



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	DSFRA/12/6
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY (BUDGET MEETING)
DATE OF MEETING	17 FEBRUARY 2012
SUBJECT OF REPORT	THE LOCALISM ACT – PAY POLICY STATEMENT 2012/2013
LEAD OFFICER	Director of Corporate Services (and Clerk to the Fire & Rescue Authority)
RECOMMENDATIONS	<i>That, subject to any amendments that may be agreed at the meeting, the Authority approves the Pay Policy Statement as appended to this report and agrees to its publication in accordance with the Localism Act 2012.</i>
EXECUTIVE SUMMARY	<p>The Authority is required under the Localism Act 2011 to prepare a Pay Policy Statement. This will state the Authority's policy towards a range of issues relating to the pay of its workforce and in particular the senior staff and the lowest paid employees. Pay Policy Statements must be prepared for each financial year, beginning with 2012/13. They must be approved by the full Authority, and be published.</p> <p>This paper provides further background information in relation to the requirements of the Localism Act and includes a draft Pay Policy Statement.</p>
RESOURCE IMPLICATIONS	There are no resource implications associated with production of the Pay Policy Statement. Funding for staffing costs etc. are contained within the approved Authority revenue budget.
EQUALITY RISK & BENEFITS ASSESSMENT	The Service is currently preparing an Equal Pay Audit which will also include an action plan. The Service will also be producing a Rewards Strategy.
APPENDICES	A. Draft Pay Policy Statement
LIST OF BACKGROUND PAPERS	Localism Act 2011

1. INTRODUCTION

- 1.1 Relevant authorities are required by section 38(1) of the Localism Act 2011 to prepare Pay Policy Statements. These statements must articulate an authority's policy towards a range of issues relating to the pay of its workforce, particularly its senior staff (or 'chief officers') and its lowest paid employees. Pay Policy Statements must be prepared for each financial year, beginning with 2012/13. They must be approved by the full Authority, and be published.
- 1.2 The background to the requirement for a Pay Policy Statement is set out in (currently) draft guidance produced by the Department for Communities and Local Government. A hard-copy of this is available on request or can be found by following the link below:
www.communities.gov.uk/publications/localgovernment/draftguidancelocalpay
- 1.3 In essence, the purpose of the Pay Policy Statement is to ensure that there is the appropriate accountability and transparency of top salaries in local government. Under the Act elected Members have the ability to take a greater role in determining the pay for our top earners and therefore ensuring that these decisions are taken by those who are directly accountable to the local people. In addition, communities should have access to the information they need to determine whether remuneration, particularly senior remuneration, is appropriate and commensurate with responsibility. The Pay Policy Statement must be approved on or before the 31 March each year and published as soon as is reasonably practicable thereafter in such a manner as the Authority considers appropriate, but which must include publication on the Authority's website. Once published, it can be amended but must be again published.

2. CONTENT OF THE PAY POLICY STATEMENT

- 2.1 The statement is to include the following:
- Remuneration of its Chief Officers;
 - Remuneration of its lowest paid employees;
 - The relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers.
- 2.2 The term 'Chief Officers' in a FRS context is the Chief Fire Officer but Authorities can include any additional information relating to policies on pay that they may consider as appropriate to do so. The Authority also needs to determine who are the lowest paid employees and give reasons as to why they have defined them as such.
- 2.3 The pay policy statement must include the Authority's policies relating to:
- The level and elements of remuneration for each Chief Officer
 - Remuneration of Chief Officers on recruitment
 - Increases and additions to remuneration for each Chief Officer
 - The use of performance related pay for Chief Officers
 - The use of bonuses for Chief Officers
 - The approach to the payment of Chief Officers on their ceasing to hold office under or to be employed by the Authority
 - The publication of, and access to, information relating to remuneration of Chief Officers.

2.4 The term remuneration is defined as the Chief Officer's salary, any bonuses payable, any charges, fees or allowances payable, any benefits in kind to which the Chief Officer is entitled as a result of their office or employment, any increase in or enhancement of the Chief Officer's pension entitlement where the increase or enhancement is as a result of the resolution of the Authority and any amounts payable by the Authority to the Chief Officer on the Chief Officer ceasing to hold office under or be employed by the Authority other than amounts that may be payable by virtue of any enactment.

3. **CATEGORIES OF STAFF CONTRACTS WITHIN THE DEVON & SOMERSET FIRE & RESCUE SERVICE**

3.1 In order to produce a statement it is necessary to define the categories of staff within the Service and by which Terms & Conditions they are governed.

