

Hampshire Fire and Rescue Authority

Human Resources Committee

Item 7

15 April 2015

Professional Services Redesign – Final Report

Report by Chief Officer

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1 Summary

- 1.1 In April 2014 Hampshire Fire and Rescue Service (HFRS) moved to a two directorate structure, thereby delivering the last of the 2009 Directorate Review recommendations. This was achieved by combining the teams within the Human Resources and Training and Corporate Services Directorates into the Professional Services Directorate (PSD). In bringing the two directorates together under a single Director it was recognised that a redesign of the new PSD was required to meet the future demands of the Service and to contribute to the efficiency savings required within the wider Service as part of the medium term financial plan (MTFP).
- 1.2 In May 2014 the Professional Services Redesign (PSR) project commenced. The purpose of the project was defined as:
- Deliver a change proposal report and implementation plan to Service Management Team (SMT) in Feb 2015, regarding the future model for PSD.
 - Make recommendations to achieve the necessary cost improvements, as detailed in the MTFP of £1.4 million by March 2018.
 - Ensure that the new delivery models will complement the Service Plan and associated Priorities.
 - Ensure the new PSD model will align with and support any new Service Delivery Model that may result from the Risk Review.
 - Provide appropriate engagement to HFRS staff to ensure they receive the necessary support to achieve the cultural change brought about by PSR.
- 1.3 This report summarises the work of the PSR project in delivering the report to SMT. It includes a high level analysis of the savings that will be achieved by March 2017.

- 1.4 This report was considered and accepted by the Service Management Team (SMT) on 13 February 2015 under the delegated authority of the Chief Officer. It is presented to the HR Committee for information and to seek support in making the agreed future changes to the Professional Services Directorate.

2 Recommendation

- 2.1 The HR Committee note the proposed changes to the PSD within the report that are being made to support the MTFP under the Chief Officer's delegated powers.

3 Introduction and background

- 3.1 Following the Directorate Review recommendations in 2009, the HFRS structure has moved from four to two directorates. A single Professional Services Directorate (PSD) has been created by combining the Human Resources and Training and Corporate Services Directorates. Service Delivery (SD) will continue to be responsible for those areas that directly deliver services to the community. The PSD will enable that delivery by providing a suite of professional services to those who need them.
- 3.2 It is predicted the Service will have to achieve further budget reductions of approximately £12m during the next Comprehensive Spending Review (CSR) period up to March 2018 (CSR 2), with additional saving requirements anticipated through to March 2020. In order for the Service to achieve the Vision and Priorities stated in the Service Plan, including the budget reductions, two projects were set up to review the current delivery models in both SD and PSD. A Project Mandate was agreed by SMT in March 2014 for the PSR project to commence, with a requirement to reduce costs by £1.4m to help meet the MTFP which is designed to address the predicted £12m funding gap.
- 3.3 The PSR project was established to develop proposals for the newly formed directorate. This new directorate is responsible for delivering the required support services to Service Delivery in a cost effective and efficient manner. Further, the project aimed at ensuring that the PSR supports the future Service Delivery model following the outcomes of the Risk Review Project.

4 Professional Services redesign – methodology

- 4.1 The PSR project commenced in May 2014 and all teams/departments within the PSD have been included within this review. The project has been led by Mark Rayner (Senior Responsible Owner) with support from the Programme Management Office (PMO) for project management and project support.
- 4.2 The approach to the project has been to engage with the PSD Heads of Service and respective managers within each team and assist them to review the current and future workloads and demands on their teams. Each team or department has then engaged with their staff where possible to help ensure that the proposals are developed with a full understanding of the current and future demands of the Service.

- 4.3 In developing the recommendations for the final report, opportunity has been taken to challenge existing practice and to consider where there is duplication within the current structure. Each team has also been tasked with identifying where systems and processes can be stopped or improved to provide further efficiencies.
- 4.4 The opportunities and impacts of our arrangements with H3 and the future sharing of premises with Hampshire Constabulary have also been considered. The teams have been consistently encouraged to challenge existing practice and consider whether services can be improved, outsourced, reviewed with partners in a partnership/joint working model or stopped altogether.
- 4.5 This project has a requirement to closely link with the Risk Review project. Some teams and departments within PSD are more directly influenced by the current and future SD model such as Training and SD Admin in particular. Close liaison with the Risk Review team has taken place to make sure that any current proposals do not pre-empt the outcome of the Risk Review Project or leave the PSR outcomes unable to meet the future needs of the SD.
- 4.6 Throughout the review period the SRO has maintained consistent and regular communications and engagement with the PSD Heads of Service Team (HoST) members and the managers leading on the on the individual reviews. This has been through one to one, team and management meetings. Wider communication has been carried out with the Service and teams through Routine Notice and the 'What's Happening' information bulletin.

