

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 24 February 2020

PAY POLICY STATEMENT FOR 2020-2021

Contact for further information:

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Executive Summary

In accordance with the provisions of the Localism Act 2011 a pay policy statement for 2020/21 has been prepared.

The pay policy publishes data on senior salaries and the structure of the workforce and demonstrates the principles of transparency.

The pay policy statement sets out the Authority's policies for the financial year relating to:

- The remuneration of its chief officers;
- The remuneration of its lowest paid employees;
- The relationship between the remuneration of its chief officers and that of other employees who are not chief officers.

The statement includes :-

- The level and elements of remuneration for each chief officer;
- Remuneration range for chief officers on recruitment;
- Methodology for increases and additions to remuneration for each chief officer;
- The use of performance-related pay for chief officers;
- The use of bonuses for chief officers;
- The approach to the payment of chief officers on their ceasing to hold office under, or be employed by, the authority, and
- The publication of and access to information relating to the remuneration of chief officers.

It also includes the Authority's policies for the financial year relating to other terms and conditions applying to its chief officers.

Recommendation

The Authority is asked to approve the Pay Policy Statement.

Information

The approval of a pay policy statement cannot be delegated by the Authority to a Panel. The Fire Authority's pay statement must be approved by the 31st March each year. It is recognised when Executive Board pay is raised it will be tightly scrutinised by elected members, staff within the Service and members of the public.

The Authority is asked to approve the Statement hereunder.

Lancashire Fire Authority Pay Policy Statement

Introduction

In accordance with the Localism Act 2011 (Chapter 8 Sections 38 to 43) Lancashire Fire Authority is required to produce a pay policy for each financial year.

Any decision under powers delegated to the Authority's Constitution with regard to remuneration to be taken in 2020/21 will be bound by and must comply with the 2019/20 Statement.

The Director of People & Development must be consulted prior to any decision impacting on remuneration where there is any question regarding compliance with the Statement.

In general terms the Fire Authority recognises terms and conditions negotiated nationally by the National Employers with the National Employees' bodies for 3 distinct staff groups. These are:

- National Joint Council for Brigade Managers (referred to in Lancashire Fire Authority as Principal Officers) of Local Authority Fire and Rescue Services (commonly referred to as 'Gold Book');
- National Joint Council for Local Government Services (commonly referred to as 'Green Book');
- National Joint Council for Local Authority Fire and Rescue Services (commonly referred to as 'Grey Book').

Under the definitions provided for within the Act, the officers included in this pay statement are the Chief Fire Officer (CFO), Deputy Chief Fire Officer (DCFO), Assistant Chief Fire Officer (ACFO), Director of Corporate Services (DoCS) and Director of People & Development (DoPD).

The Treasurer responsibilities are undertaken by the Director of Corporate Services.

The Monitoring Officer duties are undertaken by the Clerk to the Authority who is engaged on a contract for services basis.

The Fire Authority has delegated responsibility for any local terms and conditions, including remuneration for chief officers, to the Appointments Panel/Succession Planning Sub-Committee.

A chosen natural internal benchmark for Chief Officer pay is the percentage rise in firefighters pay. This is the standard for the majority of staff within the Service and has been deemed affordable and proportionate by the National Joint Council (NJC) for Local Authority Fire and Rescue Services. It has previously been agreed that the Chief Fire Officer's pay with the established linkages for other Executive Board members should rise by the same amount as firefighters when they receive their annual award. The linkage was originally agreed to last for five years and when

reviewed in 2018, it was determined to continue the current arrangement, until it was determined a different mechanism was necessary.

Any pay rise will be subject to a satisfactory performance evaluation. This will be undertaken with the Chair of the Authority with regard to the Chief Fire Officer, who will in turn appraise his staff. These appraisals determine increases in basic salary; no bonus payments are made to Executive Board members.

Information relating to chief officers pay and benefits in kind is found in the Fire Authority's Statement of Accounts and on the Authority's website.

