



# Dorset Fire Authority

MEETING	Dorset Fire Authority
DATE OF MEETING	10 February 2015
OFFICER	Chief Fire Officer
SUBJECT OF THE REPORT	Pay Policy Statement 2015/16
EXECUTIVE SUMMARY	The Localism Act places a requirement on authorities to produce, on an annual basis, a statement setting out their policies on the remuneration of their chief officers and lowest paid employees, and the relationship between the remuneration of its chief officers and non chief officers.
RISK ASSESSMENT	The approval and subsequent publication of a pay policy each financial year is a legal requirement under the Localism Act 2011 and failure to comply will result in reputational damage.
COMMUNITY IMPACT ASSESSMENT <i>Note: If the matrix indicates negative impacts on the community or staff, an equality impact assessment (EIA) will need to be completed.</i>	None identified.
BUDGET IMPLICATIONS	None identified.
RECOMMENDATIONS	It is recommended that Members approve the attached Pay Policy Statement for the financial year 2015/16.
BACKGROUND PAPERS	Pay policy and practice in local authorities - A guide for councillors Local Government Transparency Code 2014
APPENDICES	A: National Joint Council for Local Government Services 2014-16 Pay Scales and Allowances
REPORT ORIGINATOR AND CONTACT	Darran Gunter, Chief Fire Officer Tel: (01305) 252604

## 1. Introduction

- 1.1 Sections 38 to 43 of the Localism Act 2011 place a requirement upon relevant authorities to prepare a pay policy statement for each financial year, setting out the authorities policies relating to:
- ♦ The remuneration of chief officers,
  - ♦ The remuneration of its lowest paid employees, and
  - ♦ The relationship between -
    - The remuneration of its chief officers, and
    - The remuneration of its employees who are not chief officers
- 1.2 The Department for Communities and Local Government (DCLG) issued the Local Government Transparency Code 2014 in October which includes the requirement to produce annual data regarding trade union facility time. This annual report has been updated to include this information.

## 2. Conclusion

- 2.1 All guidance documents have been considered when reviewing the pay policy statement for 2015/16 and, as a result of the guidance a number of changes have been made, which include:
- ♦ A policy statement to confirm that the full Authority will be given the opportunity to vote on appointments and severance payments over £100,000 (paras 6.3.1 and 6.6.6).
  - ♦ Details of the guidance that is not applicable to the Fire Authority (para 8.1).
  - ♦ Details of the national pay awards for Grey and Green Book staff (para 6.2.9).
  - ♦ Further clarity on re-employment as a chief or senior officer following retirement or redundancy (paras 6.6.7 & 6.6.8).

**DARRAN GUNTER**

Chief Fire Officer

February 2015

**Appendix A****Dorset Fire Authority Pay Policy Statement 2015/16****1. Purpose**

- 1.1 The following is a Pay Policy Statement as required under Part 1, Chapter 8 'Pay Accountability' of the Localism Act 2011 and as such does not form part of an employee's contract of employment and does not create any contractual rights.
- 1.2 The Pay Policy Statement is published on DFRS's website - [www.dorsetfire.co.uk](http://www.dorsetfire.co.uk).
- 1.3 The following Pay Policy Statement is for the financial year 2015/16 and is updated, approved by the Dorset Fire Authority (DFA) and re-published on an annual basis.
- 1.4 Should any amendments to the Pay Policy Statement be required during the financial year 2015/16, an amended version of the Pay Policy Statement will be approved by the DFA and re-published.
- 1.5 This Pay Policy Statement was approved by the DFA on 10 February 2015.

**2. Context of Dorset Fire Authority**

- 2.1 The DFA employs 820 staff and is required to deliver statutory services under the Civil Contingencies Act 2004, Crime and Disorder Act 1998, and the Regulatory Reform (Fire Safety) Order 2005 and under the Fire Services Act 2004 it is required to provide the following:
  - a. Trained personnel, services and equipment necessary to meet all normal requirements of a fire and rescue service.
  - b. Arrangements to deal with calls for help and for summoning personnel and to provide crews with safety information.
  - c. Provision to promote fire safety in its area.
  - d. Provision to extinguish fire, protect life and property and limit damage in the event of fires in its area.
  - e. Provision to rescue people in the event of road traffic collisions in its area.
  - f. Arrangements to respond to emergencies where one or more individuals die are injured or become ill or there is the likelihood of harm to the environment (including the life and health of animals and plants).
- 2.2 The Chief Fire Officer and Assistant Chief Officers are appointed by the Fire Authority with the responsibility for the command and general administration of the DFRS.
- 2.3 The <http://www.dorsetfire.co.uk/index.php?ref=239> Chief Fire Officer and Assistant Chief Officers are appointed by the Fire Authority with the responsibility for the operational and strategic leadership, management and general administration of the DFRS.
- 2.4 Service Delivery brings together a number of departments and teams working together to implement the Integrated Risk Management Plan (IRMP) for the Service. The plan is based

on the priorities set out in the Community Safety Plan (CSP) and targets those people most at risk in order to deliver effective community safety. In addition to all operational stations, Service Delivery also includes the following departments, Fire Safety, Prevention, Diversity and Inclusion, and Media and Communications.

