SERVICE SPECIFICATION

Payroll & Pensions (Including HR System Support)

Contents

1.	1	INTRODUCTION	3
1.1	1	Service Description	3
1.2	1	Service Availability	5
2.	2	OUTCOMES EXPECTED FROM SERVICES TRANSFERRED	6
2.1		Mandatory	6
2.2	2	Desirable	8
3.	3	SERVICE OBJECTIVES	10
4.	4	SCOPE OF SERVICES TO BE TRANSFERRED	10
5.	5	SCOPE OF SERVICES TO BE RETAINED	10
6.	6	FUTURE IMPACTS THAT MAY IMPACT SERVICE DELIVERY	11
7.	7	SERVICE STATISTICS	12
7.1	7	Transaction volumes and key facts 2016/17- Payroll & Pensions	12
7.2	7	Income generated from external sources 2016/17	13
7.3	7	Organisation breakdown (Org and Employees)	13
8.	8	PERFORMANCE DATA	16
9.	9	PEOPLE AND RESOURCES	17
10.		REPORTING, MONITORING AND STATUTORY TRTURN ARRANGEMENTS	18
11.	1	SERVICE LEVEL MINIMUM EXPECTATIONS	19
12.	1	SERVICE TRANSACTION ARRANGEMENTS	21
13.	1	PLYMOUTH CITY COUNCIL OBLIGATIONS	21
	1	LINKS TO PAYMENT MECHANISM	21

4.

APPENDIX 1 24

APPENDIX 2 26

1. INTRODUCTION

1.1. SERVICE DESCRIPTION

Plymouth City Council as both an employer and a preferred contractor of choice for some schools, academies and other clients has an obligation to ensure that PCC employed staff (Corporate and maintained schools staff) and client employees, are paid, and receive entitlements in accordance with their contract of employment and supporting policies. Employees receive an itemised pay statement each pay period distributed either by secured email, accessible from Employee Self-service (PCC Corporate IT and Delt Users) or by paper where electronic mechanisms aren't available to the employee.. In addition to this the team is responsible for ensuring compliance with HMRC related (Income Tax, National Insurance etc) and pension scheme regulations. Additionally, for the completion statutory Returns (HMRC and Pensions) are made in required format by statutory due dates.

Statutory deductions and payments are compliantly administered in line with current legislation (Tax, National Insurance Contributions, Pensions, Student Loans, Apprenticeship Levy and statutory payments such as Maternity and sickness related payments).

Payroll and Pensions operate as a commercial Bureau Service which generates external income under contractual agreements managed via Service Level Agreements providing a managed payroll and pension's service to pay external organisations staff, make statutory returns and complete related pension administration.

The Payroll and Pension service provides professional advice to the business on all payroll and pensions related legislation and regulations including the implications of new and evolving policy changes.

The primary purpose of the HR Systems Team is to ensure that the current platform meets and supports stakeholder's needs to ensure organisational compliance. I Trent is the HR system currently adopted by Plymouth City Council to manage its employee lifecycle and payroll management for both internal and external customers. The authority has invested in and developed several modules as part of its strategic obligation.

There are 3 main user groups who direct requests to the I Trent systems team these are;

- Payroll Administration
- HR
- Self Service Users

The team are responsible for configuring and bespoking I Trent so that it is configured to meet the needs of the business. They then respond to requests for change and incident requests if configurations require further work. These requests are less frequent than the self-service requests that are received by email or via SAW. These self-service requests form the majority of the work and can vary from queries related to understanding annual leave allocation to access issues.

Payroll specific tasks include setting up payroll parameters, this work is completed once for both internal payroll and external customers. Further work requests are received in response to incidents where resolution is sought.

The pensions and payroll team is split over four distinct functions comprising of; a pensions team, a payroll operations team, a HR systems support team and the payroll control team. The key high level responsibilities for each of these functions are detailed below;

Payroll Operations
Maintenance of employee records - Starters, Changes, Leavers and variable claims including overtime, allowances, mileage, expenses
Absence scheme payments - Statutory and Occupational (Sick, Maternity Paternity, Shared Parental Leave, Keep in touch days)
Statutory and voluntary deductions from pay (e.g. Tax, NI Contributions, Pensions, Unions subs
Recovery of overpayments and dealing with underpayments. For Non PCC staff If recovered from future payments this is taken from net pay via payroll, if not, clients raise their own recovery (invoices etc.)
Administering pay rises and increments
Advice to business and employees on all payroll related policies, benefits, entitlements

Payroll Control
Processing of payroll and validation of payroll inputs and outputs
Payroll reconciliations and interfaces
Payslip production and issuing payments to staff. This is a mixture of paper and email. ESS slips are automatically released when current month's payroll is cleared down to the new period.
Preparation, reconciliation and submissions of HMRC returns
Payment of payroll dispersals (Income Tax, National Insurance, Court Orders, Student Loans, Pension contributions, Unions, Internal deductions, PAYE, Salary Sacrifice)

Pensions Team
Links with pensions providers (LGPS, NHS, TPS, Prudential) – Notification of Starters, Changes, Leavers, Retirements
Bringing employees into or out of pension schemes
Provision of pension estimates and redundancy calculations/payments
Advice to business and employees on all pension scheme policies, benefits, entitlements
Preparation of all pension related returns (Service and contribution returns)
Auto-enrolment regulations assessment and processing

HR Systems Team
Review of proxy access
Data Validation
Align I Trent structure to GL styructure via recode report
Software updates

Statutory Changes
Generate following year payroll calanders
Pension EEs & ERs Rate Incresae
Creation of following year non working periods in I Trent
Patching/ release
System Configuration
System workarounds where there are I Trent Defects
Review company news
LGPS2014 –Assumed pensionable pay check
Run BOXI report Self Service timesheet claims
Schools workforce census government return
Workforce data production
System Housekeeping
User account management
Freedom of Information requests
Incident resolution
Change requests
Helpdesk response

