

**Report of the Chief Fire Officer/Chief Executive**

**14<sup>th</sup> December 2016**

**PROPOSED SENIOR MANAGEMENT STRUCTURE**

**PRIVATE SECTION – EXEMPT ITEMS**

**This report contains exempt information of the description in paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006**

**1.0. Purpose of report**

1.1 To propose a revised senior management structure.

**2.0 Introduction**

2.1 The Service has been operating with a temporary senior management structure and temporary appointments to several of the senior management posts within it since the retirement of DCFO Andy Trowsdale in December 2015. Uncertainty around the potential for a change in governance arrangements resulted in the Authority agreeing to this temporary arrangement.

2.2 Recent developments in respect of potential governance changes have, if nothing else, provided certainty as regards one of the options being ruled out and therefore greater clarity as regards the management requirements over the next few years for the remaining options. This paper sets out proposals in that respect.

**3.0 Background**

3.1 Members will recall approving deferral of the recruitment and selection of a new Deputy Chief Fire Officer (DCFO) at the June 2015 Authority meeting. This decision was in part due to anticipated Government policy announcements over the remainder of 2015 following the general election that could have a bearing on the Authority and its management structure. A temporary appointment was therefore made to the DCFO position in December 2015.

3.2 At the June 2016 meeting the Authority gave approval for Ian Young to take flexible retirement, with effect from 3<sup>rd</sup> September 2016, which in practical terms meant a change to part-time working (0.5 post) and therefore some of his responsibilities needed to be allocated elsewhere within the senior management structure.

3.3 Approval was therefore granted at the same meeting to temporarily disestablish the DCFO post and to temporarily establish two Assistant Chief Fire Officer (ACFO) posts, with effect from 1<sup>st</sup> August 2016, and to reallocate some references between the remaining senior management posts. This provided the necessary capacity to undertake the work on the potential governance changes and other aspects of service development. Two senior managers were appointed to the temporary ACFO positions and their vacated posts were in turn backfilled on a temporary basis through competitive selection.

3.4 The net effect of the above changes was a cost-neutral temporary increase of 0.5 post within the senior management cadre that would allow for further changes to the structure to be made at relatively short notice should the situation warrant or new developments arise.

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### 4.0 Information

- 4.1 As Members are aware, there were three strategic options for the future governance of NYFRA; the status quo, a transfer of some sort to the PCC, and a merger with Humberside FRA. However, as Humberside FRA has resolved not to progress the merger business case with this Authority at its November 2016 special meeting, that particular option can be discounted. The Humberside merger option would have led to significant changes in the senior and middle management structure across the merged Authority. The remaining two options far less so, especially as the proposal under development by the PCC and discussed at the LGNYY meeting in October, is for a transfer under the Governance model, whereby the two uniformed (operational structures) between Police and Fire would remain separate. It is therefore possible to set out a revised management structure to meet the anticipated short to medium term needs of either a potential transition to the Governance model under a Police Fire transfer proposal if approved, or alternatively, as a stand alone Authority as now, and to appoint staff substantively to those posts.
- 4.2 The work to date on both the Humberside business case, and in respect of the PCC business case has been achievable due to the temporary structure that included two ACFOs. This structure, including the part time Treasurer, means that there are four Principal Officers (in 3.5 posts). This has been valuable in being able to provide Members individually and the Authority as a whole, with sufficient levels of support and professional advice at Principal Officer level, particularly given the current levels of uncertainty and potential change. The current arrangements with the part time Treasurer works well.
- 4.3 Other issues that impact on the development of the Service, such as the new inspection regime for fire and rescue authorities, the forthcoming legislative requirement for blue light collaboration, and the Government's reform agenda generally, will require resourcing at a senior level over the next three to four years, if not longer.
- 4.4 Over the last few months a review of HR has also been undertaken that has concluded that the existing Head of HR post could be dis-established, if certain other changes were to be made within the HR function. These other changes, including the establishment of a Pensions Manager post at middle management level will ensure that the overall managerial capacity within the Service is not reduced. (The findings of the HR review are reported elsewhere on this meeting's agenda).
- 4.5 The senior operational command arrangements under the temporary arrangements were tested to the full extent last Christmas and New Year, with the widespread flooding. One issue that became apparent was that the Chief Fire Officer, who was on Gold rota at the time (with stipulated maximum response times), is in practice required to be available irrespective of the rostered position on the duty rota, in order to deal with a range of associated issues that are not directly related to managing the incident or the Service. These include queries from MPs, senior civil servants, the Chief Fire and Rescue Advisor, CFOA national resilience queries and so forth, to feed into the Government's COBR briefings. The command arrangements within the temporary structure since August have catered for this reality and therefore the Chief Fire Officer, the two ACFOs and the two Area Managers between them maintain the Gold rota (continuous duty) but with the Chief Fire Officer on permanent call but not rostered unlike the other four officers. Although not fully tested since its introduction, this arrangement appears to be fit for purpose. This is all the more important with the reduction of Station and Group Managers over the last few years, which means that early in an incident while the other Gold Officers can be recalled, the first call Gold Officer may need to take a more tactical or 'Silver' role, such as Incident Commander at an incident, which is not easy to balance with the other external demands.
- 4.6 The workforce planning for the senior management structure has been in place since June 2012 when the Authority received a paper that set out that the two suitably qualified and experienced Area Managers at the time would provide a suitable pool of candidates for the

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DCFO post that was anticipated to become vacant in December 2015. These candidates are the current temporary ACFOs. Informal discussions have been held with them and they are prepared to commit to remaining in substantive ACFO posts beyond the earliest point at which the Chief Fire Officer becomes eligible to retire, which will be October 2018. This would provide much needed continuity and stability within the senior management structure over the next few years, whilst also facilitating the development of the next generation of officers at each tier up to Principal Officer level.

