

## **Kent and Medway Fire and Rescue Authority Pay Policy Statement 2014/15**

### **Introduction**

The Pay Policy Statement set out below has been compiled in accordance with Sections 38 to 43 of the Localism Act 2011. The Act requires Kent and Medway Fire and Rescue Authority to publish a Pay Policy Statement for each financial year. The information contained in the statement is based on the pay position of employees as at 31 October 2013, unless otherwise stated. The purpose of a Pay Policy Statement is to provide information to the public on the pay arrangements that apply to employees of the Authority, including the Chief Executive and her direct reports. The statement also includes information on how decisions to set or change pay are made.

### **Structure of the Workforce**

As at 31 October 2013 the Authority employed 1567.64 people (full-time equivalents - FTEs). These employees comprise different categories which perform a variety of roles and have different patterns of working to meet service delivery needs. In its simplest form these can be categorised as employees who have an operational role (firefighters working on fire stations, control operators and technical staff working in specialist areas) and wear a uniform, and those who provide administrative and corporate functions such as finance, information systems and human resources, and do not wear a uniform.

The Authority has a third group of employees referred to as the Principal Officer Group. This group consists of the Chief Executive and three Directors, some of whom wear a uniform. In the autumn of 2013 the Chief Executive was appointed as the Chief Fire Officers' Association's (CFOA) Director for Corporate Services and Sector Improvement. This role, which involves 25 days work per year, is part of a collaborative approach to working and will contribute to influencing the future direction of the UK fire and rescue service.

### **Number of FTE Staff Employed by Category as at 31 October 2013:**

Staff Group	Definition	Number of Staff in Group
Wholetime Firefighters	Firefighters who work 42 hours a week to crew stations 24 hours a day either as firefighters located at the station, or as firefighters located at the station during the day and responding from their own homes on an on-call basis at night, or who work in specialist areas such as Technical Fire Safety.	807.00
Control Room	Staff who receive 999 calls.	35.00
On-Call Firefighters	A duty system where firefighters respond from their own homes or workplaces located near to the fire station on an on-call basis.	548.00

Support Staff	Staff who typically do not wear a uniform and work in administrative and professional support functions.	223.39
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## Pay Policy

The overarching framework for pay and conditions of service for staff employed by the Authority is governed by three national bodies. These are the National Joint Council for Local Authority Fire and Rescue Services, the National Joint Council for Local Government Services and the National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services. The principal role of each of these national bodies is to reach agreement on a national framework of pay and conditions of service for authorities to apply locally. Each National Joint Council is made up of people who represent the employers and others who represent employees; the latter will typically be trade union representatives. The frameworks of pay and conditions set by these national bodies are locally referred to as the Grey Book (applies to uniformed staff); the Green Book (applies to staff who do not wear a uniform); and the Gold Book (applies to the Principal Officer Group).

Each National Joint Council acknowledges that the national framework of pay and conditions will need to be adjusted locally to reflect local needs. Where this takes place this will be undertaken through local agreement with recognised trade unions where they exist, and local decision-making processes.

The Equality Act 2010 gives women (or men) a right to equal pay for equal work. The Authority undertook an equal pay audit in 2012 to ensure that its pay and benefits policy and practice were not being applied inconsistently resulting in unequal pay for work of equal value for men or women. There were no areas of concern identified from the audit.

## Local Variations to Pay and Conditions of Service

The national pay and terms and conditions constitute a minimum standard but it is acknowledged that these can be modified through local negotiation to reflect local needs. Where such changes are identified the Authority has a formal decision-making process in place for changes to be approved by Members of the Authority, via its Senior Officer Appointment and Conditions (SOAC) Committee (which deals with the Principal Officer Group), and its General Purposes Committee (which deals with all other staff). Consideration and approval is required from the appropriate Committee for any significant amendment to existing policies and procedures, including pay and conditions of service.

## Pay Structure

Each category of staff will be linked to a separate pay structure which is subsequently directly linked to a national pay agreement. Where the pay agreement has been amended to reflect local needs, this is agreed via the relevant Committee of the Authority.

The pay structure for uniformed staff is based on the national pay agreement which is negotiated and issued by the National Joint Council (NJC). ([link to NJC circular](#)) The pay

structure for uniformed staff is based upon six roles. The annual salary within each role is a fixed point salary. This means that unless the employee is promoted to a higher role, or a national pay award is agreed, the salary will remain unchanged. Employees may move up the pay structure through promotion into a higher role. For an employee to do this, they must be approved by their line manager as having demonstrated the type of behaviours and skills required of an employee operating at the higher level; potentially have attended a development centre; and then be successful through interview for a role at the higher level.

