



AGENDA ITEM: 12

NORTH WALES FIRE AND RESCUE AUTHORITY

21 March 2016

PAY POLICY STATEMENT

Report by Dawn Docx, Deputy Chief Fire Officer

Purpose of Report

- 1 To remind Members of the requirement for the Authority to produce a pay policy statement on an annual basis under Section 38(1) of the Localism Act 2011.
- 2 To seek approval of the pay policy statement for 2016/17. Members should note that the statement has been amended for 2016/17 in order to comply with the revised guidance notes for 'Pay Accountability in Local Government in Wales'. This has been done in collaboration with the other two FRAs in Wales.

Information

- 3 Pay policy statements must to be prepared in accordance with Part 1; Chapter 8 of the Localism Act 2011 – pay accountability, and they must set out the Authority's policies for the financial year relating to:
 - (a) the remuneration of its chief officers,
 - (b) the remuneration of its lowest paid employees, and
 - (c) the relationship between:
 - (i) the remuneration of its chief officers, and
 - (ii) the remuneration of its employees who are not chief officers.

- 4 The statement must state:
 - (a) the definition of “lowest-paid employees” adopted by the authority for the purposes of the statement, and
 - (b) the authority’s reasons for adopting that definition.

- 5 The statement must also include the authority’s policies relating to:
 - (i) the level and elements of remuneration for each chief officer,
 - (ii) remuneration of chief officers on recruitment,
 - (iii) increases and additions to remuneration for each chief officer,
 - (iv) the use of performance-related pay for chief officers,
 - (v) the use of bonuses for chief officers,
 - (vi) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
 - (vii) the publication of and access to information relating to remuneration of chief officers.

Recommendation

- 6 Members are requested to approve the pay policy statement for the coming financial year 2016/17.

NORTH WALES FIRE AND RESCUE AUTHORITY PAY POLICY STATEMENT

2016/17

1.0 Purpose

1.1 This pay policy statement has been prepared to satisfy the Fire and Rescue Authority's legal obligations in respect of the Localism Act 2011 which covers pay accountability. It also takes account of the revised guidance relating to pay policy statements issued by the Welsh Government on pay accountability in Local Government in Wales. This requires the Authority to produce and publish a pay policy statement for each financial year setting out the:

- Fire and Rescue Authority's policies for the remuneration of its chief officers;
- approach to the publication of, and access to, information relating to the remuneration of its chief officers;
- Fire and Rescue Authority's policies for the remuneration of its lowest paid employees (including the definition adopted and reason for it);
- relationship between the remuneration of the Fire and Rescue Authority's chief officers and its employees who are not chief officers.

1.2 The revised guidance issued by Welsh Government re-emphasises that "*each local authority is an individual employer in its own right and has the autonomy to make decisions on pay which are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions in the act do not seek to change this or to determine what decisions on pay should be taken or what policies individual employing authorities should have in place. Rather, they only require authorities are more open about their own local policies and how their local decisions are made.*"

1.3 The purpose of this pay policy statement is to provide transparency with regard to the Fire and Rescue Authority's approach to setting the pay of its employees, in particular, that of Chief Officers and employees on the lowest pay scale, by identifying the methods by which salaries are determined.

1.4 Pay policy statements are prepared for each financial year, approved by the Fire and Rescue Authority (FRA) in the March preceding the financial year to which it relates and subsequently published on the FRA website.

1.5 This pay policy statement is effective from 1 April 2016.

2.0 Legislative Framework

2.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh Local Authorities to produce a pay policy statement from 2012/2013 and for each financial year after that. The Bill, as initially drafted, referred solely to Chief Officers (a term which includes both statutory and non-statutory chief officers, and their deputies); but amendments reflecting concerns over low pay and also drawing on Hutton's 2011 'Review of Fair Pay in the Public Sector' introduced requirements to compare the policies on remunerating chief officers and other employees, and to set out policy on the lowest paid.

