

REPORT TO: Executive Board

DATE: 12th February 2026

REPORTING OFFICER: Director of HR and Corporate Affairs (Interim)
/ Director of Transformation (Interim)

PORTFOLIO: Corporate Services

SUBJECT: Integration of HR and Payroll Module into the
Unit4 Finance System

WARD(S) All

1.0 PURPOSE OF THE REPORT

- 1.1 To gain approval to integrate a HR and Payroll module into the Unit4 ERP (Enterprise Resource Planning) Finance System and the inclusion of the project within the Capital Programme.

2.0 RECOMMENDED: That

- 1) The report be noted;**
- 2) The integration of the HR and Payroll Module into the Unit4 ERP Finance System, be approved;**
- 3) Council be requested to include the project within the Capital Programme at an estimated cost of £456,459 as outlined in paragraph 5.1.**

3.0 SUPPORTING INFORMATION

- 3.1 Following approval for Unit4 Finance to be migrated to a Cloud Solution. Further exploration and negotiation has taken place to integrate the HR and Payroll module into the same solution. This has come along at an opportune point in time as the Councils current contract with Midland for the iTrent system ceases on 31st Oct 2026.
- 3.2 ERP is a unified platform that integrates core business processes, including HR, Payroll, Finance, Procurement and Key operational systems. These are all linked to centralised data reporting through a single system to enable real-time data sharing, process automation and strategic decision making across the entire organisation.
- 3.3 Halton has engaged a delivery partner, Arribatec, to provide consultation for the implementation of the HR & Payroll module and a contract for this work was agreed in principle in October 2025.

- 3.4 Workshops were held in late October to capture requirements for the development and build of the new system. These workshops also identified additional requirements to be included in the HR & Payroll implementation scope.
- 3.5 Following final approval, the HR and Payroll implementation is scheduled for September 2026, with planned activities covering system build, testing, staff training, cutover planning and go-live. This is supported by the migration to the cloud and planned activities for testing can only commence once the cloud migration is complete.
- 3.6 The implementation of the HR and Payroll module into the current ERP solution, will enable the removal of inter-application administrative procedures that currently exist for transferring data and information from one system to another. This will provide a robust integration between the HR/Payroll and Finance functions, without the need for additional protocols and data processes.
- 3.7 It is expected that the integration will allow for decommissioning of internal systems, such as 'I Want HR', which will eradicate the need for ongoing development and maintenance. There will also be significant reduction in other current 'off-system' processes, such as the use of spreadsheets.
- 3.8 There will be a reduction in management time across the Council, which is currently required to handle day-to-day people management matters. Management Information for line manager, e.g. daily dashboards, will provide a clear link between employees and cost management.
- 3.9 The integration and single system solution will ultimately drive and rationalisation of resources, resulting in a reduced revenue for funding commitment. Thus, justifying the principles of Invest to Save and Best Value, with financial payback in a reasonable timeframe. Further details to be worked up as processes and protocols are developed and implemented.

4.0 POLICY IMPLICATIONS

- 4.1 None identified at this stage.

5.0 FINANCIAL IMPLICATIONS

- 5.1 Details of costs for cloud migration and HR/Payroll implementation are captured in the table below.

Activity	Cost
Technical	£292,660.00
Implementation	£86,223.22
Maintenance	£1,500.00
Sub Total	£380,383.22
Contingency @ 20%	£76,076.64
Total	£456,459.86

- 5.2 This is the total estimated cost of implementing the HR/Payroll module, which will require inclusion within the Capital Programme.
- 5.3 The annual capital financing cost of funding this implementation over 10 years will be approximately £60,225 per annum.
- 5.4 The annual licencing and support costs for the HR and Payroll module is no greater than the current annual support costs for Midland iTrent. However, this does provide much more functionality in a single integrated solution and also allows for increased data flexibility for reporting and forecasting purposes.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

The integration of the HR and Payroll module into the current Unit4 ERP solution, will enable processes to be redesigned to provide operational efficiencies.

- 6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence
None
- 6.2 Building a Strong, Sustainable Local Economy
None
- 6.3 Supporting Children, Young People and Families
None
- 6.4 Tackling Inequality and Helping Those Who Are Most In Need
None
- 6.5 Working Towards a Greener Future
None
- 6.6 Valuing and Appreciating Halton and Our Community

None

7.0 RISK ANALYSIS

- 7.1 The risk is that if the required investment is not made, Halton would not have a HR and Payroll system once the contract with Midland for the iTrent system ceases in Oct 2026. The efficiencies through the use of a single system for HR, Payroll and Finance cannot be gained. This would also include process efficiencies that are also expected to be made with the new system, through streamlined workflows, use of on-system forms and automated notifications.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 The authority's policies will be reviewed and updated, in line with the change to operational and support processes.
- 8.2 An Equality Impact Assessment has been completed and signed off for this programme of work.

9.0 CLIMATE CHANGE IMPLICATIONS

- 9.1 None

10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.