

Governance, Audit and Scrutiny Committee
7 March 2016

Report by the Head of Human
Resources

PAY POLICY STATEMENT 2016-17

REPORT EXECUTIVE SUMMARY

This report provides a proposed Pay Policy Statement for Humberside Fire Authority for 2016/17, as required by the Localism Act 2011, for approval by the Fire Authority.

The Act introduced senior staff pay transparency into local authorities with a requirement that authorities prepare a Pay Policy Statement for each financial year. A statement for Humberside Fire Authority was first produced for 2012/13 and approved by the Fire Authority at its meeting on 17 April 2012 (Minute 3839 refers).

The Authority agreed at that time that the Pay Policy Statement should be reviewed annually by officers and that any proposed amendments would be brought before the full Authority for consideration.

The proposed statement for 2016/17 reflects the pay details for the Corporate Management Team (CMT) posts.

RECOMMENDATIONS

1. The Committee is asked to consider this report and make any recommendations to the Fire Authority as necessary.

BACKGROUND

2. The Localism Act 2011 introduced senior staff pay transparency into local authorities. In this regard, Humberside Fire Authority must prepare a Pay Policy Statement for each financial year. The first statement was required and produced for 2012/13.
3. The Secretary of State is permitted to issue guidance to which the Authority must have regard when drawing up its Statement. The current guidance was published by the Department for Communities and Local Government in October 2014. This states that Statements must be approved by Full Council or a meeting of Members in the case of a Fire Authority and cannot be delegated to a sub-committee. The Authority may, by resolution, amend the Statement at any time. As soon as reasonably practicable after approving or amending the Statement, the Authority must publish the Statement or amended Statement in such manner as it sees fit (which must include publication on its website).
4. The Act requires that, amongst other things, the Statement sets out an Authority's policy on the remuneration of its Chief Officers. The definition of 'Chief Officers' in local authorities is not limited to Heads of Paid Service or statutory Chief Officers. It also includes those who report directly to them (non-statutory Chief Officers), to their direct reports (Deputy Chief Officers) and, in the case of a Fire Authority, a Deputy Chief Fire Officer.
5. In addition, the guidance suggests that authorities consider whether, in the light of their own context and reward structure, it is appropriate to extend the scope of the Pay Policy Statement to include highly paid staff who would not come within the definition of 'Chief Officers'.

CONTENT OF PAY POLICY STATEMENT

6. Under Section 38 of the Act, the Statement must set out the Authority's policies for the financial year relating to:
 - a) the remuneration of its highest paid staff;
 - b) the remuneration of its lowest-paid employees; and
 - c) the 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 also state:-
 - a) the definition of "lowest-paid employees" adopted by the Authority for the purposes of the Statement; and
 - b) the Authority's reasons for adopting that definition.
8. In addition, the Statement must include the Authority's policies relating to
 - a) the level and elements of remuneration for each Chief Officer;
 - b) remuneration of Chief Officers on recruitment;
 - c) increases and additions to remuneration for each Chief Officer;

- d) the use of performance-related pay for Chief Officers;
 - e) the use of bonuses for Chief Officers;
 - f) the approach to the payment of Chief Officers on their ceasing to hold office or to be employed by the Authority; and
 - g) the publication of and access to information relating to remuneration of Chief Officers
9. The Authority may also include within the Statement, its policies for the financial year relating to other terms and conditions applying to its Chief Officers.
 10. The guidance states that authorities should include the organisation's pay multiple – the ratio between the highest paid employee and the median average earnings across the organisation.
 11. Other aspects of the Statement referred to in the guidance but not explicitly covered in the Act include an authority's policy regarding reward for Chief Officers previously employed by the Authority who are re-engaged following receipt of a severance or redundancy payment.

HUMBERSIDE FIRE AUTHORITY PAY POLICY STATEMENT

12. A draft Pay Policy Statement for 2016/17 has been produced in compliance with the legislative requirements and having regard to the DCLG guidance. The Statement can be found at Appendix 1.
13. The proposed Statement complies with the legislative requirements and reflects the current structure of the Corporate Management Team (CMT).

NATIONAL LIVING WAGE

14. From April 2016, the government will introduce a new mandatory National Living Wage (NLW) for workers aged 25 and above, initially set at £7.20. The National Minimum Wage will continue to apply for those aged 21 to 24.
15. Work has been done to determine the impact of the NLW on the Authority. The work concluded that the impact would be minimal, however a further evaluation will be undertaken once the next NJC pay agreement has been reached.

STRATEGIC PLAN COMPATIBILITY

16. Not directly applicable although the Pay Policy Statement can contribute in demonstrating achievement against the Strategic Plan objective of 'making the best use of the resources we have to deliver more economic and efficient services'.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

17. None arising directly. The Pay Policy Statement will provide transparency in senior staff remuneration.

LEGAL IMPLICATIONS

18. Production and publication of the Statement will fulfill the Authority's relevant statutory obligations under the Localism Act 2011.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

19. None arising directly.

CORPORATE RISK MANAGEMENT IMPLICATIONS

20. None arising directly.

HEALTH AND SAFETY IMPLICATIONS

21. None arising.

COMMUNICATION ACTIONS ARISING

22. The Pay Policy will be published on the Service's website.

DETAILS OF CONSULTATION

23. Not applicable.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

24. None .

RECOMMENDATIONS RESTATED

25. The Committee is asked to consider this report and make any recommendations to the Fire Authority as necessary.

M TOPHAM

Officer Contact: Mark Topham ☎ 01482 567143 or 07771 843777
Head of Human Resources

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

KW/SJ
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