

<b>REPORT REFERENCE NO.</b>	<b>DSFRA/16/7</b>
<b>MEETING</b>	<b>DEVON &amp; SOMERSET FIRE &amp; RESCUE AUTHORITY (BUDGET MEETING)</b>
<b>DATE OF MEETING</b>	<b>19 FEBRUARY 2016</b>
<b>SUBJECT OF REPORT</b>	<b>THE LOCALISM ACT 2011 – PAY POLICY STATEMENT 2016-17</b>
<b>LEAD OFFICER</b>	<b>Chief Fire Officer</b>
<b>RECOMMENDATIONS</b>	<i><b>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 2011.</b></i>
<b>EXECUTIVE SUMMARY</b>	<p>The Authority is required under the Localism Act 2011 to approve and publish a Pay Policy Statement, by 31 March of each year, to operate for the forthcoming financial year. This Statement sets out 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.</p> <p>This paper provides further background information in relation to the requirements of the Localism Act and includes a draft Pay Policy Statement for the forthcoming (2016-17) financial year.</p>
<b>RESOURCE IMPLICATIONS</b>	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.
<b>EQUALITY RISK &amp; BENEFITS ANALYSIS (ERBA)</b>	The contents of this report are considered compatible with existing equalities and human rights legislation.
<b>APPENDICES</b>	A. Draft Pay Policy Statement 2016-17
<b>LIST OF BACKGROUND PAPERS</b>	<ol style="list-style-type: none"> <li>1. Localism Act 2011 Sections 38 to 43.</li> <li>2. "Pay Policy and Practice in Local Authorities: A Guide for Councillors" produced by the Local Government Association, published January 2013.</li> <li>3. Code of Recommended Practice for Local Authorities on Data Transparency.</li> </ol>

## **1. INTRODUCTION**

1.1 The Localism Act 2011 (“the Act”) introduced a new requirement for all public authorities, including combined fire and rescue authorities, to approve and publish annually a Pay Policy Statement. There were numerous reasons for the introduction of this new duty, including:

- the estimation that, between 2001 and 2008 median top salaries in local government grew at faster rate than entry salaries and that, in that context, around 800 local government employees were in the top 1% of all earners;
- the commitment of the Coalition Government to strengthen councillors powers to vote on large salary packages for council officers;
- the outcome of the Hutton review into fair pay in the public sector which made several recommendations for promoting pay fairness in the public sector by increasing transparency over pay and tackling disparities between the lowest and the highest paid in public sector organisations.

1.2 The provisions on pay in the Act are designed to bring together the strands of Government thinking to address pay issues in local government as outlined above.

1.3 Pay Policy 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 and approved by the full Authority by 31 March in each year and be published as soon as reasonably practicable thereafter. Publication can be in such a manner as the Authority considers appropriate, but must include publication on the Authority’s website. A Pay Policy Statement may be amended “in year” but, should it be amended, the revised Statement must again be published.

1.4 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 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.

## **2. CONTENT OF THE PAY POLICY STATEMENT**

2.1 The Act requires that each authority’s Pay Policy Statement must include its policies on:

- the level and elements of remuneration for each chief officer;
- the remuneration of its lowest paid employees (together with its definition of “lowest paid employees” and its reasons for adopting that definition);
- the relationship between the remuneration of its chief officers and other employees;
- other specific aspects of chief officers’ remuneration namely:
  - remuneration on recruitment;
  - increases and additions to remuneration;
  - use of performance-related pay and bonuses; termination payments; and

- transparency (i.e. the publication and access to information on the remuneration of chief officers).

2.2 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.

2.3 The term "chief officers" in a fire and rescue service context will refer to the Chief Fire Officer but "chief officers" are defined in Section 43 of the Act to include a Head of Paid Service, a Monitoring Officer, any other statutory chief officer, or a deputy chief officer or other non-statutory chief officer as defined in the Local Government and Housing Act 1989 (these include officers reporting directly either to the Head of Paid Service or the Authority).

