

# WORCESTERSHIRE COUNTY COUNCIL

## RECORD OF OFFICER EXECUTIVE DECISION

<b>TITLE:*</b>	<b>HR System (Incl. payroll)</b>
<b>Decision Taken By:</b>	Richard Taylor, Assistant Director for HR, Digital and Communications
<b>Cabinet Member</b>	Cllr. Marcus Hart
<b>Decision Made*</b>	Approval to award contract for HR System to MHR
<b>Is this Report Exempt as per Schedule 12A Local Government Act 1972</b>	No
<b>Decision taken under the following delegation:</b>	Councils' constitution – Paragraph 4(J) of the Officer Scheme of Delegation (j) to enter into any arrangements, contractual, partnership, or otherwise with any other body for the carrying out of the functions of either body;
<b>Division(s) Affected</b>	All
<b>Date of Decision*</b>	26/02/25
<b>Summary of Decision*</b>	The delivery of a HR system including managed payroll. Direct to supplier contract for the iTrent system with MHR providing the opportunity to introduce efficiencies, refine and modernise processes and reduce the overall costs to the council of HR and Payroll system provision. Key benefits include system standard approach to enable more efficient and streamlined processes.
<b>Reason(s) For Decision*</b>	<p>The commercial offer from MHR was considered alongside a proposal to extend current services with Liberata.</p> <p>The evaluation panel felt that the MHR solution provided enhanced functionality with access to a full range of products and services with new HR functionality such as case management, survey builder, performance reviews and analytics, as well as a fully managed payroll service.</p> <p>Key benefits include the ability for processes to be modernised, bringing efficiencies through reduction in manual processes, as well as enhancing reporting to provide more intuitive data analytics.</p> <p>The direct MHR approach gives the Council the ability to access latest system updates directly from the supplier on a quarterly basis, ensuring the best use of available technology.</p> <p>The iTrent solution is also developed and installed by the supplier directly and not by third parties which the evaluation panel felt would lead to a less complicated environment should issues occur during the build.</p>

<b>Alternative Options Considered and Rejected</b>	See above
<b>Summary of any financial implications</b>	Though there will be increased costs in 2025/26 due to startup costs associated with the new contract, and the change over period with Liberata. There is expected to be an overall cost saving over the 5 years however assurance has been provided to the Chief Financial Officer (s151) that the overall system/resource costs will be neutral over the 5 year period compared to the current contract costs. Whilst the table below shows a significant saving over the 5 year period this doesn't take in to account system config costs in addition to extra capacity/resource costs associated with system implementation.
<b>Summary of any legal implications</b>	The procurement was undertaken in accordance with the Public Contract Regulations 2015 and the Council's Contract Standing Orders and Procurement Code by the use of a compliant Crown Commercial Services Framework Agreement.
<b>Consultation process and results</b>	A Proc 2 document (the plan) was taken to Commercial Board on 12 December 2024 discussing the end of the current contract and the options being explored to bring additional benefits within the same financial envelope. This was approved.  A Proc 4 (the result) was taken to Commercial Board on 26 February 2025 and it was approved that the Council proceed with MHR.
<b>Equality duty Implications</b>	<b><i>Give details of any Joint Equality, Public Health, Data Protection and Sustainability Impact Assessments.</i></b>  <b><i>Select any of the following which are appropriate:</i></b>  <b><i>A. The JIA screening did not identify any potential considerations requiring further assessment during implementation.</i></b>  A full Data Protection Impact Assessment is in the process of being undertaken
<b>Social Value Implications</b>	To be agreed with supplier during mobilisation
<b>Any Conflict of Interest declared by a consulted Cabinet Member/ any dispensation granted*</b>	N/A
<b>Background documents*</b>	N/A
<b>Signature</b>	
<b>Reference/Date Published</b>	For use by Democratic Services only
<b>Monitoring Officer Review needed</b>	No

## Cost comparison

Table 1: Cost Implications of MHR Contract over 5 years

Cost Element	MHR Contract Costs	Liberata for Changeover (10 months)	Retained Structure Cost (HR Staffing)	Total
	£	£	£	£
Start-up costs	138,665			<b>138,665</b>
Year 1 25/26	262,968	1,068,067	213,681	<b>1,544,716</b>
Year 2 26/27	313,815		427,363	<b>741,178</b>
Year 3 27/28	313,815		427,363	<b>741,178</b>
Year 4 28/29	313,815		427,363	<b>741,178</b>
Year 5 29/30	313,815		427,363	<b>741,178</b>
<b>Total</b>	<b>1,656,893</b>	<b>1,068,067</b>	<b>1,923,133</b>	<b>4,648,093</b>

NOTE: Retained structure (HR additional staffing costs) for year 1 estimated at 50% as it may be necessary to recruit ahead of MHR system go live.

Table 2: Budget Variance MHR Option vs. Current Budgeted (Liberata contract)

Cost Element	Budget (Current Liberata Contract)	MHR Implications Total	Variance
	£	£	£
Year 1 25/26 (inc. start-up costs)	1,233,181	1,683,381	450,200
Year 2 26/27	1,233,181	741,178	-492,003
Year 3 27/28	1,233,181	741,178	-492,003
Year 4 28/29	1,233,181	741,178	-492,003
Year 5 29/30	1,233,181	741,178	-492,003
<b>Total</b>	<b>6,165,905</b>	<b>4,648,093</b>	<b>-1,517,813</b>

NOTE: cost table does not take into account system configuration work and additional staffing/resource costs.