

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**15 APRIL 2013**

1. **REVISED PAY POLICY STATEMENT 2013/2014**

Report of the Chief Fire Officer

RECOMMENDED

THAT the Authority approve the revised amendment to the Pay Policy Statement for the financial year 2013/2014.

2. **PURPOSE OF REPORT**

This report is submitted to seek approval from Members for the amendments to the Pay Policy Statement for the financial year 2013/2014. These amendments are in order to comply with the requirements set out in a letter sent from The Rt Hon Eric Pickles MP on 20 February 2013 to all Local Authorities.

3. **BACKGROUND**

- 3.1 Following approval of the Pay Policy Statement for 2013/14 at the Fire Authority meeting on 18 February 2013, the Service received a letter, along with other Fire Services and Councils from The Rt Hon Eric Pickles MP on Openness and Accountability in local Pay. In order to comply with the guidance in that letter, an amendment has been made to the Pay Policy Statement for 2013/14.
- 3.2 The amendment states that decisions on any pay, remuneration or severance packages of Chief Officer roles and/or packages of £100,000 or more will be submitted to the Fire Authority.
- 3.3 The information referred to above including the expenses paid to Chief Officers will continue to be available on the West Midlands Fire Service website at [www.wmfs.net](http://www.wmfs.net).

#### 4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required as there is no direct impact on individuals in setting out the Authority's pay policy statements. Equality Impact Assessments will be carried out on individual processes and decisions taken in the application of the pay policy statement.

#### 5. **LEGAL IMPLICATIONS**

- 5.1 The recommendations provide an opportunity to put in place processes that will enable West Midlands Fire and Rescue Authority to comply with the relevant sections of the Localism Act and demonstrate its compliance for the Government's Public Sector Pay Policy.
- 5.2 To comply with the Localism Act 2011, the West Midlands Fire and Rescue Authority must approve the Authority's Pay Policy Statement before 31 March 2013. The Service will then complete a review of the Pay Policy Statement each year which must be approved by the Authority before 31 March each year.
- 5.3 The Localism Act 2011 confirms that the statement can be altered during the course of the year to which it applies.

#### 6. **TRADE UNION CONSULTATION**

This is not a matter for consultation with the trade unions. The Pay Policy Statement was shared with the Trade Unions for information following approval at the Authority meeting on 18 February 2013.

#### 7. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

## **BACKGROUND PAPERS**

Localism Act 2011

Openness and Accountability in Local Pay - Letter from Rt Hon Eric Pickles MP

Fire Authority meeting 18 February 2013

The contact name for this report is David Johnson, Director of Human Resources, 0121 380 6914.

VIJ RANDENIYA  
CHIEF FIRE OFFICER

### Pay Policy Statement 2013/2014

#### The level and elements of remuneration for each Chief Officer

The basic pay details of all Chief Officers will be available on the West Midlands Fire Service website [www.wmfs.net](http://www.wmfs.net). The levels of pay will be determined by both national and local review following the guidance set out in the 'Gold Book' Terms of Conditions. All other payments will be contained within the Authority's statement of accounts which is also published on the West Midlands Fire Service website.

#### Remuneration of Chief Officers on recruitment

On recruitment the Executive Committee is authorised to consider and make recommendations to the Fire Authority on the conditions of employment and salary of the Chief Fire Officer, Deputy Chief Fire Officer and Directors. Considerations will be given to the guidance contained in Appendix 2 for determining the level of salary for each Principal Officer.

#### Increases and additions to remuneration for each Chief Officer

There is a two-track approach for determining levels of pay for Principal Officer roles. At national level, the NJC shall review annually the level of pay increase applicable to all those covered by this agreement. In doing so, the NJC will consider affordability, other relevant pay deals and the rate of inflation at the appropriate date. Any increase agreed by the NJC will be communicated to Fire Authorities by Circular.

Other decisions about the level of pay and remuneration to be awarded to individual Principal Officer roles will be taken by the local Fire Authority. This will be considered at the time of the Pay Policy Statement Review. (Advice on the implementation of a local salary structure is contained in guidance at Appendix 2).

