DECISION NO: PCCG-2013-043

OFFICE OF POLICE AND CRIME COMMISSIONER

TITLE: Acquisition and Implementation of HR and Payroll IT System

DATE: 19th March 2013

TIMING: This decision needs to be taken as soon as possible to achieve compliance with HMRC PAYE requirements prior to 1st September 2013.

PURPOSE: For decision

1.	**RECOMMENDATION** That the Commissioner approves the purchase and implementation of Midland iTrent HR and Payroll Software suitable for maintaining existing Payroll and HR functionality, to be installed on Gwent Police hardware. The HR and Payroll system will be procured under Part 5 of the Police and Crime Commissioner for Gwent's Standing Orders Relating to Contracts, Paragraph 20.
2.	**INTRODUCTION & BACKGROUND** The Commissioner and the Chief Constable have indicated their support for an integrated suite of IT systems covering, Human Resources, Payroll, Duty Resource Management, Finance and Procurement. This report deals solely with the acquisition and implementation of the HR and Payroll software, due to the urgency of having an HMRC PAYE compliant system in place prior to 1st September 2013. A further report dealing with the remaining elements of the proposed integrated suite of software will follow in due course.
3.	**ISSUES FOR CONSIDERATION** Gwent Police currently uses Midland Software's Delphi Millenium integrated Human Resources and Payroll software, purchased in 1996. Midland Software have announced that they will be withdrawing support for this system from the end of March 2013 and whilst Gwent Police could continue to use the system, it does not cater for the new PAYE requirement to transfer data to HMRC throughout the year rather than after the year end. It follows that a new system is urgently needed. The appendices to this report provide a business case supporting the purchase and implementation of Midland iTrent HR and Payroll Software to be installed on Gwent Police hardware.
4.	**NEXT STEPS** To purchase the necessary hardware and software and bring the system into use prior to 1st September 2013.
5.	**FINANCIAL CONSIDERATIONS** The financial implications are detailed in the appendices. The preferred option shows capital costs of £210,717 and annual recurring costs of £53,101. Savings on the annual costs of the existing Delphi system will amount to about £49,000. Backfill costs to cover staff involved in implementation are estimated at £84,000, but as much of this as possible will be covered by using existing

		staff.
6.	**PERSONNEL CONSIDERATIONS**	
	The personnel considerations relate to the re-location of staff involved in the implementation.	
7.	**LEGAL IMPLICATIONS**	
	Legal advice has been sought when necessary.	
8.	**EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS**	
	This project/proposal has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group. Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.	
9.	**RISK**	
	The level of change is significant, but necessary in order to introduce compliant systems.	
10.	**PUBLIC INTEREST**	
	This report will be published on the Commissioner's website in due course.	
11.	**CONTACT OFFICER**	
	Neil Phillips, Treasurer and Deputy Chief Executive to the PCC.	
12.	**ANNEXES**	
	Appendices 1to 3 provide the detailed business case for this proposal.	

Consultation:	Tick to confirm (if applicable)
Financial The Treasurer has been consulted on this proposal.	Report written by Treasurer.
OPCC *(insert name)* The Chief Executive has reviewed the request and is satisfied that it is correct and consistent with the PCC's plans and priorities.	√
Legal The legal team have been consulted on this proposal.	N/A
Equalities The Equalities Officer has been consulted on this proposal.	N/A

Chief Executive/ Deputy Chief Executive:

I have been consulted about the proposal and can confirm that financial, legal, equalities etc... advice has been taken into account in the preparation of this report.

I am satisfied that this is an appropriate report to be submitted to the Police and Crime Commissioner for Gwent.

Signature: S A Bosson

Date: 19 March 2013

Police and Crime Commissioner for Gwent

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct.

The above request has my approval.

Signature:

Date: 19 March 2013

Public Access to Information

Information in this submission is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. This submission will be made available on the OPCC website following consideration by the Police and Crime Commissioner.

Are you satisfied that the contents and observations made are necessary and suitable for the public domain?	
In producing this submission, has consideration been given to 'public confidence'?	
If you consider that this submission should be exempt from the public domain, please state the reasons.	

Ref:

Scheme Description: Acquisition and Implementation of new Human Resources and Payroll IT System
Date: 14th March 2013
Version: 4.0
Contact Name: David Young/Darren Garwood
Contact Number: 710 4479

1 EXECUTIVE SUMMARY

1.1 The Police and Crime Commissioner and the Chief Constable have indicated their support for an integrated suite of IT systems covering HR, Payroll, Duty Resource Management, Finance and Procurement. This report deals solely with the acquisition and implementation of an HR and Payroll system.

2 INTRODUCTION

2.1 Background

2.1.1 Gwent Police currently utilises Midland Software's Delphi Millenium as its 'integrated' Human Resource (HR) and Payroll Software. The application was purchased in 1996 to meet the need for Gwent Police to have its own stand alone Payroll and Human Resource functions, following the abolition of Gwent County Council as part of the re-organisation of Local Government in Wales.

