

Email: BusinessServicesCustomers@surreycc.gov.uk



Ricky Fuller
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Woodhatch Place
11 Cockshot Hill
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11th July 2023

Dear Colleague,

Subject: Payroll Engagement Sessions – 7th and 10th July

Thank you for attending one of the Payroll engagement sessions on 7th and 10th July. A summary of the content discussed along with an updated version of the FAQs is attached to this letter.

As set out at the session, to balance the phasing of the transitioning to a new provider we have advised as follows:

- Smaller MATs and individual sites: the last payroll from SCC will be October 2023.
- Larger MATs (>1 setting and >350 employees): the last payroll from SCC will be November 2023.

To meet this timeline, please can you advise us of your new payroll provider in line with the following dates:

- Smaller MATs and individual sites: by the end of July / early August
- Larger MATs (>1 setting and >350 employees): by the middle of August

Please can you ensure that we have the contact details for your setting from somebody who will be available during August.

During August we will work with your new provider, share data with them and support them to allow them to plan your transition.

We know that these timelines are very tight for you and that this is not an ideal time of year with the holiday period approaching and the financial year end. We are committed to supporting you in ensuring a successful transition and have appointed an internal project team who will work with you and your new payroll provider to deliver this within the timescales required.

Once you have advised us of your new provider, we will appoint a project manager to oversee the transition. In the meantime, if you wish to meet to discuss anything in this letter please advise through the email address:

BusinessServicesCustomers@surreycc.gov.uk

In the meantime, if you wish to meet with us or to discuss anything in this letter, please advise us using the same email address. This inbox is monitored and will be responded to.

Yours sincerely

Ricky Fuller

Head of Business Services

Enc. Key points from the sessions and Frequently Asked Questions.

Key points shared at the engagement sessions on 7th and 10th July

1. Background to the decision to cease the service

- Systems are not fit for purpose to run a payroll bureau service and are based on aged macro driven spreadsheet systems
- The service cannot meet the growing complexity of customer requirements, creating inefficiencies and significant opportunity for error
- Heavy dependency on the knowledge of experienced staff and weak underpinning processes due to the lack of investment in technology, which has led to significant manual workarounds.
- The Council's new payroll and HR system, would improve some aspects but will not meet customer requirements in the medium term
- The existing SAP contract ends in mid-December and the current data centre which hosts SAP is aged, as a result any extension would require significant investment even for a short period of time.
- The market is mature, and there are better solutions available
- Significant challenges in recruitment and retention of appropriately trained and qualified staff.
- During the last 18 months the payroll service has received notice from c.20 settings and based on our discussions with customers this will continue

2. Decision-making timeline to end June 2023

- Ricky Fuller took on responsibility for the service in the Autumn 2022
- Once it became clear that there were underlying problems an Options appraisal was commissioned in Q1 of 2023 which reviewed 3 options:
 - A. Continue with investment
 - B. Continue with a service to maintained schools only
 - C. Cease all schools provision
- This went to cabinet for decision on 30th May and Option B was decided. Following call-in the decision was formally made on 7th June.
- This was the same week as the new Unit4 ERP system went live for SCC employees
- The impact on staff meant that we needed to inform them at the same time as informing our customers and it was felt important to avoid the same period as the Unit4 go-live
- We engaged with our larger MATs on 23rd and 26th June (on a confidential basis) and planned to communicate with other settings w/c 26th June. The decision was however communicated informally amongst other settings before this occurred.

3. Notice Period and timelines

This has been influenced by the current SAP contract cessation, which ends mid-December 2023, coupled with an unstable platform/data centre which hosts the SAP system. Taken together an extension for even an additional 3 months would cost upwards of £0.5m.

Currently each MAT and Academy makes an annual decision about whether to renew their payroll provision from SCC; under this either party is contractually liable to supply 3 months' notice (with one exception – Learning Partners Academy Trust - where a longer-term contract is in place). The notice period we are providing is greater than this:

- Larger MATs (>1 setting and >350 employees) - 5 months' notice (Nov 2023)
- Smaller MATs and individual sites - 4 months' notice (Oct 2023).

