

Agenda Item	17
Report No	RES/15/26

The Highland Council

Committee: Corporate Resources

Date: 19 March 2026

Report Title: Corporate Systems Update – HR & Payroll Programme

Report By: Assistant Chief Executive – Corporate

1. Purpose/Executive Summary

1.1 This report provides financial, performance, risk and general information on the programme to replace and improve the Council's Core Corporate HR & Payroll related systems.

The programme is working towards the newly agreed vision to deliver an **ambitious**, user-focused HR and Payroll experience that empowers users and streamlines operations through **connected** technology and **sustainable** practices.

1.2 The HR Data and Process Enablement Project completed in September 2025. The outcomes from that work are now being taken forward in various workstreams including the TalentLink Recruitment System Project and the planned HR & Payroll Transformation Project.

Updates on these projects and associated preparatory work are provided in this report.

1.3 Updates are also provided on change management and stakeholder engagement activity that supports the technical delivery within the programme.

1.4 A significant point in the programme was achieved in January 2026 with the award of a contract for an HR & Payroll system that will take us up to 2033. Although the actual software product will not change from our current ResourceLink system, this is a new contract through a framework supplier providing better value for money and including supplier resources to transform how we use the system over the coming year. Delivery of the transformation will be the next phase of this programme, and new milestones are shown in 5.3.

2. Recommendations

2.1 Members are asked to:

- i. **Note** the updates and progress of the HR & Payroll Programme.
- ii. **Note** the integrated impact assessment summary provided in section 4.5

3. Implications

- 3.1 **Resource:** Earmarked reserve and budget pressure funding alongside the existing budgets for the current systems in use has provided project funding to support the project implementation

An HR & Payroll Transformation project is now being scoped considering the HRP technology options appraisal undertaken as part of the HR Data and Process Enablement project.

Resource planning for the HR & Payroll Transformation Project is at an advance stage and budget funding of £0.926M has been approved in the council's budget for 2026/27 for this purpose. As noted in the Medium Term Financial Plan report presented at the meeting of Highland Council on 5 March 2026, this investment will enable better data analysis, enabling us to plan our workforce better. It will also allow better use of the technology and reduce admin so that our people have more time to spend with the clients who need them most.

2025/26

The Programme Financial position as at the end of Quarter 3 2025/26 is:

	Total Remaining Programme Budget at 1 April 2025	Commitments for FY 2025/26	Remaining Forecast Spend for FY 2025/26	Annual Spend to Date	Forecast Underspend at Year End 2025/26
Q1 25/26 position (£)	775,945	0	367,504	170,031	238,410
Q2 25/26 position (£)	775,945	0	134,134	353,309	288,502
Q3 25/26 Position (£)	775,945	0	62,504	410,110	303,331

Forecast Programme expenditure for the 2025/26 financial year, categorised across over-arching programme level spend, and project level spend, is as follows.

2025-26	£
Staffing	297,456
Project Implementation Costs	175,158
Uncommitted/Contingency	303,331
Total	775,945

- 3.2 **Legal:** The 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 **Risk:** The systems being replaced are critical corporate systems that support core aspects of service delivery (paying staff, paying suppliers, receiving income, etc). It is essential therefore that successful implementation is achieved, and risk is managed and mitigated given the critical impact risks could have on Council business.

The Programme Board continues to manage ongoing key risks and issues which include:

- Programme Affordability
- The level of Project Team resources.
- Competition between “business as usual” activity and remaining project delivery work.

There are no risk implications arising as a direct result of this report.

The project also directly contributes to the risk response to the Corporate Risk in respect of Financial Sustainability (CR1).

- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people):** There will be process changes and as a result implications for staff using the new systems. Effective change management will be imperative and there is a dedicated Change Manager undertaking this role to mitigate any risks to the organisation.

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

4. Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children’s Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection.

- 4.1 An Integrated Impact Assessment and associated full Data Protection Impact Assessment was conducted by the HR & Communications service as part of the procurement of the council’s HR & Payroll Solution. Further assessments will be conducted as required during the planned HR & Payroll Transformation Project.

- 4.3 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

- 4.4 An Integrated Impact Assessment screening was undertaken in November 2025. The conclusions have been subject to the relevant Manager Review and Approval.

A full Data Protection Impact Assessment (DPIA) was required due to the risk associated with holding and sharing of personal data. Some of the HR data collected is considered special category (sensitive) personal data under UK

GDPR, requiring increased security measures, such as restricted access and robust encryption, to prevent breaches.

