

GENERAL PURPOSES COMMITTEE

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Agenda item: 7

Wards: All

Subject: Update and evaluation of iTrent Project Implementation

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Forward Plan reference number: not applicable

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Recommendations

a) General Purposes Committee is asked to note the contents of this report.

1.0 PURPOSE OF REPORT

- 1.1 This report provides General Purposes Committee with an update and evaluation of the iTrent project, which has been an ambitious and innovative joint procurement and implementation exercise between the London Boroughs of Merton, Sutton and Royal Borough of Kingston upon Thames, (“the Partnership”).
- 1.2 The report assesses the achievements and challenges as well as lessons learned from the project, which will further improve how the new system (iTrent) and the new outsourced payroll service, delivered by Agilisys, can be realised.
- 1.3 Furthermore, an intention of the report is to stimulate discussion as to how Merton Council can apply some of the lessons learned from the iTrent project within the wider context of organisational change and other business improvement projects. This will position the iTrent project as part of a wider corporate transformational agenda and assure its lasting value.
- 1.4 The project reflects the corporate objective for Merton 2015 of developing a leaner, faster and more efficient Authority, using technology to support

channel migration, procuring cost-effective service provision from the private sector, if appropriate, and creating a more agile and dynamic organisation.

2.0 EXECUTIVE SUMMARY

- 2.1 The iTrent project (“Project Trinity”) has been a complex tri-borough transformation and technology project, the first of its kind within local government because of its exacting timescale: core HR and payroll functionality implemented within a year for all three Boroughs and with at least 70% of each organisation’s workforce transacting pay and HR-related matters via employee self-service; also within a year.
- 2.2 The scope and ambition of the project has also resulted in a number of ‘firsts’ for iTrent implementations being achieved. It is common practice to allow eighteen months for a system of this nature to be built, tested and parallel run; instead of a year. Extended periods of ‘roll-out’ of system functionality are usual practice - rather than the ‘big bang’ which was a project deliverable for ‘Project Trinity’. No other organisation has implemented this system and rolled-out its self service functionality concurrently before *Trinity*.
- 2.3 The report focuses upon certain dimensions of the project to provide a meaningful evaluation. The project’s success or otherwise can be encapsulated in three words: “risk, relationship and resource”:
- a. Governance and sponsorship arrangements
 - b. Resource allocation to support project delivery
 - c. Stakeholder engagement and communication
 - d. Timescales and deadlines
 - e. Supporting cultural and organisational change
 - f. Planning and resourcing for the transition
 - g. Working in Partnership – challenges of working across organisations
 - h. Relationship building with key partners for project delivery
 - i. What has worked well – what could have worked better

Mitigation of risk; building and maintaining core relationships and providing realistic resourcing have reflected how effective the project has been in achieving its objectives.

- 2.4 The governance structure for the project implementation comprising a sponsoring Governance Board and multi-disciplinary Project Board has provided a useful framework for decision-making and strategic guidance. The Project Board comprising organisational representatives from the three Boroughs has provided project scrutiny and facilitated local delivery of project objectives within agreed timescales. Nonetheless, some

constructive feedback to enhance such a governance model further especially for cross-council projects is provided in this report.

- 2.5 Resource allocation, both project-related and financial, has been an important feature of this project. Each of the partner boroughs agreed a level of implementation resource that was equally split and was comparable to the implementation costs being levied to the Partnership by Agilisys. This amounted to £200,000 per borough. In summary, project delivery matched project resources until parallel running in January 2012. Subsequently the need for additional support by HR, payroll and pensions staff was required to complete the parallel running processes by end of March and to mitigate any compromise to the achievement of 'Go Live'. Much of this additional resource was volunteered in the evenings and consecutive weekends and was based on 'goodwill' rather than strategic planning. Furthermore, other additional costs were incurred for specific system and project requirements which were unforeseen prior to project 'kick off' in February 2011. This report details these additional items and discusses the importance of realistic and reasonable resource allocation particularly where the delivery timeline is especially ambitious.
- 2.6 A detailed communications strategy was developed and implemented over the duration of the implementation stages with focused interventions on both schools as well as non-schools customers. A range of communications media was used to engage with the various stakeholder groups, ranging from system demonstrations; organisation-wide news bulletins, the creation of a dedicated 'Trinity' website, as well as a bespoke e-learning package to train and build confidence on the iTrent product. In the final few months pre-Go Live, the Project Communications Officer's secondment ended. She was not replaced and the delivery of communications was compromised as it became an additional activity for the Programme Manager.
- 2.7 Implementing a new HRIS/payroll system across three different organisations, as well as another third party (Sutton Housing Partnership), and all by 1st April 2012 was ambitious from the outset. Merton Council had its own business driver for change as PaHRIS (its legacy payroll and HR system) was failing, requiring increasing consultancy support and trouble-shooting input and was in danger of no longer being supported by Northgate as it was an old product originally developed by Peterborough Software. The value of the joint procurement and subsequent contract with the new outsourced payroll service was predicated on all three boroughs 'going live' together. In addition, the Partnership was determined to undertake a comprehensive data cleansing exercise on all its legacy information, migrating data as well as user acceptance testing a specially configured iTrent. Simultaneously, there was a parallel run of the new payroll and associated financial processes on a minimum of two

- occasions. This report assesses the reality and impact of such timescales on project resilience and delivery.
- 2.8 Fundamentally, 'Project Trinity' has been a transformational change programme, enabled by modern technology and supported by core process re-engineering and standardisation. The report explores the extent to which Merton Council has embraced iTrent and how this can be improved going forward.
- 2.9 Post Go Live, the past five months -"the transition", has been a period of intense activity for the newly created iTrent Client Team with extra resource being provided at the point of transition to support the project. An earlier request for transitional contingency had been made though on reflection was premature and at that time, had been unsupported by the Governance Board who were unconvinced as to the business need and the business value. The capacity of a small team of largely inexperienced iTrent HR/payroll practitioners and users has been significantly stretched, in the wake of circa 15,000 demands and queries in April and May 2012. The report considers the transitional phase in more detail.
- 2.10 One of the significant successes of the project has been the quality of the relationship enjoyed between the Partnership delivery teams and Agilisys. This has been key to facilitating and enabling a successful outcome as well as speedy resolution to some of the challenges encountered. The project was hallmarked by a collective desire to achieve success by both provider and client side. Colleagues consistently worked exceptional hours at no additional cost to the Partnership, to assure delivery. Likewise, a genuine desire to succeed amongst colleagues within the Project Board and implementation teams ensured an effective outcome pre- 'Go Live'. An area of concern has been the ambivalence of the system developer: MidlandHR who on occasions has not embraced the sense of urgency that Agilisys and the Partnership have demonstrated, with resultant frustration. The report assesses the impact that relationship building and sustainability has on the project's success.
- 2.11 **Appendix A** presents a summary of what has worked well and what could have worked better in terms of project implementation.
- 2.12 The report concludes with an outline of the next phases of iTrent implementation over the course of 2012/13. These phases focus on facilitating managers' access to the 'manager dashboard' to assess the organisational 'temperature' of their teams and reportees. Also, the performance management (appraisal) and learning & development modules of iTrent are also being implemented ahead of the new appraisal cycle in April 2013. Whilst use of the iTrent web recruit module has been considered, the functionality is limited and does not align with the business

need for Merton and Sutton to have a fit for purpose applicant tracking system. That work is currently being procured and progressed with an alternative provider for an April 2013 full implementation. Interfacing with iTrent is an important deliverable that has been technically specified.

- 2.13 Inevitably there are aspects of the project implementation that should have occurred more effectively and seamlessly and lessons learned will inform subsequent project improvement. But in doing so, it is important that General Purposes Committee do not lose sight of the successful elements of the project implementation, given its resourcing levels, timescales and ambition and are urged to note and support the ongoing business value of iTrent.

