



Meeting	Service Leadership Team	Agenda Item	5a
Meeting Date	12 th November 2019	Report Number	19-264
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Presented By	Karl Edwards, Director of Corporate Services		
Subject	Pay Policy Statement 2020 - 2021		
Type of Report:	Decision		

1. INTRODUCTION AND PURPOSE

Under section 112 of the Local Government Act 1972, the Authority has the 'power to appoint officers on such reasonable terms and conditions as authority thinks fit'. This Pay Policy Statement (the 'statement') sets out the Authority's approach to setting the pay of its employees by identifying:

- The methods by which the salary grades of all employees are determined.
- The detail and level of remuneration of its most senior employees i.e. 'Principal Officers', as defined by the relevant legislation.
- The detail and level of remuneration of the lowest paid employees.
- The relationship between the remuneration for highest and lowest paid employees.
- The Committee(s)/Panel responsible for ensuring the provisions set out in this statement are applied consistently throughout the Authority and recommending any amendments.

This statement 2020/21 sets out the Authority's position in relation to its approach to pay in accordance with the requirements of the Localism Act 2011 section 38.

This statement will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective.

2. ACCOUNTABILITY AND DECISION MAKING

All new and amended Principal Officer Appointments are subject to full EPFCC approval. Article 8 of the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority Constitution outlines the process associated with senior staff and statutory appointments,

namely; Chief Fire Officer/Chief Executive, Chief Financial Officer, Head of Paid Service and Monitoring Officer confirm the following:

The Commissioner will appoint a person to be the Chief Fire Officer/Chief Executive who is responsible for managing the Fire and Rescue Service.

The Commissioner will appoint one of their officers to be responsible for the proper administration of the financial affairs (Chief Financial Officer), who must be a member of an accountancy body specified in section 113 of the Local Government Finance Act 1988. The Chief Financial Officer will fulfil the duties outlined in section 151 Local Government Act 1972 for the Commissioner.

In addition there is a duty of the Commissioner to designate:

- a) One of their officers to be the Head of Paid Service (who may be the same person who is the Chief Fire Officer) who will fulfil the duties outlined in Section 4 of the Local Government & Housing Act 1989.
- b) One of their officers to be the Monitoring Officer who will fulfil the duties outlined in section 5 Local Government and Housing Act 1989 for the Commissioner.

The recruitment, selection of employees will comply with internal human resources policies. The appointment of any director level responsibilities will be reviewed and agreed by the Commissioner.

3. RESPONSIBILITY AND SCALE

The Service is directly responsible for a budget for 2019/2020 of £73 million net expenditure – with £53 million pay-related (72% of the overall budget) and for the employment of 1448 staff (as at 31 December 2018) **(2020-21 budget information will be available for inclusion in early December)**. The Service provides services to a total population of 1.7 million covering an area of over 1,400 square miles.

4. THE AUTHORITY'S PAY STRATEGY

In determining the pay and remuneration of its employees, the Authority will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. The Authority takes the following approach to assessing individual and overall pay levels:

All Green Book roles are evaluated using the Hay job evaluation methodology to ensure roles are graded fairly, accurately and consistently. This allocates each role a locally agreed grade. Each grade is matched to a salary range. The salary range for each grade has been determined using the HAY public sector benchmarking data and these salary ranges are determined and set annually by the Authority.

The HAY Job Evaluation methodology is used nationally and internationally, and provides the basis for grade determination based upon a range of established factors.

The Authority takes the following approach to assessing individuals and overall pay levels for Grey Book roles:

- Determine the job size – this process ranks the Authority’s jobs by using job evaluation techniques and national role maps where appropriate to determine responsibilities and accountabilities within roles.
- Determining overall pay levels – this allows the Authority to assess the right pay policy and pay levels based on a number of key factors, including ability to pay, national pay comparators and local and regional pay comparators where appropriate.

