

**TO: EMPLOYMENT COMMITTEE
18 JULY 2018**

**DECEMBER PAY DATE
Director of Resources (HR)**

1 PURPOSE OF REPORT

- 1.1 To consider whether to change the December pay date to the last working day of the month.

2 EXECUTIVE SUMMARY

- 2.2 For many years the December payroll run has been earlier in the month, for reasons that in some cases are now outdated. This paper considers the arguments for and against changing this to make it the last working day of the month, from the perspective of both individuals and the organisation. Changing the date would provide an opportunity to improve the process for managers and for payroll.

3 RECOMMENDATION

- 3.1 **That CMT supports changing the December pay date and implement ready for December 2018. Any proposed change would be taken to Local Joint Committee and Employment Committee.**

4 REASONS FOR RECOMMENDATION

- 4.1 The reason for having an early December pay date are now outdated and the later December pay date would allow payroll more time to process changes and later deadlines for managers who send amendments and timesheets.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Retain the status quo and continue to pay early in December. This would avoid creating a controversy with some staff, but at the expense of perpetuating a difficult payment processing system for payroll and managers.

6 SUPPORTING INFORMATION

- 6.1 Anecdotally, while some employees welcome the early payment to help with additional Christmas expenditure, others find it hard to manage the longer interval to being paid again in January. Payroll reports getting calls from individuals who are experiencing financial problems due to the long interval between December and January pay dates. These are more likely to be employees with low combined family income and the impact of this outweighs the benefit of being paid early to help with additional Christmas expense.

Unrestricted

- 6.2 Historically, the main reason for early payment was to get the payslips delivered to schools before school term ended. Payslips are now electronic and can be accessed from home or checked when convenient. As this is no longer a reason to process payroll prior to Christmas, the payment date could be changed to fall in line with other months in the year where payment is made on the last working day of the month.
- 6.3 The payroll date is common to all staff and schools. Payroll has a strong preference for a later date, as the current pay date means that the deadlines for payroll actions in December are much more challenging than in other months as they need to be earlier in the month to accommodate an earlier payment date. If payroll dates are not met and instructions not received in time, errors in pay and late payments are likely to occur, which of course impacts adversely on employees as well as requiring corrective action. The payroll section is staffed between Christmas and New Year, to deal with any queries if the payroll date is moved to the last working day of the month.
- 6.4 The early pay date for December also means that managers have less time before payroll cut off date to make any changes/submit any timesheets. A later pay date would be welcomed by managers who will have the same time to complete their tasks as in any other month.
- 6.5 Terms and conditions of employment refer only to the salary being paid on the last working day of each month, so no contractual change would be required, but as the early payment is long established as custom and practice, the unions would need to be consulted.
- 6.6 This topic had been considered on one previous occasion by Unions. Unison was supportive of the change however Teacher's Unions were not. Since that consideration, some work has been done with Schools and the indication is that this change would receive more support now.
- 6.7 It is proposed that the changed payment date would be effective from December 2018. This would give plenty of time to inform staff of the change prior to the December pay run.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 7.1 There are no specific legal implications arising from the recommendations in this report.

Borough Treasurer

- 7.2 There are no significant financial implications of the recommendations, although a later payment date would bring a minor cashflow advantage. The key driver for the proposal is to enable more time for managers and the Payroll team to ensure accurate payments are made to staff at a particularly financially challenging time for many individuals.

Equalities Impact Assessment

- 7.3 A perceived positive impact for some groups of employees may be offset by a perceived negative impact on others. However, the employees more likely to experience difficulties are those in lower income groups and the impact upon them is likely to be more severe at a personal level.

Strategic Risk Management Issues

- 7.4 To follow

Other Officers

- 7.5 To follow

8 CONSULTATION

Principal Groups Consulted

- 8.1 Further consultation with the Local Joint Committee is required if CMT decides to pursue this issue.

Method of Consultation

- 8.2 Normal union channels

Representations Received

- 8.3 Teacher unions felt that the early payment date before Christmas was a recruitment and retention advantage.

Background Papers

None

Contact for further information

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