Operations Committee

SPT

Workforce Systems Transformation – Award of Contract

Date of meeting   23 August 2024   **Date of report**   13 August 2024

Report by Director of Finance & Corporate Support

1. Object of report

To recommend the Committee approve the direct award of the following new workforce systems contracts:

- HR/Payroll System to Midland HR through the NHS Digital Workplace Solutions Framework, (contract ref SBS/19/AB/WAD/9411); and

- Rostering and Scheduling System to UKG through the Scottish Value-Added Reseller (SVAR) Framework (contract ref SP-21-034).

2. Background to report

SPTs current Workforce systems: HR, Payroll, Rostering, Time and Attendance have not been updated for several years. In August 2023, the Workforce Systems Transformation (WST) project was initiated to look at transforming these workforce systems to improve overall functionality, provide a better experience for users, streamline processes, provide a greater level of service, and provide enhanced data management and reporting.

These systems impact everyone across SPT. Current provision is through:

- Chris21 and HR21 for HR/Payroll
- HireRoad for Recruitment
- Perdis and Webcomm for Rostering and Scheduling
- Each of these current systems are also supported by a range of spreadsheets and other tools such as email

Digital transformation is one of the key SPT strategic priorities. SPT has a responsibility to ensure that the technology it uses delivers the best possible outcomes for customers and employees. Internally it is essential that SPT continually reviews its digital infrastructure and provides solutions that improve usability, data management, workflows and reporting to drive organisational productivity and support growth and development.

To achieve this, SPT needs to ensure that business areas are supported by effective and reliable technology and working processes. Key outcomes of the WST project can be summarised as follows:

- More modern, efficient and focused workplace, reducing the need for paper forms and doing things more than once.
- Self-service functionality for staff.

- Reduction in the amount of manual data input tasks and improving data quality and reporting and reduction in double and treble data handling.
- Creating a 'Golden Copy' or 'single source of the truth,' where data is input as few times as possible and used across our systems. Improved data confidence, quality, and security, easier to keep personal and relevant information up to date.
- Better quality scheduling and rostering functionality. This will support the subway modernisation process and journey to the new Target Operating Model.
- Improved communication and information flow across departments.
- Improved data sources to aid better reporting to help inform decisions.
- Reduction in the need for paper, telephone calls and emails.
- Creating a modern working environment and room to grow.

3. Outline of proposals

3.1 Scope of Services

- HR/Payroll system which also covers Recruitment and Onboarding
- Rostering and Scheduling system

A key element of the procurement process was identifying systems which meet SPT requirements and which will integrate effectively to reduce manual entry and duplication across all workforce systems.

The initial contract term will be for five years with the option to extend for a further five years. This extended contract period reflects the significant cost and disruption incurred when transitioning from one workforce system to another. A shorter contract term period would significantly impact on the overall affordability of the workforce systems.

3.2 Tender Process

A detailed system requirements document was created covering all SPT required functionality. This was reviewed and agreed by internal stakeholders and the WST Steering Group before being passed to selected suppliers for response. A number of suppliers also provided formal system demos which a number of key staff from across SPT attended.

SPT has access to various public sector procurement frameworks to streamline the procurement process.

3.3 Justification for Direct Award

As single supplier frameworks, the call off process via both the NHS Digital Workplace Solutions Framework, which is open to all NHS and public sector authorities, and the SVAR framework is straightforward. For this procurement, suppliers were asked to confirm compliance with the detailed SPT workforce systems requirements schedules and provide a price for the contract.

The contract was initially considered on a Pass/Fail basis for requirement compliance as follows:

HR Payroll Supplier	Requirements Pass/Fail	Rostering Supplier	Requirements Pass/Fail
Frontier	Did not apply	UKG	Pass
Midland HR (iTrent)	Pass	HFX	Pass
IRIS (Cascade)	Fail	Omnidas	Did not apply
Employment Hero	Fail	Rotageek	Fail
		Noah	Did not apply

3.4 Costs

Only one HR/Payroll supplier, Midland HR (iTrent) met the requirements criteria. Two of the Rostering system suppliers met the requirements criteria and the lowest price option was UKG.

The groups which reviewed the requirements responses and system demos were content to recommend these options to the WST Steering Group as preferred suppliers. The table below provides the cost breakdown for the new systems based on SPT having 500 staff, licence costs for both systems are linked to staff numbers so can increase or decrease in the event of a significant change in staffing levels:

System	Supplier	*Annual Licence £	One Off Costs £	*Total cost over 10 years £
HR/Payroll	Midland HR/iTrent	35,507	111,240	466,314
Rostering	UKG	36,180	5,564	367,364
TOTAL (based on licencing for 500 staff)		71,687	116,804	833,678

*Final discussions are ongoing in respect of the number of licences and modules required.

4. Committee action

The Committee is recommended to approve the direct award of the following new workforce systems for an initial term of five years with the option to extend for a further five years:

- HR/Payroll System through the NHS Digital Workplace Solutions Framework (contract ref SBS/19/AB/WAD/9411) to Midland HR for an annual fee of £35,507, implementation fee of £111,240, total cost over 10 years up to £466,314, and

- Rostering and Scheduling System through the SVAR Framework (contract ref SP-21-034 to UKG for an annual fee of up to £36,180, implementation fee of £5,564, total cost over 10 years up to £367,364.

5. Consequences

Policy consequences	*Supports the objectives of SPT's Digital Strategy, in particular enhancing available technology.*
Legal consequences	*The award will be subject to Framework terms.*
Financial consequences	*The costs of the contract will be met within existing budgets.*
Personnel consequences	*None directly.*
Equalities consequences	*None directly.*
Risk consequences	*None directly.*

| Climate Change, Adaptation & Carbon consequences | *None directly.* |

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