

**DMPC Decision – PCD 1049**

**Title: Payroll Data Archive**

**Executive Summary:**

The MPS has a statutory obligation to retain payroll data for a minimum of 6 years plus the current year (known as 6+1 years) and in 2018 migrated to a new payroll system provided by SSCL. Therefore, to meet its obligations, access to data from the historic system is required up to 2025. The MPS also has a contractual obligation and an internal requirement to provide access to the payroll data in order for SSCL and the retained Payroll team to be able to discharge the Payroll service.

The recommended solution will meet the MPS's legal and contractual obligations to provide archived payroll data in line with HMRC's 6+1 year requirements. After 28th February 2025 the obligations will be met by the current SSCL payroll solution.

**Recommendation:**

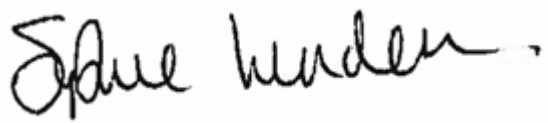
The Deputy Mayor for Policing and Crime is recommended to approve award to CGI UK Ltd, without competition, of a contract to provide the archiving solution of payroll data at a cost of £240,000 + VAT for the period 1st March 2022 to 28th February 2025. This paper is not requesting additional funds as this has already been allocated and budgeted for by the MPS' Finance Department.

**Deputy Mayor for Policing and Crime**

I confirm 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. Any such interests are recorded below.

The above request has my approval.

**Signature**



**Date**

**24/09/2021**

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC**

### **1. Introduction and background**

- 1.1. The MPS has a legal and contractual obligation to both retain payroll data and provide access to historic payroll information to SSCL to allow them to discharge their service requirements. As the legal requirement is to keep payroll data for 6 years plus the current year (known as 6 + 1 years), access to the historic information held by CGI is required up to March 2025. Post this date the legal obligation that remains with the MPS will be covered by the SSCL payroll solution.
- 1.2. The MPS, as part of the BSS programme of work, migrated the Payroll service, from a previous internal/partially outsourced service with CGI, to a fully outsourced model with SSCL. As part of this outsourcing, SSCL implemented a new payroll solution (as part of the PSOP implementation) with the legacy CGI e-Payfact solution made read-only for an initial period of one year, which was subsequently extended by three years to 28th February 2022.
- 1.3. At the time of the transition of the payroll service from CGI to SSCL, it was decided that the migration of historic information would not be cost effective and that a payroll archive would be created which minimised the cost for the MPS whilst enabling access to relevant information for SSCL. This solution was to be hosted in the MPS Corporate Archive Solution and was to be developed for implementation at the end of the extended CGI service.
- 1.4. In 2018 the Court of Appeal ruled that the transitional protection provisions in the government's 2015 public service pension reforms were discriminatory. This ruling is commonly known as the McCloud judgment. Due to this decision the development of the payroll archive was delayed until the full implications were known.
- 1.5. The judgement has decreed that members of public sector schemes, who have been unlawfully moved to reformed schemes during the period 01/04/2015 to 31/03/2022 will have the option to revert to their legacy schemes. This data will be required to ensure that the MPS meets its legislative obligations in this regard. The reform has also determined that the member will not be required to make their option until their retirement date. In addition, in February 2021, the Treasury announced that it will be implementing a 'Deferred Choice Underpin', where members would stay in their 'legacy' scheme but could opt at retirement for the alternative scheme if this would produce a larger pension.
- 1.6. The impact of these decisions required a review of the original strategy for the payroll data archive and due to the need for the archive to be able to manage the obligations of the McCloud judgement, the requirements have become more complex and there is also uncertainty around the ability to implement a solution corporately. Therefore, the recommendation made above, has been formulated to ensure continuity of service and continued adherence to legislative requirements.

- 1.7. The CGI system is populated with MPS payroll data and operates so as to comply with all of the MPS rules and calculations. The data and software required to make it function cannot be easily or quickly transferred to a third-party supplier. It would require the analysis, build, test, transfer and deployment of a specific payroll archive solution at significant time, cost and complexity.

