

REPORT

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB COMMITTEE		Subject: PAY CYCLE RATIONALISATION
From: HEAD OF REVENUE SERVICES		
Date: 19 February 2008	Ref: BC/AC	

1 Introduction

1.1 The purpose of this report is to advise Committee of the arrangements for reducing the number of pay cycles from 7 to 2, for employees, within the agreement for Single Status and Harmonisation.

2 Background

2.1 The Council has recently concluded an agreement on Harmonisation with an effective date of 1 November 2007. A part of the agreement was the move to 2 pay cycles for the staff involved on the basis that:-

- 2 weekly for staff on GR7 and below
- 4 weekly for staff on GR8 and above

2.2 The rationalisation of pay cycles will mean that the 7 existing pay cycles paid on weekly, fortnightly, four-weekly and monthly will be reduced to 2 pay cycles, being fortnightly (0416FO) and four weekly (0407FW). The table below shows the shift across pay cycles for the employees affected.

	Number of Employees	
	Pre	Post
Weekly	5,199	-
Fortnightly	2,754	7,100
Four Weekly	6,867	7,835
Monthly	115	-
	14,935	14,935

The move will mean approximately 6,400 employees will transfer between pay cycles, with the remaining employees retaining their existing pay cycle.

3 Rationalisation Arrangements

3.1 Communication

3.1.1 The transfer of pay cycles is planned to be applied during April/June 2008. To inform employees of the changes as they are affected there will be general communication for all employees for each pay cycle as it is affected supplemented by specific information. The respective stages are shown in summary below as it is affected:-

- TU Discussion January 2008

- General Information February 2008
 - Connect NL
 - Corporate Team Brief
 - Staff Newsletter

- Employee Letter by Pay Cycle March – April 2008
- Employee Payslip Advert by Pay Cycle April – May 2008
- Application of New Pay Cycle April – June 2008

3.2 Transition Arrangements

3.2.1 In instances where employees will be 'short' of cash during the pay cycle transfer (this applies in 3 of the pay cycle transfers) the Council will provide a loan to ensure employees have sufficient cash flow. These loans will be recovered from the employee over future pay periods varying from 10 to 23 months depending on the particular pay cycle transfer.

3.3 Efficiency

3.3.1 The rationalisation will result in an initial saving in the first year of £66,000 and annually thereafter of £89,000.

3.3.2 There will be a 37% reduction in the number of payments made annually and a 77% reduction in the number of pay cycles operated. These provide an opportunity for the review of the data collection, administration and management of the payroll input and processes across the Council to streamline and realise the full effectiveness of the change.

4 Recommendation

4.1 The Committee is asked to note the report.



Head of Revenue Services

Members wishing further information please contact Mr Brian Cook, Head of Revenue Services, Tel:- 01698 – 403929.