

## **Procurement of HR/Payroll information system**

### **SUMMARY**

- 1.1 Following the Council's decision not to proceed with the EMSS solution, the Council now needs to procure a replacement HR/Payroll information system.
- 1.2 The contract with our current HR/Payroll software provider expires at the end of October 2013, presenting an opportunity to source a reliable, future-proof, value for money Human Resources Information System - HRIS - solution that delivers beyond the basic remit of a payroll solution.
- 1.3 A number of options have been explored and these are outlined in the attached business case which is in the confidential part of the agenda.
- 1.4 It is proposed that a full OJEU procurement exercise be undertaken to invite bids for the provision of a cost-effective, functionally rich HR/Payroll solution that will support and enable the delivery of HR and organisational transformation objectives.

### **RECOMMENDATION**

- 2.1 To approve the procurement of a replacement HRIS solution as outlined in the business case.
- 2.2 To approve the financial implications and resources outlined within the attached business case.

### **REASONS FOR RECOMMENDATION**

- 3.1 We need a core HR and Payroll system that can be relied upon to manage workforce data and deliver reliable payroll outputs.
- 3.2 Going forward, we need to get more value from our workforce data and provide the tools managers need to get the best from their people. Many HRIS solutions now provide automated workflow functionality which can be used across the employee lifecycle, for example recruitment, development, absence management and succession planning. Utilising these tools and other self service functionality will be key to the realisation of our transformation objectives.

- 3.4 The delivery of a successful HRIS implementation of this complexity will require considerable project investment to ensure that all business risks are minimised and all potential benefits are realised. Given the limited timeframe, resource commitments to the Council House recant, and the business critical nature of a payroll system, it is essential that adequate provision is made to resource this project and maintain `business as usual` capacity in HR, ICT and Finance.

This report has been approved by the following officers:

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Stuart Leslie Martyn Marples Jayne Stutt Karen Jewell Nick O'Reilly
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Karen Jewell, (01332) 643724, karen.jewell@derby.gov.uk <b>Business Case, Resource Plan</b> Appendix 1 – Implications Appendix 2 – Outline Business Case – which is in the confidential part of the agenda

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 A detailed breakdown of the budget allocation and resource plan are included within the attached business case.
- 1.2 Carrying out a full OJEU procurement process will ensure that the widest market is explored to achieve competitiveness and value for money.

**Legal**

- 2.1 Our current HR/Payroll contract expires at the end of October 2013 and there are no legal implications to us not renewing. Our current provider will be able to tender alongside other bidders as part of the procurement process.
- 2.2 The procurement process will be guided by our Procurement team to ensure compliance.

**Personnel**

- 3.1 An outline of the resources required to staff this project is outlined within the attached business case. Given the business critical nature of payroll, it is vital that sufficient resources are provided both for the project and for continuing BAU transactional activity to ensure that service delivery is not affected.
- 3.2 As outsourcing is not currently being considered, there are no implications for TUPE transfers.
- 3.3 No staff reductions are currently predicted. In fact, staffing numbers must be maintained along with some additional project resource to ensure service continuity.

**Equalities Impact**

- 4.1 Self service will provide freer access to personal data and will enable us to collect improved management information, especially around equalities monitoring, with staff able to update their own personal details. This should improve our capability to report on equalities data and make any necessary reasonable adjustments.
- 4.2 Consideration will be given to access requirements as part of the self service roll-out to ensure that it is accessible to the widest possible audience.

**Health and Safety**

- 5.1 None directly arising.

## **Environmental Sustainability**

- 6.1 Automating processes and documentation will remove administration and therefore reduce paper, printing, envelopes and filing not just within HR but across the council.

## **Asset Management**

- 7.1 None directly arising.

## **Risk Management**

- 8.1 There is considerable reputational risk if the Council fail to pay our staff on time again, and steps must be taken to address this.
- 8.2 A dedicated Project Manager will be assigned to this project, alongside a Project Manager provided by the chosen 3<sup>rd</sup> party supplier, to ensure that this project is delivered within the outline timeframe to coincide with the cessation of our existing HR/Payroll contract.

## **Corporate objectives and priorities for change**

- 9.1 Realigning HR activities from transactional to strategic, and achieving cultural shift by empowering managers to own and address their people management and development responsibilities, is a key strand to our department objectives and delivery of our Organisational Development strategy.
- 9.2 A new HRIS solution will also promote the principles of the 'one Derby, one council' transformation programme by working in a simpler, standard, shared way that minimises duplication and administration, maximises automation and technological capabilities and encourages self service