### **3. ACCOUNTS AND AUDIT REGULATIONS 2011**

3.1 Whilst the Localism Act 2011 does not require details on salary levels to be published in the Pay Policy Statement, the Accounts and Audit Regulations require the published Statement of Accounts for an authority to include information on senior employees who are identified by job title and paid over £50,000, in bands of £5,000. Any senior employee earning in excess of £150,000 must be identified by name.

3.2 "Senior employees" are defined as per the Local Government and Housing Act 1989 (see para. 2.3 above) but also include "a person who has responsibility for the management of the relevant body to the extent that the person has power to direct or control the major activities of the body (in particular activities involving the expenditure of money), whether solely or collectively with other persons".

3.3 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 median pay-point of the organisation's whole workforce as a way of illustrating that relationship. Guidance produced by the Department for Communities and Local Government (CLG) on openness and accountability in local pay provides that:

*"While authorities are not required to publish data such as a pay multiple within their pay policy statement, they may consider it helpful to do so, for example, to illustrate their broader policy on how pay and reward should be fairly dispersed across their workforce. In addition, while they are not required to develop local policies on reaching or maintaining a specific pay multiple by the Act they may wish to include any existing policy".*

3.2 Section 5 of the proposed Pay Policy Statement shows two pay multiples, comparison with the median 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 previously 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.

#### **4. PAY POLICY IN PRACTICE IN LOCAL AUTHORITIES – A GUIDE FOR COUNCILLORS**

- 4.1 This document was published by the Local Government Association (LGA) in 2013. Unlike other guidance published by CLG, however, it does not constitute statutory guidance and is perhaps best viewed as “best practice”. In November 2013 the LGA specifically issued the guidance to all fire and rescue authorities in England and Wales. Within the covering letter the LGA highlighted that the practice of re-employment of individuals who have been made redundant or have retired and are in receipt of a pension should be used only in exceptional and justifiable circumstances (such as business continuity). Within the guide is an LGA model Pay Policy Statement which suggests the following paragraph:

*“It is not the council’s policy to re-employ or to contract with senior managers who have been made redundant from the council unless there are exceptional circumstances where their specialist knowledge and expertise is required for a defined period of time or unless a defined period of (define number of years) has elapsed since the redundancy and circumstances have changed”*

- 4.2 The covering letter to this LGA guidance suggests that this paragraph should be widened to incorporate retirements in addition to redundancies. These modifications were incorporated into the 2014-15 Pay Policy Statement and remain unchanged in the draft now attached for 2016-17.

#### **5. THE TRANSPARENCY CODE**

- 5.1 The introduction of the The Local Government (Transparency Requirements) (England) Regulations 2014 has also resulted in further additional requirements in terms of publishing data relating to the Service. The requirements are set out in a Local Government Transparency Code. The LGA has produced a set of revised practical guidance documents to support local authorities in understanding and implementing the Transparency Code 2014 and to help them publish the data in a meaningful and consistent way. The Code covers information on spending and procurement, organisational information and asset and parking information.
- 5.2 The Transparency Code requirements overlap to a degree with certain staffing information required to be published both as part of the annual Statement of Accounts and the Pay Policy Statement. There are, however, some additions including requirements for further details of Senior Manager organisational structures, grading and responsibilities where salary levels are in excess of £50,000 and also Trade Union Facility time.

#### **5. PAY POLICY STATEMENT 2016-17**

- 5.1 This is now the fifth iteration of the Pay Policy Statement, the Authority having approved and published a Statement for each of the last 4 consecutive years following introduction of the requirement by the Localism Act 2011.
- 5.2 The draft Pay Policy Statement to operate for the 2016-17 financial year is now attached at Appendix A to this report. The principal differences between this iteration and previous versions relates relate to the salaries of senior officers on the Service Executive Board.

