

Agenda Item:	6.2
Report to:	Finance & Human Resources
Date:	Wednesday 27th January 2021
Subject:	Staff Costs Review
Summary:	Background information review for the increase in staff costs over the past six years at Kings Hill Parish Council.
Recommendation	To note report in response to questions about perceived high staff costs.

1. Background

- 1.1 It has been raised at recent meetings and in the local press by Cllr Petty that the staff costs at the parish council are perceived to be too high.
- 1.2 Kings Hill Parish Council is a local authority statutory body and at recent meetings the staff costs ratio has been compared to that of business and commercial entities. The council's community services such as the Community Centre and Sports Park have also been referred to as commercial entities. This is not the case. The parish council is a corporate body local authority conferring under statute. The parish council has legal and statutory obligations that makes it unsuitable to compare the operational costs and staffing requirements to that of a commercial business.
- 1.3 The main concern of some councillors appears to manifest itself in the staffing costs at the Sports Park. The Sports Park is open 8am – 10pm Monday to Saturday and 8am – 8pm on Sundays which requires a labour-intensive staff rota to service customers and to adhere to the health and safety requirements during opening hours. There is not a similar local government run sports venue locally to compare costs in order to evidence the staffing requirements of a local authority sporting facility of this kind to make a comparison.
- 1.4 Notwithstanding this, the parish council has resolved to progress initial proposals for third party management of the Sports Park to tactive which will result in the TUPE transfer of Sports Park staff therefore these costs will be moved to the new employer should the final proposals be accepted.

2. Introduction

- 2.1 This report gives an overview of the changes that have occurred at the parish council since 2015/16 which illustrates the possible reasons for the staff costs increasing over the past six year.
- 2.2 The number of staff increasing is, on the whole, relative to the increase of hire demands and introduction of inhouse services at the Sports Park. By virtue of the increase in the number of staff required to service the council's growing facilities, the staff costs have in turn increased.
- 2.3 Staffing headcount year on year as at March 31st for each financial year is as follows:

2019/20	2018/19	2017/18	2016/17	2015/16
34	37	31	19	19

- 2.4 In 2019, the council raised concern that staff salaries had been created through estimations made by councillors rather than using the National Association of Local Council's salary evaluation scoring scheme. It was thought that staff were being paid incorrectly. The Local Government Association were appointed to review the job roles of the parish council and this resulted in a formal set of salary requirements for each role in line with the national body. This exercise has confirmed that the salary expectations of each role has been assessed lawfully and took effect from 1st April 2020.

3. Documented events affecting staff costs from 2015 onwards.

Financial Year	2019/20	2018/19	2017/18	2016/17	2015/16
Staff Costs	£413,779	£401,001	£310,694	£261,022	£257,377

- 3.1 Below is a summary of events that have had an impact on the staff costs of Kings Hill Parish Council increasing:-

2015/16

- 3.2 The Sports Bar Café was outsourced at this time therefore there were no staff costs in relation to catering. The Sports Park had just begun trading and was open a limited time with a small number of hirers.

2016/17

- 3.3 The Sports Bar café continued outsourced, therefore there were no staff costs in relation to catering. There was a small increase from the previous year due to performance pay rises being applied.

Strategy changed from February 2017

- 3.4 The parish clerk was unlawfully removed from post in February 2017, a new clerk was not appointed until October 2017. During this period a significant saving was made in the staff costs budget as the council employed a part time self-employed locum clerk. These savings can be seen from 2017/18 into 2018/19 compared to 2019/20. During this period an amount of councillor decision-making became the operational culture of the council which led to a number of strategic changes that impacted on the staff costs of the council. The civic office staff hours were increased to cope with the workload.

2017/18

- 3.5 The council decided to move the Sports Bar Café in-house and facility staff were increased to service the increase in teams using the Sports Park. The new clerk discovered that the vast overtime payments for the groundsman had been paid but not authorised by the council during Feb – Oct 2017. A lump sum in staff costs was paid to some staff members under settlement agreement terms following councillor interventions in HR processes.

