

Record of individual Cabinet member decision – Procurement of a HR & Payroll system-

Local Government Act 2000 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Decision made by	Sam Casey-Rerhaye, Cabinet Member for Corporate Services			
Key decision?	Yes			
Date of decision (Same as date form signed)	13 June 2024			
Name and job title of officer requesting the decision	Abi Witting People & Culture Manager			
Officer contact details	Tel: 07511 046758 Email: Abigail.witting@southandvale.gov.uk			
Decision	<ol style="list-style-type: none"> To approve the purchase of a replacement HR solution for the councils. To approve the move of the capital budget of £50,000 (for implementation) from provisional to approved programme. To delegate authority to award the joint contract (including the potential to extend for a further period of one year) for both councils to the Head of Corporate Services in consultation with relevant cabinet members. 			
	Implementation (Capital)	Year 1	Year 2	Year 3
TOTAL IMPLEMENTATION	£92,828			
TOTAL COSTS (REVENUE)		£145,514	£140,919	£140,919
Per Council (50/50)	£46,413.75	£72,757	£70,459.50	£70,459.50
TOTAL BUDGET	£100,000	£173,465	£173,465	£173,465
	The contract is a joint software licence agreement between Vale of White Horse District Council, South Oxfordshire District Council and Zellis UK Ltd.			

	<p>The council has run a procurement process using the G-Cloud 13 framework (ref: ocds-pf7b7i-2000) to assess the suitability of various solutions and the outcome is to award to Zellis UK Ltd under a call-off contract for 3 years (with the option to extend for a further period of 12 months). The award is made on the basis of “best fit” for the councils.</p>
<p>Reasons for decision</p>	<p>The councils’ agreed Joint Technology Strategy contains a number of principles to ensure that we make best use of the current IT landscape for our customers and staff. These include making best use of cloud-based systems and software as a service (SaaS) wherever possible. Another important consideration is designing our line of business systems around the user.</p> <p>Our current software that supports the councils’ HR and Payroll function comprises three distinct elements.</p> <p>For mainstream HR functions (including payroll and employee relations) we use the Zellis platform. The current contract for Zellis runs until 29 June 2025 and is part of the wider 5 Councils partnership. This software was originally procured by Capita when the HR and Payroll service was outsourced. When the service was brought back inhouse in April 2020, the contract (which was mid contract period) passed to South Oxfordshire as the lead authority. All councils within the partnership have moved forward in the last 3 years in terms of employee numbers, requirements and approaches to processes and policies. As a result, there is a universal desire to dissolve the partnership at the end of the current contract term and for each council to procure a HR and Payroll system to suit their needs.</p> <p>Having an independent solution for South and Vale councils will mean that we can maximise the functionality to our needs. This will enable the councils to make best use of the system and to improve processes for staff, managers, and the People and Culture team and as part of the implementation we will conduct a policy and process review so we can amend our processes to use the system to its full potential.</p> <p>The Hireful contract for our recruitment system ends on 23 July 2024 (assuming no additional credits are purchased). Hireful is a basic applicant tracking system (ATS) that enables us to advertise externally any vacant roles and provides a platform for applicants to apply for roles.</p> <p>The Learning Pool contract ends on 13 June 2026 however there is an option to give 30 days’ notice to end sooner. LEAH is the online platform from Learning Pool which provides staff and members access to online training courses and policies. Currently any classroom-based learning is booked via MyView, so we have two ways of booking and accessing training at present.</p> <p>In addition, to align with our transformation goals and workforce strategy we are seeking to move to a more holistic, streamlined, digital approach to all HR activities. Currently with the separate HR/Payroll, recruitment, and training systems there is a level of manual input of data in multiple systems and this results in data needing to be re-keyed and puts limitations on our ability to report on data easily. By seeking a solution that can follow the whole employee lifecycle there will be a better</p>

	<p>candidate/employee experience, improved data reporting, improved processes, and efficiencies in terms of manager and HR/Payroll time. It will also enable relevant data to be shared with internal teams without multiple forms and provide improved audit trails.</p> <p>We are seeking to procure a suitable system through the Government's G-Cloud 13 framework, and officers have completed an assessment of several proposals from companies shortlisted from the framework. The G-Cloud 13 framework allows for a contract length of three years with the option to extend for one year if we wish to. Costs have therefore been included for three years.</p> <p>Following an appraisal of the market the decision was taken to direct award to our existing supplier Zellis with the addition of the third part solutions for recruitment and learning and development as this provided best fit for the requirements of the council at this time. This will provide effectively one holistic interconnected system.</p> <p>The IT strategy approved in 2021 seeks to ensure new IT solutions will be delivered by commercial Software as a Service (SaaS), incorporating security, resilience, availability, and performance in line with the service levels provided under a recognised UK government framework contract already provided for many other public sector organisations.</p>
<p>Alternative options rejected</p>	<p>Extension of existing contracts without market testing - this would not comply with the objectives of the procurement strategy including ensuring best value, ethical procurement and reviewing suppliers' current system capabilities.</p> <p>Remaining with three separate systems will restrict the possibilities in terms of digitisation of processes, access to management data and could lead to additional costs and maintenance of multiple systems.</p> <p>The current provider Zellis is one of many providers in the marketplace and may not offer the best functionality and value for the recruitment and learning and development options. By seeking a full appraisal of the market this will enable the councils to ensure they are ensuring they have the best product to do the job as well as consider value for money.</p> <p>In addition, remaining with an existing provider would not enable a full market appraisal of options and could lead to legal challenge due to a lack of open and transparent process. For value for money, it is important to consider testing the market and finding a holistic solution which will move away from having multiple contracts for stand-alone systems which are not integrated.</p> <p>Procure independent systems- this option is not the preferred option as it will require maintenance of three separate systems, efficiencies in processes will be harder to achieve as interfaces would need to be created (likely to bring additional costs). The costs of three individual systems is likely to exceed the cost of one system from one provider, data will be held in multiple places and HR resource will be taken up re-keying</p>

