



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Policy and Strategy Committee

Principal Officer Pay Review

Report of the Clerk and Treasurer to the Fire and
Rescue Authority

Date: 31 January 2014

Purpose of Report:

To present options regarding the methodology applied to the review of Principal Officer pay.

CONTACT OFFICER

Name : Peter Hurford (c/o Tracy Crump Head of HR)

Tel : (0115) 967 0880

Email : tracy.crump@notts-fire.gov.uk

Media Enquiries Contact : (0115) 967 0880
Bridget Aherne bridget.aherne@notts-fire.gov.uk

1. BACKGROUND

- 1.1 The conditions of service for Principal Officers within Nottinghamshire Fire & Rescue Service are largely determined by the National Joint Council (NJC) for Brigade Managers of Local Authority Fire and Rescue Services. The NJC seeks to reach agreement on a national framework of pay and conditions for Brigade Managers for local application throughout the Fire and Rescue Services in the UK. Collectively the agreements are contained within the “Gold Book”.
- 1.2 The Gold Book makes the following statements with regard to salary and also gives advice and guidance to Authorities on pay determination, as attached as Appendix A of this report:

“The NJC will publish annually recommended minimum levels of salary applicable to Chief Fire Officers employed by Local Authority Fire and Rescue Authorities.

There is a two-track approach for determining pay for Brigade Manager roles.

- (i) at a national level the NJC shall review annually the level of pay to all of those covered by this agreement;
- (ii) all other decisions about the level of pay and remuneration to be awarded to individual Brigade Manager roles will be taken by the Fire Authority locally who will annually review those salary levels” – advice on the implementation of a local salary structure is contained at Appendix A.

2. REPORT

- 2.1 As stated in the Authority’s Pay Policy, Principal Officer salary levels are reviewed in line with national pay agreements on an annual basis, and are subject to local review every two years.
- 2.2 The salaries applied to Principal Officers below the level of Chief Fire Officer are based upon a % of the Chief Officer salary, as follows:
- § Deputy Chief Fire Officer – 82.5%
 - § Assistant Chief Fire Officer – 75%
 - § Assistant Chief Officer – 65%
- 2.3 In 2009 the Authority, having considered several options regarding a methodology for a local pay review, determined that the salary of the Chief Fire Officer would be established by using the median average of neighbouring comparative Services, namely Staffordshire, Leicestershire and Derbyshire.
- 2.4 A review was undertaken using this methodology in 2011 and 2013. In 2011 no pay increase was recommended, however in 2013 an increase equating

to 3.8% was recommended to bring the salary of the Chief Fire Officer to the median level of the four Services.

- 2.5 From 1 January 2014 salary of the Chief Fire Officer is established at £140,935 per annum.
- 2.6 In considering this recommendation, the Policy and Strategy Committee recommended to the Fire Authority that the increase should be phased over two years, with 1% applied in 2014 and 2.8% in 2015. It further recommended that a review of the current methodology be undertaken and reported to the Committee at a future date. These recommendations were approved by the Fire Authority.
- 2.7 There are a number of options available when considering comparative salaries as benchmarks against which salary levels can be compared:
 - § Comparison with all Chief Fire Officer roles
 - § Comparison with the salaries of CFOs in Combined Fire Authorities
 - § Comparison with the salaries of CFOs of similar population size
 - § Comparison with the salaries of CFOs in the same family group
 - § Comparison with the salaries of CFOs in the same region (Midlands)
 - § Comparison with the salaries of CFOs in similar neighbouring FRAs (existing policy)
 - § Comparison with Strategic Directors of the County and City Councils
- 2.8 In determining a benchmark the Service needs to be assured that the CFO role is compared fairly and relatively to jobs of a similar size (in terms of population), responsibility (in terms of governance and budget) and duties – including incident command responsibilities. These factors are summarised in the guidance provided by the NJC, as set out in Appendix A.
- 2.9 It is important the most appropriate benchmark group is used to ensure that the Authority maintains a competitive position in terms of recruiting and retaining experienced and talented Principal Officers.
- 2.10 It is also important that a proportionate differential is maintained with Officers below the level of Brigade Manager i.e. Area Managers, to reflect the higher level of responsibility inherent in the Brigade Manager role. Currently the salary of an Area Manager equates to 69.7% of an Assistant Chief Fire Officer (including allowances).
- 2.11 **All Chief Fire Officer comparator group:**
 - Size: 53 (all UK Fire Services)
 - Salary range: Not available
 - Median point: Not available
- 2.12 This is the largest comparator group, however it has not been possible to benchmark salaries as the national employers will not release this information. Notwithstanding this, it is proposed that this benchmark does not provide relative comparison in terms of population size or level of

decision making, it is simply an average of all Fire Services. The median average salary would take account of the smallest FRA's as well as the largest metropolitan authorities. For this reason it is not considered to be a reasonable comparator group.

