



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

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HSE HR Circular 001/2009

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Each National Director HSE and Assistant National Director HSE,
Each Hospital Network Manager and Local Health Office Manager HSE,
Each CEO direct funded Voluntary Hospital/Voluntary Agency.

HSE Employment Control Framework 2009

Dear Colleague,

1. Introduction

- 1.1. To ensure that the health services deliver services in accordance with the 2009 National Service Plan and within the financial allocation to the HSE and Government approved employment ceiling, employment levels and payroll costs must be rigorously monitored, controlled, managed, and accounted for, from the start of 2009. The 2009 National Service Plan has factored in significant cost reduction requirements in 2009 and requires a reduction in expenditure by the equivalent of approximately 2,457 WTEs in pay costs, 1,707 of which are in the acute hospital sector and the remaining 750 across primary community and continuing care services. These are in addition to the 3% reduction in management/administration grades as announced in the Budget for all public bodies. The HSE Employment Control Framework plays a key role in achieving these objectives. The requirement of affordability must underpin all actions and decisions made in the context of the HSE Employment Control Framework.
- 1.2. The HSE through the Employment Control Framework requires a proactive approach by managers to not alone ensuring adherence to current employment control measures but also to proactively reduce overall payroll costs in 2009 by more robustly managing such costs.
- 1.3. This Circular will compliment ongoing discussions between the HSE and the health service trade unions/staff associations in the delivery of critical cost containment measures which are a key component in reducing expenditure, maintaining existing levels of service and realising efficiencies.
- 1.4. The Framework must support the HSE's Integrated Service Delivery Change Programme in 2009 and beyond and also operate in the context of the Report of the Task Force on the Public Service (November 2008), which among its key requirement is a demand to do more for less.
- 1.5. A further circular setting out in more detail the 2009 Employment Control Framework to include the sub-allocation of approved employment ceilings to Local Health

Office/Hospital/Voluntary Agency and to Care Group Programme level will issue shortly. In the interim, current employment ceilings will apply. It should be noted that the 2009 Employment Control Framework is a continuation of the previous framework as set out in HSE HR Circular 04/2007 and HSE HR Circular 01/2008 and continues to have full application, except where amended by this Circular and any subsequent ones. The focus of this circular is on the additional processes to be applied to the filling of vacancies that arise in 2009, the filling of already notified funded and approved developments from the 2008 National Service Plan and other lagged development posts from 2006 and 2007.

- 1.6. The Circular also sets out specific measures to support cost containment and to effect cost reductions in payroll where appropriate, other than through employment numbers. The 3% reduction in Management Administration Whole Time Equivalents set out in the 2009 budget will be the subject of a further circular to issue shortly, but an interim approach is set out herein.

2. Scope and application

- 2.1. The HSE's Employment Control Framework has full application to non-HSE employments encompassed within the employment ceiling and this circular is part of the framework.
- 2.2. The processes outlined herein have specific application to direct employment within the HSE. While the specifics do not apply to Voluntary Hospitals and Voluntary Agencies funded by the HSE, each organisation should have/or introduce similar internal processes for the filling of vacancies and new service development posts in order to adhere to the National Service Plan, budget allocation, cost containment measures and the employment control framework as set out herein as it impacts on their agency/hospital.

3. Key Action Areas applicable to the 2009 Employment Control Framework

- 3.1. Any increase in employment levels will only arise to deliver Government/Ministerial approved new service developments. In effect in 2009, the only increases in employment which can be considered are in the three areas set out in the National Service Plan, National Cancer Control Programme, Disability Services and Mental Health Services. The 3% reduction in management/administration grades and the possible impact in 2009 of an Early Retirement/Redundancy Scheme for the health services should result in an overall reduction from current employment levels during 2009.
- 3.2. Non-compliance with the employment control framework and approved employment ceilings will be addressed in a timely and effective manner.
- 3.3. Vacancy management. Where an approved vacancy exists managers will be prohibited from filling a vacancy until such time as all options including redeployment and reassignment have been examined. The utilisation of skill mix will also be examined and considered.
- 3.4. Reconfiguration of services and implementation of lagged developments pre 2008 can only be effected through suppression of live vacancies post end of 2007.
- 3.5. **An immediate recruitment pause in the filling of all vacancies in the staff category management/admin, other than through redeployment or reassignment.**
- 3.6. Reduction in payroll costs. A critical review of all allowances payable to all employees will be undertaken for the purpose of assessing the sanctioning policy in each case and