#### Remuneration of all other employees of the West Midlands Fire Service

##### Green Book Employees

Salaries of 'Green Book' employees in the Service are set using locally determined pay scales and the nationally agreed Job Evaluation Scheme.

Please see Appendix 1B for the salaries of Green Book Employees including our lowest paid employees and the relationship between these employees and our Chief Officers. For this purpose the relationship has been made to the Chief Fire Officer's salary.

##### Grey Book Employees

Salaries of 'Grey Book' employees in the Service are set using nationally agreed pay levels.

National Pay Awards are also made to pay scales on an annual basis and these pay awards are applied to all employees. This annual award is applicable in April for Green Book Employees and July for Grey Book Employees.

Please see Appendix 1B for the salaries of Grey Book Employees including our lowest paid employees and the relationship between these employees and our Chief Officers. For this purpose the relationship has been made to the Chief Fire Officer's salary.

#### The use of performance related pay for Chief Officers

The West Midlands Fire Service does not use performance related pay for its Chief Officers.

#### The use of bonuses for Chief Officers

The West Midlands Fire Service does not award bonuses to Chief Officers.

#### The approach to the payment of Chief Officers on their ceasing to hold office or to be employed by the Authority

The payment to Chief Officers on the ceasing of their employment will be in line with the benefits accrued through meeting the qualifying requirements of the relevant Pension Scheme.

In the case of any redundancy payments to be made to Chief Officers these payments will be set using the existing regulations for 'Gold Book' employees and their appropriate pension scheme. Redundancy payments for Chief Officers eligible to join the Firefighters' Pension Scheme or New Firefighters' Pension scheme will be calculated based on the statutory maximum weekly pay. Gold book employees eligible to join the Local Government Pension Scheme will receive a redundancy payment in line with authority agreement under Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. See Appendix 1A.

Any packages of £100,000 or more or any other payments will be subject to the approval of the Authority on a case by case basis.

#### The approach to the payment of all other employees on their ceasing to hold office or to be employed by the Authority

- Green Book Employees

The payment of Green Book Employees on the ceasing of their employment will be in line with the benefits accrued through meeting the qualifying requirements of the relevant Pension Scheme.

In the case of redundancy the guidance contained within the pension policy statement will apply under the existing conditions of the Local Government Pension Scheme. (The Pension Policy Statement can be found at Appendix 1A of the Pay Policy Statement).

Any packages of £100,000 or more will be subject to the approval of the Authority.

- Grey Book Employees

The payment of Grey Book Employees on the ceasing of their employment will be in line with the benefits accrued through meeting the qualifying requirements of the relevant pension scheme.

In the case of any redundancy payments to be made to Grey Book Employees these payments will be set using the existing regulations for Grey Book employees. Redundancy payments will be calculated bases on the statutory maximum weekly pay.

Any packages of £100,000 or more will be subject to the approval of the Authority.

The publication of and access to information relating to the remuneration of Chief Officers

Details of the Chief Officer's salary and remuneration including any expenses will be made available on the West Midlands Fire Service website. This information is contained within the Annual Report and Statement of Accounts.

**Definitions used within the Pay Policy Statement**

The term Chief Officer refers to those defined within the Localism Act. In simple terms the policy covers the Chief Fire Officer and those posts which report directly to him/her and also the next management tier below (excluding any secretarial or clerical roles).

The term 'lowest paid employees' is defined as a full time employee on the bottom scale column point of the Green Book pay scale and the lowest paid role/rank for Grey Book employees. These are the lowest paid employees other than apprenticeships which are paid less to reflect the nature of the training and development role.

## **STATEMENT OF POLICY**

Under Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, operative from 29<sup>th</sup> November 2006, each employer must formulate, keep under review and publish their policies on certain discretions contained within the Regulations.

This statement is applicable to all employees of the West Midlands Fire and Rescue Authority who are eligible to be members of the Local Government Pension Scheme (LGPS).

