

20.11.17

3 Deputy G.P. Southern of the Minister for Health and Social Services regarding the use of vacancy factor management in his Department (OQ.334/2020):

It follows on from the previous question. Given the continuing level of vacancies experienced by his department, will the Minister explain the role, and extent, of the use of vacancy factor management in achieving efficiency savings or any rebalancing measures in the Government Plan 2021-2024?

The Deputy of St. Ouen (The Minister for Health and Social Services):

Departmental budgets have historically been funded assuming all roles are always filled throughout the year. The reality, as we have discussed in the previous question, is that there will always be a natural level of vacancies in departments and these arise from a multitude of factors including natural turnovers, employees retire or leave for other jobs, implementation of target operating models and challenges in recruiting to specialist roles. Applying a vacancy factor, a percentage of payroll costs before allocating departmental payroll budgets, is an explicit recognition that unfilled vacancies create a financial saving. This is common practice in large organisations where there is significant staff turnover and subsequent lags in filling vacancies. The Government has therefore agreed to apply a vacancy factor equivalent to around 1 per cent of payroll costs and to retain that funding centrally to invest in Government Plan priorities. This prudent reduction lowers the estimated vacancy rate from 10 per cent to 9 per cent and this will be closely monitored to ensure there is no service impact from this efficiency and to identify whether the opportunity exists to deliver greater efficiencies.

4.3.1 Deputy G.P. Southern:

I have a figure for 194 vacancies across his department in August of last year. Does he have a current figure for what that vacancy rate now is?

The Deputy of St. Ouen:

I do not immediately have that to hand.

4.3.2 Deputy R.J. Ward:

Is that constant vacancy rate just a simple way of a Minister saying: "There are this many people employed" when not employing that many people? Is it not misleading for the public when the Government plans to have 1 per cent of vacancies empty?

The Deputy of St. Ouen:

In answer to the first question, there will always be the number of posts within the department and the vacancy will of course still be vacant to be filled. In answer to the second question, clearly within large organisations, and it is a common practice, there is a recognition that there will always be a turnover of staff and thus vacancies at certain times of the year and throughout the year.

4.3.3 Deputy R.J. Ward:

Are the number of posts available set up so that the organisation can work at its most effective? Therefore, when those posts are not filled, would the Minister accept that the organisation cannot work at its most effective level? By planning to not fill those posts and have that money as a saving, is he therefore not accepting that the organisation, Health, will not work to its full capacity?

The Deputy of St. Ouen:

No, I do not accept that. Health has over 2,000 employees, the Government itself, I believe, employs over 7,000 employees. It is unrealistic to suggest that every one of those thousands of posts will always be filled. It is of course the case that there will be natural turnover for all sorts of reasons and it is right for an organisation to accept that and plan accordingly.

4.3.4 Deputy G.P. Southern:

According to my calculations, there is a gap of unpaid salary among these 200 that are there, 200 vacancies that are there, of something like £8 million. If 1 per cent of the total budget is of the order of £2 million, what does the Minister propose to do with the remaining £6 million that he is not paying out for these professionals for their roles because they are vacant?

The Deputy of St. Ouen:

I have no immediate plans to allocate any of the savings that might be achieved.

Deputy G.P. Southern:

But the Minister will spend it at some stage?

The Deputy of St. Ouen:

The Government Plan will set out the department's spending priorities and that will be followed throughout the year.