- 2.5 Service Support provides the data, policies and procedures for the organisation to compile its Integrated Risk Management Plan (IRMP). The departments under Service Support are Projects and Standards, Health and Safety, Corporate Planning, Resilience and Response Policy.
- 2.6 Organisational Resources departments look at many of the Corporate areas of the organisation and includes Finance, Assets, Information Management, ICT and Property Services.
- 2.7 People Services departments consists of Human Resources and Employee Development.
- 2.8 Five Members form the memberships of the Appointments, Complaints and Disputes Committee. The terms of reference for this Committee are:
  - (i) To make the appointments of the Chief Fire Officer and the next tier of Principal Officer (Brigade Manager role), to determine the terms and conditions on which they hold office, including remuneration, and to deal with any related issues concerning their employment.
  - (ii) To deal with the investigation of complaints against the Chief Fire Officer and the next tier of Principal Officer (Brigade Manager role), and to take action on behalf of the Fire Authority under the appropriate discipline regulations prescribed for those officers.
  - (iii) To consider and decide on disputes referred to the Fire Authority when there is a recorded 'failure to agree' between the Chief Fire Officer and a nationally recognised representative body.
  - (iv) To consider and decide on grievances between an employee and the Chief Fire Officer.
  - (v) To consider a complaint where the complainant is not satisfied that the complaint has been dealt with satisfactorily.

### 3. Requirements of the Localism Act

- 3.1 In accordance with the Localism Act the Pay Policy Statement outlines the Fire Authority's policies relating to:
  - ♦ The remuneration of its chief officers
  - ♦ The remuneration of its lowest-paid employees, and
  - ♦ The relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.
- 3.2 The Pay Policy Statement applies to DFA employees.

## 4. Remuneration of Chief Officers

- 4.1 The Localism Act defines Chief Officers by reference to various sections of the Local Government and Housing Act 1989. For the purposes of this Pay Policy Statement and in terms of the DFRS structure, the definition of Chief Officers incorporates the Chief Fire Officer, Assistant Chief Fire Officers, Assistant Chief Officer and Director of People Services.
- 4.2 Chief Officers are employed under either the National Joint Council for Brigade Managers of Fire and Rescue Services (Gold Book terms and conditions for employment) or the National Joint Council (NJC) for Local Government Services (Green Book terms and conditions of employment).
- 4.3 Chief Officers' pay is determined by the Fire Authority Appointments Committee in accordance with guidance outlined in National Joint Council for Brigade Managers of Fire and Rescue Services (Gold Book terms and conditions).
- 4.4 Senior staff at Assistant Chief Officer level receive remuneration based on a direct percentage proportion of the Chief Fire Officer's pay.
- 4.5 A schedule of Chief Officers' post specific remuneration is contained on page 38 of our statement of accounts [http://www.dorsetfire.gov.uk/files/4613/8140/0441/2012-13\\_Final\\_Accounts\\_30.09.13.pdf](http://www.dorsetfire.gov.uk/files/4613/8140/0441/2012-13_Final_Accounts_30.09.13.pdf)
- 4.6 Some Treasury and Democratic Services (Clerk) functions to the DFA are provided by Dorset County Council. The Treasurer and the Clerk are statutory Chief Officers of the Fire Authority but are employed by the County Council. Their services are part of wider support functions provided for the Fire Authority by the County Council and the costs of the provision of these services for the financial year 2014/15 were £17,000 and £16,100 respectively. These were not additional payments to the officers concerned.

## 5. Remuneration of Lowest Paid Employees

- 5.1 The Localism Act requires the Pay Policy Statement to define the Lowest Paid Employees and the reasons for its adoption. The 'Local Government Association, Localism Act: Pay Policy Statements Guidance for Local Authority Chief Executives' (November 2011) suggests that the simplest and most easily understood definition of lowest paid employees might be those employees on the lowest pay point in use by the Authority.
- 5.2 In line with the above guidance and for the purposes of this Pay Policy Statement, the definition of the DFA's lowest paid employee has been defined as being on the lowest scalepoint of the non-uniformed grading structure. This individual like all non-uniformed employees is employed on the National Joint Council (NJC) for Local Government Services terms and conditions of employment (the Green Book).

