

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on Monday 19 December 2016

RETAINED DUTY SYSTEM (RDS) PAY REVIEW

(Appendix 1 refers)

Contact for further information:

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Executive Summary

The report highlights the outcome of the RDS Pay Review that has been undertaken.

The report recommends moving away from the current salary scheme to a hybrid model based on a set reward for commitment and paying separately for actual activity.

The proposed changes result in an additional cost of approx. £300k, which is already included in the draft budget, with approx. 80% of personnel better off under the proposal and 20% worse off.

Personnel that are worse off will receive three years pay protection.

Recommendation

Members are asked to approve the revised scheme for implementation on 1 April 2017, subject to the outcome of the Fire Brigade Union (FBU) vote on this.

Information

The RDS Salary scheme was introduced in April 2006 in order to aid recruitment and retention, improve pump availability and allow greater flexibility for retained to undertake community safety activities. This followed extensive consultation in developing and agreeing a scheme, including the FBU undertaking a vote which resulted in 80% respondents voting in favour of the new salary scheme.

This salary scheme replaced the grey book scheme whereby a retaining fee is paid, plus individual payments based on activity in the form of Turnouts and Attendances and a further payment in respect of drill nights attended. Under this scheme it was recognised that as activity levels fell earnings would also fall and there was a concern that earnings under the grey book scheme would fall to a level whereby personnel were not prepared to undertake RDS duties.

As such the salary scheme was developed based on a set salary pro-rata to the number of hours of cover provided, and taking account of station activity levels, on a banded basis, i.e. 0-100, 100-200 etc. Under this system it was still recognised that as activity levels fell station bandings would fall and therefore earnings would reduce, hence at the time of introducing the scheme the Authority agreed to protect the overall pot of money and undertake a tri-annual banding exercise whereby base salaries for each banding were adjusted to ensure that overall costs remained the same. (It is worth noting that as activity levels fell, earnings would reduce under the grey book scheme.)

The salary scheme was the first in England and required an investment of £600k, and resulted in Lancashire personnel being the highest paid RDS personnel in the country, relative to activity levels.

Rebanding exercises have taken place in 2008 and 2011 taking account of the previous three years activity levels, both of which resulted in some stations moving down the banding system but with the base salary level being increased to maintain the overall pot of money. As a result of these exercises 16 stations have moved into lower bandings, and will therefore have suffered a reduction in earnings, whilst 10 have remained in the same banding and 1 has moved up a banding, all of whom will have seen an increase in earnings. Since its implementation £250k has been re-invested into the scheme in order to maintain the overall pot of money at the same level.

The rebanding exercise scheduled for 2014 showed 12 stations reducing in banding and following concerns being raised about the impact of this on personnel the results were not implemented.

There remain serious concerns about the benefits the salary scheme has delivered. Whilst the majority of staff are better off under the scheme there has been a general reluctance for personnel to admit this. Furthermore recruitment and retention have continued to be problematic with the Service currently running at a vacancy factor of over 10%. Managerially the scheme has created considerably more work in order to try to maintain pump availability and distribute hours of cover evenly across the week. The financial incentive to 'turnout' or provide additional hours over contact has disappeared. The rebanding exercise causes difficulty in terms of personnel/stations who suffer a reduction arising from this (despite this being part of the agreed scheme and despite everyone being aware of this). Therefore as part of the RDS Strengthening and Improving agenda we agreed to undertake a more fundamental review of the scheme to determine whether it remained fit for purpose or if not what amendments were required, recognising that any additional investment required must deliver improvements.

Review

In order to review the scheme a questionnaire was sent to all RDS units asking them:

- what works in the current salary;
- what doesn't work and why it doesn't;
- what changes you would propose;
- what you anticipate the impact of any changes would be in terms of our core issues of recruitment, retention and availability.

Out of 29 units only 11 responded, and within those responses the standard was extremely varied. Included within the questionnaire was a call for additional volunteers for the review group, but again this elicited a very limited response with only 4 personnel being put forward.

An RDS Pay Review Group consisting of 8 representatives from the RDS personnel across the service was established and they reviewed the responses.

The Group agreed that any eventual proposal must be perceived as being fair, rewarding both commitment, i.e. hours of cover provided, as well as activity, i.e. actual number of incidents attended, drills undertaken etc. The Group also agreed that any system must take account of current activity levels rather than historical ones, thus ensuring consistency of reward.

Options Considered

The following options were considered:-

- Undertake rebanding exercise;
- Freeze current bandings;
- Reduce the pay differential between bandings;
- Introduce a flat rate of pay, regardless of activity;
- Introduce a banding system based on high, medium, and low activity levels;
- Implement a modified scheme based on grey book activity payments.

Having considered these the group proposed the following modified scheme based on grey book activity payments:-

Reward for commitment

A retaining fee is paid based on contracted hours of cover, regardless of activity levels. For a FF providing 120 hours of cover this is set at £6,250 per annum. The equivalent grey book retaining fee is £2,945, so this represents a significant increase. The retaining fee is paid pro-rata to contracted hours of cover, i.e. someone providing 60 hours of cover will receive 50% of the retaining fee, and someone providing 90 hours of cover will receive 75% of the retaining fee.