2.1.2 Delphi Millenium (hereafter referred to as 'Delphi') functionality is provided in a series of modules. The modules used by Gwent Police and their purpose are summarised in the table below:-

Module	Purpose
Payroll	To manage the payment of salaries, overtime, statutory and non-statutory payroll deductions and statutory payroll related returns for Gwent Police's 1,376 Police Officers and 984 Police Staff (Whole Time Equivalents at January 2013).
Personnel	To manage the Force's establishment, employees' personal details, post information and to manage personnel and post changes. Maintaining

	management hierarchy data for the Duty Resource Management system.
Absence Management	To manage Gwent Police's attendance management records and to produce regular management reports.
Training Administration	To manage training administration including nominations and training history including skills and competencies database

2.1.3 Delphi does not act as a Duty Resource Management (DRM) System, so the implementation of a system to replace current systems and practices in this area will not be considered a central part of this business case. However, any DRM functionality of the preferred option will present an opportunity to develop a truly integrated system. Therefore the sole DRM criteria of this business case will be the ability for the preferred option to interface with DRM systems that have a proven track record in the policing environment.

2.1.4 The Delphi application software currently sits on an IBM P55A Server, running AIX v 5.3 in conjunction with an Oracle Database (version 10.2). Environments exist for 'LIVE', 'TEST' and 'TRAINING' purposes.

2.1.5 Valuable reference data is held in Delphi, which is used by other interfaces in multiple operational, planning and reporting tools across the Force. These have been built up on an incremental basis over the lifetime of Delphi and, whilst not being integrated they are interfaced to maintain and produce management information. These systems include, but not exclusively, the following:

- Duty Resource Management (DRM);
- Rota;
- Timesheet;
- Self service updates;
- E-sickness;
- E-expenses;
- E-property;
- Lawson (Financial accounting system);
- Command and Control;
- Occupational Health;
- Socrates (Forensic evidence database);
- PDR;
- Briefing and Tasking;
- BACSTEL_IP/Paybase (Electronic banking system);
- Qlikview Performance (Data extracts);
- Performance statistics;
- Qlikintel;
- Duty Resource Analysis;
- Training attendance compliance;
- Organisational charts;
- NICHE (scheduled to go live);

- Complaints/Centurian; and
- Numerous other in-house systems via a common data extract file.

2.1.6 In addition information held within Delphi is also used via manual extraction for activities including, but not exclusively, the following:

- Annual and quarterly HMIC statistics;
- Best Value Performance Indicators;
- Establishment Planning and Control;
- Airwave;
- Sickness Statistics;
- Freedom of Information requests;
- Police Federation;
- Identity Card Issue;
- Health and Safety statisitics;
- Long Service Awards;
- NSPIS Custody;
- Guardian;
- Learning and Development; and
- National Fraud Initiative.

2.1.7 Annual transaction levels through the HR and Payroll applications are approximately as follows:

Function	Transaction Type	Volume per annum
Payroll	Expense Claims	5,300
	Overtime Claims	12,200
	Delphi Amendment Forms	5,000
Human Resources	Starters and Leavers	300
	Sickness Forms	2,230
	Delphi Amendment Forms	5,000

2.1.8 The cost of Delphi in terms of annual maintenance is broken down as follows:

Payroll	£27,660
HR	£21,440

	£49,100

2.2 Business Need

2.2.1 Delphi is now over sixteen years old. Midland Software has over the last ten years developed new generation HR and Payroll software that make use of the latest developments in information technology. As such, the user base for

Delphi has gradually decreased to the extent that at the start of 2012 there were only fourteen users of the software nationally.

2.2.2 Each year, Midland Software provide software updates for Delphi to ensure that it is compliant with the latest tax, pension and employment law legislation. In 2012 the Income Tax (Paye as You Earn) (Amendment) Regulations 2012 made some major changes to the PAYE system from the 6th April 2013 – the most notable being the need to provide Real Time Information (RTI) to HMRC on employees' earnings for tax purposes from that date. This is normally done at year end by employers but under RTI there will be a need for monthly returns to HMRC.

2.2.3 Furthermore, the Pension Act 2011 introduced 'auto-enrolment' for pensions. This means that starting from October 2012, employers will automatically enrol their workers into a workplace pension if they meet certain criteria. This will help to address the issues that prevent people from saving into a pension. It was initially identified, that Gwent Police would need to be compliant by August 2013, however, with the introduction of the Office of the Police and Crime Commissioner (PCC) and the establishment of two 'corporations sole' (both the PCC and Chief Constable), the Pensions' Regulator has reached the conclusion that Gwent Police attains a 'new employer' status, and therefore its compliance (or staging date) is now moved to 1st May 2017.

