

# Essex Police, Fire and Crime Commissioner Fire & Rescue Authority Essex County Fire & Rescue Service



Meeting	<b>Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (EPFCC FRA)</b>	Agenda Item	
Meeting Date	26th March 2018	Report Number	
Report Authors:	Mariama Harries, HR Policy and Strategy Advisor Martin Jones, HR Workforce Information Officer		
Presented By	Colette Black, Assistant Director of HR		
Subject	<b>Pay Policy Statement 2017 - 2018</b>		
Type of Report:	Decision		

## 1. Introduction and Scope

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 the salary grades of all employees are determined
- The detail and level of remuneration of its most senior employees i.e. 'Principal Officers', as defined by the relevant legislation
- The detail and level of remuneration of the lowest paid employees
- The relationship between the remuneration for highest and lowest paid employees
- The Committee(s)/Panel responsible for ensuring the provisions set out in this statement are applied consistently throughout the Authority and recommending any amendments.

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 2017/18 sets out the Authority's position in relation to its approach to pay in accordance with the requirements of the Localism Act 2011 section 38.

This Policy Statement has been approved by the Authority and is effective from the 1<sup>st</sup> April 2018. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective.

## **2. Accountability and Decision Making**

All new and amended Principal Officer Appointments are subject to full EPFCC approval.

Article 8 of the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority Constitution outlines the process associated with senior staff and statutory appointments, namely; Chief Fire Officer, Chief Financial Officer, Head of Paid Service, and Monitoring Officer confirm the following:

The Commissioner will appoint a person to be the Chief Fire Officer who is responsibility for managing the Fire and Rescue Service.

The Commissioner will appoint one of their officers to be responsible for the proper administration of the financial affairs (Chief Financial Officer), who must be a member of an accountancy body specified in section 113 of the Local Government Finance Act 1988. The Chief Financial Officer will fulfil the duties outlined in section 151 Local Government Act 1972 for the Commissioner.

In addition there is the duty of the Commissioner to designate:

a) One of their officers to be the Head of Paid Service (who may be the same person who is the Chief Fire Officer) who will fulfil the duties outlined in Section 4 of the Local Government & Housing Act 1989.

b) One of their officers to be the Monitoring Officer who will fulfil the duties outlined in section 5 Local Government and Housing Act 1989 for the

The recruitment, selection of employees will comply with internal human resources policies. The appointment of any director level employee or an employee with director level responsibilities will be reviewed and agreed by the Commissioner.

## **3. Responsibility and Scale**

The Service is directly responsible for a budget of £70,448,000 and for the employment of 1467 staff. The budget for Essex Civil Protection was £535,000 for 2017 to 2018 and is nil (£0) for 2018 to 2019. This is due to that department returning to Essex County Council effective April 2018. The Emergency Planning work-stream had a budget of £343,000 in 2017 to 2018 and this has been reduced to £321,000 for 2018 to 2019.

## **4. 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.

All Green Book roles are evaluated using the Hay job evaluation methodology to ensure roles are graded fairly, accurately and consistently. This allocates each role a locally agreed grade. Each grade is matched to a salary range. The salary range for each grade

has been determined using the HAY public sector benchmarking data and these salary ranges are determined and set annually by the Authority.

The Hay Job evaluation methodology is used nationally and internationally, and provides the basis for grade determination based upon a range of established factors.

The Authority takes the following approach to assessing individual and overall pay levels for Grey Book roles:

- Determining the job size – this process ranks the Authority’s jobs by using job evaluation techniques and national role maps where appropriate 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

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.

## **5. Pay Arrangements for Principal Officers**

For the purpose of this statement the following posts are included in the above. The figures below reflect annual salaries as at 31 March 2018.

1. Chief Fire Officer and Chief Executive: £154,286  
This figure does not include the allowance for undertaking the role of Emergency Planning Officer which is £28,000 per annum. This payment is due to be removed at the end of March 2018 on completion of the transfer of the Emergency Planning team. The TUPE process of this team will see them relocated and managed by Essex County Council from April 2018.
2. Assistant Chief Fire Officer  
(Director of Prevention, Protection and Response): £115,715
3. Director of Finance and Treasurer: TBC
4. Director of Transformation: £90,861 + annual market supplement of £25,538  
Employed on a Fixed Term Contract that will conclude in April 2018.

## **6. 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 Authority which annually reviews salary levels.

There was a national pay award effective from 1 January 2017 for Brigade Managers of 1%.

## **7. Employment Arrangements**

In 2017 there was a change of governance.

The Police, Fire and Crime Commissioner for Essex (Fire and Rescue Authority) Order 2017 created this fire and rescue authority, under section 4A of the Fire and Rescue Services Act 2004, for the areas covered by Southend-on-Sea Borough Council, Thurrock Council and Essex County Council. Within that order it sets out that the person who is the Police and Crime Commissioner for Essex is also the **Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (“the Commissioner”)**. They will be known as the **Police, Fire and Crime Commissioner for Essex (EPFCC)**.

The Commissioner is elected every four years, and has a duty to represent the views of the whole community, including those who did not vote for them. The Commissioner shall establish a fire and rescue service for the combined area, which shall be known as the **Essex County Fire and Rescue Service (“ECFRS”)**. Within this constitution the use of the term “Commissioner”, refers only and exclusively to the corporation sole of the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority and does not include any responsibilities or requirements of the post holder in relation to policing. There is a separate constitution for the Police and Crime Commissioner for Essex.