- 2.2 The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments.
- 2.3 In determining the pay and remuneration of all its employees, the Fire and Rescue Authority will comply with all relevant legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Agency Workers Regulations 2010 and, where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006.
- 2.4 With regard to the equal pay requirements contained within the Equality Act, the Fire and Rescue Authority will ensure that there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.
- 2.5 For the purposes of this pay policy statement the term “chief officer” is not limited to heads of paid service or statutory chief officers. It also includes those who report directly to them both statutory and non-statutory. For North Wales Fire and Rescue Service this includes the Chief Fire Officer, Deputy Chief Fire Officer, and Assistant Chief Fire Officers.

3.0 Scope

- 3.1 This policy applies to all North Wales Fire and Rescue Authority employees.
- 3.2 The Fire and Rescue Authority advocates collective bargaining arrangements and supports existing national level provisions that govern pay and conditions of service for the following employee groups:
- Joint Negotiating Committee for Chief Officers of Local Authorities; Constitution, Conditions of Service, Salaries (Blue Book)
 - National Joint Council (NJC) for Brigade Managers of Fire and Rescue Services, Constitution and Scheme of Conditions of Service (Gold Book)
 - National Joint Council for Local Authorities' Fire and Rescue Services, Scheme of Conditions of Service (Grey Book)
 - National Joint Council for Local Government services (Green Book).
- 3.3 Pay levels are reviewed annually by these collective bargaining arrangements and any “cost of living” award associated with contractual conditions is implemented upon receipt of notification from the NJC.
- 3.4 The Fire and Rescue Authority will consider any contractual ‘cost of living’ award for its chief officers in the context of similar decisions on lower paid employees.

4.0 Chief Officers' Remuneration Policy

- 4.1 The Fire and Rescue Authority's pay policy for the remuneration of chief officers is aligned to the two-track approach for determining levels of pay for Brigade Manager roles as prescribed by the NJC for Brigade Managers of Fire and Rescue Authorities. Brigade Manager pay is reviewed annually at national level and provides the minimum salary for chief fire officers.
- 4.2 The appropriate level of remuneration for the Chief Fire Officer and the Deputy Chief Fire Officer within North Wales Fire and Rescue Authority is determined at a local level by way of an independent triennial pay review, which benchmarks the chief officer salary levels against relevant comparators in other fire and rescue authorities, and the wider employment market place. (Pay levels are set out in Appendix 1).
- 4.3 Remuneration of chief officers on appointment will be to the single point market-related base pay prevailing at the time of appointment. Authority members are offered the opportunity to vote before large scale salary packages are offered in respect of a new appointment. The threshold is currently over £100,000, in line with Department for Communities and Local Government (DCLG) Localism Act 2011 guidance. In addition, a car will be provided in order to carry out the role.
- 4.4 Remuneration of chief officers on appointment will be determined by the full Fire and Rescue Authority and in accordance with the Authority's pay structure and relevant policies in place at the point of recruitment.
- 4.5 The Fire and Rescue Authority does not pay any bonuses or additional enhancements such as performance related pay. On voluntary cessation of their duties no additional payments will be made to chief officers.
- 4.6 Following resignation or retirement from their duties no additional payments will be made other than those due for salary purposes or payments made to an individual in line with the appropriate pension scheme on retirement. Such payments may include salary paid in lieu, pension benefit entitlements and holiday pay.
- 4.7 In circumstances where a severance package is being considered upon an agreed cessation of duties other than for the reasons outlined above, the full Fire and Rescue Authority will be offered the opportunity to vote before any severance package is approved for chief officers.
- 4.8 Information on the remuneration of chief officers is published as part of North Wales Fire and Rescue Authority's annual end of year financial statement. The financial statement is published on the Authority's website. The information can be found in the 'Statement of Accounts'.