Payroll and Pensions Services Key Facts

• Provides payroll and Pensions Services to Plymouth City Council, Plymouth Schools and to approximately 20 other organisations

• Run over 300 separate payrolls each year

• Make approximately 100,000 payments each year

• Responsible for Income Tax, National Insurance and Pension compliance on behalf of the Council

• Pay £175m each year to employees, pensions schemes and HM Revenue and Customs

• Around 2,200 employees and managers use payroll self-service

A diagram of Payroll and Pensions and HR Systems Support organisation is detailed in Appendix 1

1.2. Service Availability

Payroll and Pensions (including HR Systems) is part of HR Business Services provided as part of the Service Centre. Service availability is Monday to Friday 8.30am to 5.00pm

2. OUTCOMES EXPECTED FROM SERVICES TRANSFERRED

2.1. Mandatory

The priority for the Payroll and Pensions team is to ensure that staff of the Council and commercial customers (under contractual arrangements) are paid accurately and on-time in accordance with statutory and contractual requirements. Performance is managed by Key Performance Indicators relating to payroll error as a percentage of the total payments of overall gross and net pay, this is currently targeted at max of 0.20%. To operate within the legislative and regulatory conditions and complete all statutory returns within the timescales detailed in section 8.0 of this document. The key deliverables for each of the three component parts of the Payroll and Pensions teams are as follows;

Payroll Ops

- Maintenance of employee records - Starters, Changes, Leavers and variable claims including overtime, allowances, mileage, expenses)
- Absence scheme payments - Statutory and Occupational (Sick, Maternity Paternity, Shared Parental Leave, Keep in touch days)
- Statutory and voluntary deductions from pay (e.g. Tax, NI Contributions Pensions, Unions subs
- Recovery of overpayments and dealing with underpayments
- Administering pay rises and increments
- Advice to/queries from employees and managers

Control Team

- Processing of payroll and validation of payroll inputs and outputs
- Payroll reconciliation
- Payslip production and issuing payments to staff. This is mainly issuing and producing/preparing BACS files. There is a very low volume of cheques produced (to deal with exceptional off cycle payments).
- Preparation, reconciliation and submissions of HMRC tax
- Payment of payroll dispersals (Income Tax, National Insurance, Court Orders, Student Loans, Pension contributions, Unions, Internal deductions, GAYE, Salary Sacrifice)

Pensions Team

- Links with pensions providers (LGPS, NHS, TPS, Prudential) – Notification of Starters, Changes, Leavers, Retirements
- Bringing employees into or out of pension schemes
- Provision of pension estimates and redundancy calculations/payments
- Advice to business on all pension scheme benefits, entitlements
- Preparation of all pension related returns (Service and contribution returns)
- Auto-enrolment regulations assessment and processing

The tasks completed by the HR Systems team are cyclical or ad hoc in nature. There are no existing formal key performance indicators in place. The mandatory cyclical and ad hoc tasks are detailed below

Ad Hoc Tasks – HR Systems	
Task	**Frequency/ Output**
Data requests	Reports built allowing further runs to be initiated by manager – output scheduled via email – usually a spreadsheet template allowing data manipulation
Change requests	E.g. - payment table updates – teams are given access so that they can make further amendments
Freedom of Information requests	Request prioritised and frequency of data investigated – response is either immediate or scheduled dependant on complexity – output via email
Incident requests	Reported via word form – if unresolvable escalated to Midland
Helpdesk requests	Received via phone, F2F, email or SAW – fixed on demand

Cyclical/ Scheduled Tasks – HR Systems		
Task	**Description**	**Frequency**
Review of proxy access	Housekeping task to ensure delegated manangement security profiles are aligned to the structure	Weekly
Inheritance	Datya validation to ensure that system isnt inheriting incorrect values	Monthly
Align I Trent structure to GL styructure via recode report	A data validation report to ensure better consistency between General Ledger and I Trent	Monthly
P11d – Arrange for upgrdae to latest version and raising of invoice	Check that software is updated for annua;l return	Annual
Statutory Changes	Test new year tax year updates properly applied in I Trent and any other legislative changes bought in by yearly patch	Annual
Generate following year payroll calanders	System configuration to set pay dates an cut off dates	Annual
Pension EEs & ERs Rate Incresae	Check for pension incresaes and apply where applicable	Annual
Creation of following year non working periods in I Trent	System configuration	Annual

Patching/ release	There are 4 releases and 8 -9 patches per year. Patch is content testing only- full configuration requires full testing which can take 2-3 weeks	Quarterly (Is dependant on content, fixes etc)
Cut of dates – Self Service	System configfuration to ensure cut of dates for month ahaed is correct	Monthly
Non working period check	Monthly workaround to overcome I Trent defect which causes incorrect payment/ sickness entitlement reduction	Monthly
Review company news	Review news updates and corporate comms to ensure that it includes pertitant information relating to cut of date	Monthly
LGPS2014 –Assumed pensionable pay check	Monbthly workaround to overcome I Trent defect which causes incorreect pension deductions	Monthly
Run BOXI report Self Service timesheet claims	Monthkly check of claims awaiting authorisation to self service close to cut off deadline - managers emailed to avoid missed payemnts	Monthly
Schools workforce census	Government retrun for Department of Education	Monthly
Workforce Data	Production of mointhly sickness stats. Establishment dashboards for publication on staffroom	Monthly
System Housekeeping	Delete Expired Notes & Report Output Workflow audit, batch process and report table cleardown Cleardown all batch logs Audit archive Clear out workflow for cancelled tasks	Monthly
User account management	Check for new starters without self service access to set them up	Bi Monthly

