

10. Amendment to Principal Officer Structure

Purpose of Report

1. To seek the Authority's approval to remove one Assistant Chief Fire Officer (ACFO) post from the Service structure and to redistribute the Principal Officer references as appropriate.

Recommendation

The Chief Fire Officer recommends that the Authority:-

- (i) Agrees to the removal of one ACFO post from the Service's structure;**
- (ii) Agrees that the timing of the implementation of the removal of the ACFO post is determined by the Chief Fire Officer but in any case before the financial year 2011/12;**
- (iii) Agrees that the Chief Fire Officer may implement any minor structural changes that result from the removal of an ACFO post;**
- (iv) Agrees that the savings from the removal of the ACFO post be considered within the budget setting process for 2011/12; and**
- (v) Recognises the additional responsibility and operational requirements placed on the Principal Officers in the proposed new structure.**

Background

3. At the meeting of the Authority on the 25th June 2010 it was agreed that:-
 - i) the Authority agrees to the Chief Fire Officer carrying out a 12 months' rolling review of the organisational structures of the Service; and***
 - ii) the Authority instructs the Chief Fire Officer to present a paper(s) to the Authority containing any major proposed structural changes and once they have been through the appropriate consultation to seek Authority permission to implement.***
4. Further to the agreement of the Authority indicated above the Chief Fire Officer commenced an examination of and consultation on the Principal Officer structure with the intention of assessing the potential to remove a Principal Officer post from the current structure. The starting point for this review is illustrated in Appendix 1, the current structure with associated references.
5. Discussions have taken place between all members of the current Principal Officer team and it has been agreed that a reduction of one Principal Officer post is feasible. Should the Authority agree to this reduction, one ACFO post will be removed from the structure and a modified structure will be created, as illustrated in Appendix 2.

6. The references shown in each Directorate are indicative for Members to assess the workload and responsibility in each new Directorate of the Service. The Chief Fire Officer would determine the exact split of the references with individual Director post holders prior to the date of change. The allocation of these references should not require major structural change. However, should major structural change be required the Authority's permission will be sought.
7. The removal of one Assistant Chief Fire Officer post from the structure has also been through a consultation with the Association of Principal Fire Officers (APFO) which represents the interests of officers at Brigade Commander level. APFO has indicated both verbally and by e mail that they have no objections but suggested caution around operational resilience which is addressed in paragraphs 10 and 15.

Implications of Proposed Change

Financial

8. Although the Authority does not have knowledge of the exact Formula Spending Grant allocation for 2011/12, the Chancellor has indicated a 25% reduction of this Grant over the next four years. Taking this into consideration and with a proposed 0% Council Tax rise, it is easily foreseeable that savings will be required for the next and subsequent financial years. The key driver for the proposed reduction of one ACFO post is to achieve financial savings to assist with potential budget reductions in coming years.
9. Should the Authority agree to the proposed change, the full year indicative financial savings would be as follows :-

ACFO salary (including on-costs)	£117,200
ACFO Personal Assistant (including on-costs)	£ 24,500 (maximum)
Associated sundries, including lease of car, Fuel, ICT etc.	£ 7,400
 Total	 £149,100 (maximum)

10. The full year savings will have to be offset against the need to upgrade one Area Manager to full "Operational Commander" status - currently the two other Area Managers have this upgrade. To ensure operational command resilience it will be necessary (with the removal of the ACFO post) to have three Area Managers on the Operational Command rota. The full year cost (including on costs) of this upgrade is £12,200.
11. In year one (2011/12) the costs may also have to be slightly off-set against the potential cost (if redundancy required) of removing a Personal Assistant from the Service's non-uniformed structure – see paragraph 18 below. It is not possible to establish the exact (potential) cost for this element of the change as it can only be determined by individual circumstances as and when it is known if a redundancy is required and (through an objective process) who that person is. It is anticipated that if a redundancy is required the associated costs should be no more than £6,000.

12. The full year lease car cost savings can be achieved from the beginning of the next financial year as the Deputy Chief Fire Officer has agreed to take on the lease car of the recently retired ACFO, rather than seeking a new car lease.

Individual Workload and Capacity

13. The proposed changes will result in a removal of 20% of the Principal Officer team (and 25% of those with an operational reference) which will mean additional responsibility and workload falling to those that remain in the structure. This is undoubtedly the concern with this proposal as all Principal Officers are currently working at full capacity with each of them already having significant managerial responsibilities. It therefore follows that the Principal Officers within the new structure will have to fulfil their duties in a slightly different manner to accommodate wider managerial responsibilities. One manner in which this additional capacity will be absorbed is to ensure that national work is kept to a minimum and only considered within the context of the Service's local needs.
14. There is a general acceptance (by previous custom and practice across the UK) that when additional managerial responsibilities are given to an individual their salary is increased to reflect this – a similar principle is applied throughout all roles up to and including Area Manager in the UK fire and rescue services by using job sizing (A and B). However, in the current financial climate all current Principal Officers agree that it would be inappropriate to seek salary increases even though significant additional responsibilities are being accepted. For this reason this paper does not recommend any changes or reviews of Principal Officer salaries for the new structure. The Authority may however, wish to consider this at a future date.
15. In addition to managerial duties the other aspect of a uniformed Principal Officer's role is that of Gold Command and/or Incident Command. The reduction of 25% of the Gold/Incident Command staff at this level will mean additional demands on the remaining Principal Officers in relation to their immediate operational availability. This has been discussed by the current Principal Officer team and, although recognising the additional burden, is considered to be acceptable when taking into consideration the upgrade of the Area Manager (see paragraph 10).

People Implications

16. Currently the Service has one Temporary ACFO and another Temporary ACFO on secondment from the West Midlands Fire Service filling two ACFO vacancies. The Chief Fire Officer has kept both positions temporary in order to allow flexibility should the Authority accept this proposed structural change. Due to the current vacancies the reduction of an ACFO post will not require a redundancy process. Should the proposals contained in this paper be agreed a recruitment process for one substantive ACFO will commence in early October. The other two posts within the proposed new structure will be ring-fenced and those in the existing substantive roles will be slotted into these posts: Director of Corporate Support to the Deputy Chief Fire Officer and Director of Assets to the Director of Finance.
17. Taking into consideration the current workloads, the Chief Fire Officer would aim to implement the new structure at an appropriate stage between now and the next financial year (2011/12).

18. A consequence of Members agreeing to the removal of an ACFO post from the Service's structure will be to commence consultation on a review of the Principal Officer Secretariat which may result in a redundancy of a Personal Assistant. The Service's Head of Human Resources will ensure all appropriate processes are followed to ensure this review is in accordance with current employment law and good practice.

Conclusions

19. The Authority is facing an uncertain financial future and the recommendations contained in this paper commence the process of taking appropriate actions to ensure the Authority can properly deal with the anticipated budget pressures.
20. The Chief Fire Officer believes that it is probable that savings will have to be achieved throughout the structure and within all departments should the Chancellor's anticipated reduction in public sector financing transfer to the Authority's grant settlement. The Chief Fire Officer also believes that it is right and proper for any reductions to commence at the top tier of management and this paper demonstrates that belief.
21. The reduction of an ACFO will mean additional responsibilities falling on an already fully committed Principal Officer team. However, with the commitment already demonstrated by these Officers, the Chief Fire Officer is confident that the changes can be made without any adverse affect on the smooth running of the Service.

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Supporting Information

Appendix 1:	Current Principal Officer Structure
Appendix 2:	Proposed Directorate Structure
Appendix 3:	Business Impact Analysis.