This Authority has adopted an approach which includes basic pay, incremental progression related to performance for support staff, service and financial and non-financial benefits. Information on the financial benefits available to employees is given within this statement.

5. PAY ARRANGEMENTS FOR PRINCIPAL OFFICERS

For the purposes of this statement, senior management means ‘chief officers’ as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 30 September 2019:

1. Chief Fire Officer and Chief Executive: £152,938.80. The post holder is a full time employee on a permanent contract.
2. Deputy Chief Fire Officer: £125,582.00. The post holder is on a twelve month secondment commencing on 1 April 2019.
3. Director of Innovation, Risk and Future Development: £120,390.07. The post holder is a full time employee on a permanent contract.
4. Director of Corporate Services: £115,000. The post holder is a full time employee on a permanent contract.
5. Assistant Chief Executive – People, Values, Culture (temporary development post until 30 September 2020: £92,227.00.
6. Director of Operations (temporary development post until 31 March 2020: £89,751.72.

(Note: The Monitoring Officer is employed and paid by the PFCC).

The [Authority’s annual statement of accounts](#) also shows the following information in relation to Principal Officers:

- Salary or allowances paid to or receivable by the person in the current and previous year;
- Car and mileage taxable benefits, health insurance and employer’s pension contributions.

The [Structure Chart \(Structure from 1 April – 1 November 2019\)](#) shows the structure of the workforce.

In addition, for posts where the full time equivalent salary is at least £50,000, the [Authority’s annual statement of accounts](#) includes the number of officers whose remuneration, excluding pension contributions, was [£58,200 or more](#).

6. DETERMINING LEVELS OF PAY FOR SENIOR OFFICERS

There is a two track approach for determining levels of pay for Brigade Manager roles. At National level the National Joint Council for Brigade Managers of Fire and Rescue Services annually reviews the level of pay increase applicable to all those covered by the National Agreement. All other decisions about pay levels and remuneration for individual Brigade Managers are taken by the Authority which annually review salary levels.

There was a national pay award effective from 1st January 2019 for Brigade Managers of 2.0% increase on 2018 basic salary levels.

7. EMPLOYMENT ARRANGEMENTS

The Police, Fire and Crime Commissioner for Essex (Fire and Rescue Authority) Order 2017 created this Fire and Rescue Authority, under section 4A of the Fire and Rescue Services Act 2004, for the areas covered by Southend-on-Sea Borough Council, Thurrock Council and Essex County Council. Within that order it sets out that the person who is the Police and Crime Commissioner for Essex is also the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (the 'commissioner'). They will be known as the Police, Fire and Crime Commissioner for Essex (EPFCC),

The Commissioner is elected every four years, and has a duty to represent the views of the whole community, including those who did not vote for them. The Commissioner shall establish a fire and rescue service for the combined area, which shall be known as the Essex County Fire and Rescue Service ("ECFRS"). Within the constitution the use of the term "Commissioner", refers only and exclusively to the corporation sole of the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority and does not include any responsibilities or requirements of the post holder in relation to policing. There is a separate constitution for the Police and Crime Commissioner for Essex.

8. DETERMINING LEVELS OF PAY FOR ALL OTHER STAFF

For personnel employed to Green Book Terms and Conditions, the Authority uses incremental salary ranges. The new pay grades for support staff range from Grade 1 £17,364 to Grade 15 £101,809.

In addition a London weighting and Fringe Allowance apply in certain circumstances. The inner fringe area allowance is £874 and the outer fringe area allowance is £609 per annum.

Wholetime uniformed employees employed under Grey Book terms are paid between the levels of Trainee Firefighter £23,366 and Group Manager B £51,275. On-call uniformed employees, employed under Grey Book terms are paid an annual retaining fee between the levels of Trainee Firefighter £2,337 and Group Manager B £5,128 which is 10% of the full-time basic annual salary. On-call employees are also paid hourly rates for attending calls between the levels of Trainee Firefighter (£10.67 p/h) and Area Manager B (£27.20 p/h). All On-call personnel regardless of seniority are paid a disturbance fee of £4.10 per occasion for attending a call. The role of Area Manager B are paid the national pay rate of £59,565, plus where appropriate an enhancement for Gold Flexi Rota duties.

