

# REPORT TO FINANCE COMMITTEE

## VISIBILITY OF STAFF COSTS WITHIN BUDGETS

**Report Reference** F-26-02  
**Meeting Date** 1<sup>st</sup> June 2026  
**Agenda Item** 9  
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### 1.0 BACKGROUND

At the March meeting, the committee requested an item to discuss the visibility of staff costs within budgets.

There are currently three budget lines for staff costs, which form the Personnel Committee budget as part of centre 600 (HR budget):

- Salaries and Wages – the net amounts paid to staff
- Tax and NI – the total deductions (employer and employee)
- Pension Contributions – the total contributions (employer and employee)

The committee last discussed this in March 2023 when it was resolved not to progress apportioning staff costs to committee budgets due to the lack of accurate granularity which could be achieved; this was looking at a specific proposal for how costs would be apportioned with a percentage of role costs vired across specific cost centres (where accurately attributable) and new ‘central staff costs’ centres created for committees where costs could not accurately be attributed to specific centres.

### 2.0 DISCUSSION

The purpose of this item is for the committee to discuss and agree:

- a) Whether the committee wish to explore a change in budgeting practice to re-code staff costs from the Personnel Committee budget to operational budgets
- b) The objective(s) of the change in budgeting
- c) The desired level of accuracy in cost apportionment
- d) The desired level of detail (e.g. to committee level or individual cost centres)

Subject to the outcome of the discussion, a detailed proposal for implementing the change would be developed for the next committee meeting.