



LONDON FIRE BRIGADE

Report title

Replacement Human Resources (HR) and Payroll solution – Agreement of Expenditure

Report to

Corporate Services Board
Commissioner's Board
Deputy Mayor's Fire and Resilience Board
London Fire Commissioner

Date

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Report by

Chief Information Officer

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Executive Summary

The report seeks the approval of expenditure for the procurement of a new Brigade HR and Payroll solution for a term of five years from contract award in the financial year 2021/22.

LFB has worked closely with Greater London Authority (GLA) functional bodies and other Fire and Rescue Services to explore a collaborative approach. There are no opportunities across the GLA Group that meet our timeframes and needs at this time, but there is potential for Kent Fire and Rescue Service to join our procurement. The GLA are progressing a shared HR service with TFL with a planned launch date of 1 April 2022. Although the timelines for this align with our procurement, a transfer of this kind is highly complex and resource intensive and TFL do not have the capacity to include an additional organisation that would add further complexity at this time. As a result, the Brigade's Director for People and Chief People Officer at Transport for London (TFL) have agreed in conjunction the GLA Collaboration board that the Brigade will not be involved in the GLA/TFL shared service project at this time. Our current system, procured in 1992, delivers vital HR and Payroll functions: managing employee records and organisation; generating salary payments for Brigade and LA) employees; providing returns to the HMRC and the Local Pensions Partnership Administration (LPPA). The current product is no longer available on the market and has been subject to deprecation by the supplier.

As we are unable to collaborate across the GLA Group at this time, it is vital we procure an LFB system in order to continue these vital services to the Brigade. It also provides opportunities for improvements to the functions to support the strategic aims in the Transformation Delivery Plan and Togetherness strategy, such as better manager and employee self-service functionality; increasing accountability and empowerment.

The Brigade will continue to work closely with GLA functional bodies to try to align procurement timeframes in the future to enable joint procurement following this period of up to five years.

Recommended decisions

For the London Fire Commissioner

That the London Fire Commissioner:

1. approves expenditure up to £950,000 ¹to develop, implement and maintain a HR and Payroll solution over a five year contract, after completing an OJEU compliant procurement exercise subject to the Deputy Mayor for Fire and Resilience prior approval.
2. agrees to delegate authority to the Assistant Director, Technical and Commercial Services, to award a contract to the successful bidder for the provision of a HR and Payroll solution following the tender exercise.

Introduction and background

1. The Brigade's current Payroll and Human Resources (HR) information system (SumTotal Cyborg) has been in place for 28 years, since the original procurement in 1992. SumTotal Cyborg supports core HR and Payroll functions: managing employee records and organisation; generating salary payments for Brigade and GLA employees; providing returns to the HMRC and the Local Pensions Partnership Administration (LPPA).
2. Traditionally, systems like this are referred to as back-end HR systems since they help manage key transactional HR tasks and are essentially the employee system of record. While, these core tasks are distinct from strategic HR tasks like performance management, recruitment, talent management, and learning management; they are vital to the running of the Brigade and the system needs to be modern and harness technology for the LFB to progress with our TDP and Togetherness Strategy. For staff to engage in strategic HR, transactional HR must be managed effectively and efficiently. This can only be achieved through a more capable system. Current systems on the market have proven to be much more than just an "employee system of record", offering self-service functionality, manager dash-boards, reporting and smart technology features.

