

## REPORT TO BUSINESS SERVICES COMMITTEE – 11 NOVEMBER 2021

### PAYROLL SYSTEM UPDATE

#### 1 Reason for Report / Summary

- 1.1 At its meeting on 10 September 2020, the Committee instructed officers to report to the Business Services Committee, on a six monthly basis, on how the review of the payroll system was progressing, with updates on future implementation and detailing progress with outstanding matters.

#### 2 Recommendations

**The Committee is recommended to:**

- 2.1 Note the ongoing development activities being progressed in relation to the HR/Payroll system.**

#### 3 Purpose and Decision Making Route

- 3.1 At its meeting on 27 February 2020, the Business Services Committee considered and agreed a request from the Audit Committee to conduct a Committee Review Process (CRP) in respect of a matter of service delivery improvement, being the Payroll System (Internal Audit Report 1926), and for a Stage One report to be submitted to its meeting on 23 April 2020, which was subsequently deferred until the meeting on 11 June, 2020, due to the Covid19 situation. The Committee noted the Stage One report and instructed officers to submit a presentation on the current and future use of the system to the Committee meeting on 10 September 2020.
- 3.2 Having considered and discussed the presentation at its meeting on 10 September 2020, the Committee subsequently agreed that sufficient reassurance had been provided and not to proceed to Stage Two of the CRP. The Committee also instructed officers to report to the Business Services Committee, on a six monthly basis, on how the review of the system was progressing, with updates on future implementation and detailing progress with outstanding matters.

#### 4 Discussion

##### 4.1 iTrent Development Plan 2021/22

- 4.1.1 While most of the key milestones associated with delivering iTrent functionality, both in terms of the core system and self-service modules, have been achieved there continues to be significant development work undertaken by members of the Systems Development & Support Team (S&DS), in conjunction with staff from the Payroll, HR Transactional, Reward & Analytics, Learning & Development and Health & Wellbeing teams.

4.1.2 This development work falls into the following categories:

- Ongoing rollout of self-service functionality, including absence recording and electronic timesheets
- Improvements to existing system configuration and wrap-around processes
- Testing and implementation of mandatory system and software upgrades
- Building, testing and implementing new system functionality and wrap-around processes in response to specific service requirements

4.1.3 In addition to the above, the Strategic Review of the iTrent System facilitated by MHR consultants in September/October 2020 recommended the implementation of a number of proposed workstreams, some of which align with existing development activities. Other workstreams identified involve new development work which would require to be appropriately resourced and funded.

4.1.4 The iTrent Development Plan for 2021/22, which was agreed at the iTrent Steering Group meeting on 26 August 2021, ranks the various development activities using a benefits/risk matrix. The relevant Digital Strategy theme and outcome have also been identified for each development activity. A copy of the plan is attached as **Appendix A**.

4.1.5 The proposed workstreams arising from the Strategic Review have also been assessed using the above methodology and ranked accordingly. Where a proposed workstream aligns with an existing development activity, this has been categorised as 'System Development/Strategic Review'.

## 4.2 Renewal of Contract

4.2.1 The Supplementary Procurement Plan for the renewal of the iTrent contract was agreed by Business Services Committee at its meeting on 9 September 2021.

4.2.2 The new contract commenced as of 28 September 2021, thus providing access to a range of additional functionality, as outlined within **Appendix B**. The development and implementation of this functionality will be included within the iTrent Development Plan for 2022/23.

## 5 **Council Priorities, Implications and Risk**

5.1 The pillar of Our People is supported by key principles including right people, right places, right time, and responsible finances, which are all relevant to this report.

5.2 This report helps deliver on the Council's Digital Strategy – Our Services, Our Employees and Our Information.

5.3 The table below shows whether risks and implications apply if the recommendation is agreed.

<b>Subject</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Financial		X	
Staffing		X	
Equalities and Fairer Duty Scotland		X	
Children and Young People's Rights and Wellbeing		X	
Climate Change and Sustainability		X	
Health and Wellbeing		X	
Town Centre First		X	

5.4 An integrated impact assessment is not required because the report is to provide the Committee with an update on the development of the HR/Payroll system and there will be no differential impact, as a result of the report, on people with protected characteristics

5.5 There are no direct staffing or financial implications arising from this report.

5.6 The following Risks have been identified as relevant to this matter on a [Corporate Level](#): ACORP001 – Budget Pressures ACORP003 – Workforce ACORP009 – Operational Risk Management

## **6 Scheme of Governance**

6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and had no comments to make. They are satisfied that the report complies with the Scheme of Governance and relevant legislation.

6.2 The Committee is able to consider and take a decision on this item in terms of Section C.6.1 of the List of Committee Powers in Part 2A of the Scheme of Governance as the report relates to the Committee Review Process.

