

Proposals for an Integrated Payroll / Personnel (HR) System

1. SUMMARY

- 1.1 The existing Northgate Payroll system, introduced in April 1999, is designed on a modular basis to allow the integration of payroll and HR systems using a common database. The use of a common database would allow for easier management of data by ensuring that changes to the database occur only once, providing departments with access to a single common and consistent source of data. One of the criteria used in the payroll tender evaluation was the availability of an integrated HR system, although this option was not taken up at the time due to lack of funding. As requirements to produce performance indicators and other management information have increased, approval is now being sought for this extension to the payroll system.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Strategic Policy Committee approve the acquisition and implementation of the Northgate Resourcelink integrated Payroll and HR System.
- 2.2 £75,000 has already been identified in the 2002/03 capital programme for the procurement and implementation of an HR system. It is also recommended that the Strategic Policy Committee approve an additional £63,714 to be made available from the increased capital consent in 2004/05 for the purchase and implementation of Resourcelink. In doing so the following opportunities will be presented:
- The Council will no longer be required to identify £39,000 in 2004/05 for the relicensing of the current payroll system; and
 - Subsequent acceleration of this additional £63,714 to the year 2002/03 would assist the Council in its efforts to address significant slippage in the 2002/03 Transportation and Property Department capital budget, allowing equivalent Transportation and Property expenditure in subsequent years.

3. DETAIL

- 3.1 At the present time the personnel data on the Council's employees is held in two main systems. The Corporate Personnel Information System (CPIS) is a Microsoft Access based system which initially contained key personnel details for all the Council's employees. As a stand alone database, severe limitations exist which prevent the maintenance of CPIS data in a timeous and consistent manner.
- 3.2 The second main system which holds personnel details is in the Education Service and this is held centrally in Dunoon, but is not linked to any other HR system. Additionally some of the core information also exists on the Northgate Payroll System.
- 3.3 There is significant duplication of data and inevitably this has resulted in inconsistencies across the three systems. As the data held on the Payroll System is used for the calculation of pays and is subject to continual update and review, it is often more accurate.
- 3.4 The payroll module which the Council purchased is no longer marketed and has been superceded by Northgate's current package called Resourcelink. The licence to use the existing version of the payroll system expires on 5th April 2004. It is now appropriate to move to the newer product which will continue to be enhanced in the future rather than attempt to renew the licence for a system which Northgate have indicated they are unlikely to continue to support in the longer term. Although the cost of renewing that licence was defined in the original contract as £39,000, these funds are not currently in the approved capital programme. An upgrade to Resourcelink, including the acquisition of the HR modules at this time would require the purchase of a perpetual licence for the integrated package.
- 3.5 The benefits of the Resourcelink System can be summarised as follows:
 - 3.5.1 An integrated approach to Payroll and HR will consolidate the various, disparate methods of maintaining personnel related data across the authority. Duplication will be reduced ensuring the availability of consistent and more accurate information allowing a more efficient approach to the management of the Councils workforce.
 - 3.5.2 Adoption of the Northgate Resourcelink system will provide the opportunity to review and reengineer current back office processes with the aim to increase efficiency and introduce improvements where possible. It will provide a new corporate system for managing training, discipline, grievance, equal opportunities and health and safety records and a much needed enhanced way of providing corporate performance indicator information in these areas. It also allows the Council to move to the latest payroll system offered by Northgate which will continue to be enhanced, rather than remaining on a product which is likely to become obsolete at some point in the future.

- 3.6 A key element in the management of the Council's workforce and a key component of any personnel system is the ability to manage sickness absence in a clear and consistent manner. Resourcelink will provide improved functionality delivering more accurate information relating to the cost of sickness absence to the Council.
- 3.7 The HR Project Board has evaluated the suitability of the integrated Resourcelink System based on cost and compliance against the Council's functional requirements. Investigation of other potential suppliers by Information Technology has shown either a lack of functionality or higher costs for similar systems. The situation is further complicated because, if an alternative supplier is selected, there would no longer be an integrated system and bespoke interface work would be required.
- 3.8 A budget of £75,000 is currently allocated in the 2002/03 capital programme for the implementation of a personnel system. This figure was based on initial discussions with Northgate at the time of the implementation of the Payroll System on the potential costs for personnel modules but recent discussions with Northgate have shown that implementation of an integrated solution will cost £138,714.
- 3.9 Departments have been recently asked to submit bids for additional capital available to the Council in 2004/05 and 2005/06. If the required £63,714 shortfall for Resourcelink could be made available from the 2004/05 additional capital consent, this spend could be brought forward to 2002/03 thus helping to alleviate the Council's projected underspend situation for the current year. It is important to note that to continue to operate the existing Payroll System, £39,000 would have to be identified in 2004/05. An additional £24,714 would secure a fully integrated Payroll / HR solution for the Council.

Implications

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| Policy | None |
| Financial | Capital Budget 2004/05 £63,714 additional funding (Subsequent acceleration to 2002/03) |
| Personnel | None |
| Equal Opportunity | None |
| Legal | None |

Danny Longwill
Head of Personnel Services

For further information contact: Mr D Longwill Tel: 01546 604020