

**Kent and Medway Fire and Rescue Authority
Pay Policy Statement 2015/16**

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 this Statement is based on the pay position of employees as at 31 December 2014, 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 December 2014 the Authority employed 1514 people (1503.81 full-time equivalents or FTEs). These employees span various pay groups which perform a variety of roles and have different patterns of working to meet service delivery needs. In its simplest form these are employees who either have an operational role (firefighters working on fire stations, control operators and technical staff working in specialist areas) and wear a uniform, or 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, namely the Chief Executive and the three Directors, some of whom wear a uniform. In the autumn of 2014 the Chief Executive was appointed as the Chief Fire Officers' Association's (CFOA) Director for People and Organisational Development. 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 December 2014:

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.	754.00
Control Room	Staff who receive 999 calls.	34.00 (32.9 FTE)
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.	511.00
Support Staff	Staff who typically do not wear a uniform and work in administrative and professional support functions.	195.00 (185.91FTE)
Community Support Front Line	Specialist staff who provide fire and road safety prevention advice and offer home safety services and specialist advice for those more at risk.	20.00

Pay Policy

The overarching framework for pay and conditions of service for staff employed by the Authority is governed by three National Joint Councils. These are the NJC for Local Authority Fire and Rescue Services, the NJC for Local Government Services and the NJC 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 NJC 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 each of 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 Chief Executive and three Directors) respectively.

Each NJC acknowledges that its national framework of pay and conditions will need to be adjusted locally to reflect local needs. Where appropriate this will be undertaken through local agreement, with recognised trade unions where they exist, or alternatively through local decision-making processes.

The Equality Act 2010 gives women (and 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 as a result of the audit.

Local Variations to Pay and Conditions of Service

The national pay agreements and the terms and conditions constitute a minimum standard but it is acknowledged that these can be modified through local negotiation to reflect local needs. There is a mechanism in place to agree such changes. However, any changes to the pay or conditions of service of the Chief Executive and/or the Directors must be approved by the Authority's Senior Officer Appointment and Conditions (SOAC) Committee. The Authority's General Purposes Committee will be informed of any proposed changes to the pay or terms and conditions of all other employees.

Pay Structure

Each category of staff will be linked to a separate pay structure which is directly linked to a national pay agreement. When the pay agreement has been amended to reflect local needs, Members of the Authority will be updated accordingly.

The pay structure for uniformed staff is based on the national pay agreement which is negotiated and issued by the National Joint Council (*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, 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 appointed to a post which has a specific pay grade assigned to it. Within each grade there are between five and six pay points. ([link to green book pay spine](#)) The experience and skills of the employee are evaluated against the requirements of the job which will then determine the pay point to which they are appointed. Progression to higher pay points within the grade will be dependent on the employee demonstrating continued development and performance against the requirements of the role.

Pay Awards

An annual pay increase is awarded based on the outcome of the relevant national pay negotiation process. Based upon the decisions taken at a national level by the NJCs relevant to this Authority, the Authority's Green Book staff received a pay award of 2.2% applicable from January 2015 to 31 March 2016, and Grey Book Staff received a 1% award effective from 1 July 2014. The pay award for the Chief Executive and Directors is described below.

How are Grades and Roles Determined?

When a post is created or has changed significantly it is evaluated in order that it can be matched against the appropriate grade for the role. A job evaluation process is used to determine the grade 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, and potential impact of, decision-making; 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 made up of relevant officers. The responsibilities and functions of this group include considering the future workforce structure. Within this, where uniformed vacancies arise or will occur at some point in the future, consideration is given to the post being converted from uniformed (Grey Book) to non-uniformed (Green Book) terms and conditions.

Performance Appraisal

The Authority operates a Performance Appraisal Procedure which applies to all employees. The purpose of the performance appraisal is to look at an individual's development needs and reflect on performance, to enable 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 with regard to an individual's performance will not be introduced at the appraisal meeting. These concerns should already have been addressed and an action plan put in 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 (CPD) CPD is

designed to recognise to recognise and reward experienced employees who are able to demonstrate continuous professional development. It is expected that employees will maintain a high level of continuous professional development and commitment to their job to receive a CPD payment.

