

Human Resources Management System

Portfolio: Councillor Nawaz, Personnel and Business Support

Related portfolios:

Service: Human Resources

Wards: All

Key decision: No

Forward plan: No

1. Summary

This report makes recommendations in respect of the Council's current contract for its human resources management system and seeks Cabinet approval for the award of a 12 month extension to the existing contract. This will enable time to conduct a strategic scoping of the Council's future human resources and finance system requirements and if necessary complete a procurement exercise and any subsequent implementation of a new system.

2. Recommendations

That Cabinet approve the award of a 12 month contract extension, from 1 July 2017 to 30 June 2018, to Midland Software Limited, for the provision of a human resources management system.

3. Report detail

- 3.1 The current provider for the provision of the Council's human resource management system, known as iTrent, is Midland Software Limited. Midland Software Limited was commissioned and contracted under the PO 5647 HR Passport Framework Agreement for the period 17 July 2013 to 30 June 2017.
- 3.2 The contract provides for an option to extend the contract for a period of 1 year, on the same terms and conditions from 1 July 2017.
- 3.3 The Council uses its human resources management system for:
- Holding personal and post information
 - Processing of payroll and pensions
 - Generation of E-payslips
 - Reporting sickness absence
 - People manager (Employee self-service – People Gateway)
 - Personnel manager (Manager self-service – People Gateway)

- Recruitment activity
- Learning & development activity
- Job evaluation and
- Workforce information reporting.

- 3.3 The current system performs well for the Council and helps provide a robust system which meets our legal obligations via the Payroll service, as well as supports a traded HR and Payroll service which brings in significant income to the Council.
- 3.4 The Council's Financial ICT system is due for renewal December 2018. By exercising the one year extension to the HR system contract, it allows the Council to take a strategic view to consider more options for the procurement of its ICT systems, for example an integrated HR and Financial system. It also allows for the Council to consider future options for its provider of back office services.
- 3.5 The contract extension is recommended for Cabinet approval due to the total contract value since 2013 being in excess of £500,000 to June 2017.
- 3.6 Following an approval of the contract extension a working group can be put together to develop a robust business justification in the form of a service specification to allow any further procurement action to take place and also to provide the basis of any options appraisal. In addition, the extension will allow for structured stakeholder feedback to be undertaken which can form the basis for any tender activity evaluation.

4. Council priorities

The proposed contract extension links to the council priority to create a modern, dynamic and efficient workforce. A human resources management system helps ensure the delivery of many key council services through enabling workforce information to be maintained and used to ensure that staff are appropriately recruited; paid and managed.

5. Risk management

- 5.1 The proposed arrangements enable the Council to continue to utilise a human resources management system which is fit for purpose and should allow sufficient time for a full tender exercise to be undertaken during the extension period.

6. Financial implications

- 6.1 The current cost of I-Trent rental is £107,468 per annum, with additional costs for supplementary software applications. By extending the contract by a further 12 months, the Council would be committing to paying this amount, plus any contractual inflation applied.

- 6.2 There is a mainstream budget within the HR service to cover the current costs. There are no identified savings for 2017/18 which would impact directly on this budget.
- 6.3 As this is a significant ICT implementation, it will be presented to the ICT Governance Board at the earliest opportunity to ensure that adequate technical / project resources and planning needs can be assessed and prioritised.

7. Legal implications

- 7.1 There exists a contractual right to extend the current contract by one year. An agreed variation to contract allows for the Council to give 6 months notice to extend the contract to 30 June 2018 so the Council must serve such notice on Midland Software Limited by 31 December this year.
- 7.2 Given the potential value of the future ongoing provision of a HR management system any future contract will be procured in accordance with the Council's Contract Rules and the Public Contracts Regulations 2015. The Council's Procurement Team will assist with managing the most suitable procurement process and Legal Services will assist with preparing all related contractual documents and ancillary legal documents including the serving of notice to extend the Contract.

8. Property implications

None

9. Health and wellbeing implications

The current provision provides for the recording and monitoring of employee sickness absence.

10. Staffing implications

- 10.1 There are no staffing implications with regards to extending the current contract.
- 10.2 Future staffing implications are dependent on the re-tender of the contract and the service specification required.

11. Equality implications

The current provision provides reporting of the Council's workforce against all equality strands as determined by the Equality Act 2010 and in line with the Council's equality duty and current provisions.

12. Consultation

Stakeholder consultation will be undertaken with service users to identify a service specification that best suits the needs of the Council when retendering for the provision for a human resources management system.

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Councillor Nawaz

Portfolio Holder



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