	<p>data from one system into another rather than providing added value.</p> <p>In addition, the data that can be made easily available to managers via dashboards and reports requires additional resource and time to pull information from the independent systems. However, consideration will be given to maintaining “best in show” approach either through separate procurement or via third party integration as part of the appraisal process – the key driver being best fit and value for money.</p> <p>Do nothing- this would result in staff not being paid after the end of the existing contract which is not a viable option as we would be in breach of contract with all staff and be unable to pay staff and members appropriately.</p>
<p>Climate and ecological implications</p>	<p>The procurement of a new system will offer the opportunity to require that digital documents/systems/reports be accessible so that printed versions are not required by officers.</p> <p>The HR and Payroll system supports the councils in collecting data e.g., for its Greenhouse Gas Reporting. The new system will allow the councils to better tailor data to meet its existing reporting requirements and allow the flexibility to collect new data.</p> <div data-bbox="422 987 1120 1731" data-label="Diagram"> <p>Report: HR/Payroll System Replacement Project</p> <p>The diagram is a circular ring divided into 11 segments. Clockwise from the top, the segments are: Waste (green), Greenhouse Gases (grey), Air Quality (green), Sustainable Transport (grey), Land Use Change (grey), Biodiversity (grey), Soil & Waterway Health (grey), Climate Change Adaptation (grey), Energy Use (grey), Sustainable Materials (grey), and another Waste (green) segment.</p> </div>
<p>Legal implications</p>	<p>Failure to have a HR & Payroll system would put the councils in breach of contract with staff and prevent compliance with a range of legislation including the Equality act (2010) and the Employment Rights Act (1996)</p> <p>The procurement of the HR and payroll system has been undertaken in accordance with the councils’ Procurement Procedure Rules.</p>

The contract award will be made using the G-Cloud13 framework (ref: ocds-pfhb7i-2000) and a call off contract will be entered into with the successful supplier. G-Cloud 13 is an approved and compliant framework for purchasing cloud services with standard terms and conditions for local authorities.

There are always risks when the council enters into a contract and it cannot mitigate against all of them, especially when the council enters into a framework agreement whereby the contract has little scope for amendment. The terms of the call off contract will be reviewed by Legal Services prior to final contract award.

Financial implications

There are potential financial implications if it is not possible to procure a new system within the budget envelope of what is currently spent. The current budget includes a proportion of the salary cost for two officers, a proportion of the total cost for the HR and Payroll system (Zellis), the cost of the recruitment applicant tracking system (Hireful) and the learning and development platform (Learning Pool - LEAH).

The budget for the 3 current systems (Zellis, Hireful and Learning Pool) for 2024/25 is £173,465 in total (split as follows: £98,127 for South and £75,338 for Vale).

As part of budget-setting for 2024/25 both councils made provision within their capital programmes to support the potential implementation of a new HR system. This was to the sum of £50,000 per council.

	Imple- mentation (Capital)	Year 1	Year 2	Year 3
Zellis HCM Edition incl. MyView, Payroll and Wellbeing modules	£53,645	£86,640	£86,640	£86,640
This includes the continued use of the payroll bureau and advisory services.				
Eploy incl recruitment module	£23,645	£29,195*	£24,600	£24,600
Cornerstone Learning & Development modules	£15,537.50	£29,679	£29,679	£29,679
TOTAL IMPLEMENTATION	£92,828			
TOTAL REVENUE		£145,514	£140,919	£140,919
Per Council (50/50 split)	£46,413.75	£72,757	£70,459	£70,459.50

