

Legislative Council Panel on Public Service

Resumption of Open Recruitment for Selected Grades Included in the Second Voluntary Retirement Scheme

Purpose

This paper briefs Members on the implementation of a modified arrangement to the 5-year recruitment freeze imposed on grades included in the Second Voluntary Retirement (VR II) Scheme. The modified arrangement will be applicable to selected grades to meet new essential service needs and to alleviate manpower planning problems.

VR II Scheme and general civil service recruitment freeze

2. To facilitate a reduction of the civil service establishment and to bring about long-term savings to the Government, the VR II Scheme¹ was introduced in 2003 and covered a total of 229 grades. Concurrently, we have imposed a 5-year open recruitment freeze (from March 2003 to March 2008) on all the ranks in the VR grades (even if only one or some of the ranks of a grade are included in the Scheme).

3. Separate from the VR II Scheme, we have also imposed a general civil service open recruitment freeze since 1 April 2003² but allowed exemption from this freeze on a case-by-case basis subject to approval by a Panel co-chaired by the Chief Secretary and the Financial Secretary with Secretary for the Civil Service as member (the CS/FS Panel). This exemption arrangement however does not apply to VR grades.

¹ Some 5 300 applications were approved under the VR II Scheme.

² The general recruitment freeze imposed since 1 April 2003 for reducing the civil service establishment to about 160 000 by end 2006-07 is separate but parallel to the 5-year recruitment freeze on VR grades. No end date has been specified for the general recruitment freeze.

The need for open recruitment

4. Some departments and grade management have raised concern about staff shortage and consequential succession planning problem due to new responsibilities stemming from initiatives in the 2005-06 Policy Address and unanticipated wastage. While we consider it necessary to continue to ensure that the integrity of the VR II Scheme is not compromised, we also acknowledge there is a need to alleviate the severe manpower shortage problem in a few areas due to the open recruitment freeze arrangement on VR grades. We consider that this arrangement should be moderated on a limited basis for selected VR grades, having regard to the following main considerations -

- (a) whether there have been any material changes in circumstances that were unforeseeable when bureaux and departments drew up the lists of VR grades (e.g. subsequent demand for provision of new essential services or unexpected wastage after implementation of the VR Scheme);
- (b) whether funding has been allocated for the creation of new posts; and
- (c) whether in-service recruitment has failed to or is unlikely to fully meet the shortfall.

5. Based on the above considerations, we recognize that a few VR grades have a more imminent need for conducting open recruitment, e.g. Health Inspector, Trade Officer and Air Crewman Officer. They are involved in implementing new policy initiatives in the 2005-06 Policy Address such as enhancement of food safety control, setting up of new Economic and Trade Offices, and in supporting emergency operations.

6. Separately, there are 30 VR grades the entry ranks of which were not included in the VR II Scheme (e.g. Amenities Assistant III) because they were not projected to face a surplus situation, but are subject to the 5-year open recruitment freeze for VR grades because one or more of the higher ranks in these grades were included in the Scheme. We consider that, as a matter of principle, these entry ranks should be excluded from this rule. Instead, they should come under the general civil service open recruitment freeze and the

concerned bureaux and departments should be allowed to seek exemption from the freeze on a case-by-case basis from the CS/FS Panel.

Moderation of the 5-year open recruitment freeze arrangement for VR grades

7. For the reasons set out in paragraph 4 above, we have obtained the approval of the Executive Council to moderate the 5-year open recruitment freeze arrangement for VR grades so as to allow a very limited number of VR grades to conduct open recruitment ahead of the expiry of the freeze in March 2008. To ensure only the most justified cases will be exempted from the recruitment freeze, the CS/FS Panel will also consider applications from VR grades, taking into account the following parameters -

- (a) there have been material changes in circumstances which were unforeseeable when bureaux and departments drew up the lists of VR grades (e.g. new essential service needs or unexpected wastage after implementation of the VR II Scheme);
- (b) in-service recruitment has failed to recruit sufficient number of staff, or in-service recruitment is unlikely to offer sufficient candidates with the required entry qualifications;
- (c) funding is available to cover the recurrent costs of the new intake following open recruitment;
- (d) the service needs and manpower shortfall must be met by civil servants and not by other alternatives; and
- (e) Government's overall plan to reduce the civil service establishment will not be adversely affected by the new intake from open recruitment.

8. We will submit applications for open recruitment from those VR grades which fully meet the parameters in paragraph 7 above to the CS/FS Panel for consideration. We will scrutinize the applications very stringently to ensure that only a very limited number of grades will be considered.

9. For the reason set out in paragraph 6 above, the Executive Council has also agreed to exclude the non-VR entry ranks of all 30 VR grades from the coverage of the 5-year open recruitment freeze. The bureaux and departments concerned may apply to the CS/FS Panel for exempting these entry ranks from the general civil service recruitment freeze. Their applications will be subject to the normal criteria for exempting non-VR grades from the general recruitment freeze³.

Financial implications

10. Resuming open recruitment for VR grades before the expiry of the 5-year recruitment freeze will have some limited impact on the savings achieved by the VR II Scheme. The financial implications will depend on which VR grades would be allowed to resume open recruitment and the number of new recruits permitted for each of these grades. As the modified arrangement will only be granted to a very limited number of VR grades, we expect that the additional salary cost incurred would not be significant. We will provide a note to the Finance Committee of the Legislative Council for information.

Advice sought

11. Members are invited to note the implementation of a modified arrangement to the 5-year recruitment freeze for VR grades.

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³ Exemption from the general civil service recruitment freeze will be granted under exceptional circumstances to non-VR grades, subject to the following general criteria and any other special considerations –

- a) there are strong operational grounds to fill the vacancies failing which the provision of essential services to the public will be affected;
- b) financial provision will be made available to meet the staff costs;
- c) the service needs must be provided by permanent civil servants;
- d) the vacancies cannot be filled in-house by re-deployment, promotion, or in-service appointment, etc; and
- e) the proposed size of intake is the minimum required and will not compromise the overall plan to reduce the civil service establishment.