3.0 DETAILS

- 3.1 Members will recall that the strategic justification for Merton Council to enter into a re-commission initiative was driven by system rather than service inefficiency. The Council had an outdated and increasingly unsupported HRIS/Payroll system (PaHRIS) that was no longer fit for purpose and was becoming increasingly costly to maintain with expensive specialist consultancy support to fix recurrent system failures and poor performance. Service delivery by a highly respected in-house payroll team, at relatively low cost (circa £211,000 per annum) was not an issue and the Council was keen to replicate the quality of service offered to both its non-schools, as well as schools, customers in any future arrangement.
- 3.2 Sutton and Kingston Councils were also experiencing business change that required a rethink of system as well as service delivery. Contracts with outsourced, external payroll providers were coming to an end and a joint procurement exercise to realise cost efficiency was legitimate. Further more, Merton and Sutton Councils had an HR Shared Service (the first of its kind in the country) and a re-commission of an HRIS/Payroll system, jointly procured, was a critical part of the shared service programme. Against the background of shared service delivery, financial austerity and the need to achieve transformational business improvement, the creation of a delivery partnership to satisfy the business drivers of the three Boroughs was supported by Members as well as Chief Officers alike.
- 3.3 Cabinet approved the contract award to Agilisys on 17th January 2011. Formal contract seal and signature (17/4450) with all relevant parties took place on 5th July 2011. An inter-Authority Collaboration Agreement was mutually signed by the partnering authorities in August 2011. This determined Sutton as the lead authority for the joint re-commission exercise and the subsequent lead for the provision of a client-side resource when the new Agilisys payroll service went 'live' for pensioners in

- 3.4 By engaging in the joint procurement exercise Merton Council has been able to re-commission the use of a market leading, cost effective product: iTrent. This system enables the organisation to build on its previous experience of self-service transaction for HR and pay-related matters and enhances management information reporting. The product also enables integration with learning and development and performance appraisal.
- 3.5 The three partner Boroughs were at different stages of sophistication with regards self-service and transformational activity. Merton had 'matured' its approach to using online HR transactional activity with employees already booking leave and recording absence. Online payslips were also a feature of the previous legacy system: PaHRIS. Conversely, Sutton were unfamiliar with self service for staff and managers, with Kingston having made initial strides prior to iTrent.
- 3.6 Whilst the performance of the previous in-house payroll service was not under scrutiny, the iTrent project has enabled Merton Council to realise savings in the cost of its payroll service, although the size of the savings is and will be dependant on the ongoing level of schools' 'buy-back'. The cost of a client side resource (iTrent client team) which is now split three ways versus an in-house payroll team has generated £64,000 per annum saving. The overall savings of the outsourced payroll service, as stated in the Cabinet report of January 2011, were estimated to be in the region of £794,000 over the 10-year life of the contract.
- 3.7 From the outset, the tri-Borough collaboration determined several important objectives of the project in realising its ambition. These were:
- a) the use of self-service as a method of HR and pay-related transactional activity with the employer;
 - b) the creation of a joint payroll client team with a strong emphasis on customer relationship management;
 - c) the development of standardised, streamlined HR business processes across all three organisations to reduce administrative overheads and unnecessary bureaucracy;
 - d) a collective intention to maintain and support the unique relationship with LEA schools as clients, as well as colleges and housing partners;

e) a desire to explore and 'win back' payroll business from schools, who had historically transacted with other providers.

- 3.8 Thus far, the project has achieved the majority of these features. 51 out of 53 schools have 'bought back' the payroll service for 2012/13. Even though a saving had been offered to schools from 2012 of £55 per employee versus £89 per each post paid, two schools decided to opt for an even cheaper external payroll provider. The payroll client team is building on its core reputation for excellent customer service. It is anticipated that following the transitional phase, 'business as usual' will enable the new team to consolidate new processes and provide a business reputable 'value for money' service.

4.0 DETAILED ASSESSMENT OF PROJECT OUTCOMES

4.1 Project Governance and Sponsorship

- 4.1.1 The Governance Board structure comprising Chief Officer representation from the three Partners, an Executive-level service sponsor, as well as senior representatives from Agilisys and MidlandHR and the project delivery team worked well as a governance framework. Formal monthly meetings provided a regular platform for decision-making and strategic direction to take place. Outside of the formal monthly meetings exceptional items for urgent consideration were given due attention so that project delivery was not compromised.
- 4.1.2 Without wanting to generate additional bureaucracy, the last phases of the project: pre -'Go Live' (parallel running) and post - 'Go Live' (transition) would have benefited from an additional individual council-specific board led by a council sponsor and responsible for supporting local project delivery. Whilst this was a partnership project requiring a coalition to achieve success, various challenges were encountered of a council-specific nature which might have been overcome more speedily if senior but localised intervention occurred.
- 4.1.3 The Project Board comprised a consistent multi-disciplinary group of tri-borough representatives from finance; ICT; business improvement; HR; payroll and pensions, as well as members of the project delivery team and Agilisys project implementation. Other disciplines such as internal audit and frontline service managers were invited as and when the project need arose.
- 4.1.4 An important observation was the need to have the most appropriate officer present so that key decisions could be made to facilitate timely project delivery. In a few cases, the officer attending the Board did not

have sufficient local influence, decision-making capability, depth of knowledge, nor capacity to deliver at the level required. Consequently, some important decisions were delayed as messaging was relayed, interpreted locally and responses given.

4.2 Resource Allocation to support project delivery

- 4.2.1 Given the background of financial austerity, there was a collective desire by senior officers of the Partnership to resource the project as frugally as possible – a ‘lean’ approach was preferred. Hence an equal initial contribution of £200,000 per borough was agreed. As the project has evolved, additional costs have been incurred and these have been always split three ways. Para 6.1 and Appendix B explain the detail. This replicated the £616,000 implementation budget allocated by Agilisys to achieve ‘Go Live’.
- 4.2.2 Delivery of the project to plan on agreed resources was achieved up to the parallel running phases from January 2012. To achieve a minimum of two successful parallel runs and the very intense data cleansing work by all three Boroughs, additional resources were required as this proved to be more complex than first thought. Monies were diverted from other project costings to finance additional hours working for HR, payroll and pensions staff to complete the work required. Out of hours working became the norm from January to March 2012, as the volume of work required to achieve ‘Go Live’ required this additional effort. This ‘goodwill’ dimension of the project delivery should not be underestimated. As example, in the month of January 2012 alone, over 420 hours of evening and weekend working was accrued by the payroll and Merton COT team colleagues.
- 4.2.3 Furthermore, difficulties in defining the costing specifications and aligning requirements between existing financial systems and iTrent proved more challenging than initially thought. Resulting delays in meeting project timelines in the pre – ‘Go Live’ (realisation) phase brought additional pressure on officers as well as Agilisys consultancy. The importance of upfront clarity and understanding by ‘expert’ officers of what is required in system design ensures that realistic delivery to time and requirements is achievable. There were several occasions where confusion and lack of understanding delayed progress.
- 4.2.4 In tandem with Partnership resources being stretched to capacity, a tension arose between Agilisys’ own commercial model and resource capacity. From the beginning of the project and throughout design and build phases, the single lead consultant resource was identified as a significant risk to the project. Notwithstanding the immense personal effort, commitment and tenacity of this lead consultant to ‘get the job done’, on occasions, this inadequate resourcing to respond to project need became

characteristic of the Agilisys approach which proved problematic, though was resolved with escalation from the project delivery team. Additional consultancy was eventually forthcoming.

