

CABINET MEMBER FOR SAFER & STRONGER COMMUNITIES 13 DECEMBER 2010

CONDITIONS OF SERVICE/REMUNERATION ARRANGEMENTS FOR FIRE FIGHTERS ON THE RETAINED DUTY SYSTEM

Report by Chief Fire Officer

Introduction

1. In 2009 a trial pay scheme was introduced with the aim of increasing commitment, recruitment and retention and competency within the retained duty workforce. The pay system works on a formula that front-loads pay, i.e. working on rewarding firefighters on 86.6% of declared availability, which includes the average number of incidents over a 5 year rolling period falling in their contracted cover (i.e. an individual providing 84 hours cover per week (half of available hours in a week) at station X, which has an average of 200 calls per year will, in theory, attend half the calls in their contracted hours, which equates to 100 calls). This figure of 100 is then multiplied by 86.6%, which takes in to account leave, sickness and courses. The remaining number of incidents is then further adjusted to reflect a turnout (where a retained duty system (RDS) firefighter is alerted and rides the appliance) or an attendance, where RDS staff will have been alerted and attended the station but failed to ride the appliance. Turnouts attract 1 hour of pay whereas attendance attracts 30 minutes of pay.
2. One of the risks initially identified with the scheme was that it could cost more because extra pay could be earned by doing extra hours e.g. for community safety work.
3. The Cabinet Member for Safer & Stronger Communities agreed to a three year trial of the scheme, with a review at the 11, 22 and 34 month stages. The scheme went live in September 2009 and the 11 month review commenced in July 2010.

Retained Pay Trial - Review Methodology

4. The review was undertaken using several methods, including a questionnaire to those on the scheme; a pay comparison of what a sample of people would have been paid on the old scheme compared to on the trial; the impacts on retention and unavailability and an audit review of the assessment methods.

Questionnaire to those on the scheme

5. A questionnaire was issued to the crews on the 8 stations and the return rate was circa 50%.
 - 61% of those who responded said their pay had reduced

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- 57% said their ability to plan their time off had not changed
- 69% said the scheme had made no difference to their ability to ride the appliance
- 48% said it had made no change to their ability to plan their finances but 46% said they could plan their finances better on the scheme
- 63% said the new scheme made no difference to their commitment and their availability
- 37% said the best thing about the new scheme was guaranteed pay but 29% said there was nothing better
- 57% said there was nothing worse about the scheme.

The results showed that the scheme did not, in the view of those who responded, make any difference to their commitment to the service or their chance to actually attend an incident and maintain their competence.

Pay comparison analysis

6. This covered the period from Sep 09 to Aug 10 and was a sample based on 2 people from each station on the scheme (i.e. 16 in total). This analysis shows that overall the scheme has cost circa £1,000 less overall for the individuals assessed in the analysis. However, some crew members have received less pay whilst others have received more. When the trial was initially agreed it was thought that the salary costs for retained fire fighters could increase by up to £400k. The pay analysis to date has shown no indication of increased costs. Holiday pay is affected by any extra hours worked and is calculated annually. The holiday pay rate is not determined by the actual hours worked but by the number of hours crew book as available for cover.
7. Because the scheme is based on a rolling 5 year average of station call out those who do less hours still get a salary based on the average number of station call outs over the last 5 years.
8. The pay analysis showed that the scheme is not costing more because the extra hours that people can work are being managed effectively. There are differences between individual pay though and the scheme appears to pay less to those who provide part cover although it is not clear why. Anecdotal evidence also suggests that many people on the new pay scheme are reluctant to provide additional fire cover as it is not sufficiently financially rewarding.

