



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Officer Delegated Decision

27 March 2025

Richard Wyles, Deputy Chief Executive
and Section 151 Officer

HR Branch – LSK Payroll - Approval of Contract

To request approval to contract with HR Branch to continue their undertaking of the Payroll for Leisure SK

Contact

Paul Sutton, Interim SRO Unit4

 Paul.Sutton@southkesteven.gov.uk

Decision made by:	Richard Wyles, Deputy Chief Executive and Section 151 Officer
Decision:	To approve the awarding of a contact to HR Branch to continue proving Payroll services to LSK
Public or Exempt:	Public
Reasons for exemption:	N/A
Conflicts of interest:	No
Policy compliant:	Yes
Details of delegation:	The Council's Contract Procedure Rules allow for contracts with a total value of up to £200,000 to be approved by the Director.

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance

- 1.1 The continuation of the Payroll function is critical for LeisureSK, the current annual contract expires sooner than a full procurement can be undertaken. The full cost of the contract is charged to LSK and this has been agreed by the Board through exchange of email and will be ratified at Board on 31st March.

Completed by: Paul Sutton, Interim SRO Unit4

Procurement

- 1.2 The procurement is not in line with the Council's policies, however the need to continue to pay LSK staff is clearly paramount. The proposal to contract with the existing provider for a year to enable time to then properly engage the market is seen as the best way to avoid a challenge in the short term.

Completed by: Helen Baldwin, Procurement Lead

Legal and Governance

- 1.3 Comments needed

Completed by: Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

2 The Purpose of the Report

- 2.1 There are 2 contracts in place for HR Branch to support LeisureSK (LSK). One is for HR consultancy, which is directly with LSK. The second is for the undertaking of the Payroll for LSK. LSK have the HR consultancy contract in hand.
- 2.2 The Payroll contract with HR Branch is with the Council a legacy created when the service moved from being provided by the Council to HR Branch. The finance service of the Council continues to post salary data produced by HR Branch to the LSK finance system (Sage).
- 2.3 The contract would ideally be directly with LSK, however, changing this at such short notice would potentially result in service interruption, the contract is therefore

proposed to remain with the Council until a new procurement can be undertaken next year.

2.4 HR Branch have provided a quote for the work (attached) the cost of which is ultimately passed on to LSK by the Council. The costs are variable and increased by 5% on the current year, expected to be around £22k .

2.5 This has be checked with LSK and they are happy to meet the cost of the contract.

3 Available Options Considered

3.1 Option 1: Do nothing – this would result in no Payroll service for LSK and their staff would not get paid.

3.2 Option 2: Procurement – Unfortunately the requirement to procure this contract was not picked up until it was too late to run a full procurement. This will be undertaken, by the Company for the next renewal in April 2026.

3.3 Option 3: Agree the contract as set out above and attached.

4 Preferred Option

Option 3 is the preferred option.

5 Reasons for the Decision (s)

5.1 These are set out in the report.

6 Consultation

6.1 There has been consultation with the LSK Board.

7 Appendices

7.1 None

Signed by:Richard Wyles

Dated: 8.4.25
