



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

PAY POLICY

Report of the Chief Fire Officer

Agenda Item No:

Date: 28 June 2013

Purpose of Report:

To seek the agreement of Members to a Pay Policy in line with the requirements of the Localism Act 2011.

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1. BACKGROUND

- 1.1 The Localism Act 2011, Section 38(1), places a requirement on 'relevant authorities' to prepare pay statements for each financial year. This duty commenced in the financial year 2012/13.
- 1.2 The Fire Authority is a "relevant authority' as defined by section 43(1) of the Act.
- 1.3 Pay statements must articulate an authority's own policies towards a range of issues relating to the pay of its workforce, particularly that of its Chief Officers and its lowest paid employees.
- 1.4 The Pay statement must be agreed by the Combined Fire Authority annually and be published and accessible.

2. REPORT

REQUIREMENTS OF THE LOCALISM ACT

- 2.1 The basis for section 38(1) of the Act reflects the recommendations of the Hutton Report on Fair Pay in the Public Sector, published in March 2011. The Act drew on these recommendations to emphasise the need for accountability, transparency and fairness in the setting of local pay and place a requirement on elected Members to take a greater role in determining pay, and that such decisions should be set clearly within the context of the pay of the wider workforce.
- 2.2 To this end, pay policy statements must be considered by the full Authority and may not be delegated to sub-committee. Any meetings at which pay policy is established must be open to the public.
- 2.3 Additionally, the full Authority should be offered the opportunity to vote before large salary packages are offered in respect of new appointments. The threshold to be set at packages valued at £100k and to include bonuses, fees and allowances and any benefits in kind.
- 2.4 The published policy statement must specifically include the approach to the publication of and access to information relating to the remuneration of Chief Officers and Deputy Chief Officers.
- 2.5 The Statement must also set out the policy on remuneration for highest and lowest paid employees and establish the relationship between the remuneration of its Chief Officers and other employees. The Authority does not currently use a pay multiple to establish a differential between the highest and lowest paid employees i.e. the ratio between the highest paid employee and the mean average earnings across the organisation, as a means of illustrating that relationship, and it is not intended that such a pay multiple be established within the current pay policy.

- 2.6 The Policy must also set out the approach to other elements of remuneration, including bonuses, performance related pay and severance payments.
- 2.7 The Policy also needs to set out the position taken on re-engagement of Chief Officers in receipt of a pension (including under a Contract for Services), and any abatement measures in place across the workforce.
- 2.8 Details of severance payments, including redundancy, must also be explicit within the policy.
- 2.9 The Statement of Pay Policy is attached as Appendix 1 to the report.

PAY POLICY 2013-14

- 2.10 The Authority considered and agreed a Pay Policy for the first time in 2012. The attached document updates this policy to reflect Policy for the year 2013-14.
- 2.11 The Policy provides a summary of pay policy and practices across the Service and, in particular, details the pay policy for the Chief Fire Officer and other Principle Officers.
- 2.12 The main changes to the Policy are as follows:
 - Updates to pay information relating to mean average pay and pay multiples (paragraphs 1.8 and 1.9)
 - Updates to pension contribution figures (paragraphs 2.25, 2.92, 3.7)
 - Clarity on benchmark comparators for the CFO pay review (paragraph 2.3.1)
 - Confirmation of national annual pay awards payable in 2012 (paragraphs 2.4, 3.2, 4.2)
 - Inclusion of new Area Manager rota payment (paragraph 3.7)
 - Inclusion of new payment to a Special Response Team and Incident Liaison Officers (Paragraph 3.7)
 - Confirmation that no flexible retirement or re-engagement arrangements have been implemented during 2012-13
 - Confirmation that there were 7 compensation payments made under the Discretionary Payments Compensation Scheme in 2012-13 (all linked to redundancies)
 - Confirmation that there were 2 settlements made under compromise agreements in 2012-13

- Confirmation that early payment of pension was agreed in 6 cases (5 of which related to redundancy) in 2012-13.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

- 4.1 The Service already has in place a number of policies and agreements in relation to pay and remuneration, appointments and severance payments. However the provisions of the Localism Act 2011 place a requirement on all public bodies to publish such information as a single Pay Policy and make it accessible to external scrutiny.
- 4.2 The document is only a statement of existing policy and practice, any subsequent changes would be subject to negotiation with the relevant representative bodies.