### **Regulation 5 - Power to increase statutory redundancy payments**

#### **Explanation**

*Employers have the discretion to resolve to use the employees' actual pay instead of the statutory maximum pay permitted under the Employments Rights Act 1996, in the calculation of redundancy payments.*

#### **Policy**

The Fire Authority will always use the employees' actual pay when calculating redundancy payments.

### **Regulation 6 –Discretionary Compensation**

#### **Explanation**

*The Authority has the discretion to resolve to increase the lump sum compensation payable under the Employments Rights Act 1996, to an employee who loses their employment with the Authority, up to a maximum of 104 weeks' pay.*

#### **Policy**

The Fire Authority will not exercise this discretion and therefore will not increase the maximum payable beyond the statutory limit of 30 weeks pay.

## **STATEMENT OF POLICY**

Under Regulation 66 of the Local Government Pension Scheme (LGPS) (Administration) Regulations 2007 (as amended), each employer must formulate, keep under review and publish their policies on certain discretions contained within the LGPS Regulations.

Where references are made, AReg refers to the “Administration” Regulations and BReg to the “Benefit” Regulations.

This statement is applicable to all employees of the West Midlands Fire and Rescue Authority who are eligible to be members of the LGPS.

### **1. Regulation 30 BReg – Choice of Early Payment of Benefits**

#### **Explanation**

*From age 55, members who have left local government employment may choose to receive early payment of their retirement benefits subject to the consent of their employer. However members aged 60 and over do not need their employer’s consent. The pension benefits must be reduced in accordance with guidance provided by the Government actuary. Employers may determine on compassionate grounds that the benefits are not reduced.*

*For a member who joined the scheme prior to 1 October 2006 where the member’s age and membership (in whole years) satisfies the “rule of 85”, then the benefits would not be reduced. For a member who joined the Scheme on or after 1 October 2006, then reduced benefits would be payable if taken before age 65.*

#### **Policy**

Each specific case will be judged equally and fairly on its own merits and would need to be funded by a lump sum contribution into the Pensions Fund by the Fire Authority. This discretion will only be exercised by the Fire Authority in cases where it can be demonstrated that the Fire Authority can fund the cost of the release within a three year period.

This discretion will be exercised by the Chief Fire Officer in conjunction with the Treasurer and Chairman to approve existing severance packages and members will be notified where discretion is exercised.

### **2. Regulation 12 BReg – Power of the Employing Authority To Increase Total Membership of Active Members**

#### **Explanation**

*An employer may resolve to increase the total membership of an active member. A member’s total membership, including additional membership in respect of different employments, must not exceed 10 years.*

#### **Policy**

Each specific case will be judged equally and fairly on its own merits, having fully considered service delivery and financial costs.



### **3. Regulation 13 BReg – Power of the Employing Authority to award Additional Pension**

#### Explanation

*An employer may resolve to award a member additional pension of not more than £5000 a year, payable from the same date as their pension is payable under any other provision of these regulations. An additional pension may be paid in addition to any increase to total membership resolved under Regulation 12.*

#### Policy

Each specific case will be judged equally and fairly on its own merits, having fully considered service delivery and financial costs.

### **4. Regulation 18 BReg – Flexible Retirement**

#### Explanation

*A member who is aged 55 or over and with their employer's consent reduces their hours and/or grade, can then, but only with the agreement of the employer, make an election to the administering authority for payment of their accrued benefits without having retired from that employment. If payment of benefits occurs before age 65, the benefits are actuarially reduced in accordance with guidance issued by the government actuary.*

*The employer may choose to waive the reduction in whole or in part. If the employer chooses to do so, then the cost of waiving the reduction in whole or in part has to be paid to the Fund.*

#### Policy

Each specific case will be judged equally and fairly on its own merits having fully considered service delivery and financial costs.