Chief Fire Officer and Senior Management Board: The Board is a mix of uniformed Brigade Managers and 'non-uniformed' Officers who are the Directors of the Service. The salary structure for Brigade Managers and other Board members in DSFRS has previously been determined by the Authority and is subject to future salary reviews in accordance with the Constitution & Scheme of Conditions of Service of the National Joint Council for Brigade Managers of Local Authorities' Fire Brigades known as the 'Gold Book'. The minimum remuneration levels for Chief Fire Officers are set nationally in relation to population bands and in accordance with the Gold Book. At a national level the National Joint Council (NJC) for Brigade Managers of Fire and Rescue Services, annually reviews the level of pay increase applicable to all those covered by the national agreement and determines any pay settlement. All other decisions about pay levels and remuneration for individual *Brigade Managers* are taken locally by the Authority.

Uniformed staff: This includes Wholetime and Retained Duty staff and also the Control Room uniformed staff. The remuneration levels for these staff are subject to national negotiation as contained in the Scheme of Conditions of Service of the National Joint Council for Local Authority Fire & Rescue Services which is known as the 'Grey Book'.

Support Staff: This category is the non-uniformed staff who support our Operational Service. The Scheme of Conditions of Service for these staff are set out within the National Joint Council for Local Government Services known as the 'Green Book'. The 2004 national pay agreement included an Implementation Agreement requiring local pay reviews to be completed and implemented by all authorities by 31 March 2007. The local pay review required the introduction of a Job Evaluation Scheme and this, together with a Grading Structure, was negotiated and agreed with the recognised trade union for this staff category which is UNISON. The Job Evaluation Scheme and Grading Structure were approved by the Authority. The National Joint Council negotiates the level of any annual pay increases applicable to all 'Green Book' staff.

3.2 Having established the staff categories, it is possible to define the lowest paid worker within the Authority. This will be the lowest grade within the Support Staff which has a grading structure from Grade 1 to 11. The lowest paid workers are the station cleaners who are at Grade 1. Each grade has five levels referred to as spinal column points and a new joiner will progress through these by annual increments with increasing service. The salary levels for the spinal column points are determined nationally through the National Joint Council.

3.3 The Chief Officer can be defined as the Chief Fire Officer.

4. PAY MULTIPLES

- 4.1 The Localism Act requires authorities to explain what they think the relationship should be between the remuneration of its chief officers and its employees who are not chief officers. The Hutton Review of Fair Pay recommended the publication of the ratio between the highest paid employee and the mean earnings of the organisation's whole workforce as a way of illustrating that relationship. The draft guidance on openness and accountability in local pay (Appendix 2) goes on to say that: "*Authorities should include their current policy towards maintaining or reaching a specific pay multiple within their broader policy on how pay and reward should be fairly dispersed across their workforce.*"
- 4.2 Section 5 of the proposed Pay Policy Statement shows two pay multiples, comparison with the mean earnings of the whole workforce (as recommended by Hutton), using the basic pay for full-time equivalents. The second multiple is for the lowest pay point, which has frequently been used as a benchmark in the media following suggestions by the Government that a ratio of 20:1 should be regarded as a level above which public sector organisation should not exceed.

MIKE PEARSON
Clerk to the Authority

DEVON & SOMERSET FIRE & RESCUE AUTHORITY

THE LOCALISM ACT – PAY POLICY STATEMENT 2012/2013

1. INTRODUCTION

- 1.1 Under section 38(1) of the Localism Act 2011, Devon & Somerset Fire & Rescue Authority (the Authority) is required to prepare a Pay Policy Statement. The Authority is responsible for ensuring that the pay policy will set out the issues relating to the pay of the workforce and in particular the senior officers and the lowest paid employees. This will ensure that there is the appropriate accountability and transparency of the salaries of our senior staff. The Authority will also publish the statement on the Authority's website and update it on an annual basis or at such times as it is amended. The purpose of the statement is to provide greater transparency on how taxpayer's money is used in relation to the pay and rewards for public sector staff.
- 1.2 This is the first such Pay Policy Statement that the Authority has produced and it is anticipated that this will be reviewed and refined as the Authority takes an increasing role in determining the Rewards & Recognition Strategy for the Service. An Equal Pay Audit will also be published.
- 1.3 It should be noted that Regulation 4 of the Accounts and Audit (Amendment number 2) Regulations 2009 have already introduced a new legal requirement to increase transparency and accountability within Local Government. The amended Regulations require authorities to disclose individual remuneration details for senior employees and these can be viewed at the [Senior Management Salaries](#) page on the internet. In addition, the rates of pay for all other categories of staff can be found at Rates of Pay.

