COUNCIL CABINET
6 JULY 2010

DERBY CITY COUNCIL

Report of the Strategic Director of Resources

REVENUE BUDGET - ESTABLISHMENT AND VACANCY CONTROL

RECOMMENDATIONS

1.1 To recommend Council to…

1.1.1 Agree that with immediate effect we implement a vacancy freeze on all external recruitment below tier 3 with the exception of a small number of posts which will form an Exemption List.

1.1.2 Agree that the new Establishment and Vacancy Control Process outlined in Appendix B is implemented with immediate effect.

1.1.3 Agree that a full review of the 800 vacancies currently listed on the Vision System should be completed as soon as possible.

1.1.4 Agree that this new process is included in the Savings and Realisation Policy.

REASONS FOR RECOMMENDATION

2.1 The 'one Derby, one council' transformation programme has already identified a need to make annual savings of £12.7m by 2012/13. In addition, the Coalition Government has withdrawn £2.1m revenue grants in 2010/11 as well as further significant cuts in other external funding in 2010/11 plus very significant additional pressures on our budgets from 2011/12 as announced in the 'emergency' budget on 22 June 2010. The implications for the Council from cuts identified in the emergency budget will be included in The Budget Strategy Report scheduled for Council Cabinet on 27 July 2010. In the meantime, there is an urgent need to revisit the Vacancy Control Process to ensure that we use the opportunities that new vacancies bring to address some of the budget pressures we are facing.

SUPPORTING INFORMATION

Vacancy Control Process

3.1 Since the introduction of the Vacancy Control Process in March this year, the Transformation Team has received 200 posts for approval. Nearly all of these posts have been approved although around 75% have only been approved on a fixed-term contract basis.

3.2   It is proposed that with immediate effect we implement a vacancy freeze on all external recruitment below tier 3 (with the exception of a small number of posts which will form an Exemption List). This will enable posts to be filled by internal candidates but will ensure that we are not expanding our workforce during this time of austerity. The Vacancy Control Process will determine whether posts should be filled or not filled, or whether they should be frozen or deleted.

3.3   A revised Establishment and Vacancy Control Process (referred to in the rest of this report as the Vacancy Control Process) outlined in Appendix B will be adopted for all vacancies. A Flowchart outlining the process is included at Appendix C.

3.4   It should be noted that this revised process starts from when a vacancy occurs and not from when a Manager decides whether or not the vacancy needs to be filled i.e. the new process covers all posts including those to be deleted, requests to fill the post either through internal recruitment, external recruitment (for posts on the approved Exemption List) or filled by agency staff.

3.5   It is acknowledged that there will be some posts e.g. Social Workers where an internal recruitment process is unlikely to be successful. It is therefore proposed that a small Exemption List – which has been approved by Chief Officer Group – is used. The approved Exemption List is attached at Appendix D.

3.6   Where a decision is taken to delete a post and remove the budget, the saving will be recorded as a contribution to the 'one Derby, one council' savings targets- see paragraphs 3.10 – 3.16 below.

3.7   The criteria being used to determine whether or not to fill or delete a post should be used when making changes to structures through Delegated Functions Reports.

3.8   It is also proposed that this new Vacancy Control System will also be used for the appointment of any Agency Workers and Consultants. The Council's annual spend on agency workers has increased to £3million and there is a need to ensure that this does not increase any further.

Vacancy Budget Review

3.9   Based on information available within the Vision system, there are currently around 800 vacant posts. To prevent the budget held for vacant posts being used for other purposes, a review is required of all existing vacancies to decide if each vacancy should remain or be deleted. The general principle to be applied, for both a review of existing vacancies and the control process for new vacancies going forward, is that where vacancies are deleted the budget should be removed to prevent it being spent. The permanent budget saving will be taken as a 'one Derby, one council' budget saving in 2010/11, but only after the directorate has delivered against its 2010/11 'turnover' savings target provision. More detail on how the budget removal process will work is included in the Vacancy Control Process at Appendix B.

3.10   No transfers will be allowed from salary budgets to non salary budgets. This means that salary budgets will no longer be available to fund non pay budget pressures within services. The exception to this would be where services are outsourced.