## 6. Policies Relating to Remuneration

6.1 The policies relating to remuneration details have been grouped under five main headings that mirror the requirement of the Localism Act 2011:

- ♦ Elements of remuneration
- ♦ Remuneration on recruitment
- ♦ Increases and additions to remuneration
- ♦ Performance related pay
- ♦ Payments on ceasing to hold office

### 6.2 Elements of Remuneration

#### 6.2.1 Pay Review

6.2.2 Some elements of pay and a number of core conditions of service are determined by national negotiation and consultation between Local Government Employers and respective trade unions or representative bodies as follows:

- a. Uniformed Brigade Managers are covered by the National Joint Council (NJC) for Brigade Managers (Gold Book).
- b. All other uniformed roles, including on call roles, are covered by the National Joint Council (NJC) for Local Authorities' Fire Brigades (Grey Book).
- c. Corporate staff are covered by the National Joint Council (NJC) for Local Government Services (Green Book).

6.2.3 There are significant benefits for the Authority in using the national negotiating machinery on these elements as it is more cost effective to negotiate nationally than as a series of local negotiations. Although there are national grades for uniformed roles as mentioned in (b) it is the Authority's decision on how the grading structure is used, whereas for the other two groups (a) and (c) the Authority has the power to determine scales and grading structures to meet its own requirements. The pay elements negotiated nationally relate to the cost of living increase and there remain sound reasons for this process to continue. The Authority intends to maintain this position.

6.2.4 The Gold Book NJC states there is a two-track approach for determining levels of pay for Brigade Manager roles which are:

- a. The NJC annually reviews the level of pay increase via consideration of affordability, other relevant pay deals and the rate of inflation at the appropriate date; and
- b. All other decisions about the level of pay and remuneration to be awarded to individual Brigade Manager roles is taken by the local fire and rescue authority who will review the salary levels on an annual basis.

6.2.5 The Clerk to the Fire Authority undertakes this local review, where comparative national data for brigade managers and local and regional senior local government pay data is analysed, which is then considered by the Appointments Committee.

6.2.6 Since January 2010, there has been one nationally agreed pay rise for staff covered by Gold Book terms and conditions, ie uniformed Brigade Managers. This was not agreed until 8 August 2014. The pay award agreed was:-

- ♦ An increase of 1.0% on basic salary applicable to brigade managers earning a basic salary of £99,999 or lower (as at 31 December 2013).
- ♦ A flat rate increase of £1,000 on basic salary applicable to brigade managers earning a basic salary of £100,000 or more (as at 31 December 2013).

In the meantime, in April 2014, the Appointments Committee awarded 0.95% backdated to 1 April 2013 and a further 0.95% from 1 April 2014. Adjustments were then made to salaries in August 2014 to take account of the national pay award outlined above, with the 2014 pay award being netted off at a maximum of 1%.

6.2.7 For staff covered by Grey Book terms and conditions, the outcome of national pay negotiations between the Local Government Employers and trades unions is applied from July each year. Circulars outlining the revised pay scales are issued on completion of the pay negotiations. A 1.0% pay rise was awarded from 1 July 2014.

6.2.8 For non-uniformed staff, any outcome of national pay negotiations between the Local Government Employers and trades unions is usually applied from April each year. However, for 2014/15 a pay rise of 2.2% with effect from 1 January 2015 was awarded with non-consolidated payments as per Appendix A.

### 6.3 Remuneration on Recruitment

6.3.1 In line with the Localism Act, the full Authority will be offered the opportunity to vote before salary packages of £100,000 or more per annum are offered in respect of new appointments. It is proposed that the Appointments Committee will consider the salary package prior to recruitment, and the full Authority will vote on the salary package prior to appointment. It is not expected that any appointments will be made at this level during 2015/16, other than those agreed by the Shadow Board for the combined Dorset and Wiltshire Fire Authority - a joint pay policy will be agreed and put in place as part of the Governance arrangements of the new Fire Authority.

6.3.2 Non-uniformed staff on Green Book terms and conditions are appointed to a post at the lowest scale point within the grade and progress through the grade is made on an annual incremental basis. On occasion, the reward package for corporate staff determined by the pay and grading system may not be consistent with reward packages offered for comparable posts in the wider labour market, and this may lead to recruitment and retention difficulties. In such circumstances, where there is a clear business need supported by objective market data, and other approaches have proved ineffective, the

Service will consider offering a market supplement payment in addition to the normal reward package for the post.

