

## CHAPTER SEVEN

### ALLOWANCES

#### **Disciplined Services Special Allowance**

7.1 In our Preliminary Report, we undertook to review the rules and practices in the use of Disciplined Services Special Allowance (DSSA). This we have done and our views are summarised in the paragraphs below.

#### **The continuation of DSSA : relation to basic pay**

7.2 The arguments for the introduction of DSSA are contained in paragraph 3.18 of the Standing Commission's Report No. 10, which states :-

"After careful consideration, we have reached the view that the disciplined services should not be eligible for normal overtime allowance as payable to other grades because of the nature of their work and because their pay scales already take into account the requirement to work some overtime. Nevertheless we accept that circumstances may arise where disciplined services are required to undertake extra duties over and above those which may reasonably be expected to be part of their normal work, and we consider that this ought to be compensated. The situation is analogous to that of staff outside the disciplined services who are not eligible for overtime allowance but may be compensated for extra work performed by the payment of an honorarium. To cater for this and to rationalise the existing practices, we recommend that all the allowances at present payable to staff of the various services for extra duties should be abolished and replaced by a single Disciplined Services Special Allowance."

7.3 We have found that disciplined services staff are in general required for operational reasons to work longer hours and more extra and irregular hours than the main body of the civil service; and their salaries up to a certain level have traditionally reflected this fact. The various specifications of conditioned hours for the disciplined services vary from 44 to 60 hours per week, and are generally longer than the rest of the civil service. We take this element into account in our recommendations about basic salaries. In respect of the requirement to work extra and irregular hours we consider that specific compensation related to the extra hours worked remains appropriate and necessary.

7.4 We also considered whether we should abandon the principle that basic pay should include some element to reflect the requirement to work extra and irregular hours. If this were done the overtime rate per hour (currently 1/210th of the monthly salary for the disciplined services) could appropriately be set at 1/140th, the conventional rate in the civil service.

7.5 After careful consideration, we concluded that we should retain an element in basic pay to reflect the requirement to work extra and irregular hours, since this in practice affects a very high proportion of all the staff in the disciplined services; and many of them will receive compensation for what may be a very onerous requirement in the form of time-off in lieu, granted when the exigencies of the service permit at times of the officer-in-charge's choice and therefore frequently at short notice and at times when it is of little or no use to the recipient.

#### **The rate of payment**

7.6 We also concluded that there was some justice in the strongly-held view of staff that 1/210th was unfairly low compared with 1/140th. The argument that persuaded the Standing Commission that the rate should be set at 1/210th was that the extra time worked by disciplined services staff could be considered as analogous to that worked by non-disciplined services staff who were not eligible for overtime allowance but might be compensated by honoraria calculated at 1/210th. Our observations and the information we have gathered do not support this analogy. We believe that the payment of overtime honoraria to staff who are ineligible for overtime payment is more of an exception than a rule, quite unlike what happens with staff in, say, a police crime unit, who are regularly required to work substantial periods in excess of their conditioned hours. However, since we would still be making some allowance for extra and irregular hours in basic pay we take the view that it would not be right to go all the way to 1/140th in setting the rate, but rather **we recommend** a compromise rate of payment of allowance for overtime in the disciplined services, which we suggest should be called Disciplined Services Overtime Allowance (DSOA), at 1/175th of the officer's monthly salary per hour.

#### **The "minimum of 24 hours per month" rule**

7.7 Under the existing rules governing the payment of DSSA, eligible rank and file staff in the disciplined services receive DSSA once they have worked one hour or more per shift which is in line with the rules for overtime in the rest of the civil service. Eligible staff in officer ranks, however, are currently required to work 24 hours extra per month before DSSA is payable. We consider the present arrangement unsatisfactory. We can see no reason in present circumstances for discrimination between the two groups of staff if the principle of eligibility is accepted. **We recommend** therefore that the "24 hours per month" rule for Officer ranks should be

abolished.