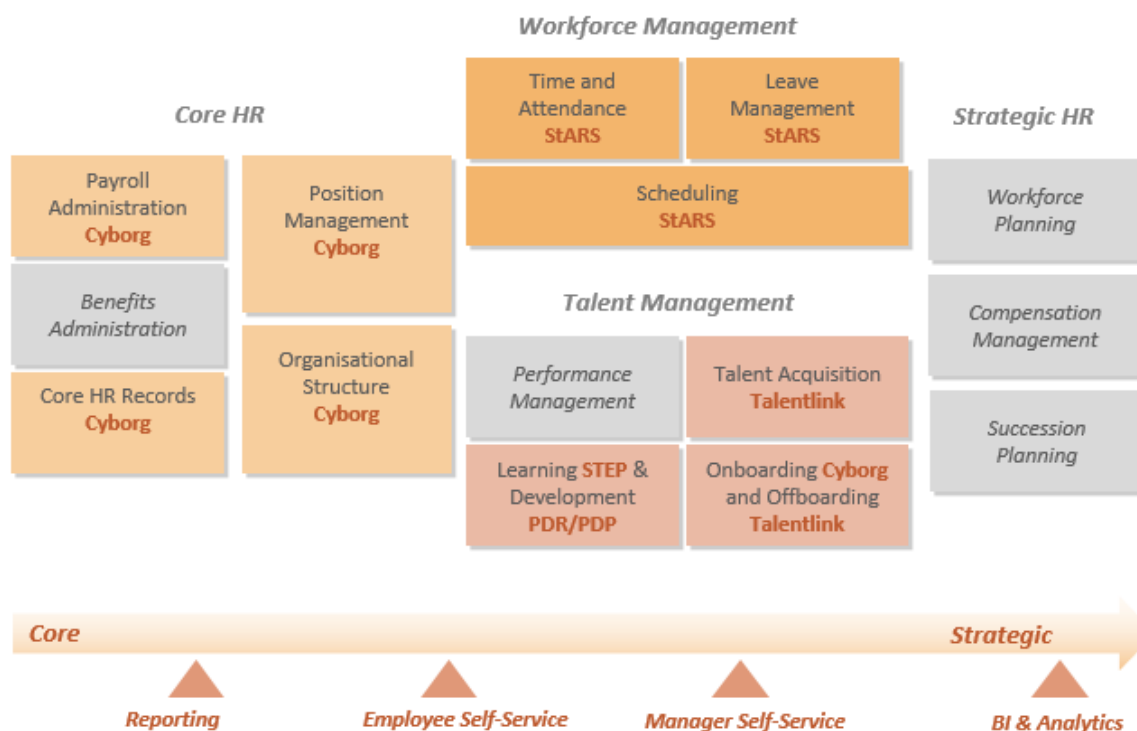
LFB has worked closely with GLA functional bodies to explore a collaborative approach but there are no opportunities that meet our timeframes and needs at this time. The GLA are progressing a shared HR service with TFL with a planned launch date of 1 April 2022. Although the timelines for this align with our procurement, a transfer of this kind is highly complex and resource intensive and TFL do not have the capacity to include an additional organisation that would add further complexity at this time. As a result, the Brigade's Director for People and Chief People Officer at Transport for London (TFL) have agreed in conjunction the GLA Collaboration board that the Brigade will not be involved in the GLA/TFL shared service project at this time.

3. Some of these strategic tasks are provided by other developed solutions such as Staff Attendance Recording System (StARS), Talentlink, System for Training, Evaluation and Performance (STEP), Personal Development Plan (PDP) and Personal Development Record (PDR). These system also provide some fire and rescue service (FRS) specific functionality, not

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provided in generic HR systems, like the management of operational skills, provision of data about officer availability (based on attendance/shift) to the mobilising system, management of the crewing of appliances via roll-call boards, and provision of standbys to ensure that appliances have crew each shift.

4. An overview of HR functions of the existing Brigade solution and supporting applications is shown in the diagram below.



5. Due to the significant investment required to procure and implement a replacement solution, historical choices have been made to persist with Cyborg and develop workarounds to address its limitation in functionality. Consequently, Cyborg is heavily integrated with other ICT solutions including 27 different forms and interfaces with other systems within the Brigade
6. Representation of this additional functionality is outlined in appendix A.
7. There are a significant number of bespoke applications that can be, along with Cyborg replaced by a single new modern cloud-based solution. This will greatly improve integration of functionality and reduce complexity in support, cost and contractual arrangements for the Brigade. This integration may mean that tasks like leave requests and recording, currently performed via StARS, could be replaced with an 'app' for staff to use on their mobile device, like phones and tablets. However, there may be some operational/fire and rescue service-related functionality that may need to be provided by systems working alongside any replacement HR system.
8. In September 2014, SumTotal Systems were acquired from Vista Equity Partners by Skillsoft Corporation. Cyborg is now at the very end of its maturity cycle and the Brigade's understanding is that the product will soon be deprecated by the supplier in favour of other products in their portfolio. The contract with SumTotal Systems has been regularly extended in lieu of replacing Cyborg with a new solution. The current contract was renewed in June 2016 and is set to expire in May 2021. As the replacement solution will not be implemented by this expiry date, a one-year extension will need to be sought to cover the transition to a new solution and contract.

