

# Policy & Procedure



## Pay Policy Statement 2016-17 People and Organisation Development



GREATER MANCHESTER  
FIRE AND RESCUE SERVICE

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# Document Details

If this Policy & Procedure requires updating or editing prior to the review date please contact the Author.

Document Version Control		
Document Version	Date	Author
1.0	11/02/2016	Nina Purcell

Approval Process	
Approval agency	Fire Authority
Policy Owner	Nina Purcell
Evaluation date	<a href="#">Click here to enter a date.</a>

Corporate Aims Supported			
Prevention	<input type="checkbox"/>	Public Value	<input type="checkbox"/>
Protection	<input type="checkbox"/>	People	<input checked="" type="checkbox"/>
Response	<input type="checkbox"/>	Principles	<input checked="" type="checkbox"/>

Consultation & Engagement	
Involved	Consulted
<ul style="list-style-type: none"><li>Fire Authority</li></ul>	<ul style="list-style-type: none"><li>Trade unions</li></ul>

Equality Impact Assessment	
Protected Characteristic	Are there any issues that need to be researched or consulted on?

<b>Age</b>	N
<b>Disability</b>	N
<b>Gender</b>	N
<b>Race</b>	N
<b>Religion &amp; Belief</b>	N
<b>Sexual Orientation</b>	N
<b>Gender Reassignment</b>	N
<b>Pregnancy &amp; Maternity</b>	N
<b>Marriage &amp; Civil Partnership</b>	N
If you have answered yes to any of the protected characteristics you must contact the Equality & Diversity Officer	

<b>Related Documents</b>	
<b>Equality Impact Assessment</b>	• Not Applicable
<b>Policy &amp; Procedure</b>	• Not Applicable
<b>Guidance</b>	• Not Applicable
<b>External</b>	• Not Applicable

# Scope

Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for 2012/13 and for each financial year after that. GMFRS already publishes the pay details of all senior officers with a pro rata salary greater than £50,000 in its annual Statement of Accounts. This will continue.

## 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.

3.2 However, GMFRA employs a wider range of senior officers to run the Fire and Rescue Service and so this Pay Policy Statement covers all staff that are considered to be the most senior decision makers within the Service, in addition to the officers listed above.

3.3 GMFRA currently employs two tiers of senior management, the most senior being the Corporate Leadership Team (CLT). Four members of the CLT also provide the most senior operational command for the Service on a 24/7 basis, with a further three officers undertaking functional management of the Service. A list of current members of the CLT is provided below:

### **Senior Commanding Officers**

County Fire Officer and Chief Executive  
Deputy County Fire Officer  
Director of Emergency Response  
Director of Prevention and Protection

### **Functional Managers**

Director of Corporate Support  
Director of Corporate Communications  
Deputy Clerk and Authority Solicitor

3.4 These Officers are employed on one of two types of terms and conditions of service; the National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services (known as the Gold Book) and the National Joint Council for Chief Officers of Local Authorities (known as the Blue Book).

- 3.5 A second management tier known as the Leadership Team (LT) provides support to CLT in delivering the organisation's development and delivery goals, as set out within the Corporate Plan. This team includes a mixture of roles, associated terms and conditions and remuneration arrangements, with staff also employed on one of three types of terms and conditions of service, the National Joint Council for Local Government Services (known as the Blue Book as above and separately the Green Book) and the National Joint Council for Local Authority Fire and Rescue Services (known as the Grey Book).

## Policy Statement

- 1.1 The purpose of GMFRA is to save, protect and improve the quality of life of the people of Greater Manchester. We aim to do this by:
- Engaging with Greater Manchester's communities to inform and educate people in how to reduce the risk of fire and other emergencies and do all we can to prevent crime and disorder.
  - Influencing and regulating the built environment to protect people, property and the environment.
  - Planning and preparing for emergencies that may happen and make a high quality, effective and resilient response to them.
  - Working with people with the right skills and attitude to deliver high quality, value for money services in a positive environment for everyone.
  - Managing risk through using resources flexibly, efficiently and effectively, continuously improving our use of public money in ways the public value.
  - Operating in accordance with the law and our values, and ensure that safety, sustainability, partnership and inclusivity run through all we do.
- 1.2 To achieve these aims we need to be able to attract, retain and motivate staff so that the Fire and Rescue Service can perform at its best. It forms an important part of the organisation's attraction, retention and succession plans.
- 1.3 This Pay Policy Statement relates to the remuneration of our statutory and non-statutory chief officers, and other senior officers who are responsible for the development and implementation of policy for the largest Fire and Rescue Service outside London.

