

Status of Report:

Public

Agenda Item:

7

Meeting: Combined Fire Authority

Date: 10th February 2016

Subject: Localism Act: Pay Policy Statement 2016/17

Report by: Chief Fire and Rescue Officer

Author: Area Manager People and Organisational Development

For: Decision

1. Purpose

This report requests that the Combined Fire Authority (CFA) approve the Pay Policy Statement for 2016/17.

2. Recommendations

The CFA is asked to approve the Localism Act Pay Policy Statement 2016/17

3. Executive Summary

It is a statutory requirement to publish an annual pay policy, including the pay and benefits of employees classified as Chief Officers. The statement should confirm the level of pay and other benefits for all posts and provide a comparison between the highest and lowest paid. It should also include the CFA's policy on certain other employment matters such as pensions and termination payments.

4. Report Detail

Section 40 of the Localism Act requires the Fire Authority to publish an agreed Pay Policy statement for those posts covered by the legislation. This statement has been drawn up based on the existing terms and conditions of those relevant senior managers and existing service policies. It includes information on the current locally determined pay package for the CFO and the 2 Operational Directors.

5. Report Implications / Impact

5.1. *Legal (including crime and disorder)*

The publishing of the statement by the end of March each year is a requirement of the Localism Act 2011.

5.2. *Financial (including value for money, benefits and efficiencies)*

Provision is made for the salaries and allowances within existing budgets.

5.3. ***Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)***

Non-compliance with legal requirements.

5.4. ***Staff, Service Users and Stakeholders (including the Equality Impact Assessment)***

The approval of a statement provides clarity on salaries and other terms for recruitment and promotion purposes.

5.5. ***Environmental***

None

5.6. ***Impact upon Our Plan Objectives***

The adoption and use of the policy will contribute to the Strategic Aim of excellence in managing our service.

6. **Background Papers**

None

7. **Appendices**

Localism Act Pay Policy Statement 2016/17

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FIRE and RESCUE SERVICE

Pay Policy Statement 2016/17

1. Introduction

- 1.1. This Statement has been produced with due regard to the guidance issued by the Secretary of State under section 40 of the Localism Act 2011.
- 1.2. This Statement extends to all members of Senior Management (SM) whether or not they meet the definition of a "Chief Officer" as set out in the Act.
- 1.3. SM comprises the Chief Fire and Rescue Officer/Chief Executive, Directors and Area Managers.
- 1.4. All senior managers are employed by the Combined Fire Authority (CFA) and not retained under a contract for services.
- 1.5. Before a salary package of £100,000 or above is offered in respect of a new appointment it must be approved at a meeting of the full CFA.
- 1.6. A severance package of £100,000 or above for a member of staff leaving the organisation must be approved at a meeting of the full CFA.

2. Remuneration of the Chief Fire and Rescue Officer/Chief Executive (CFO)

- 2.1 The CFO has operational firefighting responsibilities and is employed under a contract of employment on the terms and conditions as set out in the National Joint Council (NJC) for Brigade Managers of Local Authority Fire and Rescue Services Constitution and Scheme of Conditions of Employment (Gold Book) where applicable, as amended and supplemented by local collective agreements reached with trade unions recognised by the CFA, Service Procedures and other instructions as amended.
- 2.2 Under the Gold Book the pay of the CFO is negotiated and agreed locally by the CFA.
- 2.3 The CFO is provided with a motor vehicle for the performance of his duties.
- 2.4 No other bonuses are paid to the CFO.
- 2.5 Appropriate professional fees are paid.

- 2.6 The CFO's salary will be £142,081 subject to any pay award agreed nationally by the NJC with effect from 1st January 2016.¹
- 2.7 On 1st January 2016 the CFO's salary will increase by the national pay award agreed by the NJC up to a maximum of 1%; and on 1st April 2016 his salary shall increase by 1% awarded locally by the CFA.
- 2.8 Prior to 31st March 2017 the CFA will commence consultation with the CFO on any future pay awards on the understanding that there is no guarantee provided by the CFA that the salary will increase other than by any cost of living award agreed nationally by the NJC. In default of any agreement following consultation, from 1st January 2017 onwards salaries will remain as at 1st April 2016 but subject to paragraphs 10 (national pay award) and 11 (local annual salary review) of the Scheme of Conditions of Service contained in the Gold Book.
- 2.9 The post will not attract performance related pay.

