yes, the shared service does work. It is a good system, it delivers what we want and it is local and accessible.”

### Flexibility

EKFC has made extensive use of AGRESSO’s flexibility to deal with the Trusts’ differing needs. For example, the PCTs are both providers and commissioners of care; the Hospitals and Partnership Trusts are providers only.

The Consortium has been able to set up a single chart of accounts in AGRESSO for five of its clients in a shared company, building



## East Kent Finance Consortium technical information

- › Server Operating System = Windows and Linux
- › Server architectures used to host RDBMS = Windows, Unix and Linux
- › Thin client solutions = Windows Terminal Services and Citrix MetaFrame
- › RDBMS = SQL and Oracle
- › Client Operating System environments = Windows XP, 2000, NT, 95, 98 and Linux
- › Network operating systems = Windows 2000 and Novell



'compartments' to accommodate the specific requirements of each Trust and using relations and codes to allow these elements to be used only where needed.

The system is also able to adapt quickly to organisational change, both at a national and local level. The original set up from 2001 has remained, it has simply been adapted as the PCTs have evolved. For example, when the responsibility for Learning Disabilities services moved from the Partnership Trust to Ashford PCT, the Consortium relinked the cost centres to Ashford's identity codes in the value matrix, an almost invisible overnight change to users.

Deal said: "There was no need to recode everything. It was a simple, fast operation and is a perfect example of how we are using AGRESSO's very flexible architecture to find easy solutions to what could otherwise have been very time consuming changes."

### Relationships

Key to EKFC's success is having the right relationships both with its clients and with Agresso. The Consortium works closely with the Trusts to provide the service they want. Deal said: "It's imperative that all clients get equal benefit from the system and keep moving forward. We don't impose, we win agreement by using our expertise to recommend and drive through changes to get the most efficient use from the system."

The finance directors of each Trust sit on a Consortium Board, which sets strategy and decides on the use of the system and the shape of the service. An Operational Sub-Group of deputy finance directors and Consortium managers agrees the detail.

Allpress said: "The Consortium works because all the East Kent health organisations are involved, including the Hospitals Trust, so that gives us a critical mass."

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"I see no reason to move away from AGRESSO, it's an exceptionally flexible system and the reporting and enquiry facilities are particularly impressive."

All the Trusts have signed a single service level agreement with schedules of responsibility which set out who will do what and by when. Data held in AGRESSO is used to measure performance against key performance indicators, which are reviewed monthly, by the Consortium Board and OSG.

EKFC also regularly reviews how it is using the system with Agresso consultants who advise on where improvements could be made, including by taking advantage of new functionality.

## Managed

This close working relationship is even more vital given that Agresso provides a full-managed service for EKFC. In 2001 Agresso specified and sourced the required level of server hardware and operating system according to the projected size and profile of the user base and has recently upgraded the finance, payroll and Citrix servers to take account of the growth since.

EKFC's system runs on an IBM Netfinity server farm based at the main Canterbury hospital on a Microsoft SQL server and Windows 2000 platform. Citrix MetaFrame delivers all the financial, purchasing, HR and payroll applications to the users' desktops. Agresso database administrators connect to the Trust network from the Agresso support LAN, through an approved firewall and the NHSnet Third Party Secure Gateway, to monitor and manage the system and if equipment fails, round the clock maintenance is arranged.

Complete operating system and database administration from space monitoring to patches are included in the managed service, along with installation of software patches, service packs and release upgrades for the core applications. The recent implementation of service pack 4, to enable the introduction of web services such as e-procurement, was carried out over a weekend, with no system downtime experienced afterwards. EKFC's only responsibility is to insert a back up tape every day.

The Consortium is due to review the Agresso managed service contract in

2006. Deal said: "As things stand there is a high probability that we would seek to renew the contract because it works well. We have a clear contract with Agresso, they are responsive and the arrangement is cost effective. Maintaining your own infrastructure and systems takes an extensive in-house IT capability and that expertise is expensive."

## Lessons

EKFC has learned a number of lessons as its finance service has developed. One is that ongoing training and support for users are required. Another is not to stop at implementation but to have the



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drive to move on and introduce new functionality, not simply duplicate what has always been done. The support of clients here is critical but the reality is that the pressures of their everyday work means development is not always top of their agenda.

EKFC though is highly conscious that with a stable system in place for more than two years, it now needs to develop its use of AGRESSO. Howlison said: "We have to consolidate the establishment of the Consortium by exploring the

opportunities for greater harmonisation and for introducing cash-releasing savings through more processing efficiencies."

Deal agreed: "There is much more potential, we are only really scratching the surface of what the system can do but we have to prioritise on the basis of which functionality will bring us most business benefit."

With the upgrade to service pack 4 complete, the Consortium is looking to introduce more electronic processes, such as web reporting, to achieve the efficiency gains. It also plans to introduce e-procurement pilots and invoice manager to be able to scan, authorise and pay invoices electronically. Deal also wants to make better use of workflows to improve the way the Consortium handles the complex inter-NHS recharges.

## Future

Although Deal is happy with the AGRESSO system it may well be necessary to carry out a review of how the system is being used in the next two to three years as the health economy in Kent evolves. "I see no reason to move away from AGRESSO," he said. "It's an exceptionally flexible system and the reporting and enquiry facilities are particularly impressive. All the information is held in AGRESSO's database and it is very easy to extract and report on in any way you want."



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## Benefits

- › Provides flexibility and scalability to meet the needs of the larger single local health economy
- › Adapts quickly to organisational change at both a national and local level
- › Allows Trusts to retain control over their own individual ledgers transactions and reports
- › Has the flexibility to meet a differing range of needs
- › Ensures each trust has complete control over its own budgets
- › Ensures each trust can analyse, interpret and report as they choose

The exact shape or even existence of EKFC in the future though is uncertain. The Consortium is facing competition from the national shared service pilots and there are pressures to expand into perhaps a Kent-wide or even regional type centre.

Howlison responded: “We provide much more than just transactional processing. We offer a local, personal service, tailored to the Trusts’ specific needs. Our clients have complete control over how they work and there is far less compromise than there would be with a bigger shared service.”

Jones agreed: “I would be concerned if the Consortium got much larger. Canterbury is a coastal

location and I think it would be hard to recruit and retain staff for a Kent-wide or regional service and that would present a risk for all the member Trusts.”

Allpress added: “It’s a difficult balance. A larger service wouldn’t be as user friendly or as accessible but could possibly be cheaper. I believe that if the Consortium continues to deliver a local service and can keep a critical mass, then the model we have is the best option.”

Deal summed up: “Our job is to provide a cost effective and efficient finance service to our local clients so they see no benefit in looking elsewhere. We are confident we are succeeding, feedback tells us we are, and AGRESSO is a central part of our ability to deliver.”

## Every day more public sector organisations are discovering the Agresso Advantage



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