5.0 Additions to Salary of Chief Officers

5.1 In addition to the values set out in Appendix 1, total remuneration for chief officers will also include:

- Employer pension contributions

6.0 Non Chief Officer Remuneration

6.1 Area Managers – Local Agreement

The Authority's policy for the remuneration for this group of employee was agreed locally as follows:

- Area Manager B basic salary as per agreed NJC for Local Authority Fire and Rescue Services firefighter pay scales;
- A flexible duty allowance set at 20% of basic salary
- Continuous duty system allowance set at 12% of basic salary
- Vehicle – lease hire provision
- Employer pension contributions

The current level of remuneration is set out at Appendix 2.

6.2 All Other Employees

6.3 The Fire and Rescue Authority's pay policy for the remuneration of employees who are not chief officers, including the lowest paid, will align remuneration to the relevant NJC agreed salary rates negotiated annually on a national basis. These are set out in the appendices.

6.4 The lowest paid persons employed under a contract of employment with the Fire and Rescue Authority are employed on full time [37 hours] equivalent salaries. The "lowest salary" used by the Fire and Rescue Authority is the National Joint Council (NJC) for Local Government Services (Green Book), spinal column point 6, which was adopted by the Service following the completion of the Job Evaluation Scheme in 2014. As at 1 January 2015, this is £13,641 per annum. The Fire and Rescue Authority occasionally employs apprentices [and other such trainees] who are not included within the definition of 'lowest paid employees' as they are not employed under contracts of employment.

6.5 The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010).

6.6 The current pay levels within the Authority define the multiple between the average of lowest paid (full time equivalent basic pay) employee scales and the Chief Fire Officer as 1: 8.7 and between the lowest paid employee and Deputy Chief Fire Officer as 1: 6.8 (as of 1 April 2014). The Hutton report on fair pay in the public sector was asked to explore the case for a fixed limit on pay dispersion in the public sector, through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median salary of the whole of the Authority's workforce.

- 6.7 The multiple between the median full time basic equivalent earnings and the Chief Fire Officer is 1:4 The multiple between the median full time basic equivalent earnings and Deputy Chief Fire Officer is 1:3 (as of 1 April 2014).
- 6.8 All roles conditioned to the NJC for Local Government Services are subject to the Authority's job evaluation scheme which objectively assesses each role on creation of a new post, changes to existing posts or at periodic intervals to determine a fair remuneration pay grade comparable across this group of staff. On voluntary cessation of their duties no additional payments will be made.
- 6.9 All pay is reviewed in line with the national pay awards negotiated by the local government employers in conjunction with the recognised Trade Unions at a national level.
- 6.10 The Fire and Rescue Authority will annually publish information on the remuneration of Chief Officers, the median earnings of the organisation's workforce, and the ratio between these two figures in their annual financial statement to demonstrate the relationship between the two.

7.0 Additions to Salary of Other Employees

- 7.1 Where appropriate and in line with national conditions of service or local agreement, individuals may receive an allowance in addition to their salary. Examples include, but are not restricted to:
- on-call or out of hours provision
 - continuous availability
 - additional responsibility
 - rent, fuel and light allowance
 - telephone allowance
 - pension employer contributions
 - mileage allowances.

8.0 Honoraria

- 8.1 An officer who performs duties outside the scope of his or her post over an extended period may be granted a one-off additional pensionable payment of an amount dependent upon the circumstances of each case. Examples include:
- Where an employee temporarily carries out significant additional work over and above their usual responsibilities;
 - Where an employee carries out a significant amount of work over their normal contracted hours, but is not eligible for overtime payments because of their placing on a salary scale
- 8.2 A determination relating to proposed honoraria for chief officers will be considered by the Treasurer, and any recommendation referred to the Fire and Rescue Authority for decision.
- 8.3 Decisions relating to all other officers will be considered by the appropriate Head of Department in consultation with the Deputy Chief Fire Officer.

9.0 Payments on Termination – non Chief Officers

- 9.1 On voluntary cessation of their duties no additional payments will be made other than those due for salary purposes or payments made to an individual in line with the appropriate pension scheme on retirement. Such payments may include salary paid in lieu, pension benefit entitlements, holiday pay and any performance element, fees or allowances paid.
- 9.2 Employees conditioned to the NJC for Local Government Services may, at the Authority's discretion be entitled to added pension and/or redundancy payments upon authority initiated early termination of employment under the Authority's discretions in relation to the Local Government Pension Scheme Regulations 1997 (as amended) and the Local Government (Early Termination of Employment) (England and Wales) Regulations 2006 (as amended) – generally referred to as the Discretionary Compensation Regulations.