We know that this is not an ideal time of year with the holiday period approaching and the financial year end. We know that the timelines are very tight.

These dates are however the latest we can work to, to successfully transition MATs and Academies to new providers.

Based on the annual value of the contract we hold with our MATs and Academies, there would be no requirement to go through a lengthy procurement process for an annual contract as the highest annual value is lower than the EU procurement threshold of £189,330.

We are also in dialogue with DFE Buying for Schools team and will pass on any advice and guidance that they provide.

This is an exceptional circumstance and where necessary it should be possible for MATs to vary their normal procurement rules.

We have created a simple timeline which will be varied for each setting as necessary:

- **July – early August**
 1. Schools obtain quotes from suppliers.
 2. Schools confirm the supplier that they are going to proceed with.
- **August**
 3. SCC internal Transition Team will work with new provider to plan the transfer.
- **September**
 4. New provider parallel run
 5. Formal engagement with the new provider to have training on the new technology.
- **October**
 6. Smaller MATs and individual academies - Final payroll run from SCC
 7. New provider parallel run
 8. Following final payroll run, smaller MATs and individual academies move to their new payroll provider.
- **November**
 9. Larger MATs - Final payroll run from SCC
 10. Following final payroll run, larger MATs move to their new payroll provider.

4. Support

We have a dedicated transition team of 4 in place which will be expanded as needed to work with you and your new providers.

We are offering practical and collaborative support to all settings. Once you have appointed your provider, our transition project team will work jointly with them. This will reduce the workload for MATs and Academies as the transition team will work with their new providers to successfully transition within the timescales.

5. Providers

It is up to each setting to decide on their provider. We are trying to proactively support by signposting to established national suppliers within the market who have a track record of supplying payroll services to Surrey MATs and Academies. However, we cannot formalise this in writing as this would be commercially sensitive to the payroll provider market.

We have senior management engagement in these companies to supply quotes, quickly and efficiently, which will enable the MATs / Academies to fast track their decision making. They have confirmed that they require an average 8 weeks, but up to 12 weeks for the larger settings.

Bear in mind that this period also includes the period following the last pay run from Surrey.

Providers remain confident that these timescales are achievable. In terms of costs, the providers are supportive of reviewing this with you against what you are currently paying us for, however, it is important to note that this will depend on the type of service you are looking for in the future. The providers costs are reflective of the advanced customer service provision supported by the online 24/7 technology and associated systems.

Confidential
Future Payroll Provision
Frequently Asked Questions
11th July 2023

No.	Question	Response
1	Are you still providing a payroll service to maintained schools?	Yes, we will continue to provide a service to maintained schools and all other direct employees of Surrey County Council.
2	Would we still have access and see what the pay scales are at SCC to ensure we are matching them all the time? Would SCC continue to share their terms and conditions?	We will need to agree a suitable mechanism to allow this but there is no reason why you would not still be able to follow SCC HR policy on any pay policy changes.
3	Will we have a dedicated person, or will it be a general team that we will have access to, is there a transition team, will there be a dedicated account manager that I can speak to?	There is a transition team who will jointly work with you and with your new payroll provider. This transition team includes a technical lead, Alec Tarling and a Project Support Officer, Mushtaq Noorzai. They will be the main contacts whilst working internally with key members of the Schools Payroll service. A dedicated email address has been established for all correspondence, engagement and queries: BusinessServicesCustomers@surreycc.gov.uk
4	When we transfer to another company, will they also receive our historic data? Such as the teachers pensions. Will you be moving over the historic data to the new provider?	The intention is to support a successful transition to another service provider; this will include providing all of the data necessary for the transition and any support needed afterwards. We will work with the new provider to confirm what information they require. Standard Data Set – year to date HMRC relevant data including National Insurance, PAYE, Pension contributions etc Any other data requirements – these will be considered in liaison with your new provider
5	These providers will have so many MATs contacting them, will the payroll providers have the capacity/staff to take on more customers?	It is the Trust decision as to which provider they choose. The suppliers we have engaged with are prepared and equipped to 'on-board' new customers and have dedicated deployment teams. Once you have confirmed which provider you intend to move to and you have notified us of who they are, we will proceed to arrange joint, collaborative project sessions to off-board from

