

Salary Budget Considerations for the year ending 31 March 2024

Background

This year's pay negotiations have recently concluded with staff over 23 years of age being awarded an additional £1 per hour backdated to April. Staff were paid their hourly increment and back-pay in their November salary. The salary budget for the year ending 31 March 2023 is forecast to overrun over by approx. 5% to 7.5% however that is not solely down to the pay increment. It has been impacted in part by the retention of the Locum Clerk to cover the Responsible Financial Officer's (RFO) maternity cover, to recruit two separate members of staff to fulfil the roles of Clerk and Responsible Financial Officer (RFO) and improvements to prepare the Council for the future.

Going Forward

As part of the budget planning process certain personnel factors should be subject to consideration.

Basic Assurance

As part of this year's pay negotiations, it was agreed that Spinal Column Point (SCP) 1 will no longer exist from 01 April 2023. The hourly rate of pay for SCP1 is £10.53 with SCP2 set at £10.62. The Parish Council's staff aged 23+ are paid above £10.62 per hour and above the Living Wage Foundation threshold of £10.90.

Next Year's Starting Point

This year's pay increase of £1 per hour impacts staff members differently. It is more beneficial to lower paid members of staff. Just to stand still next year, the starting point of the staffing budget (cost centre 101) will need to increase in the region of 7.5%. This rough percentage calculation includes the Locum Clerk or rather the Consultant Clerk as they became known when the new Clerk was recruited. Even though the consultant Clerk is a temporary member of staff when they leave their salary underspend could be used as contingency to cushion the impact of other salary increments specific to the Parish Council's drive to become a good employer. These will be discussed later in this report.

Pay Negotiations Next Year

Next year's pay negotiations are almost impossible to forecast as so much depends on the global economic conditions and whether inflation is harnessed. It may be

prudent to increase the staffing budget by a further 7.5%. This should build-in sufficient flexibility and contingency for a Parish Council that is establishing staffing resilience and with hopefully a view towards being an accredited employer with the Living Wage Foundation.

Becoming a Good Employer

As the Parish Council progresses its plans to become a better employer it has several considerations. The main one being the move to an improved pension provision. This will have a significant impact to the staff budget. A separate agenda item and report and has been prepared in support of this.

Consideration needs to be given to increase the training budget so that the new Clerk and RFO can continue their education as well as provide the means for other staff members to continue their learning and attain or refresh lapsed skills. It is also common for Councils to recognise their Clerk's attainment of CiLCA and any subsequent steps toward the qualification of a BA (Hons) in Community Governance by moving up the SCP scale a spinal column point at each stage. This reflects the joint worth of attaining qualifications. CiLCA is a Level 3 qualification with a BA (Hons) in Community Governance split into 3 levels up to Level 6.

This meeting has earlier considered the merits of moving the Parish Workers to a banding system on NJC pay scales and providing a pathway for the Senior Parish Worker to work toward an increased rate of pay for taking on additional responsibilities which align with their role.

Another consideration is more a matter of principle. Given that SCP 1 is being deleted next year, should staff members automatically roll forward a SCP? This principle is raised because the push from the bottom up, whilst important, is less meaningful for those members of staff that have management responsibilities and/or statutory duties to fulfill and who are further up the SCP scale where the margin of uplift from a fixed pay increment is less beneficial.

As a counterbalance to the comments made to roll staff forward a SCP scale because of the removal of SCP1. This can be readily covered by the aligning of the remaining staff to the NJC Spinal Column Point system and having a salary banding range rather than a solitary pay scale. Regarding the Clerk, RFO and Administrative Assistant roles this has essentially been covered off by earlier efforts when it was proving difficult to recruit the desired calibre of staff to take the Parish Council forward.

Fluctuations

It is challenging to forecast with any certainty when the Parish Council has no control over external factors which are currently driving volatility. The Parish Council wants to push forward to build a resilient team structure that is paid fairly with terms and conditions that reflect a modern Council.

Recommendation

That the Personnel Committee recommend to Council an increase in the total staffing budget to £130,000 which includes provision for a move to the Local Government Pension Scheme.

The budget will be monitored so if the budget proves to be inflated then virements can be made during the year. Should there be a budget overspend at 31 March 2024 then the Personnel Committee should be re-assured that the Parish Council has general reserves which if needed, can be called upon if virements cannot be identified. It should be noted that previous staffing related underspends were directed into general reserves.

The Personnel Committee should be mindful that the Council has for the past several years chosen not to increase the precept element of resident's Council Tax. Given the cost-of-living pressures on individual households it is unlikely at this time that the Council will change tack and vote to increase the precept. However, the Council has other mitigation options, to identify cost savings elsewhere in the budget, to raise fees, to call upon general reserves or the tax base set by Newark and Sherwood District Council may increase.