10.0 Re-employment

- 10.1 Former employees are able to be re-employed by the Fire and Rescue Authority upon certain criteria being satisfied.
- 10.2 Employees who may be re-engaged following voluntary retirement, in accordance with the Authority's policy on the re-employment of retired firefighters, will have their pension payments abated for the duration of re-employment.
- 10.3 Employees released on voluntary or compulsory redundancy will not be re-employed as either an employee or agency worker/contractor in the same or similar job role or service area to the one in which they were employed at the time of leaving.
- 10.4 When a Local Government Pension Scheme or Fire and Rescue Services (on Grey Book terms and conditions) pensioner is re-employed within the local government sector, and combined earnings and pension exceed final salary in the original employment when adjusted for inflation, the pension will be abated.

11.0 Other Pay Related policies

- 11.1 Other pay related policy areas that are applicable to all employees are:
- Business travel and expenses
 - Relocation expenses
 - Handling redundancy
 - Early retirement – including redundancy, flexible retirement and efficiency of service
 - Pensions – LGPS, Firefighters' Pension Scheme 1992, New Firefighters' Pension Scheme 2007, RDS Modified Pension Scheme 2014 and the Firefighters' Pension Scheme 2015.

12.0 Accountability and Decision Making

- 12.1 In accordance with the constitution of the Fire and Rescue Authority the full Fire and Rescue Authority is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees.

13.0 Reviewing the Policy

- 13.1 This pay policy statement will be agreed by the Authority before the beginning of the financial year in line with the requirement of the Localism Act 2011 and will be kept under review and any developments considered in the light of external best practice and legislation. The policy statement may also be reviewed as part of the Authority's existing scrutiny arrangements. Any amendments to the policy will be accepted by resolution of the Fire and Rescue Authority with the amended statement being published as soon as reasonably practicable.

14.0 Appendices

- 14.1 Chief officers' salary matrix
- 14.2 NJC – Firefighter roles, retained duty system, control specific roles
- 14.3 NJC for local government services, salary matrix

Appendix 1

North Wales Fire and Rescue Service Chief Officers Pay Rates

	SALARY (01/01/15)	% of CFO
CFO	£119,586	
DCFO	£92,877	78%
ACFO (1)	£86,397	72%
ACFO (Development 2)	£83,325	70%

FIREFIGHTING ROLES – PAY RATES FROM 1ST JULY 2015

	Basic annual £	Basic hourly rate £	Overtime rate £
Firefighter			
Trainee	22,017	10.05	15.08
Development	22,933	10.47	15.71
Competent	29,345	13.40	20.10
Crew Manager			
Development	31,189	14.24	21.36
Competent	32,533	14.86	22.28
Watch Manager			
Development	33,237	15.18	22.77
Competent A	34,160	15.60	23.40
Competent B	36,381	16.61	24.92
Station Manager			
Development	37,842	17.28	25.92
Competent A	38,977	17.80	26.70
Competent B	41,737	19.06	28.59
Group Manager			
Development	43,582	19.90	Not Applicable
Competent A	44,889	20.50	“
Competent B	48,313	22.06	“
Area Manager			
Development	51,165	23.36	Not Applicable
Competent A	52,699	24.06	“
Competent B	56,124	25.63	“

FIREFIGHTING ROLES – PAY RATES FROM 1st JULY 2015 (RETAINED DUTY SYSTEM)

