

# North Yorkshire Council

Madeline Hoskin, Assistant Director of Technology  
22 November 2023

## Re-procurement of an integrated HR and Payroll System.

### Report of the Corporate Director Gary Fielding.

#### **1.0 PURPOSE OF REPORT**

1.1 To seek approval to for the North Yorkshire Council to reprocure a HR and Payroll product suite from Zellis UK Limited via G-Cloud 13 framework.

#### **2.0 SUMMARY**

2.1 This report outlines the recommended proposal that the Authority proceed with a direct award via G-Cloud 13 framework, in order to reprocure a complaint contract with Zellis to deliver the organisations HR and Payroll product suite through the new Zellis HCM Cloud offering.

#### **3.0 BACKGROUND**

3.1 Following a procurement process in 2010, North Yorkshire County Council awarded a contract to Zellis (formerly known as NGA Human Resources UK and NorthgateArinso) for an Integrated HR and Payroll System to support the Authority's HR and payroll requirements.

The initial contract period was from 1st April 2012 to the 31st March 2020, with the option to extend for a further period of 24 months. A Key Decision was approved on the 26th March 2020 to take up the two-year extension from 1st April 2020 to 31st March 2022. A subsequent Key Decision, approved on 8<sup>th</sup> January 2020 replaced the two-year extension option to extend with a four year contract covering the period January 2021 to January 2025.

In addition to this contract, the Authority also provides HR and payroll services to Hartlepool Borough Council which includes the use of the Zellis' HR and payroll System.

#### **4.0 DETAILED PRESENTATION OF THE SUBSTANTIVE ISSUE**

4.1 It was identified during the recent LGR process that the current core HR and Payroll product suite (Zellis SaaS) is nearing end of life, and will no longer be available for purchase once the current contract expires in January 2025. The Authority now need to reprocure a replacement product to meet these core HR functions.

The Authority has engaged with the current supplier Zellis and reviewed the offering they have of the new Zellis HMC Cloud software and are confident that it will meet the needs of the Authority outlined above.

To ensure that the payroll and HR functions are not in any way put at risk of being unsupported it is recommended that the Authority reprocure the services of Zellis HMC Cloud prior to the current contract end date on the basis that:

- Choosing to use the same supplier provides NYC with the stability to allow CST and HR staff to continue providing the service. This in turn gives stability to the organisation and the wider staff. Therefore, time efficiencies from not having to implement and be trained on a new system can be realised.

- Manual workers who do not have access to the NYC IT infrastructure as part of their role will have the ability to access payroll information via the new MyView app on their personal devices. This will allow for current manual tasks, such as managing leave to be done electronically and at a time that suits the user.

- The previous procurement exercise took approximately 12 months to complete

- The contract is due to expire in January 2025 and it is anticipated that development and integration of this product will take 18-24 months or development and integration.

- conducting a thorough and effective procurement process, costs associated with moving to a new supplier would also be high.

## **5.0 ALTERNATIVE OPTIONS CONSIDERED**

5.1 Do nothing – rejected due to the current platform being deemed end of life at the end of the current contract and the timescale associated with procuring and implementing a new system.

5.2 Conducting a traditional, open procurement process – rejected due to the amount of change currently faced by the new council, resource implications and costs associated with this. That said marketing testing has been undertaken and the Zellis offering is competitive and provides value for money. Outlined and Appendix A

## **6.0 LEGAL IMPLICATIONS**

6.1 As per the Council's Procurement and Contract Procedure Rules, Rule 11 states;

11.1 Where the estimated value of the Contract exceeds the WTO GPA Threshold, Above Threshold Tenders shall be invited and awarded in accordance with the PCRs and as prescribed in Rule 11 and 12

16.4 A Director does not need to invite Above Threshold Tenders in accordance with Rule 11 and 12, in the following circumstances:

(a) purchases via Framework Agreements which have been established either by the Council or by other public sector bodies or consortia (including, but not limited to PSBO's) and where such Framework Agreements are lawfully accessible to the Council. Contracts awarded from such Framework Agreements shall be awarded in accordance with the provisions of that Framework Agreement. Where appropriate Officers should apply a

minimum 10 day standstill period for all call-off Contracts awarded under an existing Framework Agreement. This is not mandatory but is deemed best practice;

Find a tender notice: [G-Cloud 13 - Find a Tender \(find-tender.service.gov.uk\)](https://find-tender.service.gov.uk)

## **7.0 EQUALITIES IMPLICATIONS**

7.1 This is a continuation of existing provision which meets NYC EIA standards.

## **8.0 CLIMATE CHANGE IMPLICATIONS**

8.1 In procuring the HCM suite of products NYC will be able to greatly reduce the number of printed payslips due to the availability of the MyView app which works on personal mobile phone and tablet devices. In procuring the HCM system, Zellis will move the Authorities infrastructure from its own data centre to Microsoft's Cloud environment. Depending on the existing set-up, Microsoft Cloud ranges from 22% to 93% more energy efficient than traditional data centres, and 72% to 98% more carbon efficient than traditional data centres.

## **9.0 HUMAN RESOURCES IMPLICATIONS**

9.1 HR have been consulted and have confirmed that there will be no HR staffing implications related to the procurement of the Zellis HCM Cloud Software at this stage. It is anticipated that the change to HCM will result in the opportunity for HR to make process improvements due to the newer, more integrated software.

## **10.0 ICT IMPLICATIONS**

10.1 Technology Services have been consulted and are aware that there will be resources needed to facilitate the change to HCM. This will mainly be with the CST HR team, however over the course of the contract various teams in Technology will be required to assist in the migration to HCM. Project and resource planning will identify in greater detail when this is needed. Technology Services manage the contract and budget for the provision of the HR and Payroll system. This budget will need to increase to cover the increased contract costs.

## **11.0 REASONS FOR RECOMMENDATIONS**

11.1 Choosing to use the same supplier provides NYC with the stability to allow CST and HR staff to continue providing the service. This in turn gives stability to the organisation and the wider staff. Therefore, time efficiencies from not having to implement and be trained on a new system can be realised. The current payroll and HR system is no longer available to procure and will become unsupported at the end of the current contact (January 2025). The risk to the Authority in relation to an unsupported system is too great to do nothing, due to the timescales of implementing

a system from a new supplier, of around 18 – 24 months, it is essential that a contract for Zellis HCM is procured.

## **12.0 RECOMMENDATION(S)**

It is recommended that the Authority awards a contract for the provision of a HR and Payroll System to the incumbent supplier, Zellis for a further initial three-year period, with the option to extend by a further 12 months.

This will enable the Authority to continue to deliver its HR and payroll functions for internal and external customers and provide additional time to consider options in relation to the future commissioning of the Authority's requirements in relation to HR and payroll services.

*Gary Fielding*  
Corporate Director of Resources  
County Hall  
Northallerton  
*13 November 2023*

Report Author – *James Boak*  
Presenter of Report – *Joy Morrison*

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.