

## **POLICY, RESOURCES AND PERSONNEL COMMITTEE – NOVEMBER 2022**

### **REPORT ON THE BUDGET OVERSEEN BY POLICY, RESOURCES AND PERSONNEL COMMITTEE**

#### **1.0 INTRODUCTION**

This budget report is set against a background of considerable financial constraints on authorities and community members with RPI currently running at 12.2% (August 2022).

The report covers the workforce budget and the outcomes will be included in the general budget setting of the Council.

#### **2.0 DRAFT BUDGET**

Two options for workforce budget are presented. The first is for the existing staffing structure inclusive of some adjustments within the grounds team and youth work service. The second is for the reviewed staffing structure and both have been prepared on the following basis:

- 2.1 The pay award for 2022 – 2023 is taken as £1925 per FTE
- 2.2 The pay award for 2023 – 2024 is taken as 3%
- 2.3 National Insurance and Pension Employers contributions remain the same

#### **3.0 DETAILED CONSIDERATIONS**

- 3.1 The pay award for 2022 – 2023 has been agreed at £1925 per FTE
- 3.2 The pay award for 2023 – 2024 might be agreed in the current round of negotiations however there is no information available and a figure of 3% has been used
- 3.3 The training budget has been retained in order for the organization to adjust to the new structure and the increase in roles that deliver strategically across teams

#### **4.0 MAIN CHANGES FROM 2022 - 2023 BUDGET**

##### **4.1 Salary Review**

The recent salary review increased the salary budget by circa £51,000. This has been absorbed by some initial restructuring of the Parish Council Office team

##### **4.2 Staff restructure**

The commencement of the staffing restructure is imminent and will follow the completion of the appeal process for the salary reviews. The restructure will result in savings and the workforce budget has been prepared to show the current structure costed into 2023 – 2024 and the revised structure. The anticipated savings cannot be guaranteed to commence 1 April 2023

##### **4.3 Grounds and Maintenance Team**

Vacancies offered an opportunity to restructure the Grounds and Maintenance Teams into a single unit line managed by the Assistant Clerk (Grounds and

Maintenance). A supervisor role is proposed to be disbanded and a team leader introduced. This results in cost savings of circa £6,000

#### 4.4 Calshot Youth Club

The Handy Trust is no longer able to support the Youth Club at St Georges Hall that took place on a monthly basis. Due to the positive current engagement it is proposed that the Club operates once a week at a cost to the council of an additional £4,611. This work is core youth work and it is not anticipated that funding will be available.

## 5.0 EARMARKED RESERVES AND GENERAL RESERVE

The Governance and Accountability (England) Practitioners Guide 2022 recommends that Councils should hold reserves at least equivalent to 3 to 6 months of the Council's expenditure.

On the 1 April, 2022 the Council had £284,595 in Ear Marked Reserves and £291,119 in General Reserves; this is within the requirement that 6 month's reserves be held.

General reserves are held to cover unforeseen or one-off expenditure not included in the annual budget. Earmarked reserves are set aside for the ongoing maintenance and replacement of the Council's assets and anticipated large expenditure (eg play area replacements). The Council has previously taken a decision to set aside budget for these expenditures over a number of years rather than experiencing potential large calls on the budget for specific years.

On the 31<sup>st</sup> October 2022 the Council Earmarked Reserves totalled £288,595 and none are related to the work of this Committee.

## 6.0 PROPOSED WORKFORCE BUDGET 2023/2024

The 2 budget calculations for 2023/2024 are set out below:

### 6.1 Existing Structure with amended Grounds and Maintenance Team and additional youth work hours

|                               |                 |
|-------------------------------|-----------------|
| Council Office and Youth Work | £145,018        |
| Sports and Gang Warily        | £253,008        |
| Grounds and Maintenance Team  | £190,323        |
| Cleaning/Caretaking           | £ 30,753        |
| Reception Jubilee Hall        | £ 27,806        |
| <b>TOTAL</b>                  | <b>£652,244</b> |

### 6.2 Revised structure (Parish Office, Youth Work, Grounds and Maintenance, Sports and Gang Warily)

|                               |                 |
|-------------------------------|-----------------|
| Council Office and Youth Work | £186,422        |
| Sports and Gang Warily        | £202,028        |
| Grounds and Maintenance Team  | £190,323        |
| Cleaning/Caretaking           | £ 43,025        |
| Reception Jubilee Hall        | £ 27,806        |
| <b>TOTAL</b>                  | <b>£650,329</b> |

## **7.0 IDENTIFIED RISKS TO WORKFORCE BUDGET**

At the time of preparing this report the following risks have been identified:

### **7.1 Salary Review and Appeals**

Two posts have appealed the grading and the appeals process is ongoing. The budgets have been prepared assuming no changes are to be made

### **7.2 Pay Award 2023 - 2024**

This has been included at 3% however this is a reasoned assessment and could be influenced by the ongoing financial crisis

### **7.3 Restructure**

The process of restructuring will commence when the Appeals Process is complete. The savings might not be realised commencing 1 April 2023 or earlier

### **7.4 Training**

With a large workforce as that of the Council a 15% staff turnover can result in increased costs for training of new staff above that of planned training. It is therefore recommended to include a training budget of £5,000. This budget also covers training for councillors and with the election of a new council in 2023 and the possibility of mandatory training being introduced the training budget is likely to be stretched.

### **7.5 New Forest District Council Reception SLA**

The District Council is currently reviewing its Information Centre provision and could remove the contribution of £11,250 per annum.

## **8 OPPORTUNITIES**

8.1 It is intended to offer a training resource 'hub' for surrounding rural parishes following the elections. This will reduce costs.

8.2 Management and on costs will now be quoted and included in any contracted work undertaken by the Grounds and Maintenance Team

8.3 The additional post in the parish council team will provide more resource to seek external funding for council activities and improvements. This will, in turn, reduce the call on the precept and enable increased activities to be undertaken.

## 9 SUMMARY

The required budget figure for the workforce costs of Fawley Parish Council can be summarised as follows:

| Income      |                    | 2022/2023      | 2023/2024<br>original | 2023/2024<br>restructured |
|-------------|--------------------|----------------|-----------------------|---------------------------|
|             | <i>Cost Centre</i> | <i>£</i>       | <i>£</i>              | <i>£</i>                  |
|             | 13                 | 11,250         | 18,400                | 18,400                    |
|             | <b>TOTAL</b>       | <b>11,250</b>  | <b>18,400</b>         | <b>18,400</b>             |
| Expenditure |                    |                |                       |                           |
|             | 10                 | 14,000         | 5,000                 | 5,000                     |
|             | 13                 | 618,022        | 652,244               | 650,329                   |
|             | <b>TOTAL</b>       | <b>632,022</b> | <b>657,244</b>        | <b>655,329</b>            |

A workforce budget of £652,244 represents a 5.5% uplift in workforce costs

## 10 RECOMMENDATIONS

It is recommended that the committee seeks a Workforce budget allocation of £652,244 for salaries and £5,000 for training

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