

London Borough of Richmond upon Thames

Payroll and Pensions Service

Service Plan 2007/08

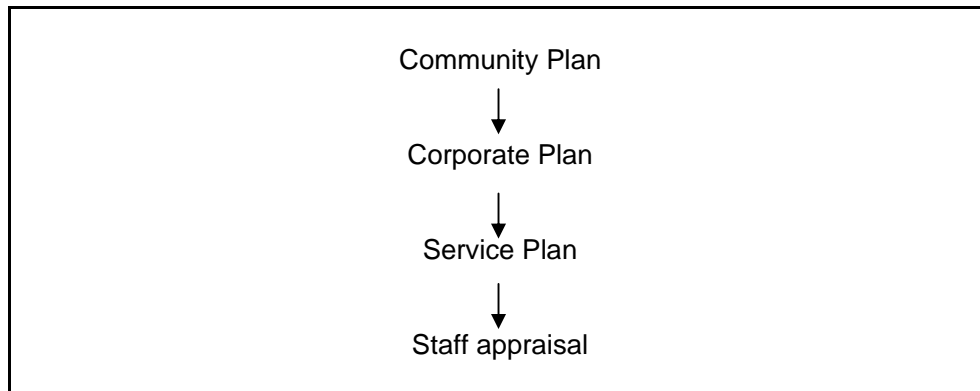
***“To provide the services that will make Richmond upon Thames the greenest
and best place in London to live work and visit”***

The Council’s vision as set out in the Corporate Plan

1. **Introduction**

Service Plans provide an important link between the Council's overarching objectives and the work done by individual service sections and, through the link to the appraisal process, to the work done by teams and individuals.

Through the hierarchy of plans, it is possible to translate the Council's objectives into priorities, action plans and performance targets for every member of staff.



Performance is monitored continuously and reported to Members on a quarterly basis. Individual staff targets are monitored through regular one to one meetings and the formal cycle of the appraisal process.

2. **The Council's Values**

In providing the myriad of services to our customers, the Council expects staff to act in accordance with the 5 core values:

- | | |
|----------------------------------|---|
| Aspire | - we will deliver excellence, meeting the needs of our customers |
| Innovate | - we will find new and better ways of delivering good value services |
| Take responsibility | - we will make timely, sound decisions and take responsibility for them |
| Be clear, honest and open | - we will be straight talking and say what we mean without jargon |
| Be inclusive | - we will work effectively with stakeholders and partners, co-operating with and supporting others to achieve results |

3. *The Council's Priorities*

The Council has set the following 5 priorities for the coming year. These reflect the main areas where the Council wants to achieve the biggest impact but recognise that all services must be delivered efficiently and effectively.

1 - Environment and Sustainability

2 - Education and Children's Services

3 - Efficient Local Government

4 - A Safer Community

5 - Promoting the Health, Housing and Well Being of All Residents

4. *Who we are and what we do.*

In April 2002 the Payroll Section and Pensions Section of the former Paymasters Division were subject to a Best Value Review. This was finalised in January 2003 and recommended the re-engineering of the two Sections by a restructure of the Payroll and Pensions Services into one unit with a streamlined management structure and multi-skilled staff.

The Payroll and Pensions Service is a support function responsible for the payment of salaries, wages, allowances and pensions to employees, Members and pensioners of the Council. It also administers the Council's pension scheme for the non teaching staff of the Council and outside bodies admitted to the pension scheme.

The section is now fully functional with all staff trained and able to deal with payroll issues and pension scheme administration.

The Section has an establishment of 18 FTE posts. As at March 2007 there are 15.8 FTE in post with 3 staff qualified with the Institute of Payroll and Pensions Management Institute (now Institute of Payroll Professionals) and 6 currently studying for certification within Payroll and/or Pension Administration.

