

Personnel Committee 28th November 2022

Agenda Item 3 – To consider preliminary employee budget for the 2023/24 financial year.

The purpose of this report is to consider the estimated employee costs for the next financial year, including an estimate for the two years beyond, for submission to the Finance and Governance Committee meeting to be held on 14th December 2022 as part of the overall budget approval process.

The budget and forecast for 2022/23, with variance, are summarised in Table 1 below. The projected outturn for the current financial year shows a potential underspend of £51.8k, primarily from underspends in Central Services.

Table 1: 2022/23 budget and projected outturn split by department

	2022/23		
	Budget	Forecast	Variance
	£	£	£
Car Parks	42,720	44,210	1,490
Parks & Operations (incl Beach Cleaner)	535,980	528,735	(7,245)
Beach Gardens	22,550	25,890	3,340
Seafront Advisors	27,890	24,000	(3,890)
Market	2,400	3,210	810
Boat Park	11,190	11,045	(145)
Tourism	173,730	173,410	(320)
Central Services	321,490	275,650	(45,840)
Total	1,137,950	1,086,150	(51,800)

A virement of £22,800 was made from the staffing budget (Parks & Operations) to the Depot hired services budget and as such has reduced the budget figure for this department.

In estimating the employee costs for 2022/23, an assumption of a 2% pay award was made. Following protracted negotiations, a flat rate pay award of £1,925 was made to all employees (pro rata for part-time/seasonal employees). This has resulted in a pay award between 3.2% and 10.4%, which is considerably higher than budget. However, due to difficulties encountered with recruitment and the delay in recruiting to some posts, this increase has been absorbed within the budget provided as a whole. It does however increase the base figure moving into the next financial year, with negotiations yet to begin on the 2023/24 pay award.

A 1.25% increase was also applied for employers NIC contributions in 2022/23. This increase was charged for the period April to October, but was removed in November following a change in government policy and will remain at 13.8% for the purposes of these estimates.

The employer’s pension contribution rate was set at 22% for 2022/23 and Council has been informed that this will also be the employers contribution rate for the next three financial years, 2023/24 to 2025/26, and covers the whole period of these estimates.

During the year, the majority of recommendations put forward by the LGRC in their report to Council have been implemented, with one post in Central Services outstanding, which has resulted in the restructure of departments and the regrading of some posts. There are some outstanding issues regarding the grading of some existing/new posts and will be reviewed in agenda item 5.

In addition to the implementation of the recommendations made by LGRC, the Personnel Committee and Finance & Governance Committee have considered potential changes to the grading system used by the Council during the year and is again due to be further considered in agenda item 6. No provision has been made for any changes that may be forthcoming and this will have a significant impact upon the budget required for 2023/24 onwards.

Budget Overview

A summary of the total staffing budget is set out below and each department will be reviewed individually.

Table 2: Employee budgets, forecast and actual costs

2019/20		2020/21		2021/22		2022/23		2023/24
Budget £	Actual £	Budget £	Actual £	Budget £	Actual £	Estimate £	Forecast £	Estimate £
963,840	936,434	1,002,570	895,905	981,830*	918,710	1,137,950*	1,086,150	1,263,180

*Budget after virement

The pay award increase that has been factored into the budget for the 2023/24 estimates is a flat rate of £770, pre-empting the need to increase the lowest hourly rate over the forthcoming years to meet the low pay commissions living wage figure. This results in a percentage increase between 1.2% and 3.77%. A 2% increase has been allowed for the 2024/25 & 2025/26 financial years.

Following the LGRC report implementation, there has been a stabilisation in the staffing structure following several years of ‘unknowns’ being factored into the staffing budgets, with a few posts still pending appointment. The uplift in costs from 2023/24 to 2024/25 & 2025/26 estimate is incremental/inflationary only.

