

**Kent and Medway Fire and Rescue Authority
Pay Policy Statement 2019/20**

Introduction

The Pay Policy Statement 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 annually. The information contained in this Statement is based on the position as at 31 October 2018, 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 their 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 2018, 1,437 people worked for us. These employees span various pay groups which perform a variety of roles and have different working patterns to meet our business needs. In its simplest form these are employees who either have an operational role (such as firefighters working on fire stations, 999 operators in our Control Room and technical staff working in specialist areas) and wear a uniform; or those who provide administrative and back office functions such as finance, information technology systems and human resources, and do not wear a uniform. The Authority has a third group of employees, namely the Chief Executive, and two Directors; one of whom is uniformed and the other non-uniformed.

Table 1: Number of Staff Employed by Category as at 31 October 2018

Staff Group	Definition	Number of Staff in Group
Whole-time Firefighters	Firefighters who work an average of 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. This figure also includes officers that do not work on fire stations.	664 (663.7 full-time equivalents)
Control staff	Uniformed staff who handle 999 calls and are based at the Fire and Rescue Control Centre.	40 (39.5 full-time equivalents)
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.	446 (full-time equivalents not applicable)
Support staff	Staff who typically do not wear a uniform and largely work in administrative and professional support functions. A proportion (109, or 106.3 full-time equivalents) provide fire prevention and road safety advice and offer home safety services and specialist advice for those more at risk	284 (274.6 full-time equivalents)

Part 1: Pay

Pay Policy

The overarching framework for pay and conditions of service for staff employed by the Authority is governed by three National Joint Councils (NJC). These are

- the NJC for Local Authority Fire and Rescue Services
- the NJC for Local Government Services
- the NJC for Brigade Managers of Local Authority Fire and Rescue Services.

The principle 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 typically being trade union representatives. The frameworks of pay and conditions set by each of these national bodies are locally referred to as the Grey Book (generally applies to uniformed staff); the Green Book (generally applies to staff who do not wear a uniform); and the Gold Book (applies to the Chief Executive and two 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 last undertook an equal pay audit in 2017 to ensure that its pay and benefits policy and practice were not being applied inconsistently. There were no areas of concern identified as a result of the audit.

From 2017, Regulations included in the Equalities Act 2010 means that any organisation that has 250 or more employees has a legal responsibility to publish and report specific figures about their gender pay gap. The gender pay gap shows the differences in percentage terms in average pay between men and women within an organisation across all types of work/staff groups. (It is not the same as Equal Pay which is the difference between men and women who carry out the same or similar jobs or work of equal value).

Public Sector organisations must provide a snapshot of 31 March for any given year. Our first snapshot was 31 March 2017, published by 31 March 2018 and each year thereon. Our data was [published](#) before the deadline date. The data did not identify any areas for concern, revealing the gap was marginally in favour of women.

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.

Pay Structure

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

The pay structure for uniformed staff is based on the national pay agreement which is negotiated and issued by the NJC for Local Authority Fire and Rescue Services annually and 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 through the appraisal process, undergo a development process and then by being successful through interview for a role at the higher level.

The pay structure is different for green book staff. 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](#). 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 which is measured annually through an appraisal process.

Pay Awards 2018/19

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% applicable from April 2018. Grey Book Staff received a 2% award effective from 1 July 2018. The pay award for the Chief Executive and Directors is described below.

How are Grades and Roles Determined?

When a post is created or changes 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; and 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 job evaluation process has recently been reviewed and a revised scheme was introduced in September 2018. The scheme still follows the principles of the NJC scheme but some factors have been updated to ensure the scheme better relates to specialist/professional roles.

The Authority has an Establishment Group which considers the future needs of everyone that works for us, what posts are needed and which can be deleted. Within this group, 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 has an appraisal process which applies to all employees. The purpose of the appraisal is to look at an individual's development needs and reflect on performance and their personal wellbeing. This enables 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, any concerns should already have been addressed and an action plan put in place.

In 2018 the Authority introduced a talent benchmarking process which is currently being applied to all staff. The process supports managers to identify whether individuals are ready for promotion or have the potential for promotion. Following this, individuals will be supported by their line manager and/or through development centres to create a development plan to support them towards promotion.