The table below sets out the key areas of work undertaken by the section

Area of work	Detail
Payments to council staff, teachers, pensioners and councillors	Payment of salaries, allowances etc in accordance with contracts

Payroll system admin	Ensuring tax, NI tables and other statutory factors are correct. Control of password security
Payment of payroll deductions to appropriate agencies	Statutory deductions to HMRC Voluntary deductions (Union subscriptions, AVCs, Council tax, payroll giving) to appropriate agencies.
Administration of Local Government Pension Scheme	Compliance with legislation governing LGPS and pension schemes in general
Payments of pension scheme benefits	Death Grants, Transfer Values, Refunds, Pensions
Calculation and payment of redundancy / compensation agreements	Payment to employees upon termination of employment by the Council in accordance with Council policy and statutory limits
Pension system admin	Maintenance of factor tables and password security Ensure compliance with legislation
Maintain pension records	Ensuring personal data records are maintained up to date
Interface with SAP	Transfer of monthly payroll files for accounting purposes and BACS transmissions
Interface with external agencies	Eg HMRC, AVC schemes
Provision of management information	Reports to internal management as requested
Trusteeship of Council's AVC scheme(s)	As trustees communicate with AVC provider(s)

5. *How are we doing*

The relocation into York House during 2006 following refurbishment required a review of storage requirements and facilities. All personal files are now scanned onto a dedicated document imaging system customised specifically for use by Payroll and Pensions staff protecting data access. Further opportunities of electronic record storage are being investigated. One opportunity presenting itself is the electronic storage of pay history cards. Over the last 6 months officers have been looking at how other local authorities keep historical pay for individuals and proposals and options are being appraised for introduction during the next 6 months.

Prior to the merging of the two separate services, although not recorded, the error rate was one of concern to staff and officers. Revised checking procedures were introduced, resulting in the error rate in payroll processing dropping from 0.22% in the first year of the revised service to a rate of 0.14%

in 2006/07. It is hoped that this low rate can be maintained over the next year as efficiencies are introduced to reduce cost without affecting quality.

Sickness levels within the Service are comparatively low to other areas in the Council (currently 6.93 days per person over the last 12 months) but it is hoped this can be reduced. The Council's work-life balance policies are utilised with 3 members of staff working a 9 day fortnight and it is hoped that opportunities will arise for staff to take the opportunity to take advantage of the homeworking initiative, with 2 individuals already taking part in the homeworking trial.

One of the objectives for 2006/07 was to investigate the usage of employee and manager self service for payroll and HR data storage and input. This was unfortunately prevented by the Payroll/HR software supplier ceasing development of the facility. This has presented a challenge for the service to look at other opportunities for efficiency and ways of working. One of these has been the introduction of electronic timesheets, allowing service areas to email spreadsheets of overtime etc rather than send paper copies. A pilot scheme was introduced for schools from January 2007 with 10 schools across the borough participating. Officers are discussing the outcomes with the schools and it is intended that by the end of 2007/08 over 50% of schools will be fully participating in the initiative. During 2007/08 other service areas other than schools will be approached.

Customer satisfaction is a very important part of the sections ethos. The last call log showed that 94.85% of calls were answered within the target of 5 rings. During 2006/07 a survey was undertaken to measure customer satisfaction with how callers were treated if they had telephoned to make an enquiry. 88% considered the treatment good or excellent and 95% replied it was satisfactory, good or excellent. All complaints are dealt with seriously with the Payroll and Pensions Manager dealing personally with them. In 2006/07 there were 3 formal written complaints and none of them moved to the next stage. All compliments received are recorded and the appropriate member of staff is alerted to any favourable comment received.

During 2006/07 staff started to be trained on the workflow programme of the pension administration software system (Axise). This is now being fully utilised as a workflow and task management which has improved focus, assisted forward planning and maintained target performance attainment.

There were changes to the pension scheme during the last year as a result of a change in tax legislation as it applies to pension payments. The additional administration required was incorporated into working procedures and practices without affecting output. All retirees were paid their entitlements within the time limits prescribed by the pension scheme regulations once the necessary paperwork was received.