Departmental Review of Budgets

Central Services

<u>Budget</u> <u>2022/23</u>	<u>Forecast</u> <u>2022/23</u>	<u>Estimate-</u> <u>2023/24</u>	<u>Estimate-</u> <u>2024/25</u>	<u>Estimate-</u> <u>2025/26</u>
£ 321,490	£ 275,650	£ 362,420	£ 370,140	£ 379,330

A budget for 8.6 FTE posts was made for 2022/23. During the course for the year several posts remained vacant, with 1.4 FTE posts currently vacant. During the course of the year, the LGRC recommendations were implemented, resulting in the re-evaluation and regrading of several posts. This did not negatively impact the budget as the additional costs were absorbed from under spends due to the vacancies, with an underspend of £45.8k forecast for the year.

The same number of FTE posts is included in the initial draft estimate above, but potentially the requirement may be increased to 9 FTE posts pending a further internal review following a recent unsuccessful recruitment exercise.

Operations, including Beach Cleaning

<u>Budget</u> <u>2022/23</u>	<u>Forecast</u> <u>2022/23</u>	<u>Estimate-</u> <u>2023/24</u>	<u>Estimate-</u> <u>2024/25</u>	<u>Estimate-</u> <u>2025/26</u>
£ 535,980	£ 528,735	£ 610,760	£ 625,650	£ 631,820

During the current financial year, and following the implementation of the LGRC recommendations, a restructure of the Operations department was implemented.

A longstanding vacancy for a Grounds and Estates Manager was filled and two team leaders were appointed from internal applicants.

The LGRC review also recommended two additional posts, an Assets & Compliance Support Officer and a Projects Support Officer. The former post was appointed in October, with the latter post pending evaluation and consideration under agenda item 5.

One General Operative post has remained vacant during the year, and it is expected that this will not be recruited to, given efficiencies that have been found from purchasing new vehicles and equipment. A budget was also provided for a seasonal waste operative, 0.4 FTE, for the 2022 summer season. The recruitment to this post was difficult and it is requested that this post be removed for 2023/24 onwards.

A virement of £22,680 has been made for the year for interim management support, with this service being invaluable during the restructuring period. It is anticipated that this service will continue, albeit on a lower service provision in 2023/24, with a budget of £8,400 being directly provided for Depot hired services.

This department accounts for 18.65 FTE posts.

Enforcement Officers

<u>Budget</u> <u>2022/23</u>	<u>Forecast</u> <u>2022/23</u>	<u>Estimate-</u> <u>2023/24</u>	<u>Estimate-</u> <u>2024/25</u>	<u>Estimate-</u> <u>2025/26</u>
£ 42,720	£ 44,210	£ 47,250	£ 48,220	£ 49,220

This department has a budget for 1.6 FTE posts and as it has been assumed that this will not change during the course of the period covered by these estimates.

Visitor Services:

The Visitor Services department is the one department where there is a proposed change to the structure for 2023/24. This department is naturally more fluid, being reactive to consumer demands and needs to be more flexible due to the seasonal nature of some of the posts.

	<u>Budget</u> <u>2022/23</u>	<u>Forecast</u> <u>2022/23</u>	<u>Estimate-</u> <u>2023/24</u>	<u>Estimate-</u> <u>2024/25</u>	<u>Estimate-</u> <u>2025/26</u>
TIC	£173,730	£173,410	£184,630	£188,760	£192,670
Beach Gardens	£22,550	£25,890	£26,060	£26,610	£27,170
Seafront Advisors	£41,480	£38,255	£32,060	£32,720	£33,390
Total Visitor Services	£237,760	£237,555	£242,750	£248,090	£253,230

TIC

<u>Budget</u> <u>2022/23</u>	<u>Forecast</u> <u>2022/23</u>	<u>Estimate-</u> <u>2023/24</u>	<u>Estimate-</u> <u>2024/25</u>	<u>Estimate-</u> <u>2025/26</u>
£ 173,730	£ 173,410	£ 184,630	£ 188,760	£ 192,670

There were several changes made to the staffing profile for visitor services for the current year, largely due to a request for reduced hours from an employee. This was accommodated through employing an additional permanent part-time employee (TIC8), averaging 16 hours throughout the year (20 hrs/week summer and 12 hours/week winter). Following an operational review, and giving consideration to the problems encountered in recruiting to seasonal posts, it is requested that the 2 seasonal posts (TIC 6 & 7) are removed, and the hours for TIC 8 post be increased in the summer to 35 hrs/week, averaging 23.5 hrs/week for the year.