		Surrey County Council and on-board with the new provider.
6	When does the transition start? When can we move to a new provider?	The transition process begins as soon as you select a new supplier and confirm who they are. We will then commence a joint collaborative project with them to transition you.
7	How will this affect our contract with SCC??	We have written to you to advise of the cabinet decision to cease provision of the payroll bureau service. We will issue formal notification on or before 1st August 2023 to confirm this.
8	How have offboarding exit dates been arrived at?	<p>To ensure all settings are supported with transitioning to a new provider, exit dates have been based on the size of the MAT or Academy setting to be transitioned, although it should be noted that all dates go beyond the three-month notice period required as set out within service level agreements.</p> <p>As part of the offboarding process we will work with each customer individually to support transitioning by the date set out in the notice letter, and jointly agree a way forward to address any concerns or issues.</p>
9	Can I offboard and transition to another provider ahead of the exit date set out within the notice letter?	Yes, if you are in a position where you would like to offboard and transition to your new provider sooner than the exit date stated within your notice letter, we will work with you and your new provider to agree a date and work towards an earlier transition.
10	In terms of access to information, will there be any access to information after SCC ceases provision of payroll?	All relevant information will be transferred to your new payroll provider, and they will take on responsibility to hold all information about your establishment. If there is a statutory or other need for information to be provided after this date it will continue to be available, subject to reasonableness. Please see previous questions and responses.
11	Will there be any access to information after SCC have ceased provision of payroll? what information will be available. Eg pensions, TPS, LGPS. TPS must be audited every year and it runs April to March so will span two providers. If there are any	All relevant information will be transferred to your new payroll provider, and they will take on responsibility to hold all information about your establishment. If there is a statutory or other need for information to be provided after this date (eg audit) it will continue to be available, subject to reasonableness but the primary responsibility will sit with your new provider.

	questions that come up during the audit do we need to ask SCC, or all of the information will have been provided to the new provider so they would be able to answer any questions?	
12	Are there likely to be any costs involved in you providing information to our new providers?	You will not be charged for the provision of information to a new provider.
13	Will people still have access to EPAY and other historical documents?	As part of the transition period, it will be important for historic payslips to be downloaded from EPAY as this information will not be available after the end of the contract. We will transfer year to date information to your new provider. Individuals can also access the Government Gateway to access information about their pay and deductions.
14	When does the contract with EPAY end?	The access to information will cease once SCC have ceased its payroll provision.
15	How many schools from Surrey are being asked to find alternative payroll providers?	We are engaging with all the MATS who currently receive a service from Surrey payroll over the next week or so to advise them to seek alternative payroll providers. It is not appropriate for us to share this information more widely without their express permission to do so.
16	You have mentioned that some of the MATs have already moved to a new provider. Are you able to share with us the name of the MAT and their new provider?	It would be inappropriate for us to supply that information without their express permission to do so. The providers we have engaged with all have an existing footprint in Surrey with MATs and/or Academies.
17	What is the road map for this transition?	<p>Step 1 – You engage with potential new suppliers and decide who you wish to work with.</p> <p>Step 2 – advise us in writing which provider you have chosen.</p> <p>Step 3 – our internal project team will work with your provider to commences joint project to transition you.</p> <p>Step 4 – continuous engagement with your new provider to ensure successful parallel runs (8-12 weeks).</p> <p>Step 5 – finalise off boarding from Surrey Payroll within set timescales.</p> <p>Step 6 – new payroll provider commences administration of new service.</p>

