



## **AGENDA ITEM: 16**

### **NORTH WALES FIRE AND RESCUE AUTHORITY**

**19<sup>th</sup> March 2012**

#### **PAY POLICY STATEMENT**

**Report by Ken Finch, Treasurer**

#### **Purpose of Report**

- 1 To inform Members of the requirement for the Authority to produce a Pay Policy Statement on an annual basis under the Section 38(1) of the Localism Act 2011.
- 2 To seek approval of the Pay Policy Statement for 2012-13.

#### **Background**

- 3 In June 2010, the UK Government asked Will Hutton to undertake an independent review of Fair Pay in the public sector. Hutton's Final Report was published in March 2011 and made several recommendations for promoting pay fairness in the public sector by tackling disparities between the lowest and the highest paid in public sector organisations.
- 4 The provisions in the Localism Act 2011 seek to bring together the strands of increasing accountability, transparency and fairness in the setting of local pay.
- 5 Authorities in England and Wales are now required under Section 38(1) of the Localism Act 2011 to prepare pay policy statements on an annual basis. These statements must articulate an authority's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff (or 'chief officers') and its lowest paid employees. Pay policy statements must be prepared for each financial year, beginning with 2012/13.

They must be approved by full council, or a meeting of members in the case of a Fire and Rescue Authority and published as soon as is reasonably practicable after approval.

## **Information**

- 6 Pay Policy Statements must to be prepared in accordance with Part 1; Chapter 8 of the Localism Act 2011 – Pay Accountability, and they must set out the Authority’s policies for the financial year relating to the:
  - (a) remuneration of its chief officers
  - (b) remuneration of its lowest paid employees, and
  - (c) relationship between:
    - (i) the remuneration of its chief officers, and
    - (ii) the remuneration of its employees who are not chief officers.
  
- 7 The statement must state the:
  - (a) definition of “lowest-paid employees” adopted by the authority for the purposes of the statement, and
  - (b) authority’s reasons for adopting that definition.
  
- 8 The statement must also include the authority’s policies relating to the:
  - (i) level and elements of remuneration for each chief officer,
  - (ii) remuneration of chief officers on recruitment,
  - (iii) increases and additions to remuneration for each chief officer,
  - (iv) use of performance-related pay for chief officers,
  - (v) use of bonuses for chief officers,
  - (vi) approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
  - (vii) publication of and access to information relating to remuneration of chief officers.

## **Recommendation**

- 9 Members are requested to approve the Pay Policy Statement for the coming financial year 2012/13.

# **NORTH WALES FIRE AND RESCUE AUTHORITY PAY POLICY STATEMENT**

**2012/13**

## **1.0 Introduction**

This Pay Policy Statement is prepared in accordance with Part 1; Chapter 8 of the Localism Act 2011 – Pay Accountability. It sets out North Wales Fire and Rescue Authority's policies for the remuneration of its chief officers, the remuneration of its lowest paid employees, and the relationship between the remuneration of its chief officers and its employees who are not chief officers.

Chief officers defined under the Act for the purposes of this Statement include the Head of Paid Service (Chief Fire Officer) and the Deputy Chief Fire Officer.

The Authority's lowest paid employees are defined as those remunerated at Spinal Column Points 1 to 4 of the Authority's Pay and Grading Structure for Local Government Services employees. This definition has been adopted to correlate with the National Joint Council (NJC) for Local Government Services recognition of lower paid employees within the national pay spines.

## **2.0 Chief Officers' Remuneration Policy**

The Authority's pay policy for the remuneration of chief officers is aligned to the two-track approach for determining levels of pay for Brigade Manager roles as prescribed by the NJC for Brigade Managers of Fire and Rescue Services. Brigade Manager pay is reviewed annually at national level and provides the minimum salary for Chief Fire Officers.

The appropriate level of remuneration for the Chief Fire Officer and the Deputy Chief Fire Officer within North Wales Fire and Rescue Authority is determined at a local level by way of an independent triennial pay review, which benchmark the chief officer salary levels against relevant comparators in other fire and rescue services, and the wider employment market place.

Remuneration of chief officers on appointment will be to the single point market-related base pay prevailing at the time of appointment. In addition a provided car will be supplied in order to carry out the role. The Authority does not pay any bonuses or additional enhancements such as performance related pay. On voluntary cessation of their duties no additional payments will be made.

Chief officers who may be re-engaged following voluntary retirement will have their pension payments abated in accordance with the Authority's Policy on the Re-employment of Retired Firefighters.

The Authority will annually publish chief officers' earnings, median earnings of the organisation's workforce, and the ratio between these two figures in their annual financial statement to demonstrate the relationship between the remuneration of its chief officers and employees who are not chief officers.

Information on the remuneration of chief officers is published as part of North Wales Fire and Rescue Authority's annual end of year financial statement.

### **3.0 Non Chief Officer Remuneration Policy**

The Authority's pay policy for the remuneration of employees who are not chief officers, including the Authority's lowest paid employees, will align remuneration to the relevant NJC agreed salary rates negotiated annually on a national basis.

All roles conditioned to the NJC for Local Government Service's are subject to the Authority's Job Evaluation scheme which objectively assesses each role on creation of a new post, changes to existing posts or at periodic intervals to determine a fair remuneration pay grade comparable across this group of staff. On voluntary cessation of their duties no additional payments will be made.

Employees conditioned to the NJC for Local Government Service's may, at the Authority's discretion be entitled to enhanced pension and/or salary payments upon authority initiated early termination of employment under the Authority's discretions in relation to the Local Government Pension Scheme Regulations 1997 (as amended) and the Local Government (early Termination of Employment) (England and Wales) Regulations (as amended) – generally referred to as the Discretionary Compensation Regulations.

### **4.0 Supplementary Provisions**

This pay policy statement will be agreed before the beginning of the financial year but can be amended during the course of the year to incorporate a change to the agreed conditions.