

**Human Resources Committee**

**19th January 2011**

**Staff Review Update**

**Report of the Chief Officer**

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**1 Summary**

- 1.1 As part of the corporate objective 'Reviewing staff numbers' in the Hampshire Fire and Rescue Service (HFRS) plan 2010 to 2013, we said we would review all staff in the Service. The Staff Review is underway, with Managers meeting with and engaging their teams to help identify how we can work in the most efficient and streamlined way. This clearly links to the need for the Service to meet the financial challenges we will face over the next four years.
- 1.2 The core aim of the project is to ensure that all our existing functions deliver their services in the most efficient, cost effective way possible. The project sits within the Financial Challenge Programme Board which is chaired by the Chief Officer.

**2 Recommendation**

- 2.1 That the Human Resources (HR) Committee continues to support the ongoing work of the Staff Review and endorses the progress made in the review of staff numbers as part of the Service plan objective.

**3 Introduction and background**

- 3.1 The Service identified the need to plan to reduce its costs given the current national economic position. Prior to the Comprehensive Spending Review (CSR) and the provisional grant settlement figures being released, the Service was anticipating the need to plan for a reduction of 25% in our government formula grant budget over the next four years, starting in April 2011. Two staff efficiency projects were previously initiated; the Efficient and Flexible Crewing (EFC) Project and the Retained Duty System (RDS) Strategy Project. The Staff Review includes all employees who are not part of one of these.
- 3.2 As a pre-emptive move to enable the Staff Review to take place, a review of Directors was undertaken in 2009. This saw the Specialist Response and Strategic Projects directorate integrated into the Service Delivery and Human Resources Directorates in January 2010. This resulted in a number of posts being removed

from the establishment including a director level post. The transfer of the Fleet Maintenance Centre in to Corporate Services was effected in Autumn 2010. The number of Directors was reduced from four to three in Spring 2010. Further work flowing from the Directorate Review will continue to drive efficiencies as these are worked through.

3.3 The Service received its provisional settlement grant on 13 December 2010, for the first two years (2011/12 and 2012/12) of the CSR period. This indicates a small increase in grant in both years for HFRS. This would put us in a better position than had previously been expected. These figures will now be subject to a period of consultation which finishes on 17 January 2011, so effectively remain provisional until then, although significant changes are not anticipated at this point. Furthermore we do not know what our settlement grant will be in years three and four (2013/14 and 2014/15) of the CSR period, as the government has stated that it will change the formula that is currently used to calculate the financial settlement for Fire and Rescue Services. Such uncertainty is unhelpful but there is a clear indication from government that Fire and Rescue Services will face more severe cuts in years three and four. Therefore, the Staff Review will continue under the same scope until at least the formula grant is finalised after the 17 January 2011.

3.4 Therefore it is important that the Service continues to work to identify efficiencies for the future and ensures that teams are working in the most efficient and streamlined way possible. The Service still expects to be required to make substantial savings in years three and four of the CSR period but the actual quantum is yet to be defined.

#### **4 Review Process – progress**

4.1 The Staff Review Project Board meets on a monthly basis, and oversees the review of staff, as set out in the Service plan. The project board ensures that a fair and consistent approach is taken across all areas of the Service. (A list of project board members is outlined in 8.1.1).

4.2 The Financial Challenge Programme Board, which is chaired by the Chief Officer has set a 15% benchmark for efficiencies across all the staff efficiency projects, following the Comprehensive Spending Review on 20 October 2010. This benchmark requires all areas of the Service encompassed by the Staff Review to identify a 15% saving in the established salary budget by April 2014.

4.3 The Staff Review process started in October 2010, with briefings to the Service Management Team (SMT) and four briefings to team managers on the programme and process.

4.4 Following the briefings to managers, a series of team meetings took place during November and December, involving all teams and employees affected by the review. These team level meetings were designed to allow all employees an opportunity to put forward their ideas for efficiencies. These team meetings were supported by guidance notes and briefing packs, which were made available to all staff and managers. Team managers are now consolidating their proposals for

efficiencies into a business plan, which they will put forward to their Area Manager or Director by the end of December 2010.