2.2. Desirable

- Team member resilience/capacity to be improved– There is currently a reliance on a small number of knowledgeable and experienced experts.
- ITrent **–** Performance/response times need to improve significantly to avoid staff (core payroll and self-service users) spending their time waiting for system to respond to data entry or processing. ITrent performance and functionality directly impacts the efficiency and effectiveness of the Payroll & Pensions team. The current limitations on the system impede the productivity of the team. Improvements to iTrent or adoption of an alternative system should result in improved efficiency.
- The process to run batch payroll processes for the 26 separate payrolls is limited. For each payroll the multiples payroll processes within iTrent (e.g. run payroll, produce payslips, and submit tax return) need to be executed per payroll, multiplying the staff resources required. The functionality to batch processes across payrolls would alleviate this pressure.
- Enabling self-service functionality to external clients by overcoming network access and security issues with application.
- The scope to take on new payroll bureau business is restricted by capacity to advertise services and the capacity of staff to manage the take-on process.
- Improved iTrent performance and functionality directly correlates with staff performance, staff time is wasted due to limitations of system.
- The current self-service iTrent offering is not well received by users with end users being dissatisfied with the appearance, navigation and effectiveness of the online tool. There are no products within the online tool specifically aimed at supporting managers to adopt self-service to manage their teams.
- To continue to expand the payroll offer to additional commercial customers.
- The service represents opportunity to further develop its commercial offering and sell services to a wider audience although capacity would need to be reviewed to ensure that the team was scalable in accordance to demand. Current income levels are detailed below.
- There are several I Trent defects that require scheduled workarounds – permanent solutions to these defects would be a desirable output although not dependant on a move to Delt.
- Self-service helpdesk requests make up the majority of the incoming ad hoc work. Some of these queries relate to generic queries such as 'I do not understand my annual leave allocation'. I am unable to access the system. Better information and training may be able to resolve some of these queries at the point of contact eliminating the need for intervention from a Technical specialist. Incoming channel and contact management could be improved upon.
- Multiple incoming channel into the team include phone, Face to Face, email and SAW – reducing inbound requests to one channel would afford the team greater opportunities to prioritise and manage workloads.

3. SERVICE OBJECTIVES

The main objectives of the service are;

- To deliver a core, cost effective payroll and pensions service to Plymouth City Council employees (including council employed school staff).
- Deliver income generating payroll and pensions services to schools and external clients, which contributes to offsetting the cost of internal support services.
- To provide support, housekeeping, issue resolution and development of the existing HR platform (Midland Itrent). In addition to this the HR Systems team are responsible for implementing new modules into the system as and when required. iTrent is configured for optimal efficiency adding new and developing existing modules as well as providing viable

workarounds where needed. Success is measured by the ability of iTrent to provide successful outcomes for the users of the modules.

- The HR Systems team provides system user support to;
    - 100 core system users
    - 600 Manager Self-service users
    - 2300 Employee Self-service users
- When changes and updates are implemented the team supports users by providing training and support to the business to ensure a smooth roll out of any changes
- Another objective of the HR Systems team is to provide data, reporting and analysis to inform the workforce and establishment data. The Provision and analysis of HR data aids and informs relative business decisions and business intelligence.

4. SCOPE OF SERVICES TO BE TRANSFERRED

The Payroll and Pensions Team, including HR Systems Support comprising of 22 staff (17.62 FTE) and its agreed functions will be transferred to Delt.

Plymouth City Council will delegate Delt to act as its Payroll and Pensions provider for delivering its Payroll and Pensions Service to its internal staff. Existing contracts between external customers (including Maintained Schools) procuring payroll services and PCC will be novated to Delt. This means that Delt will be responsible for delivering 26 pay runs to 23 organisations. Delt will be required to establish itself as a BACS agency, as a HMRC PAYE Agent and will need to have pension authority delegated from Plymouth CC for the purpose of making payments and returns on behalf of contracted organisations.

Plymouth City Council will delegate Delt to act as its Payroll System Support Provider for delivering its Payroll system support service to both its internal staff and partners.

Delt are required to comply with PCC Financial Regulations and Constitution to effectively deliver the Payroll and Pensions Service on behalf of PCC. A copy of PCC Constitution, detailing financial regulations can be accessed in Appendix 3.

5. SCOPE OF SERVICES TO BE RETAINED

It will retain responsibility for PCC Constitution and Financial Regulations. This includes any review to these, which will be communicated to Delt as appropriate

A designated Officer within PCC will have responsibility for reporting the KPI's supplied by Delt as part of this service specification to senior management and elected members as required

Monitoring of the Payroll Payment Mechanism – There is a requirement to design a mechanism by which PCC are able to authorise payroll payments processed by Delt.

The publishing of data required as part of the Local Government Transparency Code which is relevant to the Payroll and Pensions Service will be published by PCC. Delt will be required to supply the required information. The Annual Pay Statement owned by HR and Officer Remuneration is included in Annual Statement of Accounts

Approval of submissions to Government Offices in respect of PCC

PCC will retain a strategic risk register

PCC will retain overall responsibility for maintaining compliance will all statutory legislation (e.g. Income Tax, National Insurance and Pension scheme regulations) although the transactional activities are delegated to the provider, ultimate responsibility sits with PCC. It is PCC's responsibility to act compliantly. E.g for example PCC pays people off-payroll without providing information to pay to provider, this is PCC's failure to comply.

