



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 21/12

MEETING	Dorset & Wiltshire Fire and Rescue Authority
DATE OF MEETING	11 February 2021
SUBJECT OF THE REPORT	Pay Policy Statement 2021-22
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	For discussion and approval
EXECUTIVE SUMMARY	<p>The Localism Act 2011 places an annual requirement on Fire and Rescue Authorities to produce and publicise a statement setting out their policies on the remuneration of their chief officers and lowest paid employees. This paper fulfils this requirement.</p> <p>The ratio between the Chief Fire Officer and the lowest paid employee is 8.40. In relation to the Chief Fire Officer and those employed on Grey Book terms and conditions the ratio is 4.13 and the ratio between the Chief Fire Officer and those employed on Green Book terms and conditions the ratio is 5.89. These ratios are a slight positive reduction to the ratios reported in the pay policy statement for 2020-21.</p>
RISK ASSESSMENT	The approval and subsequent publication of a pay policy statement each financial year is a statutory requirement under the Localism Act 2011 and failure to comply will result in reputational damage.
COMMUNITY IMPACT ASSESSMENT	None for the purposes of this report.
BUDGET IMPLICATIONS	None identified other than stated within the report.
RECOMMENDATION	<p>Members are asked to:</p> <ol style="list-style-type: none"> 1. Approve the Pay Policy Statement for the financial year 2021-22.

BACKGROUND PAPERS	Transparency Code https://www.gov.uk/government/publications/local-government-transparency-code-2015
APPENDIX	Appendix A – Draft Pay Policy Statement 2021-22
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1. Introduction

1.1 Sections 38 to 43 of the Localism Act 2011 place a requirement upon relevant Fire and Rescue Authorities to prepare a pay policy statement for each financial year, setting out the Authority's policies 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.

1.2 The pay multiples outlined above are set out in paragraph 8.10 and are a slight positive reduction to those reported within the pay policy statement for 2020/21.

1.3 The paragraphs below provide Members with an update on pay related matters since the publication of the last pay policy statement.

2. Restriction of Public Sector Exit Payments Regulations 2020

2.1 The Restriction of Public Sector Exit Payments Regulations 2020 came into force on 4 November 2020.

2.2 The regulations impose a cap of £95,000 on the payments which specified public sector bodies, including local authorities, can make in relation to employee exits. This includes any pension 'strain' costs for those aged 55 and over.

2.3 The regulations include a process whereby the cap can be waived either on a mandatory or discretionary basis. Accompanying guidance indicates that waiver power is exercisable by the Authority.

2.4 The introduction of these regulations require changes to the Local Government Pension Scheme (LGPS) and discretionary compensation regulations as the two sets of regulations are in conflict. The changes are expected to be implemented in early 2021 and will accommodate the £95k cap and introduce wider exit pay reform.

2.5 Further guidance and clarity on the practical implementation of the regulations including the waiver process is awaited.

2.6 There is a limited impact on those staff who are members of the Firefighters' Pension Scheme (FPS). In respect of pension related payments in the Firefighters' Pension Scheme (FPS), there are two types of employer payments with regards to exit that could be subject to the cap for which further guidance is awaited, these are:

- a. The ability for an FRA to enhance the commutation payment to a firefighter with over 25 years' service and over age 50 to the full quarter rate commutation.
 - b. Where the Authority is required to pay the difference between the restricted commutation and enhanced commutation from its operating account into the FPS notional pension fund.
- 2.7 Notwithstanding the introduction of the regulations in November 2020, the Service has been following the spirit of the regulations since they were initially proposed in 2015/6. As a result, there have been no exit payments which have exceeded the £95k cap.

February 2021

Dorset & Wiltshire Fire and Rescue Authority

Draft Pay Policy Statement 2021-22

1. Purpose

- 1.1 This pay policy statement details a number of position statements relating to pay, in particular the pay relationships between different staff groups, and applies to all Dorset & Wiltshire Fire and Rescue Authority employees.
- 1.2 This pay policy statement covers the period 1 April 2021 to 31 March 2022.

2. Context of Dorset & Wiltshire Fire and Rescue Authority

- 2.1 The Authority 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 the Fire Services Act 2004. Under these regulations it is required to provide the following:
 - 2.1.1 Trained personnel, services and equipment necessary to meet all normal requirements of a fire and rescue service.
 - 2.1.2 Arrangements to deal with calls for help and for summoning personnel and to provide crews with safety information.
 - 2.1.3 Provision to promote fire safety in its area.
 - 2.1.4 Provision to extinguish fire, protect life and property and limit damage in the event of fires in its area.
 - 2.1.5 Provision to rescue people in the event of road traffic collisions in its area.
 - 2.1.6 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 is appointed by the Authority and is responsible and accountable for the operational and strategic leadership, command and general administration of the Service.

