

CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 13 FEBRUARY 2019
REPORT OF: DIRECTOR OF TRANSFORMATION
AUTHOR: ANDREA HARVEY

SUBJECT: PAY POLICY STATEMENT 2019-20

Purpose of Report

1. This report seeks approval to publish the attached Pay Policy Statement for 2019-20. The publishing of a Pay Policy Statement is an annual requirement which must take place by 31st March immediately preceding the financial year to which it relates.

Recommended: That Members

- [1] Approve the Pay Policy Statement attached at Appendix 1; and
- [2] Authorise the Director of Transformation in conjunction with the Director of Governance and Commissioning, to make any in-year changes to the Pay Policy Statement necessitated by new legislation or guidance.

Background

2. As a result of the Localism Act 2011 all local authorities are required to publish a pay policy statement on an annual basis which sets out the Authority's policies for the financial year relating to the remuneration of its Chief Officers, the remuneration of its lowest paid employees and the relationship between the pay of Chief Officers and that of other employees.
3. This requirement was introduced in order to:
 - Increase the accountability, transparency and fairness of the setting of local pay;
 - To give local people access to information to allow them to determine whether pay is appropriate;
 - To ensure the pay of senior staff is fair in the context of the pay of the rest of the workforce;
4. The information within a pay policy statement must include the policies relating to the level and elements of remuneration for each Chief Officer, including salary, bonuses and any benefits in kind.

5. The definition of “Chief Officer” for purposes of this Authority and the pay policy statement means Chief Fire Officer and Chief Executive, Deputy Chief Fire Officer, and the two Statutory Officers, i.e. the Monitoring Officer and the Section 151 Officer (Treasurer).
6. In terms of transparency, this Authority already publishes information on its website relating to the pay of senior officers including the salaries, allowances and benefits in kind paid to the Chief Fire Officer and Chief Executive, Deputy Chief Fire Officer, and Statutory Officers.
7. In addition to this, the Authority also publishes the number of other employees whose salaries exceed £50,000 within certain pay bands which is in compliance with the guidance in the Local Government Transparency Code 2015 which recommends that all salaries of senior post holders over £50,000 are published. The Minutes of the Brigade Managers’ Pay and Performance Committee are also accessible via the website.
8. As the revised Pay Policy Statement has a number of prerequisites in relation to content and information, there have not been significant changes to the version that was approved last year.

Changes to the Pay Policy Statement

9. A new brigade manager structure has been recommended for approval by the Fire Authority. If approved, two new Assistant Chief Fire Officers posts will be created in place of the Deputy Chief Fire Officer post. If this is approved, the Pay Policy Statement will need to be amended to reflect these changes. These changes are shown in red on the draft Pay Policy Statement attached to this report as Appendix 1.
10. We are awaiting confirmation of the increase in the employer contribution rates for the Firefighter Pension schemes and will update the Pay Policy Statement once the new rate is published.
11. A decision was made by Members during the 2018-19 financial year to make the minimum rate of pay for all Cheshire Fire and Rescue Service employees no less than the Living Wage (LW). The LW is reviewed and adjusted every October. The current rate is £9.00 per hour and is intended to be payable to all those over 18. The Pay Policy Statement has been updated with the new rate.
12. The Pay Multiples, the ratios between the highest paid employee and the average earnings across the Service/lowest paid employees, have been adjusted this year to reflect the lower salary of the Chief Fire Officer and Chief Executive and an overall increase in the pay of all other staff.
13. In 2018 the Authority published its first Gender Pay Gap Report 2017 in compliance with the Government’s new requirement for public sector employers with 250 or more employees to calculate and publish a gender pay gap figure. The pay used in the calculation includes basic pay,

recurring allowances and bonus payments based on a snapshot of data from the March payroll each year.

14. The first snapshot date was 31st March 2017 and the results have been published on the Cheshire Fire and Rescue Service website. The report identifies a median gender pay gap of 18.9% in favour of male employees. This is similar to the national picture and steps are being taken to address this.
15. In May 2018 the new Fire and Rescue National Framework was published. Each fire authority must have regard to the Framework. Paragraph 6.7 states that fire authorities must not re-appoint principal fire officers after retirement save for in exceptional circumstances where this is necessary in the interests of public safety. The Pay Policy Statement has been updated to reflect this. The Authority has taken this approach to re-engagement for some time and this is documented within its Re-Employment and Pension Abatement Policy.
16. There is one known outstanding issue pertaining to pay that may necessitate changes to the Pay Policy Statement during the course of the financial year 2019/20. This is:
 - The Public Sector Exit Regulations could come into force during 2019. Under these Regulations it is proposed that the total cost of exit payments to individuals leaving the Authority will be capped at £95,000. This will apply to compulsory and voluntary redundancies, including early retirements and redundancies made under the pension regulations on the grounds of efficiency. The cap will also apply to compensation payments linked to settlement agreements and the employer costs of providing early unreduced access to pensions for those aged 55 and over. The Fire Authority will have the power to grant a waiver of the cap and a decision to do so will have to be recorded, together with the reasons for this, and this information must be published as part of the annual accounts. The introduction of the Public Sector Exit Regulations was expected some time ago but they have now started to progress through the Parliamentary process.
17. The changes in respect of this issue will need to be reflected in the Pay Policy Statement at the appropriate time and the impact of the Public Sector Exit Regulations will also need to be incorporated into relevant HR policies once approved.
18. Some of the calculations in the Pay Policy Statement may need to be revisited in-year as pay negotiations come to a conclusion and increases are applied.

Financial Implications

19. The Pay Policy Statement is intended to provide transparency and a clear rationale to explain the Authority's approach to pay.

Legal Implications

20. The requirements under the Localism Act to produce and publish the Pay Policy Statement supplement all the existing duties and responsibilities of the Authority as an employer, particularly its responsibilities under the Equality Act 2010 to avoid discrimination and provide equal pay. Since the Statement contains policies concerned with remuneration rather than information relating to individuals, the provisions of the Data Protection Act are not engaged. Where the salary of senior post holders is published, outside the Pay Policy Statement, it is done so in order to comply with the Code of Recommended Practice for Local Authorities on Data Transparency.

Equality and Diversity Implications

21. The Pay Policy Statement will assist the Authority to: monitor remuneration across the Service; and provide a fair system of remuneration which avoids discrimination.
22. The Service seeks to ensure compliance with the requirements of the Pay Gender Gap reporting by publishing its annual Gender Pay Gap Report.

Environmental Implications

23. There are no environmental implications.

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BACKGROUND PAPERS:

Pay Policy Statement 2018-19 was considered by the Fire Authority on 14 February 2018