

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 45 – FIRE SERVICES DEPARTMENT Subhead 000 Operational expenses

Members are invited to recommend to Finance Committee the creation of the following permanent post in the Fire Services Department with immediate effect upon approval of the Finance Committee –

1 Senior Principal Executive Officer
(D2) (\$161,450 – \$176,550)

To be offset by the deletion of the following permanent post –

1 Principal Executive Officer
(D1) (\$135,950 – \$148,750)

PROBLEM

The Fire Services Department (FSD) needs to upgrade the post of Departmental Secretary (DS) in order to cope with the increased complexity of work of the post holder and to strengthen the support for the senior management of the Department.

PROPOSAL

2. We propose to upgrade the DS post ranked at Principal Executive Officer (PEO) (D1) to Senior Principal Executive Officer (SPEO) (D2) upon approval of the Finance Committee.

/JUSTIFICATION

JUSTIFICATION

3. FSD is headed by the Director of Fire Services (GDS(C)4 or D6 equivalent) and underpinned by one Deputy Director (GDS(C)3 or D3 equivalent). The Department is organised into seven Commands, each led by an Assistant Director at GDS(C)2 rank (or D2 equivalent), and the Administration Division. The Administration Division is headed by the DS ranked at PEO, who reports to the Deputy Director direct, and is underpinned by a team of non-directorate civilian staff. The Division provides day-to-day administrative support for the Department, covering human resources management (HRM), financial management and accounting work, internal audit, establishment and manpower, general administration and outsourcing of non-core services, and staff relations management.

4. Over the years, as Hong Kong's population grows and its demographic structure evolves, demand for fire and ambulance services has been increasing, and so have public expectations of the efficiency and quality of the services. As a result, the scope and complexity of FSD's services as well as the Department's manpower have been expanding. This has directly impacted on the DS's responsibilities which have become much heavier and more complex. FSD considers it opportune to upgrade the post to the SPEO (D2) rank. Detailed justifications for the proposal are elaborated in the ensuing paragraphs.

Increased volume and complexity of the HRM and administrative functions

5. With the expansion of FSD's services and commissioning of new facilities, the total establishment of FSD has increased by about 25% from some 8 000 in 1997 to more than 10 000 now. The Department now ranks third in terms of establishment in the Government and second among disciplined services departments. FSD is a multi-disciplinary department with 9 500 disciplined grade posts coming from three streams, i.e. fire, ambulance and control, serving closely integrated yet distinctive functions. Each stream consists of two grades and up to 12 ranks. In addition, there are over 700 civilian posts involving 35 grades performing different supporting functions. To effectively manage such a large yet diverse staff force, the DS leads the Administration Division in discharging a full range of HRM functions, including but not limited to recruitment and promotion, performance management and discipline, conditions of service and staff relations, and responding to the fast changing operational requirements. Some key examples of the DS's work under this area include –

/(a)

- (a) **keeping HRM and administrative procedures under constant review:** The DS has the duty to continuously review and enhance the departmental procedures and guidelines to strengthen HRM and administrative functions, to ensure full compliance with the government policies and regulations and suit FSD's changing operational and management needs. Over the past years, for example, the DS has reviewed and strengthened departmental procedures on leave management, acting appointment, handling of substandard performance, etc. The DS also has to oversee the administration of job-related allowances granted in recognition of the special skills and additional responsibilities required of certain staff members, having regard to government-wide principles. As the Department and its responsibilities continue to grow, the significance of the DS's role in the above area of work is expected to increase;
- (b) **implementing government-wide HRM initiatives:** Implementing government-wide initiatives in a department of such a size as FSD often involves skillful planning and formulation of tailor-made strategies. In recent years, for example, the DS has taken the lead in implementing the Post-retirement Service Contract Scheme in FSD. To do that she has to formulate manpower plans to assess the need for recruiting retired colleagues to meet operational and succession needs of individual grades. She has also played a crucial role in designing an appropriate employment package for the Scheme; and
- (c) **overseeing recruitment and promotion:** The DS has to ensure that the competitive selection processes in various recruitment and promotion exercises are properly and efficiently conducted in compliance with the applicable regulations and guidelines. In 2016-17 alone, FSD conducted ten recruitment exercises and 21 promotion exercises for civil service posts, as well as 26 recruitment exercises for non-civil service positions. The rigour required and the volume of such administrative work warrant strong directorate supervision.

