

POLICY & RESOURCES CABINET BOARD

19th NOVEMBER 2009

DIRECTORATE OF FINANCE & CORPORATE SERVICES

**REPORT OF THE HEAD OF FINANCIAL SERVICES
– HYWEL JENKINS**

INDEX OF REPORT ITEMS

PART 1 - Doc.Code: PRB-191109-REP-FS-HJ

SECTION A– MATTER FOR DECISION		
Report Item	Page Nos	Wards Affected
1. Payroll System Upgrade	2 - 5	All
SECTION B – MATTER FOR INFORMATION		
2. Treasury Management	6 – 7	All

PART 1
SECTION A – MATTER FOR DECISION

ITEM 1

PAYROLL SYSTEM UPGRADE

1. Purpose of Report

1.1 This report outlines the requirement for the Council to upgrade its existing Payroll and Travel/Subsistence Systems.

2. Background

2.1 The current version of the Payroll System has been provided by Selima since 1998.

2.2 The present Payroll System was developed by Selima in partnership with the Authority. However since then, Selima have undertaken considerable work to further develop the Payroll System to meet this Council's and Inland Revenue requirements, together with improvements in technology and system design. In relation to this Council's needs, this includes significant data requirements arising from implementing Equal Pay.

2.3 Selima's improvements include the development of a window based system to replace the current character based Payroll System. This will ensure the further integration of Payroll with the Human Resources Vision System, and includes the opportunity to access information directly from the System and reduce the need for manual returns and interventions.

2.4 As a result of the development of the new window based System, Selima will shortly discontinue supporting the existing character based version of the Payroll System.

3. Proposal

3.1 Over the course of the last six months, detailed discussions have taken place with Selima to consider the benefits of moving forward with their product.

- 3.2 These discussions have enabled the Council to appraise the cost of upgrading the system and to refine the specification of the system required. It has also been identified that any decision to move away from this product would require a full tendering exercise for both the Payroll and Human Resources Systems. This is in an environment where Selima's payroll system has proven to fully comply with Her Majesty's Revenue & Customs national insurance and taxation rules. This has been reflected via numerous HMRC Audits of the past 4 years including a successful visit during September 2009.
- 3.3 The introduction of the new system also includes the opportunity to introduce further modules to the Envoy Travel and Subsistence system, which is also supplied by Selima.
- 3.4 The present contract with Selima is for the licensing and maintenance of the HR/Payroll System. The present contract allows the Council to use the system and for either party to give 3 months notice of termination. The opportunity has been taken to review this as the current notice period is inadequate should the need be exercised to seek an alternative HR/Payroll System. The new proposal is to have a 5 year contract with an option to extend to 10 years.
- 3.5 The Council remains satisfied with the level of service provided by Selima and permission is sought to extend the contract with this company to provide the window based system and the additional Envoy modules.

4. Costs and Funding

- 4.1 There are both one off and recurring costs arising from the upgrade. In 2010/11, it is anticipated that there will be one-off development, data transfer and training costs of £117,000 together with additional ongoing licence fees of £5,000 per annum.
- 4.2 A one-off additional cost for internal support required to reimplement the system is £30,000. This will cover staffing and ICT costs.
- 4.3 A Corporate IT Development Reserve exists which can be used to meet the one off costs. It is anticipated that the introduction of the Envoy modules will improve control and reduce travelling costs and an element of this saving will be available to meet the increase in the recurring licence fees. It is also anticipated that improved access to information and manual interventions will also provide process savings.

5. Recommendation

5.1 It is recommended that members approve the upgrade of the Payroll and Travel/Subsistence Systems as set out in this report.

Reason for Decision

To facilitate the upgrade of the Selima Payroll and Travel/Subsistence Systems.

List of Background Papers

Payroll - upgrade

Wards Affected

All

Officer Contact

Mr Hywel Jenkins - Head of Financial Services

Tel. No. 01639 763646

e-mail: h.jenkins@npt.gov.uk

Mr Phill Dacey - Exchequer Manager

□ □ Tel. No. 01639 763575

e-mail: p.dacey@npt.gov.uk

COMPLIANCE STATEMENT
PAYROLL SYSTEM UPGRADE

Implementation of Decision

The decision is proposed for implementation after the three day call in period.

Sustainability Appraisal

Community Plan Impacts

Economic Prosperity	-	No impact
Education & Lifelong Learning	-	No impact
Better Health & Well Being	-	No impact
Environment & Transport	-	No impact
Crime & Disorder	-	No impact

Other Impacts

Welsh Language	-	No impact
Sustainable Development	-	No impact
Equalities	-	No impact
Social Inclusion	-	No impact

Consultation

There has been no requirement under the Constitution for external consultation on this item.

SECTION B – MATTER FOR INFORMATION

ITEM 2

TREASURY MANAGEMENT

1. Purpose of Report

This report sets out treasury management action and information since the previous report.

2. Long Term Borrowing

There has been no long term borrowing since the previous report.

3. Rates of Interest

3.1. The Bank Rate:

Effective Date	Bank Rate
10 April 2008	5.00%
08 October 2008	4.50%
06 November 2008	3.50%
04 December 2008	2.00%
08 January 2009	1.50%
05 February 2009	1.00%
05 March 2009 to date	0.50%

3.2 Public Works Loans Board

Examples of Public Works Loan Board new loan fixed interest rates effective on 10th November 2009:

	Equal Instalments of Principal		Annuity		Maturity	
	Current 10 Nov 09	Previous 23 Sep 09	Current 10 Nov 09	Previous 23 Sep 09	Current 10 Nov 09	Previous 23 Sep 09
	%	%	%	%	%	%
5 to 5.5 years	2.08	2.03	2.11	2.06	3.15	3.06
10 to 10.5 years	3.15	3.06	3.24	3.14	4.10	3.99
15 to 15.5 years	3.76	3.66	3.88	3.78	4.39	4.22
20 to 20.5 years	4.10	3.99	4.22	4.09	4.46	4.27
25 to 25.5 years	4.29	4.15	4.38	4.21	4.46	4.32
35 to 35.5 years	4.44	4.25	4.46	4.29	4.47	4.42
49.5 to 50 years	4.46	4.32	4.45	4.39	4.45	4.39

List of Background Papers

PWLB notice 235/09

Wards Affected

All

Officer Contact

For further information on this report item, please contact:

Mr. Hywel Jenkins - Head of Financial Services

Tel. No. 01639 763646

e-mail: h.jenkins@npt.gov.uk

Mr. Mark Davies - Chief Accountant (Corporate, Capital & Risk Management)

Tel. No. 01639 763602

e-mail: m.davies4@npt.gov.uk