All uniformed employees on the flexible duty system shall be paid a pensionable supplement of 20% of their basic pay as outlined in the sixth edition of the Grey Book Part B Paragraph 3.

These arrangements apply to different groups of staff and the reasons are clearly evidenced and documented. The Authority's approach to pay is detailed below.

Where necessary the Authority may apply market supplements or other individual pay levels for specific roles in order to ensure that it can recruit the best staff. This approach will only be adopted where there is evidence of recruitment difficulty.

9. PAY DESIGN

The Authority's pay policy is based on a nationally negotiated pay scheme which applies to local government employees.

For uniformed staff the National Joint Council agreed to uplift salaries across the board by 2%, including professional development payments, with effect from 1st July 2019 in accordance with JNC Circular NJC/3/19. The national pay negotiations continue.

All Green Book roles are aligned to the National Joint Council (NJC) pay scales. A national pay award of 2% was applied to these rates, with effect from 1st April 2019.

10. PAY GRADES AND PROGRESSION

To encourage employees to develop in their role and to improve their performance the Service currently arranges its pay scales within 15 progressive grades for support staff on Green Book terms.

For uniformed staff on Grey Book Terms there are 6 progressive role levels. Within the scales for support staff, there are between 4 and 5 different spinal column points or increments; for uniformed staff there are between 1 and 3 different pay levels within a role. Progression through the pay grade is based on the Service's business need and through promotion via open recruitment and selection. New employees will usually be appointed to the minimum pay level for the relevant grade. Managers have the discretion to recommend an employee for acceleration of increments within the grade when they have demonstrated the achievement of key Service Objectives. In addition, the Service follows directives from the National Joint Council for Local Government Services, which determines when Services have the budgetary remit to increase employees' salary. The Authority does not operate a bonus scheme or a Performance Related Pay Policy for its employees.

11. FIXED PAY RATES

The Authority also uses fixed pay rates or points. These are used:

- For short term appointments;
- Where the required duties are in a limited range, can be closely defined and easily implemented so that there is limited scope to undertake additional responsibility or to develop expertise;
- Where the level of salary paid is designed to cover the full range and scope of the job – for example Principal Officer posts;

- The payments are in accordance with the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service, 6th Edition.

12. GENDER PAY GAP REPORTING

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 requires that from April 2017, organisations with more than 250 employees must collect data for the year and publish its gender pay gap information by 30 March 2018 (and annually thereafter). In addition, the Authority must provide a written statement on the website which confirms the accuracy of these calculations and report the data to government online. Full details can be found at: [Gender Pay Gap Information](#).

13. FINANCIAL AND NON-FINANCIAL BENEFITS

The Authority awards employees with the following supplementary remuneration elements, which are determined by either national, regional and local or collective bargaining arrangements, as well as Authority policy. Each item below is labelled as to whether it is nationally negotiated or a local agreement. (Please note: Chief Officers are only able to access elements marked *).

Market supplements (Local): in order to attract and retain employees with particular experience, skills and capacity, for example when there are skills shortages locally or nationally. The Authority will ensure that the requirement for additional allowance or supplement is objectively justified.

Continual Professional Development (Local): The Service pays uniformed staff, up the level of Area Manager, an allowance for Continual Professional Development. Employees must have at least 8 years continuous service and be deemed competent for pay purposes to qualify. As at 31 March 2019, the allowance for a whole-time firefighters is £623.16 per annum. The allowance for an on-call firefighter is £155.76 per annum. The Service CPD payments are slightly higher than the national level and this was agreed by the Service Leadership Team (SLT). Additionally, during 2018/2019 it was agreed that employees who held multiple contracts would receive the payment on both records.