2. CATEGORIES OF STAFF

- 2.1 As part of the Pay Policy Statement, it is useful to define the categories of staff within the Service and by which Terms & Conditions they are governed:
- 2.2 Chief Fire Officer and Senior Management Board: The Board is a mix of uniformed Brigade Managers and 'non-uniformed' Officers who are the Directors of the Service. The salary structure for Brigade Managers and other Board members employed by the Authority has previously been determined by the Authority and is subject to future salary reviews in accordance with the Constitution & Scheme of Conditions of Service of the National Joint Council for Brigade Managers of Local Authorities' Fire Brigades known as the 'Gold Book'. The minimum remuneration levels for Chief Fire Officers are set nationally in relation to population bands and in accordance with the Gold Book. At a national level the National Joint Council (NJC) for Brigade Managers of Fire and Rescue Services, annually reviews the level of pay increase applicable to all those covered by the national agreement and determines any pay settlement. All other decisions about pay levels and remuneration for individual Brigade Managers are taken locally by the Authority.
- 2.3 Uniformed staff: This includes Wholetime and Retained Duty staff and also the Control Room uniformed staff. The remuneration levels for these staff are subject to national negotiation as contained in the Scheme of Conditions of Service of the National Joint Council for Local Authority Fire & Rescue Services which is known as the 'Grey Book'.

2.4 Support Staff: This category is the non-uniformed staff who support our Operational Service. The Scheme of Conditions of Service for these staff are set out within the National Joint Council for Local Government Services known as the 'Green Book'. The 2004 national pay agreement included an Implementation Agreement requiring local pay reviews to be completed and implemented by all authorities by 31 March 2007. The local pay review required the introduction of a Job Evaluation Scheme and this, together with a Grading Structure, was negotiated and agreed with the recognised trade union for this staff category which is UNISON. The Job Evaluation Scheme and Grading Structure were approved by the Authority. The National Joint Council negotiates the level of any annual pay increases applicable to all 'Green Book' staff.

3. REMUNERATION OF THE CHIEF FIRE OFFICER AND SENIOR MANAGEMENT BOARD

3.1 The position of Chief Fire Officer is subject to minimum remuneration levels as set out in the 'Gold Book' and according to population bands. The Authority is in Population Band 4, 1.5m people and above. The minimum salary level for this position is currently £116,310 per annum. Devon & Somerset Fire & Rescue Service is the largest non-metropolitan fire and rescue service in the UK. There are 85 fire stations which is the second largest number in England, 2,300 staff and a current budget for 2011/12 of £75m. The population for Devon and Somerset is over 1.6 million people.

3.2 In 2006, prior to the combination of Devon Fire & Rescue Service and Somerset Fire & Rescue Service, the Authority reviewed the remuneration of the Chief Fire Officer and undertook a salary survey of other Fire & Rescue Services within the same population band. The average salary, based on 2005 data, was found to be £124,184 and the salary level for the Chief Fire Officer for the new, combined service, was set at a notional level of £124,800 per annum for 2005. Since then, annual national cost of living reviews have increased the salary to £136,392.

3.3 The relevant sections 9 – 11 from the Gold book in relation to salary increases are set out below:

Salaries

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

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

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

3.4 Since combination, the Authority has chosen not to apply any additional pay increases other than those agreed at a national level. From January 2010 there has been no pay increases at either a national or local level within the Authority.

3.5 The other positions within the Senior Management Board are as follows and further details of their responsibilities can be found at [Devon and Somerset Fire and Rescue Service - Organisational Structure](#):

Deputy Chief Fire Officer
 Assistant Chief Fire Officer - Service Delivery
 Assistant Chief Fire Officer - Service Delivery Support
 Director of Corporate Services
 Director of People and Organisational Development
 Treasurer and Director of Finance

3.6 The Deputy Chief Fire Officer and Assistant Chief Fire Officer salaries have been set locally at 80% and 75% of the Chief Fire Officer salary which reflects the previously stated minimum salary level set by the National Joint Council. It should also be noted that uniformed Brigade Managers (Chief Fire Officer, Deputy Chief Fire Officer and Assistant Chief Fire Officer) also provide 'stand-by' hours outside of the normal working day within a Brigade Manager rota.