6. FUTURE IMPACTS THAT MAY IMPACT SERVICE DELIVERY

The core schools customer base is shifting significantly as maintained schools are converting to Academy status which offers the opportunity to procure payroll/pensions service from alternative suppliers. Since June 2016 of the schools who have transferred to Academy status 30% have moved payroll provider and 70% of these have moved to PCC's payroll bureau. The balance having moved to a national competitor with separate payroll provision.

Workforce within the Council has reduced by around 13% since June 2015 as a result of TUPE transfers outwards and the impact of budget reductions. Continuing budget pressures could see further reductions in the number of Plymouth City Council employees supported by this team.

A focus on increased channel shift aims to reduce or eradicate the current manual paper based processes. The hypothesis is that these are replaced by improved online services using the manager self-service with designated users populating the payroll system with real time data. The opportunity to collect data via the introduction of Firmstep forms is currently being worked upon.

Legislative and case law changes are a constant occurrence. These changes are normally effective from start of the annual tax year and are generally notified a number of months in advance of implementation date. Under current arrangement expertise is drawn from this team to advise PCC on the technical aspects of the introduction or changes in legislation and regulation.

Case law changes effecting payroll can occur at any time. Examples of these changes are listed below;

- Public Sector Exit Payment Recovery Regulations
- Public Sector Exit Payment Cap Regulations
- Public Sector Exit Payment Further Reforms
- Termination Payments – Tax and National Insurance Regulations
- The Parental Bereavement (Leave and Pay) Bill
- Shared parental leave is extended to allow grandparents to take paid leave

Data Protection Act 2017 - Legislative changes to the Data Protection Act may impact the way in which the service collects, manages and shares data. A Data Protection bill is currently being reviewed and if this is approved the General Data Protection Regulation Act will be introduced on 25th May 2018. Delt will be required to act as the Data Processor. An agreement will be required from various organisations that purchase this system, including PCC.

7. SERVICE STATISTICS

7.1. Transaction volumes and key facts 2016/17 - Payroll & Pensions

Transactions	
Organisations buying service (Academies, Charities, CIC, CaterEd and Delt) School paid via the PCC payroll are not included here – including maintained and trust schools	23
Payrolls run	315 p/a
Number of annual payments	£106K
Value of annual gross payments	£166m
Value of annual net payments	£125m
Payments to HMRC	£41m
Payments to Pension schemes	£38m
Statutory Returns	300
Payroll error rate 16/17	0.10%
Income generated 16/17	£299K
Ratio of All Payroll Staff (FTE) to Payslips produced (16/17)	1:7026
Ratio of Payroll Staff (FTE) (CIPFA benchmark definition) to Payslips produced (16/17)	1:8767
Pension benefit estimates – average 5 per month	
Termination payments calculated (including pension benefits where applicable) and paid	128 calc
Pension Scheme Starters (Processed and notified to scheme providers)	1694
Starters and leavers processed by Payroll Team	
Starters	1871
Transfers	1108
Changes to Pay	4571
Other Changes	5135
Leavers	1677
Claims	17,180
Mileage Claims	2176

7.2. Income generated from external sources 2016/17

Customer	Income 16/17
Academies	**£146,000**
Maintained Schools	**£114,000**
External Orgs (CaterEd, Delt, Charities)	**£21,000**
Total	**£281,000**

7.3. Organisation breakdown (Org and Employees for 2016/17.

ACE Academy	All Saints Academy Plymouth

Connect Multi Academy Trust	Devonport High School for Girls
Discovery Multi Academy Trust	Eggbuckland Community College Academy Trust
Horizon Multi Academy Trust	Inspire Multi Academy Trust
Learning Academies Multi Academy Trust	Lipson Co-operative Academy Trust
Mayflower Community Academy	West Country Schools Trust
Plym Multi Academy Trust	Plymouth UTC Limited
The Marine Academy Plymouth Ltd	Torbridge Academy Trust
CaterEd	Delt Shared Services Ltd
Lark Children's Centre Ltd (Charity)	One Step Beyond (Charity)
Plymouth Learning Partnership	Plym CC Elections (ad-hoc payroll)
Plym CC Pensioners	Plymouth City Council - Corporate
Plymouth City Council - Members	Plymouth City Council – Schools

Total	
Organisations	23
Payrolls	26

Predicted income 18/19

Below is the estimated income based on customers predicted for 2018/19 taking into account the price per payslip increase (see section 14) Some schools have converted to academies and therefore won't be using the payroll service, the below figures have taken this into account.

Customer	**2018/19 Predicted Income**
Academies	£152,990
Maintained Schools	£106,702
External Orgs	£31,469
Delt	£6,997
TOTAL	**£298,159**

It has been assumed that there will be a 20% reduction in business for 18/19 due to further schools converting and the payroll service being run by Delt so the realistic predicted income is £233,377.

Below is a full list of the schools, academies and other externals which Payroll will be providing a service at a charge. It should be noted that PCC and Delt will also receive this service.

Organisation	**Type**
Knowle Primary School	PCC School
Mount Street Primary School	PCC School

Mount Wise Primary School	PCC School
Shakespeare Primary School	PCC School
Brook Green Centre for Learning	PCC School
Cann Bridge School	PCC School
College Road Primary School	PCC School
Compton CE Primary School	PCC School
Ham Drive Nursery School	PCC School
High View Primary School	PCC School
Hyde Park Infants School	PCC School
Hyde Park Junior School	PCC School
Laira Green Primary School	PCC School
Lipson Vale Primary School	PCC School
Longcause Community Special School	PCC School
Mary Dean's CE Primary School	PCC School
Mill Ford Special School	PCC School
Mount Tamar Special School	PCC School
Pennycross Primary School	PCC School
Plymbridge Nursery School	PCC School
Plymouth High School for Girls	PCC School
Sir John Hunt Community College	PCC School
St Andrew's CE Primary School	PCC School
St Budeaux Foundation CE Junior School	PCC School
St Peter's CE Primary School	PCC School
Tor Bridge Primary School	PCC School
Whitleigh Community Primary School	PCC School
Woodlands Special School	PCC School
Yealmpstone Farm Primary School	PCC School
ACE Schools Multi Academy Trust	Academy
All Saints Academy Plymouth	Academy
Connect Academy Trust	Academy
Devonport High School for Girls	Academy
Discovery Multi Academy Trust	Academy
Eggbuckland Community College Academy Trust	Academy
Learning Academies Trust	Academy