- 4.2.5 Whilst difficult to reconcile (given resource availability within the various teams across the Partnership), officers in the transactional side of the HR operation (as well as payroll colleagues) found the tension between learning a new system at the same time as process re-engineering, user acceptance testing, parallel-running and maintaining 'business as usual' for their customers an enormous challenge. Appointing temporary resources to support the core operation might have released capacity. However, this would need to be balanced against whether training up new staff unfamiliar with current business processes whilst established officers also focused on project priorities might have created even more pressure.
- 4.2.6 The importance of resourcing for the transition cannot be underestimated. The volume of calls and enquiries addressed to the iTrent Client team at Go Live was unprecedented (10,000 emails alone in the first week). Despite appointing an additional transitional team and creating a dedicated, staffed response call-line, the scale of the customer query 'traffic' was under-estimated. This was a significant learning point for the Partnership and should have been supported prior to 'Go Live' so that a more robust resource plan was put in place.

4.3 Stakeholder engagement and communication

- 4.3.1 Considerable effort has taken place to engage, inform and involve a range of stakeholders who will be users of iTrent and recipients of the new HRIS/Payroll service. A detailed communications strategy and related plan was produced by the Project Team which was subsequently approved by the Governance Board. Updates to the strategy were presented for approval to the Board.
- 4.3.2 **Schools:** A significant stakeholder group have been the Partnership's 'buy-back' schools. The engagement with them started at the beginning of the implementation. Initial feedback from schools across the Partnership was that they felt they had not been consulted on their needs during the procurement phase so they wanted to be heard during implementation. This commitment was given.
- 4.3.3 The commercial landscape for schools' buy back has been challenging. The pressure on schools to assume Academy status along with aggressive marketing by the private sector, looking to capitalise on a potential opportunity from the Partnership's transition to a new payroll provider, made successful engagement and communication a high priority. Over the summer 2011 work took place to investigate the feasibility of a

- full interface with SIMS which resulted in the business decision not to pursue development at that time. Initially, schools were disappointed by the decision; however, in reality, the decision had little impact on the decisions of schools to buy back, or not.
- 4.3.4 A tipping point in terms of engagement with the potential and value of iTrent for schools occurred following a series of visits to a secondary school in LB Croydon, currently using iTrent. The bursar at this school was able to expand on the utility and business benefits of access to schools data and the ease of system use. Delegates from Merton schools in particular, some of whom were ambivalent and some leaning towards opting out, all agreed to buy back the new payroll service and system, and influenced others to do so. The resulting buy back for Merton for 2012/13 is 51 out of the 53 schools.
- 4.3.5 **In-house stakeholders:** In the early part of implementation specific DMT visits, meeting attendance and iTrent demonstrations were undertaken. These were all well received as providing an opportunity for key messages to be communicated and concerns answered and understood. In addition, at the beginning and prior to 'Go Live', a series of group event demonstrations were run with consultants from Agilisys and MidlandHR attending to provide managers in particular with information about the newly configured system and focus on the value of *People Manager*. These were also well received and provided focal points for the project team to identify and understand specific service needs such as those of teams with no access to iTrent.
- 4.3.6 In addition, communication via weekly bulletins and updates via the iTrent section on the intranet and a specially designed *Project Trinity* website provided ongoing communication channels to wider organisational audiences. To support user access and education of iTrent particularly employee self-service (ESS) and *People Manager*, a bespoke commissioned e-learning package, developed by Learning Pool was made available for all staff via the Council's intranet. Despite internal communications to encourage use of the e-learning package few staff used this and preferred the more popular (though labour-intensive) floorwalker visits and *Trinityrfi* telephone guidance.
- 4.3.7 Communications prior to 'Go Live' and over the initial transitional period were sporadic. The seconded Programme Officer leading on the engagement and communications work asked to leave the project in February 2012. With no replacement forthcoming the task of project communication fell to the Programme Manager, in addition to wider programme management responsibilities and workload. Despite requests for help to the Merton corporate communications team, limited input was offered which further negated communication effort at the critical point of

roll-out and provoked negative feedback from the organisation – causing reputational issues for the programme.

- 4.3.7 Post - 'Go Live', a programme was put in place to run iTrent clinics/drop-in sessions across all three partner sites and service-targeted/generic floor-walking. Donned in branded iTrent T-shirts, colleagues in the Transition Team have been on hand since April 2012 till the present to provide system users with guidance as to how to maximise access to, and use of, iTrent's intuitive functionality.
- 4.3.8 **Other stakeholders:** Members were advised of the new payroll changes via specific update letters. At this point in the system implementation, Members do not have direct self-service access into iTrent. In the future, this may change as self-service access is predicated on secure connection to the Council's network and Active Directory. In addition, correspondence and information has been provided via mailshots to Merton's Voluntary Bodies. Individual queries have been addressed quickly and efficiently.

4.4 Timescales and deadlines

- 4.4.1 The timeline for delivery for this project was ambitious and predicated by the business drivers of principally two of the partnering boroughs and the cessation of their existing payroll contracts. A minimum of eighteen months is the usual timeframe for such a project, and especially one involving several diverse client bases. A significant negative consequence from such a tight timeline from procurement to delivery was that the Partnership has not been able to build as broad and as deep-rooted a legacy of knowledge and competence of iTrent that could have been otherwise achieved via a longer implementation.
- 4.4.2 Linked to the difficulty in embedding a depth of knowledge of iTrent has been the speed and capacity of expert in-house officers to respond as required to project-related queries. A case in point was the detail, review and closure of the technical design specifications. It was considered by relevant officers in ICT and finance that the volume and attention required to comment, review and close over 20 technical design specifications in a matter of a few months to enable system build to progress was unreasonably tight. Such quick turnaround posed anxiety to specialist officers who had concern that such important documentation was not being fully considered. As a consequence, there have been cases post 'Go Live', where reconfiguration has been needed as the originally signed-off specifications did not detail in sufficient depth the bespoke needs of the client base.

- 4.4.3 The timing of a 1st April 'Go Live' date has advantages and disadvantages. Whilst there is merit in introducing a new payroll system at the start of a new tax year for PAYE purposes (and this date was strongly supported by the new payroll provider), this timeline was concurrent with closure of end of year accounting. Having a similar timeline was challenging, for both payroll, as well as, finance colleagues.
- 4.4.4 Whilst establishing and implementing stringent controls for payroll as well as financial processing, given the tight timescales and limited expert resources available, the comprehensive depth and breadth of such controls has been an ongoing matter post – 'Go Live'. The forthcoming external independent payroll audit of iTrent by Merton and Sutton Councils should highlight any deficiencies or oversight thus far.
- 4.4.5 A further consequence of the tight timeline presented was that other third party agencies did not necessarily have the relevant resources available, nor engaged to the same level of speed and focus as the Partnership and Agilisys. Significant to note has been MidlandHR and London Grid for Learning/Virgin Media/Atomwide.
- 4.4.6 The contract was bid by Agilisys, as primary provider, in "strategic alliance" with MidlandHR, the latter being the system developer. This alliance was relatively immature in November 2010, though 'maturing' in a steady and constructive manner. During implementation it became clear that whilst Agilisys were able to mobilise resources when escalated to do so, MidlandHR took longer, with recurrent approaches by Agilisys to senior colleagues at MidlandHR to respond. As an example, frustrations in terms of providing effective, swift and appropriate responses to the GL costings anomalies within iTrent for Merton (and subsequently Sutton) have been commonplace post - 'Go Live'. These are now resolved and although complex to address, resolution was unnecessarily problematic and protracted.
- 4.4.7 Likewise, frustration has been experienced with the slow implementation of the new secure data transfer connection, involving Unified Sign On (USO) between the LGfL and iTrent (MidlandHR). Whilst this secure connection has been a 'first' for LGfL, MidlandHR and the Partnership in general, the vacillation in specification of what has been required, compounded by the cabling embargo posed by the London 2012 Olympics, has significantly delayed implementation to schools. The intention is for achievement in September 2012, several months after originally promised to schools to access their staff data, safely and securely – this has not helped the reputation of the programme.