5.3

At its Ordinary Meeting on 28 May 2015 the Authority considered a report on the Principal Officers' Pay Review 2015. The review had been undertaken by a Member Working Party comprising the Authority Chair and Vice-Chair together with each of the Committee Chairs, assisted (by the provision of benchmarking data etc.) by the Hay Group. The Authority resolved (Minute DSFRA/13 refers):

- “(a) that the following recommendations of the Members Working Group be approved:*
- (i) that the salary of the Chief Fire Officer be set at £146,031 with effect from 1 April 2015;*
- (ii) that the percentages of the Chief Fire Officer's salary used to set the salaries of the other Principal Officers be restored to the lower levels previously determined by the Authority, as follows (again with increases to take effect from 1 April 2015):*
- Director of Operations at 75% (£109,523);*
- Director of Corporate Services at 68.75% of 5/6th (£83,664); and*
- Director of People & Commercial Services at 68.75% of 5/6th (£83,664)*
- (iii) that the Chief Fire Officer, and other Principal Officers, be permitted to undertake roles outside of the Service, subject to:*
- any such work being undertaken whilst on annual leave;*
  - there being no conflict of interest with the business of the Authority, Red One Ltd. or any company or other body that the Authority might establish from time to time;*
  - compliance with the requirements of the Local Government Act 1972 in relation to the recording of interests in contracts; and*
  - all roles outside the Service being recorded in a register of interests kept for that purpose;*
- (b) that consideration be given at a future meeting to removing the link in salary of the posts of Director of Corporate Services and Director of People and Commercial Services to the salary of the Chief Fire Officer with a view to replacing this with a remuneration package for those posts based on the requirements of the role coupled with a performance-based aspect.”*

5.4

The salary level of the Service Principal Officers (which at the time comprised some ten officers including the current Director of Corporate Services and Director of People and Commercial Services) was initially approved in December 2006 by the Shadow Devon & Somerset Fire & Rescue Authority and based upon an independent role evaluation undertaken by the South West Provincial Employers. The evaluation utilised an existing, nationally-recognised job evaluation scheme (the Greater London Council Scheme) which takes account of the following factors:

- Supervision/Management of People
- Creativity and Innovation
- Contacts and Relationships
- Decisions
  - Discretion
  - Consequences

- Resources
- Work Environment
  - Work Demands
  - Physical Demands
  - Working Conditions
  - Work Context
- Knowledge and Skills

- 5.5 The outcome of this evaluation was the adoption of four-grade structure which reflected the [then] “Gold” Book (national conditions for principal operational fire officers) requirement that *‘The salary scale of an assistant chief fire officer shall not be less than 75% at each point of the scale of the chief fire officer...’* It also allowed for the salary of non-operational officers to be set at a level reflecting that, for such officers, there was no requirement for an additional 20% as recompense for the requirement for extended availability.
- 5.6 This decision of the Shadow Devon & Somerset Fire & Rescue Authority (to adopt a four-grade structure for principal officer salaries following the job evaluation process) was incorporated into the contractual details of the officers concerned.
- 5.7 In light of the Authority decision to remove the link between increases in the salary of the Chief Fire Officer and those of other Executive Board officers (see paragraph 5.3 (b) above), a number of discussions have been held to determine how best to give effect to this. The outcome of these discussions and the proposed future mechanism for determining salary increases for both the Chief Fire Officer and other officers on the Executive Board is now contained in the draft Pay Policy Statement for 2016-17 – specifically paragraphs 3.7 and 3.8 which, for ease of reference, are reproduced below:

- “3.7 *Any locally determined increases in the Executive Board Officers’ remuneration are subject to approval by the full Authority. In accordance with the conditions within the Gold Book, the Authority is required to conduct an annual review of the remuneration afforded to members of the Executive Board. Any such reviews will be conducted by way of an expert, independent report to a full Authority meeting which will contain such relevant data as to enable the Authority to reach a determination on levels of appropriate remuneration. As a minimum, comparative benchmark data will be provided on chief executive and other senior officer salary levels in other relevant public bodies as may be determined, e.g. other fire and rescue authorities, constituent authorities, neighbouring police authorities etc. The annual review will also consider the level of pay awards made for other groups of employees and the relationship between the remuneration of the Chief Fire Officer and the median basic pay of the Authority’s whole workforce.*
- 3.8 *In 2015, the Authority conducted a review of Executive Board Officers’ pay. Following that review, it was agreed with the Executive Board Officers that:*
- i) *the percentage link to the Chief Fire Officer salary for other Executive Board Officers would be removed;*
  - ii) *the annual review process will be considered on an individual basis;*

iii) *in conducting the annual review, any pay rise above the annual cost of living increases agreed nationally by the NJC for Brigade Managers, will be no greater than the percentage pay rise received by a Firefighter, unless such a pay rise is as a result of good performance, a reorganisation, restructure or other substantial reason.”*

