

**ISLE OF MAN GOVERNMENT**  
**COUNCIL OF MINISTERS**  
**PERSONNEL CONTROL POLICY AND MECHANISM**

**POLICY**

The fundamental policy underpinning the Personnel Control Mechanism is that any growth in the Government workforce should be properly managed so as to ensure that such growth as is permitted is directed at achieving Government's priorities. In doing so, the Government workforce should, wherever practicable, not be allowed to exceed:

- (a) the rate of growth of employment in the private sector (measured by comparison with the size of the economically active population); and
- (b) the rate in increase in real terms in Government income

Underlying these two elements is an expectation that the mechanism should provide an incentive for Departments to maximise efficiency, including the release of labour from marginal activities and the effective use of contracted-in resources.

The intended effect of the mechanism is to avoid unhealthy competition for a limited number of available personnel between the public and the private sectors, and to safeguard the ability of Government to fund the salaries of additional staff and ultimately associated pension costs.

**AIMS**

The stated aims of the Personnel Control Mechanism are:-

- (a) to limit and control Government's long term pension liabilities;
- (b) to restrict the public sector from becoming disproportionately large compared to the private sector;
- (c) to provide an incentive for Departments and Boards to maximise the use of their existing labour, and to invest in new technology and improved productivity;
- (d) to lead to a scrutiny of labour-intensive marginal activities to release workers for new priority recruitment in other areas;
- (e) to encourage Departments when considering new capital schemes to identify fully the staffing implications of a range of options at an early stage; and
- (f) to cause Departments and Boards to examine whether it would be more efficient and cost-effective to buy in services from the private sector.

**APPLICATION**

All posts directly employed by Government and reported in the Annual Treasury Budget must be allocated a personnel budget, and therefore cannot be recruited unless such a budget exists, with the following exemptions:-

- (a) Office of the Clerk of Tynwald
- (b) Crown Officers

- (c) Trading Statutory Boards –
  - Manx Electricity Authority
  - Isle of Man Post Office
  - Isle of Man Water Authority
- (d) Trading Operations Seasonal Staff -
  - Tourism & Leisure – Railways/Wild Life Park
  - Tourism & Leisure - Villa Marina/Gaiety Complex
  - Manx National Heritage – Heritage Sites
- (e) Non-Core/Multiple Employments
  - Transport - Road Crossing Patrols
  - Education - Part Time Youth Service
  - Tourism & Leisure – Leisure Division Coaches & Tutors
- (f) Contract Appointments (as defined in Appendix 1)
- (g) Paid Students/Trainees (e.g. posts where there is no commitment to employment on expiry of the training opportunity or work placement).
- (h) Unpaid employees of Government (e.g. voluntary staff or work experience placements in full time education)
- (i) People with Disabilities (as defined in Appendix 2)

### **TREASURY REPORTING**

Whilst the posts identified at items (a) to (e) above are outside the Personnel Control Mechanism, the Departments, Boards and Offices concerned are required to provide annual budget estimates of these posts to the Treasury for the purpose of the Budget in February each year.

### **DEPARTMENTAL EFFICIENCY**

As part of the annual Basic Expenditure and Activity Review, where Departments, Boards and Offices submit bids which have personnel implications which are not exempt under the mechanism, business cases should include narrative explaining the reasons the posts are required, the extent consideration has been given to fulfilling the service need by alternative means, and the options which have been considered in relation to the reallocation of current staffing resources.

This approach provides a greater element of challenge to Departments, Boards and Offices in the planning process, and encourages them to consider the aims of the mechanism when developing services. The draft question framework for Personnel bids is attached at Appendix 3.

### **ACCOUNTABILITY**

Accounting Officers will be responsible for complying with the requirements of the Personnel Control Policy and Mechanism in accordance with Financial Regulations and Civil Service Regulations (as appropriate).