Subsequently, all new and amended Principal Officer Appointments are subject to full EPFCC approval.

**Historically**, appointments to such positions were made by a panel of Fire Authority Members and the pay and reward package for Principal Officer Posts was decided by Fire Authority Members via the HR Committee.

## **8. Determining Levels of Pay for All Other Staff**

For all other personnel, the Authority uses incremental salary ranges. Pay grades for support staff range from scale 1 £15,014 and SMG5 £100,159. In addition a London weighting and Fringe Allowance apply in certain circumstances. The inner fringe area allowance is £840 and the outer fringe area allowance is £585 per annum.

Whole-time uniformed employees employed under Grey Book terms are paid between the levels of Trainee Firefighter £22,459 and Area Manager B £57,252. On-call uniformed employees, employed under Grey Book terms are paid an annual retaining fee between the levels of Trainee firefighter £2,246 and Area Manager B £5,725 which is 10% of the full-time basic annual salary. On-call employees are also paid hourly rates for attending calls between the levels of Trainee Firefighter (£10.26 p/h) and Area Manager B (£26.14P/H). All on-call personnel regardless of seniority are paid a disturbance fee of £3.94 per occasion for attending a call.

All uniformed employees on the flexible duty system shall be paid a pensionable supplement of 20% of their basic pay as outlined in the sixth edition of the Grey Book part B paragraph 3.

These arrangements apply to different groups of staff and the reasons are clearly evidenced and documented. The Authority'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.

## **9. Pay Design**

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

For uniformed staff the National Joint Council agreed to uplift salaries across the board by 1%, including professional development payments, backdated to 1<sup>st</sup> July 2017 in accordance with JNC Circular NJC/15/17. The national pay negotiations continue.

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.

## **10. Pay Grades and Progression**

To encourage employees to develop in their role and to improve their performance the Service currently arranges its pay scales within 19 progressive grades for support staff on Green Book terms, however the pay and grading structure is currently under review.

For uniformed staff on Grey Book Terms there are 6 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. The 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.

The Service has undertaken a complete job evaluation exercise and all Green Book roles have now been evaluated using the Hay Methodology. The next stage in this process will be to align these to our existing pay scales.

## **11. 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.

## **12. 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 (Local):** 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. As at 31 March 2018, the allowance for a whole-time firefighters is £49.91 per calendar month. The allowance for an on-call firefighter is £12.48 per month. The Service CPD payments are slightly higher than the national level and this was agreed by the Service Leadership Team (SLT).

**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](#). The Authority have 42 staff who claim this mileage allowance. The rate for a car user 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 role above their current role.

**Professional Memberships (Local):** The 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 the 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.

**National Living Wage (National):** The Authority has signed up to pay all employees, with the exception of those employed as an apprentice, the national living wage currently £7.50 per hour rising to £7.83 per hour in April 2018. As such all Support Staff (Green Book) are engaged on a pay scale point no lower than point 11 which is currently £7.88 per hour. For Firefighters the trainee hourly rate is currently £10.05 per hour (Grey Book), which is in excess of the current and pending living wage level.

#### **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.

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



**Other employment-related arrangements:** The Authority operates five main pension schemes for its staff.

Subject to qualifying conditions, green book or control room 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 Authority's contribution rate is 16.2% of pensionable pay. 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 next review takes place as at 31 March 2019, which will alter the Authority's contribution rate from 1 April 2020 to 31 March 2023.

For the Firefighters Pension Schemes, the employee contribution rates are also defined by statute and for the Firefighters Pension Scheme 1992 (FPS 1992) and the Firefighters (Modified) Pension scheme (FPS Modified), they currently range from 11% to 17%. The Firefighters Pension Scheme 2006 (FPS 2006) employee contributions currently range from 8.5% to 12.5%. The Firefighters Pension Scheme 2015 (FPS 2015) employee contributions currently range from 11% to 14.5%. The employer contribution rates are set by the Government Actuary's Department and apply to all Fire & Rescue Authorities in England. The current employer contribution rates are 21.7% of pensionable pay for the FPS 1992 and FPS Modified, 11.9% of pensionable pay for the FPS 2006 and 14.3% of pensionable pay for the FPS 2015.

The FPS Modified refers to the legal challenge under the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 regarding the exclusion of on-call firefighters from the FPS 1992. This resulted in a settlement that allowed certain on-call firefighters with service between 1 July 2000 and 6 April 2006 to purchase "special" membership of the FPS 2006 based on their employment during this period. They could not be admitted to the FPS 1992 because that is now a closed scheme. However, the rules of the FPS 2006 were modified for special members so that, in places, they reflect the rules of the FPS 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:**

As at 31 March 2018, the lowest paid, full time employee in the organisation received an annual salary of £6,752 per annum. This is a first year apprentice.

**Pay multiple:**

As at 31 March 2018, the pay multiple data for full time employees was as follows:

- Lowest paid employee: £6,752
- Highest paid employee: £154,286
- Median full time salary: £27,368

### **13. 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. Severance packages for Principal Officers and Severance packages over the value of £100,000 are subject to the approval of the 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 period of time or unless a period of two years has elapsed since the redundancy and circumstances have changed.

#### **14. Publication of pay statement**

Upon approval by the 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 employer's 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.

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