

Subject: Update on HR/Payroll and Recruitment System Implementation

Date of Meeting: 27 April 2010

Report of: Director of Strategy and Governance

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Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The purpose of this paper is to provide a progress update to the Governance Committee on the implementation of the new integrated HR/Payroll and Recruitment System that was approved at the 15 January 2009 Cabinet Meeting. This paper builds upon the verbal update that was provided to the Governance Committee held on the 17 November 2009

2. RECOMMENDATIONS:

- 2.1 That the Committee notes the current position in regards to the implementation of the new HR/Payroll and Recruitment System.
- 2.2 That a further update to be provided to the Governance Committee after the new system goes live.

3. RELEVANT BACKGROUND INFORMATION / CHRONOLOGY OF KEY EVENTS:

- 3.1 The HR/Payroll systems being replaced do not meet our current and planned needs. Although existing systems have served us well, replacement had become essential - to the best of our knowledge Brighton and Hove is the only unitary authority in the UK that uses Team Spirit.
- 3.2 The new system is an integrated post based HR/Payroll system. A post based system allows employee transactions to be completed more efficiently. The new system enables the single keying of employee transactions e.g. time and attendance sheets, expenses, annual leave, starters, leavers etc. The previous recruitment management system has also been replaced.
- 3.3 In addition to being more efficient in terms of processing speeds and volumes, the new system reduces carbon footprint; provides automated reporting, enables better budgetary control as well as increasing the safety and robustness of the payroll function.
- 3.4 The system will allow on line access to information for both employee and line managers to view and change personal data against set security protocols.

Context

- 3.5 In order to go live with the new system appropriate levels of assurances are required; until such time as the correct level of assurance is in place the intention is to maintain our existing payroll system.
- 3.6 The new system utilises two key software suites: Midland HR (ITrent) provides the HR/Payroll system whilst the Recruitment element is provided by Stepstone (IGrasp).
- 3.7 A two phase approach has been adopted to deliver this project.
- Phase 1 which is due to be delivered progressively from April 2010 provides an integrated HR and Payroll system covering: Payroll, Core HR Activities, Absence, Reporting, Recruitment management
 - Phase 2 which is due to be completed by April 2011 will provide HR functionality for: Learning and Development, Health and Safety and Employee & Line Manager Access to the system

Progress to date

- 3.8 Project management disciplines are used to support the delivery of this project. There is a monthly reporting protocol to a Project Board. There are project assurance gateways in place:
1. Procurement
 2. Design & Build
 3. User Test
 4. Preparation for go live
- 3.9 Assurance audits 1, 2 and 3 have been completed. All phases have been given substantial assurance by (Deloitte) our external auditors. Assurance audit 4 is in the process of being completed.
- 3.10 The new recruitment system went live to our customers on the 6 April. The customer experience appears positive – to date no complaints have been received. We are in the process of undertaking an on-line survey with customers to identify improvement opportunities.
- 3.11 We are in month two of parallel running the new Payroll system. This involves running payrolls for: Last Banking Day, Teachers, Supply, GM, Supplementary and Weekly Payrolls. Payrolls are being reconciled across both systems to ensure the appropriate levels of assurance are in place.
- 3.12 The Last Banking Day payroll (monthly pay) is the key payroll to reconcile – additional resource has been allocated to manage this reconciliation. Until we can satisfactorily complete the reconciliation we will continue to pay out of Team Spirit.
- 3.13 A number of key HR/Payroll activities are now in place for the new system and include:

1. The end to end payroll process works properly – including running BACS and printing (in a timely way) payslips
2. Reporting functionality is in place – all key reports have been written and are available for use and an email alert system is also in place
3. HR helpline is in place 01273 (29)1111 and will be rolled out progressively in line with the new payroll system
4. E Learning packages are being developed – the first one on the new payslip has been completed.

Next steps

- 3.14 Complete the payroll reconciliation and then go live on the new payroll system. For employees this will mean a change of payroll number and a new payslip n.b. any employee with an email account will be given the opportunity to receive their pay slip electronically. For managers there will be better information to support reporting and an option for line managers to view employee data against security protocols.
- 3.15 Effective engagement and communications remain a key challenge - this is about users understanding the system and in some areas to work differently so that improvements and efficiencies can be maintained and sustained e.g. as opposed to writing or faxing data it may mean keying in data.
- 3.16 All key stakeholders have been identified and engagement and communications have been agreed to help ensure appropriate levels of awareness whilst ensure that learning points and experiences from other projects are captured.
- 3.17 With this in mind a number of interventions have taken place and others are planned which include:
 1. A demonstration of the system and initial consultation with trade unions has taken place and ongoing a dialogue will continue.
 2. An update paper has been provided to the Staff Consultation Committee in December
 3. Demonstrations of the system are planned for the staff conference in May
 4. Road shows will take place during 2010
 5. Demonstrations of the new system including both employee and line manager on line access has been prepared with road shows running from 2010
 6. E Learning packages are being developed
 7. Pilot units to trial manager self serve have been identified and work has commenced to support this activity.

4. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 4.1 The project budget and any variances are reported on a monthly basis to the Project Board. The project is currently forecast to deliver within budget. Financial and service benefits set out in the original business case are scheduled to be delivered progressively from April 2010.

4.2 The project is running within the budgetary constraints that have been authorised

Finance Officer Consulted: Patrick Rice

Date: 15/04/10

Legal Implications:

4.3 This report is for information only and is brought to the Governance Committee in its capacity as general purposes committee for non-executive functions.

Lawyer Consulted: Oliver Dixon

Date: 16/04/10

Equalities Implications:

4.4 The HR/ Payroll and Recruitment System will support improved diversity monitoring across a range of employment related issues. An equalities impact assessment of the system was prepared prior to contract award and will be reconfirmed during the test phases and the outcomes will be reviewed as part of the overall approval process.

Sustainability Implications:

4.5 The HR and Payroll System contract was awarded in line with the Council's sustainability strategy. The provision of an integrated HR and Payroll Management Information System will improve the council's carbon footprint by significantly reducing the amount of paper and manual processes through electronic transmission of data. The carbon footprint will be further reduced by introducing Employee and Manager Self Service and by reducing the council's direct energy use by having the system hosted externally.

Crime & Disorder Implications:

4.6 The HR and Payroll System will improve the management of all necessary employment checks prior to employment commencing or on renewal of registration. This will include Criminal Records Bureau, the new ISA Safeguarding Regulations Child Protection Register, Right to Work in the UK, references and health checks.

Risk and Opportunity Management Implications:

4.7 A risk and opportunity log is maintained and is formally reviewed by the Project Board and interventions are in place to ameliorate the risks as appropriate

4.8 The major risk is around reconciliation. If we cannot achieve appropriate assurance levels on payroll this will delay implementation significantly and may require a new data migration exercise. Should this be necessary then some of the identified system savings would be at risk. Plans are in place to ameliorate this risk.

Corporate / Citywide Implications:

4.9 The delivery of a new HR and payroll system supports the corporate strategy of value for money services. Detailed at Appendix 1 is the realisation plan.

SUPPORTING DOCUMENTATION

Appendices:

Appendix A – Benefits Realisation Plan

Documents in Members' Rooms

None

Background Documents:

None