2.13 Combined Fire Authority comparator group:

Size: 25

Salary range (2012): £86,697-£154,321

Median point: £135,779

2.14 This is a relatively large comparator group (shown as Appendix B). The use of a comparator group based upon Combined Fire Authorities only would address some of the anomalies associated with responsibility but would not address population size differences. If the median average of the group were to be applied, this would be £135,779. This could be considered a fair comparator group.

2.15 Population size comparator group:

Size: 11

Salary range (2012): £111,962-£170,000

Median point: £140,935

2.16 Whilst this comparator group would address relative population size, it is made up of both Combined and Local Authority Fire and Rescue Services and therefore may not be representative of job size in terms of levels of responsibility. There are 11 Authorities within Population Band 3 (1,000,001-1,500,000), which is a reasonable benchmark group (shown as Appendix C). If the median average of the group were to be applied, this would reflect the current position. On this basis, this could be considered a fair comparator group.

2.17 Family group:

Size: 18

Salary range: £70,000-£148,422

Median point: £140,935

2.18 This is a relatively large comparator group made up of 18 Services (including the current comparator group of Leicestershire, Derbyshire and Staffordshire). This group shares factors such as population size, deprivation, risk area and total fire calls (shown as Appendix D). If the median average were to be applied this would be comparable with the current CFO salary applied in NFRS from 1 January 2014. On this basis, this could be considered at fair comparator group.

2.19 Regional comparator group:

Size: 10

Salary range (2012): £111,000- £161,600

Median point: £131,146

2.20 This group includes all Fire Services in the Midlands (shown as Appendix 5). As with previous comparators the cross section of county and combined authorities may not accurately reflect the population size and relative responsibilities of the CFO role in Nottinghamshire. Although it could be argued that the cross section of different Services in the region would even out the pay disparities between the largest and smallest Authorities. If the median average of the group were to be applied, this would be lower than the current salary position at NFRS. This could be considered to be a fair comparator group.

2.21 **Similar neighbouring Services:**

Size: 4

Salary range: £139,540-£148,220

Median point: £144,800

2.22 This is the method currently adopted. Whilst this benchmark group of 3 other Services (Leicestershire, Derbyshire and Staffordshire) addresses disparities regarding population size and responsibilities, the size of the group can lead to a skewed outcome, with any change immediately impacting on the median point. Conversely, any national movements on Chief Fire Officer pay may not be reflected within the benchmark group due to local factors (i.e. a decision to peg salary increases in particular authorities).

2.23 Whilst this approach does ensure parity with those Services most closely aligned to Nottinghamshire, it does not establish a sufficiently wide comparator group to even out ad-hoc salary movements (upward or downward) and for this reason a broader approach may be more representative.

2.24 **Strategic Directors in local County and City councils:** it would be difficult to draw a direct comparison with other public sector roles at a strategic level given the responsibilities of a Chief Fire Officer, particularly in a Combined Fire Authority. The current pay of a Strategic Director in the County Council is £134,908 and £130,000 in the City Council (based on the highest corporate director level). If this comparator is to be used to establish local market comparisons, then it is advised that it is used alongside a Fire and Rescue Service specific benchmark group.

2.25 On the basis of the criteria set out in paragraph 2.8, and taking into account the need to widen the benchmark group to reduce the impact of ad-hoc salary movements, those benchmark groups which are most closely aligned to the demographics, governance arrangements and the responsibilities of the Chief Fire Officer in Nottinghamshire are: all Combined Fire Authorities, the Family Group or a Midland Regional group. In addition, the average salary of Strategic County and City Council Officers could be included to reflect a local public sector benchmark.

2.26 In terms of timing, the current review is undertaken in the autumn and recommendations are presented to Fire Authority in October for

implementation in January of the following year. The timing of the review ensures that any national pay award is already taken into account as a pay agreement is generally published in July (backdated to January). For this reason, it is recommended that the timing of a review remains unchanged.

