

Proposed Amendments to the Pay Policy Statement

Report of the Chief Fire Officer

For further information about this report please contact John Redmond, Chief Fire Officer, on 01743 260203 or Louise McKenzie, Assistant Chief Fire Officer, on 01743 260205.

1 Purpose of Report

This report provides the proposed amendments to the current Pay Policy Statement for the consideration of the full Authority, as required under the Localism Act 2011 and in accordance with the process agreed by the Fire Authority in February 2012.

2 Recommendations

The Fire Authority is asked to consider and agree the proposed amendments to the current Pay Policy Statement.

3 Background

Sections 38 to 43 of the Localism Act 2011 set out the requirement to prepare Pay Policy Statements, detailing the pay, including remuneration, performance-related pay, bonuses and any other allowances, of senior staff (or 'chief officers') and the lowest paid employees and the relationship between those.

The initial Pay Policy Statement for Shropshire and Wrekin Fire and Rescue Authority was approved by the full Authority in February 2012 and was reviewed in February 2013. This report details the proposals emanating from the annual review of the Statement.

4 Proposed Amendments

The proposed amendments to the Pay Policy Statement are detailed overleaf. The full Statement, with the proposed amendments included, together with revised pay calculations to reflect pay increases awarded in 2013 is appended to this report.

At 'Statutory Management Functions' to reflect changes to post titles the wording under the headings:

'The Authority Treasurer' should now read:

This post is filled by the Head of Finance, Governance and Assurance at Shropshire Council.

'The Monitoring Officer' should now read:

This post is filled by the Assistant Director: Law, Democracy and People Services at Telford and Wrekin Council.

At Brigade Manager roles

The following officers, known as Brigade Managers, are covered within this pay policy statement:

- **Chief Fire Officer** in accordance with the requirements of the Localism Act 2011
- **Assistant Chief Fire Officer (Operational) and Assistant Chief Fire Officer (Non-Operational)** in the interests of transparency for all Brigade Managers and as direct reports to the Chief Fire Officer

5 Publication and Further Review

Pending approval by the Authority, the amended Statement will be published by 31 March 2014 and will be reviewed annually, following notification of national pay decisions determined in respect of Gold, Grey and Green Book staff each year. Any further amendments will be brought before the full Authority for consideration.

6 Financial Implications

There are no financial implications arising directly from this report.

7 Legal Comment

The legal requirements of the Localism Act 2011 are set out in the body of this report. The proposed Pay Policy Statement is compliant with requirements.

8 Equality Impact Assessment

An initial equality impact assessment has been completed.

9 Appendix

Shropshire and Wrekin Fire Authority Pay Policy Statement 2014/15
(Human Resources Brigade Order 6 Part 4)

10 Background Papers

The Localism Act 2011





Shropshire
Fire and Rescue Service

Brigade Order

Human Resources	
Brigade Order	6
Part	4
Section	
Title	Senior Officers' Pay Policy Statement 2014/15

Contents	Page No.
Purpose	3
Strategic Aims	3
Introduction	3
Definitions	3 - 4
Statutory management functions	4
Brigade Manager roles	5
Brigade Managers pay determination	5
Brigade Managers Employment Panel	5 - 6
Recruitment and remuneration of Brigade Managers	6
Recruitment of Brigade Managers	6
Salary determination for new posts	6
Benefit in kind	6
Fees and allowances	6
Bonuses	6
Expenses	7
Subscriptions	7

Contents	Page No.
Performance review	7
Performance related pay	7
Enhancement at termination	7
Retirement and re-employment	7
Remuneration details and pay multiples	7 - 8
Definition of 'lowest paid' staff	8
Policy on pay multiples	8
Review	9
Publication	9
Appendix - Summary of annual remuneration and multiples for Brigade Manager roles	

Roles, Responsibilities and Review

The **Chief Fire Officer** is responsible for ensuring this Order is implemented across the Brigade.

The **ACFO - HR** will be responsible for the day to day operation of the Order.

The **ACFO - HR** will review this Order when new legislation arises or as and when organisational needs require.

