

## **For publication**

### **Transfer of staff from weekly to monthly pay (EC000)**

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Meeting: Employment and General Committee

Date: 5 December 2016

Report by: Kate Harley

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### **1.0 Purpose of report**

1.1 To consult the committee on the proposal to transfer all weekly paid staff to monthly paid and to seek committee agreement to the implementation.

### **2.0 Recommendations**

2.1 That members of this Committee approve the proposal to transfer all weekly paid staff to monthly paid.

### **3.0 Report details**

3.1 Currently there are 277 staff on the weekly payroll; there are a number of anomalies including staff paid 42 hours in the summer and 32 hours in the winter with a voluntary savings and interest scheme in place. A number of staff on weekly pay are on variable hours contracts and therefore will be paid a month in arrears when the weekly payroll is removed.

3.2 The transition from weekly to monthly pay will be made as stress free as possible for staff and would include:

- A phased approach;
  - Plenty of notice to enable employees to prepare for the change;
  - Offer of an advance of salary to cover any potential shortfall during the transition period.
- 3.3 Initial meetings have taken place with HR, Payroll, Audit, Support Services and a trade union representative to scope the project.
- 3.4 Due to the HMRC ruling on payment of National Insurance staff can only be paid on a weekly payroll or monthly payroll each calendar month which will result in a gap of at least 15 days between the final weekly pay and the first monthly pay. The Finance and Audit representatives of the working group have recommended that an advance, if requested, would be based on 2 weeks basic contracted hours net pay and paid with the final weekly pay. The full amount of the advance would be recovered from the first monthly pay, with staff signing a repayment agreement.
- 3.5 Discussions have taken place about the most suitable time for the change to ensure it does not collide with other events e.g. December double payroll run for weekly staff, year-end procedures. The proposal is to complete the project in phases. The first phase, in February 2017, would include 20 staff on contracted hours and the second phase, in June 2017, would be the remainder of staff, the majority of which are the 124 OSD staff and would allow more time for the bonus system to move over from a weekly cycle to a monthly one.
- 3.6 Early discussions will take place locally between line managers and staff to advise them of the proposed changes. This would be followed by a formal letter and frequently asked questions detailing the timescales, a clear plan of the proposed changes and the opportunity to ask for an advance.
- 3.7 Staff will be signposted to a number of local organisations for additional support or financial guidance which will include Citizens Advice Bureau and the Derbyshire Unemployed Workers Centre.
- 3.8 Payroll deadlines will need to be brought forward by 5 days to accommodate additional timesheets being processed on the

monthly payroll.

- 3.9 The project would also aim to streamline processes to maximise efficiency by using technology to transmit information to remove the need for timesheets to be physically brought to the Town Hall on a weekly basis. Also staff contracts can be reviewed and permanent contracts issued to staff who have been working regular hours for considerable periods and remove any anomalies on the payroll.

#### **4 Human resources/people management implications**

- 4.1 The current process for paying staff weekly is time consuming and was removed by other local Councils many years ago. Any new employees are automatically paid on a monthly basis.
- 4.2 A monthly payroll will reduce administrative time spent on processing weekly claims and processing payments.

#### **5 Financial implications**

- 5.1 There would be minimal savings changing from a weekly to monthly payroll of less than £400 per annum.

#### **6 Legal and data protection implications**

- 6.1 The move from a weekly to monthly payroll is a contractual change to the employee's contract of employment and would need a collective agreement from the Employment and General Committee.

#### **7 Consultation**

- 7.1 The issue was raised by the trade unions at a Pay and Reward project group meeting in September 2016 and is fully supported by them.
- 7.2 The proposal has been endorsed by the Employer / Trade Union Committee on 23 November 2016.

#### **8 Risk management**

8.1 The main risks for this project are detailed below.

Description of the Risk	Mitigating Action
Employees may encounter issues with gap between final weekly and first monthly pay.	Offer of a 2 week net pay advance. Employees signposted for additional support and guidance.
Employees may encounter issues with change in frequency of pay	Plenty of advance notice and reminders to change direct debits.

## **9 Equalities Impact Assessment (EIA)**

9.1 A full EIA form is attached as an appendix.

## **10 Alternative options and reasons for rejection**

10.1 The weekly payroll could remain, however the contract with Arvato in 2010 stated that moves were underway to pay everyone monthly and this has not materialised.

## **11 Recommendations**

11.1 That members of this Committee approve the proposal to transfer all weekly paid staff to monthly paid.

## **12 Reasons for recommendations**

12.1 The move to a monthly payroll for all council employees would aim to reduce administrative time, simplify processes and provide an equitable system.

### **Document information**

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<b>Background documents</b> These are unpublished works which have been relied on to a	

material extent when the report was prepared.

*This must be made available to the public for up to 4 years.*

**Appendices to the report**

Appendix A	Full Equalities Impact Assessment
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