



**Shared Service:**

**Payroll**

**Shared service commenced:**

**April 2017**

**Author:**

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## **Overview of the shared service arrangement:**

Since 2017 Medway Council has provided a monthly payroll service to Gravesham Borough Council (GBC), this includes the main payroll and election payroll. A Service Level Agreement (SLA) exists for the service however it is recognised that this is out of date as this makes reference to HR functions that were formally carried out by Medway Council that have now been passed to GBC's in house HR team.

During the last 18 months Medway Council has undergone a staffing re-structure within the payroll service which has led to key personnel taking on differing roles and responsibilities within the service. There have been some challenges to recruitment to the team during this time however, we have been informed that currently the payroll team is fully resourced.

GBC currently has a dedicated payroll officer and a part-time team leader to oversee the service. This is an important aspect as these officers hold knowledge and expertise in the way GBC's payroll is delivered. However, if these officers are not available, we have assurances that other officers within the payroll structure are on hand to answer queries, building in resilience in the team.

During the past year quarterly strategic payroll meetings and operational meetings between payroll staff and finance have been established which has proved helpful in dealing with queries promptly.

The service from a Gravesham perspective is working well in that staff are paid accurately and on time. On occasion some officers have been underpaid due to sickness or holidays not being correctly reported/recorded. This is then followed up by a faster payment made by the finance team and it is pleasing to note that faster payment requests originating from the payroll service have become fewer in number over recent months.

The payroll service has for a number of years had an annual cost of £40,000. This is seen as good value for money, with alternative options (such as bringing in our own in-house team or outsourcing) coming out at a higher cost. Discussions are currently underway between GBC and Medway Council to ascertain whether this cost going forward is reflective of the service delivered.

Progress is slowly being made against the recommendations set last year in that only two of the five recommendations taken forward last year have been fully completed. This is due in the main to staffing challenges at Medway Council, however, now with a full complement of staff we are confident that the remaining outstanding recommendations will be address in the coming year.

As was the case last year there has not been any reporting against KPI's as the review of the SLA has not yet concluded, this will be taken forward during the next year.

**Progress against objectives:**

	<b>Objective</b>	<b>Update</b>
<b>1</b>	Resilience to the service provision; Employee's, members and casuals (e.g. working on elections) paid on a monthly basis on specified date	The dedicated officers for GBC have the required knowledge and expertise. The current structure supplied by Medway ensures that resilience has been built into the staffing structure of the payroll team should the dedicated officers be unavailable.
<b>2</b>	Maintenance of integrated HR system and provision of access and information to support the HR function within GBC	This objective is in progress The HR manager at GBC is currently reviewing HR requirements going forward following a restructure of GBC's HR team.
<b>3</b>	Provision of Self-service function reducing administrative impact on HR	This objective is in progress. The self-service function is not being used to its full potential. Currently only booking of leave is facilitated, however going forward it is hoped that SS4U will enable managers to record sickness absence on the system. Unfortunately, due to staffing challenges this project has stalled however we are confident that this will be taken forward during this next year.
<b>4</b>	Provision of Pension administration service	The pension administration service is operating effectively
<b>5</b>	Provision of Financial reports which integrate with General Ledger	This objective has been met

**Key Performance Measures:**

		<b>Target 2021/22</b>	<b>Outturn 2021-22</b>
<b>1</b>	There have been changes to the service during the year and there is a need to establish new and relevant KPI's going forward. This is recorded in the recommendations section of this review.	KPI not met or set	

**Update against recommendations identified in previous year review:**

	<b>Objective</b>	<b>Update</b>
<b>1</b>	Review the SLA and agree any amendments to this.	In progress This is being worked through by officers at GBC and Medway Council. Work on this is expected to conclude in early 2023.
<b>2</b>	To determine relevant KPI's for the service going forward and ensure these are monitored on a regular basis.	To commence when SLA review is completed. As above this is currently a work in progress. Once the SLA has been agreed the KPI's for the service going forward will be established.
<b>3</b>	Recommence quarterly meetings with the Medway Payroll Service.	Complete Quarterly meeting are now taking place with senior HR and Payroll officers at Medway and GBC. There are also regular operational meetings held between the payroll team at Medway and GBC Finance. This has helped deal with queries promptly.
<b>4</b>	Medway to develop a plan for improvement of SS4U and share with Gravesham for information and comment.	In progress Medway Council are looking at ways take this forward. This project has been hampered due to a lack of staff resources available to take this forward. This will be taken forward during 2023
<b>5</b>	GBC to remind managers of the importance of getting timely and accurate information to HR before payroll cut off dates.	Complete This has happened and it is noticeable that there have been fewer faster payroll requests originating from the payroll service during 2022/23

**Recommendations/Service Improvements for the coming year:**

<b>1</b>	Review the SLA and agree any amendments to this.
<b>2</b>	To determine relevant KPI's for the service going forward and ensure these are monitored on a regular basis.
<b>3</b>	Medway to develop a plan for improvement of SS4U and share with Gravesham for information and comment.