Brigade Order, Human Resources 6

Part 4 – Senior Officers’ Pay Policy Statement 2014/15

Purpose

This Order is for the purpose of public information and to meet the Fire Authority’s obligation under The Localism Act 2011.

Strategic Aims

This Order supports:

- **Strategic Aim 4** – “To deliver an effective fire and rescue service at a cost that is acceptable to our community.”

Introduction

Shropshire and Wrekin Fire Authority publishes the pay details of all senior officers with a pro rata salary of more than £50,000 in its annual Statement of Accounts. This Pay Policy document brings the information on remuneration into a single document for public information and to meet the obligations of The Localism Act 2011. Links to other more detailed documents are provided.

Rather than be limited to legal requirements this document seeks to bring additional clarity to local people on what the senior officers do and the level of reward for their work.

Definitions

The strict definition of Chief Officers within the legislation is limited to:

- The Head of Paid Service
- The Monitoring Officer
- The statutory Chief Officer and non-statutory Chief Officer under section 2 of the Local Government and Housing Act 1989
- A Deputy Chief Officer mentioned in section 2 of that Act.

However, as the Fire Authority employs a wider range of senior staff to run the Fire and Rescue Service (known as Brigade Managers), this pay policy covers all staff that are considered to be the most senior decision makers within our Service, in addition to the officers listed above.

The Fire Authority employs two tiers of senior management, the most senior being Brigade Managers, of which there are three. As well as performing organisational management functions, two of these officers provide the most senior operational command for the Service. All three officers are employed on the terms defined by the National Joint Council for Brigade Managers of Local Authority Fire and Rescue Service (known as the Gold Book).

The second management tier undertakes the functional management of the Service and again includes a mixture of roles and associated terms and conditions and remuneration, with staff being conditioned to one of two types of terms and conditions of service. These are The National Joint Council for Local Government Services (known as the Green Book) and the National Joint Council for Local Authority Fire and Rescue Services (known as the Grey Book).

Statutory Management Functions

The Authority has, over a number of years, outsourced many of its support services and thus two of the statutory officer functions are bought in on a contractor basis through Service Level Agreements. The individuals, who fulfil these roles for the Fire Authority are not employed by the Authority and, therefore, their pay policy is not covered here but may be found in the policy of their employers. The roles concerned are:

- **The Authority Treasurer**
This post is filled by the Head of Finance, Governance and Assurance at Shropshire Council
- **The Monitoring Officer**
This post is filled by the Assistant Director: Law Democracy and People Services at Telford & Wrekin Council

Brigade Manager roles

The following officers, known as Brigade Managers, are covered within this pay policy statement:

- **Chief Fire Officer** in accordance with the requirements of the Localism Act 2011
- **Assistant Chief Fire Officer (Operational) and Assistant Chief Fire Officer (Non-Operational)** in the interests of transparency for all Brigade Managers and as direct reports to the Chief Fire Officer

The job descriptions for each of the above roles are available via the links shown below:

Chief Fire Officer

<https://www.shropshirefire.gov.uk/sites/alpha.shropshirefire.gov.uk/files/page/files/CFO%20July%202012.pdf>

Assistant Chief Fire Officer (Operational)

<https://www.shropshirefire.gov.uk/sites/alpha.shropshirefire.gov.uk/files/page/files/ACFO%20July%202012.pdf>

Assistant Chief Fire Officer (Non-Operational)

<https://www.shropshirefire.gov.uk/sites/alpha.shropshirefire.gov.uk/files/page/files/acfo-job-desc.pdf>

Brigade Manager Roles

Brigade Manager pay determination

The pay process for Brigade Managers consists of a two-track approach, in accordance with the guidance issued under the National Joint Council (NJC) for Brigade Managers of Local Authority Fire and Rescue Service (Gold Book) fifth edition published in 2006, which stated:

“The NJC will publish annually recommended minimum levels of salary applicable to chief fire officers/chief executives employed by local authority fire and rescue authorities.