## Procedure

- 4 Level and elements of remuneration for statutory and non-statutory chief officers and their deputies**

- 4.1 Salaries for senior fire and rescue authority personnel are agreed using a twin-track approach. This is 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. This states:

*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.*

*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 details 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.*

- 4.2 Those senior officers conditioned to the National Joint Council (NJC) for Chief Officers of Local Authorities (Blue Book) will have their remuneration determined in conjunction with the national framework and with regard for local market forces and peer benchmarking which are negotiated locally.
- 4.3 GMFRA seeks to operate within appropriate salary frameworks, and to ensure pay and terms and conditions reflect a fair approach, but also one that aligns to other fire and rescue authorities as well as the risks and responsibilities associated with Greater Manchester.
- 4.4 The annual review, therefore will encompass a review of:
- National pay data for fire and rescue authorities of a similar size and risk made available from the NJC but sourced through an independent body
  - A consideration of the workload and numbers of officers – including operational risk / cover and its relativity to other fire and rescue services’.
  - Other terms and conditions e.g. car allowances; performance pay schemes etc.

This information will then be used to set pay on an annual basis.

- 4.5 Senior managers (Blue Book and Gold Book) received a 1% pay increase in January 2015. In response to the economic climate and deflation/low inflation, GMFRA’s remuneration strategy has been one of pay freeze or very austere pay increases in line with the National Joint Council recommendations.

- 4.6 NJC conditions of service as outlined in the Gold and Blue Books for Chief Executives and Chief Officers are incorporated in statutory and non-statutory officers' contracts of employment.
- 4.7 Full remuneration details of all those senior officers employed by the Service can be found in the annual Statement of Accounts

## **5 Remuneration of the lowest-paid employees**

- 5.1 For those in operational roles covered by Grey Book conditions, the lowest paid roles are the Trainee Fire-fighters who are paid a 'training rate' whilst undertaking the recruit course Phase 1. They subsequently progress on the successful completion of their initial training to a 'development rate' for the duration of Phase II and finally a 'competent rate' subject to passing the relevant assessments.
- 5.2 A 1% pay increase was agreed and applied with effect from 1<sup>st</sup> July 2015 for all operational personnel conditioned to the Grey Book as determined by the National Joint Council for Local Authority Fire and Rescue Services.
- 5.3 For those on Green Book conditions, the lowest paid employees of GMFRS are defined as those on the lowest point of the pay scale (currently aligned to Grade B SCP 12) which equates to an annual salary of £15,594 and is compliant with the living wage. This amount was increased from 2014/15's lowest paid figure of Grade A SCP 5 which was £13,500. The living wage now makes point 4 – 12 on the Green Book national pay scales obsolete and whilst this is awaiting formal sign off between the NJC and rep bodies, this was agreed and applied by the Authority from 1<sup>st</sup> November 2015. Those lowest paid roles having been evaluated using the National Joint Council job evaluation scheme reflect the low level of accountability and responsibility relative to other roles in the Authority. Benchmark evaluations and grade assignments are authorised jointly by union and management representatives, and show adherence to equality legislation.
- 5.4 GMFRA also employ a small number of Craft Workers whose terms and conditions are set by the Joint Negotiating Committee for Local Authority Craft and Associated Employees (known as the Red Book). A 2.2% pay increase was applied with effect from 1<sup>st</sup> January 2015 for staff on Red Book Terms and Conditions.

## **6 Relationship between the remuneration of chief officers and other officers**

6.1 It is a requirement of the Localism Act, 2011 that the Authority produce a statement each year on pay multiples for senior officers. The 'Hutton Review of Fair Pay' which provided the genesis of the legislation, here, identified that most top to bottom pay multiples in the public sector are in the region of 8:1 to 12:1. As a result of policy decisions made to date by the Fire and Rescue Authority the current pay multiples for the County Fire Officer (CFO) are as follows:

- Between the CFO and the lowest paid operational Firefighter (i.e. Trainee Firefighter) the multiple is 6.88:1
- Between the CFO and the average earnings the multiple is 5.35:1

6.2 The ratio in GMFRS, between the County Fire Officer and Firefighters at 6.88:1 is at the bottom end of the scale contained within the 'Hutton Review of Fair Pay' report. The report also advocated using median earnings as a ratio since this would be less sensitive to changes in the structure. Here again, the ratio is small at just over five times the median (5.35:1).

## **7 Other aspects of chief officers' terms and conditions**

### **7.1 Recruitment of Senior Officers**

7.1.1 Senior officers who are members of the Corporate Leadership Team are selected with the full participation of the Authority with selection based on merit.

7.1.2 GMFRS is the largest Fire and Rescue Service outside of London serving a diverse population of over 2.5 million people covering an area of 500 square miles; therefore it needs to ensure that it is an employer of choice. Accordingly, we will have adopted remuneration levels appropriate to be able to attract and retain employees of the desired calibre to lead a service of this scale.

7.1.3 Remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive (and seen as such). To ensure GMFRA achieve this balance, all remuneration packages in excess of £100,000 must have been approved by elected Authority Members and, as identified, are reported in the Annual Report.

