

# New personnel and payroll arrangements

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## January 2022

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### Background

In October 2022 we were given 90 day's notice from CRCC that they intended to withdraw the support they have currently been providing, which includes payroll and a full package of financial services including preparation of budgets, monthly and yearly accounts. This gave us the opportunity to review these arrangements and consider whether it would be beneficial to take some or all in-house.

### Payroll

HC do not have staff with specialist knowledge of payroll procedures, with all the implications around HMRC and pensions, and therefore it was agreed to put this service out for quotes. Three local companies of varying sizes were approached, and the most cost-effective was Pixie Payroll, based just outside Helston. A virtual meeting was set up with the owner and it was established they can provide the full service we currently enjoy with CRCC, including paying of staff and providing payslips, paying the monthly HMRC and pensions bill, and providing us with comprehensive monthly reports. References were taken up and the finance sub-committee approved awarding Pixie Payroll the new contract to start effective from February payroll. Transfer arrangements in conjunction with CRCC are taking place week commencing 10<sup>th</sup> January 2022.

### HC finance

This can be separated into the processing of the purchase and sales ledger, which is in effect a routine admin task; and the setting and monitoring of the budget which requires more in-depth knowledge of HC and an understanding of accounting principles.

Over the last two years, at the request of the Board, changes were made to the way HC manages its budget, separating out the Core income and the stand-alone projects with separate budgets. This has led to increased involvement of the Business Support Manager both in setting and monitoring the budget and better understanding of internal re-allocations and phased budgeting.



It was felt that HC has the capability of performing these services in-house although this would have resource implications within the Business Support team. With the additional work relating to the purchase and sales ledger it was agreed that a new role of Business Support Apprentice, who would also provide other admin, comms and database support to the team, would be appointed.

### Budget setting and monitoring

The Business Support team will receive training along with new software for accounts management aligned to our bank account, setting up for our needs and importing transfer of data from our existing Sage package hosted by CRCC.

These arrangements will commence in-house during February 2022 after completion of January monthly accounts by CRCC.

### Business Support Apprentice

This role has been developed in conjunction with Truro and Penryn College and will include attendance once a fortnight at Haven House for a Level 3 Business Administration qualification, starting April 2022 and lasting for 15 months. However to attract a government grant, the Apprentice needs to be employed before January 2022. Pay is set at national living wage (as opposed to real living wage) which is line with recommendations set by the Living Wage Foundation for apprentices.

### Financial implications

Saving from current CRCC cost	£9,000
Annual cost of Pixie Payroll	£575
One off cost from Pure Lemons & new software	<u>£1,000</u>
Net saving	<u>£7,425</u>
Grant from Government	<u>£3,000</u>
Contribution to Apprentice salary	£10,425

Actual Apprentice salary £10,654.80 to £14,820.00 depending on age, for 30 hours, therefore cost to 2022/23 budget for this additional personnel resource will be between **£200 to £4,400**.

