

Process for Dealing with Brigade Managers' Pay

Report of the Chief Fire Officer

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1 Purpose of Report

This report informs the Fire Authority of the review of the process for undertaking Brigade Managers' pay negotiations and makes a number of recommendations in light of the review.

2 Recommendations

The Fire Authority is asked to

- a) Note and agree the changes to the Brigade Managers Pay Panel Process; and
- b) Task the Brigade Managers' Employment Panel with meeting to commission a pay review

3 Background

In December 2008, the Fire Authority decided that the process used to agree future annual pay claims needed to be independently reviewed. Accordingly, the Advisory, Conciliation and Arbitration Service (ACAS) were approached to look at the current process, and to put forward any changes that it considered would lead to a more efficient, effective and better informed process.

Further to this review the Pay panel process was agreed and the authority for reviewing and deciding Brigade Managers' pay was delegated to the Brigade Managers Employment Panel (BMEP).

The pay process for Brigade Managers in the fire and rescue services consists of a two-track approach, with a National Joint Council (NJC) annual review of pay level increases and a second level of decisions taken locally by each Fire Authority.

Since 2009, an annual review of Senior Officers Pay Policy Statement has been undertaken following the application of the national Gold, Green and Grey NJC pay award decisions each year. However, according to Service records the last Brigade Managers Pay review carried out by the Fire Authority was in 2009, therefore it is now deemed necessary to review this process again.

4 Review of Brigade Managers Pay Panel Process

In conjunction with the Legal Adviser, officers have undertaken a full review of the Brigade Managers Pay process, identifying some limited amendments to the policy:

- The Head of HR and Administration will now review this Order when new legislation arises and when organisational needs require, instead of the Assistant Chief Fire Officer, to prevent any conflict of interest.
- The list of Pay Research Organisations has been reviewed for its currency and amended to include the relevance of other independent organisations or consultants who would be suitable; and from whom a quote could be obtained at the point at which a new review is commissioned.

A copy of the amended policy is attached at the Appendix to the report. There are no further changes to the policy, other than those detailed above.

Further to this review of the process, the intention is to convene a BMEP and commission a review for Brigade Managers Pay.

5 Financial Implications

There are no financial implications arising from this report.

6 Legal Comment

The amended policy complies with employment law. The Fire Authority has the power to delegate these considerations and decisions to a committee or sub-committee with politically balanced representation. Given the exempt information which would be considered, such meetings would be held in private. Legal Advice will be provided throughout the process as and when required and in line with the policy.

7 Initial Impact Assessment

This report contains merely statements of fact / historical data. An Initial Impact Assessment is not, therefore, required.

8 Equality Impact Assessment

There are no equality or diversity implications arising from this report. An Equality Impact Assessment is not, therefore, required.

9 Appendix

Brigade Order – Brigade Managers Pay Panel Process

10 Background Papers

There are no background papers associated with this report.



Shropshire
Fire and Rescue Service

Brigade Order

Human Resources

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Roles, Responsibilities and Review

The **Chief Fire Officer** is responsible for ensuring this Order is implemented across the Brigade.

The **Assistant Chief Fire Officer** will be responsible for the day to day operation of the Order.

The **Head of HR and Administration** will review this Order when new legislation arises or as and when organisational needs require.

Brigade Order: Human Resources

Brigade Managers Pay Panel Process

Purpose

This outlines the agreed steps which will be undertaken in relation to the review of Brigade Managers Pay. It sets how comparisons will be collected, along with organisations which will be consulted. Once this has been undertaken, it also sets out the process by which changes to Brigade Managers pay will be negotiated and agreed.

Strategic Aims

This Order supports all of the services Strategic Aims as outlined in the Annual Plan.

Introduction

In January 2009, the Advisory, Conciliation and Arbitration Service (ACAS) were asked to explore and provide some recommendations regarding the Shropshire Fire and Rescue Service pay process for senior managers. This Order reflects the discussions and diagnosis that was carried out and the resulting agreed process.

