

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

Essex Fire Authority

AGENDA ITEM

10

MEETING DATE

15th February 2017

REPORT NUMBER

EFA/029/17

SUBJECT

Pay Policy Statement 2017 - 2018

REPORT BY

Mark Stagg, Director of Transformation

PRESENTED BY

Mark Stagg, Director of Transformation

SUMMARY

Introduction and Purpose

Under section 112 of the Local Government Act 1972, the Authority has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Authority’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the Authority’s approach to setting the pay of its employees by identifying:

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of its most senior staff i.e. ‘Principal Officers’, as defined by the relevant legislation.

This policy statement has been approved by the Authority and is effective from 1 April 2017. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective.

Accountability and Decision Making

All new and amended Principal Officer appointments are subject to full Fire Authority approval. Subsequent appointments to such positions are made by a panel of Fire Authority Members and the pay and reward package for a Principal Officer post is decided by Fire Authority Members via the HR Committee.

Responsibility and Scale

The Service is directly responsible for a budget of £70.1m and for the employment of 1450¹ staff. This includes responsibility for £0.6m for the Emergency Planning work-stream. The Service provides services to a total population of 1,770, 000 residents and 43.5 million visitors.

The Authority's Pay Strategy

In determining the pay and remuneration of its employees, the Authority will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations 2006. The Authority takes the following approach to assessing individual and overall pay levels.

- Determining the job size – this process ranks the Authority's jobs by using job evaluation techniques in order to ensure fairness and transparency and to allow for direct comparison between roles. Where appropriate national role maps are used to determine responsibilities and accountabilities within roles.
- Determining overall pay levels – this allows the Authority to assess the right pay policy and pay levels based on a number of key factors, including ability to pay, national pay comparators and local and regional pay comparators where appropriate
- Determining pay structure – pay is frequently made up of a number of elements. This Authority has adopted an approach which includes basic pay, incremental progression related to performance for support staff, service and financial and non-financial benefits. Information on the financial benefits available to employees is given within this statement.

Pay Arrangements for Principal Officers

For the purpose of this statement the following roles are reported within this pay policy. However, at the time of compiling this statement the Authority is due to commence a further management review which proposes changes to this structure and may result in subsequent changes to this information during 2017.

1. Chief Fire Officer and Chief Executive
2. Deputy Chief Fire Officer and Deputy Chief Executive
3. Assistant Chief Fire Officer (Director of Prevention, Protection and Response)
4. Director of Finance and Treasurer
5. Director of Transformation and Organisational Development

¹ (numbers from January 2017 finance report)

The Chief Fire Officer is also the County's Emergency Planning Officer for which he receives a non-pensionable allowance. This allowance is £28,000 per annum and is funded via a service level agreement with Essex County Council.

The statutory role of Monitoring Officer is discharged by the County Solicitor and Director for Essex Legal Services, Essex County Council under an annual contractual arrangement pursuant to the Local Authorities (Goods and Services) Act 1970.

The following roles are all full time employees on permanent contracts, with the exception of the Assistant Chief Executive – Director of Finance and Treasurer, which as a result of the management review undertaken in 2016 is now four days a week, and all are paid on spot annual salaries.

Chief Fire Officer and Chief Executive

The current annual salary for the post of Chief Fire Officer and Chief Executive is 2016 - £153,778.71 2015 - £152,256.14

This figure does not include the allowance for undertaking the role of Emergency Planning Officer which is £28,000 per annum.

Deputy Chief Fire Officer and Deputy Chief Executive

2016 - £152,758.61
2015 - £124,777.42

This figure does not include the allowance for undertaking the role of Emergency Planning Officer which is £28,000 per annum

Assistant Chief Fire Officer (Prevention, Protection and Response)

2016 - £114,569.51
2015 - £113,435.16

Director of Finance and Treasurer

2016 – £91,655.61
2015 - £113,435.16

Director of Transformation and Organisational Development

2016 - £89,962.00 + £25,538.04 Market Supplement
2015 - £112,211

The Authority does not apply any bonuses or performance related pay to its Principal Officers.

