APPENDIX 1

Pay Policy Statement 2019/20

(Sections 38-43, Localism Act 2011)

1. Introduction

1.1 In accordance with Sections 38-43 of the Localism Act 2011, this document represents Cleveland Fire Authority's Pay Policy Statement (PPS) for 2019/20. It sets out the Authority's policies in relation to the remuneration of its staff.

1.2 The PPS is subject to annual review and must be approved by the Authority for each financial year. It was approved on 23rd March 2018 for the year 2018/19.

1.3 The PPS will be published on the Brigade's website as soon as reasonably practicable after approval or amendment.

2. Pay Structures

2.1 The pay structure for employees conditioned to the scheme of conditions of service for local authorities' fire and rescue services is established through national negotiating committees of the National Joint Council (NJC).

2.2 The pay structure for employees conditioned to the scheme of conditions of service for local government services is established locally following the application of the NJC Job Evaluation Scheme which informs the locally determined Pay and Grading Structure.

2.3 For both groups of employees, rates of pay are based on defined stages of development leading to demonstration of competence in the employee's role. After all the applicable functions have been assessed as being achieved, competence is deemed to have been demonstrated and the 'competent' pay rate is applied.

2.4 All pay awards applied to the salary scales are as agreed through the NJC and notified to Authorities. Employees conditioned to the scheme of conditions of service for local government services who are paid above the maximum of the pay spine but graded below Deputy Chief Officer are within the scope of the NJC. The pay levels for such posts are determined locally as outlined in paragraph 2.2, but once fixed are increased in line with agreements reached by the NJC.

2.5 The Government's National Living Wage sets a minimum wage for all workers aged 25 and over. This equates to an annual salary of £15,837. Our lowest paid employees are paid at Grade B (Development), which is a salary of £18,065 and is therefore above this level.

3. Definitions

3.1 **Chief Officers** in Cleveland Fire Authority are defined as being the:

- Chief Fire Officer and Head of Paid Service as designated under section 4(1) of the Local Government and Housing Act 1989
- Legal Advisor and Monitoring Officer as designated under section 5(1) of that Act
- Treasurer to the Fire Authority as designated under section 151 of the Local Government Act 1972
- Director of Corporate Services
- Director of Technical Services

3.2 **Lowest Paid Employees**:

Fire-fighter (First Pay Point Development) is the lowest paid operational employee; this is paid after a twelve week induction. Once the employee is deemed competent Fire-fighter (Second Pay Point Competent) rate will apply.

Grade B (First Pay Point Development) is the lowest paid non-operational employee; this is the starting point on appointment. Once the employee is deemed competent Grade B (Second Pay Point Competent) rate will apply.

4. Remuneration of and Payments to Chief Officers

4.1 **Remuneration**

a) **Chief Fire Officer**
The salary will be established via a locally negotiated pay formula which includes an independent consideration of comparative information and any substantial local factors.

The North East Regional Employers Organisation (NEREO) will independently evaluate salary data on an annual basis from two lists of comparable fire and rescue authorities. One list measures 'managerial responsibility'(size of Brigade) and the other list measures 'risk' based on a risk index including deprivation, COMAH sites etc. The comparable information is used to calculate a median salary with a weighting of 1: 2 between the two comparator lists.

This formula approach was approved by the Authority in November 2007.

b) **Directors**
With effect from 1st April, each year, the annualised salaries of the Director posts will be set in line with the Local Government Association National joint Council for Brigade Managers Salaries and Numbers Survey, to retain the annualised salary for the two Directors at 100% of the average national salary for a Director level post (i.e. Assistant Chief Fire Officer) as defined in the LGA National Joint Council for Brigade Managers Salaries and Numbers Survey.

This formula approach was approved by the Fire Authority on 12th February, 2016.

c) **Treasurer**
The Treasurer role is provided by Hartlepool Borough Council under a Service Level Agreement. No direct payments are made by the Fire Authority to the Treasurer.

d) **Legal Adviser and Monitoring Officer**
The Legal Adviser and Monitoring Officer role discharges the statutory duties of Monitoring Officer under Section 5 of the Local Government and Housing Act, 1989. The salary for this post was agreed locally, and set by The Fire Authority on 23rd March, 2018. Annual pay awards applied are as agreed through the NJC and notified to Authorities.