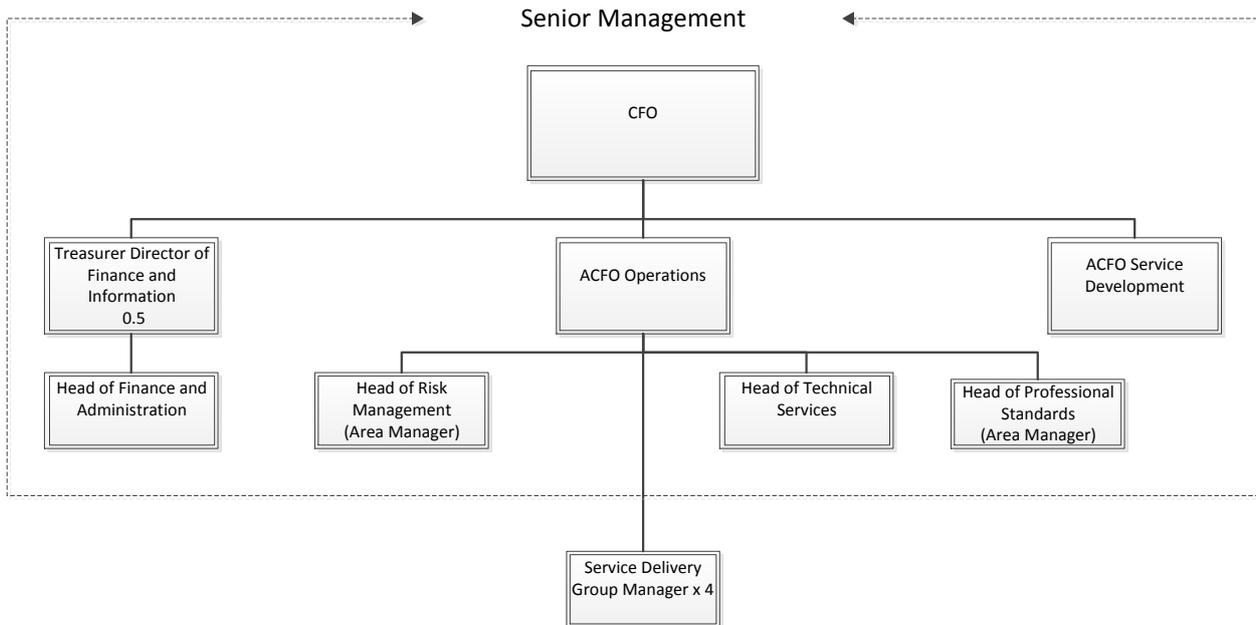
### 5.0 Proposed Structure

- 5.1 The approved, temporary and proposed changes to the senior management structure, including the already approved reduction of 0.5 post are shown in the table below. The difference between the current temporary structure and the proposed structure is the dis-establishment of the Head of HR (function head) post.

Post	Approved Dec 2015	Temporary Aug/Sep 2016	Proposed Jan 2017
Chief Fire Officer/Chief Executive	1	1	1
Deputy Chief Fire Officer	1	0	0
Assistant Chief Fire Officer	0	2	2
Treasurer/Director	1	0.5	0.5
Area Managers	2	2	2
Function Heads	3	3	2
<b>Totals</b>	<b>8</b>	<b>8.5</b>	<b>7.5</b>

- 5.2 A diagram showing the reporting lines for these posts is set out below. As in the current temporary structure the ACFO (Operations) has the direct line management responsibility for the District Group Managers. Although the responsibilities between the two ACFOs look imbalanced, in practice the lines represent the management reporting only. The work within the organisation is directed by both posts, and the experience of the temporary structure suggests that both posts are about equal in terms of responsibility and workloads. The underlying concept is that the ACFO (Operations) deals with internal day to day matters, line management of staff, performance and reporting of everything in the Service except Finance and Administration. In contrast the ACFO (Service Development) is externally focussed and deals with the future developments of the Service, primarily those set out in 4.2 above, along with major Service programmes of work such as the Fire Cover Review implementation. The part time Treasurer and Director of Finance & Information retains the responsibility for finance, administration and information management.
- 5.3 Under the proposed structure the day to day running of the HR function would fall to the Head of Professional Standards, with a new Pensions Manager post being established to provide the necessary expertise and advice in that area. Some other changes will be made to the roles of the HR staff that will ensure continued appropriate HR advice to Corporate Management Board and through to the Authority when necessary. Legal advice to the Authority on HR matters is provided though the SLA with NYCC and this will continue unchanged.