Determining Levels of Pay for Senior Officers

There is a two track approach for determining levels of pay for Brigade Manager roles. At National level the National Joint Council for Brigade Managers of Fire and Rescue Services annually reviews the level of pay increase applicable to all those covered by the National Agreement. All other decisions about pay levels and remuneration for individual Brigade Managers are taken by the Essex Fire Authority which annually reviews salary levels. The role of Assistant Chief Executive/Director of Finance and

Treasurer and the role of Director of Transformation and Organisational Development are employed on National Joint Council for Local Government Services conditions of service and some locally determined conditions of service.

There was a national pay award effective from 1 January 2016 for Brigade Managers of 1%.

Employment Arrangements

All new and amended Principal Officer appointments are subject to full Fire Authority approval. Subsequent appointments to such positions are made by a panel of Fire Authority Members and the pay and reward package for Principal Officer posts is decided by Fire Authority Members via the HR Committee, with figures detailed above. When recruiting to all posts the Authority will take full and proper account of its own policies and procedures and legislation. The Authority has reviewed its recruitment processes for all roles and new processes are in the process of implementation.

In exceptional circumstances, where the Authority remains unable to recruit to a Principal Officer post or where there is a need for interim support to provide cover for a vacant post, the Authority may consider engaging an individual through a 'contracts for service'. Such arrangements can be advantageous because they can reduce employment costs and are flexible because they can be used for short periods of time without the need to pay termination payments. Where these arrangements are used the Authority will use relevant procurement processes to ensure that it can demonstrate value for money. Such arrangements will be kept under regular review by the HR Committee.

Determining Levels of Pay for All Other Staff

For all other personnel, the Authority uses incremental salary ranges. Pay grades for support staff are between *Scale 1 £14,514 and SMG5 (£99,167). Whole-time uniformed employees employed under Grey Book terms are paid between the levels of Trainee Firefighter (£22,257) and Area Manager B (£56,685). On-call uniformed employees, employed under Grey Book terms are paid an annual retaining fee between the levels of Trainee Firefighter (£2,224) and Area Manager B (£5,669); on-call employees are also paid hourly rates for attending calls between the levels of Trainee Firefighter (£10.15p/h) and Area Manager B (£25.88p/h). All on-call personnel regardless of seniority are paid a disturbance fee of £3.90 for attending a call.

All uniformed employees who are designated as Flexi Officers by their role receive a 20% pensionable uplift on their basic pay, in accordance with part B paragraph 3 of the Grey Book.

These arrangements apply to different groups of staff and the reasons are clearly evidenced and documented. The Service's approach to pay is detailed below.

Where necessary the Authority may apply market supplements or other individual pay levels for specific roles in order to ensure that it can recruit the best staff. This approach will only be adopted where there is evidence of recruitment difficulty.

Pay Design

The Authority's pay policy is based on a nationally negotiated pay scheme which applies to local government employees.

For uniformed staff there was an increase in the national pay spine of 1% in 2016, employees are remunerated in accordance with NJC Circular NJC/07/15 2 July 2016. The nationally agreed NJC pay award of 2.20% was applicable from 1 January 2015 for employees on Local Government Services Conditions of Service. This award included non-consolidated payments for employees on some salary points. This pay award covers 2014 – 2016 [NJC Circular November 2014. The NJC Circular May 2016 sets out the rates of pay applicable from 1 April 2016 and 1 April 2017.](#)

In determining its grading structure and setting overall pay levels for all posts the Authority takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

Pay Grades and Progression

To encourage employees to develop in their role and to improve their performance the Service has arranged its pay scales within 19 progressive² grades for support staff on Green Book terms. For uniformed staff on Grey Book Terms there are 6³ progressive role levels. Within the scales for support staff, there are between 2 and 8 different spinal column points or increments; for uniformed staff there are between 1 and 3 different pay levels within a role. Progression through the pay grade is based on the Service's business need and through promotion via open recruitment and selection.

New employees will usually be appointed to the minimum pay level for the relevant grade. Managers have the discretion to recommend an employee for acceleration of increments within the grade when they have demonstrated the achievement of key Service Objectives. In addition, the Service follows directives from the National Joint Council for Local Government Services, which determines when Services have the budgetary remit to increase employees' salary.