The pay structure is different for those staff who do not wear a uniform. Employees are allocated a grade for the role they perform. Within each grade there will be between five and six pay points. (link to green book pay spine) The experience and skills of the employee as evaluated against the requirements of the job will determine the pay point to which they are appointed when joining the organisation. Progression to higher pay points for the grade will depend on the employee demonstrating continued development and performance against the requirements of the role.

### **Pay Awards**

Any annual pay increases are based upon those agreed through the national pay negotiation process. Based upon the decisions taken at a national level by the National Joint Councils relevant to this Authority, the Authority's Green Book staff received a pay award of 1% in April 2013. The last pay award prior to this was in April 2009.

The Principal Officer Group received a pay award of 1% in January 2013. The pay award prior to this was in January 2009. This was made in line with the pay award for Green Book staff as agreed by the Authority's SOAC Committee.

Grey Book Staff received a 1% award effective from 1 July 2013.

### **How are Grades and Roles Determined?**

When a post is created or has changed significantly its value is determined in order that this can be matched against the appropriate level of salary for the role. A job evaluation process is used to determine the value of a post. The process of job evaluation considers a range of factors relating to the demands of the job, including knowledge necessary to do the job, complexity, level of discretion in decision-making and their potential impact, accountabilities in relation to people, finance and physical resources such as equipment or property. The job evaluation process ensures that the principle of equal pay for work of equal value is met and that the demands required of the post are assessed as objectively as possible. The job evaluation process includes input from trained individuals from across the organisation including union representatives.

The Authority has an Establishment Group. The responsibilities and function of this group include considering the future workforce structure. Within this, where uniformed vacancies occur or will occur, consideration is given to the post being converted from uniformed (Grey Book) to non-uniformed (Green Book) conditions.

## **Performance Appraisal**

The Authority does not currently have arrangements in place for Performance Related Pay or 'Buy Back' as part of its performance appraisal process. The Authority does not have any arrangements in place for the payment of bonuses but does have a process for giving merit awards for outstanding performance or contributions to the work of the Authority which is used in exceptional circumstances.

The Authority operates a Performance Appraisal Procedure which applies to all employees. The purpose of the performance appraisal is to look at individual development needs and reflect on performance, and for the manager to provide feedback to the employee on what could be done to improve performance, as well as considerations around job satisfaction and career planning. The appraisal should reflect the regular ongoing discussions which are already taking place between employees and their managers. This means that any concerns concerning individual performance will not be introduced at the appraisal meeting. These concerns will already have been addressed and an action plan put into place. Where this is the case, and an individual becomes subject to the Authority's formal capability procedure, this may have an effect on their pay, and the continued payment of a Continuous Professional Development payment.

## **Pension Arrangements**

The Authority currently administers three occupational pension schemes. There are two schemes for firefighters: the Firefighters' Pension Scheme 1992 (FPS) (closed to new entrants from April 2006) and the New Firefighters' Pension Scheme 2006 (NFPS) for new entrants. The employee contribution rates determined by statute, depending on salary level, currently range from 11.0% to 15.0% for the FPS and 8.5% to 11.1% for the NFPS. Employer contribution rates are 14.2% and 26.5% respectively.

Green Book staff have the right to belong to the Local Government Pension Scheme (LGPS). The employee contribution rates for this scheme currently range from 5.5% to 7.5% depending on salary level. The employer contribution rate is 19.5%. The LGPS provides the facility for flexible retirement which means that an employee could have immediate payment of pension benefits even though they have not fully retired and maintain employment with the Authority by either reducing working hours, or undertaking a different job on a lower grade. This is subject to the employer's consent. Further to this, if the pension is accessed before the age of 65 and benefits are reduced, the employer can choose to waive the reduction in whole or in part. The Authority agreed its policy for the exercise of these two discretions in January 2007. The policy includes criteria around flexible retirement allowing each case to be considered on its merits.

Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) give discretion to the Authority to award extra years' pensionable service for a period of up to ten years or additional pension of not more than £5000 a year or both. An employee can be awarded these benefits irrespective of their age or length of service. As agreed by the Authority in July 2012 it is not the Authority's general policy to grant additional pension scheme membership or additional

pension to scheme members under these Regulations. Any exceptional cases that were of overall benefit to the Authority would require the agreement of the Chief Executive of the Authority. As at 31 October 2013 there were no cases of approval being given.

### **The Principal Officer Group**

The Authority is obligated to publish information relating to the pay of its most senior employees. This is defined as annual pay of £58,200 and above. This information is published on an annual basis in the Authority's Statement of Accounts. The most recent information published is for 2012/13. <http://www.kent.fire-uk.org/pdf/SOA%202012-13%20FINALv2.pdf>.