- 2.3 The Authority recognises that the fire sector remains in a period of financial constraint, with budgets decreasing, and that there is a need to spend resources available in the best possible way to have the maximum impact on delivering the Authority's aims. Pay is a significant element of the budget and it is important that pay is maintained at levels that are affordable and sustainable and which deliver value for money for local taxpayers.
- 2.4 The Authority also recognises that there is a legitimate public interest in, and a degree of scrutiny of, the pay and rewards within the fire service, and in particular, the rewards of senior officers.
- 2.5 The statutory function of the Clerk & Monitoring Officer to the Authority is provided by Dorset Council under a Service Level Agreement.

3. Definitions

- 3.1 The definition of senior officers in this pay policy statement covers the following members of staff - Chief Fire Officer, Deputy Chief Fire Officer, Director of Community Safety, Director of Service Support, Director of People Services and Head of Financial Services & Treasurer.
- 3.2 The definition of 'lowest paid' employees relates to staff who are on the lowest pay grade of the corporate staff grading structure. The decision to exclude 'on call' competent operational staff has been made because the current variable nature of on call payments means that earnings fluctuate significantly year on year depending on the level of activity. This decision is in line with other local fire and rescue authorities.

4. Policy aims

- 4.1 The Authority's approach to remuneration is a means to recruit and retain the talented people needed to maintain and improve the performance of the Service, and to lead the Service through the changes being faced. The amount paid should reflect the local market for comparable jobs and skills.

5. Pay reviews

- 5.1 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:
- Chief Officers are covered by the National Joint Council (NJC) for Brigade Managers (Gold Book).
 - All other uniformed roles, including on call roles, are covered by the NJC for Local Authorities' Fire Brigades (Grey Book).

- The Head of Financial Services and Treasurer and Corporate staff are covered by the NJC for Local Government Services (Green Book).
- 5.2 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.
- 5.3 Although there are national grades for uniformed roles as mentioned in 5.1.2 above, it is the Authority's decision on how the grading structure is used, whereas for the other two groups outlined in 5.1.1 and 5.1.3, 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.
- 5.4 The Gold Book NJC states that there is a two-track approach to determining levels of pay for Brigade Manager roles and these are:
- 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.
 - all other decisions about the level of pay and remuneration to be awarded to individual Brigade Manager roles is taken by the Authority who will review the salary levels on a regular basis.
- 5.5 The Clerk & Monitoring Officer to the Authority coordinates 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.
- 5.6 The Deputy Chief Fire Officer's pay is linked to the CFO's salary, as a result the DCFO receives 80% of the CFO pay.
- 5.7 The CFO decided that in line with a large number of Services the salaries of the three Directors should also be linked to that of the CFO. The operational Directors receive 75% of the CFO pay and as the Director of People Services is a non-operational role, the 20% operational salary component enhancement that is included with the ACFO salary is removed. The Head of Financial Services and Treasurer is paid on a single spot point.
- 5.8 A schedule of Chief Officers' post specific remuneration will; as is usual practice, be contained within our statement of accounts.
- 5.9 Pay awards for staff covered by Gold Book terms and conditions take effect from 1 January each year. In respect of the 2020 pay settlement there was a 2% increase on 2019 basic salary levels with effect from 1 January 2020.

- 5.10 There was a nationally agreed pay rise of 2% with effect from 1 July 2020 for staff covered by Grey Book terms and conditions. For staff on Green Book terms and conditions, there was a 2.75% pay rise with effect from 1 April 2020.
- 5.11 Pay points for Grey Book staff are 'spot' rates, which relate to operational practice, whereas pay for Green Book staff utilises incremental grades.
- 5.12 The corporate staff grading structure utilises the Greater London Provincial Council job evaluation scheme.

6. Recruitment

- 6.1 In line with the Localism Act, the Authority will be offered the opportunity to vote before salary packages of £100,000 or more per annum are offered in respect of newly created roles in the organisation. 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.
- 6.2 Corporate staff on Green Book terms and conditions are normally 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 impacting on our ability to attract and retain talent. In such circumstances and in accordance with our pay and grading procedure, where there is a clear business need supported by objective market data, and other approaches have proved ineffective, the Service will consider offering the post at a higher scale-point of the grade or propose a market supplement payment in addition to the normal reward package for the post.
- 6.3 Staff on Grey Book conditions of service at levels above firefighter are appointed to a role at competent rate of pay. Staff at firefighter level are initially paid at 'Trainee' rate of pay and then are paid at 'Development' rate of pay until they have successfully completed the development programme and have been deemed 'competent'.
- 6.4 As outlined in 6.2, 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 which:
- ensures Dorset & Wiltshire Fire and Rescue Service meets its obligations under equal pay legislation;
 - maintains the overall integrity of its pay and grading structure; and
 - allows market supplements to be considered only where a clear and demonstrable business need exists.