Need for rigorous control of financial resources

6. The operating expenditure of FSD has increased by 145% from \$2.2 billion in 1996-97 to \$5.4 billion in 2016-17. With much public money spent on human resources as well as acquisition and maintenance of equipment, systems and outside services for the Department, the importance of rigorous financial control cannot be over-stressed. This is a responsibility that falls mainly on the DS, who oversees the provision of financial and accounting services,

/acquisition

acquisition of resources, assessment of resource implications of new initiatives, budgetary control, etc. The DS also advises and supports the Director on the delivery of internal audit functions to ensure the Department's full conformity to government regulations and accepted principles in financial management.

7. In tandem with the expansion of the Department, the number of units subject to internal audit inspection has increased by about 22% from 113 in 1997 to 138 at present. The scope of internal audit work has broadened progressively in recent years, from initially the checking of accounts for meeting incidental expenses and administration of allowances, to covering salary payment to non-civil service staff, records of leave and overtime work, as well as procurement of spare parts and stores management now. There is a strong need for the DS to keep the coverage of internal audit under constant review so that major activities in the Department entailing significant financial implications would not be left out of audit supervision.

8. The DS has a specific duty to oversee the operation of the Fire Services Department Welfare Fund (the Fund), established for the purposes of, inter alia, making loans and grants to beneficiaries (such as FSD employees, dependants of deceased employees) in accordance with the Fire Services Ordinance (Cap. 95). It is a valued source of financial assistance for staff members and their families in distress. The accumulated funding of the Fund has almost doubled, from \$18.2 million in 1996-97 to about \$35.2 million in 2015-16. The DS plays an important role in advising on the management of sources of income as well as the release of grants to beneficiaries following the statutory requirements and established accounting principles. She also provides substantial input to the formulation of the relevant administration procedure and oversees its effective implementation. In sum, the above financial control functions are important to the prudent and efficient management of the Department and staff morale, and calls for close supervision by an experienced officer at a more senior directorate level.

Advising the senior management on major corporate issues

9. The DS supports the senior management of the Department in corporate management, including the handling of major management and policy issues with staff or resource implications, as well as launch of new management initiatives. She assists the senior management in handling issues of acute staff side concerns such as manpower requirement, conditions of service as well as benefits and allowances. The post holder therefore has to be experienced in staff liaison and management, and be strategic in formulating staff consultation and implementation plans. On major and sensitive issues attracting public and media interest, or matters requiring the Department's prompt clarification to the media

/or

or the staff, the DS plays a key role in advising the top management on the communication efforts, including press responses. A stronger directorate input in this process will no doubt help the Department in its staff and public communication duties.

Need to upgrade the DS post

10. To cope with the growth in the responsibilities of the DS post in terms of scope and complexity, it is necessary for a more senior directorate officer with stronger administrative experience to provide the requisite support to the senior management. An SPEO, having accumulated more experience at the directorate level and possessed well proven executive and leadership abilities, would be more capable of rendering the high-level corporate management support required of the DS in FSD. FSD therefore proposes to upgrade the DS post to SPEO, and to re-title the post as Assistant Director (Administration), to reflect the level of responsibilities. The proposed job description of the SPEO post as well as the existing and proposed organisation chart of FSD at directorate level are at

Encls. 1 & 2 Enclosures 1 and 2 respectively.

11. FSD has strengthened the non-directorate staffing support of the Administration Division by 47 posts in the past two decades, representing an increase of over 50% in establishment, to cope with the substantial increase in workload on various fronts. However, a mere increase in the number of supporting staff cannot make up for the strategic thinking and management skills required in steering the HRM and administrative functions in the Department. A more experienced directorate officer is therefore needed to handle the increasingly complex portfolio involved.

12. In other large government departments with comparable civil service establishment, such as the Food and Environmental Hygiene Department, Housing Department and Leisure and Cultural Services Department, their administration divisions are also headed by officers at the D2 rank. For comparable or larger disciplined services departments such as the Hong Kong Police Force and the Correctional Services Department, the posts of the officers overseeing administration and finance functions are pitched at D2 or above. The upgrading of the post of the DS in FSD will bring it on a par with departments of comparable establishment.

ALTERNATIVES CONSIDERED

13. We have critically examined the possibility of retaining the DS post at its existing rank of PEO, and considered it highly undesirable. In view of the increasing complexity and widened scope of the DS's portfolio, an officer at

/SPEO

Encl. 2 SPEO rank is required for responding to the challenges as set out above. We have also critically examined the possibility of arranging one of the existing D2 officers of the disciplined grades to head the Administration Division, but found this not feasible either. As the D2 officers are fully engaged in their own schedules of duties as outlined in Enclosure 2, it is operationally not possible for them to take up the tasks without adversely affecting the discharge of their current duties. The proposed upgrading of the DS post is therefore considered necessary and commensurate with the span of responsibility, complexity of work and future challenges of the post.