2018/19

- 3.6 The Sports Park Committee changed the strategy of the catering provision and decided to provide a more upmarket restaurant service in the Sports Bar Café, with Sunday carvery and high-quality breakfasts and burgers. The committee also decided that the café should extend its opening hours, despite no footfall, in an attempt to increase usage. The staffing was increased to facilitate this strategy. Footfall did not increase.
- 3.7 The grass pitches were suffering during the heatwave and despite professional advice that the watering of pitches would not ease the situation the Sports Park Committee decided to employ casual staff over the summer period to water the pitches when the park would normally be closed to the public.
- 3.8 The Sports Park Committee agreed to financially support the Kings Hill FC tournament and Kings Hill music festival by charging a significantly reduced hire fee and staff at no cost to the hirer.
- 3.9 The council decided, at short notice, to provide a community ice rink in December 2018 which resulted in a bank of casual staff being employed for the Christmas period when the Sports Park is normally closed to the public. A budget was not set for this expenditure within the current annual budget projections.

2019/20

3.10 In order to meet the risk management requirements of the council's assets and duty to manage the allotments, the facility manager role was appointed in April 2019. The Assistant Clerk role was filled in July 2019 following a two year vacancy, to support the increase in administration produced by the committees then left in February 2020. The Marketing Assistant left in October 2019.

4. The impact that decisions had which led to significant staff cost increases

4.1 Several strategic decisions were taken by the corporate body between 2016 – 2018 which were not planned in the annual budget. The council did not consider the virement of funds or set budgets to accommodate these mid-year changes. This led to the council's reserves being used to fund the staff costs that resulted in these strategic decisions. Without a business plan to consider the impact on staffing levels the council did not assess the potential risks against reward for the decisions that were taken. The circumstances surrounding the depletion of reserves have been well documented in the independent financial review report of 2020.

4.2 Examples of decisions that impacted staff costs are as follows:

- Maintaining a contractual agreement with Ebbsfleet United FC without allocating an expenditure budget to provide catering and staffing requirements to service the contract nor managing the impacts on the expenditure of the council.
- Moving from a fixed price grounds maintenance contract to employing an in-house grounds team mid-year when budgets had already been set significantly lower than the costs of employing in-house.
- Appointing ex parish councillor Kim Tanner as a self-employed consultant to run events at the Community Centre without adjusting expenditure budgets or setting budgets for the costs to be managed against or utilising existing staff.
- The expanding of roles and responsibilities of staff without consideration of the impact on job descriptions led to an increase in salary scales in the job evaluation.
- The Sports Park Committee insisting that the Sports Park Manager work weekends when the facility was being covered by lower grade staff to keep costs low.
- Transferring the management of the Sports Bar Café back to the parish council and employing the required management and staff to service this without setting an expenditure budget to do so.
- Paying settlements to staff outside of the staff costs budget to prevent future legal challenges to the council.
- Employing additional catering staff in order to reduce queuing times in response to complaints passed to councillors from Kings Hill Football Club.

- Employing additional catering staff to serve high quality food and beverage (Sunday Carvery)
- Offering to staff free of charge to externally organised Sports Park events.

5. Future Staff Costs

- 5.1 Should the council finalise the proposals of tactive to handover the management of the Sports Park the staff costs saving for the council per year could be approximately £180,000.
- 5.2 Should this be the case the staff costs of the council could potentially reduce to £233,000 which is less that the costs reported in 2015/16.
- 5.3 It is to be noted that without the Sports Park the parish council would be running on a n estimated headcount of 14:
- 5.4 1 x Clerk, 1 x Deputy Clerk, 1 x Facilities Manager, 1 x Community Centre Manager, 1 x Bookings Clerk/Financial officer, 1 x Saturday supervisor, 2 x caretakers and 1 x cleaner and 5 x casual bar staff)
- 5.5 This set up is consistent with local parish councils with similar committee structures and community centre responsibilities.

Decision Required

To note historic information concerning staff cost increases of Kings Hill Parish Council.

Contact Officer: Julie Miller, Clerk

Date: 19th January 2021