Status of Report: Public

Meeting: Combined Fire Authority

Date: 14 February 2024

Subject: Pay Policy Statement 2024-25

Report by: Callum Faint - Chief Fire and Rescue Officer

Author: Judi Beresford- Assistant Chief Fire Officer, Service Support

For: Decision

Purpose

1. The purpose of this report is to seek the approval of the Combined Fire Authority (CFA) of the Leicestershire Fire and Rescue Service's Pay Policy Statement for 2024-25 for subsequent publication on the CFA's website.

Recommendation

2. The CFA is asked to approve the Leicestershire Fire and Rescue Service Pay Policy Statement 2024-25 for subsequent publication on the CFA's website.

Executive Summary

3. It is a statutory requirement to publish an annual Pay Policy Statement, 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 employees. It should also include the CFA's policy on certain other employment matters such as pensions and termination payments.

Background

- 4. The Localism Act 2011 requires the CFA to approve and publish a Pay Policy Statement for each financial year.
- 5. This Statement must set out the CFA's policies in relation to:
 - i. The remuneration of its Chief Officers:
 - ii. The remuneration of its lowest-paid employees; and
 - iii. The relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.
- 6. For the purposes of this Statement, remuneration includes basic salary, bonuses and other allowances or entitlements related to employment.

- 7. The Statement for 2024-25 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 Chief Fire and Rescue Officer (CFO) and two Operational Assistant Chief Fire and Rescue Officers.
- 8. The format of the Statement was subject to a comprehensive review by the Monitoring Officer and the CFO in 2017-18. There are no plans to revise the style of the statement at this stage.
- 9. The 2024-25 Statement, appended to this report, incorporates detailed information about middle and senior management remuneration arrangements.

Background

10. <u>Legal (including crime and disorder)</u>

Under Section 38(1) of the Localism Act 2011, there is a requirement to publish the statement by the end of March each year.

11. <u>Financial (including value for money, benefits and efficiencies)</u>

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

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

There is a risk of a legal challenge if the Pay Policy Statement 2024-25 is not approved and published by 31 March 2024.

13. <u>Staff, Service Users and Stakeholders (including the Equality Impact</u> Assessment)

The approval of the Pay Policy Statement provides clarity on terms associated with the various elements of remuneration relating to chief officers.

14. Environmental

There are no environmental implications arising from this report.

15. Impact upon Our Plan Objectives

The adoption, publication and use of the Pay Policy Statement will contribute towards achieving the outcomes of the Governance Strategy; "Well Informed Communities", and "Well Informed Staff".

Background Papers

None.

Appendix

Leicestershire Fire and Rescue Service Pay Policy Statement 2024-25.

Officers to Contact

Judi Beresford <u>Judi.beresford@leics-fire.gov.uk</u> 0116 210 5555

APPENDIX A

Leicestershire Fire and Rescue Service Pay Policy Statement 2024/25

Introduction

This Pay Policy Statement is provided in line with Section 38(1) of the Localism Act 2011 and is authorised by Leicester, Leicestershire, and Rutland Combined Fire Authority (the CFA).

Purpose

The purpose of this statement is to provide transparency to the Pay Policy adopted by Leicestershire Fire and Rescue Service (LFRS). It explains the key principles that underpin its policies towards a range of issues relating to the pay of its workforce. A Pay Policy Statement must be prepared for each financial year and must be approved by the CFA. This Statement covers the year 2024/25. It meets the objective of delivering a fair and equitable policy covering pay and other benefits.

Policy Objectives

The CFA is directly responsible for a budget of £43.4M and a staff headcount of 632 FTE's (as of 31st January 2024). It is responsible for reviewing the pay structure for Principal Officers namely, the Chief Fire and Rescue Officer and the Assistant Chief Fire Officers. The CFA publishes details of senior officers (classified as the CFO and direct reports) and of all other employees receiving more than £50,000 remuneration in its Annual Statement of Accounts. The publication of this Statement brings information on remuneration into a single document for the sake of transparency as a public service.

Pay bands are established on nationally applied role maps for operational employees and grading bands established through a job evaluation process for support employees. In applying its Pay Policy, the Authority ensures it abides by its policy on equality and inclusion.

Pay Negotiating Bodies

The CFA applies the annual pay settlements negotiated by:

- The National Joint Council for Local Government Services;
- The National Joint Council for Local Authority Fire and Rescue Services;
- The National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services.