### **Eligibility criteria**

7.8 We have also reviewed the eligibility criteria for the payment of DSSA (to become DSOA) and considered whether any of the ranks at present excluded should become eligible. On the basis of the submissions which we have received, and the facts and views which we have collected during our visits and evidence-taking sessions, we have found that Chief Inspectors of Police (CIP), who are in most cases Unit Commanders, are regularly required to work overtime in operational duties along with their staff, and to do so significantly more often than is expected of officers currently remunerated at the same level in the other services, i.e. Chief Officers (CSD), Assistant Divisional Officers (FSD), Assistant Superintendents (C&E) and Chief Immigration Officers. But given the operational commitments of the police force, it is rarely possible in practice for CIPs to be granted compensatory time-off. We find it unreasonable not to compensate CIPs for the extra hours worked. Accordingly, **we recommend** that the eligibility for DSOA should be exceptionally extended to cover the rank of CIP.

7.9 We do not rule out the possibility that eligibility might be extended in future to include officers at broadly comparable ranks in one or more of the other disciplined services. We suggest departmental managements in the non-police services should continue to monitor the excess hours being worked by officers in the ranks in question, particularly if operational needs should change substantially, to see if a case emerges for extending eligibility to other services.

### **Upper ceiling**

7.10 We have re-examined the need to impose a ceiling on the total amount of DSOA that an eligible officer may receive. We consider it highly undesirable that officers should work excessively long hours and we therefore support the continuation of present rules so that, save in exceptional circumstances and under special authority, DSOA would not be paid for extra hours in excess of 60 in any one month.

7.11 A major problem that arises at present when IPs/SIPs are eligible to receive DSSA but CIPs are not is that IPs/SIPs who are junior in rank to the CIP who is their senior officer may receive substantially more pay than he does although he works the same or longer hours than they do and carries more responsibility; and in general we consider it undesirable that the payment of allowances should carry the pay of a junior officer to a level above that of the senior officer to whom he is responsible, though we do not think it is possible to avoid this completely without doing serious injustice in some cases. To meet these points, we have concluded that an upper limit related to the pay of the rank above should continue to be set. For ranks other than CIP, we consider that the upper

limit of an officer's salary and DSOA together should continue to be set at the penultimate pay point of the next more senior rank. For CIP, **we recommend** that the ceiling should be set at the second point on the Superintendent pay scale.

#### **Other rules on DSSA**

7.12 Apart from the changes recommended in paragraphs 7.6 to 7.11 above, we can find no reason to amend the other existing rules on DSSA. We have received no representations that they should be amended and **we recommend** that they should continue to apply to DSOA.

#### **Availability of funds**

7.13 We mentioned in our Preliminary Report the problems encountered by the police force arising from financial constraints on the payment of DSSA. We have since found that the Customs and Excise and Immigration services are also affected to a considerable degree by financial constraints on DSSA payment. We have now considered the matter further.

7.14 A central difficulty is that Finance Branch believe the services are not active enough in identifying opportunities to grant time-off in lieu, and that they could compensate in this way more fully than they do for extra time worked. It is widely accepted, and we agree with this view, that the DSSA arrangements are capable of being abused if they are not tightly controlled. Services managements, against this background, have found great difficulty in establishing a case for higher allocations for DSSA. The result has been, as we have found in our extensive visits to the services and discussions at all levels in the field and in the offices where the services work, that substantial injustices are being done to hard-working staff, who are frequently required (under commands which it is unlawful for them to disobey) to work extra hours for which they are not compensated in any way. We cannot praise too highly the determination and spirit of those we met for whom this situation is almost a commonplace. We do not think it should be allowed to continue.

