

# Report

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Report to:	<b>Finance and Information Technology Resources Committee</b>
Date of Meeting:	<b>16 March 2010</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources)</b> <b>Executive Director (Corporate Resources)</b>

Subject:	<b>Proposal to move to Four Weekly Pay</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ request that approval be given for the commencement of work to allow the implementation of a 4-weekly payroll.

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the work to develop a process to pay Council employees on a 4-weekly basis, be commenced in consultation with the Trades Union
- (2) that a detailed transition plan be submitted to the Committee on 1 June 2010.

## 3. Background

3.1. During the 2010/11 budget exercise, the necessity for efficiencies required Resources to consider areas where savings could be made through removal of Non Core activities.

3.2. As part of that exercise, the reduction in the frequency of running payrolls was considered as an area where efficiencies could be gained. A proposal was therefore developed which put forward that Council employees, and members be paid 4 weekly.

3.3. Due to the time required to implement the change and manage any subsequent redeployment of staff, the Non Core saving was proposed for 2011/12. The current proposal is that any move to a 4-weekly pay would happen during the forthcoming financial year 2010/11.

## 4. Move to 4 weekly pay

4.1. A move to 4-weekly pay for all Council employees would generate efficiencies through having to run pays less often and process additional payments on a less frequent basis. By reducing the number of payruns, the number of employees needed to enter data and perform the checks and processes involved in running the payroll, would reduce.

- 4.2 It is proposed that the Executive Director (Finance and Information Technology Resources) commences work on establishing a process to change pay frequencies. This will include working the Trade Unions to establish how the transition can be implemented most effectively. When the details of these transitional arrangements are established, these plans will be reported to Committee.
- 4.3 The main change for local government employees moving to a 4-weekly pay frequency would be in waiting four weeks from their final 2-weekly pay to their first 4-weekly pay. This has the potential to adversely affect how employees manage their personal finances. To mitigate this issue, midway through this initial period, employees would be paid an amount of money equivalent to their 2 weekly pay, which would be repayable over a period of time. The terms of the repayment will be agreed as part of the transitional arrangements. As this amount is repayable, the making of this payment will have no financial impact on the Council.
- 4.4 A full communication programme will also take place and will include assistance from the Financial Education Team (Community Resources) who will advise on how to manage the transition, and provide help and advice for employees.
- 5. Employee Implications**
- 5.1 The number of employees required to enter data, run, process and check 4-weekly payrolls will be less than currently required. There are currently twenty three full time equivalent posts in payroll and it is estimated that the structure could be reduced by up to seven posts. The reduction in these posts will be co-ordinated through the redeployment procedures, in line with the Collective Agreement and Matching Process.
- 6. Financial Implications**
- 6.1 Employee savings of £0.150m will be made through the changing of payroll frequency.
- 7. Other Implications**
- 7.1 As with many projects there are risks in undertaking these changes. Some employees may struggle to manage their finances through the transition to being paid 4-weekly. As detailed at 4.3 above, to mitigate this risk, repayable payments will be offered to employees to assist in the transition period. Also, communication on the issues will be provided to employees in advance of the changes and advice will be offered to those requiring it.
- 8. Equality Impact Assessment and Consultation Arrangements**
- 8.1 An initial equality impact assessment has identified the need to further develop the process to pay Council employees on a 4-weekly basis to enable a full assessment to be completed. An action plan has been developed to do this and a full assessment will be carried out within 3 months.
- 8.2 Consultation will take place with Personnel Services and the Trades Union through the JTUC Executive.

**Linda Hardie**

**Executive Director (Finance and Information Technology Resources)**

17 February 2010

**Link(s) to Council Values and Objectives**

- ◆ Value: Accountable, effective and efficient

**Previous References**

None

**List of Background Papers**

None

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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