Essex Fire Authority does not operate a bonus scheme or a Performance Related Pay Policy for its employees with the exception of employees in the Emergency Planning function of the Authority, who have transferred to the Authority from Essex County Council under Transfer of Undertaking Protection of Employment Regulations and retain their former Essex County Council performance related pay scheme.

Moving into the future, the Service is currently undertaking a job evaluation exercise (as part of Workforce Transformation Project) and all Green Book roles that haven't previously been evaluated will be using the Hay Methodology.

The next stage in this process will be to align these to our existing pay scales.

²<http://hr-od/ img/pics/pdf 1418394402.pdf>

³<http://hr-od/ img/pics/pdf 1436532534.pdf>

Fixed Pay Rates

The Authority also uses fixed pay rates or points. These are used:

- For short term appointments
- Where the required duties are in a limited range, can be closely defined and easily implemented so that there is limited scope to undertake additional responsibility or to develop expertise;
- Where the level of salary paid is designed to cover the full range and scope of the job – for example Principal Officer posts
- The payments are in accordance with the National Joint Council For Local Authority Fire and Rescue Services Scheme of Conditions of Service, 6th Edition.

Financial & Non-Financial Benefits

The Authority awards employees with the following supplementary remuneration elements, which are determined by either national, regional and local or collective bargaining arrangements, as well as Authority policy. Each item below is labelled as to whether it is nationally negotiated or a local agreement

The Authority uses the following:

Market supplements (Local): in order to attract and retain employees with particular experience, skills and capacity, for example when there are skills shortages locally or nationally. The Authority will ensure that the requirement for additional allowance or supplement is objectively justified.

Continual Professional Development (National): The Service pays uniformed staff, up the level of Area Manager, an allowance for Continual Professional Development. Employees must have at least 8 years continuous service and be deemed competent for pay purposes to qualify. The amounts for the allowance range from £48.45 per calendar month for a whole-time firefighter to £12.12 per month for an on-call firefighter.

Relocation Mileage (Regional): Staff are entitled to claim a time limited relocation mileage if they are moved further away from their home at the behest of the Service. The basis for claiming and amounts the service currently uses are detailed in the Internal Transfer policy and in the following [circular](#), with employees entitled to claim the difference between their previous home to work journey (1 way) and their new journey (based on the home to work mileage having increased more than 5 miles each way).

Home to Duty Mileage (Local): The Service pays uniformed staff a home to duty supplement if an employee of the level of Watch Manager A and above is required to move to a Service training venue, or Service Headquarters. The rules were set out in the following [memo](#) and the rate for cars is 15p per mile, and 8.7p per mile for motorbikes.

Pay Protection (Local): The Service applies a pay protection policy for support staff employees who are moved from their current role to a role that holds a lower level of financial remuneration. Under the Service's Organisation Change Management policy employees will be entitled to 3 years' pay protection starting from the effective date of the change.

Study Support (Local): The Service operates a [policy](#) whereby employees can apply for financial assistance to a course or further study, up to a maximum amount of 50% of the applicable fees.

Lease Car Scheme (Local): The Service provides assistance in the procurement of lease cars to employees if they meet specific criteria through the [Car Lease Scheme](#). In some cases operational commitments necessitate the provision of an emergency vehicle.

Principal Officers Car Scheme (Local): Principal Officers have the option to join a separate car provision scheme ([The Principal Officers' Provided Car Scheme](#)), which involves the Authority purchasing a car and providing it for the officers' use along with a fuel charge card for providing fuel for both private and business use, with any resultant tax liability being the responsibility of the Officer. For Uniformed staff the vehicle is an emergency vehicle in relation to their duties.

Mileage Allowance (National): If Service employees are not a member of either of the above schemes and they use their own vehicles for Service purposes, then they are entitled to claim a mileage allowance reimbursement in accordance with [NJC Circular 08/13](#).

Subsistence (Local): The Service pays employees the following amounts for subsistence expenses incurred when carrying out Service duties. Breakfast – (£5.82); Lunch – (£8.04); Evening Meal – (£9.96); Overnight Allowance for courses – (£4.53).

Expenses (Local): Principal Officers may claim reimbursement for out of pocket expenses incurred in the course of carrying out their duties. The Authority also permits Officers to utilise Government Procurement cards to pay expenses.