5.8 Given that the prior approach (linking salary increases of other officers on the Executive Board to that of the Chief Fire Officer) was a contractual issue, to implement the approach now set out in paragraphs 3.7 and 3.8 of the Pay Policy Statement (and extracted above) would require the current post incumbents to agree to an appropriate variation in contract terms. The individuals concerned have agreed to a contract variation, with effect from 1 April 2016, reflecting the new approach to salary review as set out in paragraphs 3.7 and 3.8 of the draft Pay Policy Statement now appended.

5.9 Other than the changes as highlighted in this Section (addressing the senior officers' salary review process), there are no other substantial changes to the Pay Policy Statement as approved by the Authority in previous years.

## **6. CONCLUSION**

6.1 The Localism Act requires the Authority to adopt, prior to the commencement of each financial year, a Pay Policy Statement to operate for the forthcoming financial year. This Statement sets out, amongst other things, 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.

6.2 In considering the last pay review process for the Chief Fire Officer in May 2015, the Authority resolved that the link between increases in salary for the Chief Fire Officer and other officers on the Executive Board be removed. This has been subject to ongoing discussions to best give effect to this, the outcome of which are now reflected in the draft Pay Policy Statement proposed for the Authority for the forthcoming financial year.

6.3 The Authority is invited to consider this draft Statement with a view to approving it (subject to any further amendments that may be indicated at the meeting).

**LEE HOWELL**  
**Chief Fire Officer**

DEVON & SOMERSET FIRE & RESCUE AUTHORITY

THE LOCALISM ACT – PAY POLICY STATEMENT 2016-17

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 the Authority's senior staff. The Authority will also publish the statement on its 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 fifth such Pay Policy Statement that the Authority has produced and it will continue to be reviewed and refined by the Authority as part of its rewards & recognition strategies.
- 1.3 It should be noted that Regulation 4 of the Accounts and Audit (Amendment number 2) Regulations 2009 also provides a legal requirement to increase transparency and accountability within local authorities. 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 Authority's internet. In addition, the rates of pay for all other categories of staff can be found at [Rates of Pay](#).
- 1.4 The introduction of the Local Government (Transparency Requirements) (England) Regulations 2014 has also resulted in additional requirements in terms of publishing data relating to the Authority. The requirements are set out in a Local Government Transparency Code. The Local Government Association has produced a set of revised practical guidance documents to support local authorities in understanding and implementing the Transparency Code 2014 and to help them publish the data in a meaningful and consistent way. The Code covers information on spending and procurement, organisational information and asset and parking information and this open data is accessible via the following link:  
[DSFRS Transparency Data](#)
- 1.5 There is some overlap within the Transparency Code with certain staffing information that is already required as part of the annual Statement of Accounts and the Pay Policy Statement but there are also some additions including further details of organisational structures relating to Senior Managers, including grading and responsibilities, where salary levels are in excess of £50,000 and also Trade Union Facility time.



## **2. CATEGORIES OF STAFF**

2.1 As part of the Pay Policy Statement, it is necessary to define the categories of staff within the Service and by which set of Terms and Conditions they are governed:

2.2 **Executive Board Officers (including Chief Fire Officer):** The Executive 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 Executive Board members has previously been determined by the Authority and is subject to annual reviews in accordance with the Constitution and Scheme of Conditions of Service of the National Joint Council for Brigade Managers of Local Authorities' Fire Brigades (the "Gold Book"). The two non-uniformed Executive Board Officers are conditioned to the Gold Book for pay purposes only. 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 for Brigade Managers of Fire and Rescue Services reviews annually any cost of living increase applicable to all those covered by the national agreement and determines any pay settlement. All other decisions about pay levels and remuneration over and above the minimum levels for Chief Fire Officers are taken locally by the full Authority, arrangements for which are set out in paragraph 3.5.