Future licensing model and recommended contract term

9. The market for HR and payroll systems like many business solutions has focused more and more on Software as a Service (SaaS).
10. SaaS systems tend to be purchased in a revenue licence, whereas traditional locally hosted software has an upfront purchase and implementation price and an annual maintenance fee (usually around 20 per cent of the purchase price). Revenue licensing can have its advantages over traditional purchase and annual maintenance fee arrangements, as the initial large capital outlay is not necessary, and a system can be surrendered without a capital loss.
11. SaaS systems are also fully supported by the supplier's technical staff. This reduces the burden of regularly security patching servers, installing updates and managing hardware for ICT infrastructure staff.
12. Crown Commercial Services (CCS) do not recommend that IT service contracts are let for more than four years due to the fast-changing environment. However, due to an expected implementation period of one to two years, this report recommends a minimum contract term of five years as we do not have the capacity with the existing ICT workplan to support changeover of a major software solution on a frequency less than that.

Alternative options considered and consultation

13. Cyborg is a product that has served the Brigade well for a considerable period. However, it is based on ageing technology which offers limited functionality in areas such as staff self-service (to replace HR staff processing transactions). This limits its ability to support our strategic aims and vision of being a dynamic, forward-looking organisation, which has been detailed within the Strategic Drivers section of this report.
- 14.
15. The system is not capable of exploiting the current technology developments offered by mobile devices and cloud services that are available in the market at present which would support employee and manager self-service and hence support our strategic aims around staff and manager accountability embedded within the TDP and Togetherness Strategy.
16. It is also now a deprecated product and unavailable on the current market.
17. Four options were available for consideration:
 - **Do Nothing** – *Under this option the Brigade would continue to use the existing Cyborg solution.* This is not considered to be a viable option as we have been advised that the current system is approaching end of life and clearly no longer meets the strategic needs of the Brigade. Furthermore the supplier has changed ownership several times and been into liquidation. Our view is that were the Brigade to enter into new contracts with the supplier, this would give rise to new commercial risks that the Brigade would be forced to absorb which may not be palatable. Continuing with the current system poses a significant risk to the delivery of core HR services such as payroll, limits our ability to deliver our strategic objectives, due to its age and lack of modern technological functionality.
 - **Upgrading to the new SumTotal HR offering** – This not viable as the contract with the supplier has been continually extended and best procurement practice is to test the market instead of committing to an upgraded product with an existing supplier. In addition, there are risks with entering into a new contract with SumTotal (as stated above).
 - **Shared service options - LFB have investigated options for partnership or shared services with other fire and rescue services (FRS), GLA group, London Ambulance Services (LAS), and**

Metropolitan Police Services (MPS). There are no collaborative opportunities that meet the LFB contractual timeframes and expected affordability envelope at present. The GLA are progressing a shared HR service with TFL with a planned launch date of 1 April 2022. Although the timelines for this align with our procurement, a transfer of this kind is highly complex and resource intensive and TFL do not have the capacity to include an additional organisation that would add further complexity at this time. As a result, the Brigade's Director for People and Chief People Officer at Transport for London (TFL) have agreed in conjunction the GLA Collaboration board that the Brigade will not be involved in the GLA/TFL shared service project at this time.

- **Procure a new HR and payroll solution** – This is the preferred and recommended option for the Brigade with a potential option for Kent FRS to join a future contract after a competitive tender process has been completed. This enables us to avoid the risks associated with continuing with Options 1 and 2, enabling us to continue to provide core HR services to keep the LFB running, whilst also supporting us in delivering our strategic aims as detailed within the Strategic Drivers section of this report. It also enables us to work with the GLA group to align procurement timeframes to enable collaboration after our new five-year contract.

