



Shared Services Case Studies

Case Study 02: Hertford Shared Service Centre

- Scale:** Currently approximately 83 staff providing payroll and pensions services from our Hertford Shared Service Centre as follows:
- Approximately 75 customers
 - Processes over 1.4 million payslips a year
 - Pays over 100,000 employees through managed payrolls
 - Produces 160,000 payslips for bureau customers
- Our Hertford Shared Service Centre also provides finance and ICT shared services, but for the sake of simplicity in this case study we have decided to concentrate on one function, payroll and pensions.
- Sector:** Public and private sector clients
- Timescales:** Contract signed with the initial client Hertfordshire County Council by Serco (then ITNET) in 1993. Since then other major contract wins including:
- 1998: London Borough of Brent
 - 2002: London Borough of Islington's Schools payroll contract
 - 2003: Healthcare Commission
 - 2004: Travelodge
 - 2004: Little Chef
- Parties involved:** Hertfordshire County Council and approximately 75 other clients which range from small voluntary and community organisations such as Hertfordshire Action on Disability and Redbourne Parish Council and many Hertfordshire schools, to other larger councils and public sector agencies and private sector organisations, such as GSL Global (formerly Group 4), London Borough of Brent, Hertfordshire Police Authority and Orbit Housing Association
- Verdict:** Delivered planned benefits to time and budget? Yes
Met Transformational Govt core objectives? Yes

Overall Project Objectives

Hertfordshire County Council (HCC) was among the first in the public sector to undertake market testing for Payroll services and in 1993 awarded a Managed Services contract to ITNET (acquired by Serco in 2005), covering Payroll, Pensions and Finance.

The objectives were to improve value for money for Hertfordshire County Council, providing a better quality of service at reduced cost.

Project Description

To deliver the objectives, the following were achieved:

- Transformation of services from using traditional, separate legacy-based applications to fully integrated SAP applications across Payroll, HR, Accounting and Procurement
- Transformation of pensions service through implementation of best of breed pensions administration application in AXISe to the Council, including the latest integrated imaging, employee internet and workflow applications.
- Improvement in capability of staff through training and development. Payroll staff are trained or in the process of training to IPPM payroll administration standards
- Winning new pensions and payroll contracts. Now over 75 public and private sector customers. Some of the larger customer payroll contracts served by the Hertford teams include:

EURIM Case Study continued – [Hertford Shared Services Centre]

Customer	Number of employees
BASF	800
Premier Brands	5,639
Group 4	7,400
Alstom	800
Travelodge	4,000
Little Chef	3,800
Canon UK	2,500
London Borough of Brent	13,000
Hertfordshire County Council	33,000
Hertfordshire Pensioners	19,000
Hertfordshire Constabulary	4,000
Police Pensioners	1,400
Hertfordshire Probation	300
Orbit Housing Association	1,000

Challenges, Issues and Problems

Technology is only ever the enabler to change, and winning the hearts and minds of employees and getting new working practices running smoothly is always a major challenge. Large projects always require change management to ensure that all of the best people and best technology create a best practice service delivery capability.

Project Benefits

- Reduced cost per payslip
- Increased accuracy rate
- Payroll staff numbers were reduced by 12% This reduction has been achieved through natural wastage and against the background of a 30% increase in employees paid through new business in the same period.

Reasons for Success

- Executive Support / leadership
- User Involvement
- Experienced Project Manager
- Clear Business Objectives / benefit
- Standard Software Infrastructure: Payroll service is offered on existing software and hardware infrastructure
- Formal Methodology
- Reliable Estimates
- Competent Staff
- Proper Planning
- Ownership
- Learning Lessons: Used lessons learnt from payroll contract to continually improve other payroll contracts
- Relationships

Conclusion – did the project meet the core objectives of the Transformational Government Agenda?

Deliver citizen centric services: Yes (customer centric, rather than citizen centric)

Efficiency improvement: Yes

Improving government's professionalism: Yes