

**To receive a report on the level of staff contingency and consider any actions and associated expenditure**

**Report to:** Personnel Committee

**Date of Report:** 27 May 2025

**Officer Writing the Report:** Finance Officer

**Officers Recommendations**

To note the estimated current level of contingency for 2025/26 is 9.2% compared to the approved Precept Budget level of 10%. This is due to, funds needed to cover temporary agency cost for the Administration Officer post.

It is recommended that the Finance Officer conducts a under mid-year review to assess usage and adjust if necessary.

Members are advised to consider the level of staffing contingency for Precept Budgeting for 2026/27 in line with the recommended levels – refer to the report summary for further information.

**Report Summary**

A staffing contingency budget is a critical component of prudent workforce planning. It enables the Council to:

- Cover unexpected absences (e.g. sickness, parental leave)
- Fund interim or temporary staffing needs
- Respond to emergency staffing requirements
- Support unforeseen changes in service delivery
- Manage recruitment delays or unanticipated leavers
- Address pay settlements, inflation adjustments, or policy changes

There is a table below providing detailed information of the Personnel Staffing Contingency budgets.

After estimated costs have been deducted and a recommended virement relating to Agenda Item 27, the **total budget available to spend for 2025/26 is £89,425** equating to **9.2% of the 2025/26 Budgeted Staffing cost** which is **slightly lower than the 10% set at Precept Budget Planning for 2025/26**.

| Budget Code Description                              | Balance at 27/05/25 | * Less Estimated Future Costs | ** Add Virement of Staffing Cost due to Vacancy | Budget Left to Spend | 2025/26 Budgeted Staffing Costs | % of Staffing Cost |
|--|---------------------|-------------------------------|---|----------------------|---------------------------------|--------------------|
| 6694 ST PF EMF Staff Contingency (P&F)               | 27,488              | 15,447                        | 19,977  | 32,018               | 461,874                         | 6.9%               |
| 6698 ST LI EMF Staff Contingency (Library)           | 17,553              | -                             | -   | 17,553               | 165,056                         | 10.6%              |
| 6700 ST SE EMF Staff Contingency (Services Delivery) | 39,854              | -                             | -   | 39,854               | 344,379                         | 11.6%              |
| <b>TOTALS</b>  | <b>84,895</b>       | <b>15,447</b>                 | <b>19,977</b>                                   | <b>89,425</b>        | <b>971,309</b>                  | <b>9.2%</b>        |

\* Estimated future costs for Temporary Administration Officer, based on 11 weeks for the period week commencing 26 May 2025 to 25 August 2025 (this figure may reduce for any time not worked e.g. holidays taken)

\*\* Virement recommended reference Agenda Item 27

## Risks and Considerations

- **Over-Estimation Risk:** Funds may remain unspent if fewer issues arise; however, as this is an EMF pot the balance will be retained at year-end.
- **Under-Estimation Risk:** An inadequate contingency could force service reductions or emergency reallocations from other budgets.
- **Mitigation Strategies:** Quarterly monitoring and real-time tracking of staffing pressures to adjust response plans.

For **local town and parish councils in the UK**, there is **no formal statutory percentage** set for staffing contingency budgets. However, **best practice recommendations** from sector bodies such as **NALC (National Association of Local Councils)**, **SLCC (Society of Local Council Clerks)**, and financial auditors suggest:

**“Recommended Contingency Range: 3% to 5% of the total staffing budget** is generally considered prudent for local (town and parish) councils.”

### **Why This Range?**

- **3%** is seen as a reasonable **minimum**, covering standard short-term absences and minor unexpected staffing costs.
- **5%** provides more flexibility for councils with:
  - Higher staff turnover
  - Ongoing projects or new services
  - Recruitment challenges
  - Long-term absence risks (e.g. maternity, illness)
  - Dependence on interim or agency staff

Also to note the 2025/26 NJC pay award is unknown which could have an impact on the Staffing Contingency budgets.

### **Signature of Officer:**

Finance Officer