



Cambridge City Council

To: Executive Councillor for Finance and Resources
Report by: Head of Human Resources
Relevant scrutiny committee: Strategy and Resources Scrutiny Committee 12th October 15
Wards affected: All

Report Title : Staff Vacancies

Key Decision: No

1. Executive summary

This report sets out to analyse the underlying trends behind staff vacancies and staffing expenditure for 2014/15.

2. Recommendations

The Strategy and Resources Scrutiny Committee and Executive Councillor for Finance & Resources is recommended to note:

- 2.1 The Council's staffing underspend information and trend analysis.
- 2.2 Note that the Senior Leadership Team will review the current list of temporary workers and vacancy list to determine whether to permanently recruit to these posts or to offer savings in time for the 2016/17 budget process.
- 2.3 That services will be asked to review their agency worker budget for 2016/17.
- 2.4 Finance to review the wording used in S&R reports when referring to staffing underspends.

3. Background

Analysis of the Council's staffing expenditure.

3.1 staffing Budget

There are two main elements to staffing costs:

- Direct employment costs – permanent members of staff, planned resourcing for service delivery.
- Temporary and agency workers – used for; covering sickness, managing seasonal work, managing short term demands such as specific projects

For General Fund and HRA the underspend on direct employment costs was £2.1m. Total temporary worker costs were overspent by £1m. The total staffing budget for 2014/15 was £36.1m and the actual expenditure was £35.1m giving the Council an underspend of £1m (2.9%) of the staffing budget. The staffing budget includes General Fund, HRA and temporary worker costs and the table below breaks the budget down into these areas:

Budget Fund		Budget	Actual	Variance
General Fund	Employment costs*	£28,626,670	£26,939,215	-£1,687,455
	Temporary worker costs	£847,420	£1,789,932	£942,512
Staffing Cost				-£744,943
HRA	Employment costs	£6,628,640	£6,204,508	-£424,132
	Temporary worker costs	£48,470	£160,602	£112,132
Staffing Cost				-£312,000
Total		£36,151,200	£35,094,257	-£1,056,943

The General Fund direct employment costs were underspent by £1,687,455. However there was expenditure of £1,789,932 on the General Fund temporary workers in the same period on a base budget of £847,420. This means that the total General Fund staffing (direct employment & temporary workers) underspend for 2014/15 was £744,943

*Employment costs include salary, National Insurance and pension costs.

This is a similar pattern to the HRA Fund. The direct employment cost underspend was £424,132 however, the HRA expenditure for temporary worker for the same period was £160,602 on a base budget of £48,470. This means that the HRA direct employment underspend was £312,000 for 2014/15.

3.2 Staffing budget in detail

3.2.1 Departments – General Fund and HRA

The table below shows the recruitment expenditure for Departments which includes General and HRA Fund:

	Employment Costs			Temporary Worker Costs			Emp/Temp – Net
	Employ Budget	Sum of Total Actual	Sum of Total Variance	Temp Budget	Sum of Total Actual	Sum of Total Variance	
Environment	14,441,650	13,495,819	-945,831	442,690	949,194	506,504	-439,327
Customer & Community Services	14,185,350	13,539,206	-646,144	516,060	722,898	206,838	-439,305
Business Transformation	5,485,140	4,994,530	-490,610	14,540	273,673	259,133	-231,477
Chief Executives Office	1,143,170	1,114,167	-29,003	1,830	4,770	2,940	-26,063
*Centralised savings reallocated				(79,230)			79,230
Totals	35,255,310	33,143,722	-2,111,588	895,890	1,950,535	975,415	-1,056,943

→ **36,151,200**

*The contract anticipated savings of £100,000 and these are spread across services. This is centrally reallocated.

- Environment (366 staff) and Customer & Community Services (418 staff) have more staff than any other department.
- Environment has the largest spend on agency workers £949,194.

3.2.2 Services – (General Fund Only)

Some services are using more temps to cover sickness, managing seasonal work, managing short term demands such as specific projects. At present the Council employs 61 temporary workers which is 6% of the workforce. The table below shows examples of services that have high direct employment underspend and high expenditure of temporary workers:

Service	Emp Costs			Temp Costs			Emp & Temp - Net
	Emp Budget	Sum Of Total Actual	Sum Of Total Variance	Temp Budget	Sum Of Total Actual	Sum Of Total Variance	
Streets and Open Spaces	4,602,410	4,156,995	(445,415)	171,430	520,341	348,911	(96,504)
Planning	2,113,560	1,977,365	(136,195)	50,000	114,456	64,456	(71,739)
Customer Service	1,453,780	1,320,764	(133,016)	5,730	104,481	98,751	(34,266)
Revenue Services	1,650,460	1,547,994	(102,466)	14,650	115,577	100,927	(1,539)
Legal Services	772,800	679,170	(93,630)	8,810	65,792	56,982	(36,648)

Streets & Open Spaces – Street Cleansing restructure and the failed recruitment to the Dog Warden post contributed towards the service's use of temporary workers and overall underspend.

