

Appendix 2

Draft Business case proposal for E&G Committee

Activity Title:	Place & Sustainability – Vacancy factor		
Reference No:	RIT59PE		
Triple Bottom Line Approach – score range from -5 to +5 with 0 being neutral	Social Score 0	Environment Score 0	Financial Score 1
Business lead / sponsor:	Steve Cox, Director Place & Sustainability		
Document prepared by:	Finance		
Financial Summary:	Recurrent savings of £112k		
Financials signed off by:	Sarah Heywood		
Date:	7.11.22	Version	1.0

1. Driver / reason for the activity

There is a level of underspend in staffing budgets across Place & Sustainability (P&S) due to a variety of factors such as a time lag between resignations and appointments as well as recruitment difficulties and delays. The actual level of underspend will vary year to year and team by team, but a vacancy factor of 2% across P&S revenue budgets equates to £112k and this is considered a reasonable estimate given the usage of higher cost of interims will offset the vacancy factor savings.

For nearly a decade, we have had a similar vacancy factor applied to budgets in People & Communities to reflect this same phenomenon, and it is standard across many organisations to budget for slightly lower than your full establishment. Almost every year, staffing budgets in P&C have ended the year underspending by about the amount of the vacancy factor (recently it has been exceeded).

2. Proposed activity or intervention(s)

A vacancy factor would be applied to P&S services budgets that is similar to the percentage in People Services (PS).
As within PS, this will be held centrally rather than allocated to individual cost centres, and on a quarterly basis staffing underspends will be swept up to offset this saving.

Budgets that are funded by capital, grants or income would be excluded from the calculation.

We are therefore proposing to apply a prudent 2% vacancy factor of all revenue budgets which would give a saving of approximately £112k.

A similar business case is also being put forward for a vacancy factor to be applied in Corporate Services which will go to Strategy and Resources Committee.

3. Equality, Diversity & Inclusion (EDI) and Socio-economic inequalities Assessments undertaken to inform the proposed activity

An Equality Impact Assessment is not required for this particular business case as there are no changes being proposed to service provision, staff, or policies.

The vacancy factor is formally acknowledging an existing underspend that arises due to the factors outlined in Section 1.

4. Financial Impact for Business Plan 2023-2028

This table is completed in recurrent format as per the Business Plan.

	One off or Permanent	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Saving	Permanent		-112				
Income							
Investment							
Pressure							
Total			-112				