the appropriateness of continuing such arrangements in the current financial climate. The outcome of the reviews will be advised to the relevant staff associations once complete. Where it is proposed to cease payment of an allowance to an employee or group of employees, such a decision will be advised to individual employee/s and relevant trade unions/staff associations in advance of a proposed cessation date. The discussion with the trade union/s will include the reason for ceasing payment/s and allow for staff representative/s input into the process.

- 3.7. Utilisation of Agency Staff in administration and corporate functions to cease with immediate effect. In all other situations, the reliance on agency staff will be confined to emergency situations only.
- 3.8. Local engagement with Trade Unions and Staff Associations where there may be an impact on the level of WTEs, changes in grades, and /or increased payroll costs, require the prior authorisation and approval by the National Directors of Human Resources and Finance before signing off any local agreement.

4. 2009 New Service Developments

- 4.1. These are as set out in the National Service Plan 2009. The same process will apply to these new approved and funded posts as introduced for 2008 service development posts. Primary notifications as issued by the NEMU will continue to be the approval system for the commencement of the filling of such posts.
- 4.2. The primary notification will allow the building of position numbers where appropriate and the commencement of the recruitment process, through the request to hire procedure.
- 4.3. An adjustment to the approved employment ceiling of the relevant service function/unit/agency, will issue subsequently from NEMU, once approved by the Department of Health and Children and monitoring reports will be amended at that time. This adjustment is predicated by the activation on payroll of the new approved and funded post and notification of same to NEMU.

5. Ceiling Compliance

- 5.1. The opening approved employment ceiling for 2009 is 111,575 WTEs (adjusted for student nurses). This figure includes an adjustment for 2008 addendum posts that were due to be filled by the end of 2008. A revised sub-allocation of the national approved employment ceiling to Hospital Network, Hospital, Local Health Office and Voluntary Agency level, based on among others payroll budget allocations for 2009 will issue shortly following engagement with the National Hospitals Office and Primary, Community and Continuing Care.
- 5.2. Local Health Offices, Hospitals and Voluntary Agencies will ensure employment levels operate within their approved employment ceilings and within pay budget allocations for 2009.

6. Vacancy Management - focus on Redeployment, Reconfiguration and Reassignment/Skill mix

- 6.1. All vacancies when they arise will be subject to rigorous assessment in accordance with paragraph 3.3 of this Circular.
- 6.2. The service manager should conduct a detailed review of the vacancy to examine if the post continues to be required in its current format. If the post is deemed to be no longer required, the post should be suppressed and it and its funding used to address other

service delivery requirements. Opportunities to reconfigure the post to aid the implementation of integrated services, achieve better value for money, embrace more appropriate skill mix, and enhance efficiencies should be maximised during the review phase. Furthermore, the review should also consider overall skill mix with a view to ensuring that resources are deployed in the most cost efficient manner and having regard to multi disciplinary working.

- 6.3. A significant driver in payroll costs for the health services over the last number of years is the portion of senior posts across all staff categories. In the event of a vacancy arising, a more interventionist skill mix choice will be considered. The review of all live vacancies should be utilised to provide maximum scope to effect savings in payroll costs and provide for more effective and efficient ways of delivering services.
- 6.4. The filling of vacancies deemed necessary to deliver critical frontline services and/or existing levels of service should consider redeployment/reassignment/reconfiguration options in the first instance. This approach will greatly support cost containment measures necessary in the current challenging financial environment.
- 6.5. Skill mix will continue to be introduced across services and assessments made to ensure that resources are deployed in the most cost efficient manner. However, specific action will be taken to ensure that Health Care Assistants (HCAs) are deployed in a manner that supports their newly acquired skills and that they are being utilised to maximum effect.

