

RDS Strategic Review Project **Work Group One Report**

Team Manager-

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Work Group members-

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Attending Guest membership-

Conrad Jordan *FBU*
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Introduction

Work Group One was tasked with the following;

1. To investigate and devise alternative contractual proposals for employing Retained Duty System (RDS) personnel that provide opportunity for their engagement in a wider range of duties in addition to operational Response, in support of Protection and Prevention meeting the expectations of the modernisation agenda.
2. To develop RDS contract proposals that provide for the operational response availability of crews on this duty system, ensuring that contracts are fair, consistent and equitable, and take account of the Working Time Directive (WTD).
3. Research the possibilities and any potential benefits to members and the organisation with introducing front loaded and banded contract payment arrangements. These may be for a fixed initial period, e.g. first hour, with specific relevance to any given Station, with follow on activity commitment rewards appropriate to task, skills, role etc devised.
4. To gauge any likely budget implications for Hampshire Fire and Rescue Service (HFRS).

Outline Deliverables (Products):

1. Contractual arrangements that enable RDS personnel to provide, and be rewarded for, differing periods of cover depending on agreed Service and individual's need and/or ability.
2. Contractual arrangements which enable RDS personnel the opportunity to participate in other areas of work such as Co-Responding, RDS Awareness Team, and Prevention activities.
3. Contractual arrangements which enable RDS personnel the opportunity to achieve their full potential for personal development within IPDS, taking account of any revised training and development recommendations from Work Group 3.
4. RDS Contracts and work delivery commitments resulting from which are compliant with the WTD.
5. To deliver financial impact projections mapped against the existing arrangements.

Work Group Scope

The work group was formed and received guidance from the Project Manager. Thereafter the work group met at frequent intervals, progressing work in accordance with the work package parameters above. The team manager met frequently for checkpoint meetings with the Project Manager and attended Project Team Meetings.

The Work Group team leader, RDS Oic and the Project Manager also had involvement in the Working Time Regulations Project Lead by the Deputy Head of HR, running simultaneously. Any outcomes were fed directly into Work Group considerations.

In March 2007 following the decision of the existing Work Group Team manager to leave HFRS the Project Manager was tasked with leading this work Group directly whereupon a review of Work Group progress made was conducted.

The cooperation and involvement of the FBU and RFU representatives is gratefully acknowledged and the Project Manager has been careful to fully include them in meetings and development work as consultative guests to the work group and project team meetings, conscious to avoid compromising their role in any formal consultation stage or potential negotiations with Principle Service Management at a later stage.

Background

HFRS has a significant reliance on the RDS with a current compliment of over 700 members providing cover across the County at varying size and physically resourced locations. The current system of remuneration is historical, based around two levels of cover availability (full 100% and part 75% with 120 hours being the division) and the number of times a Station alert is activated and responded to. As Station callouts decline in response to community safety initiatives and HFRS schools education policies the wages of these essential staff are adversely being driven down, a perverse incentive with negative reward for effective community engagement.

Currently the only predictive element of earnings for existing or potential RDS members is the annual retaining fee and drill night attendances. Thereafter as emergency alerts are activated earnings rise.

The work group were tasked with considering the impacts of the current pay system on retention of existing and future personnel and with researching across other Fire and Rescue Services to explore other methods of pay and reward that could be more suitable for recompensing work availability and performance in the future. Consideration to the legal responsibilities of HFRS in compliance with the Working Time Directive for this group of employees must also be considered. The group were to consider new proposals that reward cover availability more fairly.

Research

Finds message and networking opportunities were made to obtain information on existing systems. This resulted in reviewing Dorset, Cumbria, Devon, Lancashire, Oxford and Humberside. It quickly became apparent that many schemes were much of a much-ness with shared or similar approaches, drawbacks and consequences. Humberside stood out as the most researched and consulted on model, but was not yet introduced. Their approach included consultation with representative bodies at national and local level and commissioning of external financial consultants.

A communication strategy was devised including a series of consultative information exchange and dialogue evenings at RDS Stations and an open forum. Articles were placed in Exchange magazine, the HFRS staff magazine, and two "RDS News" newsletters were devoted to the project workings. Feedback confirmed the perceived lack of fairness between the wide cover availability provisions in hours that attracts the same 75% part cover retaining fee, and concern from Oic's over salary payments 'upfront' with an anticipated increase in DNRs (Did Not Respond).

Existing Data

Currently we have access to two years of Retained Management System (RMS) data between 1.4.05 and 31.3.07. This data is currently the only performance management information that could be used to hold personnel to account for contract performance and provides examples of inaccurate and therefore somewhat unreliable data.

Station turn-out data provides more accurate data but currently we are not easily able to separate those calls attended by RDS or WDS at a WDS station with RDS backup or the current Day Crewing stations.

Annualised Salary Scheme

The work group have devised a one hour pay comparison model which can now be used to analyse existing performance for the first time and make comparisons with any future potential annualised salary scheme. A pay model can now be constructed and evaluated incorporating identifiable constraints and adjustable variables for comparative purposes.

