



Review of the Payroll Shared Service

(Shared service Commenced: April 2017)

Author(s): Sarah Parfitt, Director (Corporate Services) at Gravesham Borough Council
and Phil Watts, Chief Finance Officer at Medway Council

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In line with all shared service/shared working arrangements, it is necessary to undertake an annual review of the arrangement. The purpose of the review is two-fold; to ensure that the shared service is delivering against its agreed objectives and to identify any improvements/changes that need to be made to ensure the successful continuation of the arrangement.

The objectives identified for the Payroll shared service are as follows:

- Resilience to the service provision; Employee's, members and casuals (e.g. working on elections) paid on a monthly basis on specified date
- Maintenance of integrated HR system and provision of access and information to support the HR function within GBC
- Provision of Self-service function reducing administrative impact on HR
- Provision of Pension administration service
- Provision of Financial reports which integrate with General Ledger

Review Findings

How is the shared service operating?

1. Has the shared service delivered on the objectives that are set out on page two of the review document?

Yes

No

In part

The payroll shared service continues to provide greater resilience to that operated by Gravesham (GBC) prior to its implementation, when the service was effectively delivered by 0.6FTE Payroll Officer with HR staff providing support and often detracting from their own work load. Following a restructure of the Payroll Team within Financial Services at Medway Council (MC), additional officers have become involved in the day to day running of the Gravesham Payroll, with oversight provided by the Pensions and GBC Payroll Team Leader (who was previously the Payroll Officer at GBC).

The GBC monthly payroll for employees, Members, casual staff and, when required, those involved in election duties has been prepared by MC Payroll in accordance with the agreed schedule and there have been no delays in processing and making payroll payments during the year.

MC has maintained the integrated HR system (SS4U) with appropriate access to information granted to the HR and Finance functions within GBC.

MC has provided a self-service function for GBC Staff in respect of leave booking, submission of travel and subsistence claims, overtime claims and maintenance of personal details. Whilst this has reduced the administrative impact on HR, the self-service function would benefit from further development. An update on this can be found under section 7.

MC has provided a pension administration service to GBC.

MC has provided financial reports and files to enable automated uploading of payroll information to the GBC General Ledger, though opportunities continue to exist to further review and enhance how GBC salaries monitoring information is produced. It is believed that further development on this side could improve the service to Gravesham.

The payment to MC from GBC for provision of the service was as budgeted for 2019-20.

2. Have there been any other, unforeseen benefits, as a result of the shared service?

Yes

No

The shared service arrangement continues to provide opportunities to develop working relationships and is particularly helpful given the shared service arrangement for HR Services between the two councils.

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3. Have there been any unforeseen issues or problems resulting from the shared service?

Yes

No

COVID19, as it has many aspects of all Councils, has prevented development to move forward this year as would have been liked or anticipated. This has not prevented the service from paying the staff on time each month.

4. What has been the financial impact of the shared service on both authorities?

The cost to Gravesham in 2019/20 was £40,000 (as budgeted), with Medway receiving this payment to cover the costs it has incurred.

5. Feedback from officers involved in the shared service:

There are still improvements which could be made to the system and Medway Council is embarking on a major transformation of the service following a review of the position of the service. Medway Council has just started a consultation with its staff to bring the service back under HR and to move the product forward.

Moving forward with the shared service

6. Based on the review that has been undertaken will the shared service continue to operate?

Yes

No

Key areas of focus for the coming year are as follows:

- Please see details under section 7 which shows a comprehensive list of changes being reviewed and brought in over the coming year
- KPIs and monitoring

7. If the shared service is to continue to operate, what are the key areas of focus for the coming year for both authorities?

The service moved to a hosted solution as from November 2019 has enabled IT support to be provided by the supplier rather than an inhouse resource.

- A review of processes has started but has been slowed down due to other working pressures.

- Medway Council have recognised the need for greater system support and development and is currently in consultation with staff regarding the staffing structure in all areas of the service. This is designed to strengthen the resource available.
- The System is due an upgrade within the next month so that staff can upload receipts themselves and remove the need for documents to be flowing backwards and forwards between the two Councils.

Following the upgrade and the staffing restructure the plan for the improvement of the product will be produced and a plan designed to see the implementation of the plan.

Summary of recommendations

1.	There is a need to hold quarterly service review meetings and these should be established moving forward. This was delayed due to COVID 19 but will become even more critical moving forward due to the changes of responsible departments at Medway and planned development of the system.
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