2.2.4 The component HR aspects of Delphi are generarlly not subject to significant periodic legislative changes (as identified above for the Payroll aspects). Therefore, Delphi would remain HR compliant for the foreseeable future and be capable of continuing to be used.

2.2.5 Midland Software have decided however, that it is not cost effective for them to develop the changes necessary within Delphi to allow employers to comply with RTI (from April 2013) and auto-enrolment (from May 2017). This has led to another ten of the fourteen remaining users deciding that they need an alternative more up to date application. Gwent Police is therefore now one of only four users of Delphi yet to decide on a way forward. To compound matters further, with Delphi now largely obsolete, Midland Software have announced that they will be withdrawing support for the application from the end of March 2013.

2.2.6 In order to provide sufficient time to procure, configure and implement a fully RTI and auto-enrolment compliant successor to Delphi (and future proof both Payroll and HR aspects), the Finance Department have approached HMRC to determine both an extension to the date upon which Gwent Police will need to be RTI compliant (i.e. an extension beyond 6th April 2013) and also, if this extended date is ultimately not met, what the financial penalties would be for each month of non-compliance. (Auto-enrolment is not a deciding factor as its compliance date is still some way off – 1st May 2017). On the 20th February 2013, HMRC confirmed that the absolute latest that Gwent Police will need to be RTI compliant is 1st September 2013, and for each month following this date that Gwent police fails to be RTI compliant, a penalty of approximately £5,000 will be enforced.

2.2.7 The above cash penalty does not account for the reputational risk exposure to the organsiation, nor the possibly of additional audit we may face from the HMRC. Therefore, a target date for RTI complinace of 1st August 2013 has be set.

2.2.8 As Midland Software have already confirmed that they are withdrawing support for Delphi from 31st March 2013, the ability to deliver a robust Payroll and HR service up until a successor system is implemented needs to be determined. To address this requirement, Gwent Police has secured a 'Read Only' contract with Midland Software that will allow it to continue to produce payrolls and manage HR information using Delphi up to 31st March 2014. The cost of this licence was a one off payment of £24,000. No provision for the continued use of Delphi beyond 31st March 2014 has been made.

2.2.9 Although the phrase 'Read Only' is used, and technically this means that Gwent Police ought not to be using Delphi to produce payrolls and manage the HR data therein, Midland Software have indicated that manipulation of several tables within Delphi by Finance and ICT staff would allow it to be used to produce monthly payrolls, albeit without support from Midland. The requirement to manually manipulate tables is due to the impact of Midland Software 'withdrawing support for the application' and thereby not automatically updating these tables in the software with relevant 2013/14 legislative changes. The legislative changes that need to be made in the software concern:

a) PAYE (Pay As You Earn – Income Tax) changes to rates for employees;

b) Pension rate changes for employee contributions to both the old and new Police Pension Schemes and also the Local Government Pension Scheme; and

c) National Insurance rate changes for both employers and employees.

2.2.10 Finance and ICT staff have previous experience of manually updating the software. It is only over the last two or three years that 'patches' supplied by Midland Software have automated this work. A test environment is available within Delphi which has been used to successfully test the necessary changes.

2.2.11 With robust interim solutions in place up to 31st July 2013, the remaining sections of this business case will consider the options to deliver a successor system to Delphi from 1st August 2013 onwards, which meets statutory requirements in relation to RTI and auto-enrolment and meets the operational needs of the organisation above and beyond those required for payroll processing and management of HR information.

3   OBJECTIVES

3.1.1 The remainder of this business case will identify possible options for replacing Delphi. Each option will be evaluated at a high level against a set of overarching objectives and only the options meeting these will be taken forward for more detailed appraisal.

3.1.2 The overarching objectives are as follows:

a) To deliver an integrated HR and Payroll system that meets statutory requirements (including timescales) and user specifications;

b) Must be able to be procured by a timely and legal procurement route, that will allow maximum time for implementation;

c) Future integration to a Duty Resource Management (DRM) system is desirable;

d) Future integration to an Enterprise Resource Planning (ERP) system is desirable;

e) Seeks to deliver a collaborative approach where this would produce savings; and

f) Demonstrates value for money and is affordable.

4 AVAILABLE OPTIONS

4.1 The following have been identified as potential options for a replacement HR and Payroll System:

Option 1a: Purchase Midland iTrent with software installed on Gwent Police hardware;

Option 1b: Purchase Midland iTrent with software hosted by Midland Software;

Option 1c: Purchase Midland iTrent with software installed on Torfaen CBC's own hardware (under the SRS);

Option 2: Logica Solution via on-boarding with the Multi-force Shared Service (MFSS);

Option 3: Stand Alone Contract with Logica;

Option 4: Collaboration with Dyfed Powys Police (DPP); and

Option 5: Collaboration with Torfaen County Borough Council (TCBC).