3.11   The process will also apply to posts funded from the HRA, Schools Budget, Trading Services and external funding, All other savings will be taken as General Fund savings. The treatment in each case will be as follows…

- In relation to HRA and Schools budget posts, the saving will remain within the ringfenced services.
- Any saving on specific grant funded posts will deliver a saving against the grant to reinvest in the service area the grant supports to deliver the required outcomes of the funding stream.
- Trading Services savings will contribute to the delivery of the budgeted surplus to the General Fund.

3.13   Where a vacant post is deleted as part of a planned budget saving, already included in the approved 2010/11 to 2012/13 revenue budget, the budget saving will in these circumstances remain within the Directorate to realise the budgeted saving.

3.14   A turnover provision has been applied to all salaries budgets resulting in the amount held in the budget being less than the actual cost of the full establishment. The percentage applied differs from one directorate to another, the average being 5%. Directorates will often hold posts vacant to help meet the budgeted turnover provision. A review will take place by Heads of Finance during July to determine the budgeted provision for each Directorate and the current shortfall in 2010/11. It is proposed that the first call on the in-year budget savings in 2010/11 from the deletion of posts will be to meet the shortfall in the turnover provision, and then all further savings will be taken as 'one Derby, one council' savings. However, the full budget saving in the base from 2011/12 will be removed as a 'one Derby, one council' saving.

3.15   There may be cases where a post is currently being held vacant against plans for a restructure of a service area for 4th tier and below, where a 4th tier growth bid was not submitted on the basis that the budget for the vacant post would be available to the service. In these instances, the vacancy control process will apply and a business case will need to be made for the new structure/new post and the use of the budget from a vacant post. Only where a new post/structure is approved through the establishment control process requiring the budget from a vacant post, as part of the funding package, will the budget remain with the service. If a post is currently being held vacant on this basis, but the restructure has not yet been completed, the budget should be removed but held as a directorate pay budget saving pending the finalisation of structures by the October 2010 deadline. At that point any budget saving not taken to fund an approved structure/new post will be removed and taken as a 'one Derby, one council' saving.

3.16   To continue to monitor and review vacancies and posts in the future it is essential that the Vision system is kept up to date. The revised Vacancy Control Process will be used on an on-going basis to identify any further posts for deletion as well as to help to keep records up-to-date.

For more information contact:	Gordon Stirling Tel: 25 8457 gordon.stirling@derby.gov.uk
Background papers:	None
List of appendices:	Appendix A - Implications
	Appendix B – Revised Vacancy Control Process
	Appendix C - Vacancy Control Process – Flowchart
	Appendix D – Draft Exemption List

IMPLICATIONS

Financial

1.1   As outlined in paragraph 2.1, there is an urgent need for the Council to revisit the Vacancy Control Process to ensure that we use the opportunities that new vacancies bring to address some of the budget pressures we are facing.

Legal

2.1   Where there is a statutory requirement to provide a service, this will be taken into account when reviewing vacancies to ensure that the Council's legal obligations are being met.

Personnel

3.1   As outlined within the report.

Equalities impact

4.1   All posts will be subject to the new Vacancy Control Process.

Corporate objectives and priorities for change

5.1   The proposed new Vacancy Control Process contributes to the Council's priority of Council Organisational Development.

Revised Vacancy Control Process

This process replaces the Vacancy Control Process introduced in March 2010.

ALL Council vacancies (including secondments) must follow this process including those on the Exemption List, Maternity Cover and those to be filled by Agency Staff.

The process will be in two Stages...

STAGE 1

1. A manager wishing to fill a vacant post will have to gain approval to do so by completing a Vacancy Control Form (see attached) and submitting it to their Directorate Management Team (DMT). This is the only form that can be used. Each DMT has a 'departmental contact' that managers should go through. These departmental contacts are:

   - Sue Faulds, Chief Executive's Office
   - Linda Eaton, Children and Young People
   - Wendy Bird, Adults, Health and Housing
   - Yvette Woods, Neighbourhoods
   - Claire Sherwin, Resources

2. DMT will review the post against the following considerations to determine if the post should be filled or not...

   - Is there a real need to fill the post or is it possible with some re-engineering of the service to leave the post unfilled?
   - What Transformation Programme Release Stage is the service where the post exists?
   - Confirmation that there is an existing permanent budget to fill the post. Availability of external funding will not mean that there is an automatic entitlement to fill the post.
   - If the budget is time limited e.g. external funding, is the post time limited and what is the exit strategy?