Objectives of the Policy

The Fire Authority creates and sustains a competent, motivated and well led workforce, to meet current and future organisational needs and to be an employer of choice with improved working practices, work life balance, personal development, health and well-being and fair pay. We are committed to striving to achieve fairness in pay and reward structures across all occupational groups taking into account all the employment relationships that exist.

Changes from national negotiations generally take place each year, in January (Gold Book), April (Green Book) and July (Grey Book). The Fire Authority's policy is to implement national agreements, amended as needed to meet local needs.

Pay increases in 2019/20 were:

- 2% for staff covered by the "grey book" (wef 1 July 2019); as an interim payment
- The second year of a two year settlement (2% wef 1 April 2019) for 'green' book posts
- 2% for Principal Officers (wef 1 July 2019), in accordance with the agreed linkage to "grey book" staff and satisfactory performance.

The next anniversary dates for "grey book" and Principal Officers pay is anticipated to be 1 July 2020, whilst the green book pay-award effective date will be April 2020.

In addition to pay the national agreements cover other terms and conditions such as annual leave and allowances for use of private vehicles on Authority business. The Authority pays car allowances in accordance with these national scales.

There are 4 Pension schemes in existence; the Firefighters' Pension Scheme (which became closed to new entrants in 2006), the New Firefighters' Pension Scheme (which became closed to new entrants on establishment of the 2015 scheme), the Firefighters' 2015 Pension scheme and the Local Government Pension Scheme.

All employees may join a pension scheme which is relevant to their occupational group. The operative schemes are statutory schemes with contributions from employers and the employees.

The Local Government Pension Scheme provides for flexible retirement for which the Fire Authority has approved a Policy statement.

The Firefighters' Pension Schemes allow for re-engagement after retirement. In the unlikely event this is considered, any utilisation of this option is subject to approval

by the Authority based on a business case and demonstrated need and will involve abatement.

There are 3 pay grades for Grey Book staff (trainee, in development and competent), a spinal column system for Green Book staff where the policy is to start any appointee on the lowest point of the pay grade, save for where an applicant brings specific skills or experience to a post. In respect of Gold Book staff, they are appointed within a range and progress by incremental movement subject to performance until the maximum of the range is reached.

The “green book” grading is determined and underpinned by the Local Government Job Evaluation Scheme. The salaries utilised are above the ‘living wage’.

A provided car or essential user scheme is available to the Chief Fire Officer, Deputy Chief Fire Officer and Assistant Chief Fire Officer, as set out below. Grey Book Managers who are conditioned to the flexible duty system for operational cover also have access to a provided car, essential user or lease car scheme.

Delegated powers for the payment of honoraria lie with the Chief Fire Officer.

Individual Chief Officers

Changes to chief officer salaries are approved by the Fire Authority.

The chief officers are conditioned to the Gold Book terms and conditions of employment.

A facility exists for the chief officers (either singularly or collectively) to present a case to the Authority (via the Chairman) for a salary increase based on evidence, the overall performance of Lancashire Fire & Rescue Service and an annual appraisal.

Lancashire Fire Authority does not operate a bonus scheme or performance related pay for chief officers.

Chief Officers may claim reimbursement for expenses incurred in the course of carrying out their duties.

Chief Fire Officer (CFO) - £145350

The post holder is a member of the 2015 Firefighters Pension Scheme and has two further increments before reaching the maximum of his range.

The current remuneration for this post on recruitment is between £142,800 and £147,900 pa.

The Chief Fire Officer has access to either a provided car or an essential user scheme based on an annual allowance of £3762 with mileage reimbursed at the relevant national rate (currently 45p per mile) to enable the duties of the post to be performed.

The provisions for redundancy are the statutory payments for redundancy.

Deputy Chief Fire Officer (DCFO) – £134640

The post holder is a member of the 2015 Firefighters' Pension Scheme and has two further increments before reaching the maximum of his range.

The current remuneration for this post on recruitment is between £132,600 - £137,700 pa.