7. Reconfiguration of Services and implementation of lagged approved and funded service developments

- 7.1. Such developments can only be implemented within the current approved employment ceiling, current budgets and grades. Maximum usage must be made of redeployment, reconfiguration and reassignment of existing post holders. Suppression of live vacancies at the appropriate grades will need to be identified and effected prior to filling any new such posts other than those filled through redeployment, reassignment or reconfiguration.
- 7.2. Requests to hire Forms A should be initiated by the appropriate service manager for all such new posts. Requests to hire for such Posts, other than in the staff category Management/Administration, can be process through the Area Employment Monitoring Groups. Where such requests are sanctioned by the relevant AEMG, a copy of the approval should be forwarded to NEMU for information purposes.

8. Management/administration Posts

- 8.1. In the light of the Government decision requiring *the HSE to achieve a 3% reduction in the number of management/administration grades*, with immediate effect, a recruitment pause is placed on the filling of any vacancies in this staff category across the health services.
- 8.2. A further circular will issue shortly setting out the framework to achieve a 3% reduction in such grades in the course of 2009.

9. Replacement Corporate, Population Health and posts affected by Transformation

- 9.1. All vacancies in Finance/HR/Estates/Consumer Affairs/Communications/Planning/Quality and Risk/Corporate and Parliamentary Affairs/Population Health etc. will also be placed on hold pending the issue of a circular giving direction on the Government decision to reduce by 3%, the level of management/administration grades across the health services. AEMGs may sanction the filling of critical posts in their Areas by redeployment

or reassignment on the strict basis that there is no back-filling of the post from where the redeployment/reassignment came from.

- 9.2. The sub-group of the National Management Team chaired by the Head of the National Employment Monitoring Unit (NEMU), which previously was charged with conducting reviews of such vacancies will continue in existence. It will meet on the second Friday of each month as heretofore, following issue of the circular addressing the achievement by the HSE of a 3% reduction and any other related tasks that may arise from Government decisions on numbers in the health services. It will operate also in the context of the integrated services delivery change programme, and the regional disparity of resources and may provide direction to the AEMGs in such matters.

10. Immediate review of all allowances.

- 10.1. Significant payroll costs arise from the payment of allowances over and above basic pay. Overtime, and on-call payments as well as usage of agency staff are other significant cost in the delivery of health services. In the context of the current financial challenging environment and the need to deliver more for less, there is an immediate requirement to review, monitor and manage the payment of all allowances paid to staff and take whatever measures to ensure public accountability and the delivery of services in the most cost effective and appropriate fashion.
- 10.2. Each Area will conduct a review of all allowances currently being paid to staff in their Area to ensure they are being properly applied. All such payments will require the formal approval and sign-off of the Area Assistant National Director of Finance and Area Assistant National Director of Human Resources for it to be continued beyond the end of February 2009.

11. Substitution (Acting up) Allowances,

- 11.1. Each HSE Area and National HR Services will carry out an immediate review of all current acting arrangements for the purpose of assessing the requirement for a continuation of such an arrangement and also an analysis of payment being made. The outcome of this review, where in cases it is decided to cease payments will be advised to the respective trade unions/staff associations, will be implemented at the end of February 2009. In each individual case of payment the review will ensure that the option of redeployment/reconfiguration/ reassignment/skill-mix is fully exploited, in the context of ensuring the most cost efficient measure is taken and that there is a substantive funded vacancy that the HSE is either maintaining on a short-term basis or that the permanent filling of the live vacancy is being actively pursued. ***The results of the Area Review will be forwarded to the National Directors of HR and Finance by the 13th February 2009*** and will include the Name of the person in receipt of the Acting Allowance, the substantive grade of the person, the start date of the payment, the funded post (grade) being acted into, the projected end date of the acting payment, the financial cost of the allowance, the reason for the acting up and the name of the line manager seeking sanction for/and or continuation of the payment of the acting allowance. A recommendation will be made as to whether or not payment of the allowance in the case of each current payment is to continue beyond the end of February.
- 11.2. A robust process of review, monitoring and ongoing approval of extensions or otherwise of this allowance will be implemented across the health services.
- 11.3. Each payment will require the formal approval and sign-off of the Area Assistant National Director of Finance and Area Assistant National Director of Human Resources, for it to be continued beyond the end of February 2009. Any new payments thereafter and extension thereof will require similar approval and sign-off from the start of March 2009.