### **7.2 Use of Performance-related Pay and Bonuses**

7.2.1 GMFRA wishes to make it clear that high levels of performance are expected of all their employees which are monitored and recorded through a staff appraisal scheme known as a Personal Performance Review (PPR). The introduction of PPR, alongside other people policies and processes ensures

full compliance with national frameworks and provides the mechanism by which we achieve and maintain both individual and organisational excellence.

7.2.2 Currently the PPR scheme is not linked to pay increments for any group of staff, including chief officers and other senior officers. However, the option exists for the Authority to make honorarium payments to reflect exceptional performance up to a maximum of 10% of salary. Decisions on making honoraria payments will be made taking into consideration their Personal Performance Review (PPR).

### 7.3 **Benefits**

7.3.1 **CREDIT UNION FLAMESAVERS:** Greater Manchester Fire and Rescue Service current and retired employees can become members of the Flamesavers Credit Union, which offers savings and loans through a not-for-profit financial co operative.

7.3.2 **EMPLOYEE ASSISTANCE PROGRAMME:** the current economic climate will impact on employees within GMFRS both in their personal/home and working lives. It is recognised that when change occurs in both environments individuals may experience increased levels of anxiety and stress, which in turn have an adverse impact on employee performance. As part of a wider health and wellbeing strategy, and in response to a high level of ongoing change within the organisation, an Employee Assistance Programme (EAP) is a benefit provided to GMFRS employees. The EAP was introduced on a shared service basis with Merseyside Fire and Rescue Service, which resulted in the procurement of the services at a significantly reduced cost for both fire authorities. This contract is soon drawing to a close and a collaborative review and retendering exercise is now underway.

7.3.3 **SALARY SACRIFICE SCHEME:** Childcare and Cycle to Work schemes are in operation at GMFRS to enable both tax and national insurance savings for both GMFRS and its employees.

7.3.4 **PENSION CONTRIBUTIONS:** employer pension contributions are paid to the Local Government Pension Scheme, the Firefighter Pensions Scheme 1992, the New Fire-fighter Pension Scheme 2006 and the Firefighter Pension Scheme 2015.

### 7.4 **Allowances, Expenses and Subscriptions**

7.4.1 Officers are able to receive a car user allowance (including mileage allowances) in recompense for the wear and tear on personal vehicles which they are required to provide to enable the full performance of their duties. This could be an essential car user allowance, or a casual or 'ad hoc' car user allowance and is assessed upon requirement of role. This is subject to tax at the rate appropriate to the individual. Members can also elect to provide cars

where they believe there is a best value case to do so; and they can make this decision as part of the annual pay review.

- 7.4.2 Officers are able to reclaim a restricted range of legitimate and evidenced out of pocket expenses reasonably incurred in the performance of their roles. 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.
- 7.4.3 The Authority policy on the payment of employee professional subscriptions remains under review. Currently, the subscriptions of a small number of professional memberships are payable by the Authority on behalf of individuals.

## **7.5 Termination Payments**

- 7.5.1 Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 requires an authority to formulate, review and publish its policy on making discretionary payments on early termination of employment.
- 7.5.2 Nearly 30% of non-uniformed GMFRA employees reach age 55 and above in the next 5 years, and with GMFRA needing to make savings over a similar period, it is imperative that GMFRS has a defined policy in place to present employees with several retirement options, enabling them and the Service to plan their future workforce needs more effectively. GMFRS has a comprehensive suite of exit strategies to assist in reshaping and re-positioning the workforce.
- 7.5.3 GMFRS has a policy to outline its discretionary powers in relation to Flexible Retirement, and Voluntary Early Retirement. There are mutual benefits of a Flexible and Voluntary Early Retirement policy for both employer and employee. Any financial implications for GMFRA with the payment of benefits through flexible and early retirement must be accounted for as part of a business case based on affordability and delivering any identified efficiency savings. This policy is only applicable to those employees who are active members of the Local Government Pension Scheme (LGPS). Delegated authority is given to the County Fire Officer and Chief Executive to determine applications made under this policy.
- 7.5.4 In cases of redundancy, payment is calculated based on actual weeks pay in accordance with statutory provisions. Discretion to enhance the minimum statutory redundancy pay by a factor up to a maximum of 2.2 may be granted based on affordability and a payback period not exceeding 30 months. The current approach agreed by the Fire Authority is to enhance minimum

statutory redundancy pay in a voluntary severance circumstance by a factor of 1.5.

## 7.6 Retirement and Re-engagement

7.6.1 GMFRA has adopted a policy of no re-employment of Chief Officers following retirement within six months. Where re-employment after this time occurs then, pension abatement will be applied. Exit payments currently have no cap placed on the overall total. However, government consultation has recently taken place which indicates a likely cap of £95,000 (including factors in addition to a cash payment) will be introduced in 2016, as well as consideration of recovery of exit payments upon re-engagement in public service. The Service proposes to have regard to this cap when considering affordability (in line with the proposals set out in the Enterprise Bill) subject to Authority approval of this policy and will also enact any other legislative changes set out in the Enterprise Bill in due course.

## Appendices

There are no appendices applicable to this policy and procedure