4.5 Data Protection Impact Assessment – Summary

The HRP Programme enhances the current HR/Payroll system to improve automation, accuracy, security and compliance.

Positive Impacts

- Improved data accuracy through automation and reduced manual processing.
- Strong GDPR compliance supported by retention schedules and built-in system routines.
- High security standards, including ISO 27001 and Cyber Essentials Plus.
- Increased transparency and employee self-service.

Negative Impacts & Mitigation

- **Historic data quality issues**, mitigated by dedicated data cleansing and specialist support.
- **Risk of incorrect retention or deletion**, mitigated by configuring GDPR rules within HR & Payroll Solution in line with Council schedules.
- **Potential payroll errors** during implementation, mitigated through comprehensive testing and contingency plans.

5. HR & Payroll Projects

5.1 Overall Project RAG



5.2 Key Milestones & Requests for Change

MILESTONES**CURRENT STATUS**

<i>Starts Apr 24 / Completes Apr 24</i>	Altair Pensions Payroll: HC pensions self-serve go live	M4 24/25 Completed
<i>Starts Apr24 / Completes Aug24</i>	Altair Pensions Payroll: Pensions self-serve concludes	M6 24/25 Completed
<i>Starts Apr24 / Completes Mar25</i>	Altair Pensions Payroll: Pensions payments migrated to Altair	M12 24/25 Completed
<i>Starts Aug24 / Completes Nov24</i>	HR & Payroll: Socitm Advisory Review Complete	M8 24/25 Completed
<i>Starts Oct24 / Completes Feb25</i>	Altair Pensions Payroll: Pensioners payroll Go-live	M12 24/25 Completed
<i>Completes Jun 25</i>	Altair Pensions Payroll: Project Closure	M3 25/26 Completed
<i>Starts / Completes Feb25</i>	HR & Payroll: Data and Process Enablement: Initiation phase	M11 24/25 Completed
<i>Starts Mar25 / Completes Apr25</i>	HR & Payroll: Data and Process Enablement: Discover phase	M2 25/26 Completed
<i>Starts Apr25 / Completes May25</i>	HR & Payroll: Data and Process Enablement: Define phase	M3 25/26 Completed
<i>Starts May25 / Completes Jun25</i>	HR & Payroll: Data and Process Enablement: Prepare phase	M3 25/26 Completed
<i>Starts / Completes Jun25</i>	HR & Payroll: Data and Process Enablement: Deliver phase	M6 25/26 Completed
<i>Starts May 25/ Completes June 25</i>	HR & Payroll: Data and Process Enablement: Options appraisal	M3 25/26 Completed
<i>Starts May 25/ Completes June 25</i>	HR & Payroll: Rapid Improvements - Talentlink (recruitment system)	M6 25/26 Completed
<i>Starts May 25/ Completes June 25</i>	HR & Payroll: Rapid Improvements - Resourcelink (HR and Payroll system)	M3 25/26 Completed
<i>Starts / Completes Aug25</i>	HR & Payroll: Data and Process Enablement: Project closure	M6 25/26 Completed
<i>Starts Aug 25 / Completes Mar 26</i>	HRP&P: Option selection	M10 25/26 Completed

5.3 All original milestones for the programme, within the council Delivery Plan, are now complete. New milestones have been created for the upcoming HR & Payroll Transformation Project as follows:

Milestone	Description
Starts Feb 26 / Completes Apr 26	Pre-Project Preparation
Starts Apr 26 / Completes Jun 26	Consolidation & Planning with Supplier
Starts Jun 26 / Completes Feb 27	HR & Payroll Solution Redesign & Configuration & Testing
Starts Feb 27 / Completes Mar 27	Further Solution Module Development
Starts April 27 / Completes Jun 27	Project Closure

5.4 Financial Summary

- i) **Savings**
Annual savings as shown below were brought through the council's 2026 budget and will be enabled by delivering the HR & Payroll Transformation Project.

2026/27	2027/28	2028/29
£50,000	£100, 000	£150,00

- ii) **Income**
No direct income directly attributed to this project have been identified.

- iii) **Investment**
See section 3.1 for the full financial statement. New investment brought through the council's 2026 budget for the HR & Payroll Transformation Project is shown below.

2026/27
£926,000

- iv) **Mitigations**
Identify all known Programme costs and source appropriate funding for duration of Programme.

5.5 Key Risks

As all project outputs have been delivered with the HR & Payroll Projects in the current phase of the programme associated project risks are now closed.

