

## **Hampshire Fire and Rescue Authority**

**15 June 2011**

### **Staff Review update**

#### **Report by the Chief Officer**

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## **1 Summary**

- 1.1 The corporate objective 'Reviewing staff numbers' in the Hampshire Fire and Rescue Service (HFRS) plan 2010 to 2013 said we would review the number of staff in the Service. In support of this, the Staff Review was established with the aim to examine our current staffing for those not based on a watch at a fire station, or on a retained section. The overarching objectives were to ensure the Service was working in the most efficient and streamlined way it could and to also make a 15% reduction in the staff salary budget. This linked directly to the need for the Service to make substantial financial saving across the whole organisation as set out in the medium term financial strategy.
- 1.2 The Staff Review process is now progressing. Each directorate has put forward proposals to deliver 15% efficiencies in the services salary budget by March 2014. The target savings for the Staff Review are £2,650,000 per annum by 2014/15. The proposals to meet this target will be progressed through Finance and General Purposes Committee with the Medium Term Financial Strategy refresh in July and the budget development for 2012/13.

## **2 Recommendation**

- 2.1 That the Authority supports this progress review on the Staff Review and receives further updates through the Human Resources (HR) Committee and the Finance and General Purposes Committee.

## **3 Background and introduction**

- 3.1 As a pre-emptive move to enable the Staff Review to take place, a review of directors' responsibilities was undertaken in 2009. This resulted in the merger of the Strategic Projects and Specialist Response directorate with the Service Delivery and the Human Resources and Training directorates in January 2010. The Fleet Maintenance Centre was transferred into Corporate Services in September 2010.

- 3.2 A freeze on recruitment and substantive appointments has been in place for the past year, and has resulted in a number of new vacancies not being permanently filled. This helps to reduce the number of individuals potentially impacted by the proposals and the speed with which changes can be effected.
- 3.3 The Staff Review was designed to engage and involve all affected employees in the process. The process started in October 2010, when the non-watch based teams were asked to identify more efficient ways of working in order to achieve a 15% reduction in salary costs for their areas. 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 early February 2011, and submitted for internal review at the end of February.
- 3.4 As the proposals have developed, they have undergone extensive scrutiny, and have been subject to a number of challenges with resulting changes to the original proposals. These include:
- Internal Peer Challenge of all the proposals in February and March
  - Directorate responses to any challenges arising from the Peer Challenge in March
  - A review by the service management team in April
  - Collective consultation with representative bodies between April and July.
- 3.5 On 4 April 2011, the Service Management Team (SMT), agreed each of the three directorate proposals as a basis for consultation with representative bodies. Collective consultation is underway, and concentrates on the proposals where there is the potential redundancy situation in 2011/12.
- 3.6 The proposals are spread over the four year period. In deciding when the proposals should be implemented, the Service has agreed the following principles;
- If the reason for the proposed removal of a post is economic, then this should be at the end of year two (2012/13)
  - If the justification for the proposed removal of a post is a technical or organisational change, these can be presented at any time across the four year period, with specific timescales included in the business case.
  - Where vacant posts are proposed to be removed, they will be deleted in 2011/12.
- 3.7 This follows a common sense approach, as the majority of savings will be required in 2013/14 (CSR year three). We recognise that there will be changes to the plans over the coming four years, as there have been during the scrutiny of the proposals. Also, as opportunities arise, we will take them to minimise the impact on employees and to maximise cost reductions.