Objectives and expected outcomes

18. These drivers for change and new developments in the market have created the opportunity to look closely at our existing HR systems and processes, and to develop a fit for purpose specification for an off the shelf, configurable HR and Payroll solution instead of a bespoke and heavily customised option.
19. At minimum, the HR and Payroll solution will deliver the following functionality, along with employee self-service and manager dashboards, enabling accountability and empowerment:
 - a) Core HR – records employment and demographic information about employees.
 - b) Payroll administration – required to pay employees in compliance with appropriate laws and regulations.
 - c) Organisational structure – position based organisational structure.
 - d) Onboarding and offboarding – automation of data transactions and processes relating to onboarding and leavers including storing of required forms and collection of exit data.
 - e) Leave management – track and administer leave of all kinds, workflows associated with leave requests and relevant reporting.
 - f) Performance management – track and administer reviews (360 degree performance review, annual, quarterly), goal tracking and manager views on team performance.
 - g) Succession planning – identify and track development and readiness of personnel who demonstrate increased responsibility and leadership roles.
 - h) Expenses management – submit, process, track and reimburse employees
 - i) Case management – file, manage and resolve employee relations cases, effectively and confidentially, automating HR processes to support disciplinary, grievance and long-term sickness.
20. There is also the possibility to include benefits administration and compensation management into a single core solution. This can present multiple benefits as opposed to separate solutions; reduced contract management; reduced support and less complexity regarding troubleshooting and resolving technical issues.

21. Enhanced capabilities over the existing solution will also include, reporting and analytics, self-service, workflow automation and mobile access. This will benefit the LFB through driving innovative ways of working and support the strategic aims of seizing the future and delivering excellence.
22. We want to procure a software solution that is easy to use, maintain and support. Adopting standard integration methods for data capture and transfer where required and be accessible across different LFB access points and integrate with Microsoft 365 suite of applications and services to provide an excellent user experience for all staff groups.

Project approach and future timelines

23. A corporate project was initiated in June 2020 to manage the end to end replacement of the existing HR and Payroll systems.
24. Appropriate project governance arrangements were put in place with an immediate objective of identifying, engaging and gathering stakeholder user requirements (phase 1). The project is split into three distinct phases with high level timelines summarised as follows.

Phase	Project stage	Estimated completion date
Phase 1	Business requirements gathering & systems analysis	Completed October 2020
Phase 2	Procurement	April/May 2021
Phase 3	Implementation and familiarisation	Phased to March 2022

25. The requirements phase was completed in October 2020 and was approved by the project board on the 4 November 2020.
26. We are now looking to begin Phase 2 and engage the market for a best fit solution. The desire is for the solution to be off the shelf and with minimal supplier configuration. A cloud-based solution offering location independent access and minimal Brigade ICT technical support is also preferable.

Local Digital Declaration (LDD)

27. In May 2019, the London Fire Commissioner signed the [Local Digital Declaration](#) (LDD) on behalf of the Brigade. The Declaration, which is signed by national and local government bodies, is seeking to co-create the conditions for the next generation of local public services, where technology is an enabler rather than a barrier to service improvements, and services are "a delight for citizens and officials to use". It is acknowledged that one size doesn't fit all, but by developing common building blocks local authorities, and other public services, it will be possible to build services more quickly, flexibly and effectively.
28. The LDD ambition requires both a culture shift and a technology shift, and the LDD sets out five principles to help do this (available via the link above). In particular, and relevant to any new or replacement computer systems is principle 1 which is *"We will go even further to redesign our services around the needs of the people using them. This means continuing to prioritise citizen and user needs above professional, organisational and technological silos."*

What system do LFB need?

29. Consultants were initially employed to conduct a review of work required to specify, procure and implement new human resources and payroll systems which set out the budget costs which have been included in the current ICT base budget.
30. The report produced identified three tiers of suppliers in the market:
- *Tier 1 systems* are suitable for multinational, multi-currency, multi-language entities with deep supply chain integration and complex organisational management relationships
 - *Tier 2 systems* are suitable for mid-market organisations.
 - *Tier 3 systems* are suitable for small to medium enterprises (SME).
31. Based on our understanding of LFB obtained through consultant Target Analysis Model (TAM) and Target Operating Model (TOM) workshops a tier 2 system would be most appropriate to the Brigade given the likely requirements and implementation complexity. The recommendation of the consultant report was to go for solutions aimed at mid-sized organisations designed for the specific HR and Payroll purpose (Tier 2).
32. A corporate project was initiated in June 2020 to secure resources to deliver the replacement HR and payroll solution.
33. The LFB HR and Payroll project has progressed with a Project Initiation Document (PID) and user requirements documented and signed off by the project board. Initial estimates have now been sought from both tier 1 and tier 2 suppliers

Type	Annual Licence Cost	Implementation Cost
Tier 1	£200,000	£1-£2.5 million
Tier 2	£90,000-£100,000	£125,000-£300,000

34. These figures confirm the Brigade's initial approach regarding affordability with the tier 2 option being in line with expectations. The range in implementation costs for each solution is to accommodate a range of modules within each product set. With the lower figure covering Phase 1 (Core HR, Payroll, Self Service, and reporting with additional modules in a Phase 2: for elements such as Performance management, Case Management, Leave management).

