

# INTEGRATED HR AND PAYROLL SYSTEM

**REPORT TO:** Gary Fielding, Corporate Director, Strategic Resources

**DECISION DATE:** 25<sup>th</sup> March 2020

**SUPPORTING ANNEX:** None

## **PROPOSED RECOMMENDATION**

It is recommended that the Authority takes up the two-year option to extend its existing contract with Zellis for the provision of an Integrated HR and Payroll System.

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.

## **BACKGROUND TO SUPPORT THE RECOMMENDATION**

Following a procurement process in 2010, the Authority 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 current contract commenced on the 1<sup>st</sup> April 2012 and is due to end on the 31<sup>st</sup> March 2020, with the option to extend for a further period of 24 months. The Key Decision Report is therefore in relation to this two-year extension from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2022.

In addition to the corporate contract, the Authority also provides HR and payroll services to Hartlepool Borough Council which includes the use of the HR and payroll system.

The previous procurement exercise took approximately 12 months to complete. When thinking about re-procuring the service, it is critical to factor in the lead-in times should the Authority change to a different supplier. It is anticipated that this would take in the region of 18-24 months to implement due to the extent to which the system has been developed and integrated.

In addition to the timescales required to conduct a thorough and effective procurement process, costs associated with moving to a new supplier would also be high.

## **LEGAL AND GOVERNANCE COMPLIANCE**

As per the Authority's Procurement and Contract Procedure Rules, Rule 4.2 states that Directors shall ensure that a written record of the decision to procure a Contract is made in accordance with the Gateway Process where Rule 18 applies. As such a

decision comprises a Key Decision under the Constitution, Directors shall ensure that it is entered on to the Forward Plan and treated as a Key Decision in all respects.

Rule 18.1 also states that where a procurement is being considered which is expected to exceed the financial value thresholds specified in Rule 18.2, the Gateway Process must be completed and signed off by the relevant Officers. A subsequent Gate 4(a) will be completed should the recommended option be approved.

### **RECOMMENDATION**

It is recommended that the Authority takes up the two-year option to extend its existing contract with Zellis for the provision of an Integrated HR and Payroll System.

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