Your employer is not obliged by the Regulations to publish a statement on the following discretions contained within the LGPS (Administration) Regulations 2007, but has chosen to do so:

### **1. Regulation 3 BReg – Contributions Payable By Active Members**

#### Explanation

*Employers will determine the contribution rate payable based on whole-time pensionable pay for existing members at April each year or at the commencement of employment. Where there has been a material change to a member's pensionable pay in the course of a financial year, his employing authority may re-determine the contribution rate to be applied.*

#### Policy

The Fire Authority will re-determine the contribution band each pay period in order to account for any material change to a member's pensionable pay which would have a direct affect on the employer's liabilities.

**2. Regulation 16 AReg – Re-employed and Rejoining Deferred Members**

Explanation

*Where a deferred member becomes an active member again before becoming entitled to the immediate payment of retirement benefits in respect of their former membership they may elect to have their former membership aggregated with their current active membership. An election must be made in writing to the member's appropriate administering authority before the expiry of the period of 12 months beginning with the date that they became an active member (or any such longer period as their employing authority may allow).*

Policy

The Fire Authority will extend the period of 12 months beginning with the date that they became an active member again to allow a member to aggregate his/her former membership in exceptional circumstances or where it was beyond the member's control.

**3. Regulation 22 AReg – Application To Make Absence Contributions**

Explanation

*Employing authorities have the discretion to extend the period beyond 30 days for a person to apply in writing to make contributions.*

Policy

The Fire Authority will extend the period of 30 days in circumstances beyond the member's control or in exceptional circumstances.

**4. Regulation 67 – (Shared Cost AVC)**

Explanation

*Employers may resolve to establish and maintain a Share-Cost Additional Voluntary Contribution Scheme (SCAVC). Who can join, how much the employer and employee will jointly contribute and the type of benefits provided must be considered.*

Policy

The Fire Authority does not propose to introduce a SCAVCS.

**5. Regulation 83 – Inward Transfer of Pension Rights**

Explanation

*A person who becomes an active member who has relevant pension rights may request his fund authority to accept a transfer value for some, or all, of his former rights. An election must be made in writing before the expiry of the period of 12 months beginning with the date that he became an active member (or any such longer period as his employer may allow).*

### Policy

The Fire Authority will extend the period of 12 months beginning with the date that he/she became an active member – thereby, allowing a member to transfer some or all of his/her rights from the relevant transferor in exceptional circumstances or in circumstances beyond the member's control.

**From 1 June 2004, an amended Internal disputes resolution procedure applies to active members of the LGPS and to others such as deferred and pensioner members, whose position may be affected by decisions taken by their former employer or LGPS administering authority.**

## **1. Regulation 57(5)(c) – The Internal Dispute Resolution Procedure**

### Explanation

*Responsibility for determinations under the first stage of the procedure now rests with a 'specified person' appointed by your (former) employer. The Fire Authority must specify the job title and address of the person to whom applications should be directed.*

### Policy

The specified person for the West Midlands Fire and Rescue Authority is:

Mr D Johnson  
Director of Human Resources  
West Midlands Fire Service HQ  
99 Vauxhall Road  
Birmingham  
B4 7HW

**PRIVATE & CONFIDENTIAL**

**EARLY RETIREMENT/SEVERANCE PROPOSALS**

**1. Personal Details**

|  |  |                                 |                 |  |
|--|--|---------------------------------|-----------------|--|
| <b>Name:</b>                                     |  |                                 | <b>Post No.</b> |  |
| <b>Designation:</b>                              |  |                                 | <b>Pay:</b>     |  |
| <b>D.O.B./Age:</b>                               |  | <b>Proposed Severance Date:</b> |                 |  |
| <b>Type:</b><br>(e.g. Retirement/<br>Redundancy) |  |                                 |                 |  |

**2. Proposed Changes**

Please explain the circumstances of the case (including posts to be deleted/ changed; revised organisation structure, etc.) and confirm that the budgetary implications are acceptable.