Pay review and research (timescale 1 month)

The pay process for Brigade Managers in the fire and rescue services consists of two-track approach, with a National Joint Council (NJC) annual review of pay level increases and a second level of decisions taken annually locally by each Fire Authority.

This means that there are two levels of annual review of pay and pay levels, national and local, with the Fire Authority looking at any implications locally, based on the nationally agreed pay increase. To do this in Shropshire, account is taken of local factors such as pay and benefits packages in similar posts in similar organisations within the County and the wider West Midlands, as well as comparisons with similar sized fire and rescue services across the United Kingdom.

The objective of a pay review and pay research generally is to provide information that enables an organisation to:

- maintain a competitive pay and benefit position, relative to the market, in order to recruit and retain the right calibre of staff
- determine levels of pay for individual jobs, pay ranges or scales
- provide information on adjustments required to general or individual pay levels.

The survey form in Appendix B outlines the key pay and benefits elements that should be collected from as wide a range of organisations as possible, given the number of jobs at issue. These pay and benefit items are:

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- basic pay for specific jobs
- pay scales for specific jobs – minima & maxima – and number of increments
- pension – employer contribution
- car value – either value of car, allowance or lease payment
- other benefits – e.g., housing, healthcare, schooling etc.

To these should be added non-pay items such as the cost of living comparative to other areas – housing, education, travel costs, as well as the relevant **Retail Prices Index (RPI)** and/or **Consumer Prices Index (CPI)** figures.

The best ways of gathering this information is to include them in a survey as outlined above. The advantage of a local and industry survey is that it is simple and potentially quick. The disadvantages are that it could be inaccurate and that other organisations may be reluctant to share all of the information. A few examples of research organisations who may undertake such work are contained in Appendix A.

It might be appropriate, depending on the prevailing circumstances at the time the research is carried out, to gather comparisons only from a research organisation or only from other public sector organisations. Equally, it might be appropriate for comparisons to be gathered from both sources.

Brigade Managers' Employment Panel

The Brigade Managers' Employment Panel (the Panel) was set up by the Fire Authority and is made up of five Elected Members. The Panel's role is to review the pay and conditions of service of Brigade Managers, in accordance with the process agreed by the Fire Authority and, having carried out a review, to make decisions relating to the pay and conditions of service of Brigade Managers.

Any considerations related to pay and employment conditions are conducted in private, with a Legal Adviser present to advise on legal and procedural matters and a Committee Clerk to take minutes and record decisions.

In July 2009 the Fire Authority delegated full authority for pay review and pay decision making to the Panel to enable full and open discussions to take place with the officers and their representatives and shorten the timescale for decision making.

In addition, discussion may take place each year between the Members before any pay review and negotiations about items such as available budget for pay and benefits. The Panel would then have a steer from the Authority in its dealings with the officers.

The first function of the Panel should be to commission a pay review as outlined in Pay review and research above, both for their own purposes in arriving at conclusions about what can be afforded and also for sharing with the officers and their representatives before the pay bargaining stage.

The work of the Panel by necessity should be confidential until any pay review report is completed. The essence of the work and the report should be simplicity; a process outlining basic comparisons should suffice, taking into account the small number of posts being considered.

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Pay Panel bargaining process (timescale 2 weeks)

Once the Panel has received the commissioned pay review report the officers and their representatives can consider the report in compiling their proposals and the Authority representatives can consider the report in light of the available budget.

Both sides should take account of the **Consumer Prices Index (CPI)** figure for the month prior to the pay review process commencing (ie if the process commences in December, with the national award in January then the published figure should be the CPI for November). For reference the Treasury guidelines for the civil service over recent years have used CPI, linked to an overall 2% remit.

The bargaining process should involve two members of the senior officer group plus any trade union representative and the members of the Panel.