**Ritchie Johnson**  
**Director of Business Services**

Report prepared by Euan Proudfoot, Pay & Reward Manager  
Date 05 October 2021

### **List of Appendices:**

Appendix A - iTrent Development Plan 2021/22  
Appendix B - Additional iTrent Modules

Appendix A: iTrent Development Plan (2021/22)

Rank Order (Based on Risk/Benefits Matrix)	Category	Activity	Description	Anticipated Benefits	Current Status	Progress	Projected Completion Date	Digital Strategy Theme/Outcome(s)
1	System Development/ Strategic Review	Teachers Pay Calculator	Replace the existing spreadsheet used to undertake teacher pay calculations by developing a Business Objects (BO)-based platform.	i) Improved accuracy and consistency in calculations thus reducing pay errors. ii) Increased automation of process thus reducing manual inputting of data. iii) Less time spent on related tasks by HR Transactional & Payroll teams.	New platform to be operational by March 2022 thus allowing parallel running to be undertaken. External consultancy support acquired to address specific issues with building the Business Object (BO) reports.		25% 31/03/2022	<b>Our Services:</b> Technology is used to streamline service delivery, building capacity and reducing pressures.
2	System Development/ Strategic Review	ESS Absence Recording	Rollout of self-service absence recording to remaining services along with improved reporting functionality for Payroll and services.	i) Maximises use of iTrent self-service functionality thus increasing return on investment ii) Reduces the use of paper-based processes and manual inputting of data. ii) Improved access to real-time absence data.	Pilot within Peterhead CSN (primary and secondary schools) ongoing with the rollout across the Education Service planned for October 2021. At this point, the corporate rollout of the functionality will have concluded, with all services having full access.		75% 31/10/2021	<b>Our Services:</b> Technology is used to streamline service delivery, building capacity and reducing pressures/We will continue to increase the number of transactions that can be completed online and improve the online transaction experience.
3	Reward	£400 payments to teaching staff	Extracting data from the system, calculating and making £400 pro rata payments to eligible teachers for supporting the delivery of the Alternative Certification Model (ACM).	i) Ensure that eligible teachers receive payment in recognition of work undertaken to support the delivery of the ACM.	Data extracted from system, provisional payments calculated and spreadsheets issued to relevant head teachers for approval. Letters issued to recipients and claim forms submitted to the Scottish Government. Payments to be included along with October salary payments.		85% 31/10/2021	<b>Our Services:</b> Technology is used to streamline service delivery, building capacity and reducing pressures.
4	System Development/ Strategic Review	Electronic Timesheets	Enhance existing electronic timesheets to meet the needs of service users.	i) Improved accuracy in completing timesheets and reduction in errors through enhanced validation. ii) Further reduction in use of paper-based timesheets and manual inputting of data by Payroll staff.	New version of timesheet for supply teachers, which includes validation, is planned to be piloted in November, subject to agreement with E&CS. Following the pilot, the timesheets will be rolled-out to all supply teaching staff.		70% 28/02/2022	<b>Our Services:</b> Technology is used to streamline service delivery, building capacity and reducing pressures/We will continue to increase the number of transactions that can be completed online and improve the online transaction experience
5	System Development	H&S Executive Reporting	Record data on Hand Arm Vibration (HAV) and Audio testing status within iTrent thus enabling reports to be generated, as required.	i) Ability for services and managers to access real-time data from system on HAVs and audio testing. ii) Ensure compliance with H&SE requirements.	Screen in iTrent created, and work undertaken on the data load. The associated BO reports have been built and development work continues on the PowerBI reporting.		75% 31/01/2022	<b>Our Information:</b> Is managed effectively and stored efficiently to reduce processing and storage costs
6	System Development	Amalgamation of teacher payrolls	Amalgamate the existing permanent and supply teacher payrolls into a single payroll.	i) Use of single payroll numbers will reduce administrative errors. ii) Reduction in number of requests for advances due to late timesheet submission thus reducing administration costs.	Proposal paper drafted for consideration at LNCT meeting in November. Reconfiguring of payrolls and updating associated processes will commence if agreement is reached.		15% 31/03/2022	<b>Our Services:</b> Technology is used to streamline service delivery, building capacity and reducing pressures.
7	System Development	Payroll Reports	Replace existing error/exception reports with fewer, easier to read versions thus improving accuracy and reducing errors.	i) Improvements will assist in identifying pay-affecting errors thus reducing over and under payments.	Three new reports have been created and quality assurance checks being undertaken to ensure that the data is consistent with the existing reports. Feedback to be provided by Payroll which will allow further refinements of the reports.		55% 31/12/2021	<b>Our Services:</b> Technology is used to streamline service delivery, building capacity and reducing pressures.