Retention

9. The number of retained staff leaving in 2009 and in 2010 to date, from the stations on the scheme is shown below.

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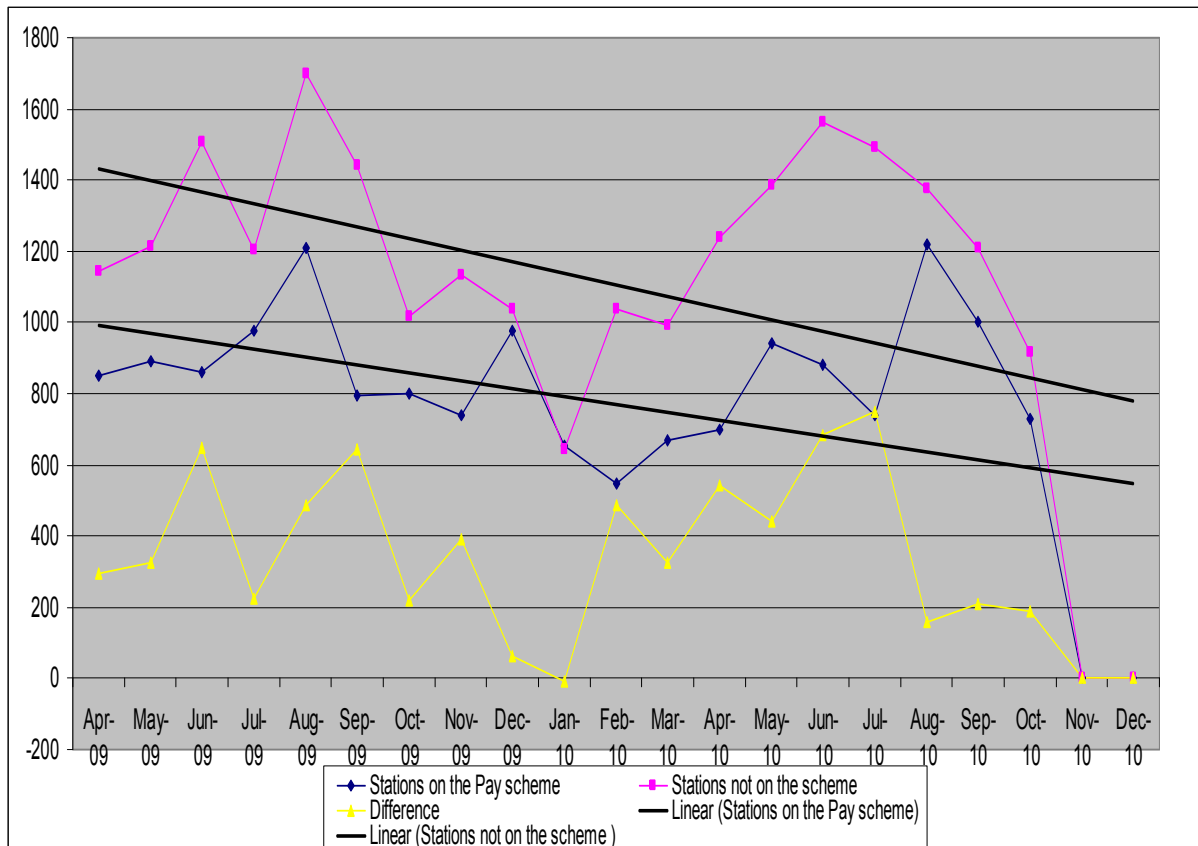
Station	2009	2010
Banbury	0	2
Kidlington	2	2
Deddington	0	1
Eynsham	2	1
Bampton	0	0
Henley	0	6
Wantage	1	1
Goring	0	2
Total	5	15

10. There is no indication in the reason for leaving of any links to the new pay scheme. The exit interview data has been checked with HR and of those recorded none referred to the pay scheme. With this in mind it is difficult to say that the data re leavers has any real significance in assessing the scheme. However, the question of whether the scheme had affected commitment to the service was asked in the questionnaire to those on the scheme and 63% said it made no difference to their commitment or availability.