4.5 Supporting cultural and organisational change

- 4.5.1 This project implementation has been fundamentally an organisational and cultural change initiative using technology to facilitate change. For Merton and Kingston Councils the change has been a refinement of existing approaches using a more comprehensive technology-based mechanism to enhance employee HR and payroll transactional processing. For Sutton Council the change required to transact payroll and core HR employment data with the employer has been significant but in the main embraced and well-received, with support.
- 4.5.2 Implementing the new transactional 'toolkit' of iTrent via ESS (employee self service) and *People Manager* posed unexpected challenges for the project delivery team as well as for Agilisys and MidlandHR.
- 4.5.3 The roll out of Lightweight Directory Access Protocol (LDAP), as the self service login solution proved to be far more difficult to achieve than had been envisaged. The project was breaking new ground within the Boroughs as none of the ICT teams have used LDAP before to streamline the user logging-in process. The complexity of combining multiple active directory architecture was also a 'first' for MidlandHR. Some of the early barriers to the success of the roll-out were as a result of not recognising the full significance of accurate mapping and maintenance of the organisation units within the Active Directory.
- 4.5.4 The target for roll-out of self-service was 70%. It took more than a month to achieve 69% coverage in Merton, and approximately 55% in Kingston and Sutton. By July, 70.1% has been achieved in Merton and up to 63% in the other two partner boroughs. Continued effort to achieve 70% in Kingston and Sutton is a current focus. It should be noted 70% is the current maximum saturation point, as 30% of staff (especially in frontline services) do not have access to the Council's network.
- 4.5.5 A level of frustration has been experienced by Merton managers especially, in their engagement with iTrent. Delays in consistent access to iTrent during April and May, a reversion to paper payslips during that period; organisational structures and reporting hierarchies not being consistently accurate and the lack of automation of leave entitlement calculation has compromised the positive perception of iTrent. Whilst work has been ongoing to address these initial technical issues, the introduction of a new system has been seen by some as a retrograde step.
- 4.5.6 To support the organisational change for Merton, resulting from iTrent transactional activity, the Merton Central HR Operations Team was already in situ. They were not a new team, as was the case for Sutton Council. The challenge for the team was limited knowledge of the system

as the focus of their pre- 'Go Live' effort had been in user acceptance testing and supporting the parallel-running, rather than learning the nuances of ESS and *People Manager*. To support the business change they relied heavily on the system administrators in the newly created iTrent Client Team and the Transition Team. The latter two teams have continued to support the iTrent change agenda for Merton Council and ongoing, the system administrators will provide a pivotal role in continuing to embed the change.

- 4.5.7 Merton schools have found the organisational changes brought about by iTrent particularly challenging. The bespoke support of the previous in-house payroll team changed with iTrent and Merton schools were asked to transact in a different way, using formalised spreadsheets for submission of monthly pay variation data. Historically, the Merton schools had four experienced officers to respond to their local payroll needs with officers accepting timesheets, emails as well as *ad hoc* telephone messaging to record pay variation data. The iTrent model now meant only two dedicated officers and a structured formalised approach – at which several schools have baulked.
- 4.5.8 In retrospect, more detailed guidance and 'training' should have been provided to schools supporting their understanding and capacity to complete the different format for data provision. However, the capacity of relevant officers to complete training was limited given that the same officers were pre-occupied with user acceptance testing the new system and parallel-running PaHRIS and iTrent. It was also not clear (even as late as March 2012) precisely which schools were buying-back the new payroll services, despite repeated efforts to clarify that commitment.
- 4.5.9 Whilst the support to schools has and will be ongoing, as the new academic year starts, a programme of schools site visits has been put in place to explain, trouble-shoot and reassure bursars and business managers about iTrent and the pay variation spreadsheets. These site visits by the two dedicated payroll client officers have started and will continue into October.
- 4.5.10 To enable schools to access iTrent directly, work has just concluded building secure data connectivity using the Learning Grid for London (LGfL) network. Testing of the connection built by MidlandHR, Virgin Media and LGfL – which is the first of its kind across London, has been completed recently and a 'roll-out' programme to the 51 buy back schools in Merton is being finalised. Merton Council uses the LGfL network in a sophisticated way and this will afford the secure transfer of pay and employee data across the connection, enabling schools to check and overview HR and payroll data held about them in a very safe and very current way.

4.5.11 The implementation of iTrent and the outsourcing of the Merton payroll service has had an impact on the Voluntary Bodies, hitherto supported by the Local Authority. Ten Bodies buy back the service in 2012/13. Although there is now a small charge levied to the Bodies for payroll processing by Agilisys, over time, it is envisaged that the Voluntary Sector may wish to utilise the self service functionality available. Robust security protocols will need to be in place but the potential exists and could be further explored in the future.

4.6 Planning and resourcing for the transition

4.6.1 Requests made to the Governance Board by the project delivery team for additional transitional resources prior to 'Go Live' were not supported. On reflection, this was due in part to the timing of the request for funding, seen as premature. Additional contingency funding was agreed (albeit at the point of transition) when little preparation of the allocated resources was feasible due to high customer demand and volume.

4.6.2 Redirection of agreed core implementation budget was used to buy-in four additional temporary workers (postgraduates) in April 2012 to support the 'roll-out' process. This temporary resource had to up-skill rapidly on iTrent system knowledge to provide business value. Had this resource been agreed pre- 'Go Live' the intensity of up-skilling would not have been so risk-based, nor as pressured.

4.6.3 The customer relationship management technology available from across the Partnership to record and subsequently report on the response performance of the transitional activity has been inadequate. None of the partners had sophisticated mechanisms to collate cross-organisational metrics to reflect how well customer queries were being addressed, nor calls logged and actioned. The Head of ICT System Delivery at Merton was as supportive as he was able given the constraints of time and resource. However, no solution was available to meet the transitional needs of the project. The project manager developed a small scale software solution to provide this contemporaneous monitoring feedback.

4.6.4 The transitional response of the payroll client side of the iTrent Client Team was slow and unsatisfactory. The human resource base was not adequate and customer levels of frustration in not receiving answers to queries and concerns was undermining all the positive work that had implemented the system to 'Go Live'. To address this, additional temporary resource was engaged, albeit again they had no knowledge of iTrent and an intense period of up-skilling was required.

4.6.5 Furthermore, a tipping point was reached with the payroll client team's failing capacity to meet customer demand from across the three Boroughs

with clear dissatisfaction from schools' customers. Therefore, an exceptional request was approved for additional expert consultancy support for the payroll team.

- 4.6.6 The resource base for the new Payroll Client Team as well as the Merton Central HR Operations team (Merton COT) was ill-equipped for the scale and volume of the transition. The payroll client team as originally agreed by the Partnership's Governance Board comprised:
- A client manager – for all three Boroughs
 - Three experienced payroll client officers for the three Boroughs – two of whom have focused on the system administration of the roll-out and transition as the need has been intense in terms of organisational structures; reporting lines; working patterns and the intrinsic technical infrastructure of iTrent
 - Two experienced payroll client officers working solely on Merton buy back schools – 51 in total
 - 2.2 FTE experienced system administrators for all three boroughs

In effect only two dedicated payroll professionals have been allocated for client-side management of all three Boroughs.

This resource base alone was responsible for all user acceptance testing and parallel running of PaHRIS and iTrent payrolls. The team had no time in the lead in to 'Go Live' to learn and plan for the client side focus for three Boroughs with approaching 70% access to self-service and 30% non-access with bespoke methods of inputting monthly temporary pay variation data. The scale of the task expected has been unprecedented and under-resourced.

- 4.6.7 In addition, the Merton 'COT' has been required to assume more payroll-related work which the previous in-house payroll team undertook. The training and up-skilling of COT colleagues has been problematic and in hindsight, it would have been desirable to have programmed in such training (albeit to an already stretched resource) prior to 'Go Live'. Measures are currently in place to up-skill COT colleagues on an iterative basis with bite-size training occurring with Agilisys consultancy and the payroll client manager.
- 4.6.8 The technical mechanism for the iTrent cloud-hosted technology uses the preferred Internet Explorer 7 (IE7) platform. Merton has not implemented IE7 to date though plans are in place to do so. Sutton and Kingston Councils have done so. Merton have deployed an IE6 workaround which although currently supporting the system functionally is not a sustainable solution for the Partnership. This needs to be addressed as a priority to ensure robust systems delivery.