6.3.3 It is the Authority's' policy to pay market supplements only in exceptional circumstances and to follow a clear and consistent framework for the determination of any market supplement payment. This is set out in our Pay and Grading - non-uniformed procedure and ensures DFRS meets its obligations under equal pay legislation and maintains the overall integrity of its pay and grading structure.

6.3.4 Staff employed on Grey Book conditions of service are appointed to a role at the development rate of pay. Payment of competent rates of pay is subject to the satisfactory completion of a development programme.

#### 6.4 **Increases and Additions to Remuneration**

6.4.1 The Fire Authority applies a number of elements that could form the total remuneration package for Chief Officers and lowest paid employees. These elements are contained within the appropriate NJC terms and conditions. Elements included are:

- ♦ Basic salary range.
- ♦ Flexible duty allowance (Grey Book staff at Station Manager - Area Manager level).
- ♦ Continuous Professional Development payment (Grey Book staff at Firefighter - Area Manager level).

6.4.2 In addition to the above elements, there may be occasions when the Fire Authority makes payments that are considered to be a benefit in kind. The following should not be considered an exhaustive list, but provide a flavour of the types of benefits in kind that may be payable to employees and regarded as taxable by HMRC when certain circumstances dictate:

- ♦ Relocation expenses over £8,000
- ♦ Broadband/telephone line rental
- ♦ Relocation mileage

6.4.3 The Authority has a car lease scheme which is open to uniformed Grey Book flexi duty officers (Station Manager and above) and existing non-uniformed Green Book staff (Grade 11 and above).

6.4.4 Chief Fire Officers' Association membership fees are paid for by the Authority, as it is expected that as members of CFOA they will undertake regional or national roles to the benefit of the DFA and the Service nationally. No other professional fees are paid for individual Brigade Managers or other staff.

6.4.5 Expenses are paid to all staff at NJC or locally negotiated levels for mileage and subsistence.

6.4.6 Some additions to pay are agreed locally. Examples of these are:



- ♦ Payments for special responsibilities (eg special rescue teams)
- ♦ Training instructor allowances

## **6.5 Performance Related Pay**

- 6.5.1 DFRS does not make any bonus payments. Incremental progression is competence related. If an individual takes on additional responsibilities, they may receive an honorarium to reflect the additional duties undertaken.

## **6.6 Payments on Ceasing to Hold Office**

- 6.6.1 Due to the terms of the firefighter pension schemes, no collective agreement is in place for severance pay in excess of statutory terms for uniformed staff. This topic is also under national consideration.
- 6.6.2 The DFA has reviewed the severance terms for corporate staff leaving on the grounds of redundancy. The redundancy multiplier was reduced to 1.75 for the weeks paid, and for the use of actual salary. The multiplier is reviewed on an annual basis, albeit this review has been put on hold given the agreement to combine with Wiltshire and Swindon Fire and Rescue Service, and TUPE Regulations where staff transfer on existing terms and conditions.
- 6.6.3 For members of the Local Government Pension Scheme (LGPS), the Authority will not exercise the discretions for augmentation of membership or additional pension as an alternative to augmentation under regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007.
- 6.6.4 The Authority does not give blanket consent for staff in the LGPS aged between 50 and 55 years to flexibly retire and draw immediate payment of pension benefits. Requests will be referred to the Chief Fire Officer or nominated representative to consider each application for flexible retirement on a case by case basis in the light of individual circumstances and the cost/benefit to the Authority.
- 6.6.5 Early payment of pension benefits, including a decision as to whether or not to waive any actuarial reduction on compassionate grounds, are only be granted in cases approved by the Fire Authority. Each case will be considered on its own merits with each case objectively justified and with potential discrimination issues taken into consideration.
- 6.6.6 The full Authority will be given the opportunity to vote on severance payments over £100,000, and the information presented to the Authority will clearly set out the components such as salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any fees or allowances paid.
- 6.6.7 The Authority does not intend to engage any ex-employees as a chief or senior officer under a contract for services during 2015/16.
- 6.6.8 The Authority apply pension or salary abatement to chief or senior officers who are employed or re-employed when they are in receipt of a Local Government Pension

Scheme or Firefighters' Pension Scheme pension. The Authority will only re-employ a retired ex-employee of the Service as a chief or senior officer if there are exceptional circumstances where their specialist knowledge and expertise is required for a defined period of time.