2.3 **Uniformed Staff:** This includes Whole-time 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". Any additional allowances are subject to local agreement.

2.4 **Support Staff:** This category is the non-uniformed employees who support our Operational Service. The Scheme of Conditions of Service for these employees is 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 EXECUTIVE 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 £118,483 per annum. The Authority is the largest non-metropolitan fire and rescue authority in the UK.

3.2 In 2006, prior to the combination of Devon Fire & Rescue Service and Somerset Fire & Rescue Service, the [then] Shadow Devon and Somerset Fire and Rescue 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 2007. Since then, national annual pay awards, and the review of Executive Board Officers' pay conducted by the Authority in 2015, have increased the salary to £147,491.

3.3 The other positions within the Executive Board are as follows:

Assistant Chief Fire Officer – Director of Operations

Director of Corporate Services

Director of People and Commercial Services

Further details of their responsibilities can be found at [Devon and Somerset Fire and Rescue Service - Organisational Structure](#)

3.4 The Assistant Chief Fire Officer salary has previously been set locally at 75% of the Chief Fire Officer salary, which reflected the previous minimum salary level set by the National Joint Council. However, following the review of Executive Board Officers' pay conducted by the Authority in 2015, the percentage link to the Chief Fire Officer salary has been removed by mutual agreement. The current Assistant Chief Fire Officer salary is £110,618. Uniformed Brigade Managers (Chief Fire Officer and Assistant Chief Fire Officer) also provide "stand-by" hours outside of the normal working day within a Brigade Manager rota.

3.5 The remaining two "non-uniformed" Executive Board positions are on Grade 3 within a four point grading structure which was determined by an external, independent Job Evaluation process. The salary levels for these grades were set as a percentage of the Chief Fire Officer's salary but, as with the Assistant Chief Fire Officer, following the review of Executive Board Officers' pay conducted by the Authority in 2015, the percentage link to the Chief Fire Officer salary has been removed by mutual agreement. The current salary levels for the four grades are:

Grade	Salary
4	£92,184
3	£84,500
2	£76,821
1	£69,138

3.6 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.*

- 3.7 Any locally determined increases in the Executive Board Officers' remuneration are subject to approval by the full Authority. In accordance with the conditions within the Gold Book, the Authority is required to conduct an annual review of the remuneration afforded to members of the Executive Board. Any such reviews will be conducted by way of an expert, independent report to a full Authority meeting which will contain such relevant data as to enable the Authority to reach a determination on levels of appropriate remuneration. As a minimum, comparative benchmark data will be provided on chief executive and other senior officer salary levels in other relevant public bodies as may be determined, e.g. other fire and rescue authorities, constituent authorities, neighbouring police authorities etc. The annual review will also consider the level of pay awards made for other groups of employees and the relationship between the remuneration of the Chief Fire Officer and the median basic pay of the Authority's whole workforce.
- 3.8 In 2015 the Authority conducted a review of Executive Board Officers' pay. Following that review, it was agreed with the Executive Board Officers that:
- i) the percentage link to the Chief Fire Officer salary for other Executive Board Officers would be removed;
  - ii) the annual review process will be considered on an individual basis;
  - iii) in conducting the annual review, any pay rise above the annual cost of living increases agreed nationally by the NJC for Brigade Managers, will be no greater than the percentage pay rise received by a Firefighter, unless such a pay rise is as a result of good performance, a reorganisation, restructure or other substantial reason.

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

- 4.1 The lowest grade in the Service is within the Support Staff category which has a grading structure from Grade 1 to 11. The lowest paid worker is at Grade 2 (following the outsourcing of cleaning, there are no employees on 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 employees are part-time the actual salary levels are pro-rata. The salary range at Grade 2 is currently £15,523 to £16,969 for a 37 hour week. For contextual purposes the salary level for a full-time firefighter is £29,345 per annum.

