

# Financial Approvals 2023/24

## Report of the Chief Fire Officer

For further information about this report please contact James Walton  
Treasurer, on 01743 2589185 or Joanne Coadey, Head of Finance, on 01743 260215.

### 1 Executive Summary

This report requests members to consider and approve a contribution from reserves for backdated holiday pay, and a movement of schemes for fire appliances in the capital programme.

### 2 Recommendations

The Fire Authority is recommended to:

- a) Note the backdating of holiday pay on regular overtime and approve a contribution from reserves to fund the backdated pay, and
- b) Approve the movement of schemes for fire appliances in the capital programme.

### 3 Background

The revenue budget and capital programme for 2023/24 were approved in February 2023 and Members have received monitoring reports for the first four months of the year. There are two developments which require amendment to the budget and the capital programme, and these are beyond the delegated powers of the Treasurer and the Chief Fire Officer. The required amendments are detailed below for consideration and approval.

### 4 Holiday Pay on Overtime

A change in legislation regarding the calculation of holiday pay for operational staff has resulted in a proposal that all overtime should now be included in the holiday pay calculation.

A landmark judgment in the Employment Appeal Tribunal (EAT), [Bear Scotland v Fulton](#) (joined with Hertel, Amec v Wood and others) of 4 November 2014, has specified that payments for overtime that the worker is **regularly** required to work are part of “normal pay”. They must therefore be included in the calculation of holiday pay under the Working Time Regulations 1998 (WTRs) because the Regulations have to be read to give effect to the European Working Time Directive (the Directive) and apply to private as well as public sector employers.

Following the Court of Appeal decision in East of England Ambulance NHS Trust v Flowers and others in 2019, it was ruled that regular voluntary overtime should be included in Working Time Directive holiday pay.

This issue was initially discussed with the unions in September 2021, and Officers have carried out an exercise to determine the impact of this change in policy. Officers and union officials have negotiated a settlement in terms of back pay and agreed terms for paying holiday pay going forward.

Officers will take into account the increase in holiday pay on the revenue budget, as a base budget and committed costs review is undertaken as part of the budget setting process for 2023/24.

In terms of back pay for firefighters, it has been agreed that payments will be made which cover the period from September 2019 to September 2023. The cost of this back pay is £121,000 and Members are asked to approve a contribution from reserves that will be required to cover the payment.

## **5 Replacement of Fire Appliances**

In February 2023, Members considered the capital programme from 2023/24 to 2026/27, and approved schemes contained within 2023/24.

The programme contained schemes for the replacement of fire appliances, with three appliances in each of the years 2023/24, 2024/25 and 2025/26.

The Fleet Manager is undertaking a procurement process; the most effective and efficient method of procurement is to tender for eight appliances at once then specify batched deliveries to tally with Service requirements. The ninth appliance in the scheme will be considered as part of the Resources Review that is currently being undertaken.

Members are asked to bring forward the schemes from 2024/25 and 2025/26 to enable this order to take place.

## **6 Financial Implications**

The financial implications are outlined in the main body of the report.

## **7 Legal Comment**

The legal position on the requirement to pay holiday pay on overtime is highlighted in the report.

## **8 Equality Impact Assessment**

There are no equality or diversity implications arising from this report. An e-EQIA is not, therefore, required.

## **9 Appendices**

There are no appendices attached to this report.

## **10 Background Papers**

There are no background papers associated with this report.