18	Can you also confirm whether Surrey Pensions service is also closing to the Trusts	The Pensions service will continue to be available after the transition is completed. Your new provider will be responsible for providing the information to Surrey Pension services
19	Will we have access to Surrey Benefits, including access to childcare vouchers.	We are looking into the detail of this, and we will advise in due course. It is however unlikely that access to Surrey Benefits will be possible after transition. Childcare vouchers are issued by suppliers, so this is a matter to discuss with the new payroll provider and to consider when choosing your future provision.
20	When is the last payday that Surrey will provide to its bureau customers?	MATS have different pay dates, and the last pay date will be jointly agreed with the new payroll provider as part of engagement and agreement on timeframes as some may choose an earlier transition.
21	If we engage with a provider you have not mentioned, is there likely to be a further delay as you won't have done any prep work?	Once you advise us of your payroll provider we will engage with them to agree a transition plan that meets the deadline.
22	Do you have standard templates for onboarding depending on their systems?	Yes, we do have standard templates but will work with payroll providers to provide the data in the most appropriate format.
23	The start of a new academic year reflects so many changes in payroll. How will you ensure that the data extracted from payroll accurately reflects all changes submitted through SPFs etc in July / August / September. The quality and accuracy of data being managed for the current SCC payroll is a concern - how will you ensure a full picture is transferred to the new providers?	SCC will continue to be responsible for your payroll until either the end of October or the end of November and will ensure that the data provided to the new provider reflects the latest position at that time.
24	Given we are still experiencing issues with accuracy of HMRC payments, maternity calculations, and an issues around retrospective pay awards for support staff- how are you managing the risk around this?	Any existing service issues will be dealt with in parallel with the transition planning.

25	What is the timeline? How quickly would we be able to do the first standard run to ensure the data is accurate? What is the timeframe of running the first report.	We have a standard timeline but the precise timing for reports etc will be agreed with your new payroll provider.
26	Will there be any support post transition if we continue to receive notification of errors via HMRC that occurred during pay periods in your tenure?	SCC will continue to be available to respond to any reasonable queries after the service has ended, for a transition period.
27	Will we be kept informed of progress of our transition / onboarding?	Once you have appointed your new payroll provider we will appoint a lead project manager who will act as your point of contact.
28	what contingency have you built into your timescales?	The timescales are tight but achievable provided we are notified of your chosen payroll provider within the timeframes outlined. If you face any significant challenges with being able to do this please let us know asap.
29	If we have outstanding issues how can we be confident these are resolved by the time we leave? If we want to work on this over the summer are you able to support us during the summer months.	Yes, we will be available during August to support the transition. Please ensure that we have contact details for your operational lead during this period.
30	How will you handle academisation in future?	This will depend on the circumstances and timescales for Academisation which affect your setting.
31	What are the consequences if we are unable to meet the deadline of 31st July to notify you of our intended provider?	If you are unable to meet the deadline please let us know asap. A delay of a few days will not impact significantly but a longer delay will impact on the transition planning.
32	As there are 2-time frames for smaller and larger MATs - how will you schedule work requests. i.e will larger MATs be dealt with after the smaller MATs, or will you deal on a first come basis?	We will be dealing with both in parallel. Each setting will have a nominated project lead for you to engage with.
35	Is there a wiggle room to transition in November for smaller MATs?	The phasing has been undertaken to help manage the workload across the size, scale and complexity of the settings affected. If there are significant problems with your ability to meet the

		October deadline we can discuss this. Please contact us asap if that is the case.
36	How can I make an informed decision of which provider I am going to go with as I only have until the end of July to look at the market?	We understand that the timescales are tight, and this limits the time available to engage with the market. We have been in discussion with 3 providers who are on standby to provide quotes.
37	What are your data protection policies when you transfer the data over to the new provider to make sure that there are no risks for us?	The Council has strict GDPR policies in place to protect the sharing of data.

Note

These FAQs will continue to be updated going forward.

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