7.15 As a first step **we recommend** that the heads of each disciplined service should make a detailed examination of actual overtime hours worked by all staff in ranks eligible for DSSA; the amounts of DSSA paid; the amount of time-off accumulated by staff in these ranks; and the practices by which unit and formation commanders have continued to live within the DSSA allocations which they have been given, including in particular the determination of limits below 60 hours for the total amount of DSSA that may be paid to an officer in a month. They should also review their arrangements for monitoring overtime, and establish an overall system for monitoring both the amount worked and the payments made, to facilitate the preparation of realistic annual estimates for DSSA. The oversight of these reviews and monitoring arrangements would be an important task for the Standing Committee on Disciplined Services Salaries and

Conditions of Service which we recommend in Chapter 8.

### **Extraneous Duties Allowances**

7.16 Extraneous Duties Allowances (EDAs) are allowances granted to officers who are regularly required to perform duties outside the scope of those normally performed by members of their ranks or grades. The principal criterion "duties outside the scope of those normally performed" carries the implication that the range of duties normally performed has a well-defined scope; and the payment of an allowance in itself carries the implication that the extraneous duties make the job more valuable. Neither of these implications appear to us to be borne out by the facts in the case of most of the extraneous duties allowances in the disciplined services.

7.17 In the first place, all of the services and all of the staff bodies have been at pains to impress upon us the wide range of duties which the staff of the services are called upon to perform; and the information submitted to us and our own observations in the course of our visits to the services have amply borne out these representations. We have accepted the view supported by almost everyone we have consulted that the correct way to deal with this wide range of duties in fixing pay is, to the fullest extent possible, to adopt an averaging approach, and not to seek to make finely-tuned assessments job by job for the many different jobs that staff may be required to do. It is not consistent with this approach to the wide range of duties to single out a considerable number of possibly not particularly demanding duties as meriting allowances because they involve the exercise of certain specific skills.

7.18 In the second place, an examination of the general duties of the different services does not, in respect of most of the extraneous duties for which allowances are paid, support the view that these extraneous duties are intrinsically more valuable than general duties. It is extremely difficult to see, for example, why a police bandsman should enjoy a rate of pay which is intended to compensate for the stress and hazards of the beat policemen or the detective, as well as their shift duties and irregular hours worked without notice, none of which he has to endure, and receive an extraneous duties allowance on top. In general, we see extraneous duties as in large measure substituting for general duties for part or all of the time worked.

7.19 It might be argued that some extraneous duties posts are difficult to fill; but we have been very strongly pressed to recognise that the disciplined services are different because they are disciplined. Officers are posted in the interests of the service, which interests include their own career development and their suitability for the duties proposed for them. There are many unpopular duties in the general range of duties to which officers are required to accept postings without the attraction of an extraneous duties allowance. We do not see why the general run of extraneous

duties should be treated differently. It is sometimes also argued that some jobs are difficult to fill because they are regarded as a dead-end in promotion terms. We do not accept that as a valid argument, since it is for management to ensure that the promotion process is fair. Exceptionally, where a lengthy assignment in a specialised post will seriously limit an officer's opportunity for promotion, and officers who have been recommended for promotion require to be assigned to such posts, a special case for an allowance or for personal promotion in post might be argued; but we believe such cases must be rare.

7.20 We have reviewed all the extraneous duties allowances (see **Annex 7.1** - sections (A) and (B)) in the light of these considerations. We believe that the salary scales we are recommending provide adequate pay for all of them, with the exception of those listed at **Annex 7.2** - section (A), for which **we recommend** a new allowance, the Extra Duties Allowance for the Disciplined Services (EDADS).

7.21 The new EDADS is subdivided into two categories :

- (a) EDADS (Marine) which is currently known as Non-standard EDA payable to sea-going members of the disciplined services. We do not propose to change the rates of the allowance at this juncture but the new machinery should keep the rates under review at regular intervals;
- (b) EDADS (General) which should include all the existing EDA Level 3 allowances and two of the existing EDA Level 1/2 allowances. Since we have taken full account of the lower levels of allowances in the basic scales, the rate we think appropriate for this allowance is substantially below the present EDA Level 3. We are spelling this out carefully here, because our experience in the present review teaches us that it is unlikely to be long before some in the disciplined services will seek to argue that the level of the proposed EDADS (General) should be the same as that of EDA Level 3. Against this background, **we recommend** that the rate of the proposed EDADS (General) should be 5% of GDS(R) scale point 1.