Funding for a replacement system

35. The annual licence fees for the Tier 2 product are in line with current costs for HR and payroll provision, so do not represent a budget pressure and implementation costs fall into the range that are covered by the current budget allocation. The current project plan would look to implement the solution for the financial year 2022/23 in order to align the payroll implementation with the tax year. The following figures represent forecast expenditure from approved ICT base budget.

Element	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Required Expenditure	£	£	£	£	£	£	£
Licence		100,000	100,000	100,000	100,000	100,000	500,000
Implementation	125,000	225,000					350,000
Contingency	50,000	50,000					100,000
Costs of New Solution	175,000	375,000	100,000	100,000	100,000	100,000	950,000
Approved Base Budget (Project)	72,000	395,000					467,000
Approved Base Budget (Licence)		94,858	97,040	99,272	101,555	103,891	496,614
Total Approved Budgets	72,000	489,858	97,040	99,272	101,555	103,891	963,614
Revised Based Budget	103,000	-114,858	2,960	728	-1,555	-3,891	-13,614

Existing shared services

36. In 2010, the GLA were seeking to replace their incumbent HR and payroll system. The contract for this function was set to expire and there was no provision for this to be extended.

37. In early 2011, the GLA reviewed an analysis of provision and costs of payroll services and HR systems across the GLA Group (excluding the Metropolitan Police Service) and they concluded that at that time only the Brigade was capable of providing cost effective payroll services and HR systems to the GLA.

38. In October 2011, the Brigade entered into a shared service agreement with the GLA to provide payroll services to GLA staff. This allowed the GLA to move to online payslips and reduce their operational costs by £17,000 per annum with associated setup costs recovered in 4 years.

39. The arrangements are still provided by the Brigade based on our existing Cyborg Payroll system. The GLA have a web-based service that is accessible from any device with internet connectivity and simple to use. Appropriate GLA officers have secure access to the system using two factor authentications. LFB receives approximately £10,000 per annum from the GLA for provision of the ICT service. As outlined in this report, the GLA are currently considering options for payroll which may end the current shared service with the Brigade.

Opportunities for collaboration

40. LFB has a statutory duty to collaborate with other Fire and Rescue Services and is committed to collaboration across the GLA group. LFB have worked closely with several organisations to explore such opportunities, these are summarised below:

1. Transport for London (TfL)
2. Greater London Authority (GLA)

3. London Ambulance Service (LAS)
4. Manchester FRS
5. Merseyside FRS
6. West Midlands FRS
7. Kent FRS

41. **Transport for London (TfL)** currently have a diverse HR systems landscape which is a hybrid of on-premise and cloud solutions. They are in the process of reviewing their Enterprise Resource Planning (ERP) Strategy in its entirety but as this encompasses wider than just HR it has proven to be a lengthy internal process. The Brigade has shared its high-level requirements and TfL will confirm whether these are in line with their own strategy. TfL currently use SAP R3, which is a legacy version of the industry leading tier 1 ERP solution. Support for this version is expected to end in 2025. As outlined earlier in this paper, tier 1 solutions are not considered to be an appropriate and cost-effective solution for the Brigade. TfL do not have the capacity for LFB to transfer its payroll to their current system, and this would result in two phases of potential disruption to the service.
42. Whilst the **GLA** use Brigade Payroll services, they use their own HR solution, MHR iTrent, which is an independent software house with 35 years' experience in this market. iTrent is a popular choice with several FRS in the UK. The GLA are progressing a project to share HR services with TfL, which aims to go live from 1 April 2022. Although the timelines for joining this project align with our procurement, a transfer of this kind is highly complex and resource intensive and TfL do not have the capacity to include an additional organisation that would add further complexity. TfL, the GLA and The Brigade each have different employee terms and conditions and HR policies, thus requiring the host's systems to be reconfigured to serve multiple organisations. The GLA/TfL shared service project already has multiple complexities, for example aligning two separate pay systems, one that runs payroll monthly and one every four weeks. As a result, the Brigade's Director for People and Chief People Officer at Transport for London (TfL) have agreed in conjunction the GLA Collaboration board that the Brigade will not be involved in the GLA/TfL shared service project as TfL do not have the capacity to add an additional organisation to the shared service at this time.
43. **Manchester FRS and Kent FRS** also use iTrent. Manchester have an option for a renewal when the existing contract ends in May 2021 and they have expressed their intention to exercise that option. Kent's existing contract expires in February 2021 and they are also looking to extend their current contract in the interim. They have expressed an interest in joining a future Brigade contract if it is awarded under a competitive process. We will continue engagement with Kent FRS throughout our procurement process to ensure this opportunity is thoroughly examined.
44. **Merseyside FRS** use Zellis ResourceLink which has a HR and Payroll functionality as part of a wider suite of applications. Their existing contract is due to expire in August 2023 with an option for renewal.
45. **West Midlands FRS** use Oracle HRMS and Payroll R12. They are committed to upgrading these products to later versions to enable better integration between the two systems. Their current system adequately meets their organisational needs and they are not seeking a replacement or a collaborative opportunity at present.
46. **The London Ambulance Service (LAS)** also use an Oracle HR solution but have no plans to replace it soon. The Brigade are in active conversations with the LAS over their contractual timelines as we do not have detailed information on that at present.

47. There are no clear opportunities for a joint collaborative procurement or shared service that meet our affordability envelope or timeframes. There is an opportunity for other services such as Kent FRS to join a future contract and this may lead to joint future procurement opportunities.
48. The Brigade will continue to work closely with GLA functional bodies to try to align procurement timeframes in the future to enable joint procurement after the five-year contract period ends

Impacts

Equality impact

49. The London Fire Commissioner and decision takers are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
50. It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
51. The protected characteristics are: Age, Disability, Gender reassignment, Pregnancy and maternity, Marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), Race (ethnic or national origins, colour or nationality), Religion or belief (including lack of belief), Sex, Sexual orientation.
52. The Public Sector Equality Duty requires us, in the exercise of all our functions (i.e. everything we do), to have due regard to the need to:
 - (a) Eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - (b) Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
 - (c) Foster good relations between people who share a relevant protected characteristic and persons who do not share it.
53. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to:
 - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
54. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
55. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to—
 - (a) tackle prejudice, and

(b) promote understanding.

56. An Equality Impact Assessment (EIA) has been completed. The new solution would promote inclusion because it will better utilise accessibility tools enabled in the system and compliment accessibility tools provided by the new LFB desktop and Microsoft 365. This benefit would also be enhanced by the more widespread use of tablets/laptops (outside of Citrix) where accessibility tools such as dictation, voice control and speech recognition will be able to run locally offering enhanced functionality.

Procurement and sustainability

57. The first phase of the project was to develop detailed requirements for the HR and Payroll solution. This work commenced in August and was completed in November 2020.
58. With the functional requirements available, the procurement (phase 2) will determine the most suitable market solution for LFB's needs. Any new procurement activity will need to be undertaken in line with the Public Contract Regulations 2015 and GLA group Responsible Procurement policy.
59. Research on potential routes to market has been undertaken and procurement options will be considered, and a route agreed at the project board in January 2021. The procurement will also comply with all current procurement requirements and LFC standing orders in force at the time.