The Authority does not currently have arrangements in place for Performance Related Pay or 'Buy Back' as part of its performance appraisal process, neither does it have any arrangements in place for the payment of bonuses. However, it 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.

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 effective from 1 April 2014, determined by statute, currently range from 11.0% to 17.0% for the FPS and 8.5% to 12.5% for the NFPS, depending on salary level. Employer contribution rates are 11.0% and 21.3% of core pensionable pay respectively.

Each scheme includes discretions which the employer decides how to apply. In November 2014 the General Purposes Committee approved an overarching Pensions Policy which defined five key principles, each of which the Chief Executive must ensure is considered before applying any such discretions on behalf of the Authority.

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 12.5% depending on salary level. The employer contribution rate is 12.5%.

The new Local Government Pension Scheme 2014 came into effect on 1 April 2014. The Scheme is a 'Career Average Revalued Earnings' (CARE) Scheme, which is a move away from a final salary scheme. The new scheme introduced five employer discretions which were subsequently reported to the General Purposes Committee in November 2014 for Members' approval. Generally these discretions lead to enhanced benefits to scheme members, but result in additional costs which fall to the Authority and not to the pension scheme. As at 31 December 2014 no discretions have been awarded under the new scheme.

Senior Officers

The Authority is required to publish information relating to the pay of its most senior employees, which are defined as those employees whose annual salary is £50,000 or more. This information is published on an annual basis in the Authority's Statement of Accounts. The most recent information published is for 2013/14. (<http://www.kent.fire-uk.org/about-us/financial-information/statement-of-accounts/>)

The SOAC Committee has a specific remit from the Authority, to consider and make decisions about the remuneration and terms and conditions of employment of the Chief Executive and Directors.

Decisions made by the SOAC Committee in the Period up to 31 October 2014.

The SOAC Committee last met on 16 October 2014 when it took the following decisions:-

Pay award for the Chief Executive and Directors – Pay awards in relation to this group of staff will generally follow the recommendations of the NJC for Brigade Managers of Local Authority Fire and Rescue Services. The NJC reached agreement on a pay award for 2014 of a 1% increase on basic pay for employees earning less than £100k and a flat rate increase of £1000 on basis salary for employees earning more than £100k. The SOAC Committee approved the application of this award to the Chief Executive and Directors.

Succession Planning – The SOAC Committee considered the arrangements to be put in place arising from the retirement of the Director, Major Projects and Resilience, in February 2015. The Committee decided that the Authority should not fill the vacant post at this stage, but should continue with only one operational Director. However, in order to retain the knowledge and expertise required to allow the Authority to remain in a position to be able to maintain its input into the Channel Tunnel Safety Authority, the Committee decided that the retiree should be contracted to continue with these activities on behalf of the Authority for an interim period. These decisions were subject to the increased workload on remaining officers being kept under continuous review.

Overall these further changes mean that, in recent years, the top tier officer structure of the Authority has reduced from 6 posts to 3.

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 pay of its highest paid employee and the average pay for all other employees.

The Authority is also required to publish its own definition of ‘lowest paid’ employees as it applies to the Authority’s workforce.

The Authority has a range of staff employed on different conditions of service and this means that it has a range of salary levels. Some 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 firefighters who work the ‘On Call’ duty system, providing on-call availability from their 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 may have primary employment elsewhere. However, they could 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 Authority, these groups of employees has not been included. This is because these posts constitute secondary employment and will typically be for a lower number of hours, which results in 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 pay of the highest paid employee (who is the Chief Executive) when compared to the average pay of all other employees. The information illustrates that the Chief Executive's pay is 3.98 times more than the average pay of all other employees as at 31 October 2014. This differential is 0.10 lower than at October 2013.

The Chief Executive received a pay award of £1,000 in January 2014. This was the first award made since January 2009.

	October 2013	October 2014	Degree of Change
Chief Executive's Salary	£143,420	£144,420	0.69%
Mean Salary	£35,144.42	£36,205.84	3.02%
Ratio	4.08	3.98	- 0.10

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 2014.

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 who 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 £15,222 - £16,800. 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 time of their retirement. 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 to Green Book employees.

During the 12-month period prior to December 2014 the Authority did not re-engage any employees on contracts of employment following retirement.