### **Hardship Allowances**

7.22 Hardship Allowances are granted to officers who are required to perform duties of a particularly obnoxious nature, or to perform these duties in dangerous or particularly unpleasant conditions.

7.23 We have reviewed all the hardship allowances payable to members of the disciplined services (see **Annex 7.1** - sections (C) and (D)) and critically examined the justifications for their continued payment. In doing so, we

have followed the same basic principles which we have adopted for reviewing EDAs, viz :-

- (a) an averaging approach should be adopted to deal with the wide range of disciplined services duties;
- (b) the exercise of specific skills in jobs that are not particularly demanding does not necessarily merit allowance and it is undesirable to single out such jobs; and
- (c) to qualify for an allowance, a job must be more demanding than normal duties.

7.24 After careful consideration, we have reached the view that with the exception of Remote Stations Allowance and Detective Allowance which we consider should more appropriately be reclassified as special allowances (see paragraph 7.29 below), staff of the disciplined services should not in general be eligible for hardship allowance because the nature of their work and the elements of danger and hardship will have already been taken into account in the determination of their pay. **We therefore recommend** that the payment of hardship allowances should cease.

#### **Remote Stations Allowance**

7.25 Remote Stations Allowance (RSA) is granted to officers posted to and living on outlying islands or Cape Collinson as an incentive for staff to work in remote areas and to compensate for the extra cost and inconvenience of living there.

7.26 We have reviewed the rate, eligibility criteria, and existing rules regarding the payment of RSA. Having regard to the rate of the special subsistence allowance payable to civilian staff working in outlying institutions, the travelling expenses to outlying islands, the rules on Local Education Allowance and other factors, **we recommend** that :-

- (a) the basic rate of the RSA should be increased to \$530 per month for staff living and working at an institution on the outlying islands and to \$265 per month for staff at Cape Collinson Correctional Institution;
- (b) the additional allowance payable for each child attending school in the urban areas should be increased to \$110 and \$55 per month for staff on outlying islands and at Cape Collinson Correctional Institution respectively; and
- (c) the qualifying period for the payment of RSA should be reduced from six to three months.

7.27 Apart from the changes recommended in paragraph 7.26 above, we have not found any good reason to change the other existing rules on RSA and **we recommend** that they should continue to apply.

### **Detective Allowance**

7.28 We have re-examined the justifications for the payment of detective allowance to officers in the police, Customs and Excise Service and Immigration Service performing regular and frequent detective duties. This is an allowance paid in recognition of the impracticability of staff engaged on detective duties claiming reimbursement of numerous small but frequent out-of-pocket expenses on items such as meals, refreshments, cigarettes, token signs of hospitality and bus and taxi fares when trailing suspects and contacting informers and witnesses. The higher rate for Inspectorate officers is to recognise that they are likely to incur higher expenses while on detective duties. Although those on detective duties can, and do, claim for some casual entertainment and travelling expenses, it is not practicable for detective staff to reclaim every single small item of duty-related expenditure. We consider that these arguments are still valid and **we recommend** that the allowance should be retained.

7.29 One observation which we have made in the course of our review on Remote Stations Allowance and Detective Allowance is that the rationale behind the grant of these two allowances has little or nothing to do with hardship. The title "Hardship Allowances" is misleading and should be discontinued. **We recommend** that these two allowances should be reclassified as special allowances.

### **Special Allowance**

7.30 The only special allowance currently granted to staff in the disciplined services is for the Police Special Duties Unit (SDU) officers who have a counter-terrorist role. Officers posted to the SDU are selected from volunteers and are normally required to serve in the Unit for a tour of 2.5 years including intensive training. The payment of the allowance is in recognition of the arduous physical training they must undergo, the extreme operational hazards of counter-terrorist duties, the risks incurred in special training and the need to maintain exceptionally high standards of performance and to remain on 24-hour call. In view of the special nature of duties and training required, **we recommend** that the special allowance to the police officers in SDU should continue to be payable at the current rate.