Recognising Activity

Paying for additional activity in line with grey book rates, i.e. a drill, turnouts, attendance or hours at incidents are all paid for on a piecemeal basis in line with grey book rates of pay, currently £13.53 per hour plus £3.90 disturbance fee for a Fire-fighter.

All stations will need to introduce rostering to ensure a maximum of six personnel on cover at any time, with five personnel being paid a turnout for riding the appliance, and the sixth person being paid an attendance for being mobilised to station but not riding the appliance. (This was highlighted as an issue during the consultation process, see below.)

Pay differential between rank/role and competent/development rates of pay remains in line with grey book. All payments will increase in line with grey book pay-awards in future years.

Note these changes will maintain Lancashire RDS personnel as the highest paid RDS personnel in England, relative to activity levels

Impact

The proposal costs approximately £300k more than the current salary scheme, but results in approx. 80% of personnel being better off financially and 20% worse off

financially. The majority of those personnel who are worse off are at stations whose activity has fallen significantly since the last rebanding exercise or who undertake little activity relative to their hours of cover compared with other personnel on station

Where personnel are worse off 3 year pay protection will be implemented. This will be set at the start of the year, based on anticipated activity levels and will be paid in equal instalments throughout the year. This will be reviewed on an annual basis to identify pay protection due the following year, and to make a retrospective adjustment where pay protection has not been sufficient to maintain earnings at the current salary rate. (Note if an individual reduces their hours of cover the level of pay protection afforded will be reduced accordingly, ie a 50% reduction in hours of cover will result in pay protection being reduced by 50%.)

Advantages

- Better balance between commitment and activity;
- Re-introducing the financial incentive to turnout (particularly for those who have to leave primary employment to attend an incident);
- Incentive to book back on cover for the potential turnout;
- Opportunity for personnel to be paid extra for undertaking additional activity, such as the potential roll out of the Emergency First Responder scheme;
- If availability improved, resulting in pumps attending more incidents, then earnings will also increase;
- If activity levels change in future this will affect earnings, particularly relevant if Emergency First Responder is introduced;
- Change in activity recognised immediately rather than having to wait for a future rebanding exercise;
- Removes the need to re-band in the future, therefore provides a long term solution, without the uncertainty that the current rebanding exercise creates;
- Pays drills separately so only paid for drills worked and paid at a consistent rate which is fairer;
- Encourages dual contract personnel, as extra flexibility around drill night requirements;
- Clear defined salary and payments easier to explain to potential recruits;
- Majority of personnel are better off.

Disadvantages:

- Some personnel are worse off, i.e. busier stations whose current banding is overstated, and personnel attending relatively few incidents for their level of cover;
- Actual payments will vary month on month based on actual in month activity levels however, for most personnel the retaining fee and drill fees will account for the majority of their earnings.

Consultation

A comprehensive consultation exercise took place with staff and rep bodies. The consultation was open for 6 weeks and closed on 21 November, and included:-

- Letters were sent to all staff explaining the proposal and setting out the impact specific to them;
- 6 briefing sessions were held with over 70 personnel attending;

- A frequently Asked Questions document was sent to all Unit Managers and included in the Routine Bulletin.

A total of 50 responses were received (see appendix 1). The majority of these were supportive of the proposal, including that by the FBU, but three responses indicated they did not support the proposed change (for ease these are included at the start of the consultation response, after the FBU response).

These responses were debated by the RDS Pay Review Group and as a result the proposed scheme was amended for the following issues:-

- Rostering – this would now be based on seven personnel being on call at any time, with six personnel being paid to ride the appliance and a seventh person being paid an attendance. (for a 2 pump station 14 personnel would receive a payment, with a maximum of 12 personnel being paid for riding the fire appliance);
- Providing cover on a public holiday - this would now include time owing as well as payment at double time (in line with whole-time personnel);
- Future Changes – it was agreed that activity levels would be monitored throughout the period to ensure that they remained broadly consistent. If there was a major change in activity across the whole organisation then the Service would re-visit the scheme to ensure it remained fair and rewarded RDS personnel appropriately.

Next Steps

Subject to member approval the FBU will undertake a vote of their membership to determine whether the system is supported or not. If the vote is in favour of the proposal then implementation will take place on 1 April 2017. If the vote is not in favour of the proposal then the standard rebanding exercise will take place and will be implemented on 1 April 2017.

Financial Implications

The revenue budget as presented elsewhere on this agenda includes the sum of £600k in respect of the RDS Strengthening and Improving Agenda, and this will cover the costs associated with the introduction of the revised scheme.

Business Risk Implications

Failing to implement an appropriate reward package for RDS may result in an increase in turnover and a difficulty in recurring new personnel, thus impacting on RDS availability.

The proposed scheme is designed to address these issues, although it must be recognised that the financial reward is only one small element of the issues associated with recruitment and retention of RDS personnel

Environmental Impact

None

Equality and Diversity Implications

An equality impact assessment has been undertaken and given that the scheme will be applied consistently across all staff no issues have been identified.

Human Resource Implications

None

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
None		
Reason for inclusion in Part II, if appropriate:		