Lipson Co-operative Academy Trust	Academy
Mayflower Community Academy	Academy
Westcountry Schools Trust	Academy
PLYM Academy Trust	Academy
Plymouth UTC Limited	Academy
The Inspire Multi Academy Trust	Academy
The Marine Academy Plymouth Ltd	Academy
Torbridge Academy Trust	Academy
CATERed Limited	Other external
Lark Children's Centre Ltd	Other external
PAPH Co-operative CIC	Other external

The following data sets relate to the HR Systems Team and were compiled using reports from Oct 2016 to October 2017. Inbound requests are received via multiple channels including;

- Emails
- SAW;
- Verbally
- Reports
- Change Requests;
- Schedule

The team don't record all contacts in the sense of opening and closing calls, so these activities won't be reflected in the total amount. The 850 represents tasks that the team record on their Scheduling doc and includes cyclical jobs, issues, reports, patching, configuration etc.

Task	Volume
Lync calls received	1938
New users set up	317
Email requests	3310
F.O.Is processed	65

The following data indicates the customer base serviced by the team over the period October 2016 to September 2017.

Customer Type	PCC	Other
No of Employee Self Service Users	2101	43

No of Manager self Service Users	468	134
No of Proxy accounts	137	
No Of Core Users	91	0
New users set up Oct 16 to Sept 17	317	

The table below provides a snapshot of the work completed to configure the system for new users receiving payroll and pensions services. This indicates the modules configured for the organisations in question.

Tasks completed from the scheduler from October 2016 to September 2017 are indicated in the data set below

Data	Volume
Total completed	680
Total closed or aborted	37
Total in progress	28
Total not started	105
Total Tasks	850

These tasks can be further categorised into type as detailed below

Category	Volume	Category	Volume
BAU	430	Change Request	157
Other	14	Project Work	54
Reports	91	Service Improvement	100

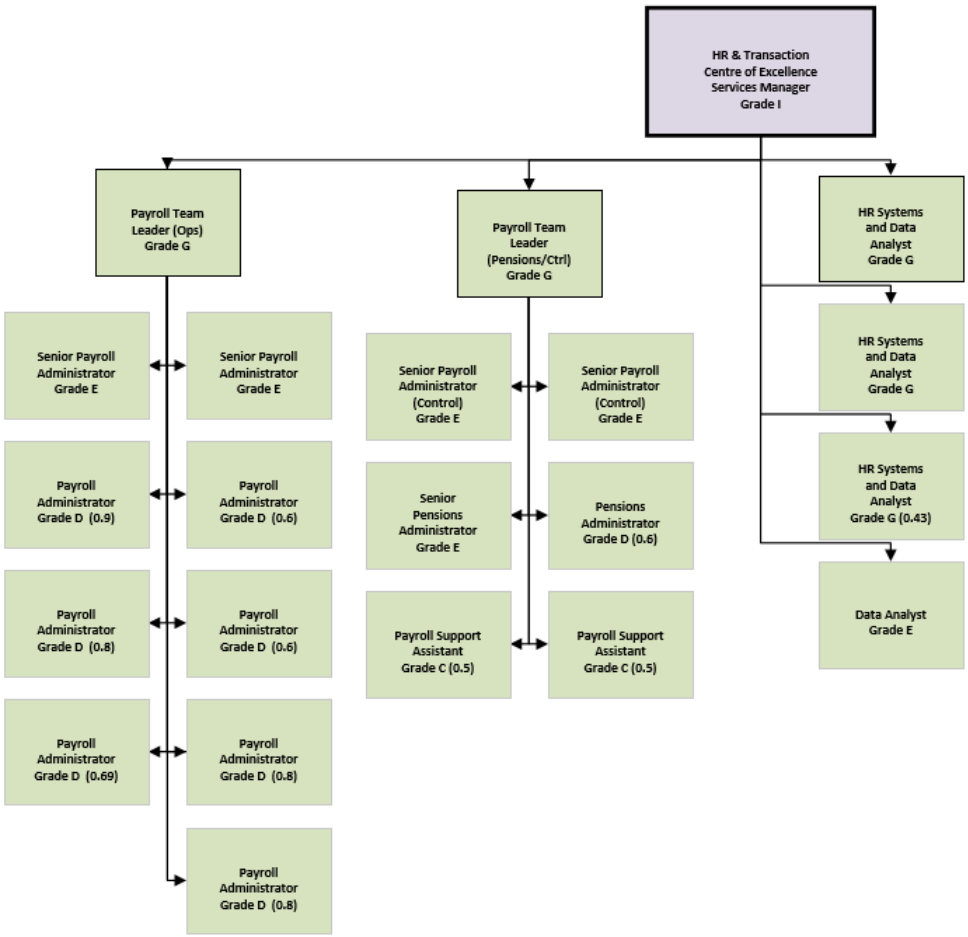
8. PERFORMANCE DATA

Description of Performance Indicator	Actual Performance	Date Range	Target	Impact
Payroll errors as %age of payments and of overall	0.10%	Monthly	0.20%	Cost & Reputation