The LGPS was subject to a formal consultation process during 2006 with a new benefit structure being published in April 2007 to be effective from April 2008. Early indications are that this will mean a change to procedures and a heavy demand for information from scheme members and scheme employers. Although work cannot commence until the revised scheme regulations are published by DCLG plans are being formulated with newsletters being prepared for scheme members and training plans being drafted.

6. *Pressure for change*

With the Council facing budget pressure over the foreseeable future efficiency saving opportunities will be sought within the section to save on costs and processing. This must be balanced against the need of service provision and quality.

7. *Key Service Objectives*

The Service Plan is based around 5 key objectives

- Formulate and complete a joint HR / Payroll review of processes
- Commit to Homeworking and flexible working practices
- Complete Triennial Pension Fund Valuation and implement changes to LGPS Regulations
- Achieve 3% efficiencies targets
- Continue to seek to improve management capacity and initiatives

Each of these objectives is directly linked to the Corporate Plan for Efficient Local Government. They are not in any order of priority and will be under regular review and monitoring by managers during the year.

The Payroll and Pensions Section is committed to recognising the importance of equality and diversity in everything we do. All staff have attended the Rich Mix Learning and Development Courses and build impact assessments into new initiatives which are then monitored.

Service Objective 1	Formulate and complete a joint HR / Payroll review of processes					
Overall Measures	No loss of quality or service as a result of any revision of processes or systems.					
Actions	Resources	Individual Measures	Risk Assessment	Timescale	Manager responsible for achieving	Efficiency Saving
Investigate appropriateness of synergies and options for combined HR, Payroll and Pension operational and administration processes in order to introduce revised procedures for smooth implementation of any new systems introduced over next 3 years	Staff time Possibility of accommodation and equipment costs Costs of new systems Training	Joint effort with HR Service departments better informed Budget savings Benchmarking against public / private sector	Management of change Staff competency	Ongoing over 3 year period	Payroll and Pensions Manager	More joined up working Reduces duplication of database information Better use of technology
Appraise appropriateness of current computerised Combined HR / Payroll system for future needs	Staff Finance		Reduced support for current system Maintaining up to date systems Lack of confidence in system	April 2008	Payroll and Pensions Manager	Improved working Better reporting Manager control
Appraise potential replacement systems whether they be combined or separate systems	Staff Finance		Integration with other systems Staff training IT Strategy	December 2008	Payroll and Pensions Manager	Improved working Better reporting Manager control

Service Objective 2	Commit to Homeworking and flexible working practices					
Overall Measures	No loss in output Staff morale improved					
Actions	Resources	Individual Measures	Risk Assessment	Timescale	Manager responsible for achieving	Efficiency Saving
Commit to provision of homeworking initiative	ITC equipment	Staff homeworking Accommodation savings Staff working patterns varied	Provision of resources Attitude to change	Ongoing	Payroll and Pensions Management Team	Accommodation Motivated staff Increased output
Commit to corporate work-life balance policies	Staff and equipment		Attitude to change	Ongoing	Payroll and Pensions Management Team	Motivated staff increased output

Service Objective 3	Complete Triennial Pension Fund Valuation within deadlines to allow budgeting processes for 2008/07 and implement changes to LGPS Regulations for April 2008					
Overall Measures	Valuation data supplied to Actuarial Advisers in line with agreed timetable and deadlines Budgeting processes able to take place Processes and systems in place					
Actions	Resources	Individual Measures	Risk Assessment	Timescale	Manager responsible for achieving	Efficiency Saving
Run data variance checks ensuring clean data is forwarded to fund actuaries by July 2007	Staff	Data prepared and forwarded to pension fund actuaries by July 2007 Informed budget setting	System failures Corrupt data	July 2007	Principal Pensions Officer	Time
Completion of the processes to enable the 2007 valuation of the pension fund to be completed within timescales agreed with the Council's Actuaries	Staffing	Provisional report to Director of Finance and Corporate Services by November 2007	Staff absence Systems failures Data validity	September 2007	Payroll and Pensions Manager, Principal Pensions Officer	Will impact on salaries budgets
Be involved in assessing pooled fund options for pension scheme employers	Staff	Scheme employers consulted on	Employers exit from pension scheme Increased cost to LBR	December 2007	Payroll and Pensions Manager	Improved communication