Chief Secretary's Office  
Revised, March 2006

**DEFINITIONS OF CONTRACT APPOINTMENTS  
EXEMPTED FROM THE PERSONNEL CONTROL MECHANISM**

**(a) Genuine Fixed Term Contract**

This type of contract applies to posts where there is a defined end date established. It is used in relation to posts where a project has a clearly defined timetable and is not a permanent service requirement. **These posts are EXEMPT from the Personnel Control Mechanism and would not be expected to exceed 3 years' duration.**

**(b) Natural Discharge Agreements**

A natural discharge agreement makes it clear that the employment will only continue until the end of a project or until funding remains available, and is used in circumstances where there is no certainty to the end date of a project. Again, it applies to work that is not a permanent service requirement. There is automatic termination at the end of the contract and no period of notice is necessary. This type of contract precludes the need for extensions to a fixed term contract. **These posts are EXEMPT from the Personnel Control Mechanism.**

**(c) Rolling Contracts**

Rolling, renewable, contracts are used in situations where it is inappropriate to commit to permanency as the continued requirement for the position needs to be reviewed after a specified period of time, or where a permanent service requirement is being fulfilled by contract posts. **These posts are NOT EXEMPT from the Personnel Control Mechanism.**

**Note: The pensionable status of contract appointees will be considered at the time of recruitment having regard to the period of the appointment and the normal age of retirement for the employee group.**

**GUIDELINES FOR THE RECRUITMENT OF PEOPLE WITH DISABILITIES UNDER  
THE PERSONNEL CONTROL MECHANISM**

**(Revised March 2006)**

**THE PROPOSAL**

The existing Personnel Control Mechanism is the accepted method of managing the growth of Government's personnel numbers; however there are growing pressures for additional staff. Partly to alleviate this, and partly to support the employment of people with disabilities, it has been agreed that their recruitment should be outside the constraints of the Personnel Control Mechanism. This will only apply to employees' recruitment after 1 May 1998 and depending on the nature of the disability it will be in order for specific jobs to be tailored to the needs of individuals.

**SCOPE OF THE PROPOSAL**

For the avoidance of doubt, the guidelines for the recruitment of people with disabilities will apply to all public service posts.

The accepted definition of disability is:

"A disability is a physical or mental impairment which has, or which has had, a substantial and long term adverse effect on a person's ability to carry out normal day-to-day activities".

Further discussion of the meaning and scope of the above may be found in Annex One.

**SOURCE OF APPLICANTS**

People may present themselves in one of two ways:

1. Disabled job applicants apply for vacant posts in the normal way, declaring that they have a disability.
2. The Disability Employment Service will make departments aware of clients looking for employment within Government.

**APPROVAL PROCESS**

The Disability Employment Adviser (DEA) will co-ordinate and monitor the scheme. In order to be eligible, applicants must have a disability or health problem, which affects the kind or amount of work they can do. An effect must be likely to last for 12 months or longer.

1. Either the DEA is notified when a Department believes it has an applicant to whom the procedure applies OR the Disability Employment Service notifies Government Departments when it has a client looking for employment within Government.
2. The DEA assesses the applicant. If he (or she) is found to have a disability as defined above, the DEA has the authority to give approval for exemption from the Personnel Control Mechanism.
3. The Department interviews the applicant. The procedure comes to an end if the applicant is found to be unsuitable for the job proposed. If the Department wishes to proceed it notifies the DEA.

4. Normal methods of recruitment and management, together with the usual Conditions of Employment (including the normal rate of pay for the post) will be applied thereafter and will be under the control of the individual Department.
5. The DEA will maintain records of people employed under the procedure and will provide a written report to the Governance Committee of the Council of Ministers twice yearly (January and July). The report will cover the numbers of people employed under the procedure, perceived benefits, difficulties encountered and measures taken to deal with them, and other matters of interest.
6. One of the possible consequences of introducing the above policy on the recruitment of people with disabilities could be a request from Government Departments for increases in their financial targets to pay for specialised equipment and/or physical adjustments to their work places and means of access. The Governance Committee has agreed that Departments should meet any such costs from within their existing budgets.

Please note: The Department of Trade and Industry has introduced the Special Assistance (Employment and Self-employment) Scheme 1998. This provides financial and practical assistance to disadvantaged people in the Island's labour market, particularly to those with disabilities, and both private and public employers are eligible to apply.

## **ANNEX ONE: DISABILITY - A WORKING DEFINITION**

A disability is a physical or mental impairment which has, or which has had, a substantial and long-term adverse effect on a person's ability to carry out normal day-to-day activities.

**Impairment** covers sensory losses (sight or hearing), physical impairments, and mental impairments.

**Substantial** means something which is more than minor or trivial. This reflects the general understanding of disability as a limitation which goes beyond the normal differences in ability which exist among people.

A **long-term** effect is one which has lasted for 12 months or longer, or which is likely to last for the rest of a person's life. If the effect ceases, it should be treated as continuing if it lasted for 12 months or longer, and it is more probable than not that it will recur - for example, rheumatoid arthritis (which can go into remission). A condition whose effects are substantial but non-existent (or virtually nonexistent) for the overwhelming majority of a person's life would not be included - for example, hay fever.