Rent, Fuel & Light (National/Local): Day crewed employees, required to live in specific accommodation for the purposes of carrying out their on-call duties, under page 32 paragraph 13 of the Grey Book, receive a rent and fuel and light allowance. Employees are housed in Service properties and remunerated for fuel and light at a level set by the Service.

Telephone line rental (Local): The Authority reimburse expenditure incurred by employees in the provision of telephone line rental for the purposes of their role.

Medical Expenses (National): The Service provides uniformed employees, under paragraph 5 part B of the Grey Book the payment of medical expenses incurred under ss.77, 78 and 79 of the National Health Service Act 1977. In addition, under Appendix A paragraph 8 of the Grey Book, uniformed employees who have continuous service prior to 1 November 1994 will be eligible to claim for expenses incurred in accordance

with ss.77, 78 and 79. This means that they are able to claim without the pre-requisite of that expense being as a result of a service related injury.

Aids to vision (Local): Employees are entitled to claim for certain expenses related to their vision and the effect it may have on their work undertaken for Authority purposes. The rules are laid out in the [Aids to Vision Guidance](#).

Acting Up & Temporary Promotion (Local): The Service pays employees the applicable salary for acting up and being temporarily promoted. With the maximum movement permitted being one rank above their current rank.

Professional Memberships (Local): Essex Fire Authority will reimburse employees for the cost of joining or maintaining membership of professional bodies essential to the duties of their role.

Relocation scheme (Local): Essex Fire Authority will pay those meeting the following criteria for relocation allowance: New starters taking up a permanent appointment (where the role has been identified for receipt of relocation allowance); An existing employee who is compulsorily required by the Service to move work location; An employee who is compulsorily required by the Service to live in a certain proximity to a work location (e.g. within 1 hour of Gold Command). Payments up to £8,000 can be authorised by the Chief Fire Officer, between £8,000 and £15,000 can be authorised by the CFO in consultation with the Chairman of the Fire authority, and payments above £15,000 have to be approved by the Principal Officers' Discipline Pay and Remuneration Committee.

BUPA Care Scheme (Local): In order to maintain availability to cover operational needs and meet Authority resilience requirements, Principal Officers and Area Managers are entitled to be a member of the Corporate BUPA care scheme, the cost of which is met by Essex Fire Authority. If Officers elect to take up this benefit, they are entitled to single persons cover, parent and child cover or married cover. Eligible Officers may apply for cover for their dependents, but the cost of this additional cover is the personal liability of the Principal Officer and is deducted from monthly salary accordingly.

Child Care Vouchers & Cycle Scheme salary sacrifice arrangements (National/local): The Authority offers employees the ability to engage in these salary sacrifice arrangements. Contributions to the cost of the scheme are deducted from an employee's gross salary before tax deductions are made.

Resilience Payments (Local): The Authority has established individual agreement with operational employees, who have volunteered to continue provision of firefighting and rescue services in the event that the Authority notifies the Employee that a Contingency Situation exists. This practice is in place so that the Authority can effectively assess what resources will be available to the Authority when a risk to its business continuity arises, meaning it is therefore able to plan accordingly. "Contingency Situation" means any event or situation which may threaten or cause disruption to the provision of service and or performance of the Authority's functions, or its business continuity. The rate of payment is calculated on a percentage basis, for whole-time uniform employees (including control operatives) and equates to 10% of

annual salary and for employees on the on-call duty system, this constitutes 100% of their annual retainer.

Area Manager Supplement (Local): Area Managers are paid a negotiated and voluntary additional supplement to their usual basic rate of pay, to recognise local ways of working which have been agreed,

Payment of untaken annual leave (National): The authority pays employees for their proportionate entitlement to outstanding annual leave on termination.

Other employment-related arrangements

Local Government Pension Scheme. Subject to qualifying conditions, employees have a right to belong to the Local Government Pension Scheme. The employee contribution rates, which are defined by statute, currently range between 5.5 per cent and 12.5 per cent of pensionable pay depending on actual salary. The Employer contribution rates are set by Actuaries advising each of the 89 local LGPS funds and reviewed on a triennial basis in order to ensure the scheme is appropriately funded.

