# The Highland Council

| Agenda Item | 11 |
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| Report No | RES/28/23 |

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| **Committee:** | **Corporate Resources Committee** |
| **Date:** | **6 September 2023** |
| **Report Title:** | **People and Finance Systems Programme** |
| **Report By:** | **Interim Chief Executive** |

## 1. Purpose/Executive Summary

1.1 This report provides an overview of the People and Finance Systems Programme, key deliverables, and progress to date, as a key Service Plan action to replace the Council's existing Finance, Payroll and HR systems.

## 2. Recommendation

Members are asked to note the update provided regarding the People and Finance Systems Programme.

## 3. Implications

3.1 **Resource:** Earmarked funding exists alongside the existing budgets for the current systems in use. Budgets are being reviewed to ensure that they are adequate to meet the specified programme deliverables considering currently identified key risks.

3.2 **Legal: T**he Council has a statutory requirement to pay staff and suppliers and record payments for tax and other audit purposes. Systems and processes need to comply with these statutory duties.

3.3 **Community (Equality, Poverty, Rural and Island):** There are no direct implications arising from this report.

3.4 **Climate Change / Carbon Clever:** All Strategic Improvement Board projects proactively make linkages to the Council's Net Zero Strategy.

3.5 **Risk:** All Strategic Improvement Board projects comply with Corporate and Transformation PMO standards in respect of proactive risk management as a key discipline in the controlled and managed delivery of the work. Importantly, the Strategic Improvement Board work programme and activity of the Board directly contributes to the risk response to the Corporate Risk in respect of Financial Sustainability (CR1). Due to the corporate nature of this programme, there will be process changes and impact on staff using the system.  Effective change management will be imperative and

there is a dedicated Change Manager undertaking this role to mitigate any risks associated with change for staff.

3.6   **Health and Safety (risks arising from changes to plant, equipment, process, or people):** There are no implications arising from this report.

3.7   **Gaelic:** There are no specific Gaelic implications arising from this report. All projects will ensure the Council's bilingual policy is appropriately applied.

## 4.   People and Finance Systems Programme Update

4.1   The key target dates for the programme are driven by the following factors:

- The current Integra financial systems platform contract ends 30th June 2024, and support from Integra for the platform ceases 31st March 2025 (extended from an initial 31st March 2024 at the time the programme was initiated).

- There is a key contract milestone date related to the existing Zellis ResourceLink HCM HR and Payroll system with notice to be given by 30th September 2024, the intent being the Council is able to exit that contract no later than March 2025, with implementation of the new TechnologyOne solution in place.

4.2

| Milestone | Date Complete | Status |
|---|---|---|
| P&FS Programme Start | 25/02/22 | Complete |
| Procure new ERP solution for Highland Council | 29/09/22 | Complete |
| Go-Live THC Zellis ResourceLink HCM Cloud Solution | 21/12/22 | Complete |
| Cleanse THC HR Data | TBC | Ongoing |
| Rationalise THC Payrolls | TBC | Ongoing |
| Go-Live THC Financials on TechnologyOne ERP system | 01/04/24 | Ongoing |
| HR & Payroll Support Teams Redesign | TBC | Ongoing |
| Go-Live of Altair Payroll system | TBC (no later than 31/3/25) | Ongoing |
| Go-Live THC HR & Payroll on TechnologyOne ERP | TBC (no later than 31/3/25) | Ongoing |
| P&FS Programme Closure | TBC | Ongoing |

## 5.   OneCouncil Implementation Financials Project

5.1   The configuration design stage for the Financials system was completed in July 2023. Appendix 1 provides a list of functional areas that are in scope for migration as part of this project.

5.2     Planned Activity (August – October 2023):

- Implementation Team Training – this is the training of subject matter experts in each functional area and the key staff involved in the setup and testing of the system.
- Completion of the configuration build by Technology One in September.
- Data migration development by THC Finance teams.
- Development of critical data integrations to and from other systems by THC ICT teams.
- Round 1 of User Acceptance Testing. Due to start in mid-September, running until late October. Consultancy days from Technology One are planned to resolve issues found during this testing round.
- Development of user training and change management communications to end users.