- 4.7 Working in Partnership – challenges of working across organisations
- 4.7.1 This dimension of the project has been successful but on occasions very challenging.
- 4.7.2 The technical and organisational challenges resulting from working across three boroughs also added to the project's complexity. The variation in working practices and cultural ideologies required an extensive series of topic-focused workshops to derive acceptable 'best in class' operational HR and payroll processes. These were subsequently modelled in the configuration of the iTrent product for the Partnership.
- 4.7.3 The ability of project-linked officers across the three Authorities to communicate with each other and Agilisys colleagues was limited by the tools available. Kingston helpfully provided a Sharepoint (online) hub. However, the added functionality anticipated from this application was elusive. Despite ICT staff working to affect a solution to the software and firewall/security protocols for cross-organisational exchange, full open collaboration could not be supported.
- 4.7.4 As the project matured, an externally hosted application (Basecamp) has been deployed. This is to facilitate the more detailed progress of the reporting workstream with up to 50 bespoke reports being specially written by Agilisys and MidlandHR to the client side's satisfaction. Introduced by the project manager, this application has worked well for sharing and discussing non-sensitive or non-personal information and has provided a productive exploration of alternative project tools. Basecamp has also reduced the overhead in managing information flows and reduced the volume of network traffic as large files are not being posted and reposted between individuals' local Outlook mailboxes. For sensitive, pay and employee data transfer a secure SFTP site has been created by Agilisys with authorised access to agreed individuals across the Partnership and Agilisys Payroll Services.
- 4.7.5 Data quality and large scale data cleansing was a significant and labour intensive part of the build and test phase of the project. The quality, consistency and accuracy of the multiple data extracts across all three Boroughs was a cause for concern and in some cases required data manipulation to prepare files for loading into iTrent. Also, this had a consequent impact on timescales and created project slippage requiring conflation of other tasks to shorter timescales. Agilisys brought in additional consultancy to help process and data cleanse extract files.
- 4.7.6 Applying this learning to other system projects it would be helpful to carry out prior audit and validation of client understanding of data and the accuracy and structure of data in legacy systems.

- 4.7.7 The timely closure of multiple system design specifications was another challenge. Delays and distractions was attributable in part to either: a) not the most appropriate people tasked with closing these off and, b) those who were appropriate being pulled in different directions to complete other build-related tasks, thereby lacking focus and priority.
- 4.7.8 Not all data loads were completed ahead of 'Go Live'. These have been addressed subsequently, such as CRB data from legacy systems and GSCC qualification uploading. As a consequence of the resources available, a priority was given to work related to core HR and payroll, as well as associated costing reporting.
- 4.7.9 An early understanding of the different organisational change agendas and business priorities of the partnering Boroughs as well as a mutual respect to the local challenges and business needs significantly assisted the effectiveness of the partnership working. The genuine collective commitment and desire to succeed by all who came to the project greatly underpinned successful 'Go Live' payroll delivery.
- 4.7.10 In terms of strategic leadership for collaborative projects an important learning point is the need for visible and tangible support, as well as critical scrutiny from the senior corporate team. This project was corporately and politically approved in late 2010 and early 2011. The business justification was supported. The demonstrable support as to how best to enable and facilitate project delivery needs should have been tempered with clarity from the project implementation team as to what specific support was needed and a realistic timeframe for action. The intention and objective of this particular project was to provide all partnering boroughs with a robust, future-proofed, fit-for-purpose HRIS/Payroll system and a resilient payroll service.

4.8 Relationship building with key partners for project delivery

- 4.8.1 This interlinks with the previous working in partnership dimension, although widens to all key stakeholders, as well as third party providers and contractors.
- 4.8.2 From the start of the project implementation in February 2011, a multi-disciplinary inclusive approach was established. Colleagues from Finance; ICT, Business Improvement; Internal Audit; and Procurement were regularly invited to participate, validate, endorse and contribute to the project deliverables. The project delivery team has worked closely with Agilisys and their implementation consultancy team, as well as the Rochdale payroll service and colleagues from MidlandHR, who contributed significantly to encouraging timely decision-making and swift project

- progress, given the timescales set. As example of this effectiveness, Agilisys provided invaluable mentoring support, building confidence amongst operational HR staff in the use of the system. This support was offered to HR and payroll teams across all three partnering boroughs without any break, each evening and each weekend for a month, at no extra cost to the Partnership.
- 4.8.3 An important learning point for future partnership, collaborative-style projects is the desire to achieve consensus and to have those colleagues involved in project delivery who are supportive of achievement of the project objectives and not those who wish to derail or prevaricate. *Project Trinity* has been without doubt a 'coalition of the willing', without which the timeframe would not have been achieved.
- 4.8.4 This has been a project 'owned' from the outset by those who would deliver the future system and its service. Early engagement in process mapping, specifying the design of iTrent then testing and parallel running, whilst labour-intensive, has yielded sustainable benefit. A key learning point for future projects is to have those involved in future service delivery at the heart of any implementation and understanding the core of the future delivery model.
- 4.8.5 External to the core project delivery teams was the relationship building needed with schools and voluntary bodies in Merton. Whilst the latter group were not all going to be accessing iTrent directly, the installation of the LGfL secure connection would enable bursars, business managers and head teachers to assume *People Manager* access to iTrent to transact and review their own schools' data and structures. In the interim, prior to LGfL linkage, bursars would be asked to record sickness data manually, or via the Merton COT, and advise the iTrent client team (the two dedicated schools payroll client officers) of monthly temporary pay variations via a bespoke spreadsheet. This was new and unfamiliar to Merton schools. In retrospect, more effort and resource should have been allocated to supporting schools over the transition. Ongoing relationship building with schools and voluntary bodies is essential to ensure long term service 'buy-back' and is a key focus for the iTrent Client team and the Schools Service within Merton 'COT' as they move into 'business as usual'.

4.9 What has worked well and what would have worked better.

4.9.1 **Appendix A** provides a summary of the key learning points from this project.

5.0 TIMETABLE

5.1 Whilst paragraph 4.4 outlines the timescales inherent in project delivery to date, the focus of the project implementation for the rest of the year will be facilitating managers' access to the 'manager dashboard'. This module within iTrent will enable managers to overview certain key employment metrics such as sickness levels; leavers and starters to assess the organisational 'health' of their teams and reporting staff.

5.2 The sophisticated reporting functionality of iTrent (using Business Objects as the reporting enquiry tool) agreed by the Partnership will be further developed. 50 'Jasper' reports have been written by Agilisys and MidlandHR consultants, as part of the primary build and configuration of the project. As business needs dictate, more reports will be commissioned and developed to reflect the added value of iTrent to Merton Council.

5.3 The performance management (appraisal) and learning & development modules of iTrent are also being implemented ahead of the new appraisal cycle in April 2013. These modules are being configured to reflect not only the skills and experience required to do the roles within the Council, but also the behaviours needed to move individuals towards improved performance.

5.4 Whilst use of the iTrent web recruit module has been considered, the functionality is limited and does not align with the business need for Merton and Sutton to have a fit for purpose applicant tracking system. That work is currently being procured and progressed with an alternative provider for an April 2013 full implementation. Interfacing with iTrent is an important deliverable that has been technically specified.

5.5 Ongoing work will continue to ensure new employees to Merton Council are introduced to iTrent and start using its functionality to good effect.

6.0 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1 The financial implications of this report reflect the project implementation costs for Merton Council. Merton Council has contributed an equal share to the costs of iTrent implementation. An initial £200,000 from each

partnering Borough for implementation was agreed by the Governance Board in February 2011.

