

Office of the
Principal Permanent Secretary

Directive No. 10.1

The Submission and Approval of Three-Year Business and HR Plans

Issued on 6th April 2017 by the Principal Permanent Secretary (PPS) in terms of the Public Administration Act.

1. Applicability

1.1 This Directive supersedes in its entirety the original version issued on 11 December 2015.

1.2 This Directive is applicable to the Public Service.

2. Objectives

2.1 Directive 10.1 reiterates the mandatory requirement for the preparation of rolling three-year Business and HR Plans, revisable annually, by all line Ministries. These plans aim at streamlining procedures and processes for better coordination and effectiveness in Programme Implementation and People Management.

2.2 This Directive empowers Permanent Secretaries to facilitate the recruitment process, provided that Ministries have funds available and provided that they operate in the following parameters:

- In terms of the PSC-regulated recruitment process, this Directive links to, and precedes the recently published Directive 9, as will be explained further below in this document. Directive 9 is aimed at the simplification of the PSC-endorsed recruitment/selection process and the renewal of fixed-term contracts, through the delegation of authority, of those parts of the process which to date still require a priori reference to the Public Service Commission. This Directive completes the delegation of the recruitment/selection process whereby line Ministries will be able to create vacancies in line with this Directive according to the approved budget, and subsequently proceed with the recruitment procedures after attaining clearance of the annual HR plans from the Coordinating Committee.

- The defined role of the operational and strategic dimensions of the people management function, which include a more focused approach towards the holistic development, management and

well-being of employees, has been absorbed by the newly set up People and Standards Division (P&SD) within the Office of the Prime Minister (OPM). This Division is composed of the People Resourcing and Compliance Directorate, the Research and Personnel Systems Directorate, the People Support and Well-being Directorate, the Employee Support Programme (ESP), the Standards and Integrity Unit, the Policy Development Unit, the Strategic HR and Quality Unit and the Industrial Relations Unit. This puts the P&SD in a strategic position to ascertain effective and holistic people management across the Public Service.

2.3 This Directive concerns the drawing up of rolling three-year business and HR plans as part of the Business and Financial Planning process under the Fiscal Responsibility Act (CAP. 534). As already referred to in Directive 9, the mentioned plans aim to entrench a holistic approach to HR and business requirements through forward-planning and the efficient prioritization of resources.

2.4 Apart from having the full force of the Fiscal Responsibility Act behind it, the provisions of this Directive will further simplify the recruitment process as it reaffirms the mandatory requirement of the three-year business and HR plans as compared to the previous piecemeal approach where requests for recruitment were raised in a sporadic manner.

2.5 The authority that is being granted to Permanent Secretaries under this Directive does not cover the following actions without the prior approval of the Coordinating Committee:

- The creation of new positions (see paragraph 4.8 below);
- The creation of vacancies in particular categories of posts (see paragraph 4.9);
- The creation of vacancies in excess of the funds available to Ministries (see paragraph 4.9); and
- The grant of allowances and other perquisites (see section 5).

3. Preliminary

3.1 This Directive establishes a multidisciplinary Coordinating Committee. This Committee is being set up by the Principal Permanent Secretary (PPS) and led by the P&SD. The Committee will be composed of representatives from the Office of the PPS, the P&SD and the Ministry for Finance.

3.2 The primary function of this Committee will be the scrutiny and approval of the three-year business and HR plans in accordance to the set budgetary provisions allocated in the Financial Estimates and the capacity requirements entailed for the efficient implementation of projects and programmes undertaken by the line Ministry concerned.

3.3 The Coordinating Committee shall have the authority to make the necessary consultations with the competent authorities in order to be in a position to assess and approve these plans.

3.4 The Coordinating Committee's direction is binding and shall be strictly respected. No Ministry shall process any vacancy, update or amend its three-year plan prior to attaining the necessary approvals from the Coordinating Committee. Ministries who opt to by-pass this Committee and

refer directly to the Ministry for Finance for any financial approval or otherwise will be acting in breach of this Directive.

3.5 The Committee shall hold regular monthly meetings to safeguard the efficient application of HR and financial processes across the Public Service.

4. General Procedure

4.1 Line Ministries are to submit their three-year HR and Business Plans to the Coordinating Committee by the last week of November of Year N¹. These plans should be strictly contained within the budgetary allocations as stipulated in the latest Financial Estimates². These are to be presented in line with the template being attached as **Annex I** with this Directive.

¹ Refers to Year 2017 at the time of issue of this Directive.

² Refers to Years 2018, 2019 and 2020 at the time of issue of this Directive.

4.2 The Coordinating Committee shall give its feedback to each line Ministry explaining any modifications required as the case may be within ten (10) working days from submission. In cases where line Ministries fail to abide by the aforementioned timeframes the Committee will not be able to guarantee a timely reply in accordance with the stipulated timeframes and would therefore, in the absence of the Committee's clearance, the Ministry concerned will consequently have to stall the recruitment process until official clearance is received.