Relocation Mileage (Regional): Staff are entitled to claim a time limited relocation mileage if they are moved further away from their home at the behest of the Service. The basis for claiming and amounts the Service currently uses are detailed in the Internal Transfer policy and in the following [circular](#), with employees entitled to claim the difference between their previous home to work journey (1 way) and their new journey (based on the home to work mileage having increased more than 5 miles each way).

Home to Duty Mileage (Local): The Service pays uniformed staff a home to duty supplement if an employee of the level of Watch Manager A and above is required to move to a Service training venue, or Service Headquarters. The rules were set out in the following [memo](#). The Authority have 56 staff who claim this mileage allowance. The rate for a car user is 15p per mile, and 15p per mile for motorbikes.

Pay Protection (Local): The Service applies a pay protection policy for support staff employees who are moved from their current role to a role that holds a lower level of financial remuneration. Under the Service's Organisation Change Management policy employees will be entitled to 3 years' pay protection starting from the effective date of the change.

Study Support (Local): The Service operates a [policy](#) whereby employees can apply for financial support of between 50% and 100% for further study relevant to employment. Applications should be discussed at Appraisal and submitted on the Learning and Development Request form. Statutory and mandatory training relevant to job are fully funded, professional development directly relevant to job but not mandatory is fully funded subject to a learning agreement and personal development indirectly relevant to job but relevant to employment may receive 50% funding subject to a learning agreement.

Lease Car Scheme (Local): The Service provides assistance in the procurement of lease cars to employees if they meet specific criteria through the Car Lease Scheme. In some cases operational commitments necessitate the provision of an emergency vehicle.

Principal Officers Car Scheme (Local)*: Principal Officers have the option to join a separate car provision scheme ([The Principal Officers' Provided Car Scheme](#)), which involves the Authority purchasing a car and providing it for the officers' use along with a fuel charge card for providing fuel for both private and business use, with any resultant tax liability being the responsibility of the Officer. For Uniformed staff the vehicle is an emergency vehicle in relation to their duties.

Mileage Allowance (National): If Service employees are not a member of either of the above schemes and they use their own vehicles for Service purposes, then they are entitled to claim a mileage allowance reimbursement in accordance with [NJC Circular 08/13](#).

Subsistence (Local): The Service pays employees the following amounts for subsistence expenses incurred when carrying out Service duties. Breakfast – (£6.09); Lunch – (£8.41); Evening Meal – (£10.42); Overnight Allowance for courses – (£4.53).

Expenses (Local): Principal Officers can claim reimbursement for out of pocket expenses incurred in the course of carrying out their duties. The Authority also permits Officers to utilise Government Procurement cards to pay expenses.

Rent, Fuel & Light (National/Local): Day crewed employees, required to live in specific accommodation for the purposes of carrying out their on-call duties, under page 32 paragraph 13 of the Grey Book, receive a rent and fuel and light allowance. Employees are housed in Service properties and remunerated for fuel and light at a level set by the Service.

Telephone line rental (Local): The Authority reimburse expenditure incurred by employees in the provision of telephone line rental for the purposes of their role.

Medical Expenses (National): The Service provides uniformed employees, under Paragraph 5 part B of the Grey Book the payment of medical expenses incurred under ss.77, 78 and 79 of the National Health Service Act 1977. In addition, under Appendix A paragraph 8 of the Grey Book, uniformed employees who have continuous service prior to 1 November 1994 will be eligible to claim for expenses incurred in accordance with ss.77, 78 and 79. This means that they are able to claim without the pre-requisite of that expense being as a result of a service related injury.

Aids to vision (Local): Employees are entitled to claim for certain expenses related to their vision and the effect it may have on their work undertaken for Authority purposes. The rules are laid out in the [Aids to Vision Guidance](#).