5 Professional Services redesign proposals – summary

- 5.1 A summary of the individual proposals for each team within PSD has been provided to Service managers. A detailed proposal for each team has been developed which sets out the proposed change, the business case to support it and the proposed financial profile for the team when the change is implemented. They also identify what investment is required to support the implementation and future system and process improvement opportunities. Each team affected will be consulted before the proposals are publicised more widely.
- 5.2 In order to achieve the outcomes of the project, each team was challenged to review their existing work and structures, develop a future delivery model and seek savings to reduce the overall PSD budget by £1.4m in order to contribute to the savings requirements for the Service within the MTFP.
- 5.3 The emphasis of this project has been on redesign of the PSD. The target of £1.4m saving has been applied to the whole directorate and not split up as an equal percentage saving across each team. This approach reflects the 'redesign' requirement for the Directorate and recognises that some teams could offer greater savings than others as they become fit for purpose for the changing future demands of the Service.
- 5.4 The following table sets out a summary of the savings planned to PSD base budgets, temporary posts/costs, pay and non-pay savings and income generation.

The proposed savings and income reflect the outcome of the valuable work carried out by the teams and delivers an effective, efficient and scalable range of professional services in the future.

PSR Pay Savings	£730,829.00
PSR Non-Pay Savings	£436,200.00
Temporary posts savings + Income	£313,000.00
Total	£1,480,029.00

- 5.5 The proposal for FMC/Technical Services is not included within the overall PSR report. Work is currently being undertaken with the FMC/Technical Services areas and the results of this will be reported subsequently. This is due to number of legitimate external factors outside of the PSR.
- 5.6 Through the process of the review a number of options were considered for different operating models within a number of areas of PSD. In arriving at a conclusion for the proposals there was some challenge from the end users which has been considered.
- 5.7 As part of the overall process, the senior management structure within Professional Services has been rationalised and streamlined. The resultant structure provides a strong and effective infrastructure to support the operational areas of the Service.

6 Implementation Plan

- 6.1 The PSD Project Initiation Document (PID) set out the scope, deliverables and timeline for the formation of the redesigned PSD. The original timeline for completion and delivery of the PSR aligned with the Risk Review project but this created a number of risks (contained within the project governance documentation) to both the planned changes and the Service. It was therefore decided to bring the delivery of changes falling from the PSR forward.
- 6.2 The savings identified above need to be delivered for the financial year 17/18 to ensure the full year effect is achieved by March 2018. An Implementation Plan has been constructed which lays out the proposed phasing of changes across the PSD. This plan takes into consideration the management of the people impacts, systems development and other factors affecting the individual teams within the Directorate.
- 6.3 There has been some challenge throughout the review about the timing of PSR and why it has been carried out before the final decisions are made on Risk Review. This was considered in the early stages of the project and the following rationale was agreed for proceeding as planned:

1. Commencing implementation of PSR as soon as practical will ensure the

future PSD infrastructure is created and embedded in preparation for the implementation of Risk Review. This will ensure that the PSD is fully prepared and resourced to support the changes that will come about as part of the Risk Review and ease the transition to any new Service Delivery Model.

2. The new support service will be fully embedded and new ways of working and any bedding in issues will have been identified and resolved before any changes are implemented in SD. PSD staff will have settled effectively into their new roles and structures.
 3. Work with current and future potential partners is continuing and further opportunities for collaboration are being identified. It is most likely that future opportunities will occur within teams and departments in PSD and it may not be possible to hold back on changes if there are clear advantages in working practices and savings identified.
 4. Commencing early, and therefore generating additional one off savings, provides funding to put into reserves which can then be used to invest in the necessary systems and the staff to support embedding the new ways of working.
 5. Our experience and learning from the Staff Review process showed that having a plan with an extended duration of implementation, that is publicised to those affected, can have a negative impact on the individuals and the Service.
- 6.4 Delivery of the Implementation Plan will be completed with a separate project requiring the appropriate skills and level of resources to support it. This will include the relevant support for teams and individuals in terms of the impacts of change, and align to the delivery of the PSR outcomes to the Risk Review project.

7 Future opportunities

- 7.1 The landscape of the organisation is continually changing and the proposals within this report need to be flexible to ensure they meet the future Service needs. During the time the PSR has been running there have been a number of developments that have influenced the thinking and a number of future opportunities that will affect the proposals including:
- The decision to locate Hampshire Constabulary senior team at the HFRS HQ, Eastleigh to create a Joint Headquarters and the wider Estates Transformation Project that includes some of our fire station locations.
 - Ongoing discussions to scope the provision of vehicle and equipment maintenance and repair for Royal Berkshire Fire and Rescue Service.
 - Discussions with the Isle of Wight Fire and Rescue Service to provide a range of services within the Delivering Differently in Partnership Project.

