

MDA No.: 1594

Title: HR and IT Shared Service Transfers

1. Executive Summary

1.1 At the GLA Oversight Committee meeting on 1 November 2023 the Committee resolved that:

Authority be delegated to the Chair, in consultation with the party Group Lead Members, to agree any output arising from the discussion.

1.2 Following consultation with party Group Lead Members, the Chairman agreed the Committee's letter to the Chief Officer on HR and IT Shared Service Transfers, as attached at **Appendix 1**.

2. Decision

2.1 **That the Chairman agrees the Committee's letter to the Chief Officer on the HR and IT Shared Service Transfers Report, as attached at Appendix 1.**

Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Printed Name: **Emma Best AM, Chairman of the GLA Oversight Committee**


Date: **16 February 2024**

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 The terms of reference for this investigation were agreed by the Chair, in consultation with relevant party Lead Group Members and Deputy Chairs, on 23 October 2023 under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the letter and its recommendations fall within these terms of reference.
- 3.2 The exercise of delegated authority approving the letter to the Chief Officer on the HR and IT Shared Service Transfer will be formally noted at the GLA Oversight Committee's next appropriate meeting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): 

Printed Name: Nikoleta Kemp


Date: 13 February 2024

Financial Implications: NOT REQUIRED

Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Legal Implications:

The Chairman of the GLA Oversight Committee has the power to make the decision set out in this report.

Signature (Legal): 

Printed Name: Rory McKenna, Monitoring Officer

Date: 20 February 2024

Email: rory.mckenna@london.gov.uk

Supporting Detail / List of Consultees:

- Emma Best AM
- Len Duvall AM
- Caroline Pidgeon MBE AM
- Caroline Russell AM

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.
- 4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

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

Part 2 – Sensitive Information:

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

Lead Officer / Author


Signature: Gino Brand

Printed Name: Gino Brand

Job Title: Senior Policy Adviser

Date: 20 February 2024

Countersigned by Executive Director:

Signature: 

Printed Name: Helen Ewen

Date: 20 February 2024

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Emma Best AM
Chair of the GLA Oversight Committee

Mary Harpley
Chief Officer, GLA
(Sent by email)

CC:
Niran Mothada, Executive Director of Strategy and Communications, GLA
Shakira Keddo, Assistant Director for People, GLA
Beth Cushion, Head of Human Resources, GLA
Vicky Ridley-Pearson, Assistant Director for Digital Transformation, GLA
Maureen Jackson, Director of Business Services, Transport for London

13 February 2024

Dear Mary,

Re: HR and IT Shared Services transfer

I am writing to you regarding the GLA Oversight Committee's investigation into the HR and IT Shared Services transfer. This follows a meeting held by the Committee on 1 November 2023, which was attended by GLA officers, including yourself, and Maureen Jackson, Director of Business Services at Transport for London (TfL).

The Committee's investigation sought to understand how the HR Shared Services (HRSS) transfer had been planned, the extent and impact of the issues that arose from it and how they were being resolved, and what lessons could be learnt. It also looked to understand how these lessons could be applied to the IT Shared Service (ITSS) transfer, which will very shortly be underway, and examine the risks around this.

The Committee recognises that the HRSS transfer was a large-scale and complex project. However, the issues resulting from its implementation, particularly around payroll errors, and the stress it caused for some staff, is not acceptable. As you will be aware, the issues were numerous and included under and over payment, incorrectly calculated pension contributions and annual leave entitlements for some staff, as well as recruitment delays. The Committee noted the stress caused to some staff by the parallel change to a four weekly pay cycle. The payroll issues were so significant that, as you will be aware, the October 2023 Risk and Assurance Report gave the payroll system an audit assurance of 'Limited'.¹

This letter summarises the Committee's views on the weaknesses with the HRSS transfer. It sets out seven recommendations which are intended to support a smoother implementation of the ITSS transfer and ensure lessons are learnt for future projects.

The planning of the HRSS transfer

The Committee sought to understand how the HRSS transfer issues occurred and whether they could have been anticipated and managed through better planning. The Committee was concerned by comments made by Maureen Jackson, Director of Business Services, TfL, that *"Most of the issues that we encountered we did not envisage, they were because of missing data and things that we had never encountered in TfL."*² Maureen Jackson also explained that *"We did not anticipate the volume of the issues that we were going to have to solve."*³

The Committee also heard that there were issues with expertise. Beth Cushion, Head of Resources, GLA explained that *"we did not quite have the right expertise inside, the digital or user adoption change-management expertise that we would have needed. That is a lesson we have learned for future projects."*⁴

The Committee considers that for a project of this scale, more work should have been done to anticipate potential issues and agrees that it is essential that future projects, including the ITSS transfer, are led by staff with the necessary expertise.