3. A Vacancy Control form must be completed for all posts – even those which are being proposed for deletion. These should be signed-off at the DMT and forwarded to the Transformation Team in the same way a request for approval to recruit. A separate Delegated Functions Report will not be needed to delete the post.

4. Vacancy Control Forms must be signed by the Strategic Director / Chief Executive before these are passed to the Transformation Team.

STAGE 2

5. The Transformation Team will review all Vacancy Control Forms including those where DMT has decided that the post should not be filled.

6. The Director of Policy, Performance and Communication will be responsible for reviewing the forms and will make the following judgement...

   - Fill it (Internal recruitment only for all posts below Tier 3) where the expectation will be for a permanent vacant post to be created further down the hierarchy.

     - The post is released for filling – redeployees or those at risk are considered first as usual.

     - Released for filling on a temporary basis.

   - Don't fill it, delete the post and take the budget as a corporate saving.

7. The Transformation Team will communicate the outcome of their review by e-mail to the departmental contact, Corporate Finance and HR within three days of referral.

   Posts approved for filling...

8. If the recommendation is to fill the vacancy the manager will then have to complete a Vacancy Notification Form and submit this, along with the usual required documentation to the Recruitment Team in the ESC.

   Posts submitted for deletion or not supported by the Transformation Team...

   Budget Removal

9. For posts submitted by DMTs for deletion or rejected by the Transformation Team, the Vacancy Control Form will be sent to the 'one Derby, one council' Accountant. They will be responsible for removing the budget provision for the post from the Departmental Budget in conjunction with the service Head of Finance.

10. Once the budget has been removed from the service budget the Head of Corporate Finance will sign off the form. The completed form will be sent to the ESC to enable the post to be deleted from the system and to the Transformation Team.

Appeals

11. If the Transformation Team do not approve a post for filling, there is a right of appeal.

12. If the recommendation is not to fill the post, the recruiting manager will either accept the decision or, with the support of his/her Strategic Director, enter an appeal against the deletion or the holding of a post.

13. The Director of Policy, Performance and Communication will notify Chief Officer Group of all posts rejected. If his decision is upheld by COG, he will advise the nominated union representative of all recommendations not to fill a post. The unions will also be able to enter appeals against these recommendations.

14. If there is an appeal against recommendation from the Transformation Team the Transformation Team will provide a written statement as to the reason for the outcome. The party appealing the decision, the manager or the Union, will be responsible for providing a written statement explaining the reasons for the appeal.

15. A panel comprising one Strategic Director, one Cabinet Member, one representative from HR and one Trade Union representative will be convened to consider appeals. Each will have one vote. The panel will review the written statements of appeal and decide whether the appeal will be upheld or not.

16. The panel will be convened as required.

17. The outcome of the panel will be communicated in writing to the recruiting manager, Trade Union rep, Transformation Team and Recruitment Team.

New Posts

18. For an ongoing period the Transformation Team will be an additional signatory on Delegated Functions Reports that are seeking to establish new posts or changes in grades or title to existing posts. This is to avoid a manager writing a delegated functions report only to have the post held or deleted at a later stage.

Establishment and Vacancy Control Form

To be completed for ALL vacant posts (including those proposed for deletion) and filling by Agency Staff

Title of Post	Grade	Directorate, Department and Division
Recruiting Manager (Name and Post Title)		HoS name and signature (if not the Recruiting manager)

Proposal *(if the proposal is to delete the post only complete this box including details of the budget linked to the post)*

Will the post be filled by an Agency Worker?   **Yes / No**

Is there an existing budget to fill this post? If yes, give details of the cost centre. If no, describe how the vacancy will be funded.

Permanent £   Cost Centre:

Temporary £   Cost Centre:

Is there a savings targets built into the 2010/11 – 2012/13 budget relating to this post or could not filling this post contribute to achieving departmental or divisional savings targets?

Describe how you justify filling the post. For example, what are the needs of the service? Can the work be subsumed with some minor re-engineering? How will statutory obligations be affected?