The DCFO has access to either a provided car or an essential user scheme based on an annual allowance of £3,200 with mileage reimbursed at the relevant national rate (currently 45p per mile) to enable the duties of the post to be performed.

The provisions for redundancy are the statutory payments for redundancy.

Assistant Chief Fire Officer (ACFO) - £112,200

The post holder is a member of the 2015 Firefighters' Pension Scheme and has three further increments before reaching the maximum of his range.

The current remuneration for this post on recruitment is between £112,200 and £117,300.

The ACFO has access to either a provided car or an essential user scheme based on an annual allowance of £3,010 with mileage reimbursed at the relevant national rate (currently 45p per mile) to enable the duties of the post to be performed.

The provisions for redundancy are the statutory payments for redundancy.

Director of Corporate Services (DoCS) - £104,973

The post holder is a member of the Local Government Pension Scheme and has reached the maximum of his salary range.

The current remuneration for this post on recruitment is £104,973.

There is no provision to utilise the car leasing scheme nor is any car allowance paid. Any mileage reimbursement utilises the casual car user arrangements

The post holder is entitled to discretionary entitlements in relation to redundancy which include average weekly pay with a multiplier of 2.2 applied and in exceptional cases augmentation of pensionable service to the maximum of 3 years. These provisions apply to all staff eligible to join the Local Government Pension Scheme.

Director of People & Development (DoPD) - £104,973

The post holder is a member of the Local Government Pension Scheme and has reached the maximum of his salary range.

The current remuneration for this post on recruitment is £104,973.

There is no provision to utilise the car leasing scheme nor is any car allowance paid. Any mileage reimbursement utilises the casual users arrangement.

The post holder is entitled to discretionary entitlements in relation to redundancy which include average weekly pay with a multiplier of 2.2 applied and in exceptional cases augmentation of pensionable service to the maximum of 3 years. These provisions apply to all staff eligible to join the Local Government Pension Scheme.

The Clerk to the Authority

The monitoring officer activity is undertaken under a contract for services, the cost being £15,150 pa.

Recruitment of New Officers

The Fire Authority will take the opportunity to review the salary, terms and conditions in respect of any vacancies that arise within the senior officer grouping to determine whether any adjustment is required prior to advert. It is not proposed to increase the maximum of the ranges

Pay Floor

The definition of the 'lowest paid employee' is that postholder receiving the lowest (FTE) annual salary (exclusive of Employer pension contributions).

The pay floor level is our Green Book Grade 1 posts (Cooks, Receptionists and Gardener/handypersons) who are on a scale of £17,364 to £18,065 pa. £17,364 equates to £9 per hour. The minimum a current employee is receiving is £17,364..

The Chief Fire Officer's earnings ratio is 1: 8.37 using the minima of pay grade 1.

The government statement is a recommendation that this ratio should not exceed 1:25.

As a further comparison, the ratio between a competent firefighter with CPD and the maximum salary for the Chief Fire Officer is 1: 4.65.

Financial Implications

Increased costs will be restricted to the affordable limits as set by the National Joint Council for grey book staff.

Sustainability or Environmental Impact

Nil.

Equality and Diversity Implications

This supports a common transparent approach by linking Executive pay rises to that of firefighters.

Human Resource Implications

Future appointments to the Authority's chief officer positions have to be made in compliance with the pay policy statement, which potentially reduces flexibility. Although the document has been produced in line with the requirements of the Act and accompanying guidance, the Authority's employment obligations are not superseded by the Act's requirements and have to be considered. A body of opinion exists that the Act's requirements breach an individual's rights. No case law has been determined in this respect.

Business Risk Implications

If an appropriate pay statement is not approved for 2020/21 then the Authority will be in breach of the Localism Act and might subject the Authority to negative comment.

Conversely complying with the requirements could also engender negative publicity.

Sustainable linkage provides a clear and equitable framework for the future.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact Bob Warren
Reason for inclusion in Part II, if appropriate:		