The Committee also sought to understand whether the HRSS transfer could have been postponed allowing for more effective planning and troubleshooting. The Committee was concerned by your statement that:

*"The thing that caught us out...was the problems that were brewing in payroll, which we did not understand the level of those problems when we decided to make the move across. By the time they were being flagged it was too late to postpone the move...that is the bit that really blindsided us."*⁵

Whilst the Committee recognises that this was a challenging situation, it is unfortunate that it was necessary to implement such a large-scale project as such problems were becoming apparent. It is vital that the GLA avoids a similar situation in the future.

¹ Directorate of Audit, Risk and Assurance, [Internal Auditors to the GLA, Risk and Assurance Review, Material Financial Systems -Payroll](#), October 2023, p1

² London Assembly GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, pp4-5

³ London Assembly GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p7

⁴ London Assembly GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p7

⁵ London Assembly GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p6

Recommendation

- 1. The Committee recommends that the GLA completes a full review of the HRSS transfer planning process to understand and learn from the mistakes made, developing a clear check list for future transfers.***

Communications to staff regarding the HRSS transfer issues

The Committee sought to understand the effectiveness of the HRSS transfer communications and was particularly keen to understand whether proactive communications were sent to all staff once it became clear that payroll errors had been made. The responses provided at the meeting were not clear on this point. The Committee heard from Beth Cushion, Head of Human Resources, that:

“My understanding is when we identify these issues, the Payroll Team looks at the calculations and looks at the numbers of people affected and we do targeted communications. It is difficult to comment on why it did not happen in this particular instance...”⁶

As you will be aware, it was confirmed at the London Assembly Audit Panel on 19 October 2023 by Beth Cushion that there had been over one hundred instances of under and overpayment of pay since the transfer to the new system.⁷ This is a significant number. The Committee’s expectation would have been that with errors occurring on this scale, proactive communications would have been sent to all staff to alert them to check their pay and advise them how to resolve issues. As the HRSS saw the introduction of four-weekly pay it would not have been obvious to staff if there was an issue with their pay.

At the 1 November 2023 GLA Oversight Committee, Maureen Jackson, Director of Business Services, TfL offered to check the emails that were sent to staff. She said:

“I will go back and I will check which emails went out. When we did identify where people had two staff numbers and issues were happening, there were definitely emails sent, but I will check and get you some figures and what we did.”⁸

The Committee wrote to Maureen on 15 November 2023 requesting confirmation of the communications that went out to staff by 15 December 2023. To date no response has been received.

Recommendation

- 2. The Committee recommends that the GLA commits to reviewing the communications made around the HRSS transfer before the ITSS transfer is fully implemented and adopts better plans for proactive communications to all staff.***

The impact on staff of the HRSS transfer issues

The Committee heard that the HRSS transfer issues had a general impact on staff being able to efficiently carry out their work. The Committee also heard about the individuals that were affected by payroll errors, as well as recruitment delays.

In particular, the Committee would like to emphasise the critical importance of ensuring staff are paid correctly and the stress that being under or overpaid can cause for staff. The Committee was

⁶ London Assembly GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p19

⁷ London Assembly Audit Panel, [Draft Minutes](#), 19 October 2023, p6

⁸ London Assembly GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p19

encouraged by Beth Cushion’s statement, in reference to “*lingering payroll issues*”⁹ that “*I do not understate how significant these things can be and fully appreciate that*”¹⁰ However, the Committee would have expected to see more evidence of an acknowledgement by the GLA’s leadership of the impact of the errors, and the actions that were being taken to resolve the issues, including (for example) at All-Staff meetings such as that in November 2022.

Recommendation

- 3. The Committee recommends that consideration of the stress caused to staff and the impact on individuals and overall staff morale is included as part of any evaluation done of the HRSS transfer and that these are considered when delivering the ITSS transfer.***

Planning for the ITSS transfer

The Committee recognises that issues with the HRSS transfer need addressing to ensure the ITSS transition and any future change programmes are implemented smoothly. The Committee sought assurances at the meeting that the ITSS transfer has been more rigorously planned, and that work is underway to understand and manage any risks.

Whilst the Committee was encouraged to hear from you that “*there is an awful, awful lot of work going on now to make sure that all happens as smoothly as possible, learning a lot of the lessons that we have been talking about all morning.*”¹¹, we remain concerned that there is extensive planning still required for the ITSS transfer.

As you will be aware, information was presented at the November 2023 All-Staff Briefing by Niran Mothada, Executive Director, Strategy and Communications, that 37 per cent of ITSS transfer Change Champions had said that they “*felt they weren’t being supported through the changes*”.¹² This number is too high, and the Committee urges that further work is done to improve the level of support available to staff when the transition begins in February. The Committee recognises that it was also reported that nearly 80 per cent of Change Champions “*felt ready and well-prepared*”.¹³ However, it is concerning that one in five Change Champions did not agree with this statement.

