

For publication

Approvals for establishing new posts within existing budgets (BT070)

Meeting: Joint Cabinet and Employment and General
Committee

Date: 23rd October 2018

Cabinet portfolio: Business Transformation

Report by: Executive Director

For publication

1.0 Purpose of report

1.1 This report is to inform the committee of a revised process for exercising current delegated powers in order to ensure that the council's staffing establishment remains responsive to opportunities and challenges.

2.0 Recommendations

2.1 That the committee note and endorse the processes being put in place in order to support the Cabinet Member for Business Transformation's existing delegation for the creation of new posts.

3.0 Report details

Background

- 3.1 Since December 2015, vacancy control measures have been in place through an officer panel made up of an Executive Director, HR Manager and Chief Accountant/Director of Finance and Resources. The panel has made decisions regarding all arising vacancies in line with policy set by Cabinet. The panel meets on a fortnightly basis.
- 3.2 The process has been effective in providing controls through a single, consistent, centralised decision making point. It provides clear sight for finance with regard to staffing costs and a check on the affordability of filling vacancies. It allows for a check that the council's HR policies and procedures are being applied and for new policies to be put into place. A good example of the latter is where the panel examines whether posts are suitable for an apprenticeship in light of the recent national apprenticeship reforms.
- 3.3 Whilst the process instils important controls, it can also act as a barrier to services being responsive and agile. In particular, where services have opportunities to act in a more commercial manner, it is important that those opportunities are not unreasonably curtailed by organisational processes.

Current position

- 3.4 At present, where service areas identify opportunities to increase income, for example through increasing the number of customers and their spend, offering new services or winning new contracts, there will often be a requirement for additional staff in order to respond to the extra demand. At present, the practice is for all requests to increase the staffing establishment to come through to either the Employment and General Committee and/or Cabinet for approval. This is usually the case regardless of whether those approvals

include an associated request for a growth in the operating budget of the service in question.

3.5 Whilst it is right that any approvals requiring a net increase to budgets should come through this route given the need to maintain proper financial controls and discipline, there have been a number of instances recently of requests for staffing changes that have not required an overall budget increase.

3.6 This type of request can include:

- Cases where a manager does not wish to fill an existing vacancy but wishes instead to establish an alternative type of role at the same or less cost that better suits the service needs
- Cases where there is an opportunity to respond to market demand and generate additional income, which would more than offset the proposed increase in staffing costs
- Cases where the council is bidding for external works but in order to fulfil the arising contract, which would deliver net income, needs to increase levels of staffing.

Proposal

3.7 For such cases, where there is no net increase in operating budgets, it is proposed that a simpler route is used in order to allow managers to respond to opportunities with greater agility and to save the time associated with unnecessary additional processes.

3.8 Part 3 of the current constitution allows for the Cabinet Member for Business Transformation 'to approve the creation of new posts needed for specific purposes' (BT080). The constitution does not define specific purposes here, though it does note that the power relates to the creation of posts, not the appointment to posts (for which separate powers exist).

3.9 Following discussion with the Cabinet Member for Business Transformation and the chairs of Cabinet and the Employment and General Committee, this delegation will now be used to provide a more streamlined route for proposals from officers for new posts subject to certain circumstances, namely:

- That the creation of new posts does not lead to a net increase in the budget required for a service. Decisions that include a financial growth request would continue to be made through the appropriate route (typically Cabinet or Full Council).
- That the creation of new posts is not part of a wider review or restructure of a service. Again, proposals of that type would continue to come through the appropriate route (including to Employment and General Committee, in line with EC140 of the constitution).
- That the creation of new posts does not include changes made to terms and conditions, these being the remit of the Employment and General Committee.
- That all proposals for the creation of new posts within this delegation are first considered by the Vacancy Control Panel. This would ensure that full financial and HR controls and checks are in place, prior to making a recommendation for approval to the Cabinet Member for Business Transformation. Given that officers are already required to submit a form for the consideration of the panel, it is proposed that the Cabinet Member would take the decision on the basis of a standard cover report with the Vacancy Control Panel request included as an appendix.
- That proposals considered at the Vacancy Control Panel are also able to demonstrate that the relevant manager has support from the appropriate Cabinet Member responsible for the service in question and

that the recognised trade unions have been involved, including through any job grading process if required.

- 3.10 Where the Vacancy Control Panel requires further evidence in order to make a recommendation to the Cabinet Member, then it will do so in order to ensure that the approval of a new post does not lead to unexpected consequences, including financial and reputational risk. In cases where there is new business being undertaken to generate income, either through seeking to attract new customers or win new contracts, then officers will need to ensure that the business case has been considered at a Finance and Performance Board meeting including the relevant Cabinet Member for the service in question, in order to ensure that proper consideration has been given to the proposals and in particular to financial risk. This will then allow the Vacancy Control Panel to make a more informed recommendation to the Cabinet Member for Business Transformation to establish the post(s) required to generate that income.
- 3.11 Notwithstanding the importance of the above controls, the process should ensure that where there is a strong case for the creation of a new post(s) within existing net budgets, then officers are able to move quickly in order to put in place the necessary staffing and pursue opportunities.

4.0 **Financial considerations**

- 4.1 As outlined above, the approach for establishing new posts by way of this existing delegation would not be used for those cases where a net increase to budgets would be required. Posts will either need to generate overall savings (e.g. from the deletion of other vacancies in the service) or show they can generate net additional income. In the case of the latter, there will as a minimum be a full consideration of the case at the Vacancy Control Panel which includes the Director of Finance and Resources. For more complex proposals and/or where

there may be significant risks, then a case would be referred to the Finance and Performance Board for consideration.

5.0 **Human resources considerations**

5.1 Consideration at the Vacancy Control Panel will ensure that the HR manager is aware of and able to scrutinise all proposals. It will also ensure that any posts created are done so within existing HR policies and procedures.

6.0 **Governance considerations**

6.1 The approach described here operates within the existing constitution and does not seek to change any existing delegations nor circumvent any.

7.0 **Equality and diversity considerations**

7.1 There are not considered to be any particular implications arising from these changes, since all approvals will still be subject to the normal considerations of equality and diversity.

8.0 **Alternative options and reasons for rejection**

8.1 One alternative is to continue to bring all cases through to Joint Cabinet Employment and General Committee for consideration, in line with current practice. This has not been recommended given that it can incur significant additional time for officers involved and reduces the ability of managers to respond to external opportunities, in particular to generate additional income.

8.2 Another option considered was to request a constitutional change by way of a delegation to officers, for example member(s) of the existing Vacancy Control Panel. This is not recommended, since it would involve constitutional change and would also leave officer decisions unchecked. It is deemed

preferable for officers, through the existing and well-functioning panel, to come to clear recommendation which can inform a Cabinet Member decision within a relatively quick and streamlined process.

9.0 **Recommendations**

9.1 That the committee note and endorse the processes being put in place in order to support the Cabinet Member for Business Transformation's existing delegation for the creation of new posts.

10.0 **Reasons for recommendations**

10.1 In order to inform the committee of changes being put in place to ensure more effective decision making.

Decision information

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| Key decision number | <i>Non-key 102</i> |
| Wards affected | All |
| Links to Council Plan priorities | To provide value for money services. |

Document information

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| Report author | Contact number/email |
| Michael Rich | michael.rich@chesterfield.gov.uk |
| Background documents These are unpublished works which have been relied on to a material extent when the report was prepared. | |
| <i>This must be made available to the public for up to 4 years.</i> | |