- Continually developing opportunities for more joint/collaborative working with HCC and/or Hampshire Constabulary.
- An ICT Transformation project will be initiated in 2015. It is anticipated that this project will take two years to complete, initially reviewing the Service's requirements for ICT, followed by an implementation phase.
- A new transformational change programme will identify further opportunities for improving our services as the work of the various projects is understood and delivered.

7.2 Wherever possible the proposals within this report have considered the impacts and opportunities associated with the above initiatives. In many cases the outcomes will not be known for some time and therefore individual teams have had to work with what they currently know in forming their proposals. As the landscape changes and more information becomes available then the PSR proposals will need to be reviewed accordingly to ensure they remain relevant, deliverable and achieve or exceed the required savings.

8 Supporting our corporate aims and objectives

- 8.1 The PSR will deliver a new model for professional services focussed on supporting HFRS to deliver it's safer and stronger priorities. It will help ensure we can continue to deliver the highest level of services to the communities of Hampshire.
- 8.2 Delivering the £1.4m savings from PSR will contribute to the overall savings requirement for HFRS as part of our MTFP. As the public purse continues to be put under pressure there will be further opportunities to generate savings or income from greater collaboration with our partners.

9 Risk analysis

- 9.1 The Service recognises the need for high quality, professional support services but must balance this desire against the available budget and future funding pressures being placed on HFRS. The proposals within this report will deliver a key outcome against Risk 18a in the Corporate Risk Register - Failure to adequately plan the Authority's services within its financial resources in the medium term.
- 9.2 The proposals developed within this review have considered the future needs of the Service and deliver the required £1.4m of savings. Any reduction of staff or resource carries with it some risk regarding the capacity and capability of the organisation to deliver the required level of service.

10 Impact Assessment

- 10.1 An impact assessment has been completed for this project. A separate People Impact Assessment has been completed to provide a greater level of detail regarding the affect of the proposals on staff within PSD.

- 10.2 The proposals in this report are considered compatible with the provisions of the European Convention on Human Rights, the Human Rights Act 1998, and the Race Relations (Amendment) Act 2000.

11 Resource implications

11.1 Human Resources

The proposals within this report make a number of proposed staff changes within the PSD. The people implications of the proposed changes are predicted and there is a potential of a reduction of a number of posts as an outcome of implementing these changes. An Enhanced Voluntary Redundancy (EVR) Scheme has previously been agreed by the HFRA HR Committee. The opportunity to apply for EVR will only be offered to eligible people within the affected staff groups. This should reduce the need for compulsory redundancy but this remains a possibility as the proposals are implemented.

When implementation of the proposals is commenced, HR support will be required to support consultation with staff, representative bodies and to implement the outcomes of the review proposals. HR support from H3 has been provided for the initial consultation work and further HR resources will be identified within the 'Transformational Change Team' work being developed.

11.2 Physical Resources

The main impact will be in relation to estates requirements from the PSR. This will be developed in tandem with the work on Estates Transformation (working in partnership with Hampshire Constabulary). Information from the PSR proposals has been passed to the Estates Transformation project team to ensure adequate consideration is given to the future needs of the teams.

11.3 Information and Communications Technology Resources

The proposals within this report make a number of proposed staff changes within the PSD. Support will be required from the ICT department to provide both hardware and software to PSD staff to enable them to carry out their jobs. There is likely to be some support required from the Business Intelligence Team to develop business tools to improve some of the processes that are current carried out manually.

11.4 Financial Implications

The proposals within this report identify in excess of the £1.4m of savings required from PSR. Some savings will be realised early and these one off in-year savings will be captured by the Service and placed into reserves. Funding to support change activities and any HR requirements during implementation of the proposals will be drawn from the recently established Transformation Fund.

12 Consultation

- 12.1 The development of the PSR proposals has been carried out in conjunction with the individual teams within PSD where possible. Engagement sessions have been run with individual teams and wider engagement sessions run for the whole of PSD, Service Delivery, Leadership Forum and SMT. The representative bodies have also been kept informed of the project through Joint Trade Union meetings and a separate engagement session in January/February 2015.
- 12.2 The proposals do seek to reduce the number of personnel within the PSD in future years. Therefore formal consultation will commence with individuals affected by the proposals following the decision of SMT. This will be progressed on a team by team basis and align to the proposed implementation timeline for change within each team.

13 Conclusion

- 13.1 The PSR process has developed a future structure for PSD that will deliver high quality professional services to HFRS in a way that is flexible, scalable and efficient. The new PSD structure will complement the Service Plan with its Priorities and support the new Service Delivery Model.
- 13.2 The proposals from each team within the PSD have been developed by the individual teams and /or management groups to provide a model for future delivery that is affordable for the Service and meets the £1.4m cost reduction requirement of the project. Implementation of the proposed changes will be completed by March 2017 and the associated implementation plan will ensure our staff receive the necessary support to achieve the cultural change brought about by PSR.

14 Background papers

- 14.1 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:

None

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