12. Dual Responsibility Allowances. A review of the payment of Dual Responsibility Allowances in the HSE similar to that of Substitution (Acting up) allowances across all staff categories will be carried out in a similar fashion as set out in sub-paragraph 11.1 above. Where no longer warranted, such payments will cease with effect from the end of February 2009.

13. Agency Staff in Administration and Corporate Functions

The utilisation of agency staff or any provision of staff not on the payroll of the HSE in administration and corporate functions is to cease forthwith. Usage of agency staff for all other categories of staff will be actioned in accordance with paragraph 3.8. This provision of the Circular will be rigorously monitored.

14. Engagement with Trade Unions and Staff Associations at National and Local Level

14.1. Consultation with the Trade Unions and Staff Associations at national and local level is critical in identifying cost containment measures and the full application of the 2009 Employment Control Framework. Many of the measures / initiatives now under consideration require Health Service Managers to work in partnership with the trade unions/staff associations/representative bodies and staff of the health services.

14.2. Local engagement which may have an impact on levels of WTEs, changes in grades of staff and increases in payroll costs must be sanctioned by the National Management Team in advance of any local management sign-off. It has to be recognised that any local agreements in the context of a single entity that is the HSE, may have implications for the wider HSE and indeed for the health services at large.

14.3. Details of local agreements, which could an impact on WTEs, grades and payroll costs must be forwarded to the Assistant Chief Executive – Industrial Relations, HSE EA and the Head of NEMU for their necessary information using the HSE-EA monthly IR/ER Reporting Template, before being officially signed-off..

15. Role of NEMU and Area Employment Monitoring Groups.

15.1. NEMU will continue to carry out its current roles in quality assuring processes around the creation of new service development posts and reconfigured posts. It will continue to monitor and gather employment data from across the health services. It will assist the operation of AEMGs through advice and provision of national employment data.

15.2. AEMGs. Their role as set out in HSE HR Circular 01/2008 will continue in 2009. A greater focus on effecting reconfiguration and redistribution of WTE resources across functions and regional boundaries is necessary in the context of the Integrated Service Delivery Change Programme and Cost Containment/Payroll cost reductions measures necessary to deliver the 2009 National Service Plan.

16. Miscellaneous Provisions

16.1. Attendance Management.

- a Effective attendance management is essential to the delivery of a cost-effective and high quality health service. In the context of the current financial challenging environment, effective management attendance is a prerequisite in cost containment and delivering services in an effective and efficient manner with maximum value for money.
- b Reductions in absenteeism rates will contribute directly to reduced costs for the health services. A national benchmark standard for percentage absence rates

across the health services is being set at **3.5% for 2009**. This is not to be interpreted as an acceptable level of absence for services/agencies/staff, as the achievement of reduced absence rates will contribute directly to service delivery, reduced costs and the delivery of more for less.

16.2. Overtime and agency expenditure.

- a In 2008, the cost of overtime and on-call across the health services was reported as being in the order of €450 million. The reduction in overtime and on-call is a critical component in the cost containment measures set out in late 2008. Agency and overtime working will be limited to emergency situations only. Any deviation from this arrangement must be pre-approved by a designated senior manager.
- b Reduced reliance on agency staff in conjunction with its cessation in administration and corporate functions will further enhance savings. Through better utilisation and management of staffing resources, significant savings can be achieved across the health services and the prerequisite of more for less can be attained in 2009. Requests to convert agency and overtime costs into WTEs may be considered where a significant cost saving is identified. Detailed business cases should be drawn up on such issues but such conversions into WTEs if approved can only apply in the context of the overall approved employment ceiling for the health services and any caps on specific employment categories.

