

REPORT TO: POLICY AND RESOURCES COMMITTEE – 25 APRIL 2022

REPORT ON: ZELLIS RESOURCELINK PAYROLL SOFTWARE CONTRACT

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 122-2022

1.0 PURPOSE OF REPORT

1.1 To seek approval to direct award to Zellis UK Ltd via call-off from Crown Commercial Services Framework RM 3821 Data and Applications Solutions, moving to the Human Capital Management (HCM) Cloud platform, to ensure the continuity and resilience of the council's human resources and payroll software.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Policy and Resources Committee:-

Approve a direct award to Zellis UK Ltd via call-off from Crown Commercial Services Framework RM 3821 Data and Applications Solutions for a period of 7 years commencing 29 April 2022 until 28 April 2029

3.0 FINANCIAL IMPLICATIONS

3.1 In addition to the current contract costs of £82,000 per annum (plus indexation), the additional costs to move to HCM Cloud, to be funded from existing Corporate Services revenue budgets, are as follows:-

2024/2025 £55,000; 2025/2026 £94,000; 2026/2027 £118,000; 2027/2028 £118,000 plus indexation; 2028/2029 £118,000 plus indexation.

The non-recurring cost of transitioning to HCM Cloud in 2023/2024 is £35,000.

Savings of approximately £10,000 per annum will be realised from the removal of the requirement to undertake on premise software updates.

4.0 MAIN TEXT

4.1 The council's current human resources and payroll software has been provided by Zellis UK Ltd (previously Northgate Arinso UK Ltd) since 2005. The software has been developed since that date with many bespoke features added to ensure that the human resources and payroll functions can provide the required service to the council, associated external bodies and the Local Government Pension Scheme.

4.2 There are currently 27,600 live employee and pensioner records held on the system along with archived data for leavers.

4.3 The data is hosted 'on premise' on the council's Z Series servers along with other systems and databases. Support for the Z Series ceases on 30 June 2023 and this report supports the council's IT strategy to move data currently hosted on premise to the 'cloud' wherever possible.

- 4.4 A minimum of two upgrades are required every year to ensure that the payroll software meets Her Majesty's Revenue and Customs regulatory requirements and reflects any system improvements. A live and test database are maintained to allow offline testing to take place and updates are required for both databases.
- 4.5 Zellis UK Ltd currently apply the required updates to the software with support from the council's IT section. While necessary, upgrades can result in considerable 'downtime' for users and can result in periods of system malfunction until any issues between the council's IT and Zellis UK Ltd's configuration are resolved.
- 4.6 Zellis UK Ltd have recently introduced a hosted data product, Human Capital Management (HCM) Cloud, where client data is held remotely at a data centre. All software upgrades are implemented overnight by Zellis UK Ltd ensuring that the most up to date software is available. The council would move to the HCM Cloud platform by 30 June 2023.
- 4.7 HCM Cloud also offers additional functionality within the core product, including an App which would allow employees to access key data from their own mobile phone or tablet.
- 4.8 The timescale to adopt an alternative to Resourcelink and associated costs would be significant. The council payroll team have considerable experience in using the Resourcelink software and a steep learning curve would be required to deploy an alternative. It is also likely that duplicate costs would be incurred to support the existing software package while any alternative system was implemented. There would be considerable risk to ensuring the continuity of the human resources and payroll functions during any transition.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0 CONSULTATIONS

- 6.1 The Council Management Team were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

- 7.1 None.

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

DATE: 5 APRIL 2022