5. EQUALITIES IMPLICATIONS

As this is a statement of policy, and will not lead to any amendments to existing policy, no equality impact assessment has been undertaken.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

The Localism Act places a statutory duty on Authorities to publish a Statement on Pay Policy commencing in the financial year 2012-13.

8. RISK MANAGEMENT IMPLICATIONS

As the Localism Act places a statutory duty on the Fire Authority, the Authority must be in a position to publish its agreed position on pay and remuneration at the beginning of the financial year. A failure to do so may lead to legal challenge.

9. RECOMMENDATIONS

That Members agree the Statement of Pay Policy.

10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

Frank Swann
CHIEF FIRE OFFICER



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and
City of Nottingham Fire Authority

Statement of Pay Policy 2013/14



NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

Contents

Introduction		3
Section One	General Pay Policy	4
Section Two	Pay Policy for Principal Officers	5
Section Three	Pay Policy for Fire-fighters	9
Section Four	Pay Policy for Support Roles	12
Section Five	Policy on re-engagement and pension abatement	14
Section Six	Severance Payments	15

NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

Introduction

This statement of Pay Policy is provided in line with Section 38(i) of the Localism Act 2011 and is authorised by the Nottinghamshire and City of Nottingham Fire Authority.

Purpose

The purpose of this statement is to provide transparency to the pay policy adopted by the Nottinghamshire Fire and Rescue Service.

Accountability

The Combined Fire Authority is responsible for establishing the pay policy for the employees of the Nottinghamshire Fire and Rescue Service.

The Combined Fire Authority is directly responsible for reviewing the pay structure for Principal Officers including the Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officer and Assistant Chief Officer roles.

The Chief Fire Officer has delegated responsibility to establish appropriate gradings and salaries for all other employees of the Nottinghamshire Fire and Rescue Service.

Pay Negotiating Bodies

The Authority applies the annual pay settlements negotiated by:

- The National Joint Council for Local Government Services
- The National Joint Council for Local Authority Fire and Rescue Services
- The National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services

The Authority undertakes negotiations with its recognised representative bodies on local agreements which affects the terms and conditions of its employees and which may include agreement of local allowances.

The Representative Bodies recognised for negotiating purposes are:

- The Fire Brigade's Union
- The Fire Officers Association
- The Association of Principal Fire Officers
- The Retained Firefighters Union
- UNISON

NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

Section One - General Pay Policy

- 1.1 The Authority applies the pay scales adopted by the respective national Joint Councils for all its employees up to the level of Principal Officer.
- 1.2 Local pay arrangements for Principal Officers are established through the provisions of the NJC for Brigade Managers of Local Authority Fire and Rescue Services and are reviewed bi-annually by the Fire Authority. Further details are set out in Section 2
- 1.3 The number and level of roles within the Service are determined by the Fire Authority on advisement from the Chief Fire Officer.
- 1.4 Pay policy reflects the different roles, duties and responsibilities undertaken by Service employees. This is reflected in pay differentials between different groups of workers and between workers in the same pay group. The pay bands established are based on nationally applied role maps (operational employees) or grading bands established through a job evaluation process (support employees).
- 1.5 Pay policy reflects adherence to the principle of “equal pay for work of equal value”. The Service has committed to undertake an independent equal pay audit on a 3-yearly basis as a means of identifying any gender pay issues.
- 1.6 In applying its policy, the Authority will work to eliminate any elements which may, directly or indirectly, discriminate unfairly on the grounds of sex, race, colour, nationality, ethnic or national origin, age, marital status, having dependants, sexual orientation, gender reassignment, religion or belief, trade union activity, disability or any other factors. Part-time workers receive the same pay and remuneration as full-time workers undertaking the same job role on a pro-rata basis.

Generic pay information

1.8 Mean Average Pay

The mean average pay is calculated based on salary for Fire-fighters, Control and support employees. It does not include Retained Duty System Fire-fighters who are paid according to turn-outs (please refer to section 3.6).