The CFA undertakes negotiation with its recognised representative bodies on local agreements which affect the terms and conditions of its employees, and which may include agreement of local allowances. The representative bodies recognised for negotiating purposes are:

- The Fire Brigades Union (FBU).
- The Fire Officers Association (FOA).
- The Association of Principal Fire Officers (APFO).
- The Fire and Rescue Services Association (FRSA).
- UNISON.

Publication

The Pay Policy will be published on the Service website together with the Pay and Grading structure and information relating to senior management remuneration.

Section One - General Pay Policy

- 1.1 In determining the pay and remuneration of its employees, the CFA will comply with all relevant employment legislation. This includes the Equalities Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulation 2000, the Agency Workers Regulation 2010 and where relevant the Transfer of Undertakings (Protection of Earnings) Regulations.
- 1.2 The CFA applies the pay scales adopted by the respective National Joint Councils (NJC) for all its employees up to the level of Principal Officer. The National Living Wage (the legal minimum) increased in April 2023 to £10.42 per hour for workers over the age of 23. There are no employees within LFRS on an hourly rate of less than the national living wage.
- 1.3 Local pay arrangements for Principal Officers (Chief Officers) are established through the provisions of the NJC for Brigade Managers of Local Authority Fire and Rescue Services and are reviewed annually by the Fire Authority. Further details are set out in Section 2.
- 1.4 Upon appointment, Principal Officers are remunerated at a 'single point' scale.
- 1.5 The number and level of roles within the Service are determined by the CFA on advice from the Chief Fire and Rescue Officer.
- 1.6 This Pay Policy reflects the different roles, duties and responsibilities undertaken by Service employees. This is reflected in pay differentials between different groups of workers and between workers in the same pay group. The pay bands established are based on nationally applied role maps (operational employees) or grading bands established through an agree job evaluation process (support employees). Upon appointment, staff are normally paid in accordance with the lowest point in the relevant scale. This can be adjusted if there is a justifiable reason that is supported by a Principal Officer.
- 1.7 Pay Policy reflects adherence to the principle of "equal pay for work of equal value."

1.8 In applying its policy, the CFA will work to eliminate any elements which may, directly or indirectly, discriminate unfairly on the grounds of sex, race, colour, nationality, ethnic or national origin, age, marital status, having dependants, sexual orientation, gender reassignment, religion or belief, trade union activity, disability, or any other factors. Part-time workers receive the same pay and remuneration as full-time workers undertaking the same job role on a pro-rata basis.

Definition of Lowest Pay

1.9 The Resolution Foundation's Real Living Wage rates are used to inform the lowest levels of pay. The rates are announced in November each year and implemented from 1 April the following year in line with the annual support staff pay increase. The Foundation Real Living Wage from April 2024 is £12.00 per hour (£23,500 per annum). The rates were announced in 2023 to reflect the extraordinary rises to the cost of living. As of 1 January 2024, the lowest level of pay that can be paid to a full-time member of staff is £23,500, this being the national scale point 5 and equivalent to £12.18 per hour.

Pay Multiples

1.10 The idea of publishing the ratio of the pay of an organisation's top earner to that of its lowest earner has been recommended in order to support the principles of Fair Pay and transparency.

As of 1 January 2024, the lowest level of pay that can be paid to a full-time member of staff is £23,500. The highest level of pay that can be paid to a full-time member of staff is £158,934.15. This ratio is 6.76.1.

The median annual salary is £35,747. The ratio between this figure and that of the highest paid full-time member of staff is 3.84:1.

Subscriptions

1.11 Individuals required by Leicestershire Fire and Rescue Service to be members of professional bodies in relation to their duties will have their subscription fees paid.

Benefits In Kind

- 1.12 Leicestershire Fire and Rescue Service provides an Occupational Health Service to all its staff which seeks to keep them fit and well to undertake their duties and to ensure their speedy and safe return to work when they are injured or sick.
- 1.13 Leicestershire Fire and Rescue Service offers a Provided Vehicle User Scheme to staff who are required to use vehicles in connection with their official duties. This scheme is kept under review by the CFA with the most recent review in March 2022.

Relocations Expenses

1.14 Upon appointment and only if relocation expenses are incurred, the CFA reimburses new employees in accordance with the Relocation Expenses Scheme. The CFA does not pay any bonuses sometimes expressed as 'golden hello' or 'golden goodbye' payments to any employees.