Appendix B refers to the overall project costs and expenditure to date.

As the project implementation has progressed, several 'exceptional' items requiring additional budget provision have been highlighted. In summary, and detailing Merton's specific contribution, these items and costs are:

Item of expenditure	(£) associated cost (excl VAT)
Transition Team – additional part-time consultancy – April, May, June 2012	4,600
iTrent client team transition resource April – August 2012	6,000
Payroll Client Team support (DC)	6,000
PaHRIS perpetual legacy licence	39,000
Project Manager (additional cost to original project resourcing budget)	5,000
TOTAL	60,600

6.2 The ongoing savings targets from the implementation of the new iTrent system and externalised payroll service by Agilisys Payroll Service will be the subject of regular review. Savings will be closely linked to key dependencies, for example Merton's contribution to client team resources and schools' 'buy back' charges. Currently, with a shortfall in buy back income, the projected outturn at end of year is citing an overspend. Measures to address this are currently being explored.

6.3 As a result of some of the issues experienced, albeit swiftly corrected, by several schools in April, May and June, a review of any buy-back refund to 'compensate' for the inconvenience is being considered.

7.0 LEGAL AND STATUTORY IMPLICATIONS

7.1 An inter-authority agreement was in place which established Sutton as the lead authority and covered the joint relationship between Sutton, Merton and Kingston facilitating the joint procurement of a new HRIS/payroll system and service. This original agreement expired on 31st March 2011. A new Collaboration Agreement has been subsequently signed by the three Boroughs, with a deed of variation regarding the inclusion of a *force majeure* clause being incorporated in August 2011.

7.2 On 1st April 2012, a TUPE transfer applied for the existing staff within Northgate who focused on the previous Sutton payrolls and two Sutton-

employed payroll processing/system administrative staff based in Merton who were part of the previous Merton in-house payroll service.

7.3 A Service Level Agreement has been agreed between the tri-Borough Partnership and Agilisys (and MidlandHR) in March 2012.

7.4 A Client Service Level Agreement was discussed at June Governance Board. Further refinements were requested for agreement in July 2012 and full agreement is anticipated in September 2012.

8.0 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1 There should be no negative impact on any groups of people. However, any new system must meet standards for use by individuals with visual impairments. Additionally, the new system should be accessible, in particular access to self service, by those staff who would not ordinarily access such a system as part of their work.

8.2 The new HRIS/Payroll system provides all employment equalities management information. iTrent is an established system that enables Merton Council to meet statutory and local equalities duties and commitments.

8.3 An equalities impact assessment was undertaken as part of the consultation process for the creation of the new Payroll Client Team.

9.0 CRIME AND DISORDER IMPLICATIONS

9.1 There are no crime and disorder implications related to the subject of this report.

10.0 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1 As part of the project implementation a detailed strategic Risk Register has been compiled with mitigating actions and has been reported each month for variation to the Governance Board.

10.2 A key risk to successful delivery of the project at 'Go Live' date in April 2012 was the timely completion of important milestones. There had been some slippage and failure to meet project deadlines by officers within Merton Council. However, such slippage was addressed in a timely manner so that 'Go Live' was achieved as planned.

11.0 APPENDICES – the following documents are to be published with this report and form part of the report.

11.1 **Appendix A** – Summary of what has worked well and what could have worked better

Appendix B – Project implementation costs

12.0 BACKGROUND PAPERS

- Re-commissioning and amalgamation of Merton, Sutton and Kingston payroll services and HRIS/Payroll systems – Cabinet – 17th January 2011
- Programme Update Report: Merton 2015 Board -12th October 2011
- CMT Update Report: Managing the Transition - 29th May 2012
- “Project Trinity” – iTrent Programme Update – Merton 2015 Board – 10th July 2012
- CMT Update Report: Evaluation of iTrent project implementation – 28th August 2012

13.0 Report author: Marissa Bartlett – Joint Head of HR Transactional Services
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Appendix A

“Project Trinity” - Summary of what has worked well and what would have worked better

Project dimension	What worked well	What would have worked better
Governance and sponsorship arrangements	<ul style="list-style-type: none"> Governance Board - having a clear framework for decision-making and project direction with project sponsors; service sponsors and system contractors all present and active Project Board - having a multi-disciplinary project board comprising relevant officers to provide operational project delivery is key and worked well. Having the 'right' people at the table rather than those who should be there and aren't or just want to be there but are silent and not influential back at the local workplace. Programmed and regular meetings set and communicated well in advance c/o diary churn. 	<ul style="list-style-type: none"> Having a local senior sponsor to steer and support local delivery would have worked well. Translation from Governance and Project Boards to the local workplace was sometimes ineffective or misrepresented and slowed decision-making and resolution of issues that were unique to the specific Authority.
Resource allocation to support project delivery	<ul style="list-style-type: none"> The 'right' people were involved in project delivery although there were not enough of them to respond to the multiple workstreams and ambitious timelines for delivery. Those involved worked incredibly hard to achieve project deliverables often as 'goodwill'. The quality of the Agilisys consultancy team was exemplary and held the project from a system development/delivery point of view. All Agilisys consultants worked 'over and above' to get the job done. Although came to the project later than desired, the Transitional Team resource of graduates, who upskilled on iTrent very quickly was well-received. 	<ul style="list-style-type: none"> More realistic human resources to release capacity amongst specialist payroll; HR and finance officers. Earlier clarity from Agilisys as to what the costing specifications would need for completion and a comparable level of focus from Finance officers to respond quickly and with depth of knowledge to meet requirements. Sufficient Agilisys consultancy support rather than one lead consultant to which all work led . At least one lead consultant per Borough would have eased the intensity and occasional blockage on completion of tasks defined. Albeit this would have increased the bid costs. Greater clarity from Agilisys Payroll Service

Project dimension	What worked well	What would have worked better
		<p>regarding client expectations . This came late and explanations earlier in the project would have assisted timely resolution of some of the confusion and anomalies at Go Live regarding responsibilities and accountabilities.</p> <ul style="list-style-type: none"> • Agreement to a transitional resource before Go Live to enable full training and knowledge acquisition in reasonable time. Enormous pressure placed on new team in a very short space of time to upskill. • Additional resourcing to support payroll client side with a mini customer contact centre would have worked well and met customer expectations. • On occasions and still MidlandHR seem to be slow to respond with appropriate resource to tackle Partnership issues. This is an ongoing challenge for Agilisys as the system and service provider and needs senior ownership in Agilisys/MidlandHR to resolve. • Appropriate CRM technology to manage and record/report on a partnership system implementation would be advantageous.
Stakeholder engagement and communication	<ul style="list-style-type: none"> • In the pre Go Live phases, the variety of system demonstrations; specific DMT visits and demonstrations; internal bulletins and dedicated <i>Project Trinity</i> website data managed with up to date project information by the seconded programme officer was well-received and effective. • School bursar meetings and demonstrations pre- Go Live also worked well. • iTrent site visit and demonstration at LB Croydon school to show the 'real' system working well was very effective too. • MidlandHR and project team led iTrent demonstrations at time of Go Live were timely and well received. • iTrent clinics/drop-in sessions and floor walking were all appropriate and well- 	<ul style="list-style-type: none"> • Replacement of a dedicated communications officer in the advent of Go Live and immediately thereafter would have addressed the inadequate communications issues and mitigated criticism. • More proactive support from corporate communications professionals would have been helpful. • More preparation for schools bursars as to the mechanisms of entering temporary pay variations data into iTrent would have minimized the anxiety experienced during the transitional period and the intense workload on the two schools payroll client officers to resolve pay inaccuracies and reassure schools' customers. • Additional targeted preparation and

