

HR & Payroll System Procurement

Introduction / Background:

The council has a corporate HR & Payroll software system in place that allows the council to manage critical Payroll and HR administration activities for its employees. The system is currently supplied by Midland HR (MHR), the original contract with MHR was initiated in 2011 and the existing 3 year contract was due for renewal on 30th October 2021.

The council prior to renewal paid an annual charge of £88.5k and at the start of the contract there was an initial charge of £66k for software rental, maintenance and support services. The price to recommence the contract from the 31st October 2021 is £93.5K per annum and the initial capital charge is £63k. **The total cost is £343k** for a proposed 3 year contract. The costs will be funded from existing budgets.

The proposed annual cost is £5k higher than the current contract however this price includes a more detailed pension data service required to meet mandatory pension reports in line with recently updated legislation.

By renewing with the same provider it will allow the council to continue to consolidate and develop the Payroll and HR System which will help to reduce process costs in the future and avoid significant development and project set up costs resulting from a move to a new supplier. New system options have previously been considered and rejected due to high costs exceeding £1m.

The contract is being procured through an Insight public sector procurement framework and delivered by Midland HR (MHR),