7. Allowances/additions to remuneration

- 7.1 Operational staff who are conditioned to the Flexible Duty System (FDS) are provided with a car for business use and eligible corporate staff receive a car allowance.
- 7.2 No professional fees are paid for Brigade Managers or other staff. A corporate fee is paid to the National Fire Chief's Council (NFCC).
- 7.3 Uniformed Officers at Station Manager to Area Manager level who work on the flexible duty system are paid a pensionable supplement in accordance with the Grey Book requirements. Group and Area Managers also receive a further allowance in recognition of additional rota commitments.
- 7.4 Uniformed staff at Area Manager and below receive a Continuous Professional Development payment which is nationally determined, but payment is subject to local procedures agreed with the representative bodies.
- 7.5 The Authority does not provide benefits such as private health insurance.
- 7.6 Expenses are paid to all staff at relevant NJC negotiated levels for mileage and subsistence.
- 7.7 In addition to the above elements, there may be occasions when the 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 to support operational command and resilience.
- 7.8 Some additions to pay are agreed locally. Examples of these include:
- Training Instructor allowances
 - Payments for special responsibilities (e.g. technical rescue teams).

8. Transparency and pay multiple

- 8.1 The Authority does not intend to pay bonuses or performance related pay to staff during the period 2020-21 and are not intending to introduce a system of 'earn back' pay during this period. The Chief Fire Officer is annually appraised by the Chair of the Authority, and he and the Deputy Chief Fire Officer conduct annual appraisals on the other principal officers.

- 8.2 By following national arrangements, the Authority does not utilise terms of remuneration that could be perceived as seeking to minimise tax payments. The Authority does not intend to introduce any terms of remuneration that could be perceived as avoiding these payments in 2021-21.
- 8.3 There are no chief officers with significant financial responsibility remunerated through 'off-payroll' arrangements.
- 8.4 Pay scales for Grey and Green Book staff are available on the Service website.
- 8.5 Details of the salary and expenses for officers whose remuneration is in excess of £50,000 are published annually in the Statement of Accounts, which is available on the website.
- 8.6 In addition to the information published at 8.4 above, the Authority complies with the Local Government Transparency Code 2015. We currently publish the following information:
- Our organisation chart covering staff in the top three levels of the organisation, including grade, job title, department and team, permanent or temporary status, contact details, salary in £5,000 brackets, and salary ceiling (the maximum salary for the grade). This includes the salaries of the Chief Fire Officer and Senior Officers
 - The number of employees whose remuneration was at least £50,000
 - The responsibilities of all employees whose annual salary was at least £50,000 and
 - Details of bonuses and 'benefits-in-kind' of all senior employees whose salary was at least £50,000.
- 8.7 For the purposes of this statement, the pay multiple is calculated as the ratio between the Chief Officer's earnings and the median average earnings of employees.
- 8.8 Firefighters who are employed on the Retained Duty System (RDS) are regarded as 'on-call' employees. These employees are normally paid a 'retaining fee', and an hourly payment when alerted to an incident in their locality. The retaining fee is 10% of the equivalent wholetime duty system annual salary. 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. During 2020/21 'on-call' staff moved to an on-call duty system pay model.
- 8.9 The calculation is based on total taxable earnings (including benefits in kind) for all employees other than those employed on the retained duty system.

- 8.10 In calculating the pay multiple in accordance with paragraph 8.7, in relation to those employed on Grey Book terms and conditions the ratio is 4.13. In relation to those employed on Green Book terms and conditions that ratio is 5.89. The ratio between the Chief Fire Officer and the lowest paid employee is 8.40.

9. Pensions

- 9.1 The Authority offers, as appropriate, uniformed members of staff membership of either the Firefighters Pension Schemes, or the Local Government Pension Scheme. Corporate 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.
- 9.2 The Authority have approved policy statements which set out the Authority's position pension regulation discretions.

10. Payments on ceasing to hold office

- 10.1 The following payments are made dependent upon the reason for leaving:
- 10.1.1 Resignation or leave date – Normal salary until the end of notice period
 - 10.1.2 Redundancy – In accordance with procedure
 - 10.1.3 Redeployment – In accordance with procedure
 - 10.1.4 Dismissal with notice - In accordance with procedure
 - 10.1.5 Summary Dismissal – Dismissal without notice
- 10.2 The Restriction of Public Sector Exit Payments Regulations 2020 came into force on 4 November 2020. The regulations impose a cap of £95,000 on the payments which specified public sector bodies, including local authorities, can make in relation to employee exits. This includes any pension 'strain' costs for those aged 55 and over.
- 10.3 The regulations include a process whereby the Authority can decide to waive the cap on either on a mandatory or discretionary basis.
- 10.4 In 2020-21 there were no severance packages in excess of £95,000.

11. Employment after retirement/redundancy

- 11.1 The Authority does not intend to engage any ex-employees as a chief or senior officer under a contract for services during 2021-22.

11.2 The Authority has procedures in relation to Flexible Retirement and Reemployment and applies pension or salary abatement to chief or senior officers who are employed or re-employed when they are in receipt of a Local Government Scheme pension or Firefighters' Pension Scheme pension.

11.3 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 and in support of the test of 'public safety'.

12. Guidance that is not applicable to the Dorset & Wiltshire Fire and Rescue Authority

12.1 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 Fire and Rescue Authority chief officers for this.