3. Remuneration of Directors

- 3.1 Directors have operational firefighting responsibilities, and they are employed under contracts of employment on the terms and conditions as set out in the Gold Book where applicable; as amended and supplemented by local collective agreements reached with trade unions recognised by the CFA, Service Procedures and other instructions as amended.
- 3.2 The pay for all Directors is set as for the CFO (see paragraph 2.2).
- 3.3 On 25th June 2014 the CFA approved a new 3 year pay deal for the Directors as follows:
- On 1st January 2014, 2015 and 2016 salaries will increase by the national pay award agreed by the NJC up to a maximum of 1%; and on 1st April 2014, 2015 and 2016 salaries shall increase by 1% awarded locally by the CFA.
 - Prior to 31st March 2017 the CFA will commence consultation with Directors on any future pay awards on the understanding that there is no guarantee provided by the CFA that salaries will increase other than by any cost of living award agreed nationally by the NJC. In default of any agreement following consultation, from 1st January 2017 onwards salaries will remain as at 1st April 2016 but subject to paragraphs 10 (national pay award) and 11 (local annual salary review) of the Scheme of Conditions of Service contained in the Gold Book.

3.4 The revised salaries for the Directors with effect from 1st April 2016¹ are therefore:

- Deputy Chief Fire Officer (Director of Service Delivery) – £117,048
- Assistant Chief Fire Officer (Director of Service Support) - £98,980

3.5 Operational Directors are provided with a motor vehicle for the performance of their duties.

3.6 No other bonuses are paid to the Directors.

3.7 Appropriate professional fees are paid.

4. Area Managers

4.1 Area Managers who have operational firefighting responsibilities (Operational Area Managers) are employed under contracts of employment on the terms and conditions as set out in the National Joint Council for Local Authority Fire and Rescue Services and Middle Managers Negotiating Body Scheme of Conditions of Service (Grey Book) where applicable, as amended and supplemented by local collective agreements reached with trade unions recognised by the CFA, Service Procedures and other instructions as amended.

4.2 Area Managers who have non-operational responsibilities (Support Area Managers) are employed under contracts of employment on the terms and conditions as set out in the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service (Green Book) where applicable, as amended and supplemented by local collective agreements reached with trade unions recognised by the CFA, Service Procedures and other instructions as amended.

4.3 Pay for Area Managers is set and increased in accordance with the Grey Book.

4.4 Operational Area Managers receive £ 56,124 plus a 20% Flexible Duty Allowance and a 10% payment for working the Strategic Manager Gold Rota.²

4.5 One Support Area Managers receive £56,124, the other receives £51,165³

4.6 Operational Area Managers are provided with a motor vehicle for the performance of their duties whilst Support Area Managers may request a motor vehicle as a benefit in kind.

¹ Decision on NJC national pay award for 2016 pending.

² Decision on national pay award for 2016 pending.

³ Decision on national pay award for 2016 pending.

- 4.7 Area Managers receive no performance related pay or bonuses.
- 4.8 Appropriate professional fees are paid.

5. Remuneration of All Other Staff

- 5.1 Operational staff below the level of Area Manager are paid in accordance with the nationally agreed rates under the Grey Book subject to any variations agreed locally. Staff are paid a fixed salary point.
- 5.2 Support staff below the level of Area Manager are paid in accordance with the nationally agreed rates under the Green Book. Each post is graded with a salary range and staff receive 2 increments a year until they reach the top of their grade.
- 5.3 For the purposes of this Policy "lowest-paid employees" are defined by reference to the lowest graded posts on the Support Salary Pay Scale as these are the posts with the least remuneration (with the possible exception of staff on the retained duty system who have been discounted for these purposes given the on-call nature of their employment). The lowest-paid post attracts a salary of £15,941. The CFO is paid 8.91 times more than the lowest paid employee.

6. Pensions

- 6.1 All staff have the right to join the relevant occupational pension scheme (the Firefighters' Pension Scheme or the Local Government Pension Scheme depending on the role undertaken) to which both they and the CFA make contributions.

7. Termination Payments

- 7.1 All staff are entitled to an enhanced redundancy payment based on their actual contractual gross weekly pay, rather than on the statutory maximum weekly pay. Weekly pay will be based on the employee's substantive role or temporary promotion where the employee has been temporarily promoted for a period of 12 weeks or more at the time of being placed at risk. The payment is further enhanced by a multiplier of 1.5.

8. Retirement and re-employment

- 8.1 All operational staff have the opportunity to seek retirement under the Firefighters' Pension Scheme and to request re-employment. If this is granted re-employment will only be for periods not exceeding 5 years in total.

9. Abatement of Pensions

9.1 Abatement rules apply to all staff who retire and are re-employed but do not apply in any other circumstance.

10. Re-employment following Termination

10.1 There is no prohibition on staff who have left employment with a severance or redundancy payment from being employed in a different post subsequently in response to a public advertisement for that post.

11. Policies and Procedures

11.1 This Statement provides an overview of pay issues for staff employed by the CFA and is subject to detailed Service Policies and Procedures as approved and amended from time to time and individual contracts of employment.

12. Publication

12.1 This Statement will be published and maintained on the Service website – www.leicestershire-fire.gov.uk.

12.2 Information relating to the remuneration of Senior Managers is fully set out in this Statement.