Please see attached Corporate Board

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**3. Service Details**

| Employer | From | To           | Years | Days |
|----------|------|--------------|-------|------|
|          |      |              |       |      |
|          |      |              |       |      |
|          |      |              |       |      |
|          |      |              |       |      |
|          |      | <b>Total</b> |       |      |

**4. Augmented service Requested                      YES/NO                      NUMBER**

**5. Costs/Savings**

|                              | Cost/Saving Per Annum |          |            |                  |                   |
|------------------------------|-----------------------|----------|------------|------------------|-------------------|
|                              | Year One              | Year Two | Year Three | Totals (3 Years) | Year Four Onwards |
| <b><u>COSTS</u></b>          |                       |          |            |                  |                   |
| Redundancy Payment           |                       |          |            |                  |                   |
| Augmented service Lump Sum   |                       |          |            |                  |                   |
| *Augmented service Pension   |                       |          |            |                  |                   |
| Actuarial Strain             |                       |          |            |                  |                   |
| Replacement Salary           |                       |          |            |                  |                   |
| Salary Overheads             |                       |          |            |                  |                   |
| <b>TOTAL</b>                 |                       |          |            |                  |                   |
| <b><u>SAVINGS</u></b>        |                       |          |            |                  |                   |
| Salary Saving                |                       |          |            |                  |                   |
| Salary Overheads             |                       |          |            |                  |                   |
| Travelling                   |                       |          |            |                  |                   |
| Other Costs                  |                       |          |            |                  |                   |
| Re-training Costs            |                       |          |            |                  |                   |
| Re-deployment Costs          |                       |          |            |                  |                   |
| <b>TOTAL</b>                 |                       |          |            |                  |                   |
| <b>NET SAVINGS / (COSTS)</b> |                       |          |            |                  |                   |

\* Equivalent Capitalised Cost .....

**Proposed by**.....  
Line Manager

Date.....

**Approved by** .....  
Director

Date .....

**Confirmed by** .....  
Director of Human Resources

Date .....

**Confirmed by** .....  
Director of Resources

Date.....

**Pay Policy Statement 2013-2014 - Remuneration and relationship between Chief Officer's and Lowest Paid Employees**

| Job  | Remuneration<br>(including allowances) | Base Salary Range<br>(excluding allowances) |         | Pay Relationship to CFO       |
|--|--|---|---------|-------------------------------|
|  |  | Min   | Max     |                               |
| <b>CORPORATE BOARD</b>   |  |   |         |                               |
| Chief Fire Officer *   | £161,600                               | N/A   | N/A     | Set by Appointments Committee |
| Deputy Chief Fire Officer *                                      | £129,280                               | N/A   | N/A     | Set by Appointments Committee |
| Assistant Chief Fire Officer Operations *                        | £121,200                               | N/A   | N/A     | Set by Appointments Committee |
| Assistant Chief Fire Officer Technical and Operational Support * | £121,200                               | N/A   | N/A     | Set by Appointments Committee |
| Director of Human Resources                                      | £101,000                               | N/A   | N/A     | Set by Appointments Committee |
| Director of Resources  | £86,632                                | N/A   | N/A     | Set by Appointments Committee |
| <b>Lowest Paid Employees (Grey Book)</b>                         |  |   |         |                               |
| Firefighter (Control)  | £27,057                                | £20,301                                     | £27,057 | 0.17                          |
| <b>Lowest Paid Employees (Green Book)</b>                        |  |   |         |                               |
| Cleaner  | £12,145                                | £12,145                                     | £12,312 | 0.07                          |
| <b>GREY BOOK EMPLOYEES (Operational)</b>                         |  |   |         |                               |
| Firefighter  | N/A                                    | £21,369                                     | £28,481 | 0.13-0.18                     |
| Crew Manager   | N/A                                    | £30,271                                     | £31,576 | 0.19-0.20                     |
| Watch Manager  | N/A                                    | £32,259                                     | £35,311 | 0.20-0.22                     |
| Station Manager **   | £48,612                                | £36,729                                     | £40,510 | 0.23-0.25                     |
| Group Manager **   | £56,270                                | £42,300                                     | £46,892 | 0.26-0.30                     |
| Area Manager **  | £65,367                                | £49,659                                     | £54,473 | 0.31-0.34                     |
| <b>GREY BOOK EMPLOYEES (Fire Control)</b>                        |  |   |         |                               |
| Firefighter (Control)  | N/A                                    | £20,301                                     | £27,057 | 0.13-0.17                     |
| Crew Manager (Control)   | N/A                                    | £28,757                                     | £29,997 | 0.18-0.19                     |
| Watch Manager (Control)  | N/A                                    | £30,646                                     | £33,545 | 0.19-0.21                     |
| Station Manager (Control)  | N/A                                    | £34,893                                     | £38,485 | 0.22-0.24                     |
| Group Manager (Control)  | N/A                                    | £40,185                                     | £44,547 | 0.25-0.28                     |