The Firefighters Pension Scheme (1992) employee contributions currently range from 11% to 17%. The New Firefighters Pension Scheme (2006) employee contributions currently range from 8.5% to 12.5%

The Service operates within the Retained Firefighters Compensation Scheme rules. These rules mean on-call (retained) firefighters have special protected rights under the Firefighters' Compensation Scheme Order 2006 which allow certain compensation benefits to be assessed on similar principles to those that would apply to whole-time regular firefighters. On-call firefighters appointed on or after 6 April 2006 will be treated as part-time firefighters under the Compensation Scheme.

In addition, the Service acts in accordance with the rules set, pursuant to the Retained Firefighters' Pension Settlement exercise. These rules give on-call personnel who were employed by the Authority between 1 July 2000 and 6 April 2006, access to the equivalent pension rights they would have been entitled to under the Firefighters' Pension Scheme 1992.

In accordance with the Organisation Change Management Policy, discretion will be exercised in agreeing early retirement and voluntary redundancy where applicable and appropriate.

Lowest paid employees

The lowest paid persons employed under a contract of employment with the Authority are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Authority's grading structure. As at 1 April 2016, this is £14,514 per annum.

Pay multiple

Lowest paid employee: £14,969

Full time median salary of the Authority: £36,922

Highest paid employee: £153,778.71 (using 2016 figure which includes National pay award of 1%)

As described above the Authority uses an established process of defining roles, determining job size and salary levels. This process determines the relationship between the rate of pay for the lowest paid and senior manager post, including officers, described as the pay multiple. The current pay multiple between the lowest paid (full time equivalent) employee and the Chief Fire Officer is **10.8:1** and; between the lowest paid employee and average of all principal officers is **8.2:1**. The multiple between the median (average) full time equivalent earnings and the Chief Fire Officer is **4.1:1**; the median (average) full time equivalent earnings and average of all principal officers is **3.1:1**.

This is currently within the limits recommended by The Hutton Review of Fair Pay in the Public Sector (2010)⁴ and will be monitored and recorded annually.

The lowest paid employee's hourly rate is currently £7.78. This is paid to a total of two staff in Catering. However, as described above, at the time of writing there is a pay award pending and the Strategic Management Board has committed to applying the Living Wage to all of its employees and will move to amend pay scales to reflect this.

Payments on Termination of Employment

The Authority's approach to discretionary payments on termination of employment of support staff, who are eligible to be members of the Local Government Pension Scheme, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006.

In November 2015, the Authority agreed that the redundancy payment for uniformed officers on Grey Book terms and conditions would be paid on the same basis as those applicable to Support Staff on Green Book terms and conditions.

The Authority reserves the right to negotiate a compensatory payment for termination of employment by mutual consent. Such payments may only be made if the Authority is satisfied that it is in the best interests of both the Authority and the Public Interest and may only be authorised by the Chief Fire Officer and the Chairman of the Fire Authority. Severance packages for Principal Officers are subject to the approval of the Fire Authority

The Authority reserves the right to make payment in lieu of notice in exceptional circumstances, where this is deemed to be in the best interests of the Authority.

It is not the Authority's policy to re-employ or to contract with Principal Officers who have been made redundant from the Authority unless there are exceptional circumstances where their specialist knowledge and expertise is required for a defined

⁴ http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/hutton_fairpay_review.pdf

period of time or unless a period of two years has elapsed since the redundancy and circumstances have changed.

Publication of pay statement

Upon approval by the Essex Fire Authority, this statement will be published on the Service's website. In addition, for posts where the full time equivalent salary is at least £50,000, the Authority's annual statement of accounts includes the number of officers whose remuneration, excluding pension contributions, was £50,000 or more.

The statement of accounts also shows the following information in relation to Principal Officers:

- Salary or allowances paid to or receivable by the person in the current and previous year;
- Car and mileage taxable benefits, health insurance and employers pension contribution.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this paper.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this paper.

LEGAL IMPLICATIONS

There are no legal implications associated with this paper.

EQUALITY IMPLICATIONS

There are no equality implications associated with this paper.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this paper.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper:	
List of background documents (not attached):	
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