Project dimension	What worked well	What would have worked better
	<p>received.</p> <ul style="list-style-type: none"> The 'Go Out' to 'Get iT(rent) Fixed' messaging has also been considered helpful. Timely and targeted written correspondence outlining the principal changes of the iTrent introduction to Councillors was accepted well; as was the appropriateness of messaging to the Voluntary Bodies. 	<p>guidance to Voluntary Bodies ahead of Go Live especially regarding costings anomalies would have allayed some ad hoc anxiety occurring during the transitional phase.</p>
Timescales and deadlines	<ul style="list-style-type: none"> Despite ambitious timelines, those involved in project delivery were determined to meet the timescales set. A joint approach to procuring a leading business product and achieving economies of scale was advantageous. It is unlikely that Merton Council would have been able to procure such a product as iTrent on its own and with shared implementation costs as the joint approach produced. 	<ul style="list-style-type: none"> Agreeing a phased implementation particularly of Employee Self Service and <i>People Manager</i> might have eased the pressure on delivery. That said, the impact on the new HR transactional model and channel migration would have been compromised with a piecemeal style roll-out. More time would have enabled core HR and payroll practitioners to embed a depth of iTrent knowledge at time of Go Live than hitherto was possible. The level of attention to detail might have been enhanced with regards completion of the technical and system design specifications if the timelines had not been so ambitious. More time would have facilitated speedier response (perhaps) from our third party providers such as LGfL, Virgin media and MidlandHR.
Supporting cultural and organisational change	<ul style="list-style-type: none"> Willingness of the core HR and payroll transactional teams across the Partnership to engage and act as catalysts for change using iTrent as the enabler. In the main, a receptiveness by Merton Council staff and managers to embrace iTrent as an improved technology for HR and payroll transactional activity. The relative ease in LDAP usage for Merton in connecting staff/managers to iTrent and self service. Sutton and Kingston experienced more challenge. 	<ul style="list-style-type: none"> More preparation and support to Merton schools in using the new spreadsheet mechanism for handling temporary pay variation data would have allayed anxiety and reassured schools' bursars. For Merton, the transitional period has been seen as retrograde in some aspects such as leave recording, paper payslips and sickness reporting have all been more manually produced. In PaHRIS such matters were e-enabled. As iTrent functionality 'stabilises' such business

Project dimension	What worked well	What would have worked better
	<ul style="list-style-type: none"> Relative willingness of teams where staff have no access to iTrent to understand and use the new Agilisys designed spreadsheets to capture monthly temporary pay variation data. Floorwalking has been particularly well received and helped support the change required in the advent of iTrent. 	<p>activities will also become electronic.</p>
<p>Planning and resourcing for the transition</p>	<ul style="list-style-type: none"> The speed with which the Transitional Team came together and upskilled. Their energy and sense of purpose was first rate and they responded positively to the challenges of system learning that they faced. iTrent Client team – system administration have responded proactively to the organisational structure demands and technical challenges that iTrent post Go live brought. Payroll client team have worked tirelessly to respond to customer demands but have been unable to assume a more clienting role as they have been largely ‘fire-fighting’ the volume of customer enquiries and 200 individual data entry spreadsheets each month. 	<ul style="list-style-type: none"> Additional funding to create a bespoke well trained transitional team to deal with system administrative as well as functionality issues would have been advantageous. Instead of being reactive, a more proactive arrangement would be in situ and well-trained post Go Live. Time to train the new payroll client team in their new role as client officers would have been advantageous rather than the fire-fighting, data processing role that the small team assumed (and are still doing!). Agilisys Payroll Services should have worked more closely to develop a more bespoke temporary data spreadsheet rather than the 200 currently in use each month, which is highly labour-intensive. More targeted training for Merton COT colleagues to assume the payroll-related tasks now reallocated to them from the previous in-house payroll operation. Important going forward for IE7 to be installed across Merton Council rather than the phased roll-out currently advised.
<p>Working in Partnership</p>	<ul style="list-style-type: none"> The ‘coalition of the willing’ was exemplary with all officers across the Partnership connected with the project working together to achieve the desired objective of Go Live of iTrent. A tolerance of ambiguity in organisational processes and cultures and a desire to work to address issues in a constructive, solutions-focused way was a positive feature of the project delivery. The collective support and alignment of 	<ul style="list-style-type: none"> The transitional phase of the project would have benefited from a customer relationship management tool to support customer contact in a more ordered way. A less sophisticated approach using email and inbox folders was developed but the depth of reporting and automated response to enquirers was not effective.

Project dimension	What worked well	What would have worked better
Relationship building with key partners for project delivery	<ul style="list-style-type: none"> • project objectives between the Partnership and Agilisys. • There was a genuine desire by all involved, both from within the Partnership and Agilisys, to communicate and work together to ensure timely project delivery. • Use of issue logs and two payroll client officers dedicated to supporting the 51 buy back Merton schools has provided some focus and clarity ahead of the end of the summer term. This support must continue proactively throughout the new Autumn term to ensure confidence in the new payroll client arrangements. 	<ul style="list-style-type: none"> • The speed of response and understanding of the organizational and business drivers of the Partnership by MidlandHR could have been more robust. Over the transitional period, much 'chasing' occurred which also frustrated Agilisys. • Even greater effort to 'win over' buy back schools and all voluntary bodies ahead of the transitional period. More focus on preparation for use of spreadsheets to capture and communicate pay variations would have allayed the anxiety that followed Go Live throughout the summer term.
Additional	<ul style="list-style-type: none"> • Providing a cloud based externally hosted solution (iTrent) offers greater disaster recovery and business resilience rather than a local internally hosted server-style solution. 	<ul style="list-style-type: none"> • An early change/variation from the original bid by Agilisys was rather disappointing. The variation was a move from an Agilisys built hosted arrangement in East London to a MidlandHR hosted solution in Nottingham.
What will work well		
Preparing for the 'Next Steps'	<ul style="list-style-type: none"> • Preparatory work to map out new processes as well as how behaviours interlink with skills and competencies is being progressed. • Engagement with 'customers' and managers is being scheduled during the Autumn • Configuration of the two modules is not as complicated as the core HR and payroll modules • Project workstream lead (Kim Brown) and project resource allocated and well-supported by current learning & development team at Merton. • Communications plan being prepared to cascade relevant messaging out to users/customers well in advance of modules Go Live next April 2013. 	
Performance Management and Learning & Development modules	<ul style="list-style-type: none"> • Early engagement with representative sample of user managers to define 'look and feel' of dashboard for Merton. • Not a complex module within iTrent to configure. • Communications plan in preparation to ensure relevant messaging is targeted and timed effectively. 	
Managers Dashboard		

Project dimension	What worked well	What would have worked better
Reporting functionality	<ul style="list-style-type: none"> • This module will clearly demonstrate the 'value add' of iTrent product for managers at their desktop. Reporting functionality will be useful and relevant. • Sound testing by a multi-disciplinary resource of 50 newly developed Business Objects reports. This workstream has focused on defining existing and anticipated business needs and created a suite of reports that should provide immediate business value. A good foundation has been established. • 8 officers across the three Boroughs have been Business Objects (BOXI) trained, with varying levels of confidence and competence to date – this needs to be further developed. 4 additional officers are due to be trained. Thereby creating a strong core of BOXI skills to respond quickly to business needs across the Partnership and provide resilience to the reporting service. • Need for clear instruction on the variables and factors/dimensions for the metrics in the reports. Ambiguity will foster confusion. 	