## **2. Issues for consideration**

- 2.1. The contract with CGI for the provision of a payroll data archive database on a read only basis, along with a reporting tool, will allow for the continuation of service provision by SSCL and its subcontractors.
- 2.2. It will also allow the MPS to comply with the both HMRC and pension provision of data.
- 2.3. Additional supporting information is contained in the restricted section of the paper under Decisions Required section.

## **3. Financial Comments**

- 3.1. This paper is not seeking additional monies and will be funded within existing budgets.
- 3.2. Additional supporting information is contained in the restricted section of the paper under the Financial section.

## **4. Legal Comments**

- 4.1. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £189,330 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.
- 4.2. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve all contract exemptions for £100,000 or above (see paragraph 4.13 of the Scheme)
- 4.3. This uplift has been considered with regard to the requirements set out in the Public Contracts Regulation 2015 (as amended). MOPAC is the contracting authority for the MPS in relation to IT systems and is subject to the Public Contracts Regulations 2015 (as amended) (the 2015 Regulations).
- 4.4. The 2015 Regulations require that contracts above the value of £189,330 for goods/service generally need to be subject to an open, advertised procurement or procured by means of a framework agreement that was itself subject to open and advertised procurement. There are exceptions to this general rule, however.

Regulation 32(2)(b) of the 2015 Regulations provides that, a direct award to a supplier may be made without competition where:

- (ii) competition is absent for technical reasons,
- (iii) the protection of exclusive rights, including intellectual property rights,

but only, in the case of paragraphs (ii) and (iii), where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.

- 4.5. The factors set out in paragraph 5.3 are clearly relevant to the above assessment. Further information is contained in the restricted section of the paper under the Legal section

## **5. Commercial Issues**

- 5.1. The award of a contract to CGI for the provision of archive payroll data will deliver 35 user licences to both SSCL and MPS Payroll staff to access CGI's payroll software solution. Users will be able to report on legacy payroll queries from MPS Officers and Staff and external bodies such as HMRC.
- 5.2. A new solution would require all of the MPS rules and calculations to be re-built, and the migration of the historic data set and the management of subsequent changes over time. Essentially, this means a full payroll solution would need to be provided with all of the associated testing and assurance required. The solution would need to align and adhere to the existing data and rules ensuring the accuracy of the information. This would cost significant sums of money and would not be achievable within the associated timeframes. Therefore this option has been discounted as it would not be economically viable.
- 5.3. Any competition would require the bespoke development of a complete payroll system that matches the rules, calculations and time dimensions of the current payroll system. Along with this technical rationale, there are also exclusive rights reasons why a competition would not be feasible, relating to the IPR and the need for a perpetual licence to be granted.
- 5.4. Additional supporting information is contained in the restricted section of the paper under the Commercial section.

## **6. GDPR and Data Privacy**

- 6.1. The project will work with Data Office to progress the solution through the DPIA process. From initial conversations with the Data Office it is assumed that a DPIA will not be required but this will be confirmed (and a DPIA potentially completed if required) prior to contract signature. A new DPC or the relevant elements from the DPC will be included in the contract extension with the supplier.

## **7. Equality Comments**

- 7.1. This business case has undergone an initial equality screening. Due regard has been taken to the Equality Act's Public Sector Equality Duty. Real
- 7.2. consideration has been taken to assess equality impact caused by the proposed business changes. As a result no positive or negative impact has been identified to any individual and/or group safeguarded by a protected characteristic and those who are not.

## **8. Background/supporting papers**

- 8.1. Report.

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Part 1 Deferral:**

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date: N/A

**Part 2 Confidentiality:** Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

<b>ORIGINATING OFFICER DECLARATION</b>	<i>Tick to confirm statement (✓)</i>
<b>Financial Advice:</b> The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
<b>Legal Advice:</b> The MPS legal team has been consulted on the proposal.	✓
<b>Equalities Advice:</b> Equality and diversity issues are covered in the body of the report.	✓
<b>Commercial Issues</b> The proposal is in keeping with the GLA Group Responsible Procurement Policy.	✓
<b>GDPR/Data Privacy</b> <ul style="list-style-type: none"> <li>• GDPR compliance issues are covered in the body of the report.</li> <li>• A DPIA will be completed if required.</li> </ul>	✓
<b>Drafting Officer</b> Craig James has drafted this report in accordance with MOPAC procedures.	✓
<b>Director/Head of Service:</b> The Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓

**Chief Executive Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature



Date 24/09/2021



## Payroll Data Archive

### MOPAC Investment Advisory & Monitoring meeting 8<sup>th</sup> September 2021

#### Report by HR Policy & Reward Team on behalf of the Chief of Corporate Services

**Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC**

#### EXECUTIVE SUMMARY

The MPS has a statutory obligation to retain payroll data for a minimum of 6 + 1 years and in 2018 migrated to a new payroll system provided by SSCL. Therefore, to meet our obligations access to data from the historic system is required up to 2025. The MPS also has a contractual obligation and an internal requirement to provide access to the payroll data in order for SSCL and the retained Payroll team to be able to discharge the Payroll service.

The recommended solution will meet the MPS's legal and contractual obligations to provide archived payroll data in line with HMRC's 6+1 year requirements, after 28th February 2025 the obligations will be met by the current SSCL payroll solution.

#### Recommendations

1. The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:
  - a. **Approve to award to CGI UK Ltd, without competition, a contract to provide the archiving solution of payroll data at a cost of £240,000 + VAT for the period 1st March 2022 to 28th February 2025.**
  - b. **This paper is not requesting additional funds as this has already been allocated and budgeted for by the MPS' Finance Department.**

#### Time sensitivity

1. Due to the current archive solution contract, hosted by CGI, ending on the 28th February 2022, the decision on a new archive solution has become time critical and is required by 30 September 2021.

## **Introduction and background**

2. The MPS has a legal and contractual obligation to both retain payroll data and provide access to historic payroll information to SSCL to allow them to discharge their service requirements. As the legal requirement is to keep payroll data for 6 + 1 years, access to the historic information held by CGI is required up to March 2025. Post this date the legal obligation that remains with the MPS will be covered by the SSCL payroll solution.
3. The MPS, as part of the BSS programme of work, migrated the Payroll service, from a previous internal/partially outsourced service with CGI, to a fully outsourced model with SSCL. As part of this outsourcing, SSCL implemented a new payroll solution (as part of the PSOP implementation) with the legacy CGI e-Payfact solution made read-only for an initial period of one year, which was subsequently extended by three years to 28th February 2022.
4. At the time of the transition of the payroll service from CGI to SSCL, it was decided that the migration of historic information would not be cost effective and that a payroll archive would be created which minimised the cost for the MPS whilst enabling access to relevant information for SSCL. This solution was to be hosted in the MPS Corporate Archive Solution and was to be developed for implementation at the end of the extended CGI service.
5. In 2018 the Court of Appeal ruled that the transitional protection provisions in the government's 2015 public service pension reforms were discriminatory. This ruling is commonly known as the McCloud judgment. Due to this decision the development of the payroll archive was delayed until the full implications were known.
6. The judgement has decreed that members of public sector schemes, who have been unlawfully moved to reformed schemes during the period 01/04/2015 to 31/03/2022 will have the option to revert to their legacy schemes. This data will be required to ensure that we have met our legislative obligations in this regard. The reform has also determined that the member will not be required to make their option until their retirement date. In addition, in February 2021, the Treasury announced that it will be implementing a 'Deferred Choice Underpin', where members would stay in their 'legacy' scheme but could opt at retirement for the alternative scheme if this would produce a larger pension.
7. The impact of these decisions required a review of the original strategy for the payroll data archive and due to the need for the archive to be able to manage the obligations of the McCloud judgement, the requirements have become more complex and there is also uncertainty around the ability to implement a solution corporately. Therefore, the recommendation made above, has been



formulated to ensure continuity of service and continued adherence to legislative requirements.

8. The CGI system is populated with MPS payroll data and operates so as to comply with all of the MPS rules and calculations. The data and software required to make it function cannot be easily or quickly transferred to a third-party supplier. It would require the analysis, build, test, transfer and deployment of a specific payroll archive solution at significant time, cost and complexity.