It has been put forward by the Visitor Services Manager that a Customer Services Assistant post (to oversee the administration of the Boat Park and Market in the summer plus working at the TIC on Sunday in the winter) with an FTE of 0.67 post be implemented for the next financial year, post TIC 6. This role will be permanent, and it is anticipated that a dedicated post will lead to clearer lines of communication for the service areas. This role will be proactively on site, as well as at the TIC.

The total FTE posts proposed for 2023/24 is 5.9.

Beach Gardens

<u>Budget</u> <u>2022/23</u>	<u>Forecast</u> <u>2022/23</u>	<u>Estimate-</u> <u>2023/24</u>	<u>Estimate-</u> <u>2024/25</u>	<u>Estimate-</u> <u>2025/26</u>
£ 22,550	£ 25,890	£ 26,060	£ 26,610	£ 27,170

The requested hours allocated to these posts remained unchanged for the 2022/23 budget. However, hours exceeded budget, and this combined with a higher than estimated pay award has resulted in an overspend in employee costs.

1,780 hours (incl holiday) for casual employees plus 364 hours or 0.19 FTE for the Beach Gardens Supervisor has been used for the 2023/24 estimate.

Seafront Advisors

<u>Budget</u> <u>2022/23</u>	<u>Forecast</u> <u>2022/23</u>	<u>Estimate-</u> <u>2023/24</u>	<u>Estimate-</u> <u>2024/25</u>	<u>Estimate-</u> <u>2025/26</u>
£ 41,480	£ 38,255	£ 32,060	£ 32,720	£ 33,390

For the 2022 season the Seafront Advisor role covered the Market, Boat Park and beach hut cleaning in addition to the main function of the job. In addition to the Seafront Advisors, a post for a Boat Park attendant was incorporated into this budget. The total hours being 3,552 (incl holiday allocation) for 2022 season. There were several problems encountered with recruitment, with a secondment from a Visitor Services Assistant post being required during the season and a resulting underspend overall.

For 2023/24 it has been requested that the Seafront Advisor posts cover some aspect of the front of house role assumed previously by the seasonal VSA roles. The beach hut cleaning role has been removed with a view to tender for a contractor to carry out this work.

The following hours (incl holiday accrual) are put forward for the 2022 season:

- 1975 hours for seafront advisors (which includes 616 at the TIC)
- 465 hours Boat Park Attendant

The role of Market Attendant will be carried out by the CSA and so has been removed from this role.

Training budget

The following training budget put forward for approval is:

Central Services: £5,000 (£3,400 in 2022/23)

General Operations : £14,700 (£14,000 in 2022/23)

Visitor Services: £2,500 (£2,500 in 2022/23)

Total: £22,200

With 37 FTE employees this is a budget of c. £600 per employee.

Decision required: To recommend to the Finance and Governance Committee on 14th December 2022 the staffing estimates, incorporating any decisions made in the meeting.

In summary:

- Removal of General Operative Post OPS 12
- Removal of Seasonal Waste Operative post OPS21
- Removal of seasonal Visitor Services Assistants (TIC 6 & 7)
- Inclusion of Customer Services Assistant (TIC 6)
- Uplift in hours for TIC 8 (average of 16/week to 23.5 per week)
- Training budget

Martin Ayres – Town Clerk

Alison Spencer – Finance Manager

November 2022