4.2 Options 1a, 1b and 1c – Midland ITrent with Various Server/Hosting Options

4.2.1 ITrent is the successor to Gwent Police's current HR and Payroll software. It is RTI and auto-enrolment compliant. However, the major constraint on Options

1a, b and c, is the ability to deliver and implement a 'full' solution, i.e. one that replaces (and goes well beyond) all existing Payroll and HR functionality, thereby exploiting maximum efficiencies, within the timescale to meet RTI compliance (1st August 2013). This full solution is subsequently referred to as the 'To Be' Implementation Solution. Advice sought from our existing software supplier, and an independent third party who are currently implementing iTrent (TCBC), confirms that it is not feasible to implement a full solution by 1st August 2013. However, the modules and functionality solely required to meet RTI compliance can be achieved. In simple terms, the modules for RTI compliance are Payroll and only a subset of the full HR functionality, known as 'core HR, i.e. the HR functionality and information from the HR Management Module required to run a robust payroll. This RTI compliant solution is subsequently referred to as the 'Compliant' Implementation Solution. However, a solution exists between 'To Be' and 'Compliant', which simply replaces existing functionality, enjoyed by both Finance and HR communities. This solution (referred to as the 'As Is' Implementation Solution) is capable of being delivered by 1st August 2013 (to meet Payroll requirements), and will also meet the needs of HR in recording and managing information that interfaces with other Force applications (see paragraphs 2.1.5 and 2.1.6). For ease of reference, the table at Appendix 1a articulates the modules/functionality in the 'Compliant', 'As Is' and 'To Be' Implementation Solutions.

4.2.2 As the 'As Is' Implementation Solution meets the RTI Compliance deadline, the 'Compliant' Implementation Solution could be rendered obsolete for further consideration. However, the pros and cons surrounding each of the Implementation Solutions are captured in Appendix 1b, to ensure all factors are taken into consideration.

4.2.3 ITrent can be procured via routes open to Gwent Police such as Sprint II and DFID. These would allow a streamlined procurement route and maximise the time available for implementation.

4.2.4 ITrent is already used by a number of Police Forces and several examples exist of it interfacing with both DRM and ERP systems in a policing environment.

4.2.5 Although options 1a and 1b are not strictly based on a collaborative approach, because of the involvement of SRS staff in potential implementation, they do seek to exploit collaborative opportunities. Option 1c however, is a firm collaborative venture.

4.2.6 In assessing the Options 1a, b and c from a financial perspective, only the 'As Is' Implementation Solution will be considered. Both the 'Compliant' and 'To Be' Implementation Solutions, as constants across each of Options 1a, b and c, will be excluded for simplicity. However, the costs of all three Implementation Solutions are considered at Appendix 2a for completeness.

4.2.7 For Option 1a (Gwent Police hosting), Capital costs for Midland iTrent software amount to £31,017, with associated implementation consultancy costs of £87,700. Recurring Midland iTrent licensing costs amount to £36,601. Gwent Police capital hardware costs amount to £25,000, and one-off licence costs of

£67,000. Recurring Gwent Police licensing costs amount to £16,500. In summary therefore, this option would require capital investment of £210,717, and an annual recurring requirement of £53,101.

4.2.8 Option 1b is a variant on Option 1a. The software would be hosted by Midland on their servers with Gwent Police staff being able to access the software over a secure internet connection. Midland Software have confirmed that there are larger organisations than Gwent Police who have their hosted service provided in this way. There would be no requirement for a dedicated line to be installed between Gwent and Midland Software. The cost of the secure internet connection is included in the hosting costs below. Under this Option, Capital costs for Midland iTrent software amount to £31,017, with associated implementation consultancy costs of £87,700. Furthermore, a one-off £15,000 for hosting is required. Recurring Midland iTrent licensing costs amount to £36,601 and £15,000 hosting costs. In summary therefore, this option would require capital investment of £133,717, and an annual recurring requirement of £51,601.

4.2.9 Option 1c is again a variant of Option 1a. The software would be installed on TCBC's iTrent server within the Shared Resource Service (SRS). Under this Option, Capital costs for Midland iTrent software amount to £31,017, with associated implementation consultancy costs of £87,700. Recurring Midland iTrent licensing costs amount to £36,601. Gwent Police capital hardware costs amount to a £10,000 contribution to TCBC, and one-off licence costs (again as a contribution to TCBC) of £35,000. Recurring Gwent Police licensing costs are estimated to amount to £9,000. In summary therefore, this option would require capital investment of £163,717, and an annual recurring requirement of £45,601. It must be noted however that the TCBC contribution amounts (predominantly capital), have yet to be confirmed by the SRS Board. Furthermore, as the SRS is based on a cost/income sharing model, it is feasible that a proportion of the 'profit' on this investment will be returned to Gwent ('profit', or surplus generated income is returned to the SRS partners (Gwent Police, TCBC and Monmouthshire County Council (MCC) in equal thirds).

