Committee: Financial monitoring scrutiny task group

Date: 1ˢᵗ July 2015

Wards: All

Subject: Update on Current Staffing Position

Lead officer: Marissa Bartlett – Head of Joint HR Transactional Services

Lead member: Councillor Mark Allison

Contact officer: Marissa Bartlett ext 4145

Recommendations:

A. To note the content of the Report.

1	**PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

1.1.   There has been an extensive technical staffing establishment exercise where all the Authority's substantive posts and positions were aligned with approved budgetary provision in order to be able to produce a comprehensive vacancy analysis. Prepared as at 1ˢᵗ June 2015, the draft establishment analysis provides Members with a breakdown of the numbers of posts and positions that are permanently established, along with those that are covered by interims and those that are vacant. Appendix A refers.

1.2.   The analysis also indicates numbers of agency workers that have been engaged to cover some of the substantive unfilled positions, pending decisions being made regarding permanent recruitment, reorganisation or position deletion.

1.3.   Due to the complexity and engagement of various stakeholders in the process (service managers; Finance and HR Business Partners), the technical establishment exercise has taken eight months of dedicated focus and additional resources to achieve.

1.4.   The organisation is nearly in a position to have a fully accounted and funded baseline position agreed between HR, service managers and finance. Once formally agreed, this will be the basis from which any subsequent staffing structural changes can be approved, amended and monitored. Such a detailed and meticulous exercise is unique amongst medium-sized/larger local authorities. Merton has pioneered such an approach.

2	**DETAILS**

2.1.   For the purposes of the analysis, the term 'vacancy' is defined as those positions which are 'established', in other words which are fully budgeted in the Authority's staffing structure, but are unfilled by any permanent job-holder.

2.2.   Some vacancies may be 'covered' by temporary workers such as those agency staff engaged via Comensura, the Authority's master supplier, or interim consultants engaged for fixed term, specific pieces of work which

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cannot be provided in-house due to the lack of available expertise. These consultants are generally sourced via Comensura as 'on contract' workers or via the Local Government Recruitment Partnership (LGRP).

2.3.   Some vacancies may exist pending a reorganisation. Likewise, this may take the form of a reconsideration of resourcing opportunities such as when a position becomes 'empty' following the resignation of the permanent member of staff and the line manager considers how best to deploy the budget and hours available to assure ongoing service delivery. Currently, managers are taking this transitional approach given the ambitious budgetary targets for the foreseeable future. As vacancies occur via 'natural wastage', managers are exploring how best to resource their services and delaying like for like recruitment, or using them temporarily to offset budgetary pressures elsewhere in their service areas. To maintain service resourcing requirements, managers are using temporary arrangements as they reflect future service needs and determine how best to continue to resource their service area.

2.4.   The detailed and time-consuming technical establishment exercise started in June 2014 and in nearing completion. Each post in each service area across the organisation was analysed in terms of its budgetary status and a meticulous data cleansing exercise ensued. It is the 'post' which defines the budgetary allocation and the 'position' that defines the job roles to which employees are assigned. Once completed, the service manager, Finance and HR 'signed off' the technical establishment process for each service area to ensure the new baseline blueprint of the organisational staffing structure was as accurate as it could possibly be. Such a forensic exercise is unique amongst local authorities, given its resource-intense nature.

2.5.   Any changes to the Authority's staffing establishment for up to four posts is undertaken by service managers using a specially designed eform. Changes to the staffing structures held in iTrent as the core integrated HR/Payroll system for the Authority are then made by the iTrent Client Team, subject to Chief Officer approvals. Changes to more than four posts are made via the completion of a reorganisation spreadsheet and the service manager works closely with an iTrent Client Officer to ensure changes to multiple posts are made correctly and accurately, with the establishment baseline position being amended and updated accordingly.

2.6.   The draft vacancy analysis attached is time-determined ie. shown as at 1st June 2015. There continues to be staffing movement across the organisation on a regular basis, given the volatile nature of the local government landscape at present. Therefore, the vacancy analysis will shift on a month by month basis. Nonetheless, having an accurate baseline position will ensure that accounting for any changes and vacancies occurring will be easy to monitor and determine.

2.7.   To ensure there is ongoing overview and scrutiny of the baseline staffing establishment for Merton, Merton Improvement Board seek regular vacancy updates. On a monthly basis, a scheduled vacancy analysis is circulated to service managers, Corporate Business Partners and Finance colleagues to validate accuracy and to maintain the 'due diligence' to assure vacancy control.

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2.8.   Furthermore, the Authority's workforce composition – permanent and temporary, is under ongoing review. Temporary workers earning £30 + per hour are recorded and 'challenged' by HR on a monthly basis with full visibility at Chief Officer level to determine the business justification of their continuation.

2.9.   The Authority is rapidly transforming and reorganising. In the short term, to mitigate against expensive employment termination costs, when natural (voluntary) staff turnover occurs, service managers are looking at fixed term temporary arrangements rather than progressing permanent resourcing. This is characteristic of the current situation, temporary rather than permanent staffing, unless quality service delivery would be otherwise compromised.

3   ALTERNATIVE OPTIONS

3.1.   Without accurate establishment data, the Authority cannot appropriately plan for the future service or workforce needs. There is also a need to be able to report on the impacts of the nature of unfilled substantive posts, the adoption of the technical establishment exercise provided the most accurate and effective methodology.

4   CONSULTATION UNDERTAKEN OR PROPOSED

4.1.   CMT and the Merton Improvement Board were provided with monthly progress updates regarding the completion of the technical establishment exercise.

4.2.   Service managers and the Merton Improvement Board have received monthly vacancy updates since the technical establishment exercise was 'signed off' across the organisational service areas to assure ongoing data accuracy. This monthly updating will continue as a scheduled activity.

5   TIMETABLE

5.1.   As explained, regular monthly establishment reports and vacancy updates are circulated to service managers for ongoing monitoring and management. This will ensure that a contemporaneous record of changes and any resulting vacancies is held for appropriate action.

6   FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1.   Additional resources of £65,000 were allocated from the Outstanding Programme Board Reserve to HR to address the issue of an inaccurate establishment, which arose from the need for the three borough partnership to go live with iTrent, and a decision was taken not to load vacancies on the new system to assist with meeting the go live date.

6.2.   Employees account for 25% of the gross General Fund spend in the authority. Having an accurate establishment helps managers plan their service and financial implications.

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6.3.   As a result of the technical establishment exercise, each post will now be linked to appropriate budgetary provision. Managers should be able to be in a position to run off accurate establishment reports detailing those posts that are filled, covered by interims or currently vacant and report both financial and management information as part of the monthly service monitoring.

6.4.   This information will also assist the authority to plan longer term when changes are required and assist in the responses to queries on staffing information.

7   LEGAL AND STATUTORY IMPLICATIONS

7.1.   There are no specific legal implications arising from this report.

8   HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1.   There are no specific equality nor community cohesion implications arising from this report.

9   CRIME AND DISORDER IMPLICATIONS

9.1.   There are no specific crime and disorder implications arising from this report.

10   RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1.   There are no specific risk nor health and safety implications arising from this report.

11   APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix A – draft analysis across each Directorate and service area of current vacancies – as at 1st June 2015 (to follow)

12   BACKGROUND PAPERS

12.1.   None

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