### **Issues for consideration**

9. The contract with CGI for the provision of a payroll data archive database on a read only basis, along with a reporting tool, will allow for the continuation of service provision by SSCL and its subcontractors.
10. It will also allow the MPS to comply with the both HMRC and pension provision of data.
11. The team responsible for access to the payroll archive database is the Payroll, Reward and Pensions team, with the lead being Frances Holland.
12. **This paper is not seeking additional monies.**
13. Additional supporting information is contained in the restricted section of the paper under Decisions Required section.

### **Contributes to the MOPAC Police & Crime Plan 2017-2021<sup>1</sup>**

#### **Financial, Commercial and Procurement Comments**

14. The award of contract to CGI for the provision of archive payroll data will deliver 35 user licences to both SSCL and MPS Payroll staff to access CGI's payroll software solution. Users will be able to report on legacy payroll queries from MPS Officers and Staff and external bodies such as HMRC.
15. A new solution would require all of the MPS rules and calculations to be rebuilt, and the migration of the historic data set and the management of subsequent changes over time. Essentially, this means a full payroll solution would need to be provided with all of the associated testing and assurance required. The solution would need to align and adhere to the existing data and rules ensuring the accuracy of the information. This would cost significant sums of money and would not be achievable within the associated timeframes. Therefore this option has been discounted as it would not be economically viable. Any competition would require the bespoke development of a complete payroll system that matches the rules, calculations and time

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<sup>1</sup> [Police and crime plan: a safer city for all Londoners | London City Hall](#)

dimensions of the current payroll system. Along with this technical rational, there is also exclusive rights reasons why a competition would not be feasible, this relates to the IPR and the need for a perpetual licence to be granted.

**16. This paper is not seeking additional monies and will be funded within existing budgets.**

17. Additional supporting information is contained in the restricted section of the paper under Financial and Commercial section.

### **Legal Comments**

18. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £189,330 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.

19. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve all contract exemptions for £100,000 or above (see paragraph 4.13 of the Scheme)

20. This uplift has been considered with regard to the requirements set out in the Public Contracts Regulation 2015 (as amended). MOPAC is the contracting authority for the MPS in relation to IT systems and is subject to the Public Contracts Regulations 2015 (as amended) (the 2015 Regulations).

21. The 2015 Regulations require that contracts above the value of £189,330 for goods/service generally needs to be subject to an open, advertised procurement or a procured by means of a framework agreement that was itself subject to open and advertised procurement. There are exceptions to this general rule, however. Regulation 32(2)(b) of the 2015 Regulations provides that, a direct award to a supplier may be made without competition where:

- (ii) competition is absent for technical reasons,
- (iii) the protection of exclusive rights, including intellectual property rights,

but only, in the case of paragraphs (ii) and (iii), where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.

22. The factors set out in paragraph 15 are clearly relevant to above assessment. Further information is contained in the restricted section of the paper under the Legal section

### **Equality Comments**

23. This business case has undergone an initial equality screening. Due regard has been taken to the Equality Act's Public Sector Equality Duty. Real consideration has been taken to assess equality impact caused by the proposed business changes. As a result no positive or negative impact has been identified to any individual and/or group safeguarded by a protected characteristic and those who are not.

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### **Privacy Comments**

25. The project will work with Data Office to progress the solution through the DPIA process. From initial conversations with the Data Office it is assumed that a DPIA will not be required but this will be confirmed (and a DPIA potentially completed) prior to contract signature. A new DPC or the relevant elements from the DPC will be included in the contract extension with the supplier.

### **Real Estate Implications**

26. There are no Real Estate implications arising from this paper.

### **Environmental Implications**

27. There are no environmental implications arising from this paper.

### **Background/supporting papers**

28. No additional background/supporting papers

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**Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.**

1. The Government Security Classification marking for Part 2 is:

**OFFICIAL-SENSITIVE [COMMERCIAL]**

Part 2 of the Payroll Data Archive Paper is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 - Commercial Interests).

The paper will cease to be exempt until 7 years following the end of the contract, with the contract ending at the latest in February 2025.