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1 Summary

- 1.1 As part of the corporate objective 'Reviewing staff numbers' within the Hampshire Fire and Rescue Service plan 2010 to 2013, we said we would review all staff in the service. The aim of the Staff Review in this was to examine our current staffing for all those who worked outside of operational 'Watches' on stations. The expectations was to ensure we are working in the most efficient and streamlined way and to achieve a 15% reduction in staff salary costs.
- 1.2 This report updates the Human Resources (HR) Committee on the progress made so far and sets out the future governance arrangements for the staff review over the remaining years of the Comprehensive Spending Review (CSR) period..

2 Recommendations

- 2.1 The committee continue to support the work carried out as part of the Staff Review.
- 2.2 The committee agree that further updates on the Staff Review will be received via the Establishment Report at each HR committee meeting.

3 Introduction and background

- 3.1 The Staff Review process started in October 2010, when teams were asked to identify more efficient ways of working, to achieve a 15% reduction in staff salary costs for their areas of responsibility. This was concentrated on those areas outside of the 'Watches' based on our stations. These ideas were collated by team managers, who put forward proposals to their Area Manager, or Director at the end of December 2010. Proposals were developed through January and February 2011, with these proposals being put forward to Peer Challenge on 18 February 2011.

- 3.2 The Peer Challenge specifically looked at each of the directorate proposals to ensure that they:
- identify efficiencies to enable at least a 15% reduction in the salary budget by 31 March 2014;
 - identify how these efficiencies could be achieved;
 - Explain the rationale behind the removal of a post or posts;
 - Detail how services currently provided could be maintained (or improved);
 - identify realistic timescales to implement the savings but in any event before 31 March 2014;
 - identify any risks and the mitigating controls that would be put in place.
- 3.3 On 4 April 2011 the proposals were presented to SMT, who agreed them as a basis of consultation with employees and our trade unions. Collective consultation ran from 11 April 2011 until 11 July 2011, and was followed by a period of individual consultation, with employees who may be at risk of redundancy. A period of wider consultation, during which all employees were encouraged to give feedback on the full set of proposals covering the four years also took place, ending on 11 July 2011.
- 3.4 On 5 September 2011, the Service Management Team reviewed the feedback from consultation and finalised the proposals that were going forward as part of the Staff Review. These proposals have been put into three change plans, one for each directorate. These will now be managed within our existing management arrangements. Future governance arrangements are highlighted in section 7 of the report.

4 Collective and individual consultation

- 4.1 Collective consultation started on 11 April 2011 and ended on 11 July 2011. The 90 day period was agreed by the Service. This was at the request of the representative bodies although not technically required due to the number of posts involved. The Service has been clear that this agreement does not set a precedent for any future period of collective consultation where the numbers do not require it. Collective consultation was followed by individual consultation with those at risk.
- 4.2 Collective consultation centred on four areas of the Service where the proposals affected employees in 'year one' of the CSR (2011/12).
- Fleet Management and Fleet Maintenance Centre (FMC)
 - Marketing and Communications Graphic Artists
 - Logistics Team – Response Support Assistants (RSAs)
 - Fire Control
- 4.3 Following consultation a number of changes have been made to the original proposals, these are detailed below.
- 4.3.1 Graphic Artists – The original proposal was to reduce the number of graphic

artists from two to one. There have been no changes to this proposal.

- 4.3.2 Response Support Assistants (RSAs) – The original proposal was for two RSA posts to be removed in 2011/12. However, following the feedback received, one RSA post will be removed in 2011/12, and one RSA post will be removed during 2012/13.
- 4.3.3 Fleet and Fleet Maintenance Centre – The original proposal was to rationalise the current management structure, reducing the number of managers across the function from three to two, and to remove the Chargehand post. These proposals have not changed, although the timeframe to complete this has slipped due to the recruitment of the new ‘Head of Facilities Management’ post.
- 4.3.4 Fire Control – The original proposal made changes to the management structure within control and reduced the number of employees on a watch. The proposals to change the management structure will go ahead as planned, and be implemented by 1 April 2012. The removal of four firefighter control posts will now be delayed due to continued project work. One post will be removed in 2012/13 and three posts will be removed in 2013/14.

5 Wider consultation

- 5.1 Wider Consultation was designed to allow all employees the opportunity to comment on all of the proposals over the four year period of the directorate plans. Wider consultation was launched at the beginning of May 2011, and ended in line with collective consultation on 11 July 2011.
- 5.2 The amount of feedback received from wider consultation has been limited. There was a variety of mechanisms put in place by the Service for employees to put their views across on any of the proposals. However, there has still been some constructive feedback received by those that did wish to contribute.
- 5.3 The mechanisms made available to employees during wider consultation were as follows:
- Four on-line ‘live chat’ sessions held at differing times on different days during the consultation period
 - Three sessions held by directors (one for each of the three directorates)
 - Online comment facility
 - Email directly to the Staff Review project team
 - Talking directly to the project team – Project Manager, HR Business Team and HR Equality and Diversity Manager
 - Talking directly to representative bodies

These events and mechanisms were supported by all user emails and entries in routine notice to encourage employees to respond.

