

Edinburgh Council overpaid staff to the tune of £1.78m in five years

Edinburgh Council has overpaid staff to the tune of £1,780,000 over what is believed to be five years – with councillors being asked to write off almost £140,000 in unrecovered overpayments and implement changes to reduce the burden of overpayments on staff.

In a report to councillors, officers said 1,459 staff members had been overpaid in that time – 579 of them being current staff, while 880 had already left the council.

The council report said that the bulk of the overpayments – £1.1m – were made to staff in education, including cases where ‘council or school management was at fault’ which risked causing staff significant financial hardship.

Some £440,000 came from the city’s Place division, while £200,000 came from the Health and Social Care Partnership, £32,800 came from Corporate Services and £1,600 from the Chief Executive’s Office.

Councillors are now set to consider a new pay policy, which would aim to make repaying overpaid wages less burdensome.

If councillors approve changes, employees who have been

overpaid over several months will have at least as many months as they were overpaid to pay back the excess wages.

Officers also want to see £139,978.80 of overpaid wages written off, which come from 27 cases of overpayment.

All involve situations where efforts to reach employees to set up repayment plans have been unsuccessful.

According to the report, 20% of salary overpayments were due to 'processing errors', while 34% was due to issues with annual leave calculations.

And 36% were due to 'late information submitted to HR', while 4% were listed under 'system error'.

The bulk of overpayments were made to staff on grades 1 through 4 on the council's pay scale, with under a third of current employee overpayment cases and under a fifth of overpayment cases for staff who have left the organisation falling above this band.

Labour councillor Mandy Watt, convener of the Finance and Resources committee said: "Our payroll salary and wage payments are around £550m annually, for a workforce of over 17,000 colleagues, and on average 99.5% of monthly payments are accurate.

"We've recently taken a more considered approach to overpayments, allowing more flexible and extended repayment plans to be put in place.

"Where an overpayment has been made, the new pay policy encourages colleagues to get involved in the process, so a repayment plan can be agreed which takes all the circumstances into account.

"There's also a new HR and Payroll system which gives all colleagues improved visibility of the information that's used to calculate their pay and they can view their payslip

electronically each month allowing earlier discussion of any potential issues.”

The overpayment was reported in the [Edinburgh Reporter](#) last September following a Freedom of Information request.

By Joseph Sullivan Local Democracy Reporter