Acting Up & Temporary Promotion (Local): The Service pays employees the applicable salary for acting up and being temporarily promoted. With the maximum movement permitted being one role above their current role.

Professional Memberships (Local): The Authority will reimburse employees for the cost of joining or maintaining membership of professional bodies essential to the duties of their role.

Relocation scheme (Local): The Authority will pay those meeting the following criteria for relocation allowance: New starters taking up a permanent appointment (where the role has been identified for receipt of relocation allowance);
An existing employee who is compulsorily required by the Service to move work location; an employee who is compulsorily required by the Service to live in a certain proximity to a work location (e.g. within 1 hour of Gold Command). Payments up to £8,000 can be authorised by the Chief Fire Officer, between £8,000 and £15,000 can be authorised by the CFO in consultation with the Police, Fire and Crime Commissioner, and payments above £15,000 have to be approved by the Police, Fire and Crime Commissioner.

BUPA Care Scheme (Local)*: In order to maintain availability to cover operational needs and meet Authority resilience requirements, Principal Officers and Area Managers are entitled to be a member of the Corporate BUPA care scheme, the cost of which is met by the Authority. If Officers elect to take up this benefit, they are entitled to single persons cover, parent and child cover or married cover. Eligible Officers may apply for cover for their dependents, but the cost of this additional cover is the personal liability of the Principal Officer and is deducted from monthly salary accordingly.

Foundation Living Wage (National): The foundation or “real” living wage is a voluntary rate this is independently calculated and based on actual living costs in the geographic area. It is different to the mandatory National Living Wage. As part of the pay and grading project in 2018 all roles were evaluated and moved to the market median pay for the region/public sector. As a direct result of this all Green Book employees – with the exception of Apprentices – had their pay increased. The lowest paid employee receives £9.36 per hour (April 2019), so they now meet the minimum criteria for the Foundation Living Wage (Real Living Wage £9.00 across the UK).

Child Care Vouchers & Cycle Scheme salary sacrifice arrangements

(National/local): The Authority offers employees the ability to engage in these salary sacrifice arrangements. Contributions to the cost of the scheme are deducted from an employee’s gross salary before tax deductions are made. Changes to employee benefits for childcare payments came into effect during 2018/19 when the childcare voucher scheme was closed to new entrants but participating colleagues were able to continue as normal.

Resilience Payments (Local): The Authority has established individual agreement with operational employees, who have volunteered to continue provision of firefighting and rescue services in the event that the Authority notifies the Employee that a

Contingency Situation exists. This practice is in place so that the Authority can effectively assess what resources will be available to the Authority when a risk to its business continuity arises, meaning it is therefore able to plan accordingly. "Contingency Situation" means any event or situation which may threaten or cause disruption to the provision of service and or performance of the Authority's functions, or its business continuity. The rate of payment is calculated on a percentage basis, for whole-time uniform employees (including control operatives) and equates to 10% of annual salary and for employees on the on-call duty system, this constitutes 100% of their annual retainer.

Payment of untaken annual leave (National): The Authority pays employees for their proportionate entitlement to outstanding annual leave on termination.

Other employment-related arrangements: The Authority operates five main pension schemes for its staff.

Subject to qualifying conditions, green book or control room employees have a right to belong to the Local Government Pension Scheme. The employee contribution rates, which are defined by statute, currently range between 5.5 per cent and 12.5 per cent of pensionable pay depending on actual salary. The Authority's contribution rate is 16.2% of pensionable pay. The Employer contribution rates are set by Actuaries advising each of the 89 local LGPS funds and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The next review took place as at 31 March 2019, which will alter the Authority's contribution rate from 1 April 2020 to 31 March 2023.