4.2.10 Based on the above assessment, each of Options 1a, b and c will be taken forward for detailed appraisal.

4.3 <u>Option 2: Logica Solution via On-boarding with MFSS.</u>

4.3.1 A Logica solution was part of the business case put forward by Gwent Police to join the MFSS and some preparatory work on a payroll solution, based on the assumption that Gwent Police would join the MFSS, has already been performed.

4.3.2 As this option would involve Gwent Police buying into the Payroll only element of the MFSS proposal, i.e. excluding HR (and potentially DRM) functionality, this option will therefore not be taken forward for further appraisal.

4.4 <u>Option 3: Stand Alone Contract with Logica.</u>

4.4.1 This would again involve Gwent Police building on the pre-implementation work that was performed ahead of the potential joining of the MFSS.

4.4.2 The solution being offered is that of a payroll bureau service only, therefore, for the same reason outlined in Option 2 above, this option will not be taken forward for more detailed appraisal.

4.5 Option 4: Collaboration with DPP

4.5.1 DPP use iTrent and have offered to host an 'instance' of iTrent for Gwent Police. This would involve using a facsimile of their software, but populated with Gwent Police's HR and Payroll data. Gwent Police Staff would access their systems (hosted in Carmarthen) from desktops in Gwent.

4.5.2 However, advice from the Head of Procurement has confirmed that whilst Gwent Police will not be contracting directly with Midland, DPP will be increasing their licences for a product that has not been previously tendered for. The value of additional licenses, set-up consultancy and other associated costs would be in excess of the European Union (EU) procurement threshold, thereby breaching EU Directives.

4.5.3 In taking advantage of the proposal, Gwent Police could legitimately be legally challenged. This option will therefore not be taken forward, as no legal procurement route exists.

4.6 Option 5: Collaboration with TCBC

4.6.1 TCBC also uses iTrent although obviously, it is configured for Local Authority usage and not Police specific terms and conditions. Aside from the option explored at 1b (Gwent Police's software installed on their server), a similar option to the DPP one above was also considered, i.e. using an instance of TCBC's software to run HR and Payroll for Gwent Police.

4.6.2 However, the Head of Procurement understands that no provision was made in TCBC's original tendering process, to legally allow Gwent Police to take advantage of this proposal. This option will therefore not be taken forward for further appraisal.

5 OPTION APPRAISAL

5.1 Detailed Option Appraisal

5.1.1 Options 1a, b and c are appraised in more detail in Appendices 2a, 2b and 3. Appendix 2a shows the detailed cost breakdown, whilst Appendix 2b the discounted cost of each Option over 3 years. This short timescale has been chosen, as the replacement HR/Payroll system could be viewed as a short to medium term fix of an imminent problem, if the wider proposal to implement an ERP solution provides a better HR/Payroll solution in the longer term. However that is not to say that the preferred option could not be part of that long term solution, on grounds of, for example, enhanced functionality and financial considerations.

5.1.2 The table below is a summary of the discounted net cost of each Option over 3 years.

Option	£'000	Rank
1b : Midland Host	141.0	1
1c : Installed on TCBC	154.2	2
1a : Gwent Police Host	222.2	3

5.1.3 As can be seen none of the Options are particularly expensive and all would be affordable to the Force over the medium term. Furthermore, The financial assessement of the TCBC Option excludes potential reductions in capital outlay as a result of discussions at the SRS Board and also excludes any future return of surplus generated income. Both of these factors could impact upon the ranking of this Option.

5.1.4 Appendix 3 details the non-financial appraisal of each option, with criteria considered as either critical, important or desireable to the success of the project. The results of this appraisal are detailed in the table below:

Option	Score	Rank
1a : Gwent Police Host	64	1
1c : Installed on TCBC	60	2
1b : Midland Host	52	3

5.1.5 The results of the financial and non-financial appraisal are finally brought together in the table below. The financial appraisal is given a weighting of 40% and the non-financial appraisal is given a weighting of 60%.

Office of Police & Crime Commissioner for Gwent
Business Case for Change

Appraisal	Weighting	Option 1a Gwent Police Host	Option 1b Midland Host	Option 1c TCBC Host
Financial (NPV)	2 (i.e 40%)	2	6	4
Non-Financial	3 (i.e. 60%)	9	3	6
Overall Weighted Score		11	9	10
Overall Rank		**1**	**3**	**2**

Note: 3 points for 1st ranked, 2 points for 2nd ranked and 1 point for 3rd ranked in each of theindividual apprasials (Financial and Non-financial).