gross/net pay				
Corporate employees receiving eSlips	90%	Quarterly	80%	Cost
Mileage and Expenses Claims – Over-claiming rate	1.70%	Quarterly	2%	Cost
Service Cost per payslip	Tbc	Quarterly	tbc	Cost
Payment to employees/client employees on pay date	100%	Monthly	100%	Employer breach of contract
Application of contractual terms and conditions	100%	Monthly	100%	Employer breach of contract Illegal deduction from pay under ERA 1996
Provision of payslip on or before pay day	100%	Monthly	100%	Breach of Employment Rights Act 1996
Compliance with HMRC regulations (payments, deductions and benefits)	100%	Monthly	100%	Financial Penalties
Payment to HMRC (Income tax, NIC etc.) by due date	100%	Monthly	100%	Financial Penalties
HMRC tax returns by due date	100%	Monthly	100%	Financial Penalties
Payments to pension scheme providers by due date	100%	Monthly	100%	Financial Penalties
Pension scheme returns by due date	100%	Monthly	100%	Financial Penalties
Payments to courts/3rd parties by due date	100%	Monthly	100%	Financial Penalties
HMRC returns	100%	Annually	100%	Financial Penalties
Pensions returns	100%	Annually	100%	Financial Penalties

9. PEOPLE AND RESOURCES

The Pensions and Payroll team are currently housed in the Service Centre. At the time of analysis (November 2017) the current management structure was under review but for the purposes of accuracy the structure indicated below is a representation of the current organisational chart for the team. The Payroll and Pensions team currently have no vacancies and there has been nil staff turnover in the past 12 months. All staff are permanent.



In summary the service comprises of the following resource

Grade	Staff	FTE
I	I	I
G	5	4.43
E	6	6
D	8	5.19*
C	2	I

	22	17.62

*Additional 0.6 FTE working within Recruitment Team.

The payroll and Pensions team were part of the HR Business Services team. The team underwent realignment in 2016 and was reorganised to offer specialist services. Since this realignment further transformation initiatives have seen the service move to the newly formed Service Centre, this function is responsible for delivering transactional type work for Transformation and Change and the wider organisation.

HR Business Services has been reorganised to become the HR Centre of Excellence. Due to realignment there is little resilience or flexibility within the structure with a dependency on limited resource with extensive knowledge of the area. The average age of the workforce is 49.5 years with 6 of the team being over 59 years of age. One member of the team has a health condition likely to be categorised as a protected characteristic under the provisions of the Equality Act.

10. REPORTING, MONITORING AND STATUTORY RETURN ARRANGEMENTS

The Payroll and pensions team is responsible for the following returns

Return	Frequency
Statutory external HMRC tax returns	As Required
Full Payment Submission	Monthly
Employer Payment Summary	Monthly
P11d – Taxable benefits	Annual
P11D (b) Class 1A return	Annual
PAYE Settlement Agreements	Annual
Statutory external Pension Scheme returns	Monthly/Annual
Local Government - Contribution Return, Monthly, Return of Service and Earnings	Annual
Teachers - Monthly Data Collection	Monthly
Contribution Breakdown form (Paying in slip) - Monthly End of Year Certificate (Contributions)	Annual
NHS Pensions Schemes - Contribution Return	Monthly
Return of Service and Earnings	Annual

In addition to this the team is responsible for providing data to the Office of National Statistics, this data includes;

- Wages and Salaries Survey – Monthly
- Public Sector Employment Survey - Quarterly
- Survey of Hours and Earnings (Annual)

The team also prepares and provides information to be shared internally with finance teams, this is used to provision payroll costings file to Finance General Ledger (Monthly) via an automated Interface to the Civica General Ledger.

The Payroll Systems Team provides data to users to support the following returns;

Provision of data set to Internal Audit (Bi-annual)
Schools Workforce Census (LEA employed only)
Gender Pay Gap Provision of data set to HR
National Fraud Initiative
Provision of data set to Internal Audit (Bi-annual)
Schools Workforce Census (LEA employed only)
Provision of data set to Children's and Young People (Annual)

11. SERVICE LEVEL MINIMUM EXPECTATIONS

There are no service level agreements in place between internal Plymouth City Council departments and the payroll and pensions team. The PCC contract of employment states 'You will be paid in 12 equal monthly payments via the BACS system, in addition it details the right of the council to make deductions from salary where applicable'.

Externally Plymouth City Council provides payroll and pensions for academies as well as the following organisations;

- LARK children's centre
- Plymouth Learning Partnership
- Delt Shared Services Ltd
- Catered

CaterEd Service Level agreements form part of a wider combined contract as CaterEd procure several support functions from the authority. This contract is owned and managed by Caroline Cozens. The full contract is attached in appendix 2.

Schools and academies participate in a buyback services for schools scheme (Services4Schools). This is part of a master contract where schools and academies can opt in or out to buying services from the local authority. This scheme is managed, administered and owned by PCC Children's Services. This service is not actively marketed as maintained schools (those that receive their funding from the Local Authority) have historically always received services from the Local Authority, therefore the availability is not promoted as most are legacy agreements as opting in provides a simpler option for schools. If maintained schools chose to procure the services of a competitor it would require additional administration as payroll would be completed by a third party provider but the Local Authority would still be responsible for administration of pensions.

Academies and Trust/Voluntary Aided schools differ to Maintained Schools as they are not viewed as employees of the authority and have more autonomy to manage their own procurement of services. It is because of this that some choose to move away from Local Authority provided services and procure the services of national competitors. When schools move to Academy status the service participates in active engagement to retain their payroll

function. An opportunity exists where academies prefer a non-Local Authority provider and Delt may provide 'the best of both worlds'. It also presents an opportunity for Delt to become a national competitor in this arena.

There are no Service Level Agreements or measures applied to the HR Systems Team.