3.7 The remaining 'non-uniformed' Board positions are within a grading structure 1 to 4 grades which have been determined by Job Evaluation. The salary levels for these grades are linked as a percentage to the Chief Fire Officer's salary.

4. **REMUNERATION OF THE LOWEST PAID EMPLOYEES**

4.1 The lowest grade in the Service is within the Support Staff which has a grading structure from Grade 1 to 11. The lowest paid worker is at Grade 1. Each grade has five levels referred to as spinal column points and a new joiner will progress through these with increasing service. Since the lowest paid staff are part-time the actual salary levels are pro-rata. The salary range at Grade 1 is currently £12,787 to £14,733 for a 37 hour week.

The relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers.

5.1 In terms of pay multiples, in line with recommendations contained within the Hutton Review of Fair Pay, the Authority will use two ratios to explain the relationship between the remuneration of the Chief Fire Officer and the remuneration of those employees who are not chief officers. The first is a comparison with the mean earnings of the whole workforce using the basic pay for full-time equivalents. The second multiple is for the lowest pay point, which has frequently been used as a benchmark in the media following suggestions by the Government that a ratio of 20:1 should be regarded as a level above which public sector organisation should not exceed:

- the mean basic pay of the Authority's whole workforce (£32,943), and
- the lowest pay point (£12,787).

The current pay multiple ratios are:

	2011/12
mean basic pay	4:1
lowest pay point	11:1

5.2 In terms of the pay multiple between the Chief Fire Officer and other staff across the organisation, the Authority pay policy is that this will remain at the current level when compared with the mean basic pay across the organisation. The Pay Policy Statement for future years will be determined by Members and reported to a future Fire Authority meeting.

Additional elements of the remuneration for the Chief Officer

- 6.1 These additional elements relate to the following elements:
- Bonuses or Performance Related Pay
 - Charges, Fees or Allowances
 - Benefits in Kind
 - Any increase or enhancement to the pension entitlement as a result of the resolution of the Authority
 - Any amounts payable by the Authority to the Chief Fire Officer on the Chief Fire Officer ceasing to hold office other than amounts that may be payable by virtue of any enactment.
- 6.2 The Chief Fire Officer does not receive any additional bonuses, performance related pay, charges, fees or allowances. As a Brigade Manager, the Chief Fire Officer has an operational requirement for a lease vehicle and this is in accordance with the Service Contract Car Hire Scheme. The benefit-in-kind attributable to the private usage of this Service car is £2,832 for 2010-11. The actual 2011-12 figure will not be available until after 31 March 2012.
- 6.3 In relation to the pension entitlement, the Chief Fire Officer is eligible to be a member of the Firefighters' Pension Scheme. All members of this pension scheme (which is closed to new members) can retire on reaching age 50 provided they have at least 25 years service. The maximum pension entitlement that a member of the pension scheme can accrue is 30 years service. Chief Fire Officers appointed before 2006 are required to seek approval to retire at age 50 whilst those appointed after 2006 do not. All other members of the pension scheme are not required to obtain such approval. This requirement for Chief Fire Officers to have to seek approval has been recognised nationally as being potentially discriminatory on the grounds of age but that this can be overcome by agreement with the Authority to permit retirement from age 50. The Authority has previously given approval for the Chief Fire Officer to retire at age 50 and there are no additional financial implications to the Fire Authority associated with this decision. The Department for Communities & Local Government is currently considering future changes to the Firefighters' Pensions Scheme as part of the Hutton review.
- 6.4 Should the Chief Fire Officer cease to hold his post then the notice period from either the employee or employer is three months. There are no additional elements relating to the Chief Fire Officer ceasing to hold this post other than those covered under any other enactments.

7. REMUNERATION OF CHIEF OFFICERS ON RECRUITMENT

- 7.1 Within the Localism Act there is a requirement to state the remuneration of Chief Officers on recruitment. The pay level for the Chief Fire Officer was determined by the Authority in 2006, based on 2005 data, in preparation for the new combined Devon & Somerset Fire & Rescue Service commencing on 1 April 2007. The current rate of remuneration would apply to any Chief Fire Officer on recruitment.

8. THE PUBLICATION OF AND ACCESS TO INFORMATION RELATING TO REMUNERATION OF CHIEF OFFICERS

- 8.1 In order to make this information in relation to the Chief Fire Officer accessible to members of the public, this Pay Policy Statement will be published on the Authority website.

9. REVIEW OF THE PAY POLICY STATEMENT

9.1 This document will be reviewed at least annually by the full Authority.