	(1) £ per annum	(2) £ per annum £	(3) £ per hour	(4) £ per occasion
Firefighter				
Trainee	2,202	1,101	10.05	3.86
Development	2,293	1,147	10.47	3.86
Competent	2,935	1,467	13.40	3.86
Crew Manager				
Development	3,119	1,559	14.24	3.86
Competent	3,253	1,627	14.86	3.86
Watch Manager				
Development	3,324	1,662	15.18	3.86
Competent A	3,416	1,708	15.60	3.86
Competent B	3,638	1,819	16.61	3.86
Station Manager				
Development	3,784	1,892	17.28	3.86
Competent A	3,898	1,949	17.80	3.86
Competent B	4,174	2,087	19.06	3.86
Group Manager				
Development	4,358	2,179	19.90	3.86
Competent A	4,489	2,244	20.50	3.86
Competent B	4,831	2,416	22.06	3.86
Area Manager				
Development	5,117	2,558	23.36	3.86
Competent A	5,270	2,635	24.06	3.86
Competent B	5,612	2,806	25.63	3.86

Column 1 shows the full annual retainer
Column 2 shows the retainer for employees on the day crewing duty system
Column 3 shows the hourly rate for work undertaken
Column 4 shows the disturbance payment per call-out

CONTROL SPECIFIC ROLES - PAY RATES FROM 1st JULY 2015

	Basic annual £	Basic hourly rate £	Overtime rate £
Firefighter (Control)			
Trainee	20,916	9.55	14.33
Development	21,786	9.95	14.92
Competent	27,877	12.73	19.09
Crew Manager (Control)			
Development	29,629	13.53	20.29
Competent	30,906	14.11	21.17
Watch Manager (Control)			
Development	31,575	14.42	21.63
Competent A	32,452	14.82	22.23
Competent B	34,562	15.78	23.67
Station Manager (Control)			
Development	35,950	16.42	24.62
Competent A	37,028	16.91	25.36
Competent B	39,650	18.11	27.16
Group Manager (Control)			
Development	41,403	18.91	Not applicable
Competent A	42,645	19.47	"
Competent B	45,897	20.96	"

NON-OPERATIONAL STAFF - PAY RATES FROM 1st JULY 2015

	£ per annum
Fire Control Operator equivalent	
During first six months	18,751
After six months and during 2nd year	19,581
During 3rd year	20,512
During 4th year	21,521
During 5th year	23,439
Leading Fire Control Operator equivalent	25,101
Senior Fire Control Operator equivalent	
During 1st year in rank	25,745
During 2nd year in rank	26,721

JUNIOR FIREFIGHTERS - PAY RATES FROM 1st JULY 2015

	£ per annum
Aged 16	10,185
Aged 17	10,944
Aged 18	22,017

NJC PAY SPINE 2014-16

SCP	1 Apr 13	1 Jan 15
5 <i>(until 1 Oct 15)</i>	£12,435	£13,500
6	£12,614	£13,614
7	£12,915	£13,715
8	£13,321	£13,871
9	£13,725	£14,075
10	£14,013	£14,338
11	£14,880	£15,207
12	£15,189	£15,523
13	£15,598	£15,941
14	£15,882	£16,231
15	£16,215	£16,572
16	£16,604	£16,969
17	£16,998	£17,372
18	£17,333	£17,714
19	£17,980	£18,376
20	£18,638	£19,048
21	£19,317	£19,742
22	£19,817	£20,253
23	£20,400	£20,849
24	£21,067	£21,530
25	£21,734	£22,212
26	£22,443	£22,937
27	£23,188	£23,698
28	£23,945	£24,472
29	£24,892	£25,440
30	£25,727	£26,293
31	£26,539	£27,123
32	£27,323	£27,924
33	£28,127	£28,746
34	£28,922	£29,558
35	£29,528	£30,178
36	£30,311	£30,978
37	£31,160	£31,846
38	£32,072	£32,778
39	£33,128	£33,857
40	£33,998	£34,746
41	£34,894	£35,662
42	£35,784	£36,571
43	£36,676	£37,483
44	£37,578	£38,405
45	£38,422	£39,267
46	£39,351	£40,217
47	£40,254	£41,140
48	£41,148	£42,053
49	£42,032	£42,957