Section Two - Pay Policy for Principal Officers and Senior Managers Principal Officers

- 2.1 National pay awards negotiated by the NJC for Brigade Managers of Local Authority Fire and Rescue Services are applied to Principal Officers by the CFA on an annual basis. This represents a cost-of-living increase.
- 2.2 Upon appointment, all Principal Officers are paid in accordance with a single point pay scale. A review of Principal Officer pay is undertaken every two years by the CFA. This is currently managed through the Employment Committee under delegated power from the CFA.
- 2.3 Principal Officer roles covered by the review include the Chief Fire and Rescue Officer and the two Assistant Chief Fire and Rescue Officers.
- 2.4 The base salary for the Chief Fire and Rescue Officer role at Leicestershire Fire and Rescue Service is currently set at £154,305 per annum. This is inclusive of a recent nationally agreed increase of 3%.
- 2.5 As at 31st January 2024, the Service currently makes an employer pension contribution of 28.8%. This is in accordance with the contributions made for all members of the Firefighters Pension Scheme (2015). The employee contribution rate varies between 11% and 14.5% of pensionable pay. The contribution levels reflect the Government's Actuary Department's reevaluation of firefighter pension schemes.
- 2.6 The CFA has established a policy that Principal Officer roles below that of Chief Fire and Rescue Officer will be paid as a proportion of the locally agreed Chief Fire and Rescue Officer base pay rate. The two Assistant Chief Fire and Rescue Officers are paid at a rate that represents 80% of the Chief Fire and Rescue Officers annual salary. Both Assistant Chief Fire and Rescue Officers receive an annual salary of £127,150.62 however, the ACFO Service Support is currently in a developmental role and as such is in receipt of £120,793.09 pa which will rise incrementally upon successful completion of the development plan.
- 2.7 A vehicle is provided to Chief Fire and Rescue Officer and both Assistant Chief Fire and Rescue Officers for operational use and to ensure that they can meet the requirements of continuous duty.
- 2.8 Details of Principal Officer Pay are published on the Leicestershire Fire and Rescue Service website. https://www.leics-fire.gov.uk/your-fire-

- service/who-we-are/organisation-structure/organisational-chart
- 2.9 The Service does not have a policy of direct correlation between the highest and lowest paid roles (it does not apply a pay multiple in establishing Principal Officer pay). As of 1 January 2023, the lowest level of pay that can be paid to a full-time member of staff is £23,500. The highest level of pay that can be paid to a full-time member of staff is £158,934.15. This ratio is 6.76:1.
- 2.10 The other defined statutory roles are the Monitoring Officer and Treasurer to the CFA, and they are not directly employed and being remunerated in their wider employing council roles.

Senior Managers

- 2.11 The pay, including rota allowances, of the most senior officers below Principal Officer (Operational Area Managers) is 58.4% of the Chief Fire and Rescue Officer pay. Four Operational Area Managers receive an annual salary of £90,068.00. A vehicle is provided to all Operational Area Managers for operational and business use, with the option to use them for private purposes.
- 2.12 The pay of the most senior support roles below Principal Officer (Area Manager People and Organisational Development and Area Manager Business Support) is 44.9% of the Chief Fire and Rescue Officers pay. This equates to an annual salary of £69,283.08.
- 2.14 The CFA also employs five Operational Group Managers. Each manager receives an annual salary of £71,570.45. A vehicle is provided to all Operational Group Managers for operational and business use, with the option to use them for private purposes.
- 2.15 The CFA also employs twenty Operational Station Managers. Each manager receives an annual salary of £61,830.00. A vehicle is provided to all Operational Station Managers for operational and business use, with the option to use them for private purposes.
- 2.16 Finally, the CFA employs 1 Control Station Manager. The annual salary of this post is £58,738.90. An essential car user allowance is paid.
- 2.17 It should be taken into account that the salaries of Principal Officers and other operational managers include an allowance for the associated additional responsibility and hours of work required to provide duty cover on a 24/7, 365 basis. The full details applicable to all managers with salaries of £50,000 per annum or above (as at 1 January 2024) are set out with employer's costs and benefits in annex 1 of this Pay Policy Statement.

Re-engagement

2.18 All Principal and Senior Managers are subject to the same re-engagement provisions as other Service employees; these are set out in more detail in Section 5.

Severance Payments

2.19 All Principal and Senior Managers are subject to the same severance arrangements as other Service employees; these are set out in more detail in Section 6.

Section Three - Pay Policy for Firefighters

General

- 3.1 This policy applies to Whole-time, On-Call Firefighters and Fire Control staff.
- 3.2 National pay awards negotiated by the NJC for firefighters of Local Authority Fire and Rescue Services are applied by the Authority on an annual basis. This represents a cost-of-living increase. No pay award has yet been agreed by the NJC for Local Authority Fire and Rescue Services for the financial year 2024-25.
- 3.3 Pay is based upon the role undertaken and the stage of competence of each individual for example, trainee, in development and competent.
- 3.4 A formal assessment of individuals is undertaken at each stage of development before moving to the next salary level. Maintenance of competence is a requirement at all levels of the Service and is reviewed annually.
- 3.5 Progression between roles is subject to a competitive promotion process.