- 4.5 The core of this work is being delivered in the three main work streams which are aligned to the existing three directorates (Service Delivery, Corporate Services and HR & Training). The three Directors are ultimately responsible for managing and delivering the requirements of the review for their areas. This does not preclude 'cross boundary' working, which is a key expectation of the review ,
- 4.6 Once all team meetings have been completed and team managers have passed their proposed business plans to their Area Manager or Director, the Area Managers and Directors will consolidate all their managers' business plans in to one business plan for the whole directorate. The business plans will identify where the efficiencies can be made, and the timescales in which they will be realised. They will be subject to internal peer challenge between the end of February and beginning of March. The Project Board will then consider these proposals in March 2011, before a holistic plan is submitted to SMT in April 2011.
- 4.7 In order to achieve the proposed 15% staff cost efficiencies, the Service is aware that this will result in a reduction in the number of posts in the Service. As part of our efforts to do all we can to avoid the need for compulsory redundancies, the service is researching and collating information on voluntary redundancy as well as monitoring staff turnover levels carefully.

## **5 Review Methodology**

- 5.1 The review continues to be carried out using the following principles:
- It will be kept simple.
  - We will focus on what we do, and how we do it.
  - All team managers will undertake the reviews in such a way that staff feel they have been 'worked with' as opposed to 'done to'.
  - The review is looking for interdepartmental efficiencies by ignoring existing organisational boundaries.
  - We will put 'clearing house' arrangements in place to manage staff movements locally in the first instance (e.g. move staff within current department/directorate whenever possible).
  - We will minimise adverse effects on staff by holding vacancies for displaced staff.
  - There will be full consultation and involvement with staff and Representative Bodies.
  - A standard set of guidance has been issued to managers to help in carrying out their reviews.
  - We used similar briefing techniques for managers to those used for Project Engage to initiate the work.

## **6 Communications**

- 6.1 Maintaining good communications with staff throughout the review period is crucial to the success of the project. A communications strategy has been developed, and lays out the methods of communication during the review. Employees will be kept informed of the progress of the review using a range of internal communication options. These will include 'Routine Notice', 'Top Line Briefing', Senior Manager Visits, 'Extras', 'Exchange' magazine, Frequently Asked Questions on the intranet, staff forums, intranet, email, etc.

## **7 Contribution to corporate aims and objectives**

- 7.1 Reviewing our staff numbers is an objective in the Fire and Rescue Service plan 2010 to 2013.

## **8 Resource implications**

### 8.1 Human Resources

- 8.1.1 Project board membership as at 14 December 2010 is as follows

Project Executive: Geoff Howsego

Project Manager: Iain Hardcastle

Project Facilitator: Carole Hobbs

Senior User: Dave Curry

Members: Wendy Lambert (Finance), Laura Cadd (Marketing & Communications), Keely Stafford (HR), Kathy Bowden-Ellis (HR), Maureen Matthews (SD Administration), Paul Drake Procurement/Corporate Services), Bob Wythe (Service Delivery), Charlotte Woodward (Marketing & Communications), Wayne Parsons (Investors Project), Cllr Adrian Evans (Fire Authority Member), Representative bodies

### 8.2 Financial Implications

- 8.2.1 The cost of the project manager is being met from the Area Manager vacancy on the Service Management Team.
- 8.2.2 Legal Advice costs have been met from within the budget allocated for this.

## **9 People Impact Assessment**

- 9.1 This has been completed as part of the project documentation and is being reviewed on a monthly basis.

## **10 Conclusion**

- 10.1 The Staff Review Project is considering all staff groups out side of those working on watches on stations. The review inevitably includes how the Service uses its employees to deliver our current level of service. The review is progressing within the tight deadlines that have been set, in a fair and consistent way. Employees have been encouraged to engage with and contribute to the process.
- 10.2 HFRS will continue to regularly communicate with employees to ensure they can continue to engaged in the process, and understand the impacts or effects of the efficiencies required.

### **Background information (Section 100D of Local Government Act 1972)**

The following documents disclose the facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of the report:

HFRS plan 2010-2013 <http://www.hfrs.net/index/corporateservices/plan.htm>  
19 01 2010 HR Committee paper – Voluntary Redundancy Scheme

Note: The list excludes: (1) published works; and (2) documents that disclose exempt or confidential information defined in the Act.