The SOAC Committee has a specific remit on behalf of the Authority to consider the terms and conditions of employment of the Principal Officer Group, including their remuneration.

### **Decisions Made by the SOAC Committee in the Period up to 31 October 2013**

In January 2012 Members approved the closure of the Senior Officers' Car Scheme. This achieved single status in terms of arrangements that would apply to all staff who needed use of a car for a business-related journey. All staff now have access to a pool car through a booking process. Access to the leased and essential user car scheme is being removed over a three-year period which commenced in April 2012 for all staff.

The latest meeting of SOAC was on 9 October 2013. The focus of the meeting was concerned with issues of succession planning and securing business continuity during a period of transition following the normal retirement of two of the Principal Officers during the next 18 months. The following decisions were made by the Committee:-

- (a) The appointment of a successor to the Director, Service Delivery, who is retiring from the organisation in February 2014.
- (b) To approve arrangements for the provision of a coach and mentor role to the newly appointed Director, Service Delivery. Members were asked to acknowledge this role may be provided by the outgoing Director.
- (c) Approve the flexible retirement of the Director, Finance and Corporate Services, under the provisions of the LGPS.

### **Ratio between Highest Earner and Average Earnings of the Organisation and Definition of 'Lowest Paid'**

The Authority is required to publish information which expresses as a ratio the difference between the highest paid employee and the average pay for all others within the service.

The Authority is also required to publish its own definition of 'lowest paid' employees as it applies to the Authority.

The Authority has a range of staff employed on different conditions of service. This means that a range of salary levels will be in effect. Some of these staff are employed on contracts

which are regarded as secondary employment. This means that they are able to undertake their contract in addition to other full-time employment. Specifically this relates to our firefighters working the 'On Call' duty system who provide on-call availability from home or place of work. These employees have full-time work outside the Authority. The Authority also has a group of staff employed on annualised contracts. These are part-time contracts worked by staff that again will have a primary job. These will be staff who are already employed by the Authority but whose working pattern allows them to work some additional hours whilst still maintaining appropriate levels of rest. For the purposes of publishing information on the comparison of pay in relation to the Authority's highest earner when compared to the rest of the workforce and a definition of the 'lowest paid' in the context of the the Authority, these staff have not been included. This is because these posts are secondary employment and will typically be for a lower number of hours so that there is no true full-time equivalent salary. They would therefore skew the results of any comparison to full-time salaries.

The table below sets out the difference between the highest paid employee when compared against the average pay of all other employees. The information illustrates that the Chief Executive's pay is 4.08 times more than the average pay of all other employees as at 31 October 2013. This differential is 8.5% lower than at December 2012.

The Chief Executive received a pay award of 1% in January 2013. This was the first award made since January 2009.

	December 2012	October 2013	Percentage Change
Chief Executive's Salary	£142,000	£143,420	1%
Mean Salary	£31,862	£35,144.42	10.30%
Ratio	4.46	4.08	- 8.5%

This ratio is calculated by dividing the Chief Executive's pay by the average mean salary for other staff (excluding secondary contracts). The number of other staff is the average FTE for the 12 months ending 31 October 2013.

### **The Authority's Definition of 'Lowest Paid' Employees**

The Authority regards its lowest paid employees to be those employed on its Green Book conditions of employment. These are employees who do not wear a uniform and work in administrative and corporate function areas. Employees can be employed on grades which range from 2 to 11. An employee on grade 2 constitutes the Authority's definition of the lowest paid. The salary range that applies to this grade is £15071 - £16634. This grade will be attributed to support and administrative roles which have a minimal level of responsibility. This means that the Authority recognises that the necessary training and development can be provided in-house over a relatively short period and therefore specific skills or experience are not specified as essential at the recruitment stage.

### **Re-Engagement of Employees**

For Grey Book staff who are members of the Firefighters Pension Scheme (1992) and New Firefighters Pension Scheme (2006) a policy regarding re-employment and the treatment of pensions in payment has been in place since March 2010. This policy is based on the Regulations under each scheme and guidance provided by the Government. The principle and process of the policy is that any re-employment following retirement must be to an

advertised vacancy, and as a result of a normal open and competitive selection process. Where re-employment is secured the pension is adjusted (where relevant) so that the combination of pension and new salary does not exceed the individual's salary at the point of leaving. This adjustment process is called abatement.

The process of abatement is not included in the Local Government Pension Scheme regulations and therefore does not apply.

During the 12-month period prior to October 2013 the Authority re-engaged one uniformed ex-employee following retirement at the level of Watch Manager to an advertised vacancy (Green Book post in Community Safety) on the basis described above.