Planning – The Council has difficulty in recruiting planners and building surveyors because there is a skills gap in this area in Cambridge.

Customer Service Centre – Long term sickness issues have contributed towards direct employment underspend and expenditure on temporary workers.

Revenue Services – This is the only service that almost matched the employment expenditure with temporary worker costs.

Legal Services – Underspend on staffing costs owing to a vacant post and part time cover for a full time post.

3.2.4 Pattern/trend and recruitment process

All recruitment to posts continue to be made with the existing salary for the post. The majority of posts are being recruited to first time (81%). 92% of all posts are filled by the second round of recruitment. 3% of posts go beyond second round of recruitment and we continue to monitor fill rates and any issues with particular posts.

The recruitment advertising process was changed in September 2012, and there has been an increase in the proportion of external appointments and the number of applications received. The figure has been 80% to 20% external to internal appointments for the past two years.

Between April 2014 and March 2015 we advertised 167 roles. 136 of the 167 roles were filled during first round of recruitment (81% filled first time). 31 posts required re-advertising (19%). The average time taken to fill a role from advert to offer was 36.7 days. The table below provides more information:

Category	Number of roles
No. of posts advertised	167
No of posts filled first time	136 (81%)
No. of posts re-advertised	31 (19%)
Filled via 2nd round	18
Filled via 3rd round	3
Filled via 4th round	1 (advertising in progress)
Filled via 5th round	1 (advertising in progress)
Failed to recruit/ Role withdrawn from recruitment process	8
Average time taken from advert to offer	36.7 days

4. Vacant posts

Currently the Council has 198 vacant posts. 51 posts out of the 198 are actively being recruited to and 67 posts are not currently being recruited to. 80 Vacancies have been/or will be deleted of which 53 of these posts have been deleted through restructuring.

There are a number of reasons why the Council has a high number of vacancies at this time:

- **Internal service reviews** - where there has been an internal service reviews for example, support services review and ICT there has been a freeze on the recruitment to vacant posts for approximately three/four months which will contribute to a staffing underspend and potential savings. Savings from the vacancy list during 2014/15 and continuing into 2015/16 is being absorbed by service reviews and shared services.
- **Shared Services** – some services/teams have vacant posts which they are not actively recruiting to because of future shared services and forthcoming service reviews.
- **No review of vacancies** - there are a number of posts that have not been recruited to in 2014/15 that remain on the vacancy list but have been retained.
- **Hard to fill posts** – we know from external research (Local Government Association) that there is a lack of Planners and Building Surveyors in the East of England and this fits with what the Council's planning team have been experiencing. The Council also finds it more difficult to fill HR, legal and Accountancy posts in the Cambridge area. These vacancies are currently covered by agency workers and are kept under review by the service.

5.0 Summary

- We fund a significant proportion of temporary workers from salary budgets. However the salary and temporary worker budgets are not adjusted to reflect mid-year budget review.
- When reviewing staffing costs we need to consider direct employment and temporary workers, not just the variance in the employment costs when reporting to Strategy & Resources Scrutiny committee as this will aid a better understand of staffing costs.
- Savings from the vacancy list during 2014/15 and continuing into 2015/16 are being realised from ongoing service reviews and shared services activity.
- A corporate review of the vacancy list is planned.
- The recruitment process is not preventing vacancies from being filled however some jobs are more difficult to fill than others.

6.0 Recommendations

- Note the Councils staffing underspend information and trend analysis.
- Note that the Senior Leadership Team will review the current list of temporary workers and vacancy list to determine whether to permanently recruit to these posts or to offer savings in time for the 2016/17 budget process.
- Note that services will be asked to review their agency worker budget for 2016/17.
- Finance to review the wording used in S&R reports when referring to staffing underspends by providing more guidance on direct employment and temporary worker costs.

7. Implications

- a) **Financial Implications** – The Council has staff budget of £36,151,200.
- b) **Staffing Implications** – This report analyses and makes recommendations in relation to staffing budgets.
- c) **Equal Opportunities Implications** – An EQIA has not been included into this report.
- d) **Environmental Implications** – None.
- e) **Procurement** – No.
- f) **Consultation and communication**
 - Director of Business Transformation
 - Chief Executive
 - Head of Finance
- g) **Community Safety**
 - None

8. Background papers

9. Appendices - None

10. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Deborah Simpson and Jon Summerson
Author's Phone Number: 01223458101 or 01223458108
Author's Email: Deborah.Simpson@cambridge.gov.uk
Jon.Summerson@cambridge.gov.uk

