

KETTERING TOWN COUNCIL

REPORT FOR DECISION

Item No FC21/033

Committee:-	Finance and Governance
Date:-	19 th October 2021
Author:-	Martin Hammond, Clerk
Report Title:-	PROVISION OF PAYROLL SERVICES
Wards Affected:-	None

1. Purpose of Report

To seek approval to enter into a contract for the provision of payroll services

2. Recommendations

2.1. The Committee is recommended to authorise the clerk to contract with Provider B to provide payroll services for a three year period, subject to an annual review in October 2022.

3. Information

3.1. The Council's interim clerk was on secondment from NNC, so there was no need to set up a payroll service for her. The new clerk will be directly employed by KTC, so a payroll arrangement is necessary, to properly capture and account for payroll, tax and national insurance information.

3.2. Three quotations were sought from providers familiar with parish council payroll as follows

Provider A £65 set up, plus £25 pcm thereafter, plus VAT – covers up to 4 employees. Additional charges apply for dealing with HMRC inquiries and other non standard transactions at £50 per hour.

Provider B £15 per employee per month, plus VAT, with no set up costs or hourly rates for dealing with non standard transactions.

Provider C - no reply

3.3. Whilst Provider B is cheaper for one employee, should the council decide to take on functions which require its employee numbers to increase, then it may become a more expensive option than for provider A.

3.4. The cost of using provider A is likely to be approx. £325 in this financial year and £400 in a full year. Provider B be £90 this year and £180 per annum per employee thereafter.

4. Consultation and Engagement;

None necessary

5. Finance, Legal and Resource Implications

The cost of payroll can be contained within the Council's support services budget .

6. Policy Implications

None

Background Papers

Quotations received.