Data can be input across stations to make comparisons. In its development some commonalities in performance delivery seemed to be present which could be incorporated into the model as a series of variables. This limited sample field was statistically naïve and the Programme Board requested the model be developed to incorporate all RDS stations for a global perspective across the county.

The aim of any potential pay model is to be cost neutral across the RDS as a whole. The work group have identified this will inevitably lead to potential winners and losers.

The one hour pay comparison model

The model is based around data for the two year period 1.4.05-31.3.07. Call data on a station by station basis and RMS data unique to each members recorded performance was averaged across the period and can be used in the model.

The model constructs a series of elements to accurately reflect the first hour of pay based on Role and contracted availability, the final element is call activity at each location.

Annualised Salary Scheme Considerations;

Research and preliminary workings of the model lead the work group to conclude the following considerations for recommendation;

- All rates of payment remain those nationally agreed and nationally negotiated.
- The maximum working week availability has been reduced to 144 hrs to reflect the outcome of a 24 hr period off call a week, a new requirement for all RDS staff to comply with the Working Time project outcome proposals.
- The call average used is all turnouts at a station minus stand-bys.
- Four Contracted Availability Bands are proposed as follows;

		<u>Band Hrs</u>	<u>Pay at Hrs</u>	<u>% of Week</u>
1.	100%	118-144	131	78
2.	80%	92-118	105	63
3.	60%	66-92	79	47
4.	40%	30-66	48	29

These are naturally weighted so that an individual in band 4 is providing 25% of the cover hours required in band 1, for 40 % of the retaining fee. This favours those taken on to cover priority cover periods or stay at home parents with school age children who could provide day cover between 0900-1500hrs mon-fri. This would assist with equality impact reductions providing greater accessibility to target groups.

- Variable Model assumptions can be input i.e.;
- The response rate can be adjusted; currently it is 70% in HFRS
- The response ratio of turnouts to attendances can be adjusted; data shows these differ between stations dependant on the physical resources and associated personnel numbers at each of the stations.
- The response ratio for supervisory managers could be adjusted higher to reflect their compliment ratio amongst a station's personnel total and Service expectations that if available they would turn out, therefore more frequently.
- Additional payments would be made for stand by calls and those calls extending beyond an hour.
- Work activity should be evaluated to decide what activities should be included as part of a potential annualised salary scheme. This management decision should reflect both national Role Map expectations and the IRMP i.e. it could include a specified number of expected hours Community Safety activity or this could be paid as an additional activity as below.
- A menu suite of task evaluated work activity rates should be made available to facilitate additional hourly areas of work activity not included in any pay scheme introduced, e.g.
 - Calls extending beyond the hour, nationally agreed rates.
 - Stand-by calls, nationally agreed rates.
 - Station administration
 - Community safety initiatives
 - Recruitment drives
 - Station maintenance activity
 - Standard tests
- Specials too complex to factor into the formula at this stage.
- It is possible to have a response rate of over 100%, although it is rare. Best explained with an example e.g. if a station gets 20 calls in ten hours, to make it simple we would assume that this is 2 calls every hour. So if somebody worked 1 hour we would expect them to get 0, 1 or 2 calls, but no more. However, if this day happens to be Fireworks Night we would realise that the 20 calls would probably not be evenly spread over the 10 hours, maybe there were 4 calls between 9pm and 10pm when the bonfires are likely lit. So any firefighter

working between 9 and 10 would have a high response rate of 200% (as we expect the maximum calls to be 2 based on maths but it was in fact 4).

- Stations that are very busy will probably get big pay increases unless response ratios relate to local resource provision. This is because if a station has lots of calls per year that's say an average of two per day, no retained firefighter would be expected to have that kind of schedule. So for places like Bordon (700 calls) the response rate is much lower (around 40%). By the same argument quiet stations or under staffed stations would get a pay cut because their response rate will be high- Alresford's response ratio (note ratio not rate) is 77%, above the 70% the model assumes.
- The aim of the model is to be cost neutral, which means that for every winner there must be a loser. As we have seen WMs or other people on high cover hours will have a pay cut as they will work less hours, and the people providing little cover will have a pay cut into new bands, whilst those in the middle will have a pay rise. To achieve this it is crucial that the model is based around individuals achievable performance based on their cover and the resources at their Station. The introduction of local ridership rotas would bring individual's performance more in line with this middle ground the model assumes for performance delivery and be fairer to all.
- However currently with the model's universal response rates/ratios system the call numbers of stations is not taken into account. This has the effect of quiet stations receiving pay cuts, while the busy stations receive pay rises; in other words by introducing universal performance targets the model is focusing on the personnel across entire stations, rather than the individuals at any one station and their realistic performance delivery.
- The logical solution to this problem would be to classify stations as busy, average or quiet, and adjust the expected individuals performance rates and ratios at these respective classifications accordingly, i.e. the models variables should be adjusted to better reflect management expectations of performance delivery with a Stations available resources based on these three classifications.
- These classifications could perhaps be related to three future risk profile categories.