**Normal day-to-day activities** are those which are carried out by most people on a regular and frequent basis, i.e. those requiring:

- mobility
- manual dexterity
- physical co-ordination
- continence
- the ability to lift, carry or move everyday objects
- speech, hearing or eyesight
- memory or ability to concentrate, learn or understand
- the perception of risk of physical danger.

A **learning disability** is covered if it has a substantial and long-term effect on the ability to carry out normal day-to-day activities.

**Mental illnesses** are covered if they are clinically well recognised. This will include schizophrenia, manic depression and severe or extended depressive psychoses. Mood disorders, mild eccentricities, psychopathic and anti-social disorders, and addictions are excluded.

A **condition whose effects are controlled or corrected, but the impairment is not cured** by medicine, equipment or other means is still covered by this definition - for example, schizophrenia. An exception to this would be a visual impairment which is corrected by wearing ordinary spectacles or contact lenses.

**Progressive conditions** like multiple sclerosis, cancer, muscular dystrophy and being HIV positive are covered if and when there is any effect on a person's ability to carry out normal day-to-day activities. Being diagnosed as having specific genetic conditions will not be cause for inclusion until a condition expresses itself.

**ASSESSMENT OF DEPARTMENTAL EFFICIENCY**

**QUESTION FRAMEWORK**

The Council of Ministers has agreed that any application for an increase in existing personnel budgets will only be considered if a business case in support of the request is provided. In addition, posts will be awarded only where they are a consequence of agreed revenue/capital programmes.

When considering new service developments with personnel consequences, Departments are required as part of the parameter setting process to submit business cases. The business case should seek to answer the following questions as fully as possible.

**WHY DO YOU CONSIDER THAT YOU NEED THE NEW POST(S)?**

*These questions are designed to establish the changes which have occurred leading to the need for the new post(s).*

1. Please detail the reason for the requirement for the new post(s).
2. Please explain why existing staffing resources are not adequate to meet this service need.

**HAVE YOU CONSIDERED ALTERNATIVE WAYS OF ADDRESSING THE CHANGES?**

*Departments should answer these questions to demonstrate that they have considered other ways of addressing either the pressure for the change to be made at all or other methods of achieving necessary change than just increasing staff numbers.*

3. What would be the negative effects of NOT establishing the post(s).
4. Would delaying the establishment of the post(s) be possible?
5. What would be the negative effects of a delay?
6. Would it be appropriate to meet the service need (or any part of it) by means other than direct labour?
7. Is there any scope for withdrawing existing services in order to release resources to meet this service need?
8. Can any existing services be reduced in order to release resources?
9. Is there any scope for and, if so, have you explored joining with other Departments to meet the service need?

**HAVE YOU CONSIDERED ALL THE OPTIONS IN RELATION TO UTILISATION OF ALL YOUR CURRENT RESOURCES?**

*If the pressure for change cannot be reduced and you cannot address the change other than by providing for it in your own Department, you should demonstrate, by answering the following questions, how you have considered re-utilising your existing resources to provide the necessary services other than by increasing staff numbers.*

10. Could you deliver the service by investing in IT/new technology?
11. Could you deliver the service by retraining/re-skilling existing staff?
12. Could you make structural changes within your Department that would enable you to deliver the service using your existing resources?
13. Could changes in working practices release some or all of the necessary resources to address the change?
14. Have you considered team optimisation? (e.g. in a team of 5, making a change that saves 20% of each person's time effectively releases one "person" without increasing the number of staff)
15. Can you demonstrate that you have fully explored whether any existing staff have the capacity to take on additional roles or develop existing roles?

**OBJECTIVE/ PUBLISHED MEASUREMENTS OF CURRENT EFFICIENCY**

*Many Departments can demonstrate efficiency by means of external reports or use of comparative metrics. If you have produced such reports or carried out any external comparative studies, please provide these with the business case.*

16. Have you carried out a review of current staffing resource efficiency (at Departmental or section level)?
17. If so, please provide relevant extracts of any report produced.

*The information provided in your business case will be used to assess your individual bid for staffing resources. It may also be used in order to assist in ranking your bid along with other bids. To do this, the information you have provided may be compared with that provided by other Departments. If you wish to make any further comments on this you may do so.*