**GREEN BOOK EMPLOYEES**

|   |     |         |         |           |
|---|-----|---------|---------|-----------|
| SCP 60-62   | N/A | £52,872 | £55,323 | 0.33-0.34 |
| Pay Band Manager 1 - SCP 51-59  | N/A | £43,020 | £51,675 | 0.27-0.32 |
| Pay Band Manager 2 and Professional 1 - SCP 42-50                     | N/A | £35,430 | £41,993 | 0.22-0.26 |
| Pay Band Manager 3, Professional 2 and Technical 1 - SCP 33-41        | N/A | £27,849 | £34,549 | 0.17-0.21 |
| Pay Band Professional 3, Technical 2 and Administrative 1 - SCP 24-32 | N/A | £20,585 | £27,052 | 0.13-0.17 |
| Pay Band Technical 3 and Administrative 2 - SCP 15-23                 | N/A | £16,054 | £20,198 | 0.1-0.12  |
| Pay Band Administrative 3 and Operative 1 - SCP 8-14                  | N/A | £13,189 | £15,725 | 0.08-0.1  |
| Pay Band Administrative 4 and Operative 2 - SCP 4-7                   | N/A | £12,145 | £12,787 | 0.07-0.8  |

**NOTES:**

*Info on Numbers of employees taken from data on 31st October 2012*

*\* Salaries incorporates on-call/continuous cover*

*\*\* Salaries not inclusive of 20% Flexi Duty Allowance*

*# Data used is based on Actual current headcount on 31st October 2012*



## IMPLEMENTATION OF A LOCAL SALARY STRUCTURE GUIDANCE

### INTRODUCTION

1. Both the employers and Brigade Managers recognise the importance of applying the appropriate skills and developing the competencies necessary to support and embed the cultural change inherent within these new terms and conditions.

### LOCAL SALARY STRUCTURES

2. When determining the appropriate level of salaries for all Brigade managers, the fire and rescue authority should refer to the relevant minimum salary of the Chief Fire Officer and the most relevant benchmark data.
3. Normally the fire and rescue authority will wish to begin by determining appropriate salary for their most senior manager.
4. When deciding how these posts should be remunerated the following factors are to be considered:
  - a. The Chief Fire Officer's salary and that of any senior staff not covered by the Scheme of Conditions of Service (Gold Book);
  - b. The relationship of current salary to the appropriate illustrative national benchmark;
  - c. Any special market considerations;
  - d. Any substantial local factors not common to fire and rescue authorities of similar type and size e.g. London weighting; complex local, regional or national responsibilities which bring added value
  - e. Comparative information to be supplied on request by the Joint Secretaries on salaries in other similar authorities;
  - f. Top management structures and size of management team compared to those of other fire and rescue authorities of similar type and size; and
  - g. The relative job size of each post, as objectively assessed through an appropriate job evaluation process or otherwise
  - h. Incident command responsibility and the requirement to provide operational cover within the employing authority and beyond

The process for setting salary levels should include consideration of the following criteria:

- Minimum salary levels for Chief Officers in relevant sized local authorities
- Market rates of pay for senior managers in a range of private and public sector organisations
- Evidence of recruitment and/or retention difficulties with existing minimum rates

There are a range of schemes and approaches available for authorities to use in assessing job size. To assist authorities, advice can be obtained from the Employers' Side Secretary of the NJC.