16.3. Student Nurse Placements 2009. Student nurse placements will recommence in January 2009 across the health services, with some 1,400 placements in hospitals and agencies encompassed by the approved employment ceiling. The change in replacement ratio from 3.5:1 to 2:1 requires hospitals and agencies to operate with a lesser complement of staff nurses when student nurse placements are in situ. Each 2 student nurses placed in a ward or a service is expected to deliver the quantum of service of 1 staff nurse. Hospitals and Agencies are required to operate within current approved employment ceilings taking this replacement ratio into account and accordingly will need to displace a higher number of staff nurses arising from the previous replacement ratio. Further instructions will issue with regard to the compilation of health service personnel census from the end of January 2009 onwards re this matter.

16.4. Recruitment License and Codes of Practice. The HSE operates its recruitment activity under the recruitment license as issued to it by the Commission on Public Service Appointments (CPSA) and a number of codes of practice there from. The recruitment license and the codes of practice place significant requirements on the HSE, on line managers and all those involved in recruitment to ensure strict adherence to both the license and to the various codes. It is critical that all managers and staff ensure that the health services do not operate in such a manner that could lead to a breach of the recruitment license and comply in strict accordance with the various codes of practice for differing types of appointment. Such managers and staff should seek the necessary advice, support and direction from the National Recruitment Manager for National Policy and Standards, NEMU, Mr Paddy Duggan, contact details – telephone 045-882586, e-mail Paddy.Duggan2@hse.ie , or their Area Recruitment Manager, prior to the commencement of any recruitment activity.

16.5. Grade Codes, Job titles and standardisation of terms and conditions for new entrants/new posts. Application and adherence to National Grade Codes are a key discipline in ensuring posts are planned, advertised, set-up and filled in a correct and standard fashion. Each new and replacement and/or reconfigured post shall be assigned a National Grade Code, if not already the case. The following information needs to be appended to the grade code for the post:

- a Job Title/Position
- b Information brief on role and purpose of the post, and why a new grade code is required (where applicable).

- c Staff category – Medical/Dental, Nursing, Health and Social Care Professionals, Management/Admin, General Support Staff, Other Patient and Client Care
 - d Current national grade code if new job title is to be linked to an existing one.
 - e Qualifications required for the post/job title.
 - f Person specification.
 - g Job description, preferably a nationally agreed job description.
 - h Pay scale to be applied and number of increments – in effect its link to the consolidated pay scale. It is stressed that any proposed new pay scale requires Department of Finance/Department of Health and Children formal sanction before it being implemented in the health services.
 - i Terms and conditions other than pay where appropriate:
 - Standard Working Hours
 - Annual leave entitlements
 - Privilege leave
 - Paid sick leave scheme
 - Superannuation arrangements
 - j Any special recruitment arrangements negotiated to provide for the first filling of new grades/job titles/posts.
 - k Assimilation arrangements onto existing pay scales/increments if warranted
 - l Reporting relationships/arrangements with existing management grades.
- Any queries on National Grade Codes and related matters should be referred to Mr Des Williams, NEMU, contact details – telephone 045-882561 or 01-8131896, e-mail Des.Williams@hse.ie .

It is recognised that the achievement of the objectives set out in the 2009 National Service Plan and those incorporated into the 2009 Employment Control Framework as set out here, rests in large part with the identification by senior managers of the key goals, measures and behaviours necessary to execute the steps required. Please ensure that all appropriate personnel are advised and familiar with the requirements placed upon them arising from this Circular.

Queries in relation to this Circular should be directed to Mr Frank O'Leary, Head of the National Employment Monitoring Unit (email Frank.OLeary@hse.ie) phone 045 880454 or Ms Eibhlín Smith (email Eibhlin.Smith@hse.ie) phone 045 882522.



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