Rank Order (Based on Risk/Benefits Matrix)	Category	Activity	Description	Anticipated Benefits	Current Status	Progress	Projected Completion Date	Digital Strategy Theme/Outcome(s)
8	System Development	HR Reports	Replace existing reports with fewer, easier to read versions thus improving accuracy and reducing errors.	i) Enhancements will assist in ensuring that the data held within the system is correct thus improving data quality and reporting outputs.	HR reports completed - awaiting feedback from HR Transactional team on outstanding issues; on receipt of feedback, reports will be adjusted, as required.	100%	31/09/2021	<b>Our Services:</b> Technology is used to streamline service delivery, building capacity and reducing pressures.
9	System Development/ Strategic Review	Enhanced reports for Managers	Produce a suite of reports accessible by all managers, providing an overview of both their employee and financial data.	i) Managers will have access to a range of real-time reports on their workforce that will assist with operational and budgetary decision-making.	Data models are largely built and work is underway to develop low level security protocols - next step is to scope what data/metrics managers will be able to access. Intention is to conclude work by December 2021.	65%	31/12/2021	<b>Our Services:</b> Innovation and improved services will be based on the analysis of real-time information flows to quickly identify trends.
10	System Development	Daily Reports	Complete the User Interaction with Active Directory reports	i) Reports will help ensure that users are correctly set up on the system and linked to the relevant Active Directory account.	Relevant reports have been built and the Systems Team are manually resolving any errors with how users are being set up before switching the automatic updates live.	75%	31/01/2022	<b>Our Employees:</b> Have secure access to all appropriate systems and information to allow them to do their jobs efficiently and effectively without being constrained by technology or location.
11	System Development	Termination of Fixed-term Contracts	Implement process for suspending salary payments where fixed-term contracts have expired.	i) Managers and employees will receive email alerts concerning fixed-term contract end dates thus allowing the necessary actions to be taken. ii) Suspending salary payments where fixed-term contract end dates have expired will reduce the likelihood of overpayments.	New process established for suspending salary payments and pilot to commence in November 2021 with full rollout across all services by end of financial year.	60%	31/03/2022	<b>Our Services:</b> Technology is used to streamline service delivery, building capacity and reducing pressures/We will continue to increase the number of transactions that can be completed online and improve the online transaction experience
12	System Development	Hold Authorisation Levels within System	The system will hold information on what a manager or supervisor is authorised to approve e.g. mileage claims, etc	i) Authorisation data will be held within the system against each post thus reducing the need for multiple forms to be completed	The relevant screens and dataload have been built. Finance Management Team has agreed the proposals for holding authorisation levels within the system and meetings are being arranged with Directorate Management Teams to discuss its implementation.	50%	31/01/2022	<b>Our Employees:</b> Have secure access to all appropriate systems and information to allow them to do their jobs efficiently and effectively without being constrained by technology or location.
13	System Development	EMIS Replacement	Complete the Power BI version of EMIS with users being able access historical data via reporting tool.	i) Payroll will be able to readily access data from the former HR/Payroll system thus allowing them to respond to queries and investigate the pay history of a current or former employee.	Files have been reloaded and report rebuilt allowing testing to commence.	80%	30/11/2021	<b>Our Information:</b> Is managed effectively and stored efficiently to reduce processing and storage costs
14	System Development	Additional Hours within Permanent Job	Currently additional temporary hours are recorded as a separate job within the system, which has pension implications. The intention is for the additional hours worked to be held against the substantive post by creating a new element, thus addressing this issue.	i) Will simplify the existing process and ensure that affected employees are not detrimentally impacted in respect of their pension entitlements.	Process established and currently seeking feedback from the HR Transactional team prior to progressing with implementation.	50%	31/03/2022	<b>Our Services:</b> Technology is used to streamline service delivery, building capacity and reducing pressures.
15	System Development	Reconcile SPPA Activities List	Map employee records provided by the SPPA against the records held within the system highlighting any differences, which would require to be investigated and resolved.	i) Provides assurance that pensions contributions made to the SPPA are accurate.	Reconciliation work undertaken and Payroll staff are currently addressing any issues identified.	80%	31/03/2022	<b>Our Services:</b> Technology is used to streamline service delivery, building capacity and reducing pressures.

## Appendix B: Additional iTrent Modules

Module	Anticipated Operational Benefits
GDPR	The GDPR module will provide several enhancements over iTrent's core functionality. The Council will benefit from the ability to streamline processes such as the deletion of expired notes and report outputs and more generally, improve request response times.
Insight Builder	Insight Builder will provide a configurable dashboard that displays a graphical representation of key management information, which can then be interrogated and used as a point of navigation into the system.
Interactive Payslips	<p>The Interactive Payslip is a new method of presenting an electronic payslip in the Employee Self-Service (ESS) platform. It allows the interrogation of values and how they have been calculated.</p> <p>The Interactive Payslips enables self-solution and will ultimately reduce the Payroll queries so resources can be focused on key payroll-related issues.</p>
Organisation Charts	The Organisation Chart module will provide an intuitive way of seeing where employees fit within the organisation. Charts are generated automatically, and users will be able to select between various chart designs, to view either the organisation structure or the organisation structure by reporting lines.
Onboarding	<p>The Onboarding module will provide the Council with a method of integrating applicants who have been offered a job into the Council and its culture prior to their formal start date.</p> <p>The Council will benefit from a general increase in employee productivity through an exposure to "on-the-job" training from day one of employment.</p>
Survey Builder	<p>The Survey Builder module will provide the Council with a method of embedding configurable surveys directly into the ESS platform.</p> <p>Surveys provide valuable insights to help make better operational and strategic decisions, and contribute to increased engagement, retention and employee satisfaction. Furthermore, Survey Builder will allow the design of forms to compliment any ESS process, for example, Exit Interviews or a Return to Work discussion following a period of sickness.</p>