The mean average pay for 2012-13 is £30,839 (as at 01/04/13). This compares to a mean average of £31,091 in 2011-12.

1.9 Pay multiples

The idea of publishing the ratio of the pay of an organisation’s top earner to that of its median earner has been recommended in order to support the principles of Fair Pay (Will Hutton 2011) and transparency.

NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

The current ratio is 4.9:1. This will be monitored each year within the Statement of Pay Policy. This compares to a ratio of 4.5:1 in 2011-12.

Section Two - Pay Policy for Principal Officers

2.1 General Principles

- 2.1.1 National pay awards negotiated by the National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services are applied by the Authority on an annual basis. This represents a cost-of-living increase.
- 2.1.2 In addition, a review of Principal Officer pay is undertaken on a two-yearly basis by the Combined Fire Authority. This is managed through the Policy and Strategy Committee and is approved by the full Combined Fire Authority.
- 2.1.3 This review is undertaken by the Clerk to the Fire Authority and Treasurer to the Fire Authority, who are appointed by the CFA to report to the Authority on the methodology applied and to make recommendations on Principal Officer pay. The last pay review was undertaken in 2012 and did not support any increase in pay for Principle Officers.
- 2.1.4 Principal Officer roles covered by the review include the Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officer, and Assistant Chief Officer (Director of Finance and Resources).

2.2 Establishing the Pay of the Chief Fire Officer

- 2.2.1 The National Joint Council for Brigade Managers of Fire Authorities establishes a minimum salary for Chief Fire Officers based upon population size as follows:

- Population band 1 : up to 500,00
- Population band 2 : 500,001 – 1,000,000
- Population band 3 : 1,000,001 – 1,500,000
- Population band 4 : 1,500,000 and above (except London)
- Population band 5 : London

- 2.2.2 The population size for the Nottinghamshire Fire and Rescue Service is 1.1m. The minimum payment for the Chief Fire Officer is therefore based upon Population Band 3 which establishes a minimum rate of pay for 2012-13 at £105,378.
- 2.2.3 The base salary for the Chief Fire Officer role at Nottinghamshire Fire and Rescue Service is currently set at £139,540 per annum. This is established through a local pay review, details of which are set out below.
- 2.2.4 Additionally, a car is provided for business use up to a value of £11,088 per annum.

NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

2.2.5 Pension: The Service makes an employer contribution of 21.3%. This is in accordance with the contribution made to all members of the Firefighter's Pension Scheme (1992). The employee contribution for 2013 will be 15% of pensionable pay. This compares to 13% in 2012.

2.3 Local Pay Review

2.3.1 In 2009, the CFA approved a methodology for the review of Principal Officer Pay based upon a comparator for the role of Chief Fire Officer. The review compares the pay levels of comparable Fire and Rescue Authorities and establishes a median pay point to establish a benchmark salary which is subject to approval by the Combined Fire Authority. The benchmark authorities used in the review are Leicestershire, Derbyshire and Staffordshire.

2.3.2 The pay review undertaken in 2012 did not support a pay increase for Principal Officers. The next pay review is scheduled for 2014.

2.4 National Pay Review

The national pay review undertaken by the NJC for Brigade Managers of Fire and Rescue Services did not apply a cost of pay award in 2012.

2.5 Other Principal Officer Pay

2.5.1 The Authority has established a policy that Principal Officer roles below that of Chief Fire Officer would be paid as a proportion of the locally agreed Chief Fire Officer base pay rate as follows:

- Deputy Chief Fire Officer - 82.5%
- Assistant Chief Fire Officer - 75%
- Assistant Chief Officer - 65%
(Director of Finance & Resources)

2.6 Publication of Principal Officer Pay

2.6.1 Details of Principal Officer Pay are published on the Nottinghamshire Fire & Rescue Service internet site. This can be found by clicking on the section About Us>Access to Information>Local Transparency Data>Local Transparency Reports.

2.7 Principal Officer – internal pay comparators

2.7.1 In 2012-13, the lowest paid role within the Service is £12,787 (fte), the highest paid role within the Service is £139,540. The Service does not have a policy of direct correlation between the highest and lowest paid roles i.e. it does not apply a pay multiple in establishing Principal Officer pay.

NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

- 2.7.2 The ratio of pay between the highest paid employee of the fire service and a median salary is set out in paragraph 1.9.
- 2.7.3 The pay (including rota allowances) of the most senior officer below Principal Officer (Area Manager) is 69.7% of Assistant Chief Fire Officer pay and 52.3% of Chief Fire Officer pay.
- 2.7.3 The pay of the most senior support role below Principal Officer (Grade 9) is 46.7% of Assistant Chief Fire Officer pay and 35% of Chief Fire Officer pay.

It should be taken into account that the salaries of Principal Officers and other flexi-duty officers reflects a requirement to provide duty cover on a 24/7 rota basis.

2.8 Re-engagement

- 2.8.1 Principal Officers are subject to the same Re-engagement provisions as other Service employees. These are set out in more detail in Section 5.

2.9 Severance Payments

- 2.9.1 Principal Officers are subject to the same severance arrangements as other Service employees. These are set out in more detail in Section 6.

2.10 Other allowances

- 2.10.1 A car is provided for business use to Principal Officers up to the value of £8,022 per annum.
- 2.9.2 Pension: The Service makes an employer contribution of 21.3%. This is in accordance with the contribution made to all members of the Firefighter's Pension Scheme (1992). The employee contribution for 2013 will be 14.5% of pensionable pay. This compares to 12.5% in 2012.
- 2.9.3 Business mileage is reimbursed in line with nationally agreed rates.
- 2.9.4 All employees are members of a corporate health scheme which provides cash-back for dental, optical and consultancy fees, and access to MRI, PET scans and counselling support. This is at a cost of £52 per employee per annum. Principal Officers are also members of this scheme.

Section three - Pay Policy for Fire-fighters

- 3.1 This policy applies to Whole-time, Retained Firefighters and Control staff.
- 3.2 National pay awards negotiated by the National Joint Council for Firefighters of Local Authorities Fire and Rescue Services are applied by the Authority on an annual basis. This represents a cost-of-living increase. A 1% pay award was applied by the NJC for Local Authority Fire and Rescue Services in 2012.

NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

- 3.3 Pay is based upon the role undertaken and the stage of competence of each individual i.e. trainee, in development and competent.
- 3.4 A formal assessment of individuals is undertaken at each stage of development before moving to the next salary level. Maintenance of competence is a requirement at all levels of the Service and is reviewed annually.
- 3.5 Progression between roles is subject to a competitive selection process.

Retained Duty System

- 3.6 Employees employed on the Retained Duty System are paid an annual Retaining Fee and receive subsequent payments based on attendance at incidents and other activity – these include attendance at drill nights, disturbance fees, turnout fees, attendance fees, training fees, other authorised NFRS duties and compensation for loss of earnings. All payments are made in line with nationally agreed pay scales and rates.

3.7 Other allowances and payments

Pension contributions: the Service makes an employer contribution of 21.3% of salary (1992 scheme) or 11% of salary (2006 scheme) for members of the Fire-fighter's Pension Scheme. The employee will make a contribution in 2013 of between 11.9% and 14.1% (1992 scheme) or between 9.1% and 10.5% (2006 scheme) of pensionable pay. This compares with between 11.6 and 12.2% (92 scheme) and 8.8 and 9.3% (2006 scheme) in 2012.

Flexible duty payment: under national conditions of service, a flexible duty payment is made to Station Managers, Group Managers and Area Managers who provide flexible duty cover on a 24/7 rota basis and who are available to attend emergency incidents when required, and provide Duty Officer cover. This is paid at an allowance of 20% of base salary.

Area Manager rota payment: under local arrangements, Area Managers are paid a rota payment equating to 11.67% of base salary.

Acting up: An allowance is paid on a daily basis where employees temporarily undertake the duties of a higher graded role. This is paid at the rate applicable to the role being undertaken. Employees must be qualified to undertake the higher level role.

Overtime rates: paid for roles below Station Manager. This is paid a time and a half or double time on public holiday or time may be granted in lieu at the appropriate enhanced rate.

Detachments: paid when operational employees are required to provide cover at other stations. Paid at 2 hours overtime rate.