#### **5. THE RELATIONSHIP BETWEEN THE REMUNERATION OF 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 median earnings of the whole workforce using the basic pay for full-time equivalents. The second multiple is for the lowest pay point, which has previously been used as a benchmark following suggestions by the Government that a ratio of 20:1 should be regarded as a level which public sector organisations should not exceed.
- the median basic pay of the Authority's whole workforce is £29,345 and
  - the lowest pay point is £15,523.

The current pay multiple ratios are:

median basic pay	5.0:1
lowest pay point	9.5:1

- 5.2 In terms of the pay multiple between the Chief Fire Officer and other staff across the organisation, the Authority's Pay Policy is that this will remain at the current level when compared with the median basic pay across the organisation, subject to the national pay settlements and any review by the Authority. The Pay Policy Statement for future years will continue to be determined by the full Authority.

## **6. 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 was £2,491.04 for 2014/15. The figure for 2015/16 will not be available until after 31 March 2016.

- 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 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 Authority associated with this decision.

- 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 appointment of the Chief Fire Officer is subject to approval by the full Authority. The current rate of remuneration would apply to any Chief Fire Officer on recruitment, subject to any review that may take place in accordance with the arrangements set out within this Pay Policy Statement.

## **8. RE-EMPLOYMENT OF EMPLOYEES**

- 8.1 The Authority will not normally re-employ or contract with employees who have been made redundant by the Authority unless:

- there are exceptional circumstances where their specialist knowledge and expertise is required for a defined period of time **and** there has been a break in service of at least one month; or
- a defined period of 12 months has elapsed since the redundancy and circumstances have changed; or
- the re-employment is in a different role **and** there has been a break in service of at least six months; or
- the re-employment is in the same role but at a lower cost and is within the context of an approved business case at the time of the redundancy **and** there has been a break in service of at least one month.

- 8.2 For each of the above scenarios:

- the approval of the Human Resources Management and Development Committee will be required for the re-employment, following redundancy, of any former employee up to Executive Board posts; or
- the approval of the full Authority will be required for the re-employment, following redundancy, of any Executive Board post-holder; and

For both of the above two approval processes, the Authority may require the repayment of one 24<sup>th</sup> part of any redundancy payment made by the Authority for every month less than 24 months between the date of redundancy and the date of re-employment.

- 8.3 The Authority will, in principle, allow the re-employment of employees who have retired, subject to a break in service of at least one month, because it is recognised that this often represents an effective way of retaining specialist knowledge and skills without any increase in cost to the Authority (and noting that costs to the Pension Scheme are no more than would be the case for normal retirement). The re-employment of any employee who has retired will, however, be subject to:

- the approval of the Human Resources Management and Development Committee for all employees up to Executive Board posts; or
- the approval of the full Authority for any Executive Board post-holder.

- 8.4 Where retired uniformed staff are re-employed, then the Fire-Fighters' Pension shall be abated such that the income from the gross annual rate of pay whilst re-employed together with the gross annual pension (after commutation) will not exceed the gross annual rate of pay immediately prior to retirement. For staff within the Local Government Pension Scheme, where an individual is re-employed on the same terms and conditions [salary] as previously, the same abatement rules as apply to those within the Fire Fighters Pension Scheme will be applied. However, the Authority's policy on Pension Discretions refers to flexible retirement and states that this "may be subject to abatement during such time as the individual remains employed by the Service". This allows the Authority to use flexible retirement opportunities where key employees may wish to continue working as they get older but step down in grade or reduce their working hours. This can be beneficial to the Authority in retaining key skills, knowledge and experience whilst also reducing costs. The authorisation of any such flexible retirement arrangements will be subject to the approval mechanism detailed above.
- 8.5 The appointment, or re-employment, of any members of the Executive Board (the Chief Fire Officer, Assistant Chief Fire Officer, Director of Corporate Services and Director of People and Commercial Services) will always be subject to approval of the full Authority and any re-employment following redundancy or retirement will be subject to consideration of a robust business case and fully scrutinised against the above criteria.

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

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

**10. REVIEW OF THE PAY POLICY STATEMENT**

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