

NOTE FOR FINANCE COMMITTEE

Supplementary Provision to Departments for Employment of Non-Civil Service Contract Staff or Hire of Services to Meet Service Needs

INTRODUCTION

At the Finance Committee meeting held on 7 May 1999 to discuss FCR(1999-2000)11, Members noted that in view of the general freeze on civil service recruitment in 1999-2000, departments would have to employ additional non-civil service contract staff or hire services to meet essential service needs. As civil service salaries and expenses for engaging non-civil service contract staff or hire of services are accounted for under separate expenditure subheads, Members agreed in-principle the granting of supplementary provision to six departments in the 1999-2000 financial year under the relevant subheads, each estimated to exceed \$10 million, for engaging non-civil servants or hiring services.

2. In view of the smaller than originally expected number of non-civil service contract staff employed and the shorter durations of these appointments in 1999-2000, we now estimate that supplementary provision will only be required for three of the six departments. The amount involved in each case is no more than \$10 million and can be approved by the Secretary for the Treasury (S for Tsy) under delegated authority. This note informs Members of the details.

OVERALL PICTURE

3. The following table sets out the amount of supplementary provision estimated to be required for each of the six departments under FCR(1999-2000)11 and the revised estimates -

/Architectural

		(a)	(b)	(c) = (a) - (b)
	Original estimate of additional requirement as per FCR(1999-2000)11	Revised estimate of additional requirement	Offsetting savings available under the relevant subhead	Net supplementary provision required
	(\$ million)	(\$ million)	(\$ million)	(\$ million)
Architectural Services Department	15	2.3	2.3	0
Census and Statistics Department	18	13	4.9	8.1
Department of Health	34	11.4	11.4	0
Education Department	43	30	20	10
Social Welfare Department	36	12.1	2.2	9.9
Water Supplies Department	12	4.7	4.7	0

ARCHITECTURAL SERVICES DEPARTMENT

4. The Architectural Services Department (ArchSD) originally intended to recruit 78 non-directorate non-civil service contract staff (comprising 26 professional and 52 technical and supervisory staff) in 1999-2000 at an estimated cost of \$15 million to be charged against Subhead 149 General departmental expenses. The total notional annual salaries at mid-point (NAMS) value of the corresponding posts amounts to \$25.4 million.

5. In 1999-2000, ArchSD has employed 30 non-civil service contract staff (16 professional and 14 technical, supervisory and supporting staff), for a period ranging from three to eight months, at a total cost of \$2.3 million. After netting off savings of \$2.3 million under Subhead 149 General departmental expenses, no supplementary provision is required by the department.

CENSUS AND STATISTICS DEPARTMENT

6. The Census and Statistics Department (C&SD) originally intended to recruit 185 non-directorate non-civil service contract staff (comprising five professional and 180 supporting staff) in 1999-2000 at an estimated cost of \$18 million to be charged against Subhead 149 General departmental expenses. The total NAMS value of the corresponding posts amounts to \$39.2 million.

/7.

7. In 1999-2000, C&SD has employed 163 non-civil service contract staff (four professional and 159 supporting staff), for a period ranging from one to ten months, at a total cost of \$13 million. After netting off savings of \$4.9 million under Subhead 149 General departmental expenses, C&SD only requires supplementary provision of \$8.1 million which S for Tsy has approved under delegated authority.

DEPARTMENT OF HEALTH

8. The Department of Health (DH) originally planned to recruit 261 non-directorate non-civil service contract staff (comprising 239 medical/professional and 22 supporting staff) in 1999-2000 at an estimated cost of about \$34 million to be charged against Subhead 106 Temporary staff. The total NAMS value of the corresponding posts amounts to \$104.2 million.

9. In 1999-2000, DH has employed 133 non-civil service contract staff (113 medical/professional and 20 supporting staff), for a period ranging from one to nine months, at a total cost of \$11.4 million. Having reviewed the financial position of its Subhead 106 Temporary staff, DH assesses that it will be able to absorb the additional expenditure from within the approved provision. No supplementary provision is required.

EDUCATION DEPARTMENT

10. The Education Department (ED) originally intended to recruit 213 non-directorate non-civil service contract staff (comprising 118 teaching and supporting staff in government schools and 95 non-teaching staff in ED) in 1999-2000 at an estimated cost of \$43 million to be charged against Subhead 106 Temporary staff. The total NAMS value of the corresponding posts amounts to \$76.5 million.

11. In 1999-2000, ED has employed 148 non-civil service contract staff (130 teaching and supporting staff in government schools and 18 non-teaching staff in ED), for a period ranging from three to seven months, at a total cost of \$30 million. After netting off savings of \$20 million under Subhead 106 Temporary staff, ED only requires supplementary provision of \$10 million which S for Tsy has approved under delegated authority.

/SOCIAL

SOCIAL WELFARE DEPARTMENT

12. The Social Welfare Department (SWD) originally intended to recruit 324 non-directorate non-civil service contract staff (comprising 193 Social Security Officer/Assistant, 92 Assistant Social Work Officer/Social Work Assistant and 39 common grade staff) in 1999-2000 at an estimated cost of \$36 million to be charged against Subhead 149 General departmental expenses. The total NAMS value of the corresponding posts amounts to \$90.2 million.

13. In 1999-2000, SWD has employed 184 non-civil service contract staff (181 Social Security Assistant and three Statistical Officer II), for a period ranging from three to ten months, at a total cost of \$12.1 million. After netting off savings of \$2.2 million under Subhead 149 General departmental expenses, SWD only requires supplementary provision of \$9.9 million which S for Tsy will approve under delegated authority.

WATER SUPPLIES DEPARTMENT

14. The Water Supplies Department (WSD) originally intended to recruit 112 non-directorate non-civil service contract staff (comprising 27 professional, 51 technical and supervisory posts and 34 supporting staff) in 1999-2000 at an estimated cost of \$12 million to be charged against Subhead 149 General departmental expenses. The total NAMS value of the corresponding posts amounts to \$29.4 million.

15. In 1999-2000, WSD has employed 61 non-civil service contract staff (15 professional, 42 technical and supervisory and four supporting staff), for a period ranging from two to eight months, at a total cost of \$4.7 million. After netting off savings of \$4.7 million under Subhead 149 General departmental expenses, no supplementary provision is required by the department.

REMUNERATION PACKAGE

16. In FCRI(1999-2000)3 we have informed Members of the remuneration that each of the above departments planned to offer to their non-civil service contract staff. The departments have broadly followed the then proposed terms in offering appointments.