

## **Report to the Cabinet**

**Report reference:** C-050-2012/13  
**Date of meeting:** 10 January 2013



**Epping Forest  
District Council**

**Portfolio:** Leader of the Council  
**Subject:** Review of Salary Budgets and Vacant Posts  
**Responsible Officer:** Glen Chipp (01992 564758).  
**Democratic Services Officer:** Gary Woodhall (01992 564470).

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### **Recommendations/Decisions Required:**

- (1) That the Cabinet notes the outcome of the Review of Salary Budgets and Vacant Posts and as a result agrees to:**
- (a) permanently delete specific current vacant posts identified by Directors, to deliver a £419,000 saving on the Council's Establishment Salary budget;**
  - (b) revoke the current recruitment restrictions to increase services managers' ability to manage their staff resources, within the reduced salary budget parameters; and**
  - (c) receive further reports on the other organisational reviews that are still to be concluded.**

### **Executive Summary:**

This report sets out the conclusions of a Review of Salary Budgets and Vacant Posts undertaken within the context of the Council's current external recruitment restrictions. It concludes that a reduction of £419,000 in the Council's Establishment can be delivered from 1 April 2013 by the permanent deletion of a number of existing vacant posts. Significantly, this can be achieved without the need for a redundancy programme and with full protection for frontline services.

### **Reasons for Proposed Decision:**

The Council has been operating recruitment restrictions for the last two years, which while controlling cost, has reduced the ability to respond effectively to changing financial and service requirements, and therefore has been subject to review.

### **Other Options for Action:**

To retain the current restrictions, although this is considered to be counter-productive in the longer term.

## Report:

1. As a result of the Comprehensive Spending Review undertaken by the incoming new Government, the grant settlement received by the Council, in December 2010, identified a need to make significant savings to compensate for the loss of some £2.2million of Government funding, over the following two financial years.

2. Given that staff costs are one of the largest areas of controllable expenditure the Council incurs in the delivery of its services, in order to retain flexibility and mitigate the risk of potential redundancies, (as areas for future revenue savings were being identified) the Cabinet, on 31 January 2011 implemented a freeze on external recruitment to vacant posts. In applying the recruitment restrictions, exceptions were agreed for roles where a failure to appoint would expose the authority to a quantifiable risk with respect to Health and Safety, where it could be demonstrated that the post was necessary for the generation of significant surplus income to the Council or where the post was externally funded.

3. Whilst these restrictions have been successful in controlling costs, with significant salary underspends over the last two financial years and the added benefit of more opportunities for internal career development for existing staff, there have also been negative impacts.

4. The permission to fill process is in itself bureaucratic and cumbersome and a distraction to Portfolio Holders from their key responsibilities, around policy development and strategic decision making. The ability of managers to act quickly and be innovative, to ensure that the quality of services is maintained, is restricted, with resignations in critical functions, for example, Forward Planning, exposing the authority to risk.

5. In order to address the downside of the current arrangements, but still deliver the cost control outcomes sought, a review of salary budgets and vacant posts has recently been undertaken by the Council's Management Board. This has concluded that by the permanent deletion of a number of vacant posts across the Council's current establishment, an ongoing saving of £419,000 per annum can be achieved, without the need for a redundancy programme and with a commitment that no frontline services will be adversely affected.

6. However, in order to deliver this level of efficiency saving, it will be necessary for the current recruitment restrictions to be revoked, as managers will require the ability to react quickly to changing circumstances within their areas of responsibility, with an increased flexibility to manage their remaining staffing resources. The Council is still facing a challenging medium term financial forecast and will still be required to make further savings, in future years.

## Resource Implications:

The posts currently proposed for deletion are summarised below –

Directorate	Number of FTEs	Costs
Corporate Support Services	0.9	£23,520
Deputy Chief Executive	2.35	£44,020
Environment & Street Scene	2	£35,990
Finance & ICT	4	£90,230
Housing	7.8	£197,140
Planning & Economic Development	1	£28,542

This represents a total cost of £419,442, which is split between the General Fund £193,760, the Housing Revenue Account £197,140 and the ring fenced Building Control Account £28,542.

In addition to the amounts set out above a number of posts are currently being held vacant pending organisational reviews, the reviews include –

(a) Corporate Support Services – both the Reprographics and Out of Hours services are scheduled for review; and

(b) Environment & Street Scene – four additional posts with a value of approximately £65,000 are currently being held vacant whilst the structure is considered.

#### **Legal and Governance Implications:**

The Council's Human Resources Policies reflect current Employment Law.

#### **Safer, Cleaner and Greener Implications:**

No specific implications identified.

#### **Consultation Undertaken:**

Staff will be advised of the outcome of the review of the Salary Budgets and Vacant Posts.

#### **Background Papers:**

Cabinet Report 31 January 2011 (C-061-2010/11).

#### **Impact Assessments:**

##### Risk Management

The removal of the recruitment restrictions should assist the Council in responding to risk more efficiently.

##### Equality and Diversity

*Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties; reveal any potentially adverse equality implications?* No

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* No

*What equality implications were identified through the Equality Impact Assessment process?*  
N/A.

*How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?*  
N/A.