4.3 Line Ministries are bound to cooperate fully with the Coordinating Committee's requests for clarifications/adjustments for this process to be completed by December of year N. The Committee will halt its final approval until all necessary clarifications/adjustments are factored in by the Ministry concerned.

4.4 When preparing their HR and Business Plans, line Ministries should keep in view that the allocation under 'Personal Emoluments' for each year should cover the entire staff complement, namely staff already in place, proposed recruitment, promotions, replacements, progressions, envisaged renewal of contracts, allowances, bonuses and other perks, headships, assistant directorships, as well as holders of political office, private secretariats, policy consultants, advisors and persons/positions of trust carrying out technical/ancillary functions.

4.5 Projected budgetary allocations for personal emoluments should cover salaries for all current and new posts and positions for the whole financial year³, that is from 1 January to 31 December, regardless of when vacancies are projected to be filled in.

³ Any transfers that shall be part of the approved complement/personal emoluments will continue by the delegated procedure. Transfers that will add to the approved complement/personal emoluments will need the approval of the Committee.

⁴ Refers to Year 2018 at the time of issue of this Directive.

4.6 Vacancies to be filled as a result of selection processes initiated during the previous year must feature in the new HR Plan and be financed from the allocation of the new year. Vacancies from the preceding year for which the recruitment and selection process has not initiated in accordance to the projected timelines (i.e., by quarter, as indicated in the attached template) outlined by the same Ministry in its respective Plan should, if still required, ask for the Committee's approval to carry forward in the next year's Plan and likewise be financed from the new year's allocation.

4.7 In cases where the requirement for the creation of a new vacancy is due to either an expansion of service from the Ministry's end or arising out from the implementation of a particular project, line Ministries are expected to support their submissions by either presenting the Coordinating Committee with a projected organigram or a business plan which clearly outlines the capacity required in terms of people management.

4.8 As soon as the financial allocation for 'Personal Emoluments' for the forthcoming year⁴ in respect of each vote administered by the line Ministry is published in the annual Financial Estimates, the Coordinating Committee will initiate its discussions with each respective line Ministry to discuss any revisions which may be considered necessary.

4.9 The above provisions pertain to vacancies in existing grades and positions. Where the creation of a new fixed-term position or a re-designation of an existing one is involved, the line Ministry will be required to submit a formal request to P&SD on the requisite SES form available on the P&SD website. The proposed nomenclature and the remuneration package outlined in the SES form in respect of a newly created position require the endorsement of the Coordinating Committee. These forms are to reach the Coordinating Committee for prior assessment and final approval by not later than 4 weeks before the call is due to be issued. Line Ministries will be permitted to proceed with the recruitment process only after attaining the Committee's clearance. Positions classified in scale 4, or higher, will however continue to be approved and conducted by the Senior Appointments Advisory Committee (SAAC).

4.10 Line Ministries are to strictly adhere to the approved HR Plans and budgetary allocations. Should exceptional circumstances arise which require line Ministries to depart from their approved HR Plan, a formal request is to reach the Coordinating Committee in good time for the necessary considerations. Such requests must be supported by a convincing justification and whilst quantifying any corresponding changes in costs line Ministries are to state also the reason as to why the requested excess could not have been envisaged at the stage when the HR Plan was being drawn up during the previous year. The line Ministry may only effect such changes on receipt of the Coordinating Committee's approval.

5. Allowances and perquisites

5.1 Unless emerging from a sectoral agreement, a performance agreement, letters of appointment on a definite assignment basis, the PSMC, or are already established by virtue of previous central approvals, requests for new allowances and perquisites are to be submitted to the People Support and Wellbeing Directorate within P&SD for due consideration. Should the remuneration package of a

proposed new position include an allowance as a perquisite (e.g. a disturbance allowance or a performance bonus), such a request should be addressed to the Coordinating Committee for the required approval. Proposals for new allowances and new positions will be brought for the attention of the Industrial Relations Unit to assess any possible impact on the Public Service at large, before being considered for approval by the Committee.

5.2 If an allowance is approved by the Coordinating Committee for a specific period, approval has to be sought afresh for renewals beyond the approved period. Should the conditions for the payment of an approved allowance be no longer applicable, such an allowance is to be immediately withheld.

6. Monitoring

6.1 The P&SD will monitor and audit the implementation of this Directive on an ongoing basis by randomly screening calls for applications which are being referred to the Resourcing and Compliance Directorate at P&SD prior to publication on a weekly basis. The outcome of this monitoring process will subsequently be passed on for the attention of the Coordinating Committee for any action required. Line Ministries are therefore advised to ensure that they are guided by the above procedure in matters regarding new posts and positions, vacancies in excess of approved funds and the granting of new allowances and other perquisites.

7. Effectiveness

7.1 The provisions of this Directive shall come into force on 6th April 2017.

7.2 Failure to abide by this Directive is to be regarded as grounds for disciplinary proceedings, without prejudice to the provisions of the Fiscal Responsibility Act

7.3 This Directive applies indefinitely unless specifically revoked or amended by the Office of the Principal Permanent Secretary.

Mario Cutajar

Principal Permanent Secretary

Encl: [Annex I](#): Template for use in drafting an HR Plan