Strategic Drivers

60. The current system is old and does not provide the HR/Payroll functionality needed for modern fire service. Our purpose under the TDP is to *be trusted to serve and protect London*; a new HR/Payroll system will enable us to do this by providing improved record keeping, paperless processes and more efficient auditing of employee records. Our vision under the TPD is to be a *dynamic, forward-looking organisation of fully engaged people at the centre of the communities we serve, adapting to the changing needs of London*; a new HR/Payroll system will facilitate LFB in becoming a forward-looking organisation by harnessing new technology and help engage staff through self-service functionality and managers dashboards.
61. Procuring a new HR/Payroll system supports three of the four TDP pillars; the **best people and the best place to work** by engaging colleagues through managing their employee life cycle; **seizing the future** by providing a solution driven service and harnessing technology to improve ways of working and customer experience; and **delivering excellence** through continually improving our ways of working.
62. The Togetherness Strategy underpins the TDP and commits to building a **culture of belonging**. Procuring a new HR/Payroll system will enable this to happen as staff will have access to their HR records via self-service platform. More so, the majority of current systems on the market are cloud based, which means staff will not need to have remote access to the Brigade network to access this. It strengthens our togetherness as staff on long term absence due to sickness, maternity/paternity leave or career breaks for example will be able to access their records easily; something that cannot be achieved with the current HR/Payroll system.
63. The current HR model is considered to be very paternalistic, with any people related matters being referred to People Services for a decision. A new system will enhance managers' access to information regarding their team via a dash-board functionality, enabling local ownership of people issues and managers feeling empowered to make decisions. This will be mirrored for staff via the self-service function. This strengthens the effectiveness of the Togetherness Strategy by

empowering managers and staff through accessing information themselves, rather than having to go via People Services or Finance.

64. In addition, the employee self-service and manager's dash-board functionality will encourage the behaviour of accountability and nurture engagement, both of which are at the centre of the Togetherness Strategy. These behaviours are also imperative to the LFB in meeting its strategic aims embedded in the TDP.

Workforce impact

65. Engagement with staff, consistent with Local Digital Declaration principles, will be required, to meet principle 1 which is *"We will go even further to redesign our services around the needs of the people using them. This means continuing to prioritise user needs above professional, organisational and technological silos."*
66. During Phase 1 of the project (development of business requirements) there have been around several stakeholder workshops and engagement sessions involving staff from various teams in People Services including Human Resources, Talent, Culture, and Recruitment, as well as staff from Finance, and ICT departments. These workshops and sessions have now been completed. The stakeholders who have contributed to the workshops will be involved in every further stage of the project to ensure that the software produced meets their requirements and is easy to use.
67. It is acknowledged that the new system will lead to workforce efficiencies within HR Services, resulting in the full reduction of 1 x FRS B and 1 x FRS C. However, these are not proposed until 2023/2024 and ideally will take place through natural wastage rather than redundancies.

Finance comments

68. This report recommends that revenue expenditure of up to £950k is approved to develop, implement and maintain a HR and Payroll solution over a five year contract. Paragraph 31 of the report sets out the anticipated total cost and the cost in each financial year. The estimated cost of the solution is £14k less than the previous budget estimate over the life of the contract, however a change to the profile of the spend will result in additional costs of £103k in 2021/22 and reduce costs of £114k in £2022/23. This change to the profile of the costs will be included as part of the Final March 2021/22 Budget Report in March.

Legal comments

69. This report seeks to approval of funding for a new Brigade HR and Payroll solution.
70. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office.
71. Section 1 of the Fire and Rescue Services Act 2004 ('the 2004 Act') states the Commissioner is the fire and rescue authority for Greater London.
72. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
73. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor"). In particular, paragraph (b) of Part 2 of the said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...". The decision to

procure a new HR and Payroll system as set out in the recommendation of this report far exceeds this value, therefore, this report to the Deputy Mayor fulfils the aforementioned requirement in the direction.

74. The body of the report confirms the Procurement Department will be engaged in the tender process to ensure compliance with the requirements set out in the Public Contract Regulations 2015; the GLA responsible procurement policy, and LFC standing orders.
75. Section 5A of the 2004 Act enables the Commissioner to "do anything it considers appropriate for the purposes of the carrying out of its functions.
76. The Commissioner is also a 'best value' authority under the Local Government Act 1999 and must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
77. The development and procurement of a new Brigade HR and Payroll system falls within the duties and powers of the Commissioner.
78. The Commissioner's Board must in advance the report being presented to the Deputy Mayor and the Commissioner taking a decision first note the contents of the report in accordance with the Terms of Reference of the Commissioner's Board. The proposed recommendation for the London Fire Commissioner to delegate authority to the Assistant Director of Technical and Commercial to deal with all contract awards in connection with the new Brigade HR and Payroll is permitted under Part 4 of the LFC's Scheme of Delegation.

List of Appendices

Appendix	Title	Protective Marking
1.	Cyborg and associated interfaces	

Appendix 1 – Cyborg and associated interfaces

This diagram illustrates bespoke applications that can be replaced along with Cyborg in a single HR and payroll solution.