as part of the valuation process and assessing employer contribution rates for implementation April 2008		scheme costs				
Prepare for the changes to the Local Government Pension Scheme to ensure staff can implement changes and that scheme employers and members understand them	Time Communication material Staff training	Action plan drafted Ensure changes are understood and any necessary actions taken	Failure to implement Incorrect benefits (underpayments/overpayment) Customer satisfaction Complaints (internal, Secretary of State, Ombudsman) Lack of competence confidence	February 2008		
Continue with communication to pension scheme members via effective media	Staff time Budget	Newsletters produced. RIO updated	Customer satisfaction Complaints (internal, Secretary of State, Ombudsman) Lack of competence confidence	Ongoing	Principal Pensions Officer	Less time spent on enquiries

Service Objective 4	Achieve 3% efficiencies					
Overall Measures	Efficiencies met					
Actions	Resources	Individual Measures	Risk Assessment	Timescale	Manager responsible for achieving	Efficiency Saving
Extend usage of electronic timesheets from schools and service areas	Staff time	Cost and efficiency savings identified Electronic data interchange increased in 2007 as a percentage of 2006	Competency of school based staff and service areas with IT skills. Complexity of LG pay and conditions of service	April 2008	Payroll and Pensions Manager, Principal Payroll Officer. Principal Control Officer	Less paper based, integration reduces operator error
Increase the use of variance reports to detect and reduce errors	Staff	Reports produced	Low risk	Ongoing	Principal Payroll Officer, Principal Control Officer, Principal Pensions Officer	Less time spent on checking
Continue to review the balance between the costs of the Payroll and Pensions Service against the quality of the Service with the option of making service areas more accountable for	Staff time	Staff engage in process. Managers take appropriate action.	Co-operation of service areas	Ongoing	Payroll and Pensions Service Management Team	Less time spent on verifying data supplied

information supplied						
Develop electronic alternatives for recording of pay history	Staff time	Alternatives appraised. Action taken	Historised data availability	September 2007	Principal Payroll Officer, Principal Control Officer	Increased validity of information in conformed and understood format
Increase use of Word Integration from computerised Pensions Administration system to automatically produce letters and information	Staff time Additional IT costs	Letters, documents produced	Priority against other actions System competence	April 2008	Principal Pensions Officer	Reduces error Time
Extend the use of electronic transfers of LGPS from and to local authorities	Staff	Electronic transfers utilised	Compliance of other local authorities. Ability to interface to compliant systems	Ongoing	Principal Pensions Officer	Time. Reduced checking

Service Objective 5	Continue to seek to improve management capacity and initiatives					
Overall Measure	Informed staff Training plans in place Training undertaken					
Actions	Resources	Individual Measures	Risk Assessment	Timescale	Manager responsible for achieving	Efficiency Saving
Involve staff in the process of change with open and honest discussion and exchange of views	Staff time	Views received and responded to	Acceptance to change	Ongoing	Payroll and Pensions Management Team	Better working environment, motivated staff, increased

						performance
Continue to identify training opportunities and commit to appropriate training for all staff	Staff time Training Budget	Reduced sickness levels Appropriately qualified staff Staff training being utilised Training Plans	Business continuity Uninformed staff	Ongoing	Principal Payroll Officer, Principal Control Officer, Principal Pensions Officer	Motivated staff
Continue to review, update and extend procedure notes	Time	Procedure notes available	Business continuity Errant practices and procedures	Ongoing	Principal Payroll Officer, Principal Control Officer, Principal Pensions Officer	Informed workforce