FINANCIAL IMPLICATIONS

14. The proposed upgrading of one PEO (D1) post to SPEO (D2) post will bring an additional notional annual salary cost at mid-point of \$323,400 as follows –

Rank	Notional annual salary cost at mid-point \$	No. of posts
Post to be created		
SPEO (D2)	2,056,200	1
Post to be deleted		
PEO (D1)	(1,732,800)	(1)
Total	323,400	0

The additional full annual average staff cost of the proposal including salaries and staff on-cost is \$321,000^{Note}. We have included the necessary provision in the draft Estimates of 2017-18 to meet the cost of the proposal.

PUBLIC CONSULTATION

15. We consulted the Legislative Council Panel on Security on 11 April 2017. Members generally supported the proposal.

/ESTABLISHMENT

^{Note} Calculated on the basis of the difference in the annual average staff cost of civil servants at the respective ranks of SPEO and PEO paid through the Treasury Payroll System for 2016-17. The annual average staff cost of SPEO and PEO for 2016-17 are \$2,713,668 and \$2,392,824 respectively, which are higher than the notional annual salary cost at mid-point of \$2,056,200 and \$1,732,800 for the respective ranks. The differences between the SPEO and PEO ranks in terms of annual average staff cost (\$320,844, rounding up to \$321,000) and notional annual salary cost at mid-point (\$323,400) are not directly comparable as the two sets of figures are calculated on different bases.

ESTABLISHMENT CHANGES

16. The establishment changes in FSD for the past two years are as follows –

Establishment (Note)	Number of posts			
	Existing (as at 1 May 2017)	As at 1 April 2017	As at 1 April 2016	As at 1 April 2015
A*	19 [#]	19	19	18
B	1 241	1 225	1 215	1 202
C	9 049	9 058	9 006	8 954
Total	10 309	10 302	10 240	10 174

Note:

A – ranks in the directorate pay scale or equivalent

B – non-directorate ranks, the maximum pay point of which is above MPS Point 33 or equivalent

C – non-directorate ranks, the maximum pay point of which is at or below MPS Point 33 or equivalent

* – excluding supernumerary posts created under delegated authority

– as at 1 May 2017, there was no unfilled directorate post in FSD

CIVIL SERVICE BUREAU COMMENTS

17. The Civil Service Bureau supports the proposed upgrading of the DS post ranked at PEO to SPEO. The grading and ranking of the post are considered appropriate having regard to the level and scope of responsibilities required.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

18. The Standing Committee on Directorate Salaries and Conditions of Service has advised that the grading proposed for the permanent directorate post is appropriate.

Security Bureau
Fire Services Department
May 2017

**Proposed Job Description
Assistant Director (Administration)
Fire Services Department**

Rank : Senior Principal Executive Officer (D2)

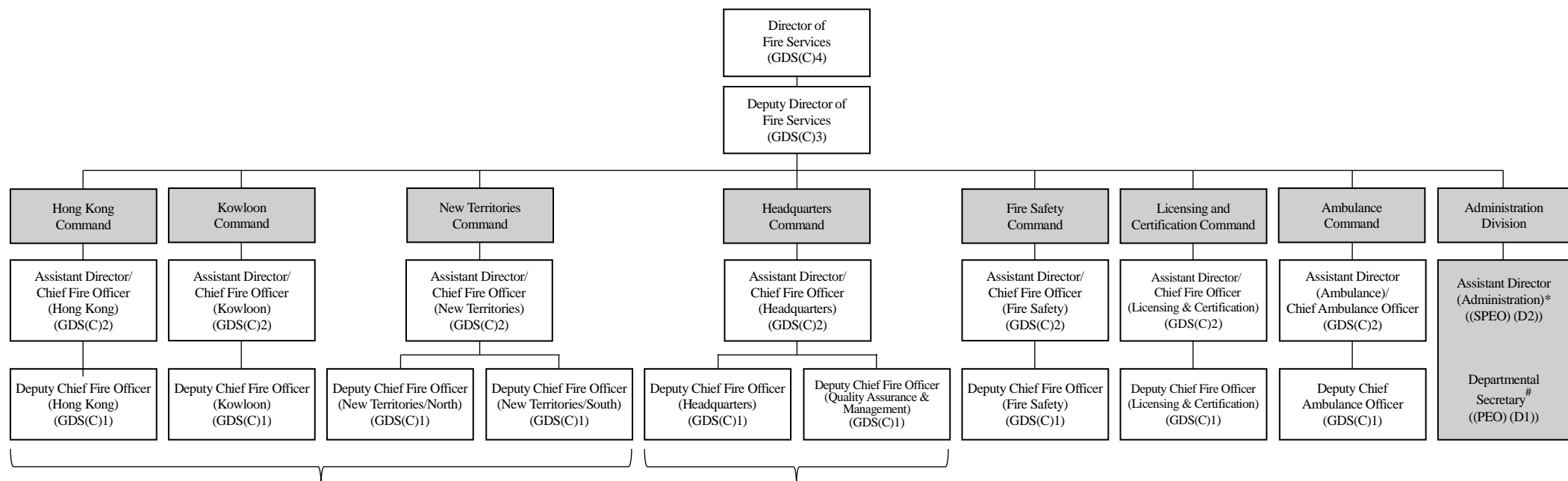
Responsible to : Deputy Director of Fire Services