The following Annualised Salary Scheme Recommendations should be considered;

1. Negotiations with the representative bodies surrounding any proposed implementation of some or all of the group's recommendations should continue to be fully inclusive and involving and extended further.
2. Finalised proposals should be made available to external professional consultants for audit, legislative compliance and quality assurance.
3. Response rates should be agreed between the Service and Representative Bodies that reflect agreed performance expectations at each location.
4. The agreed response rates should be the same across all Roles within new risk groupings.

5. Response ratios (turnouts to attendances) should be higher for supervisory managers than firefighters, reflecting Station crewing compliments and Service expectation that if a supervisory officer is responding they would turnout on more occasions. Currently in the WDS we detach Supervisors in to stations for response if they are available from elsewhere.
6. Response ratios should be agreed for each Station dependant on appliance resources at each Station to more accurately reflect response ratios deliverable.
7. An electronic, web-based real time interactive Retained Management System (RMS) providing secure, accurate data retrieval must be purchased and successfully trialled prior to any revised pay agreement introduction.
8. The Project Manager is currently working with the perceived market leader in this field of RMS software development; HFRS should make identified Delivery Group's available to trial the programme across varying composition of RDS Stations. The suggestions to give the widest choice of station and associated resources are;
 - New Forest South Group
 - Winchester Group
 - East Hants Group
9. A comprehensive series of individual line manager and HR Workforce Support Team member meetings should be arranged with all RDS staff to provide agreement on their revised cover banding and time period availability prior to any revised pay model and revised contract introduction.
10. Locally based ridership rotas must be introduced to even out availability response ratios at each location more in-line with the models paid assumptions which would also assist with operational maintenance of competence.
11. The new cover banding percentages should replace the current unit values, i.e. an individual providing day cover where they work with remainder at another station where they reside would attract 40% and 60% respectively, 0.4 & 0.6 units.
12. Performance management should be introduced in the form of periodic reviews on cover provision delivery by line managers when considered necessary.
13. Cover banding should in any case be reviewed and amended annually in line with performance delivery taking account of line manager's review recommendations and extenuating circumstances.
14. Staff members and the Service should have agreed review mechanism protocols whereby staff may move between bands to accurately reflect cover provision delivery.
15. From the external research it is evident that performance management of contract delivery and sickness monitoring will be critical to cost controls of any proposed annual salary scheme. Management performance protocols should be developed which harmonise with existing staff group's procedures.
16. Did Not Responds must be monitored and performance managed locally. As payments would be provided 'upfront,' a trigger point set at the Service Wide agreed response rate should then initiate a process of hourly recovery for further non response subject to line and Group Manager local approval allowing for their discretion and extenuating circumstances.

17. Similar arrangements should be introduced that reflect disparity between Wholetime/Retained on the RDS and their corresponding reduced make-up drill night provisions.

Strategic Project Considerations

The project manager has concluded that by isolating the stand-by calls data, the comparative pay model developed in effect quantifies risk at each station location in current financial delivery terms. The final element, call activity data, should then be replaced by a proposed risk profile element, to be devised by a Service project team comprising appropriate and suitably skilled, experienced individuals. Extensive research on historical data should be conducted to accurately reflect call/risk data.

Any revised pay model should not dictate the operational delivery resource locations but, inline with the retained review team's recommendations, a strategic review of Station risk profiles and thereby the associated physical resource needs should be conducted prior to any salary scheme introduction. Service wide additional resource capacity needs should also be considered.

Following implementation of the above proposals and an accurate review of past performance matched to future resource needs at each station, a salary baseline should be frozen at those levels, accepting they can no longer decrease in future with reducing call activity. The Service should change its rationale behind the remuneration of the RDS and accept this newly quantified salary scheme and associated costs are those accurately associated with the provision and availability of the RDS; in effect the same principle behind the WDS, we accept the WDS costs of being available should we then need to call upon them. In this way pay will be stabilised and no longer driven down adversely affecting retention of staff.

The new scheme would remove the perverse incentive, whereupon staff may be motivated to reduce calls with lessening impacts on family and full-time employment. The scheme would reward those calls that extend beyond an hour.

In future, the model linked to risk profile could be used to replace the current retaining fee and call activity combination. Consideration should be given to exploring the financial cost of a full unit at each location based on a model that combines elements above. This becomes the new full retaining payment, individuals on reducing cover bands would then attract similar % reductions in this fee. In effect a replacement salary scheme, paid monthly which only then attracts additional earnings for calls extending beyond an hour or contained within the identified work activities menu suite.

This proposal is worth exploring but would require extensive consultation, cooperation and negotiation with national representative body officials to deliver a mechanism that incorporates any future nationally agreed changes to payment rates.

The benefits of such a scheme would provide an annual salary for agreement to performance as an on call firefighter based on cover provision and risk profile, irrespective of call activity. Additional costs would then be derived from calls extending beyond an hour, stand-bys and the additional menu suite work activities. This would provide increased staff retention possibilities. Changes would provide efficiency savings on performance delivery, administration within payroll and budget planning improvements.