



## Executive Director/Director Non-Key Executive Decision Report

**Author/Lead Officer of Report:** Scott Minshull,  
HR Business Partner

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**Report to:** *Eugene Walker, Executive Director of Resources*

**Date of Decision:** *01/11/2017*

**Subject:** *HR & Payroll System Replacement*

Which Cabinet Member Portfolio does this relate to? *Finance*

Which Scrutiny and Policy Development Committee does this relate to? *Overview and Scrutiny Management Committee*

Has an Equality Impact Assessment (EIA) been undertaken? Yes  No

If YES, what EIA reference number has it been given? *60*

Does the report contain confidential or exempt information? Yes  No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

*"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."*

### **Purpose of Report:**

*To approve the commencement of the procurement process for the provision of an HR and payroll administration system and delegated authority for the subsequent contract award, to replace the existing system arrangements which are due to expire on 31<sup>st</sup> October 2019.*

*To approve the approach of undertaking the procurement as a joint exercise with Rotherham Metropolitan Borough Council.*

**Recommendations:**

*Approve the procurement of a HR and payroll administration system through competitive tender and the award of a contract in line with this report in consultation with the Director of Commercial and Financial Services and the Director of Legal Services.*

**Background Papers:**

*(Insert details of any background papers used in the compilation of the report.)*

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Pauline Wood</i>
	Legal: <i>Henry Watmough-Cownie</i>
	Equalities: <i>Michelle Hawley</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>Lead Officer Name:</b> <i>Scott Minshull</i>
	<b>Job Title:</b> <i>HR Business Partner</i>
<b>Date:</b> <i>29/09/2017</i>	

## 1. PROPOSAL

- 1.1 The Council's existing contract for the provision of an HR and Payroll administration system expires in October 2019.
- 1.2 The Council is currently in the process of bringing HR and Payroll administration services back into the Council from the current provider, Capita. HR systems have also been procured and managed by the partner through this arrangement. With the decision to in-source the service, responsibility for the management and development of HR systems also transfers back to the Council. The decision to in-source has been taken as a key decision and this has highlighted the need for a new system and a decision on procurement strategy for that system.
- 1.3 The HR service is reliant on an integrated systems approach in order to deliver services to the Council. The current HR & Payroll application is the key system and holds all employee data required to interface with a number of other systems that enable payroll processing and employee administration activities and the provision of HR metrics/information. This includes the provision of statutory returns and submissions across a range of areas. Systems provided through the current contract include:
- Resourcelink – the core HR and Payroll application
  - Myview – for manager/employee transactional activity
  - Org Plus – for viewing establishment information
  - HR Insight – for viewing organisational and HR metrics
- 1.4 The HR service is currently being re-configured in order to enable the smooth transition of services. This has provided an opportunity to look at current HR systems provision, with an aim to enable savings to be realised through a competitive tender and to ensure that the Council and the HR service continues to benefit from stable and robust administration systems
- 1.5 An opportunity has arisen to collaborate with Rotherham MBC as they are going to undertake a mini competition against the Crown Commercial Services (CCS) framework RM 1042 Lot 3 for corporate IT systems. Rotherham's timescales are close to ours and we are able to benefit from

a joint procurement approach.

## **2. HOW DOES THIS DECISION CONTRIBUTE ?**

- 2.1 The proposal does not directly affect individual employees, except insofar as robust administration systems enable effective management of pay and employment records.
- 2.2 A procurement process will also lead to the potential to realise financial savings, supporting the Council's financial position. This is enhanced through a joint procurement approach which should be a more attractive opportunity for the market and be reflected in the price on offer.

## **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 The author believes there is no requirement to conduct external consultation and so none has been undertaken. The procurement is simply to enable the continuation of an existing service when the current systems contract expires.

## **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **4.1 Equality of Opportunity Implications**

- 4.1.1 There are no equality of opportunity implications.

### **4.2 Financial and Commercial Implications**

- 4.2.1 There are opportunities for financial savings to be made through a joint procurement approach and through a competitive procurement process.

### **4.3 Legal Implications**

- 4.3.1 Following HR moving inhouse it was envisaged that the HR and payroll administration provision in support would also be reviewed.

The Council does not have any statutory duty to introduce or maintain such service. The Council can exercise its discretion to procure such services in collaboration with Rotherham BC, there are specific no legal implications arising directly from this report or the proposed contract, save that consultation with Commercial Services and Legal Services is required and is stipulated within the recommendations.

The Council has the power to enter into contracts to meet any statutory duties or any discretionary decision made.

#### 4.4 Other Implications

4.4.1 There are no other implications.

### **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1 The only alternative option to a procurement process was to extend the existing contract. However, this could only be extended by 2 years and as such would only have been deferring the activity and delay potential commercial benefits realised from a competitive tender process.

5.2 An alternative procurement approach was an SCC only process via the same CCS framework or through independent tender. However, this approach would not have provided the same benefits in terms of shared procurement costs, potential shared development costs, opportunity to share knowledge and expertise in operational and contract management areas and potential to provide additional business resilience through deployment of the same system.

### **6. REASONS FOR RECOMMENDATIONS**

6.1 The existing HR & Payroll system contract is due to expire, and the provision of an effective HR & Payroll system is necessary to the delivery of HR services to the Council. Although current arrangements could be extended, such an extension only delays the need for a procurement process and delivers no financial benefits to the Council.

6.2 The potential for additional commercial benefits from a joint approach to the market alongside opportunities to develop ancillary operational benefits through both Council's deploying the same system (albeit separate instances) and shared procurement costs make a shared procurement approach the best value option for SCC.