Major Duties and Responsibilities –

1. To head the Administration Division comprising the Appointments Section, Finance and Establishment Section, General and Staff Relations Section, Outsourcing and Complaints Section, Personnel Section and Official Languages Section.
2. To formulate and implement human resources management strategies and plans to meet departmental objectives and to implement new government policies and initiatives.
3. To advise the senior management on the application of civil service policies and government regulations affecting civil servants; to oversee the administration of recruitment, promotion, employment terms and benefits, establishment control, manpower and succession planning, discipline, and conditions of service; and to advise on staff relations matters including the formulation of staff engagement and staff consultation strategies and action plans.
4. To plan, manage and advise on the acquisition, use and redeployment of financial resources; to put in place adequate and effective internal controls and departmental accounting procedures in compliance with government rules and regulations; and to advise and support the senior management on the delivery of internal audit functions.
5. To assist the senior management in all matters relating to the strategic management of the Department, including the review and formulation of administrative policies and directions, the launch of new management initiatives and the handling of administrative/management issues involving the Legislative Council and other agencies with significant staff or resource implications.

6. To oversee the provision of administrative support services in the areas of records management, allocation of departmental quarters, outsourcing of non-core services, and translation etc.; and to formulate strategies and plans in the implementation of new government policies and initiatives in these areas.
7. To be responsible for the overall management of general and common grade staff in the Department and take care of their appointments and promotion, training and development, conduct and discipline, pay and conditions of service, welfare and benefits.

Existing and Proposed Organisation Chart of the Fire Services Department



- Planning, coordinating and controlling the deployment of Command resources of manpower and appliances
- Taking personal command of fire services operations at serious fires and other calamities of similar magnitude within the respective Command area
- Monitoring the staff, administrative and disciplinary matters of the respective Command
- Keeping close liaison with other government departments/District Councils/local organisations concerning delivery of fire and rescue services pertinent to the respective area of duties and responsibilities

- Overseeing strategic resources planning to complement the planning and development of the territory as well as contingency planning
- Overseeing the overall development and training of disciplined grade staff as well as formulation and implementation of quality assurance mechanisms to meet operational needs
- Control and enhancement of communications and mobilising systems
- Overseeing the provision of procurement and logistics, workshop, transport and information technology management
- Advising on public relations strategies and handling of public and media enquiries

- Formulating, implementing and reviewing fire safety policies
- Ensuring the effective implementation of policies and procedures relating to the improvement of fire safety measures in prescribed commercial premises, specified commercial buildings, railway development projects, new building projects, domestic and composite buildings and other premises
- Liaising with the public and private sectors on fire prevention/protection matters
- Disseminating the message of fire safety to the community

- Formulating, certifying and reviewing the fire safety standards of new buildings, alterations to buildings, food premises, etc.
- Ensuring the effective implementation of policies and procedures relating to fire service installations and the registration of contractors
- Monitoring the licensing control on the use, storage, manufacture and conveyance of dangerous goods as well as timber stores
- Administering the legislation in relation to the abatement of fire hazards

- Planning, coordinating and controlling the deployment of Command resources of manpower and vehicles
- Steering the development of a paramedic ambulance service
- Taking personal command of ambulance operations at major disasters
- Monitoring the staff, administrative and disciplinary matters of the Command

- Providing administrative support to the corporate management of the department
- Formulating and implementing human resources management strategies and advising on the application of government policies and regulations on appointment, employment terms and benefits etc.
- Formulating and reviewing departmental administrative policies and directions
- Advising on and managing the overall departmental manpower resources and operating expenditure
- Overall management of civilian staff in the department

Legend:

- GDS(C) - General Disciplined Services (Commander)
 PEO - Principal Executive Officer
 SPEO - Senior Principal Executive Officer
 * - Post proposed for creation
 # - Post proposed for deletion