- 5.4 There was a variety of feedback received through consultation on general matters. The areas raised are highlighted below.
- The use of natural turn-over
 - Increasing workloads due to the reduction of staff
 - Governance of partnerships
 - Temporary promotions and when/if they will be made substantively
 - Grey book to Green book changes
 - Organisational resilience in relation to major incidents
- 5.5 Where feedback centred on a specific area that is affected in future years, we have committed to revisiting all business cases prior to the implementation date to ensure that they remain up-to-date and accurate. We will then use them as a basis for consultation with individuals affected in these years.
- 5.6 All individuals and teams that provided feedback have been provided with responses. All individuals affected by a proposal in 2011/12 were informed of the decisions in the week following SMT on 5 September 2011.

6 Voluntary Redundancy (VR) scheme

- 6.1 At it's meeting in June 2011, the Hampshire Fire and Rescue Authority approved the use of a voluntary redundancy (VR) scheme, in order to help reduce the likelihood of individuals within the Service being subject to compulsory redundancy.
- 6.2 The Service will use the process to provide a voluntary option to staff at risk. It will not consider VR twice in the same case. There will be a redeployment assessment in the first instance, and if this is deemed to be positive then employees will be redeployed. There will be no consideration of VR in those circumstances. If the redeployment assessment is negative, then it is likely that there are no vacancies either known or projected and therefore the employee(s) will not be successfully redeployed. At this point expressions of interest for VR will be sought.
- 6.3 The Service has now used the VR scheme on two occasions to exit employees from the Service, thus avoiding the need for compulsory redundancies.

7 Future governance arrangements

- 7.1 Each directorate has been issued with a change plan identifying the projected changes in staffing over the next four years.
- 7.2 These plans will be embedded into our 'business as usual' activities by using pre-existing governance arrangements. They will be monitored and reported internally by the Establishment Group, the Salary Budget Management Group and the Financial Challenge Programme Board. This will allow the project to be closed down in December 2011.

- 7.3 Regular reports will also go to the HFRA HR Committee and HFRA Finance and General Purposes Committee under existing report structures that will identify the changes applied due to the Staff Review.
- 7.4 The HR Business team will work with managers to ensure that the business cases for changes planned in years two, three and four are robust and timely.
- 7.5 Following the closure of the project in December 2011, the project will be evaluated, which will include the lessons learnt during the Staff Review process.

8 **Communications**

- 8.1 Maintaining good communications with staff throughout the review period has been crucial to the success of the project. A communications strategy has been developed and followed, which laid out the methods of communication during the review. Employees have been and will continue to be kept well informed of the progress of the review using a range of media including: Routine Notice, Top Line Briefing, Senior Manager Visits, Extras, Frequently Asked Questions on the intranet, staff forums, intranet, email, word of mouth, Live chat, etc.
- 8.2 Employees directly affected in year one received structured and timely correspondence detailing an overview of the consultation, any response from SMT, the final outcome and how this will affect them.

9 **Contribution to corporate aims and objectives**

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

10 **Resource implications**

10.1 Human resources

- 10.1.1 Consultation was undertaken on the proposed removal of nine posts during 2011/12. Following consultation two employees have left the Service via voluntary redundancy agreement.
- 10.1.2 There are 16 FTE of vacant posts that are proposed to be deleted in 2011/12 as part of the Staff Review. 13.74 FTE have now been removed from the establishment. The vacant posts that are remaining are funding temporary posts, and will be deleted in the future.

10.2 Financial implications

- 10.2.1 The vacant posts that have been deleted provide £680,000 annual savings. This does not take into account any posts that have been created. The total

savings predicted for 2011/12 are shown in the table below.

- 10.2.2 The table below shows the annual forecast savings to be achieved through the Staff Review.

2011/12	2012/13	2013/14	2014/15	2015/16	Total
£700,000	£80,000	£480,000	£1.06m	£180,000	£2.5m

- 10.2.3 The table below shows the cumulative savings to be achieved through the Staff Review.

2011/12	2012/13	2013/14	2014/15	2015/16
£700,000	£780,000	£1.26m	£2.32m	£2.5m

- 10.3 The savings that are shown in the table above are now set. It is anticipated that some areas of the Service may have amendments to their change plans, these will be due to opportunities arising, or a change in the priorities of the Service. These figures equate to savings of 15% of our salary budget for the staff groups affected.

11 People Impact Assessment

- 11.1 This has been completed as part of the project plan.

12 Conclusion

- 12.1 The Staff Review is an important aspect of our plans to meet our financial challenges presented by the CSR. By taking early action and an inclusive approach, the Staff Review will deliver a significant saving whilst not adversely affecting our ability to provide services, both internally and externally. The project methodology has provided a firm structure upon which to develop our plans. The work to implement these will take place over the remaining years of the CSR period and this will be delivered using our existing management structures and governance arrangements.

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.hantsfire.gov.uk/hampshire-fire-and-rescue-service-plan-2010-2013.pdf>

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