Impact on unavailability of retained staff

11. The graph below shows the retained unavailability at stations on the scheme and stations not on the scheme.

Total hours of retained unavailability per month – see graph below:-



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12. The above graph shows unavailability for those stations on the scheme (8 stations – in blue) and for the 16 stations not on the scheme (in pink). The linear trend lines for each of these groups show a move towards reduced unavailability on all stations which is positive. If the reduction in non availability was being positively affected by the conditions in the trial, it could be reasonably be expected that the rate of reduction (i.e. the steepness of the linear trend line) for the 8 trial stations would be greater than the reduction in those stations not on the scheme. This is not the case and the gap between the lines has closed over recent months which tends to support the proposition that the trial is not making an additional difference to reducing non availability. The analysis takes into account seasonal trends and recognises that there are other factors that impact. This includes the impact if one highly skilled retained firefighter leaves and the length of time it takes to train another person.
13. Bampton, Goring and Henley all now have retained service support officers (RSSOs) in place and this is also making a difference to availability. Henley in particular has shown decreases in retained unavailability since the RSSO was in place. Therefore the improvement could be due to that and not the pay scheme. It is very difficult to isolate any one component that affects unavailability.

Audit Review

14. Additionally, Oxfordshire County Council's audit team was asked to review the data analysis undertaken and comment on its accuracy and relevance. Their initial verbal feedback was that there was only limited information being presented to the Senior Leadership Team (SLT) to enable a decision to be made but they were not suggesting that there was anything new that could be added. The work undertaken on retained availability and pay comparisons has been checked by the auditor and she is satisfied with the methodology. One small issue was found on the pay comparison but this has been corrected and does not cause any issues.

Senior Leadership Team – Options Appraisal/Overall analysis

15. The SLT considered the data from the review of the scheme and options for the way forward.
16. It was clear that, as identified during the audit there was little data that could be used to assess whether the scheme is meeting its objectives of increased recruitment, retention and competence, in addition to rewarding commitment and improving work life balance. As a result SLT have undertaken a monitoring programme of trial effectiveness via station visits and have supplemented the information available by their professional judgement.
17. SLT considered that the questionnaire did not give a clear view either in favour of or against the trial but on balance, with the comments it was considered that the scheme was not widely valued by those on it.

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18. The pay comparison showed that of the sample being considered there was no overall increase in the pay bill but there was concern at the fact that it was difficult to assess a longer term impact, especially if all stations were on the scheme.
19. Retention was considered difficult to assess because there is little information available from exit interviews and no specific questions were asked about how the scheme impacted. The information from the questionnaire gave more meaningful data re retention when 63% of those who responded said the trial made no difference to their commitment or availability.
20. The impact in terms of reducing unavailability is also difficult to assess because of other changes that have also impacted, e.g. retained service support officers. However, there is no clear evidence that the trial has reduced unavailability.
21. Considering all of the above, SLT was of the opinion, that there was insufficient positive information pointing to the benefits of continuing the trial. Therefore the decision made was to recommend that the trial be ended with effect from 31 March 2011.

Financial and Staff Implications

22. The trial was intended to improve recruitment and retention to the RDS system, engage with personnel, improve their current conditions of service and provide improved value and job satisfaction. The analysis above shows that the trial has not been shown to meet its objectives. The 8 stations currently on the trial would revert to the existing pay scheme from 1 April 2011. This lead in time would enable them to re-assess their contracted hours and ensure that the transition is managed effectively.
23. When the scheme was initially set up one of the greatest risks identified was financial. This was because of the opportunity to work additional hours to increase pay. A potential overspend on the budget was being forecast this financial year and in order to contain it, additional hours have been tightly managed. There have been no long term forecasts on the financial implications if all stations were on the trial scheme. This is difficult to undertake because the salary element of the scheme is based on a 5 year rolling average of incidents. This means that a high level of call outs in one year (e.g. because of flooding) can cause an increase in the base salary for the next 5 years. If all the stations were on the scheme then that sort of incident could have a significant impact on future salary costs.
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RECOMMENDATION

27. **The Cabinet Member for Safer & Stronger Communities is RECOMMENDED to:**

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- (a) require the Chief Fire Officer to end the pay trial with effect from 31 March 2011; and**
- (b) require the Chief Fire Officer to continue to explore ways in which Retained Duty System recruitment and retention can be improved.**

DAVE ETHERIDGE
Chief Fire Officer

Background papers: Report to Cabinet Member 23 March 2009

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November 2010