5.1.6 Based on the above weighted appraisal, Option 1a: Gwent Police Host is the preferred solution. A major factor in discounting the TCBC Installation Option was due to the maturity of the software (AEP) to provide secure access for Gwent Police Staff to the Torfaen server within the given timescales. However, over the next 12 months it is expected that this software solution will be suitably proven, to enable consideration of the TCBC Installation Option from the second year of operating the new iTrent system. This in itself will generate future efficiencies through the utilisation of SRS staff on one set of hardware. The capital outlay costs for the Gwent Hosted solution (e.g. purchase of a server) will not be wasted, as the assets will be available for recycling into future programmes of work.

6   RESOURCING AND IMPLEMENTATION

6.1.   Resourcing

6.1.1 Resourcing the implementation will take a dedicated team. The project will need to be led by the Exchequer Services Manager and would likely need another staff member from the Payroll team, two staff members from People Services and also a dedicated ICT staff member to implement the system in time for the August 2013 deadline.

6.1.2 High level supervision and project management will be directed by the CFO's to the PCC and the Chief Constable.

Summary Implemention Backfill Costs (6 month implementation assumed)

Exchequer Services Manager	£16,000
ICT Programmer	£26,000

Senior Payroll Payroll / Payroll Clerk	£14,000
People Services Admin Supervisor	£14,000
People Services Establishment Officer	£14,000

	£84,000

These costs would likely be the same no matter which option was the preferred solution and have therefore been excluded from the option appraisal exercise.

6.2. Implementation Plan

6.2.1 A detailed implementation plan is being developed.

Compliant (1st August 2013)	As Is (1st August 2013)	To Be (TBC)
HR Management	**HR Management**	**HR Management**
Organisation Structure	Organisation Structure	Organisation Structure
Vacant/Occupied Posts	Vacant/Occupied Posts	Vacant/Occupied Posts
Full Reporting Lines	Full Reporting Lines	Full Reporting Lines
Terms and Conditions	Terms and Conditions	Terms and Conditions
Personal Information (Limited)	Personal Information (Partial)	Personal Information (Full)
		Employment Checks
		Chronological Salary History
		New Starter Checklist
		Multiple Employment
Absence Management	**Absence Management**	**Absence Management**
	Recording and Authorisations	Recording and Authorisations
	Automated Task Alerts	Automated Task Alerts
		Automatic Entitlement, Booking and Authorisations
		Peer Group Functionality
		Individual Absence Reporting
		Direct Payroll Interface
		Colour Coded Calendar
		On-line Search
		Automated Notifications and Alerts for Compromises
		Automatic Letter Generation
Payroll	**Payroll**	**Payroll**
Statutory Compliant Processing	Statutory Compliant Processing	Statutory Compliant Processing
Gross to Net Calculation	Gross to Net Calculation	Gross to Net Calculation
'What if' scenarios	'What if' scenarios	'What if' scenarios
EPayslips	EPayslips	EPayslips
Multiple Employments	Multiple Employments	Multiple Employments
GL Interface	GL Interface	GL Interface
Unlimited Pension Schemes	Unlimited Pension Schemes	Unlimited Pension Schemes
Electronic HMRC Payments	Electronic HMRC Payments	Electronic HMRC Payments
Bulk Updating & Reversals	Bulk Updating & Reversals	Bulk Updating & Reversals
Timesheet Management	Timesheet Management	Timesheet Management
Automatic Pay Adjustments	Automatic Pay Adjustments	Automatic Pay Adjustments
Learning Events	**Learning Events**	**Learning Events**
	Participant's Learning Outcomes Automatically	Participant's Learning Outcomes Automatically

	Updated	Updated
		Match & Gap Analysis
		Learning Activity Templates
		Configurable Evaluation Forms
		Handles Internal/External Courses and Attendees
		Waiting List and Block Booking Functionality
		Resource Library through a Graphical Calendar Diary
		Electronic Employee Learning Accounts
		E-correspondence
		Cost Tracking
People Development	**People Development**	**People Development**
	Qualifications, Skills and Checks (even at a team level)	Qualifications, Skills and Checks (even at a team level)
	Personal Development Plans and Learning Activities	Personal Development Plans and Learning Activities
		Automatic Gap Analysis of Person to Role
		Development Needs
Recruitment	**Recruitment**	**Recruitment**
		Campaigns Automatically Linked to Vacancies
		Graphical Campaign Life-cycle Designer
		Applicants' Progress Traffic-light System
		Tracking of Internal and External Applicant Data
		Multiple Vacancies for Applications
		On-line Web Applications Forms
		Web Recruitment (W3C Level)
		Workflow to Payroll, Vetting Training, ICT
		Interview Scheduling
		Tracking of Media Success Rates
Performance Management	**Performance Management**	**Performance Management**
		Objectives Catalogue
		Actions/Milestones Recording

		Configurable Ratings
		Automated Alerts
		Employee Performance Lifecycle
		Performance Review Form Designer

Self Service (Limited to Above Functionality)	**Self Service (Limited to Above Functionality)**	**Self Service**
Employee	Employee	Employee
Manager	Manager	Manager

