

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Corporate & Efficient Governance Committee: 30 January 2008

Subject: Procurement and Implementation of an HR/Payroll System

1. Purpose

- 1.1** This report provides Committee with an update on the progress of the HR/Payroll system project.

2. Background

- 2.1** Reports were submitted to Council in December 2006, CMT in February 2007 CMT and Corporate Services Committee in March 2007 to approve the procurement and implementation of an HR Management Information System. The requirement for an HR system is critical to enable strategic management planning for the Council and ensure that we can fulfil our statutory obligations and public duties and was highlighted as an immediate priority in the Best Value Audit Report.
- 2.2** The Project Team were appointed in April 2007 and recommended to the Project Board that it would be prudent to purchase and implement a fully integrated HR/Payroll system. This was subsequently agreed and project plans and a tender specification were developed.
- 2.3** In July 2007 the Improvement Service advised that Inverclyde Council was in a similar position and that elements of shared services should be investigated.
- 2.4** In September 2007 the Improvement Service suggested that under the National Shared Services Agenda, all other Scottish Councils should be invited to participate in the procurement process. Perth & Kinross Council expressed an interest in participating in the project through this process.
- 2.5** Significant shared work was undertaken in relation to progressing the tender documentation and an agreed route to market (European Journal restricted route), but it was not possible to reach final agreement between the 3 Councils on the essential business requirements and in early January West Dunbartonshire agreed to withdraw from the partnership arrangements for joint procurement.
- ### **3. Main Issues**
- 3.1** The main issues to date have been the delay in finalising the tender, agreeing business requirements for all 3 Councils, establishing evaluation criteria and scoring and satisfying Legal and Procurement regulations. The complexity of addressing all these issues was further complicated by putting in place robust

partnership working arrangements including agreeing terms of reference which would satisfy all three organisations in committing significant financial investment.

- 3.2** Progress has been continuing on the collation of data in preparation for migration to the new system. This includes a post and person hierarchical structure being prepared and much data cleansing of existing data sources which are being combined into one temporary source which should be completed early February.
- 3.3** The Project Team are also driving forward the Scottish Recruitment Portal project. West Dunbartonshire expects to be one of the first Scottish Councils operating the new system around April/May 2008. Work continues to progress on this project which will provide on-line recruitment and much of the back office functionality that will interface with the HR/Payroll system.
- 3.4** Work on the development of the specification of requirements and tender document was extended to include the business requirements for Payroll. Involvement in the 3 Council project delayed this further with the need to map these to the business requirements of Inverclyde and Perth & Kinross Councils. These documents are now complete and being finalised with Legal Services and the next critical step is issuing the notice to the European Journal. This is anticipated for 31 January 2008 with an estimated implementation start date of late May 2008.

4. Personnel Issues

- 4.1** The Project Team is in place and carrying out preparatory work. The delays with the 3 Council Project have however impacted on the original estimated timescales and a revised project plan has been put in place to address this.

5. Financial Implications

- 5.1** The change in scope to include the implementation of a Payroll system was agreed by the Project Board as it was considered essential for the HR Management Information System to fully integrate with Payroll. This will reduce the overall project costs as a further procurement exercise would not be required, and the data collation, cleansing and migration would be reduced substantially with a fully integrated solution.
- 5.2** The change in scope of the project to include Payroll has impacted on the interim committed budget of £300k (which was subject to review following full specification) and CMT approved a request for additional funding at its meeting on 18th December 2007. The revised estimated budget, including Project Team salaries, IT & BD staff salaries (equivalent to a full-time member of staff for the duration of the project), is £100k in 2007/08, £261k in 2008/09 and £225k in 09/10.

5.3 In addition, an increase in both the HR & OD and Finance & ICT revenue budgets of £42k to cover shared annual maintenance, system administration costs and a desktop refresh strategy for the HR/Payroll system for the Council.

5.4 This is an increase of £395k on the original budget and will provide a return on investment over a period of years by reduction in the duplication of data input (thereby reduction in errors) and minimise the risk of censure and potential fines from statutory and public bodies for failure to meet legislation and required standards of public scrutiny. The system will also support the Council in providing a robust workforce planning strategy and the effective management of its largest resource: its people.

6. Risk Analysis

6.1 Although there has been an impact on the original projected timescale for implementation due to participation in the 3 Council project, it is expected that the project will progress at an increased pace and with full consideration of the Council's business requirements.

7. Conclusions

7.1 Notice will be issued to the European Journal around the end of January 2008 with intention to begin implementation by June 2008.

7.2 This is a business critical project that is required to support improved management information on key resources, workforce planning, and allow the Council to meet its statutory obligations and public duties reporting requirements.

7.3 Provision for capital costs is contained within the capital bids for 2008/09 and 2009/10 which will be considered by Council on 14 February 2008.

8. Recommendations

8.1 The Committee is asked to note the contents of this Report.

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Date: 18 January 2008

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Appendices: None

Background Papers: Report to Council, December 2006; Report to CMT,
February 2007; Report to Corporate Services
Committee, March 2007; Report to CMT, 18th December
2007.

Wards Affected: None