Key programme risks that continue to be managed are:

Key Risks	Mitigation
<p>Competing tensions between “business as usual” (BAU) availability of resources to support project work and deliver change:</p> <p>Due to competing workload - project dependencies between programme projects, other projects, BAU, council wide priorities.</p>	<p>Undertook Socitm Advisory Strategic Review to ensure scope and resourcing is clearly understood as part of future Programme Roadmap.</p> <p>The resourcing model, including both internal and external resource requirements, for future HR and Payroll transformation is being developed and is being informed by the outputs from the HR Data and Process Enablement Project and supplier engagement.</p> <p>The resourcing model, including month by month profiling for 2026/27 has been developed. The approach will blend in-house resources with expertise from suppliers where required. This was</p>

informed by the recommendations resulting from the HR & Payroll Data & Process Enablement Project.

Competing tensions between “business as usual” and availability of technical/SME resources and the technical expertise to deliver the project outcomes

The resourcing model, including month by month profiling for 2026/27 has been developed. The approach will blend in-house resources with expertise from suppliers where required. This was informed by the recommendations resulting from the HR & Payroll Data & Process Enablement Project.

Significant cultural change is required to transform from current operations, in order to systemise HR and payroll and achieve project outcomes:

HRP&P project team includes a Change Manager and Learning & Development Adviser. Project team is actively reviewing opportunities for improvements, rolling out training and guidance to support managers.

Due to systemising this will bring significant change to the whole organization, processes and new ways of working. Paper based processes will be replaced with system modules, change will impact all employees.

Change management work has been assisted by change experts from Civiteq.

Project funding may be insufficient to achieve some/all project objectives:

Risk being monitored by Project & Programme Boards and through Programme Financial Statement.

Due to potential resources required from within organization – SME’s and technical expertise to support project delivery.

Based on current forecast costs in 2025/26 the programme is currently affordable.

Additional funding of £900k has been agreed in the budget for 2026/27.

5.6 Progress Update & Forward Plan

5.7 HR & Payroll Transformation Project

5.7.1 Following on from the completion of HR Data and Process Enablement Project work the Programme Board have approved a Project Brief for a project to transform the council’s HRP Solution using a “best of breed” system.

5.7.2 Following a formal procurement process, a contract award has been made through a national framework to Softcat Ltd for the provision of an HR & Payroll platform. The actual software solution being provided by Softcat is the Zellis HCM (ResourceLink) product which will run until 2033. This will provide a stable HR & Payroll platform upon which to fully transform the council’s HR & Payroll

processes, data & service, whilst minimising risk to core functions during the period of change.

5.7.3 The programme team are currently undertaking preparatory work advance of the large-scale HR & Payroll transformation including:

- Ensuring relevant council strategy dependencies are reviewed.
- Creating all required Programme & Project documents and identifying the tools and ways of working to be employed.
- Project planning for 2026/27, profiling the anticipated internal and external resources required for delivery by month and associated costs.
- Reviewing governance arrangements to ensure decisions will be made at the appropriate level of delegation.
- Reviewing Data findings & recommendations from the earlier projects.
- Developing the change management approaches and early change management and communications planning.
- Collating all relevant data & information to provide to the supplier for planning and design stages of the transformation project.
- Risk workshops to identify, evaluate and put in place suitable mitigations for the next stage of the programme.
- Benefits mapping workshops with key service staff to full identify and profile the specific benefits to be realised from the transformation project that will contribute to the planned savings and service improvements.

5.7.4 The Programme team are also engaging closely with the Data Foundations Project, another project within the Corporate Solutions Portfolio of the Delivery Plan, to undertake further detailed analysis of HR and Payroll data. This will inform critical data cleansing priorities and some strategic decisions required and ensure data work undertaken meets the minimum requirements of that parallel project.

5.8 TalentLink Recruitment System Improvements Project

5.8.1 Overall Project RAG



5.8.2 Key Milestones & Requests for Change

MILESTONES		CURRENT STATUS
Starts Aug 25 / Completes Sep 25	TalentLink Recruitment System Improvements:1 Initiation	M6 25/26 Completed
Starts July 25/ Completes Oct 25	TalentLink Recruitment System Improvements:2 Implement Single Sign On	M7 25/26 Completed
Starts May 25 / Completes Jan 26	TalentLink Recruitment System Improvements:3 Implement System Dashboards and Notification	M11 25/26 Completed
Starts Oct 25 / Completes Feb 26	TalentLink Recruitment System Improvements:4 Review and redesign of candidate management process	M11 25/26 On Target
Starts Oct 25 / Completes Feb 26	TalentLink Recruitment System Improvements:5 Review and redesign of offer management process	M11 25/26 Some Slippage
Completes Apr 26	TalentLink Recruitment System Improvements:6 Project Closure	

5.8.3 Financial Summary

As per section 3.1.

