

# Reading Borough Council Streamlines Delivery of Multi Year Public Spending Plans



Reading Borough Council  
Reading, England  
[www.reading.gov.uk](http://www.reading.gov.uk)

**Industry:**

Public Sector

**Annual Revenue:**

US\$598 million

**Employees:**

5,000

**Oracle Products & Services:**

Hyperion Planning  
Hyperion Smart View

**Oracle Partner:**

Fujitsu Services  
[www.fujitsu.com](http://www.fujitsu.com)

*“Oracle’s Hyperion Planning enables us to deliver timely, accurate medium- and long-term budget forecasts without the need for additional resources.” – Julie Cave, Finance Systems Manager, Reading Borough Council*

An important commercial center in south east England, Reading is home to around 0.24% of the United Kingdom’s population and has two universities. Economic growth at 45% above the regional average has attracted some of the world’s top IT and insurance companies to the town.

Rated as a four-star council by the U.K. government’s 2007 corporate performance assessment, Reading Borough Council is committed to continually improving the quality of the services it provides to its 144,000 citizens while striving to minimize council tax increases.

Reading Borough Council responded to the recent government review of local authority accounting by implementing Oracle’s Hyperion Planning, which has enabled it to prepare timely, accurate multiyear forecasts while helping it to monitor progress against the 2.5% year-on-year efficiency savings required by the Gershon Review.

Hyperion Planning, which went live in July 2008, in time for the start of the 2009-2010 budgeting cycle, has enabled the council to integrate financial and operational planning across Reading’s four directorates that together spend its US\$598 million budget. Oracle’s Microsoft Excel- and Web-based budgeting and forecasting tools give planners a sophisticated yet easy-to-use Online Analytical Processing (OLAP)-driven enterprise-wide planning solution that delivers advanced medium- and long-term forecasting with a high degree of accuracy. Hyperion Planning meets local government requirements for devolved budgeting combined with central planning across a complex management structure with more than 800 key cost centers. Throughout the

**Key Benefits:**

- Streamlined production of three- and five-year spending plans required by government
- Implemented in three months with users confident after 30 minutes of training
- Rationalized spreadsheet-based forecasting environment into a single, collaborative, council-wide planning system
- Enabled finance teams to conduct granular analysis, input new intelligence, and make it immediately available to all users
- Benefited from advanced, yet easy-to-use, Online Analytical Processing (OLAP) planning capabilities
- Gained real-time visibility of forecast data for 800 cost centers in four directorates throughout the four-month budget cycle
- Delivered advanced medium- and long-term forecasting with a high degree of accuracy
- Prepared initial medium- and long-term budget in just two months
- Used multidimensional modeling capabilities to combine continual adjustments at cost center level into central planning

highly iterative budget planning process that takes four months of the year, the council's financial controllers have real-time visibility of data that used to be hidden in end-user systems.

Implemented in three months by Oracle Certified Advantage Partner Fujitsu Services, Hyperion Planning's spreadsheet-based look and feel ensured rapid adoption by the council's 13 users. Just two months after go-live, Reading Borough Council is on track with the preparation of its 2009-2010 one-, three-, and five-year budgets. Hyperion Planning will enable the council to respond to future government changes to local authority reporting without increasing headcount.

**Reconciling Policy and Resources**

Prior to the need for multiyear spending plans, Reading Borough Council prepared its annual budgets using Oracle Public Sector Financials International (OPSFI), Oracle Financial Statement Generator, and Excel.

"The Oracle applications met all our requirements for annual general ledger-based budgets," said Julie Cave, finance systems manager, Reading Borough Council. "However, the introduction of longer-term plans meant that we needed advanced cross-directorate, multidimensional modeling and the ability to combine continual adjustments at the cost-center level into central planning. Increasing the budget preparation time or diverting additional financial resources into forecasting were not options available to us."

**"Speed-of-thought" Query-Response Time**

Hyperion Planning offered the council a prepackaged solution that was quick to implement and able to meet most local government needs out of the box. Combining native business intelligence and planning capabilities in a single environment, Hyperion Planning supports the council's devolved, iterative budgeting process. Financial and business managers can take plans offline, change assumptions, perform calculations rapidly, analyze results, and re-load revised data onto the central database.

Based on Oracle's Essbase OLAP Server, Hyperion Planning allows users to support trending and forecasting accuracy by performing ad-hoc, "what if" analyses. Its intuitive, user-friendly interface accelerated user adoption and enabled the executives to become confident users after only 30 minutes of training.