12. SERVICE TRANSITION ARRANGEMENTS

There are formal contracts in place related to the provision of payroll and pensions support to schools, academies and other organisations which would novate with the Payroll & Pensions service. The Payroll Systems team support the fulfilment of these contracts

Contracts with external customers would be required to novate with the service.

The Payroll and Pensions and HR Systems Teams are currently based on Floor 1 of Ballard House and will continue to be based here post transfer. This arrangement may be reviewed when PCC's Accommodation Strategy has been completed which will take into consideration Shared Services with partners. The pro rata accommodation costs have been factored into the Payment Mechanism.

All existing arrangements with services that provide advice and support to Payroll and Pensions Service will be retained e.g. Recruitment and Finance. The costs for this support will be factored into the Corporate Support Charge and included in the budget

HR service for the service will be taken on by Delt which already has in-house resource.

13. PLYMOUTH CITY COUNCIL OBLIGATIONS

Plymouth City Council has no legal obligation to manage and maintain its payroll administration and delivery internally. The accountability for HMRC and pensions returns would sit at source with the local authority.

14. LINKS TO PAYMENT MECHANISMS

Academies and maintained schools, are charged directly by the finance team for services delivered. Payment schedules vary between monthly, quarterly and annually.

CaterEd are also charged by finance as part of an agreement that the authority provides multiple services back to them.

Delt, charities and Plymouth Learning Partnership are invoiced monthly by the Payroll and Pensions Team.

All current charging structures are detailed below;

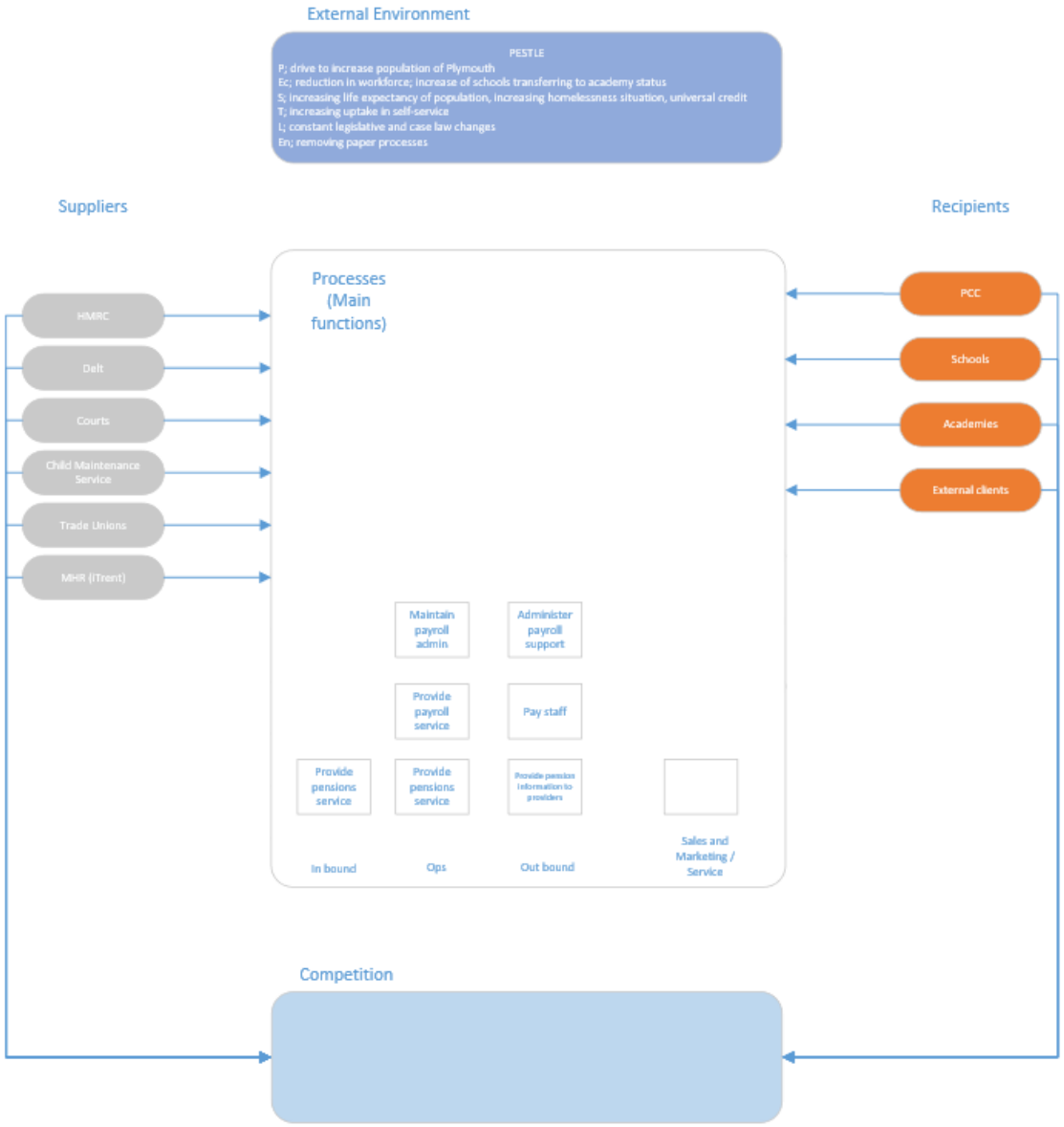
Organisation	Current Charging Structure
Academies 2018/19	Academy (including UTC, studio and free schools) Academies with one pay day per month