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## 6.0 Implementation and Selection

- 6.1 As part of the HR Review, formal consultation was undertaken with the existing Head of HR, who has expressed a willingness to take voluntary redundancy. While this could occur notionally from the 1<sup>st</sup> April 2017, there may be a handover period required beyond that to the new Pensions Manager, once appointed. However, it is anticipated that this would only be a matter of a few weeks.
- 6.2 The two potential candidates for ACFO (i.e. the current temporary ACFOs) have, over the last 12 months, each had a separate period of four months as temporary DCFO, and since August 2016 both have been temporary ACFO. Given this experience and the fact that Members will be familiar with both candidates, it would be possible to appoint them directly to the two proposed ACFO posts, which could take effect from 1<sup>st</sup> January 2017. This would require a decision by the Authority, as these are Authority appointments.
- 6.3 The subsequent vacancies at Area Manager level and below are not Authority appointments and, if the existing Area Managers are appointed by the Authority to the ACFO posts, these other posts will be filled in the normal manner by the Chief Fire Officer and other Service managers. This is also the case for the Pensions Manager and other HR posts that become vacant as a result of the HR Review.
- 6.4 The timing of these appointments would allow further development in respect of the replacement Area Managers, to provide suitable candidates for future Principal Officer vacancies. Although this approach to workforce planning has been in place over the last few years, as evidenced by previous Authority papers, a review of existing workforce strategy documents will be undertaken to ensure that this is made explicit for any future inspection.
- 6.5 An update on the HR Review is set out in the Service Development update elsewhere on this agenda. The removal of the post of Head of HR means that benefits can be realised from that review, at the same time as taking the opportunity to reduce the senior management structure by 0.5 post (or by one post against the temporary structure) whilst maintaining sufficient and suitable overall managerial capacity. The offer of voluntary redundancy, in line with the current Authority policy, will be the mechanism to effect this change.

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### 7.0 Financial implications

- 7.1 As approved by the Authority in June, the temporary Senior Management Structure was implemented with effect from 1<sup>st</sup> August 2016. The financial effect of this structure remaining on a temporary basis until 31<sup>st</sup> March 2017 on the overall budget is cost neutral.
- 7.2 The financial effect, on the 2016/17 budget, of the temporary ACFO appointments becoming permanent on the 1<sup>st</sup> January 2017 is an increase of £7,000 being the cost of Employers pension contributions which are incurred on permanent salary costs.
- 7.3 The financial effect of the temporary structure becoming permanent with effect from 1<sup>st</sup> April 2017 is reflected in the 2017/18 base budget as part of the Provisional Revenue Estimates, Capital Programme and Precepts report elsewhere on the agenda. In summary this requires growth in 2017/18 of £39,000 made up of £20,000 relating to salary increments (which would be incurred whether or not the structure remained temporary) and £19,000 Employers pension contributions incurred on permanent salary costs.
- 7.4 The Head of HR taking voluntary redundancy on the 31<sup>st</sup> March 2017 would result in a saving of £71,000 in 2017/18. However, the cost of the HR Review (reported elsewhere on the agenda) results in growth of £66,900. This excludes the redundancy costs of the review estimated at £90,000 which will be met from a drawing on reserves.
- 7.5 Taken together therefore, the net full year effect of approving the proposed changes to both the senior management structure and to HR would be base budget growth of £34,900:

	£	£	£
	Senior Mgt. Structure	HR Review	Net
Wholetime	79,000	0	79,000
Administrative & Clerical	(130,000)	66,900	(63,100)
Pensions	19,000	0	19,000
Growth / (Saving)	<u>(32,000)</u>	<u>66,900</u>	<u>34,900</u>

- 7.6 However, of note is that currently the Authority is incurring on average £25,000 a year of unbudgeted agency costs on staff undertaking Pensions administration work. This would be saved on implementation of the HR Review meaning that growth in expenditure terms of approving the proposed changes is under £10,000.

### 8.0 Conclusions

- 8.1 The proposed senior management structure will provide the necessary managerial capacity and support for the Authority over the next few years.

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### **9.0 Recommendations**

- 9.1 That Members note the report and approve the senior management structure, as proposed in section 5 of this report.
- 9.2 Subject to approval being granted at 9.1, that Members:
- a) approve implementation according to the timetable at paragraphs 6.1 and 6.2
  - b) make substantive appointments of Owen Hayward and Jez Rushworth to the role of Assistant Chief Fire Officer with effect from 1<sup>st</sup> January 2017.

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### **Background Papers**

Authority Report 20 June 2012 – Review of Senior Management Structure and Operational Command Arrangements

Authority Report 13 February 2013 – Senior Management Structure – Preliminary Outcomes of Negotiation

Authority Report 24 June 2015 – Review of Senior Management Structure and Operational Command Arrangements

Authority Report 24 June 2016 – Governance Issues & Proposed Temporary Senior Management Structure

30<sup>th</sup> November 2016