Where there are concerns about performance 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 (CPD) payment. CPD is designed 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.

Market Premiums

In 2018 the Authority introduced the use of market premium payments for the purpose of attraction within recruitment and retention of key staff. The recruitment of certain specialist staff, particularly within the Information Technology (IT) department, has proved difficult with roles being advertised and subsequent applications being poor in quality and quantity. Therefore a procedure to apply market premium was developed and approved through Establishment Group. However even with the application of market premiums the recruitment to IT roles has continued to be difficult. Therefore further work will be carried out to benchmark all IT roles, through an external organisation, to develop an IT specific market premium process.

Additional Voluntary Hours

As at 1 January 2018 the Authority decided to cease the use of Voluntary Additional Hours contracts, which have been detailed in previous pay policies. These were additional contracts made available to all operational staff whose working pattern allows them to work some additional hours whilst still maintaining appropriate levels of rest.

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.

The Senior Officer Appointments and Conditions (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 2018.

There was one SOAC Committee meeting held between 31 December 2017 and 31 October 2018 at which it was agreed to delete the post of Assistant Director, Finance in March 2019. In addition the following decision was made through correspondence with SOAC Committee Members:-

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 2018 of a 2% increase on basic pay, effective from the 1 January 2018. The SOAC Committee approved the application of this award to the Chief Executive and Directors.

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 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 (total pay divided by the number of employees) of all other employees. The information illustrates that the Chief Executive's pay is 3.92 times more than the average pay of all other employees as 31 October 2018.

Table 2: Pay Ratio

	Dec-17	Oct-18	Degree of Change
Chief Executive's Salary	£162,189	£151,773	-6.42%
Mean Salary	£38,479	£38,760	0.73%
Ratio	4.21	3.92	(0.29)

This ratio is calculated by dividing the Chief Executive's salary by the average salary for other staff

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 12. The Authority currently does not have any Grade 2 posts in its establishment, but it does have a few Grade 3 posts, which are 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. The salary range that applies to grade 3 is £18,128 - £20,437. The hourly rate for a grade 3 role is £9.40 per hour, which is greater than the current National Minimum Wage and National Living Wage (£7.83 per hour as at 31 October 2018).

As at 31 October 2018 there were 16 apprentices working within the support functions of IT, HR, Business Support, Fleet, Property, Control, Operational Planning and Health & Safety.

The apprentices are currently paid £5.61 per hour with the view that after six months, if they are performing well, they will be placed on the national living wage dependent on age, which is greater than the current national apprenticeship wage.

The Authority has recently recruited 22 new trainee firefighters and as part of their two year development plan they have been placed on the firefighter apprenticeship standard.

The Authority has met the requirements under the [Apprenticeship levy](#).

Part 2: Pensions arrangements

Pension Arrangements

The Authority currently administers five occupational pension schemes. There are four schemes for firefighters

- the Firefighters' Pension Scheme 1992 (FPS) (closed to new entrants from April 2006)
- the New Firefighters' Pension Scheme 2006 (NFPS) (closed to new entrants from April 2015)
- the Modified Scheme 1992/2006 (specific to retained firefighters who served between 1 July 2000 and 6 April 2006)
- the Firefighters' Pension Scheme 2015 (FPS 2015)

The employee contribution rates effective from 1 April 2018, determined by statute, currently range from 11.0% to 17.0% for the FPS and Modified 1992, 8.5% to 12.5% for the NFPS

and Modified 2006, and from 11% to 14.5% for the FPS 2015, depending on salary level. Employer contribution rates are 21.7% for FPS and Modified 1992, 11.9% for NFPS and Modified 2006, and 14.3% for FPS 2015 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%.

A new Local Government Pension Scheme (LGPS 2014) came into effect on 1 April 2014. This Scheme is a 'Career Average Revalued Earnings' (CARE) Scheme, unlike the original LGPS which is a final salary scheme. The new LGPS 2014 scheme introduced five employer discretions which were agreed by the General Purposes Committee in November 2014. 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.

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 principal and process of the policy is that any re-employment, for all levels, 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.