	£4.90 per contracted employee per month (£58.80 per annum) as at 31 March 2018. £4.90 per payslip produced for casual/supply only employees (billed quarterly for the previous quarter). Academies with more than one pay day per month £5.15 per contracted employee per month (£61.80 per annum) as at 31 March 2018. £5.15 per payslip produced for casual/supply only employees (billed quarterly for the previous quarter).
Maintained Schools 2018/19	Primary: - Community - Trust - Voluntary Aided - Voluntary Controlled £4.90 per contracted employee per month (£58.80 per annum) as at 31 March 2018. £4.90 per payslip produced for casual/supply (billed quarterly for the previous quarter). Secondary: - Community £4.90 per contracted employee per month (£58.80 per annum) as at 31 March 2018. £4.90 per payslip produced for casual/supply only employees (billed quarterly for the previous quarter).
Delt 2017/18	Contracted Employees £4.75 per employee per month * This charge does not apply where an employee has a casual/supply contract in addition to contracted employment (e.g. charge

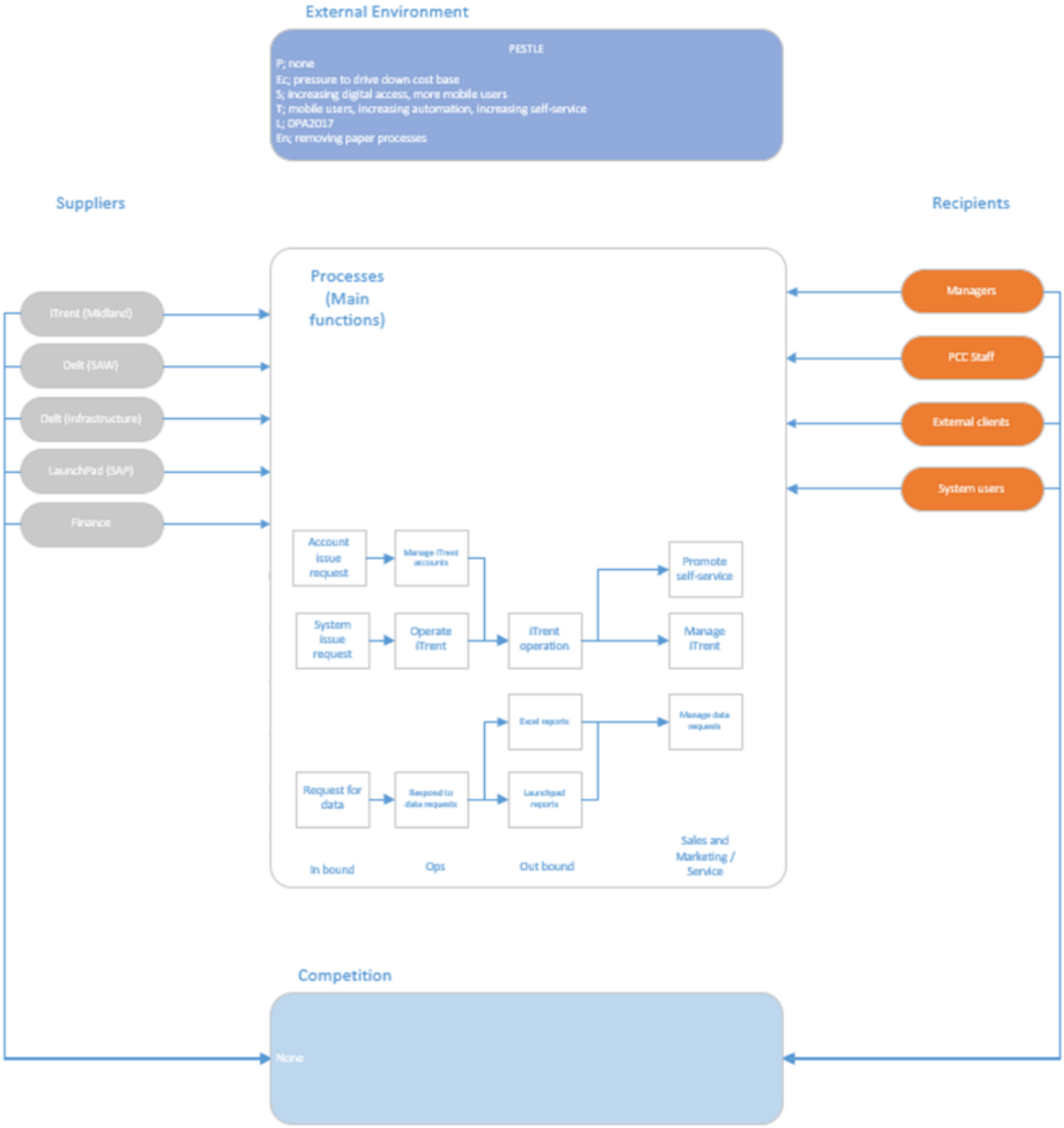
	Casual Employees * £4.75 per payslip produced (Billed monthly in arrears).
Plymouth Learning Partnership 2017/18	Contracted employees £4.75 per employee per month Casual Employees * £4.75 per payslip produced (Billed monthly in arrears).
One Step Beyond 2017/18	£5.85 per payslip per month Client errors requiring advance payment - £25.00 per employee payment Non routine reports/ processes or further systems work - £185.00 per day
Lark 2017/18	£5.85 per payslip per month Client errors requiring advance payment - £25.00 per employee payment Non routine reports/ processes or further systems work - £185.00 per day Auto-enrolment implementation - one off fee £500

APPENDIX 1

ORGANISATION MODEL – Payroll and Pensions



ORGANISATION MODEL – iTrent Systems



APPENDIX 2

Contracts to supply payroll services

SERVICE CENTRE - PAYROLL PENSIONS

SERVICE CENTRE - PAYROLL PENSIONS

PCC Services Contract - Pensions

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Stonehouse (One Step Beyond) SLA_Fi

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