The Committee asked for information about the timings of the implementation of the ITSS transfer. The Committee was told by Niran Mothada that “*We are going to have a go/no go date and we are absolutely doing very, very careful planning around the rollout timetable.*”¹⁴

Recommendation:

- 4. The Committee recommends that you share the evidence that underpinned the go/no go decision for the ITSS transfer and set out how this reflects the learnings from the HRSS transfer.***

Performance measurement

The Committee was keen to understand how the performance levels of HR services were measured following the HRSS transfer. We were disappointed to hear that for the first three-months after the transfer, performance was not measured.¹⁵

⁹ London Assembly GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p9

¹⁰ London Assembly, GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p9

¹¹ London Assembly, GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p23

¹² GLA All-Staff Briefing, [Recording published on GLA Intranet](#), 28 November 2023

¹³ GLA All-Staff Briefing, [Recording published on GLA Intranet](#), 28 November 2023

¹⁴ London Assembly, GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p41

¹⁵ London Assembly, GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p4

Maureen Jackson, Director of Business Services, TfL, explained that *“my staff were flat out just trying to make sure that people got paid, that any issues were resolved, therefore we did not have the capacity to start to measure to begin with.”*¹⁶

The Committee is disappointed that more work to plan and the implementation of a performance measurement process was not done in advance of the HRSS transfer. The Committee asked whether a key set of indicators was in place for the ITSS transfer and was pleased to hear from Vicky Ridley-Pearson, Assistant Director for Digital Transformation, GLA, that these are *“currently in design with TfL...we will have service operational procedures which will inform our target operating model that we are working towards.”*¹⁷ It is essential that there is sufficient capacity in place to carry out the planned performance measures.

Recommendation

- 5. The Committee recommends that a robust performance measurement system, including planning for sufficient capacity, is set in place in advance of the ITSS transfer.***

The move from a monthly to four-weekly pay cycle

A particular concern that GLA staff have repeatedly raised is the impact of the move from monthly to four-weekly pay on staff. This was again raised at the November 2023 All-Staff Briefing, where union representatives highlighted the findings of a staff survey they had undertaken where 78 per cent of respondents said that they felt negatively impacted by the change.¹⁸

The Committee re-iterated its concerns about the impact on staff and the disproportionate impact on lower-paid staff at the GLA Oversight Committee on 1 November 2023. The Committee was greatly surprised and disappointed to learn that the GLA did not ask TfL whether it would be possible to move GLA staff to a monthly pay system. We heard from you that *“We never had any conversation with TfL about doing monthly payroll for us.”*¹⁹

It was confirmed by Maureen Jackson, Director of Business Services, TfL, that TfL does run a monthly payroll, advising that *“I think about two per cent of our 27,000 employees are on monthly [payroll]”*.²⁰

The Committee would have expected the GLA to explore all reasonable options and understand whether moving GLA staff to a monthly pay system was possible, and how much it would cost, before making a decision. At the meeting, you explained that *“We were always clear that if we were going to benefit from some of the economies of scale of this move and some of the processes in place already, as opposed to inventing new ones, we were going to move to the four-weekly pay.”*²¹

Recommendation

- 6. The Committee recommends that the GLA commits to assessing all reasonable options in future pay-related decisions, before making a decision.***

¹⁶ London Assembly, GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p4

¹⁷ London Assembly, GLA Oversight Committee, [Transcript](#) Wednesday 1 November, p34

¹⁸ GLA All-Staff Briefing, [Recording published on GLA Intranet](#), 28 November 2023

¹⁹ London Assembly, GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p16

²⁰ London Assembly, GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p15

²¹ London Assembly, GLA Oversight Committee, [Transcript](#), Wednesday 1 November 2023, p15

Consultation on the change from a monthly to four-weekly pay cycle

The GLA's consultation information for staff on the HRSS transfer included the statement that remaining on a monthly pay cycle was not possible as *"Whilst there are some small groups of TfL employees on legacy contracts on a monthly payroll cycle, it is not something that the GLA could support operationally."*²² The Committee is concerned that the consultation presented the move to the four-weekly pay cycle as an absolute decision, without advising that, as detailed above, the GLA had not asked TfL whether the alternative would be possible.

The Committee's view is that this does not equate to meaningful consultation. This is despite the HRSS consultation advising that *"We're committed to undertaking meaningful consultation on the proposed changes to our payroll cycle."*²³

The Committee has an investigation currently underway into consultation practices at the GLA and hopes that its findings will be useful to the GLA in undertaking better consultations with staff.

Recommendation:

- 7. The Committee recommends that the GLA evaluates the consultation undertaken on the HRSS transfer, in light of the Committee's consultation investigation findings, once available and commits to improving future internal consultation practices.***

On behalf of the Committee, I thank you and your colleagues for attending and giving evidence at the meeting. The Committee would welcome a response to this letter by 10 March 2024. Please send your response by email to the Committee's Clerk, Nikoleta Kemp (Nikoleta.kemp@london.gov.uk).

Yours sincerely,



Emma Best AM
Chair of the GLA Oversight Committee

²² GLA Intranet, [Payroll consultation Q&A 13 October](#)

²³ GLA Intranet, [Payroll consultation Q&A 13 October](#)