3. FINANCIAL IMPLICATIONS

- 3.1 The financial implications of selecting any of the above benchmark groups can only be assessed in the light of the current position and this can be seen in the report i.e. the salary of the Chief Fire Officer as reported in paragraph 2.5 can be compared to the current median salary for each benchmark group. Future financial implications will depend upon future salary movements and cannot therefore be predicted.
- 3.2 For information, the salary of the Chief Fire Officer constitutes approximately 30% of the total pay budget for Principal Officers.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

- 4.1 The Human Resources implications are contained within the report. Changing the way that Principal Officer pay is reviewed is a matter for the Fire Authority and would not affect current contractual provisions.
- 4.2 Any change in the way that Principal Officer pay is undertaken by the Authority would need to be reflected in the published Pay Policy.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because there are no equality issues arising from this report.

6. CRIME AND DISORDER IMPLICATIONS

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

7. LEGAL IMPLICATIONS

Under the Localism Act, the Authority is required to publish its pay policy which includes the way in which Principal Officer pay is determined.

8. RISK MANAGEMENT IMPLICATIONS

A robust and auditable methodology for setting Principal Officer salary levels is essential if the Service is going to stand up to external and internal scrutiny in respect of this matter. Additionally the Service needs to ensure that it is able to

recruit and retain quality officers to ensure that NFRS meets the expectations of the Service and the community.

9. RECOMMENDATIONS

It is recommended that:

- 9.1 Members consider the information contained within the report and agree on a review outcome;
- 9.2 Members agree to retain the current timing of the review;
- 9.3 Members consider whether a further report be undertaken in respect of the use of external consultants to benchmark salary data.

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

Information from the NJC for Brigade Managers of Local Authority Fire and Rescue Services Salaries and Numbers Annual Survey 2012.

NFRS Pay Policy 2013-14.

Peter Hurford
TREASURER TO THE AUTHORITY

Malcolm R. Townroe
CLERK TO THE AUTHORITY

APPENDIX A

NJC Guidance and Salary Structures

1. When determining the appropriate level of salaries for all Brigade Managers, the FRA should refer to the relevant minimum salary of the CFO and the most relevant benchmark data.
2. Normally the FRA will wish to begin by determining appropriate salary for their most senior manager.
3. When deciding how these posts should be remunerated, the following factors are to be considered:
 - (a) The CFO's salary and that of any service 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 FRA's of a 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 Sec's on salaries in similar Authorities.
 - (f) Top management structures and size of management team compared to those other Fire & 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, and
 - (h) Incident command responsibility and the requirement to provide operational cover with the employing authority and beyond.

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

- Minimum salary levels for CO's in relevant sized local authorities.
- Market rates of pay for service managers in a range of private and public sector organisations; and
- Evidence of recruitment and / or retention difficulties with existing minimum rates.

APPENDIX B

Combined Fire Authorities

(Please note that whilst there are 28 CFA's listed, only 25 are available as part of the national employer survey)

Isle of Wight
Wiltshire and Swindon
Cleveland
Buckinghamshire
Cambridgeshire
Dorset
County Durham and Darlington
Hereford and Worcester
East Sussex
North Yorkshire
Royal Berkshire
Leicestershire
Humberside
Avon
Shropshire
Cheshire
Devon and Somerset
Nottinghamshire
Staffordshire
Lancashire
Kent
Hampshire
Essex
West Yorkshire
Mid and West Wales
North Wales
South Wales
Bedfordshire and Luton

APPENDIX C

Population size

Avon
Cheshire
Hertfordshire
Lancashire
Merseyside
Nottinghamshire
South Yorkshire
Staffordshire
Surrey
Tyne & Wear
South Wales

APPENDIX D

Family Group

Avon
Cheshire
Cleveland
Derbyshire
Essex
Hampshire
Hereford and Worcester
Hertfordshire
Humberside
Kent
Lancashire
Leicestershire
Lincolnshire
Nottinghamshire
Northern Ireland
Staffordshire
South Wales
Surrey

APPENDIX E

Regional Group

Derbyshire
Leicestershire
Northamptonshire
Nottinghamshire
Lincolnshire
Staffordshire
West Midlands
Hereford & Worcester
Warwickshire
Shropshire