### **Special allowance for Correctional Services staff performing overnight on-call duty**

7.31 A number of representations we received pointed out that many Correctional Services staff are required to perform overnight on-call duty within the area of their institution and away from their place of residence at a frequency of about



12 times a month. These hours are not counted as hours worked and staff are neither paid an allowance nor given time-off in lieu. We have examined this situation closely and consider it inequitable. We find it unreasonable not to compensate the staff concerned for this substantial regular commitment. Accordingly, **we recommend** that a special allowance, for which we propose the fixed daily rate of \$50, should be paid to this category of staff in recognition of this commitment. In view of the purpose of this allowance we do not consider that officers who are in receipt of Remote Stations Allowance or are provided with quarters at or near their place of work should be eligible for it.

### **Laundry Allowance and Plain Clothes Allowance**

7.32 We have reviewed the Laundry Allowance (LA) and the Plain Clothes Allowance (PCA) which are not job-related allowances general to the civil service but exclusive to the disciplined services.

7.33 We have considered the justifications for the continued payment of LA and PCA. We have noted that the disciplined services staff are required to wear uniform on duty and to maintain a high standard of appearance. LA is payable at a monthly rate of \$60 to CIP (or equivalent) and below in recognition of the costs incurred in cleaning uniforms. Staff of the Correctional Services Department are provided with free laundry facilities for their uniforms and are therefore not eligible for payment of the LA. We have also noted that the rationale behind PCA is the assumption that members of the disciplined services are by virtue of their appointment expected to be provided with uniforms at public expense to carry out their duties. Those who are required to wear plain clothes on duty on a full time basis are therefore given a cash allowance (PCA) to enable them to buy clothes and footwear suitable for their work. PCA is at present paid at two rates : a lower monthly rate of \$85 for rank and file; and a higher monthly rate of \$110 for Inspectorate and Superintendent ranks or equivalent. Staff in the Fire Services Department are not eligible for this allowance.

7.34 In our review of allowances generally we have sought to simplify what we regard as a quite unnecessarily complex and over-elaborate system, and in accordance with that approach we have looked into the alternative of incorporating these two allowances in basic pay. On the basis that a large majority (some 83%) of disciplined services staff are at present drawing LA or PCA; that some form of regular review and increase to keep pace with inflation would be desirable; and that the administration of two separate allowances at different rates to different levels of officers is probably requiring more effort than is merited, **we recommend** that LA and PCA should be abolished and that the two allowances should be merged and incorporated in the basic pay of the ranks concerned i.e. up to and including Superintendents of Police and equivalent, and we have included this basis in the

### Other considerations

7.35 We note that Correctional Services staff are not at present eligible for LA because of the free laundry service provided by prisons laundries. We consider that it would be a double benefit if officers should continue to receive free laundry service after their basic pay had been increased to include LA (as the pay groupings we propose would necessitate). **We therefore recommend** that free laundry service to members of the Correctional Services Department should be withdrawn and officers should either be charged the present laundry rate they pay for private clothing in prisons' laundries, or an amount to be determined by the Administration.

7.36 We also note that officers in the Customs and Excise Service engaged on ship rummaging, cargo examination and anti-smuggling duties are at present permitted to claim reimbursement of the laundering expenses which they spend on cleaning their work overalls. The current rate is up to \$6 per pair of overalls, subject to a maximum of \$120 a month. In the light of our recommendation to incorporate LA in basic pay (see paragraph 7.34 above), we consider that a reduction in the ceiling of the reimbursement is necessary. **We recommend** that the Administration should look into this and make necessary adjustments to the current rate as appropriate.

### Recommendations

7.37 The details of the job-related allowances we have reviewed, and the list of our recommended allowances are at **Annex 7.1** and **Annex 7.2** respectively.