Cost code	Non Absorbed Costs	Original Budget	Revised Budget	Variance	Shared Cost	Consultancy cost	Comment
	Project Management						
A100	1 FTE Senior PM (FTE = 225 days)	£66,500	£66,500	£0	£66,500		
A100	Project Manager	£54,500	£54,500	£0	£54,500		
A100	Programme Officer	£51,000	£51,000	£0	£51,000		
A100	1 Project Admin Officer	£33,200	£33,200	£0	£33,200		
	Sub Total	£205,200	£205,200	£0	£205,200		
	Other project crucial roles						
A100	Change Champion x 1 @ Sutton grade SM1 scp 56 plus oncosts	£22,000	£0	-£22,000	£0		Moved to elearning
	Sub Total	£22,000	£0	-£22,000	£0		
	Other						
F380	4 x Laptops (PM team), encryption and Peripherals @£750 ea.	£1,500	£1,500	£0	£1,500		
F381	E-learning	£0	£50,425	£50,425	£50,425		
G430	Additional consultancy days for 3rd pty interfaces Allow 9 days per LA @ £1100	£29,700	£29,700	£0		£29,700	
G430	Consultancy travel and expenses: Allow 200 site days for all 3 LA's @ £150 per day	£30,000	£20,000	-£10,000		£20,000	Moved to elearning
A100	Training Officer seconded on PO2 for 3 months	£10,925	£0	-£10,925	£0		Moved to elearning
F384	LGFL Connection	£0	£14,000	£14,000			20/12/2011 - New Cost Code
F600	Contingency			£0			
G430	Additional consultancy days allow 12 @ £1100	£11,000	£10,000	-£1,000		£10,000	Moved to elearning
G430	IT companies weekend working @ £1100 per weekend Allow 5 weekends for 3 authorities (moves from test to live etc.)	£16,500	£10,000	-£6,500		£10,000	Moved to elearning
F600	Unforeseen contingency - 5% x £600,000	£30,000	£30,000	£0	£30,000		
	Sub Total	£129,625	£165,625	£36,000	£81,925	£99,700	
	TOTAL SHARED COSTS	£356,825	£370,825	£14,000	£287,125	£99,700	
	TOTAL SHARED COSTS PER AUTHORITY	£118,942	£123,608	£4,667	£95,708	£33,233	
	SUPPLIER COSTS PER AUTHORITY						
G413	Implementation Costs	£150,350	£150,350	£0			
G413	Change Management	£55,000	£55,000	£0			
F620	Hosting	£31,044	£31,044	£31,044			
F385	2011/12 Licences (either £32,900 or £35,882)	£35,882	£35,882	£0			
	TOTAL SUPPLIER COST	£723,696	£816,829	£93,133			
	TOTAL SUPPLIER COST PER AUTHORITY	£241,232	£272,276	£31,044			

Cost code	Absorbed Costs	Original Budget	Revised Budget	Variance	Shared Cost	Consultancy cost	Comment
A100	Backfill 3 x Systems Admin @ PO2 scp 38 plus oncosts	£131,091					
F382	Additional IT Support, Operations and Networks; for 3rd pty resolution on interfaces, web work, data migration etc. Allow 6 hours per week x 52 weeks x 3 LA's @£50 per hour	£46,800					
F290	Training room hire / Stationary / Materials Assumes 2 days per week for 3 months (for all)	£18,000					
F380	Upgrade any staff older PC's ahead of their annual refresh Allow 20 per LA @£450	£27,000					
A100	Backfilling Testing Resource(s) x 3 Allow 75 days (7.12 day) at £10.00 per hour x 3	£16,020					
F240	Posters for Broadcast of message e.g. "We're transforming or we're working SMARTER / Leaner / better"	£1,000					
F382	Data, power and phone lines in Project Room	£1,000					
	TOTAL ABSORBED SHARED COSTS	£240,911					
	TOTAL ABSORBED SHARED COSTS PER AUTHORITY	£80,303.67					
	TOTAL ESTIMATE	£1,428,565					

Capital	Revenue	Total
£66,500	£0	£66,500
£54,500	£0	£54,500
£51,000	£0	£51,000
£33,200	£0	£33,200
£205,200	£0	£205,200
£0	£0	£0
£0	£0	£0
£1,500	£0	£1,500
£50,425	£0	£50,425
£29,700	£0	£29,700
£20,000	£0	£20,000
£0	£0	£0
£0	£0	£0
£10,000	£0	£10,000
£10,000	£0	£10,000
£121,625	£30,000	£151,625
£326,825	£30,000	£356,825
£108,942	£10,000	£118,942

Capital	Revenue	Total
£131,091	£0	£131,091
£46,800	£0	£46,800
£0	£18,000	£18,000
£27,000	£0	£27,000
£16,020	£0	£16,020
£0	£1,000	£1,000
£0	£1,000	£1,000
£220,911	£20,000	£240,911
£73,637	£6,667	£80,304

Total Shared costs from above	£547,736	£50,000	£597,736
Less absorbed costs	-£220,911	-£20,000	-£240,911
TOTAL	£326,825	£30,000	£356,825
Total per authority	£108,942	£10,000	£118,942
Implementation	£150,350		£150,350
Change Management		£55,000	£55,000
Subtotal	£259,292	£65,000	£324,292
Hosting	£31,044		£31,044
Licences (can be capital or revenue)	£35,882		£35,882
TOTAL PER AUTHORITY	£326,218	£65,000	£391,218



Cost Centre 4231 HR / Payroll Implementation

HR / Payroll Implementation as at 11/09/2012

	PROFILED		ACTUALS	VARIANCE	Project Outturn	Notes
	ESTIMATE	01/04/2011-11/09/2012				
Cost Centre 4231 HR / Payroll Implementation				01/04/2011-11/09/2012	Forecast	
Non - Absorbed						
Spend Includes						
A100 Salaries - Basic Pay	£271,018	£272,249		-£1,231	£289,018	
A300 Agency Staff	£22,172	£20,702		£1,469	£25,172	
F379 Additional Work Packages	£24,120	£24,120		£0	£24,120	
F380 Purchase of IT Equipment	£1,535	£1,716		-£182	£1,535	
F381 Purchase of Software (e-learning and Other Training)	£33,661	£33,661		£0	£34,161	
F384 Computer Software (LGFL Link)	£6,200	£0		£6,200	£6,200	Total yr 1 spend for new environment to support LGFL
F385 IT Licences (Agilisys Licence Fees)	£77,000	£77,000		£0	£77,000	
F620-R9 ICT Miscellaneous (Agilisys Hosting Fees)	£21,168	£21,168		£0	£21,168	
G413 IT Expenses (Agilisys Work Package Fees)	£570,650	£570,650		£0	£620,650	There is one remaining invoice expected for this cost code
Total Non Absorbed Costs	£1,036,859	£1,030,451		£6,408	£1,108,359	

Absorbed

Spend Includes

A100 Salaries - Absorbed Backfill	£147,111	£0		£147,111	£147,111	
F290 Fees - Room Hire	£18,000	£6,046		£13,077	£18,000	
F380 Purchase of IT Equipment	£27,000	£0		£27,000	£27,000	
F382 Additional IT Costs - Third Party Support	£47,800	£4,124		£45,259	£47,800	
Total Absorbed Costs	£240,911	£10,170		£233,447	£240,911	
Total 4231 HR/Payroll Implementation	£1,277,770	£1,040,622		£239,855	£1,349,270	

Summary - Absorbed and Non Absorbed Costs

Spend Includes

A100 Salaries - Basic Pay	£418,129	£272,249		£145,880	£436,129	
A300 Agency Staff	£22,172	£20,702		£1,469	£25,172	
F290 Fees - Room Hire	£18,000	£6,046		£13,077	£18,000	
F379 Additional Work Packages	£24,120	£24,120		£0	£24,120	
F380 Purchase of IT Equipment	£28,535	£1,716		£26,819	£28,535	
F381 Purchase of Software (e-learning and Other Training)	£33,661	£33,661		£0	£34,161	
F382 Additional IT Costs - Third Party Support	£47,800	£4,124		£45,259	£47,800	
F384 Computer Software (LGFL)	£6,200	£0		£6,200	£6,200	
F385 IT Licences	£77,000	£77,000		£0	£77,000	
F620-R9 Hosting Fees	£21,168	£21,168		£0	£21,168	
G413 IT Expenses	£570,650	£570,650		£0	£620,650	
Total 4231 HR/Payroll Implementation	£1,277,770	£1,040,622		£239,855	£1,349,270	