6.6.9 The Authority offers, as appropriate, uniformed members of staff membership of either the Firefighters Pension Scheme, the New Firefighters Pension Scheme or the Local Government Pension Scheme. Non-uniformed members of staff are entitled to be members of the Local Government Pension Scheme. These schemes operate on a combination of employer and employee contributions, covered by legislation, the details of which are in the public domain.

6.7 The new Local Government Pension Scheme was introduced in April 2014.

6.8 A new Firefighters Pension Scheme is due to be introduced in April 2015.

## 7. Relationship Between Chief Officer and Non Chief Officer

7.1 The Localism Act requires the Fire Authority to set out the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.

7.2 For the purposes of this statement, the pay multiple is calculated as the ratio between the Chief Executive's earnings and the median average earnings of employees.

7.3 Firefighters who are employed on the retained duty system (RDS) are regarded as 'on-call' employees. These employees are paid a 'retaining fee' and hourly payments when alerted to an incident in their locality. The retaining fee paid is 10% of the equivalent wholetime duty system annual salary. Due to the 'demand-led' pay mechanism, RDS salaries fluctuate significantly. As a result, RDS salaries have not been used in the pay multiple as it is felt this data would significantly distort any statistics downwards.

7.4 The calculation is based on total taxable earnings (including benefits in kind) for all employees other than those employed on the RDS from September 2014.

7.5 In calculating the pay multiple in accordance with paragraph 7.2, in relation to those employed on Grey Book terms and conditions, the ratio is 4.17. In relation to staff on Green Book terms and conditions, the ratio is 5.43. The ratio between the Chief Fire Officer and the lowest paid employee is 9.21.

## 8. Guidance that is not applicable to Dorset Fire Authority

8.1 Section 38 (4) of the Localism Act requires the pay policy to include any policy to award additional fees for chief officers for local election duties - no fees are paid to chief officers for this.

## 9. Trade Union Facilities Time

9.1 The Local Government Transparency Code 2014 provides for the following data to be produced annually:

- ♦ Total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives).
- ♦ Total number (absolute number and full time equivalent) of union representatives who devote at least 50% of their time to union duties.
- ♦ Names of all trade unions represented in the local authority.
- ♦ A basic estimate of spending on unions (calculated as the number of full time equivalent days spent on union duties multiplied by the average salary).
- ♦ A basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union duties multiplied by the average salary divided by the total pay bill).

9.2 The data for the above is as follows:

Total number of staff who are union representatives	12
Total number (full time equivalent) of staff who are *union representatives (*full names of trades unions listed below).	FBU - 8 RFU - 1 FOA - 2 APFO - 0 UNISON - 1
Total number of union representatives who devote at least 50 % of their time to union duties	1
Names of all trade unions represented in the local authority	Fire Brigades' Union (FBU) Retained Firefighters' Union (RFU) Fire Officers' Association (FOA) Association of Principal Fire Officers (APFO) UNISON
A basic estimate of spending on unions (calculated as the number of full time equivalent days spent on union duties multiplied by the *average salary  (*average salary = £30,339 (excluding RDS)) x 171.5 days	FBU Secretary - 50% = <b>130</b> days FBU - <b>17.5</b> days (plus 23.5 days own time) RFU - <b>12</b> days (8 hours a month) (plus 6 hours a month own time) FOA - <b>6</b> days (3 hours a month) APFO - 0 UNISON - <b>6</b> days (4 hours a month) Overall estimated spend = £19,963pa

<p>A basic estimate of spending on unions as a percentage of the total pay bill* (calculated as the number of full time equivalent days spent on union duties multiplied by the average salary divided by the total pay bill)</p> <p>(*total pay budget for 2014/15 is £21,695,000)</p>	<p>£19,963 spend on union salaries/ Total pay budget =</p> <p>0.092%</p>
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## 10. Conclusion

- 10.1 As required by the Localism Act and the Local Government Transparency Code 2014, the Pay Policy Statement and Schedule of Chief Officers Remuneration has been produced to provide the necessary detail of the Fire Authority's policies relating to:
- ♦ The remuneration of its chief officers
  - ♦ The remuneration of its lowest-paid employees, and
  - ♦ The relationship between the remuneration of its chief officers, and the remuneration of its employees who are not chief officers.
  - ♦ Salaries on appointment
  - ♦ Severance payments
  - ♦ Data on trades unions facilities time
- 10.2 These documents are considered to be an accurate reflection at the time of publishing. However, if subsequent amendments to the Pay Policy Statement are necessary during the financial year 2015/16, an amended version will be re-published.