## 6.     OneCouncil Implementation HRP Project

6.1     Workshops have commenced to develop the solution design with TechnologyOne and subject matter experts. Key decisions on strategic approach and business processes are required resulting from these workshops and associated business analysis to ensure that the configuration design stage is completed by the end of October 2023. These decisions will set out how the Council will operate HRP policy and process within the new system.

## 7.     Zellis ResourceLink HCM Data Project

7.1     A working group has been created to assess the data quality within the current HR & Payroll system (Zellis ResourceLink HCM). Critical data improvements required to enable moving to the Technology One system will be identified by the group and prioritised. The group will progress work to improve existing data and the process improvements required to maintain data at the required quality.

## 8.     Payroll Initiative

8.1     There are a number of changes in consideration as part of the Payroll initiatives including:
- Reducing the number of payrolls. This will require to be complete prior to any migration to the Technology One system.
- Enabling MyPayPro for payslips within the current system. This will ensure payslip creation is suitably performant once the number of payrolls are reduced.
- Reducing the number of cheques issued to pay staff.
- Reducing/removing the use of paper payslips.

Each of these changes requires consultation with trade unions and this will form a priority part of activity in the next period.

## 9.     Altair Pension Payroll Project

9.1     A project to implement the Altair Payroll system for payment of pensioner payroll and benefit payments securely, accurately, and efficiently, has been incorporated into the programme. This will require to be complete prior to go-live of the HR & Payroll on the TechnologyOne system. Training is being scheduled prior to starting User Acceptance Testing of the new system.

**10. Risks and issues**

10.1 The programme is addressing the following key risks and issues:

| Key Risk/Issue | Response |
|---|---|
| A cost-effective solution for storing historical financial data is required. | Options and costs are being assessed with the supplier of the current system (Integra). Should historical data need to be migrated to the Technology One system this will require significant additional staff resource to undertake this work prior to April 2024. |
| There are competing tensions between "business as usual" activity and project delivery work. | Backfill requests have been made in several areas with a view to enabling key technical and business staff to deliver project outputs. |
| The 'As Is' HR and payroll processes and operations may not be fully documented or understood.  This means critical information may not be passed onto Technology One for design purposes. | Proposals being developed regarding how to undertake the required level of business analysis to inform new solution design and/or existing process and data improvement. |
| Business readiness for change - the system will bring significant change to the whole business and an off the shelf solution has been purchased. | Proposals are being developed regarding how to undertake the required level of business analysis and change management to ensure the business is ready to accept changes to key HR & Payroll processes. |

11.   Further updates on the People and Finance Systems programme will be brought back to future Committees.


Designation:            Interim Chief Executive

Date:                   28 August 2023

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Appendices:
**Appendix 1 –** Finance System Functional Areas Being Migrated to Technology One System
**Appendix 2–** HR & Payroll System Functional Areas Being Considered for Migration to Technology One System

**Appendix 1 – Finance System Functional Areas Being Migrated to Technology One System**

| Area | Description |
| --- | --- |
| Financial Management | General Ledger |
| | Asset Accounting |
| | Taxation |
| | Banking |
| Revenues Management | Debtors & Billing |
| | Enterprise Cash Receipting |
| Supply Chain Management | Purchasing |
| | Inventory |
| Business Strategy & Planning | Enterprise Budgeting |
| Expenditure Management | Accounts Payable |
| | Purchase Card Management |
| E-Invoicing (EzeScan) | E-Invoicing |
| Enterprise Content Management | Enterprise Content Management |
| Contracts Management | Contracts |
| | Reviews |
| | Sourcing |

**Appendix 2– HR & Payroll System Functional Areas Being Considered for Migration to Technology One System**

| Area | Description |
|---|---|
| Human Resources & Payroll System | Human Resources and Payroll (HRP) incorporates Organisation Management, Recruitment, Talent and Succession, Training, Safety, Payroll and Workforce Management. |
| | Seamless integration with other organisational systems to enable process automation, comprehensive reporting, and detailed analysis. |
| | HRP enables the organisation to make informed decisions quickly with real-time metrics. It empowers employees with advanced self-service features they can access anywhere, on any device. HRP enables management of the entire employee lifecycle from recruitment to termination. |