

**Hampshire Fire and Rescue Authority**

**Human Resources Sub Committee**

**Agenda Item 7**

**2013**

**Principal Officer Pay Review (Exempt)**

**Report of the Chief Officer**

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**1 Summary**

- 1.1 The purpose of this report is to gain approval from the Human Resources (HR) HR Committee for the implementation of a revised methodology for the local determination of Principal Officer Pay. This paper relates to the framework for decision making about local pay and Members are not being asked to make any decisions about pay rates at this point.

**2 Recommendation**

- 2.1 That the methodology at Appendix 1 is approved.

**3.0 Introduction and Background**

- 3.1 The national terms and conditions (T&Cs) of service for Principal Officers (PO) are negotiated and agreed at national level. These T&Cs are generically known as the Gold Book. This is due simply to the colour of the cover of the book that used to contain them. The Gold Book places a requirement on Fire Authorities to consider local pay awards for Principal Officers on an annual basis. This is in addition to any nationally agreed pay award. Principal Officers are the most senior management posts in UK Fire and Rescue Services (FRS) and is constituted by the roles of Chief Officer (CO)(or Chief Fire Officer(CFO)), Deputy Chief Officer (DCO)(or Deputy Chief Fire Officer(DCFO)) and Assistant Chief Officer (ACO).

- 3.2 On 1 December 2006, the HR Committee approved a methodology for the local pay review of Principal Officer rates. This methodology has been in use since that date but over time has become increasingly difficult to implement for the following reasons:

- It included references to documents and performance data that are no longer published or collected.
- It referred to representation from a wide group of Hampshire Fire and Rescue Authority (HFRA) committees. However, in practice it was those members who were most experienced in determining local pay that participated. This was regardless of their committee responsibilities beyond the HR Committee.

- Over time some aspects of the methodology had a diminishing impact on the process ( e.g. placing the benchmarking group in a rank order).
- The national pay negotiations (in particular for staff conditioned under Grey Book T&Cs) are frequently concluded some time after the settlement date which meant that on occasion members lacked the full range of relevant information when making their decision. Grey Book staff are those professional firefighting staff between the roles of firefighter and Group Manager.
- The national approach to senior public sector pay has developed over recent years. The Localism Act places requirements on Authorities to publish data and this is not reflected in the Principal Officer Pay Methodology.

3.3 At the meeting of the HR Sub Committee on 14 November 2012 Members determined that in the light of these factors, the pay methodology needed to be updated.

3.4 On 21 May 2013 the Principal Officer Pay Review group met to consider changes to the local pay methodology for Principal Officers. The group comprised Cllrs Chapman and Cooper with support from Claire Williams (Strudel HR).

3.5 The methodology was updated in relation to the points above. The main changes are:

- References to data sources were made more generic.
- The role of the Performance Review Manager in the process was made explicit.
- The membership of the committee was not specified in relation to wider committee responsibilities.
- Review timescales were adjusted to allow for the settlement date of the Grey Book pay award to be taken into consideration.
- The relevance of wider economic considerations was included.
- In the light of increasing shared services with local Authorities, the salaries of Chief Executives and Chief Officers have been included as a reference point.
- The requirements of the Localism Act has been addressed.
- A link was created with the Chief Officer's appraisal.

#### **4 Contribution to corporate priorities and objectives**

4.1 Principal Officer Local Pay will continue to be reviewed and this will assist in continued strong leadership of the service and success in delivery of the corporate aims and objectives. It is essential that the method used to conduct this review is transparent and effective.

#### **5.0 Risk Analysis**

5.1 Not Applicable

#### **6.0 Resource implications**

6.1 Human Resources

Not applicable

6.2 Physical resources

Not applicable

6.3 Information and Communications Technology Resources

Not applicable

6.4 Financial Implications

Not applicable

**7.0 Equality Impact Assessment**

7.1 The proposals within this report are considered compatible with the provisions of the European Convention on Human Rights, the Human Rights Act 1998, and the Equality Act 2010.

**8.0 Consultation**

8.1 All staff affected by the Pay review were consulted via APFO or directly.

**9.0 Conclusion**

9.4 The pay review methodology should be adopted with immediate effect.

**Background Information (Section 100D of Local Government Act 1972)**

The following documents disclose the facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of the report:

None

Note: The list excludes: (1) published works; and (2) documents that disclose exempt or confidential information defined in the Act.

**Documents:**

Local Pay Review Methodology (2006)  
Gold Book 2006

## Appendix 1

### **Methodology for the Annual Local Review of Principal Officer Pay.**

#### **Background**

This methodology has been developed to reflect the onus that the National Joint Council (NJC) has placed on Fire and Rescue Authorities to undertake local pay reviews on an annual basis for Principal Officer Grades.

#### **Procedure**

On an annual basis, a panel three of members of the Human Resources (HR) Committee will be appointed no later than at the January HR Committee to consider a local pay review for Principal Officers (The Principal Officers Pay Review Sub-committee). This sub-committee will report to the July HR Committee.

A phased approach will be adopted as follows:

#### **Phase 1: Hampshire Fire and Rescue's (HFRS) position compared with other similar services in relation to performance statistics.**

HFRS will be compared with the other similar sized services (e.g. Kent, Essex, Devon and Somerset, Lancashire, Merseyside and South Yorkshire) in relation to a set of factors which point to a degree of difficulty, complexity, population, total number of dwellings fires, gross expenditure and total strength.

This will form the benchmarking group.

#### **Phase 2: HFRS's position in relation to the percentage local pay increases and actual salaries for other Chief Officers/Chief Fire Officers in the benchmark group over the preceding 12 month period.**

Data will be gathered about the salary of CFOs within the benchmark group. Only services that have had a local pay award within the previous 12 months should be considered.

This will provide members with contextual information about the percentage increases and actual salaries of the Principal Officer team in comparative services.

Where possible, percentage increases for Local Authority Chief Executives/Chief Officers may also be sought to provide wider context, although it is recognised that actual salaries are not likely to be relevant actual comparators due to the differences in the roles.

**Phase 3: Information about the size and make up of the national “going rate” pay award for Principal Officers and the most recent Green book and Grey book pay awards.**

This is important contextual information. Members will have regard to the nationally negotiated principal officer pay award (excluding any uplift due to “buy out” of conditions of service) and how their decisions about local pay for Principal Officers compare with the pay awards for other staff members within HFRS.

**Phase 4: HFRS performance against strategic objectives and assessments.**

Indicators of success include for example success in relation to Safer Stronger objectives, Peer challenge reports, strategic assessments, efficiency reviews and data (including comparative data within the benchmark group if possible).

The reference points will vary according to the context of the service’s operations within the review period and will be guided by the Performance Review Manager and stakeholders (including the Association of Principal Fire Officers (APFO) which is the representative body for the staff group affected by the Principal Officer Pay Review).

Input will be sought from the Chair of the Fire Authority in relation to service performance aspects of the Chief Officer appraisal.

**Phase 5: Data Consideration**

The Principal Officers Pay Review Sub-committee will consider the data presented to them, work through it with an external HR specialist and determine a recommended local pay award based on their own assessment of the information and any wider economic considerations.

**Phase 6: Negotiations**

Conduct negotiations with APFO and reach agreement.

**Phase 7: Consideration by HR Committee**

The financial implications of any decision will be considered by the HR Committee

Timescales

The data, with a recommendation from the external HR specialist, will be presented to the HR Committee at the July meeting for decision under the confidential part of the agenda.

References to the service Pay Policy will be addressed.