

## **Cheshire Fire Authority**

### **Annual Pay Policy Statement 2021-2022**

#### **Introduction**

This statement has been prepared in accordance with Chapter 8 of the Localism Act 2011 and guidance issued by the Government and has been approved by the Fire Authority.

Cheshire Fire Authority is committed to:-

- Seeking to ensure that all staff are valued and receive proper recognition for their work and contribution to the Service.
- Working within available resources and financial constraints.
- Recognising the importance of pay in recruiting, retaining, motivating and rewarding staff.
- Ensuring the application of open, objective, fair and consistent criteria in all decisions on staff pay.
- Ensuring that pay and staffing decisions are in line with the Service's duties and legal obligations under all relevant employment legislation including the Equality Act 2010.

All staff employed by the Authority are paid in accordance with nationally agreed pay scale and terms and conditions. Full details of all matters relating to pay for all staff is contained within the Pay and Recognition Policy, which is reviewed formally every three years, although annual interim reviews are undertaken to update pay scales and other national changes that impact pay.

#### **Highest Paid Employees**

##### **Brigade Managers**

The terms and conditions of service of Brigade Managers e.g. the Chief Fire Officer and two Assistant Chief Fire Officers are in accordance with the NJC for Brigade Managers of the Fire and Rescue Services Scheme of Conditions of Service ("the Gold Book") as varied locally under the 'twin track approach'.

Under the twin track approach the NJC publishes, annually, recommended minimum levels of salary applicable to chief fire officers. The NJC reviews the level of pay increase, having given consideration to affordability and the rate of inflation. This increase is communicated to fire authorities by circular and fire

authorities are able to determine locally all other decisions about the level of pay and remuneration.

The Pay and Performance Committee meets annually in January to review that pay. This Committee determines salary levels and salary reviews for the three Brigade Manager posts.

In addition to basic salary, each Brigade Manager receives:

1. A non-consolidated uniform allowance, paid on an annual basis in April.
2. Removal assistance if required to move home, at the discretion of the Authority.

The Chief Fire Officer also receives an appropriate car in order to provide emergency cover.

In setting the salary of the Chief Fire Officer, both on appointment and when in post, the Committee considers the national picture and the salary of Chief Fire Officers (mean, median, upper and lower quartile) in comparable Fire Authorities.

When reviewing pay the Committee will also consider whether any additional payments should be made. When agreeing additional payments, such as recognition awards, the Committee will take into consideration:

- Excellent performance both individually and as an organisation
- Additional regional and national roles.

The maximum amount payable as a recognition award should not exceed 7.5% of salary and the payment of anything in excess of 5% should be exceptional.

Brigade Managers are eligible to join the Firefighters' Pension Scheme. The employee contribution rates are between 11% and 17% of pensionable pay and the employer contribution rate is 37.3% of pensionable pay in the 1992 scheme or 28.8% in the 2015 scheme.

The salaries of the Deputy Chief Fire Officer and the Assistant Chief Fire Officer are calculated as a percentage of the Chief Fire Officers salary (known as the 'gearing'). A gearing of 80% applies to the post of Deputy Chief Fire Officer and a gearing of 75% applies to the post of Assistant Chief Fire Officer.

Any new post at Brigade Manager level, with a salary package in excess of £100,000, will be subject to the approval of the Fire Authority prior to advertisement.

The details of the salaries, allowances and benefits in kind of Brigade Managers, Directors, Statutory Officers and Heads of Department are published each year on the Authority's website, within the Notes to the Financial Statements within the Annual Accounts. The Authority also publishes the pay of the three Brigade Managers within its Publication Scheme.

## **Directors, Statutory Officers, and Heads of Department**

In addition to the Chief Fire Officer and Chief Executive, there are two additional Statutory Officers within Cheshire Fire and Rescue Service. These are the Director of Governance and Commissioning, who acts as Monitoring Officer to the Authority, and the Section 151 Officer (Treasurer). There is also one non-statutory director who occupies the role of Director of Transformation. All three posts report directly to the Chief Fire Officer and Chief Executive.

The terms and conditions of service of these three posts are in accordance with the National Joint Council for Local Government Services Officers ("Green Book").

There are also a number of Heads of Department within the structure, some of whom are uniformed officers, who are paid in accordance with the NJC for Local Authorities Fire Brigades (the "Grey Book") and some of whom are paid in accordance with the National Joint Council for Local Government Services Officers ("Green Book").

The Localism Act requires the Authority to provide details of the policies relating to the remuneration of all of the Directors, Statutory Officers and Heads of Department.

The grading of these posts is determined following the application of the Hay Job Evaluation scheme. New employees are normally appointed to the minimum pay level for the relevant grade and progression within the grade is by way of annual increment. The normal increment date is 1<sup>st</sup> April.

The annual pay award is normally from 1<sup>st</sup> April each year and is negotiated nationally, not locally.

In addition to their basic salary, a recognition payment can be made to individuals who are required to undertake duties outside the scope of their normal duties over an extended period. Such payments are made in accordance with the criteria contained in Section 5 of the Pay and Recognition Policy, "Recognition Award Scheme".

"Grey Book" Heads of Department are eligible to join the Firefighters' Pension Scheme. The employee contribution rates for the 2015 scheme are between 11% and 14.5% of pensionable pay and the employer contribution rate is 28.8%. Some employees may be protected members of the 1992 scheme where contribution rates are between 11% and 17% and the employer contribution rate is 37.3%.