* year one includes a three year job posting credits

Procurement implications	A procurement management plan has been created. Soft market testing has been completed via G-Cloud 13 and following workshops with key stakeholders and demos the statement of requirements is being produced and will be put to market for bids.			
Other implications	N/A			
Background papers considered.	N/A			
Declarations/c onflict of interest? Declaration of other councillor/officer consulted by the Cabinet member?				
List consultees		Name	Outcome	Date
	Ward councillors	N/A		
	Legal legal@southandvale.gov.uk	Pat Connell	Agreed -see comment	23/2/2024
	Finance Finance@southandvale.gov.uk	Maggie Xu	Financial data quoted in the report been checked.	29/04/2024
	Procurement Procurement@southandvale.gov.uk	Angela Cox	Agreed	02/05/2024
	Human resources hradminandpayroll@southandvale.gov.uk	N/A – HR preparing form	N/A	N/A
	Strategic property StrategicPropertyTeam@southandvale.gov.uk	N/A	N/A	N/A
	Climate and biodiversity climateaction@southandvale.gov.uk	Jessie Fieth	No additional comments	21/02/24
	Diversity and equality equalities@southandvale.gov.uk	N/A – HR preparing form. EIA screening form completed	No negative impacts	02/02/24
	Health and safety healthandsafety@southandvale.gov.uk	N/A	N/A	N/A
Risk and insurance risk@southandvale.gov.uk	Yvonne Cutler Greaves	Agree approach, SaaS will help us be more resilient whilst aligning all	20/02/24	

			HR functions supports transformation and workforce strategy.	
	Communications communications@southandvale.gov.uk	N/A	N/A	N/A
Confidential decision? If so, under which exempt category?	No			
Call-in waived by Scrutiny Committee chairperson?				

Has this been discussed by Cabinet members?	
Cabinet portfolio holder's signature To confirm the decision as set out in this notice.	Signature Sam Casey-Rerhaye Date 13 June 2024

ONCE SIGNED, THIS FORM MUST BE HANDED TO DEMOCRATIC SERVICES IMMEDIATELY.

For Democratic Services office use only		
Form received.	Date: 14 June 2024	Time: Midday
Date published to all councillors	Date: 14 June 2024	
Call-in deadline	Date: 21 June 2024	Time: 5pm

Guidance notes

1. This form must be completed by the lead officer who becomes the contact officer. The lead officer is responsible for ensuring that the necessary internal consultees have signed it off, including the chief executive. The lead officer must then seek the Cabinet portfolio holder's agreement and signature.
2. Once satisfied with the decision, the Cabinet portfolio holder must hand-sign and date the form and return it to the lead officer who should send it to Democratic Services immediately to allow the call-in period to commence.
Tel. 01235 422520 or extension 2520.
Email: democratic.services@southandvale.gov.uk
3. Democratic Services will then publish the decision to the website (unless it is confidential) and send it to all councillors to commence the call-in period (five clear working days) if it is a 'key' decision (see the definition of a 'key' decision below). A key decision cannot be implemented until the call-in period expires. The call-in procedure can be found in the council's constitution, part 4, under the Scrutiny Committee procedure rules.
4. Before implementing a key decision, the lead officer is responsible for checking with Democratic Services that the decision has not been called in.
5. If a key decision has been called in, Democratic Services will notify the lead officer and decision-maker. This call-in puts the decision on hold.
6. Democratic Services will liaise with the Scrutiny Committee chairman over the date of the call-in debate. The Cabinet portfolio holder will be requested to attend the Scrutiny Committee meeting to answer the committee's questions.
7. The Scrutiny Committee may:
 - refer the decision back to the Cabinet portfolio holder for reconsideration or
 - refer the matter to Council with an alternative set of proposals (where the final decision rests with full Council) or
 - accept the Cabinet portfolio holder's decision, in which case it can be implemented immediately.

Key decisions: assessing whether a decision should be classified as 'key.'

The South Oxfordshire and Vale of White Horse District Councils' Constitutions now have the same definition of a key decision:

A key decision is a decision of the Cabinet, an individual Cabinet member, or an officer acting under delegated powers, which is likely:

- (a) to incur expenditure, make savings or to receive income (except government grant) of more than £75,000.**

- (b) to award a revenue or capital grant of over £25,000; or**
- (c) to agree an action that, in the view of the chief executive or relevant head of service, would be significant in terms of its effects on communities living or working in an area comprising more than one ward in the area of the council.**

Key decisions are subject to the scrutiny call-in procedure; non-key decisions are not and can be implemented immediately.

In assessing whether a decision should be classified as 'key,' you should consider:

- (a) Will the expenditure, savings, or income total more than £75,000 across all financial years?
- (b) Will the grant award to one person or organisation be more than £25,000 across all financial years?
- (c) Does the decision impact on more than one district council ward? And if so, is the impact significant? If residents or property affected by the decision is in one ward but is close to the border of an adjacent ward, it may have a significant impact on that second ward, e.g., through additional traffic, noise, light pollution, odour. Examples of significant impacts on two or more wards are:
 - Decisions to spend Didcot Garden Town funds (significant impact on more than one ward)
 - Changes to the household waste collection policy (affects all households in the district)
 - Reviewing a housing strategy (could have a significant impact on residents in many wards)
 - Adopting a supplementary planning document for a redevelopment site (could significantly affect more than one ward) or a new design guide (affects all wards)
 - Decisions to build new or improve existing leisure facilities (used by residents of more than one ward)

The overriding principle is that before 'key' decisions are made, they must be published in the Cabinet Work Programme for 28 calendar days. Classifying a decision as non-key when it should be a key decision could expose the decision to challenge and delay its implementation.