Reporting Layer	**Reporting Layer**	**Reporting Layer**
Bespoke Reporting Functionality Over and Above Standard Reporting	Bespoke Reporting Functionality Over and Above Standard Reporting	Bespoke Reporting Functionality Over and Above Standard Reporting

Appendix 1b

Office of Police & Crime Commissioner for Gwent
Business Case for Change

	Pros	Cons
'Compliant' Solution (01/08/13)	Meets Statutory RTI Deadline.	Does not meet wider HR/Operational needs.
	Avoids HMRC penalty fees (estimated to be £5,000 per month) and reputational issues.	HR staff will need to run and implement parts of 2 systems from 1st August 2013 until full HR functionality is achieved.
	Removes extended reliance on using the 'un-supported' Delphi system.	Minimal exploitation of efficiencies.
		Potential to lose 'momentum' – fail to deliver additional modules.
		Potential interoperability with a DRM solution could be compromised.
		Potential interoperability with an ERP solution could be compromised.
		Potentially provides insufficient time for training and cultural shift.
'As Is' Solution (01/08/13)	Meets Statutory RTI Deadline.	Directing and controlling a multi-functional team with differing priorities.
	Avoids HMRC penalty fees (estimated to be £5,000 per month) and reputational issues.	Potential for Payroll implementation being compromised by wider requirements.
	Removes extended reliance on using the 'un-supported' Delphi system.	Potentially provides insufficient time for training and cultural shift.
	Avoids HR staff running 2 systems, for no value -adding benefit.	
	Meets wider HR/Operational needs.	
	Maintains momentum to a certain degree.	
	Greater insight into how system will interface with potential DRM/ERP system.	
	Increased exploitation of efficiencies.	

Office of Police & Crime Commissioner for Gwent
Business Case for Change

'To Be' Solution (e.g. 01/01/14)	Maximum exploitation of efficiencies.	RTI deadline missed. Penalty of (estimated) £5,000 per month of non-compliance.
	Even greater insight into how system will interface with potential DRM/ERP system.	Non compliance may instil a lack of confidence in HMRC's mind, thereby invoking a full tax audit.
	Avoids HR staff running 2 systems, for no value -adding benefit.	Reputational impact upon a law enforcement agency.
	Meets wider HR/Operational needs.	
	Maximises momentum for system changes.	
	Provides sufficient time for training and cultural shift.	

	Gwent Server			Midland Hosting			Torfaen Server		
	Compliant	As Is	To Be	Compliant	As Is	To Be	Compliant	As Is	To Be
	£	£	£	£	£	£	£	£	£
Capital Costs									
HR Management	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517
Payroll (includes Absence)	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517
Recruitment		2,069	2,069		2,069	2,069		2,069	2,069
Web Recruitment			2,069			2,069			2,069
People Development		2,069	2,069		2,069	2,069		2,069	2,069
Learning/Training		2,069	2,069		2,069	2,069		2,069	2,069
Self Service Employees	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069
Self Service Managers	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069
Reporting Layer	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Business Pack	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069
Police T&C's	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069	2,069
Occupational H&S			690			690			690
GL Interface	2,750	2750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
sub total	24,810	31,017	33,776	24,810	31,017	33,776	24,810	31,017	33,776
Midland Consultancy Days @ £877	65,775	87,700	87,700	65,775	87,700	87,700	65,775	87,700	87,700
Purchase of new server	25,000	25,000	25,000						
Midland Hosting Capital Cost				15,000	15,000	15,000			
Contribution to TCBC Server Space							10,000	10,000	10,000
Virtual Machine Licence	6,000	6,000	6,000				3,000	3,000	3,000
Sequel Licence	36,000	36,000	36,000				18,000	18,000	18,000
Windows Licence	21,000	21,000	21,000				10,000	10,000	10,000
Memory Upgrade	4,000	4,000	4,000						
AEP Bridging Licence							4,000	4,000	4,000
Total Capital Cost	182,585	210,717	213,476	105,585	133,717	136,476	135,585	163,717	166,476
Recurring Maintenance Cost									
HR Management	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Payroll	6,620	6,620	6,620	6,620	6,620	6,620	6,620	6,620	6,620
Recruitment		2,483	2,483		2,483	2,483		2,483	2,483
Web Recruitment			2,483			2,483			2,483
People Development		2,483	2,483		2,483	2,483		2,483	2,483
Learning/Training		2,483	2,483		2,483	2,483		2,483	2,483
Self Service Employees	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483
Self Service Managers	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483
Reporting Layer	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Business Pack	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483
Police T&C's	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483
Occupational H&S			820			820			820
GL Interface	3,300	3300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Sub total	29,152	36,601	39,904	29,152	36,601	39,904	29,152	36,601	39,904
Virtual Machine Licence	2,000	2,000	2,000				1,000	1,000	1,000
Sequel Licence	10,500	10,500	10,500				5,000	5,000	5,000
Windows Licence	4,000	4,000	4,000				2,000	2,000	2,000
AEP Bridging Licence							1,000	1,000	1,000
Midland Hosting Recurring Cost				15,000	15,000	15,000			
Total Recurring Cost	45,652	53,101	56,404	44,152	51,601	54,904	38,152	45,601	48,904