For the Firefighters Pension Schemes, the employee contribution rates are also defined by statute and for the Firefighters Pension Scheme 1992 (FPS 1992) and the Firefighters (Modified) Pension scheme (FPS Modified), they currently range from 11% to 17%. The Firefighters Pension Scheme 2006 (FPS 2006) employee contributions currently range from 8.5% to 12.5%. The Firefighters Pension Scheme 2015 (FPS 2015) employee contributions currently range from 11% to 14.5%. The employer contribution rates are set by the Government Actuary's Department and apply to all Fire & Rescue Authorities in England. Following the valuation of the Firefighter Pension Schemes. the current employer contribution rates, which changed from 1 April 2019, are 37.3% of pensionable pay for the FPS 1992 and FPS Modified, 27.4% of pensionable pay for the FPS 2006 and 28.8% of pensionable pay for the FPS 2015. Following the valuation of the Firefighter Pension Schemes, the employer contribution rates are due to change from 1 April 2019, however at time of writing it is not known what the individual rates will be. There will be no change to the employee's rates.

The FPS Modified refers to the legal challenge under the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 regarding the exclusion of on-call firefighters from the FPS 1992. This resulted in a settlement that allowed certain on-call firefighters with service between 1 July 2000 and 6 April 2006 to purchase "special" membership of the FPS 2006 based on their employment during this period. They could not be admitted to the FPS 1992 because that is now a closed scheme. However, the rules of the FPS 2006 were modified for special members so that, in places, they reflect the rules of the FPS 1992.

In accordance with the Organisation Change Management Policy, discretion will be exercised in agreeing early retirement and voluntary redundancy where applicable and appropriate.

Lowest paid employees:

The lowest paid persons employed under a contract of employment with the Authority are employed on full time [37 hours] equivalent salaries in accordance with the minimum spinal column point currently in use within the Authority's grading structure. As at 1 April 2019, this is £18,065 per annum (the Authority applies a living wage policy).

The Authority also employs apprentices who are not included within the definition of 'lowest paid employees', our approach complies with the Public Sector Apprenticeship Targets Regulations 2017 and we pay in excess of the apprenticeship minimum wage.' We pay in excess of the apprenticeship minimum wage.

Pay multiple:

As described above the Authority uses an established process of defining role, determining job size and salary levels. This process determines the relationship between the rate of pay for the lowest paid and senior manager post, including chief officers, describe as the pay multiple. The current pay multiple between the lowest paid (full time equivalent) employee and the Chief Fire Officer and Chief Executive as 1:8.47. Multiple between the median full time equivalent earnings and the Chief Fire Officer and Chief Executive as 1:4.91.

14. PAYMENTS ON TERMINATION OF EMPLOYMENT

The Authority's approach to discretionary payments on termination of employment of support staff, who are eligible to be members of the Local Government Pension Scheme, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006.

In November 2015, the Authority agreed that the redundancy payment for uniformed officers on Grey Book terms and conditions would be paid on the same basis as those applicable to Support Staff on Green Book terms and conditions.

The Authority reserves the right to negotiate a compensatory payment for termination of employment by mutual consent. Such payments may only be made if the Authority is satisfied that it is in the best interests of both the Authority and the Public Interest and may only be authorised by the Chief Fire Officer. Severance packages for Principal Officers are subject to the approval of the Authority.

The Authority reserves the right to make payment in lieu of notice in exceptional circumstances, where this is deemed to be in the best interests of the Authority. It is not the Authority's policy to re-employ or to contract with Principal Officers who have been made redundant from the Authority unless there are exceptional circumstances where their specialist knowledge and expertise is required for a defined period of time or unless a period of two years has elapsed since the redundancy and circumstances have changed.

Reemployment will not normally occur following retirement. However, there may be exceptional circumstances where specialist knowledge or expertise are required for a defined period of time. In the exceptional circumstance that reemployment is necessary in the interest of public safety or health and safety, this decision will be subject to explicit approval from the Service Leadership Team. If the employee is a Principal Officer, the decision will require explicit approval from the Authority.

15. PUBLICATION OF PAY STATEMENT

Upon approval by the Authority, this statement will be published on the Service's website.