Recall to duty: paid at a minimum of three hours at double time rates.

NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

Continuous Professional Development Payment (CPD): Under national conditions of service, a CPD payment is approved annually on an individual basis for employees with more than 5 years of service (since attaining competence in role).

This is paid as an annual payment of £867 (wholetime) and £216.72 (retained). The payment made to retained duty system employees is paid on pro-rata basis.

The payment is made by application and authorised at a senior management level. To be eligible, an individual must demonstrate evidence of CPD over and beyond that required for competence and have a good attendance, performance and disciplinary record.

Additional Responsibility Allowance (ARA's): may be paid where employees perform duties outside of the national role map. At NFRS, two levels of payment are applied. The lower level is paid at £250 per annum and the higher level at £500 per annum. There are 69 higher level ARA's and 6 lower level in payment at the current time. Payments are conditional upon individual's performing additional duties / responsibilities and maintaining competence in these areas, this may include taking professional or vocational qualifications.

National Resilience Payment: a local payment is made for employees volunteering for crewing of the High Volume Pump, Enhanced Command Support Vehicle and Incident Response Unit which form part of the national resilience network. Volunteers are available on an on-call basis and could be required to operate outside of the county to respond to national emergencies. Current payments are £500 per annum and there are 26 employees receiving this payment. The payment is funded by national grant.

Special Response Team: a local payment is made for employees volunteering for this tactical response team. Volunteers are available on an on-call basis. Current payments are £500 per annum and there are 56 employees receiving payments.

Incident Liaison Officers: a local payment is made for employees volunteering to be Incident Liaison Officers at Special Response incidents. Volunteers are available on an on-call basis. Current payments are £500 per annum and there are 6 employees receiving payments.

Messing allowance: Paid to station personnel who are responsible for catering arrangements on fire stations.

Spoilt meals: Paid when prepared meals are uneaten as a result of attending an emergency call-out.

Kit Carrying allowance: a local allowance paid to compensate operational employees who are required to transfer fire kit in their own vehicles.

NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

Travel allowance: a local allowance to cover additional travel costs when an operational employee is compulsorily transferred to another work base. A payment is made of the difference in mileage undertaken and is paid for 3 years (compulsory transfer) or 18 months (promotion).

Essential Car User: A lump sum is paid to employees who are required to use their own vehicles to undertake their job role. This is based on nationally determined allowances. The allowance may be off-set against leasing arrangements for a vehicle, the balance of which is paid by the employee.

Clothing allowance: Paid to Control employees for provision of uniform (where this is not provided by the Service).

Reimbursement of medical fees: this only applies to employees whose service commenced before November 1994. The reimbursement of fees cover dental, optical and prescription fees and are paid at NHS rates.

Health scheme membership: all employees are members of a corporate health scheme which provides cash-back for dental, optical and consultancy fees and access to MRI, PET scans and counselling support. This is at a cost of £52 per employee per annum.

Section four - Pay Policy for Support Roles

- 4.1 This policy applies to employees covered by the NJC for Local Government Services and includes all non-operational staff.
- 4.2 National pay awards negotiated by the National Joint Council for Local Government Services are applied by the Authority on an annual basis. This represents a cost-of-living increase. No pay award was applied by the NJC for Local Government Services in 2012.
- 4.3 The Authority has a locally agreed grading structure, which uses nationally recognised salary points (spinal column points) across 9 grading levels. Each level is comprised of 5 salary points. Movement between grades is through a competitive selection process.
- 4.4 A job evaluation process, based on the national model, assesses all roles and allocates an appropriate grade according to the duties and responsibilities undertaken. Employees may apply for a review of their grade where permanent, substantial and material changes have increased the level of duties and responsibilities attached to their role. Any substantive changes to grade must be authorised by the Chief Fire Officer and reported to the Authority.
- 4.5 On an annual basis, employees progress incrementally through their respective grade until they reached the maximum point of their grade. Progression is subject to satisfactory performance.

NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

4.6 Other allowances and payments

Pension contributions: the Service makes an employer contribution of 16.3% of salary for all members of the Local Government Pension Scheme. The employee makes a contribution of between 5.5% and 7.5% of pensionable pay depending on their salary band.

