

Report to: Cabinet



Date of Meeting 6 September 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release n/a

Payroll Resource

Report summary:

To seek approval for funding for a new Assistant Payroll Officer post to support the effective operation of the Council's payroll.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That Cabinet recommends to Council that approval is given to increase the Human Resources Service team budget by £34,344 per annum to facilitate a new post of Assistant Payroll Officer to support the existing payroll resource provision.

That Cabinet invites the HR Manager to review the arrangements for the provision of payroll to external organisations to assess whether further costs can be recouped.

Reason for recommendation:

To ensure there is sufficient resource to operate an effective payroll.

Officer: Jo Fellows, HR Manager jfellows@eastdevon.gov.uk

Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Communications and Democracy
- Economy
- Finance and Assets
- Strategic Planning
- Sustainable Homes and Communities
- Culture, Leisure, Sport and Tourism

Equalities impact Low Impact

Climate change Low Impact

Risk: Medium Risk; Insufficient payroll resource could lead to errors or difficulties with operating the payroll in an effective manner, which would impact on employee relations and have legal and cost implications.

Links to background information

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
 - A greener East Devon
 - A resilient economy
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Report in full

1. This report seeks approval of funding of £34,344 per annum for an additional Assistant Payroll Officer post to join the existing HR and Payroll Team.

2. Background

- 2.1. The HR Manager has been reviewing payroll resource in light of the planned retirement of the Principal Payroll, Systems and HR Support Officer in December 2023. As part of this work she has reviewed current payroll volumes and operating arrangements, liaised with existing team members and also considered the service's Workforce Plan which recognises the need to improve succession planning in light of the team's age profile.
- 2.2. The payroll service, part of HR, is responsible for the operational payroll provision to the Council as well as Strata Service Solutions Ltd and five town/parish councils¹. It also administers member allowances and election fees and provides extensive statutory compliance reporting. As Council headcount has increased workloads have also increased and the current team capacity is causing challenges in the ability to administer the payroll.

3. Current and proposed structure and roles

- 3.1. Changes have already been made to the existing structure and roles, within budget, as follows:
 - 3.1.1. The Principal post is being recruited too, with interviews scheduled for 7th September. This post will continue to manage the payroll and HR support functions within the team, as well as taking on additional line management responsibility for two existing posts (PA to SMT+ and HR Support Apprentice, currently directly managed by the HR Manager). The postholder will oversee progress of the actions agreed following the current review of the Council's recruitment process to ensure that it is efficient, effective and provides a positive candidate journey, as well as reviewing other aspects of transactional HR and payroll processes to ensure that they remain fit for purpose.
 - 3.1.2. The Payroll Officer has been re-designated as Payroll and Systems Officer to reflect the technical nature of the role and that this post will take on system administration of the HR and Payroll system from the Principal, including liaison with Strata and the system supplier on issues such as system upgrades and security.
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- 3.2. A new post of Assistant Payroll Officer is sought. Reporting into the Principal, but working closely with the Payroll and Systems Officer, this post will undertake day to day payroll operations, providing further capacity for the Principal to oversee operational improvements and for the Payroll and Systems Officer to take on the technical system requirements. The Assistant also provides an opportunity to develop an individual, including the potential for them to complete Chartered Institute of Payroll Professional qualifications, to support future progression, as part of team succession planning.
- 3.3. The Assistant post has been evaluated at Grade 2, at a cost of £34,344 per annum, inclusive of on costs. This is outside the existing HR budget.
- 3.4. Currently the team is primarily funded from the General Fund, with 17.26% (based on head count) of payroll costs charged to the HRA and this will be true for the £34k if approved, with £28k met by the General Fund and £6k by the HRA. There is also a small contribution of £2,371 per annum from the town/parish councils who use the Council's payroll services, which equates to 12.25 hours per month of the Payroll Officer's time, but does not take into account other associated costs. There is no charge to Strata currently for the provision of payroll services (as part of the agreement at the time that Strata was established by the three councils) and yet with some 70 employees and a lot of processing involved, including expenses and employee benefits, this has an impact on payroll resource. It is proposed that the funding arrangements for Payroll are therefore reviewed by the HR Manager and the new Principal Payroll and HR Support Officer, once appointed. With the following in scope, to be progressed in liaison with Finance and Legal:
 - 3.4.1. Review the existing contracts for the payroll provision to town/parish councils and negotiate new contracts, where possible, for existing customers, whilst also utilising the new contract for any new customers.
 - 3.4.2. Determine the costs associated with the provision of payroll to Strata and liaise with the Director of Finance and then Strata Board on any proposed changes.

4. Conclusion

- 4.1. It is recognised that the above proposed changes to the team's funding will require further exploration. However, with the impending retirement of the Principal Officer it is necessary to re-designate existing roles in advance of any funding change and this is only possible if additional capacity can be brought into the team, through the provision of a new Assistant post. The Assistant could be initially offered on a fixed term basis, pending the funding review, but to be attractive in the market this would need to be for a minimum of 12 months and therefore impact on the 2024/2025 financial year. Approval is therefore sought for ideally a permanent increase in budget of £34,344 per annum with any resultant funding changes then being used as budget savings at a later date.

Financial implications:

The Council has a gap in its Medium Term Financial Plan currently estimated at £900k for 2024/25. If the recommendation is approved, then this will add to the savings that will be required to be found in other areas of the Council.

Legal implications:

There are no substantive legal issues to be added to this report.