On-Call Duty System

3.6 Employees subject to the On-Call Duty System are paid an annual retaining fee and receive subsequent payments based on attendance at incidents and other activity including disturbance fees, turnout fees, attendance fees, training fees, other authorised duties, and compensation for loss of earnings. All payments are made in line with nationally agreed pay scales and rates.

Fire Control

3.7 The pay for Fire Control staff is 95% of the nationally agreed NJC rate for firefighters of Local Authority Fire and Rescue Services.

Other Allowances and Payments

3.8 Pension contributions (as of April 2023-24): The Service makes an employer

contribution of 28.8% of salary (2015 scheme) for members of the Firefighters Pension Scheme. The employee will contribute between 11.0% and 14.5% (2015 scheme) of pensionable pay. The 1992 & 2006 schemes both closed on 31st March 2022.

- 3.9 Pension arrangements for Fire Control staff are under the Local Government Pension Scheme as detailed in paragraph 4.6.
- 3.10 Under national conditions of service, a flexible duty payment of 20% allowance additional to base salary if made to all Operational Area, Group and Station Managers to recognise the provision of operational cover on a rota basis to attend emergency incidents when required.
- 3.11 Under local arrangements and in an addition to the 20%, Operational Area Managers are paid a further allowance of 10% of base salary to provide operational cover on the Strategic rota.
- 3.12 An allowance is paid daily where employees temporarily undertake the duties of a higher graded role. This is paid at the rate applicable to the role being undertaken; employees must be qualified to undertake the higherlevel role.
- 3.13 Overtime rates are paid for roles below Station Manager at time and a half or double time on public holiday, or time may be granted in lieu at the appropriate enhanced rate.
- 3.14 An allowance is paid for detachments at locally agreed rates when operational employees are required to provide cover at other stations.
- 3.15 Recall to duty and/resilience payments are paid to staff in the event that operational circumstances dictate a necessity to bring managers back on duty at times when they would normally be free from all work-related responsibilities. The amounts paid are locally agreed.
- 3.16 Under national conditions of service, a Continuous Professional Development Payment (CPD) is approved annually on an individual basis for employees with more than five years of service (since attaining competence in role). It is an annual payment of £788 (2023-24) for whole-time and the on-call receive 25% of the whole-time figure. The payment is made by application and authorised at a middle or senior management level. To be eligible, an individual must demonstrate evidence of CPD over and beyond that required for competence and have a good attendance, performance, and disciplinary record.
- 3.17 Additional Responsibility Allowance (ARAs) are only paid as and when required.
- 3.18 A travel allowance to cover additional travel costs when an operational employee is compulsorily transferred to another work base. A payment is made of the difference in mileage undertaken and is paid for two years following a compulsory transfer.

3.19 Reimbursement of medical fees only applies to employees whose service commenced before November 1994. The reimbursement of fees covers dental, optical and prescription fees and is paid at NHS rates.

Section Four - Pay Policy for Support Roles General

- 4.1 This policy applies to employees covered by the NJC for Local Government Services and includes all non-operational staff.
- 4.2 National pay awards negotiated by the NJC for Local Government Services are applied by the Authority on an annual basis and represent a cost-of-living increase. A pay award of £1,925 was applied by the NJC for Local Government Services for 2023/24. The pay awards for the support Area Managers are in line with the arrangements for firefighters outlined in paragraph 2.12.
- 4.3 The pay structure is aligned to a spinal column point system. Spinal column points are configured into groups to provide incremental pay points. The incremental rises occur on 1 April and 1 October annually and employees progress incrementally through their respective grade until they reach the maximum point.
- 4.4 All employees will be generally paid at the lowest point in the relevant scale. Starting salary may be uplifted along the incremental structure if experience and knowledge warrant this approach. Movement between grades is through a competitive selection process.
- 4.5 Leicestershire Fire and Rescue Service apply the Local Government Job Evaluation Scheme that systematically ranks each job objectively and fairly. Local Government Job Evaluation Scheme is a recognised best practice, non-discriminatory method of ranking jobs against a predetermined scale. The evaluation process assesses all roles and allocates an appropriate grade according to the duties and responsibilities undertaken. Employees may apply for a review of their grade where permanent, substantial, and material changes have increased the level of duties and responsibilities attached to their role. Any substantive changes to grade must be authorised by a director.