Overtime: Paid up to Grade 5, at the rate of time and a half and double time for weekend and public holidays. Time in lieu may be taken as an alternative to payment.

Acting up: An allowance is paid if an employee is required to a higher level role for a period of more than one month.

Honorarium: A discretionary payment may be made, with the approval the Director of Human Resources, for duties undertaken outside of the normal job requirements for an extended period of time. The maximum payable is £1000. Any payments above £1000 must be approved by the Fire Authority.

Stand by: Employees required to attend work outside of normal office hours or to be on-call are paid an allowance depending on the nature of the arrangements.

Essential Car User A lump sum is paid to employees who are required to use their own vehicles to undertake their job role. This is based on nationally determined allowances.

Disturbance: Paid when an employee is required to move work location. Actual additional mileage is paid for a period of 4 years.

Health scheme: All employees are members of a corporate health scheme which provides cash-back for dental, optical and consultancy fees, and access to MRI, PET scans and counselling support. This is at a cost of £52 per employee per annum.

Section five - Policy on Re-engagement and Pension Abatement

- 5.1 This applies where individuals retire from the Service, and draw pension benefits, and are subsequently re-engaged into the same or other role with the Nottinghamshire Fire and Rescue Service. The policies set out below apply to all employees, including senior officers of the Service.
- 5.2 The Service operates a Re-engagement Policy, which has been authorised by the Fire Authority, for operational employees. This permits re-engagement in limited circumstances for a fixed-term period. Any such arrangements are reviewed annually and may not operate for more than 4 years on a consecutive basis. During any period of re-engagement the employee has full abatement of pension i.e. they may not earn more in the new role than in their previous role when pension and salary are combined. This complies with the

NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

provisions of the Firefighters' Pension Scheme. No re-engagement arrangements were enacted during 2012-13.

- 5.3 The Service operates a Flexible Retirement Policy for employees in the Local Government Pension Scheme which allows employees to take their pension benefits and be re-employed on reduced hours or at a lower grade without abatement of pension. This complies with the provisions of the Local Government Pension Scheme. No flexible retirement arrangements were enacted during 2012-13.
- 5.4 In circumstances in which employees who have taken retirement benefits (either as former NFRS employees or employees of another public sector organisation) apply for a support role with the Nottinghamshire Fire and Rescue Service as part of a competitive selection process and are successful, no abatement of pension is applied.

Section six - Severance Payments

- 6.1 In the event of redundancy, the Service applies statutory redundancy payments under the provisions of its Redundancy Procedure. This applies to both compulsory and voluntary redundancy situations.
- 6.2 In addition, members who are members, or who are eligible to be members, of the Local Government Pension Scheme may be awarded an additional compensation payment under the provisions of the Discretionary Compensation Payments Scheme. This payment is based upon age and length of service. A Discretionary Compensation Payments Board assesses each application to determine whether there are any exceptional personal circumstances to enhance the compensation element of the award. This applies to both compulsory and voluntary redundancy situations. A cap of 66 weeks pay is applied in normal circumstances. This can be increased to up to 104 weeks in exceptional circumstances. All recommendations for enhanced payments are subject to agreement by the Fire Authority. There were 7 such compensation payments made as part of redundancy payments in 2012-13.
- 6.3 In exceptional cases, the Chief Fire Officer is authorised to agree a compensation payment as part of a compromise agreement when the employment of an employee is terminated by the Service, or in settlement of a claim. There were 2 such settlements in 2012-13. Such agreements are subject to confidentiality clauses.

Early payment of pension benefits

- 6.3 Under the provisions of the Local Government Pension Scheme, employees aged over 55 who are made redundant or who are retired from Service on the grounds of efficiency are awarded early payment of pension benefits.
- 6.4 In this case, a charge is made against the Fire Authority by the pensions fund, this is referred to as actuarial strain.

NOTTINGHAMSHIRE FIRE & RESCUE SERVICE
STATEMENT OF PAY POLICY

- 6.5 In 2012-13 the Service agreed to the early payment of pension in 6 cases. Five of these were linked to redundancies.