"Green Book" Directors and Heads of Department are eligible to join the Local Government Pension Scheme ("LGPS"). Under the LGPS the employee contribution rates are between 5.5% and 12.5 % and the employer's contribution rate is 18.3%.

The Authority's annual statement of accounts includes details of the pay of Heads of Department with an annual salary of over £50,000.

### **Lowest paid employees**

Support staff below the level of Head of Department are paid in accordance with the National Joint Council for Local Government Services Officers ("Green Book").

The basic pay for each Green Book employee consists of a salary scale containing a number of spinal column points on the NJC pay spine.

An increment within the spinal column range is awarded on an annual basis and recognises satisfactory performance up to the maximum salary scale. The normal increment date is the 1<sup>st</sup> April. The annual pay award is applicable from 1<sup>st</sup> April each year and is negotiated nationally.

As with all other staff, support staff are eligible for recognition awards, in accordance with the criteria contained in Section 5 of the Pay and Recognition Policy.

The lowest level of pay for employees of Cheshire Fire and Rescue is aligned to the Living Wage (LW). The LW is an hourly rate of pay set independently and updated annually by the Living Wage Foundation. The Foundation says that the LW is calculated to reflect the basic cost of living and is based on the principle that work should pay enough to provide for the essentials of life. The Foundation also states that the LW is intended to recognise the dignity of work and the importance of individuals and families being able to earn a living and spend time together, bringing wider social benefits.

The LW is adjusted every November and the current rate is £9.50 per hour. It is payable to all those over 18. Currently all staff within Cheshire Fire and Rescue Service are paid above the LW.

The Service continues to employ Apprentices and as Cheshire Fire and Rescue Service has a total employee salary bill of above £3m a year, there is a requirement to pay a Government levy. This is charged at a rate of 0.5% of the total annual pay bill but the Service incurs a levy allowance of approximately £15,000 per year to offset the levy payment. This levy is paid to HM Revenue and Customs (HMRC) through the Pay as You Earn (PAYE) process.

### **Payments on Termination of Employment**

There are a number of circumstances where early retirement or voluntary redundancy payments may be paid to employees on ceasing to hold office. This can relate to individual circumstances, for example ill health, or can be the result of organisational change or in the interests of the efficiency of the Service. In making such payments the Service will exercise its' discretion reasonably and objectively and in accordance with its' Reorganisation and Redeployment Policy and the Redundancy Policy.

For employees in the Local Government Pension Scheme with at least 104 weeks service the redundancy payment is enhanced and is based upon the statutory redundancy payments scale, multiplied by a factor of 2.2 and based upon actual weeks pay rather than the statutory maximum.

For all other staff redundancy payments are not enhanced and payments are calculated in accordance with the statutory redundancy provisions.

The payment of any early pension benefits where redundancy occurs will be made in accordance with the regulations as detailed within the relevant pension scheme and the Service's Statement of policy on making discretionary payments on early termination of employment.

All severance payments made to staff on termination of employment are calculated in accordance with our policies and any statutory guidance issued by the Audit Commission that remains relevant. Any severance payments in excess of £100,000 will need to be approved by the full Authority (and it will receive full details as required by guidance issued under the Localism Act 2011).

The Authority complies with the regulations relating to the public sector exit pay cap which imposes a £95,000 cap on the aggregate value (before tax) of exit payments which include redundancy and voluntary exit payments. The scope of the cap also incorporates actuarial strain costs paid to a pension scheme to facilitate early retirement pensions on an unreduced basis on redundancy for employees on and above age 55. The Authority has a discretionary power to relax the cap subject to various approvals by the Home Office and Treasury but this discretion would only be exercised in exceptional circumstances.

### **Re-engagement**

The Fire and Rescue National Framework for England, published in May 2018, stated that fire and rescue authorities must not re-appoint principal fire officers (at Brigade or Area Manager level or those with comparable responsibilities to those roles) after their retirement to their previous, or similar, post save for in exceptional circumstances when such a decision is necessary in the interests of public safety. Any such appointment must be transparent, justifiable and time limited. Such a decision should be subject to agreement by public vote of the elected members of the fire authority. The reason for the decision must be published and their pension abated until the new employment ends.

It is not the Authority's policy to re-employ or to enter into a contract for services with employees who have been made redundant or who have resigned/retired from the Service, unless there are exceptional circumstances where their specialist knowledge and expertise is required.

## **The relationship between the remuneration of Chief Officers and other employees**

The ratio between the highest paid employee and the mean (average) earnings across the Authority is recommended as the best way of illustrating the relationship between the two. This is called the pay multiple, and for this Authority the pay multiple for these purposes is 1:7.09

The Hutton Review conducted in 2012 asked for a pay multiple between the highest paid and the lowest paid not to exceed 1:20. The current calculation for this is a multiple of 1:8.13

## **Publishing of Gender Pay Gap Information**

As an organisation that is fully committed to the principles of equal pay, Cheshire Fire and Rescue Service publishes an annual Gender Pay Gap Report containing information relating to pay inequalities in line with gender pay gap reporting requirements. The data published includes the pay and bonus figures between men and women and provides an annual snapshot based on a set date in March each year which will highlight any equal pay risks.

Where required an action plan is also be published to address any gender pay discrepancies and equal pay risks. All of this information is accessible via the Service's internet.

## **Annual Review**

This pay policy statement will be reviewed on an annual basis prior to the start of the financial year, and will next be reviewed and approved by the Fire Authority in February 2022.

[NB: Some of the documents that are underlined will be hyperlinked when the policy is published on the internet]