Notes

The Recruiting Manager must submit this form to Directorate Management Team (DMT) 3 working days before a DMT meeting. You will be advised of the DMT decision.

If the DMT approves the above proposal, the filling of this vacant post is still subject to the approval of the Transformation Team. The Transformation Team will consider a post for deletion if:

1. The post is within the 'one Derby, one council' remit and the target for post reduction has not yet been met.

2. There is a budget for the post and therefore can contribute to a saving, realised or otherwise, to the 'one Derby, one council' programme.

3. Consideration has been given to any wider process engineering and structural review that may be required. If these are necessary, then consideration will be given to filling the post on a temporary basis.

Date vacancy considered by DMT		
Decision of DMT	**Accept**	**Reject**
Signature of Strategic Director		
Date passed to Transformation Team		
Decision of Transformation Team		
Transformation Team Reference No.		

For Deleted Posts...

Details of budget removed from service budget		
Signature of 'one Derby, one council' Accountant to confirm budget transfer has been completed.	**Signature**	**Date**
Signature of Corporate Head of Finance to confirm savings have been received corporately.	**Signature**	**Date**

Completed Form to be sent to ESC and Transformation Team.

Flow diagram for Corporate Vacancy Control: Recruitment

STAGE 1

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┌─────────────────────────────────────────────┐
│              Vacancy Arises                  │
└─────────────────────────────────────────────┘
                     │
                     ▼
┌─────────────────────────────────────────────┐
│  Manager completes a Vacancy Control Form    │
│  (VCF) seeking either to fill the Vacancy    │
│  or to delete the post.                      │
└─────────────────────────────────────────────┘
                     │
                     ▼
┌─────────────────────────────────────────────┐
│       Is the Post on the Exception List?     │
└─────────────────────────────────────────────┘
```

Yes   No

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┌──────────────────────────────┐      ┌──────────────────────┐
│ The Manager can request that  │      │ The Manager can      │
│ the Vacancy is advertised     │      │ only request that    │
│ externally.                   │      │ the post is          │
└──────────────────────────────┘      │ advertised           │
                                        │ internally.          │
                                        └──────────────────────┘
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┌─────────────────────────────────────────────────────────────┐
│  DMT review the VCF and decides whether the posts should be  │
│  filled or deleted.  ALL forms must then be submitted to the │
│  Transformation Team signed by the Chief Executive or        │
│  Strategic Director                                          │
└─────────────────────────────────────────────────────────────┘
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STAGE 2

Transformation Team will review all Vacancy Control Forms including those where DMT has decided the post should not be filled.

↓

Is it proposed that the Post should be filled?

Yes ← → **No**

Post is reviewed by the Director of Policy, Performance and Communication. Post is recommended for deletion.

→ Manager contacted and advised of the outcome. Manager completes VNF and submits to ESC.

↓

Chief Officer Group notified of rejected posts.

↓

Manager and TU contact are advised of the outcome.

↓

Manager or Trade Unions decide to appeal the decision to delete.

No →

Yes ↓

Transformation Team & Manager or TU provide a written statement.

↓

Appeal panel meets to review the written statements and determine the outcome.

↓

Outcome is communicated to Transformation team, Recruitment team, manager & TU.

Post is deleted using a DFR to be completed by the Manager

Post is reviewed by the Transformation Team to determine where the savings from the post should be allocated against the Transformation Programme savings.

↓

VCF sent to ODOC Accountant for action.

↓

Once budget has been removed from the Service Area, ODOC Accountant to sign form and send to Corporate Finance

↓

Corporate Finance sign the form to confirm that the budget has been returned as a ODOC savings contingency.

↓

Completed Form sent to ESC to enable the post to be deleted and the Transformation Team.

Exemption List

School Crossing Patrols

Low Incidents Specialist Teachers

Residential staff in homes

Approved Mental Health Practitioners (ASWs)

Care Link operators

Child care posts based in Locality Services

Children's residential care posts

Family support posts in Disabled Children's Services

Children in care frontline caseworker posts

Special Educational Needs Assessment Team (excluding admin posts)

Day Service Workers (Adults)

Social Workers / Care Managers (Adults)

Refuse collectors and drivers

Lifeguards at swimming pools

Caretaking, cleaning and catering (schools)

Educational Psychologists