There is a two-track approach for determining levels of pay for Brigade Manager roles. At national level, the NJC shall review annually the level of pay increase applicable to all those covered by this agreement. In doing so, the NJC will consider affordability, other relevant pay deals and the rate of inflation at the appropriate date. Any increase agreed by the NJC will be communicated to fire authorities by circular.

All other decisions about the level of pay and remuneration to be awarded to individual Brigade Manager roles will be taken by the local Fire and Rescue Authority, who will annually review these salary levels.”

At its meeting on 14 February 2007, following the removal of the previous nationally determined pay differentials, the Fire Authority determined new minimum differentials for Brigade Managers in Shropshire Fire and Rescue Service as follows:

- CFO salary to be 32.5% more than ACFO (operational)
- ACFO (operational) salary to be 20% more than then ACFO (non-operational)
- ACFO (non-operational) salary to be 25.72% more than Area Manager (Competent B)

Area Manager (Competent B) is defined by the National Joint Council for Local Authority Fire and Rescue Services (known as the Grey Book).

Brigade Managers' Employment Panel (the Panel)

The Panel has delegated authority to consider and decide upon all issues associated with pay and conditions of Brigade Managers. Any decision made by the Panel is reported to the full Fire Authority.

The Panel has a membership of six, a quorum of three and its terms of reference are:

“To meet as and when required to review the pay and conditions of service of Brigade Managers in accordance with the process agreed by the Fire Authority at its meeting on 3 July 2009, as may be amended by the Fire Authority from time to time, and, having carried out a review, to make decisions relating to the pay and conditions of service of Brigade Managers.”

At its meeting on 3 July 2009, the Fire Authority agreed a process developed by Advisory, Conciliation and Arbitration Service (ACAS) for the second part of the 'two-track' approach to the review of Brigade Manager remuneration locally.

The objective of the pay review and pay research process is to provide information that enables the Authority to:

- Maintain a competitive pay and benefit position relative to the market in order to recruit and retain the right calibre of staff;
- Determine levels of pay for individual jobs, pay ranges or scales; and
- Provide information on adjustments required to general or individual pay levels.

A flow chart for the process agreed, full details of which can be accessed via the following link is set out in Brigade Order, Human Resources 6 Part 4 Section 1 Brigade Managers Pay Panel, at Appendix C:

<https://www.shropshirefire.gov.uk/sites/alpha.shropshirefire.gov.uk/files/brigade-orders/pay-promotion-and-grading/hr-6-part-4-section-1-brigade-managers-pay-panel-process.pdf>

Recruitment and Remuneration of Brigade Managers

Recruitment of Brigade Managers

Brigade Managers are selected through open competition, with the full participation of the Brigade Managers Employment Panel and selection is based upon merit.

Salary determination for new posts

Under the requirements of the Localism Act 2011 new posts at Brigade Manager level and the respective remuneration, where it exceeds £100,000 per annum, will be subject to approval by the full Authority prior to advertisement.

Benefit in kind

Brigade Managers are entitled to a leased vehicle allowance of £3,194 per annum to enable full performance of required duties. This is subject to tax at the rate appropriate to the individual. The individual is able to contribute personally to the cost of a vehicle in excess of £3,194.

Fees and allowances

There are no fees or allowances payable to Brigade Managers.

Bonuses

There is no bonus scheme in operation for any role across the Service.

Expenses

Brigade Managers are able to reclaim a restricted range of legitimate and evidenced expenses. Wherever possible the Service will centrally procure travel and accommodation, e.g. rail tickets and hotels, to gain best value and reduce the level of individual claims by officers.

The Brigade Managers do not hold an expense account or corporate credit cards.

Subscriptions

The Fire Authority pays an annual membership fee for each Brigade Manager for the Chief Fire Officers Association (CFOA).

Performance review

The Brigade Managers are expected to deliver their specified objectives and each has an annual performance review. The Chief Fire Officer's performance review is undertaken by the Chair and Vice Chair of the Authority.

Performance related pay

There is no performance related pay scheme in operation for any role across the Service.

Enhancement at termination

In cases of redundancy, payment is calculated based on actual weeks pay in accordance with Brigade Order Human Resources 9 Part 2 Section 1. There are no other entitlements to any enhancements at termination.