4.2 **Increases and Additions to Remuneration**

Annual salary increases for the Chief Fire Officer and Directors will be constructed using a two-track approach as set out in paragraphs 10 and 11 of the National Joint Council (NJC) Scheme of Conditions of Service for Brigade Managers ('the Gold Book'). The first element is a nationally negotiated basic salary increase agreed between the Employers and the Association of Principal Fire Officers (APFO) and the second is a review of locally negotiated pay formula.

The Treasurer and Legal Adviser and Monitoring Officer annual increases are not determined by this Authority.

4.3 **Bonuses**

No bonuses will be paid to Chief Officers

4.4 **Performance Related Pay**

It is expected that Chief Officers will perform to the highest level and therefore performance related pay will not form part of current remuneration arrangements. This position will be reviewed if legislation and/or guidance relating to senior posts is changed.

4.5 Other Payments

A fixed sum telephone allowance is paid to those Chief Officers with an operational portfolio in recognition of the 24 hour 'on call' nature of their roles.

A fully expensed car is provided to the Chief Fire Officer and Directors on a leased basis. The maximum annual cost of a leased car was assessed and approved by the Authority in 2002 based on the previous provision of a Brigade vehicle and index linked to NJC Pay Awards each year. Any associated costs above the approved maximum annual costs are paid for by the individuals.

Fuel is provided for the leased vehicle of operational chief officers to reflect the continuous operational/on call role. Non-operational chief officers reclaim business miles in accordance with their terms and conditions.

4.6 Terms and Conditions

Terms and Conditions of Employment are those negotiated nationally by the National Joint Council (NJC) Scheme of Conditions of Service for Brigade Managers ('the Gold Book') and the Joint Negotiating Committee for Local Authority Chief Officers.

4.7 Future Position

In cases of new Chief Officer' appointments, the position and remuneration will be reviewed by the Fire Authority prior to recruitment.

5. Payment to Chief Officers Upon Termination of their Employment

5.1 Chief Officers who cease to hold office or be employed by the Authority will receive payments calculated using the same principles as any other member of staff, based on entitlement within their contracts of employment; their general terms and conditions and existing policies.

5.2 In the case of termination of employment by way of early retirement, redundancy (voluntary or otherwise) or on the grounds of efficiency of the service, the Brigade's Early Retirement and Redundancy Policy sets out provisions which apply to all staff regardless of their level of seniority.

5.3 The Authority's Early Retirement and Redundancy Policy also sets out the applicable provisions in respect of awarding additional pension entitlement by way of augmentation or otherwise.

6. Flexible Retirements

6.1 The Authority will only consider flexible retirement outside of the normal rules on an individual case by case basis. A full business case must be prepared in each case and approval will depend on the financial case and affordability.

7. Retirement, Re-Engagement and Abatement

7.1 In accordance with the Regulations of the relevant Pension Schemes, if an employee retires and then returns to work and their earnings on re-employment (including pension) exceed their earnings before they retired, the Fire Authority will reduce or stop ("abatement") the employees' pension to the point where the aggregate of the pension in payment and the salary received on re-employment does not exceed the level of earnings directly prior to their retirement.

8. Remuneration of Lowest Paid Employees

8.1 As stated in paragraph 3.2 the lowest paid operational employees are Fire-fighter (Development) and lowest paid non-operational employees Grade B (First Point Development)

8.2 The remuneration of these employees are:

- Fire-fighter (Development) £23,862
- Non-operational employees Grade B (Development) £18,065

9. Relationship between Remuneration of Chief Officer and Non Chief Officer Remuneration

9.1 The pay multiple for the Authority is determined by comparing the hourly pay for the highest paid employee against that of the median hourly pay for the organisation as a whole. The current pay multiple is 5.2

9.3 This Fire Authority will aim to maintain a pay multiple of less than 10

10. Publication and Access to Information relating to Remuneration of Chief Officers

10.1 Key documents in relation to pay are this PPS and the Authority's Annual Statement of Accounts. Both of these and other information will be published on the Authority's website in line with the Code of Recommended Practice for Local Authorities on Data Transparency.

11. Equal Pay

11.1 This Authority is committed to ensuring equal treatment between men and women so that men and women doing equal work and work rated as such are entitled to equal pay. Men and women will be given equal treatment in the terms and conditions of their employment contract if they do like work, work rated as such or work of equal value.