## **4 The proposals**

- 4.1 The proposals put forward by the three directorates are designed to make teams more efficient and effective, and avoid straight cuts in the capacity of teams. In this way we have been able to avoid a reduction in the quality of service provision. The 15% efficiency target was set at the directorate level, not at team or department level. Efficiencies achieved vary between teams and departments depending on the size of a team, and the nature of the future demands that will be placed upon it. In some areas the proposals have seen the amalgamation of teams and departments to increase capacity and avoid the need to see any areas of the Service discontinue.
- 4.2 There are no formal proposals at this stage to further reduce the current directorate structure from three to two. As part of the proposals to meet future demands, new 'heads of service' posts have been created in HR and Training and Corporate Services. These posts are essential in order to provide support and resilience within the management structure.
- 4.3 Within the wider Service a number of new posts have been created. This, coupled with the conversion of several grey book posts to green book posts, will enable the Service to use its resources in a more efficient and effective way in the future.
- 4.4 The proposals continue the Services' equal focus on protection, prevention and response functions. The Service Delivery Directorate have identified their Group structure as essential in continuing to deliver high quality services. Therefore there has been no change to the group structure currently in place. It should be noted that this has reduced from 11 groups to 9 in recent years. Moving forward, the Service will maintain its focus on customer service and ensure that we continue to engage and communicate effectively with both employees and the communities we serve.
- 4.5 The changes to staffing arrangements and the establishment that fall from the Staff Review will be managed through existing internal mechanisms and under the delegated authority of Chief Officer.

## **5 Proposed reduction in salary costs and full time equivalent posts**

- 5.1 The savings targets for 31 March 2014 in the staff salary budget that the three directorates have developed consolation proposals for are set out below. This also shows the overview for the service.

5.1.1	Directorate	Baseline cost £000	Proposed cost £000	Savings £000	Savings %
	Service Delivery	10,550	9,020	1,530	14.5
	HR & Training	3,750	3,160	590	15.7
	Corporate Services	3,200	2,670	530	16.5
	Total	17,510	14,850	2,650	15.1

5.2 The proposed reduction in the numbers of full time equivalent (FTE) posts is summarised in the table below.

5.2.1		Total
	Green	40.5
	Grey	31
	Control	15
	Total	86.5

5.2.2 These figures do not take into account the vacant posts on the establishment that are proposed to be deleted (31.34 FTE), or the 27 posts that have been created as part of the staff review. The costs of the vacancy savings are included in the table at 5.1.1.

## 6 Risk analysis

6.1 The Staff Review proposals set out in this report do not impact on 'watch-based' staff at fire stations. The well-established corporate objective of achieving 'efficient and flexible crewing' continues to address this aspect of improving cost-effectiveness in the way we deploy our staff resources. The proposals of the Staff Review itself will not have any direct nor detrimental impact on the quality of services we deliver to the public.

6.2 Because the intention is to implement the proposals over the next three years, the proposals will need to be kept under continual review and modified to take account of changing circumstances (e.g. staff turnover, workload pressures, financial situation). The overriding aim will be to ensure that the necessary savings are delivered on time, but also that every opportunity is taken to reduce the need to make compulsory redundancies.

## 7 Consultation

7.1 Collective consultation with the recognised trade unions commenced on 11 April 2011 and will end on 11 July 2011. Individual consultation will commence at an agreed time in the future following the completion of collective consultation.

- 7.2 The Service is also seeking the views of all staff as part of a wider consultation on all of the proposals put forward by the Staff Review. This will be completed by 11 July 2011.

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

- 8.1 This work directly supports the corporate objective; Reviewing our staff numbers. This is an objective in the Hampshire Fire and Rescue Service plan 2010 to 2013

## **9 Resource implications**

- 9.1 Human resources

Headline figures show a reduction of 86.5 full time equivalent posts from the establishment across the service. Please see 5.2.1 for further breakdown.

- 9.2 Financial implications

- 9.2.1 The savings proposals currently out for consultation achieve the target set out in the medium term financial strategy. The proposals will be further developed following consultation and feed into the MTFs refresh and budget process for 2012/13 and 2013/14.

## **10 People Impact Assessment**

- 10.1 This has been completed with the Project.

### **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:

HFRA Human Resources committee report 19 January 2011

[http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemsummary.htm?sta=&pref=Y&item\\_ID=2538&tab=1](http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemsummary.htm?sta=&pref=Y&item_ID=2538&tab=1)

HFRS plan 2010-2013

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

HFRS Budget 2011/12 report to Fire Authority 9 February 2011

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