5.8.4 Key Risks

KEY RISKS ASSESSED	CURRENT RISK RATING	RESPONSE
TalentLink : Limited supplier resources impacts availability and response times	6	Treat

5.8.5 The project aims to enhance the recruitment experience: improving efficiency, user experience, and alignment with Council policies and the Strategic Drivers identified and assessed as part of the Socitm Advisory (now Civiteq) Strategic Review undertaken in 2024.



5.8.6 The specific project objectives are based on the recommendations from the TalentLink health check carried out by COSLA, in April 2023. Prior to

development of the project plan, the project team engaged with COSLA's subject matter experts to ensure these recommendations were still valid.

5.8.7 The progress of the work is as follows:

No.	Description	Strategic Driver	Benefits	Status
1	Build and implement dashboards for Manager and Recruiting Team	• User experience and flexibility	• Reduce queries, email traffic and forms, with double handling of tasks to back-office teams by rolling out recruiting manager self-service.	Complete
2	Implement automated system notifications to better inform recruiting manager at stages in the recruitment process.	• User experience and flexibility	• Increasing system security, aligning with corporate ICT strategy.	Complete
3	Migrating recruiting officers' access from username and password to Single Sign On (SSO).	• User experience and flexibility	• Reducing the requests for password resets.	Complete
4	Review and redesign Candidate Management process	• User experience and flexibility	• Systemising steps and reducing manual handling	In Progress
5	Review and redesign Offer Management process	• Standardised Processes • Data Management & Integrity	• Reduction in off system working limiting the opportunities of teams to do things differently.	In Progress

5.8.8 **Recruitment Dashboards:** The Manager dashboards improve visibility of recruitment activity, support better decision-making, and reduce reliance on manual tracking.

5.8.9 **Automated Notifications:** Managers now get emailed alerts with Post IDs and advertisement dates and when a post is withdrawn, cancelled, or held. Applicants also get emailed to confirm withdrawal and how to correct if this was in error. This cuts down on manual processing time, doubling handling and reduces queries.

5.8.10 **Single Sign on:** Individuals using the system now use their Microsoft Office 365 login to access the system instead of separate username and passwords.

- 5.8.11 Feedback from Managers and staff using the processes were received during the testing phases and changes were made to improve the newly designed processes. Ongoing feedback will be captured in upcoming drop-in sessions for Managers.
- 5.8.12 The Project is currently completing the work on redesigning candidate management processes which will reduce off-system working that leads to inconsistent approaches across teams. This work has been focused on shortlisting and interview arrangements for the candidates who have been selected (so they move from applicant to candidate).

In addition, the project is working on developing standard system functionality not currently in use by redesigning Job Application questionnaires. This work will produce a set standardise questionnaires and reduce the number of manual steps.

- 5.8.13 The project is being delivered by a development team including a Process Development Officer, HR Analyst and a Principal Workforce Planning officer with support from the HR Change Manager and the TalentLink team within COSLA. Key back-office stakeholders including HR, Pay & HR Transactions team are also heavily involved in the work.
- 5.8.13 The project is developing a system support and development model for the TalentLink System and associated processes. This will put the council in a improved position to continue to improve and take timely advantage of future system enhancements offered by COSLA.
- 5.8.14 The TalentLink Project is forecast to close as planned in April.

5.9 Stakeholder Engagement and Communications

A series of Readiness Assessments have been undertaken for the Key Stakeholder groups using a cloud-based audience engagement tool. These assessments have used the ADKAR Model to frame a series of statements from which we will measure and benchmark organisational change readiness. From this data we will then create a series of actions/initiatives to seek to improve priority topics from the benchmark and remeasure as the Programme progresses.

Tactical communications have been issued to Lead Officers and key teams to support the changes from the TalentLink Project. These changes will be shared with a broader audience in the coming weeks. Launch communications are being prepared in advance of the official launch of the HR and Payroll Transformation Project.

6. Programme Governance

- 6.1 Existing programme governance arrangements are delivering the project aims on time and within budget. This approach will also support the delivery of the project aims into 26/27 and ensuring project decisions are taken with the appropriate level of delegation.

6.2 The Programme Board will remain responsible for ensuring appropriate linkages are made and dependencies managed between the projects within the new structure and controlling programme budgets.

Designation: Assistant Chief Executive - Corporate

Date: 6 March 2026

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