Options 1a, 1b and 1c
3 Year Discounted Cash Flow

Option 1a   Purchase i-Trent with Software Installed on Gwent Hardware

| | i Trent | | | | | | | | |
	Hardware £000	Software Purchase £000	Capital Licences £000	Implemention Consultancy £000	Software Annual Mtce £000	Recurring Other Licences £000	Delphi Mtce Saved £000	Total £000	DCF - 3.5%	NPV £000
Year 0	25.0	31.0	67.0	87.7				210.7	1.000	210.7
Year 1					36.6	16.5	(49.0)	4.1	0.966	4.0
Year 2					36.6	16.5	(49.0)	4.1	0.934	3.8
Year 3					36.6	16.5	(49.0)	4.1	0.902	3.7
									NPV	222.2

Option 1b   Purchase i-Trent with Software Hosted by Midland Software

| | i Trent | | | | | | | | |
	Software Purchase £000	Capital Licences £000	Implemention Consultancy £000	Software Annual Mtce £000	Hosing Annual Charge £000	Delphi Mtce Saved £000	Total £000	DCF - 3.5%	NPV £000
Year 0	15.0	31.0	87.7				133.7	1.000	133.7
Year 1				36.6	15.0	(49.0)	2.6	0.966	2.5
Year 2				36.6	15.0	(49.0)	2.6	0.934	2.4
Year 3				36.6	15.0	(49.0)	2.6	0.902	2.3
								NPV	141.0

Option 1c   Purchase i-Trent with Software Hosted by Torfaen CBC

| | i Trent | | | | | | | | |
	Hosting Capital Cost £000	Software Purchase £000	Capital Licences £000	Implemention Consultancy £000	Recurring Licence Costs £000	Delphi Mtce Saved £000	Total £000	DCF - 3.5%	NPV £000
Year 0	10.0	31.0	35.0	87.7			163.7	1.000	163.7
Year 1					9.0	(49.0)	(3.4)	0.966	(3.3)
Year 2					9.0	(49.0)	(3.4)	0.934	(3.2)
Year 3					9.0	(49.0)	(3.4)	0.902	(3.1)
								NPV	154.2

Appendix 3

Options 1a, 1b and 1c
Weighted Appraisal of Preferred Option

High Level Criteria	Sub Criteria	Criteria Weighting	Option 1a (Trent Gwent Servers)	Option 1b (Trent Gwent Hosted by Midland)	Option 1c (Trent Hosted by Torfen)	Notes
Fit for Purpose:	Payroll Functionality	3	6	6	6	Does the solution offer a robust payroll solution that is RTI/auto-enrolment compliant
	HR Functionality	3	6	6	6	Does the solution offer a robust HR solution
	DRM Functionality	2	4	4	4	Can the solution be integrated/interfaced with DRM software in the future
	ERP Functionality	2	4	4	4	Can the solution be integrated/interfaced with ERP software in the future
Timeliness:	procurement Route	3	6	6	6	Does a procurement route exist that would maximise time for implementation
	Implementation	3	6	6	6	Can implementation be achieved by 1st August 2013
Collaborative Approach:	Exploits the benefits of public sector	2	2	0	4	
Risk:	Controllability of implementation resources	2	6	4	4	The more partners for such a time constrained project the greater the likelihood of not meeting deadlines due to conflicting priorities.
	How flexible to Gwent's future needs is the proposed solution	2	6	2	4	The more fixed the solution, i.e. it has already been set up and used by a partner (DPP scenario) the less easy it will be to adapt in the future for the changing needs of Gwent Police. I.e. we own it we can change it as and when required.
	Data Migration Risk Minimised	2	6	6	6	The extent to which the is greater of lesser risk in transferring data from the current system to the new system.
	Existing interfaces (reworking requirement)	2	6	2	6	The system should make minimal use of manual process and interfaces should be automated
	Availability of Resources	2	6	6	4	Resources will be staff from Finance, HR, ICT and Midland Software
Weighted Scores			**64**	**52**	**60**	

Criteria Weightings

1 Low — Low importance - desirable to the success of project

2 Medium — Important Criteria but not critical to overall success of project

3 High — Important Criteria Critical to Success of Project.

Possible Scores

0 Zero Fit — Does not meet any requirements

1 Reasonable — Partially meets requirements

2 Good Fit — Generally meets requirements

3 Excellent Fit — Fully meets requirements