Retirement and re-employment

This issue was considered by the Fire Authority's Human Resources Committee on 6 September 2007 and it was recommended to, and subsequently agreed by, the full Authority on 17 October 2007, that it adopt a policy of no re-employment of operational employees following retirement, except where such former employees participate in the Service's usual recruitment process. Should this scenario occur, then pension abatement rules would be applied, as appropriate, and the Authority would be consulted, where necessary.

Remuneration Details and pay multiples

Full remuneration details of all those senior officers employed by the Service with a pro rata salary of over £50,000 can be found in the annual Statement of Accounts published on the Service's website.

Pay multiples for Brigade Managers compared with the lowest paid staff in our Fire and Rescue Service are set out in Table 1 below.

Reference	Author	Status	Date	Page
HR6PT4	ACFO HR	Amended	02/14	7 of 9 CFA 26.2.14

Definition of 'Lowest Paid' Staff

The Fire Authority has two definitions of lowest paid staff, depending upon whether there is an operational requirement as part of the role.

For **operational** staff conditioned to the Grey Book, the lowest applicable rate of pay is that of a Trainee Firefighter, who earns £ £21,583

For **non-operational** staff conditioned to the Green Book, the lowest applicable pay is that of a Grade 3 employee, who earns. £14,013

These definitions are arrived at by virtue of the fact that they are the posts attracting the lowest salaries, as defined under the salary structure applicable to their terms and conditions of service.

Policy on Pay Multiples

The Localism Act 2011 requires that the Authority specifies its policy on maintaining or reaching a specific pay multiple within their broader policy. As set out above, the Fire Authority agreed in 2007 that the minimum pay differentials be defined as:

- CFO salary to be 32.5% more than ACFO (operational)
- ACFO (operational) salary to be 20% more than then ACFO (non-operational)
- ACFO (non-operational) salary to be 25.72% more than Area Manager (Competent B)

Area Manager (Competent B) is defined by the National Joint Council for Local Authority Fire and Rescue Services (known as the Grey Book).

This, by default, leads to the following **minimum** pay multiples for the Chief Fire Officer, as set out at the Appendix.

- Between the CFO and lowest paid operational employee (Trainee Firefighter) the multiple is 5.43
- Between the CFO and the mean average earnings the multiple is 3.94

In addition the **maximum** multiples have been defined by the Fire Authority as:

- Between the CFO and lowest paid operational employee (Trainee Firefighter) the multiple is 6
- Between the CFO and the mean average earnings the multiple is 4.5

Review

This statement will be reviewed annually by the full Fire Authority following the application of the national Gold, Green and Grey Book pay award decisions each year.

Publication

This statement will be published on the Service’s website as Brigade Order Human Resources 6 Part 4 - Pay Policy Statement to sit alongside the Brigade Managers Pay Review Process (HR 2 Part 4 Section 1).

Summary of Annual Remuneration and Multiples for Brigade Manager Roles

Table 1:

Role	Annual salary (£)	Car allowance	Employee pension contribution	Employer pension contribution	Ratio to lowest paid operational salary ¹	Ratio to lowest paid non-operational salary ²	Ratio to mean average earnings ³⁴⁵
Chief Fire Officer	117,371	5,693	14.5%	21.3%	5.43	8.37	4.05 3.96 4.75
Assistant Chief Fire Officer (operational)	89,129	5,701	14.1%	21.3%	4.13	6.36	3.07 3.01 3.61
Assistant Chief Fire Officer (non-operational)	74,274	5,188	7.2%	10.7%	3.44	5.30	2.56 2.51 3.00
Area Manager	62,636	3,194	14.1%	21.3%	2.90	4.47	2.16 2.11 2.53

¹ Lowest paid operational salary is based on a Trainee Firefighter at £21,583 (spot salary as per Grey Book).

² Lowest paid non-operational salary is a grade 3 role at £14,013 (bottom of grade 3, scale point 10).

³ **Mean average earnings across all staff are £28,987**

⁴ Mean average earnings across all operational staff are £29,632

⁵ Mean average earnings across all non-operational staff are £24,722