



Finance and General Purposes Committee Meeting

Monday 23rd March 2026 – 6.45pm

Agenda Item 7 – Payroll System Upgrade – SAGE

Introduction

The parish council's current payroll and HR recording system has become increasingly outdated and inefficient as staff numbers have grown from 6 to 30, this includes councillors, ECC staff and casual-hours employees.

This expansion has added complexity that the existing processes were not designed to handle. Recent findings from the internal auditor have also highlighted weaknesses in payroll procedures, underscoring the need for improvement.

To address these concerns and reduce the administrative time and paperwork currently required, the parish council should consider upgrading its payroll and HR system before revisiting any decision about outsourcing payroll functions.

Background

The parish council currently use the package Sage 50 Payroll, this is an annual licence cost of £1,059.96 + VAT (or £88.33 + VAT) per month for comparison.

This package only provides the basic payroll processing information with minimal staff information and no HR function.

It is only the Clerk and Finance Officer who have access to this information and current system.

Options to upgrade

- A) If the parish council took on a new **"HR and Timesheet"** upgrade to the current system this would cost £7.80 per staff member which based on 40 members of staff would be £312.00 per month.
- B) If the parish council took on a new **"People Package"** this would include HR functions such as timesheet entries, HR recording, sickness records and Holiday requests. Also to allow staff accesses to view own holiday and their own HR records – totals £5.00 per employee per month. This element is an extra £133.50 per month.

New suggested total monthly cost would be £333.50 per month.

Summary of New Upgraded System

The Payroll monthly process stays the same as we currently have (no admin to change over to the new package) and all employees detail will transfer over to the HR system, which Sage will do.

Holiday requests can be carried out by individual staff members and the request will then be sent to the manager for approval.

The Manager (for example RH) would be able to see all his teams holidays requests and authorise them but wouldn't have access to the personal information such a pay.

Employees can upload their own sicknotes which again goes to the manager to be signed off and is recorded against there personal file. (this information inc. pay information remains P&C to other members of staff).

New time sheet recording to be carried out by the individual on a weekly/fortnightly or monthly basis, in the background their 'normal' / standard hours will be recorded, if staff work extra hours these can then be entered manually.

If approved the parish council staff would no longer need to use the Connect team System and save the amount previously allocated £50 per year.

The set up of the whole process will take around 2-4wks, if agreed the new system would be fully running by Aprils payroll.

Recommendations

- 1) Agree to purchase the new "People Package" for the current Sage Payroll system in place at an additional cost of £333.50 per month. (Budget for 26/27 - General Reserves)
- 2) The Clerk and Finance Officer to have full access to all payroll systems and HR record keeping.
- 3) The Grounds Manager have access to the Grounds Team own HR functions and holiday approvals and the same for the Ellendune Community Centre Manager and own staff.
- 4) The new upgraded system is used for all staff; parish council office, grounds team, library, Ellendune Community Centre, all casual staff and the parish councillors.
- 5) **All** staff to have own Sage Employee App and log in so that personal HR functions, holiday requests and wage slips are accessible to individuals.
- 6) Connect Team is cancelled down once all hours are moved over to Sage.