Other Allowances and Payments

- 4.6 The Service makes a total employer pension contribution of 19.2% of salary for all members of the Local Government Pension Scheme. The employee will make a contribution of between 5.5% and 12.5% of pensionable pay depending on their salary band.
- 4.7 An allowance is paid if an employee is required to fill a higher-level role for a period of more than one month.
- 4.8 A discretionary Honorarium payment may be made, with the approval of a director, for duties undertaken outside of the normal job requirements for an extended period of time.
- 4.9 A disturbance payment will be paid when an employee is required to move work location; actual additional mileage is paid for a period of two years.

Section Five - Policy on Re-engagement and Pension Abatement General

- 5.1 This applies where individuals retire from the Service, draw pension benefits, and are subsequently re-engaged into the same or other role with Leicestershire Fire and Rescue Service. The policies set out below apply to all employees, including senior officers.
- 5.2 Leicestershire Fire and Rescue Service will consider the retirement and reengagement of operational employees at its own discretion and where a substantial tangible business benefit can be justified. During any period of reengagement, if the employee's new salary and pension earnings are higher than the salary for their previous role the employee would be subject to interservice abatement This would require abatement of part or all of their pension, so as to reduce the combined total of their new salary and pension earnings back down to their previous salary. This complies with the provisions of the Firefighters Pension Scheme.
- 5.3 Leicestershire Fire and Rescue Service operates a Flexible Retirement Policy for employees in the Local Government Pension Scheme which allows employees to take their pension benefits and be re-employed on reduced hours or at a lower grade without abatement of pension. This complies with the provisions of the Local Government Pension Scheme.
- 5.4 Leicestershire Fire and Rescue Service monitor all job applicants to ensure anyone in receipt of an applicable public sector pension is advised that if they breach the remuneration threshold once their new salary is combined with their pension they are liable for abatement of their pension. Leicestershire Fire and Rescue Service will advise the relevant previous employer of this potential breach and it will be their responsibility to ensure any abatement is applied.
- Where an applicant was previously an employee of Leicestershire Fire and Rescue Service we will carry out our own calculations and apply abatement where the individual's new salary and pension combined is higher than their old salary. This will be recalculated on a yearly basis and the employee will be advised of any changes.
- 5.6 Leicestershire Fire and Rescue Service expect other public sector organisations to make contact should one of our retired employees be successful in obtaining employment with them. We will then undertake the relevant calculations to ascertain whether abatement should apply. This will be recalculated on a yearly basis and the retired employee advised of any changes.

Section Six - Severance Payments General

6.1 In the event of redundancy, the Service applies redundancy payments under the provisions of its Redundancy Policy. This applies to both compulsory and voluntary redundancy situations.

- 6.2 In 2023-24, as of 1st January 2024, there have been no settlement agreements; when the employment of an employee is terminated by the Service, or in settlement of a claim. In the event that there is a settlement, such agreements are subject to confidentiality clauses.
- 6.3 Early Payment of Pension Benefits; under the provisions of the Local Government Pension Scheme employees aged over 55 who are made redundant, or who are retired from Service on the grounds of efficiency, are awarded early payment of pension benefits. In this case, a charge is made against the Fire Authority by the pensions fund; this is referred to as actuarial strain.
- 6.4 In 2023-24 the Service had no agreement for the early payment of pension.

Section Seven – Bonus Payments and Performance Related Pay

7.1 The CFA does not pay any groups of employees a bonus or operate a system of Performance Related Pay.

Summary of Annual Remuneration for All Principal Officers and Senior Managers Annex 1

Role/ Position	Function	Salary (£)	Provided Car (£)	Employers Costs (£)	Total Cost (£)
Operational Station Manager (1)	District Manager	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (2)	District Manager	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (3)	District Manager	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (4)	District Manager	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (5)	District Manager	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (6)	District Manager	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (7)	District Manager	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (8)	District Manager	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (9)	District Manager	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (10)	District Manager	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (11)	Operational Assurance	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (12)	Operational Assurance	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (13)	Operational Planning & Water	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (14)	Community Safety	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (15)	Fire Protection	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (16)	Fire Protection	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (17)	Business Assurance	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (18)	Health & Safety	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (19)	Training and Development	£61,830	£3,114	£25,083.78	£86,913.78
Operational Station Manager (20)	Training and Development	£61,830	£3,114	£25,083.78	£86,913.78
Control Station Manager (1)	Fire Station Control Manager	£58,738.90	£1,239	£18,128.04	£76,866.94

This page is intentionally left blank