### **Timely, Accurate Three- and Five-year Budgets**

Reading Borough Council began its 2009-2010 budgeting cycle in July 2008. It centrally added inflationary elements, mainly relating to payroll, national insurance, and superannuation to the previous year's figures. Cost-center managers and directorate heads then received access to relevant data forms for their areas of responsibility in order to create accurate three- and five-year plans. By rationalizing the spreadsheet-based environment into a single, collaborative, council-wide planning system, Hyperion Planning enabled Reading's cost center managers and central financial team to prepare initial medium- and long-term budget forecasts for each directorate in just two months.

### **Positive End-user Experience**

"One of the major advantages of Hyperion's spreadsheet-based interface is that it frees users from the need to understand the complexity of the underlying tools," Cave said. "Using Hyperion's smart view feature, users can view, import, manipulate, distribute, and share business intelligence in Microsoft Excel, Word and PowerPoint interfaces. They can conduct granular analysis and input new intelligence, which then becomes immediately available to their colleagues and the central financial team."

### **Devolved Planning with Central Control**

The council is already centrally reviewing budget submissions from its environment, culture, and sport; community care and housing; education and children's services, and corporate resources directorates. Individual resources directors and the central finance team will evaluate the submissions and then push them back to individual cost centers for fine-tuning in line with the size of the central government grants and any extraordinary commitments. The council will then seek approval from local councilors at the cabinet meeting early in 2009.

"We are delighted with how Hyperion Planning has streamlined medium- and long-term budgeting within the complex, highly devolved local government structure with thousands of code combinations," Cave said. "It has enabled us to produce multiyear spending plans without changing our existing processes or organizational structure. We also have the added benefit of giving the central finance team full visibility of each cost center's plans at every stage of the budgeting cycle."

### Enhanced Planning Agility

Reading Borough Council plans to use the powerful workflow functionality in Hyperion Planning to further improve collaboration and control throughout the forecasting process. E-mail reminders will alert managers to overdue submissions to help keep budgeting on track. Hyperion Planning will also enable managers to conduct detail budget profiling and monitoring through advanced analytical modeling and help benchmark service provision costs against those of other local authorities.

“We are continually discovering new ways in which Hyperion Planning can improve forecasting across the council,” Cave said. “We have already identified how it can help us forecast future headcount and salary needs with far greater accuracy than at present. Salary costs for our 5,000 office-based staff and social workers, teachers, and the other employees who deliver local government services make up some 80% of our budget, which means this will be of significant benefit to us.”

### Why Oracle?

Reading Borough Council evaluated several solutions and worked closely with long-term IT partner Fujitsu Services to identify a solution that could meet its existing and future needs cost effectively. The council chose Hyperion Planning for its market leadership as an enterprise planning solution and because it could meet the council’s medium- and long-term budgeting needs with standard functionality.

“Hyperion Planning generates substantial time savings at every stage of the budgeting process,” Cave said.

Oracle’s purchase of the Hyperion solutions suite is set to bring further benefits to Reading as Oracle standardizes Hyperion product’s values, dimensions, and code combinations in upcoming releases. This process will facilitate complete and seamless data exchange between Hyperion and Oracle E-Business Suite as all values will be identical. “Oracle’s commitment to continuous enhancement of Hyperion solutions and their integration with Oracle E-Business Suite makes Hyperion a very attractive choice for the large number of councils that run their back-office processes on Oracle,” Cave said.

### Implementation Process

Fujitsu Services managed the implementation, which went live on time and on budget using existing Hyperion partner Paragon to provide additional consultancy expertise as required while Reading's own four-strong team provided project management for the configuration and a full-time resource for design and implementation.

"The skills and knowledge of Fujitsu combined with strong teamwork between the council and its partners ensured a relatively pain-free implementation and go-live in three months," Cave said. "Paragon trained the IT team who then trained financial and cost center managers."

### Advice from Reading Borough Council

- Hyperion Planning meets local government needs for medium- and long-term budgets and is ideal for the devolved forecasting and cost-center management models prevalent in U.K. councils.
- Do not continue to waste time and money struggling to prepare three- and five-year budgets with the tools you use for one-year plans.

*Reading Borough Council provides local government services in an area of 40-square kilometers in southeast England. A magnet for growth and wealth creation, Reading is in the United Kingdom's fastest area for job creation while its Gross Value Added (GVA) per head is sixth highest per head in the country.*