A meeting (of up to 3 hours) should be convened at the beginning of the bargaining process for both officers and the Panel to discuss the budget, the report and the officers' proposals.

Discussions should continue until there is substantial agreement on the outcomes or there is a failure to agree.

If there is agreement, then the outcomes should be drafted and signed as agreed with a date for implementation.

If there is a failure to agree then another meeting should be held (within 2 weeks) after both sides have retired to consider further movements or evidence.

This second meeting should concentrate on any new evidence or proposals from either side aimed at breaking the deadlock. It should not be seen as an opportunity to rehash the same arguments from the first meeting.

If there remains a failure to agree then the dispute resolution process should commence.

Dispute resolution process (1 month)

The dispute resolution process should be seen as the last resort for all sides in deciding a dispute over pay and therefore all should make their best efforts to resolve the differences by agreement. The aim is for the process to be fast, efficient and cost-effective.

Stage 1 – Reference to ACAS for conciliation

Both sides agree to refer the dispute to ACAS for conciliation. ACAS will agree a date to meet with the parties and help facilitate a solution. This meeting will last for as long as there is a chance of an agreed outcome but will be timetabled for 1 full day. If there is an agreement after ACAS intervention then the ACAS conciliator will provide the wording for the agreement for signature by the parties. If there is no agreement, then the dispute is referred to Stage 2.

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Stage 2 – Reference to independent person

In order to refer the dispute to an independent person both parties need to agree to be bound by the decision of the independent person. In advance of the referral, each party should prepare their arguments, including the background to the dispute, and exchange the relevant documents before sending them to the independent person. Each submission should include an opening statement of each side’s position and a summary of the documents contained in the submission.

Following submission, the parties will agree a meeting with the independent person at which the independent person will have the opportunity to pose questions and invite the parties to decide whether any further discussion between them can effect an agreement. If not, then the independent person will make their conclusions known to the parties either at the conclusion of the meeting or in writing at an agreed time after the meeting. As both parties have agreed to be bound by the decision this will be implemented as soon as practicable after the decision is made.

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List of Pay Research Organisations

This is not intended as an exhaustive list, but the below organisations are at the time of this policy being written, organisations capable of undertaking a pay review. It might be that there are other independent organisations or consultants who would be suitable from whom a quote could be obtained at the point at which a new review is commissioned.

Epaycheck

Epaycheck is the national online pay benchmarking service developed for the public sector by the public sector. Councils who have joined the Epaycheck community securely share and compare their pay data with that of other councils, across hundreds of common roles within the sector.

Epaycheck is delivered in partnership with the Local Government Association and it provides them with fast and current information to support national pay negotiations and a means of tracking the effects of pay changes on key job families. It also enables the sector to produce detailed data reports that aid understanding of pay across the sector for key services; such as the Epaycheck Data Report on Social Work Pay, Recruitment and Retention published October 2014. Epaycheck is a powerful data tool and the LGA is encouraging all councils to participate.

West Midlands Employers

WMEmployers are a not-for profit organisation offering employment services for the Public Sector. They work exclusive with the public sector and are well versed in the research of and provision of salary and pay grading comparisons across the public sector to their members.

Labour Research Department Payline - Payline gives union members and officials access to information on more than 2,000 collective agreements with large and small employers in both the public and the private sectors. In addition to information about pay settlements and pay rates, Payline has information about working hours, holidays and special leave, overtime rates, shift pay, regional allowances, maternity, paternity and other family friendly policies (flexible working, career breaks), union facilities and a range of other subjects that are useful to union negotiators on a daily basis. The Labour Research Department uses this information as the basis for the analysis of current pay and conditions that makes our publications so widely read within the union movement. Payline gives union researchers, members and officials the opportunity to find what they need to know with a wide range of reports and filtering options - <http://www.lrd.org.uk/>

Office of Manpower Economics

National Statistical Office

Flowchart of Pay Panel Process

