

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	POLICY AND RESOURCE COMMITTEE		
DATE:	19 JULY 2022	REPORT NO:	CFO/035/22
PRESENTING OFFICER	CHIEF FIRE OFFICER		
RESPONSIBLE OFFICER:	NICK MERNOCK	REPORT AUTHOR:	MIKE PILKINGTON
OFFICERS CONSULTED:	STRATEGIC LEADERSHIP TEAM		
TITLE OF REPORT:	PAY POLICY		

APPENDICES:	APPENDIX A:	PODPOL10 PAY POLICY
	APPENDIX B:	EIA PAY POLICY

Purpose of Report

1. To request members approve publication of the Annual Pay Policy in line with requirements of Section 38 of the Localism Act 2011.

Recommendation

2. It is recommended that Members;
 - a) Approve publication of the Authority's Pay Policy;
 - b) Note the potential challenges that predicted changes to national Living Wage will have on the existing grade structure; and
 - c) Instruct Officers to develop and report back on options to be considered alongside ongoing national work at the NJC

Introduction and Background

3. Members will be aware of the requirements of the Authority to publish a statement setting out its policies in relation to the pay of its workforce, including Senior Officers, in line with Section 38 of the Localism Act 2011
4. This requirement is discharged via publication of the Pay Policy (PODPOL 10) on the MFRA Website (www.merseyfire.gov.uk).
5. As part of the annual review and update of this policy, Officers review current rates of pay to ensure compliance against legal requirements as outlined within the national minimum wage (NMW) which as of 2022 is £9.18 per hour for employees under the age of 23; and the national living wage (NLW) which is £9.50 per hour for employees over the age of 23.

6. In addition officers monitor existing grades with the aim of ensuring that all permanent employees within the Authority (this excludes temporary apprentices employed through the Governments Apprentice Scheme) earn an hourly rate which is equal or above the Real living wage, which as of 2022 is £9.90 per hour (for those outside of London).
7. At present the lowest graded support staff roles are those on the green book whose posts are assessed at Grade 2 (in a deliberative action taken by the Chief Fire Officer there are currently no roles assessed as Grade 1) for which the hourly rate ranges from £10.05 per hour to £10.35 per hours (based on a 35 hour week). This is above the Real Living Wage.
8. The lowest graded grey book roles are the nationally agreed Firefighter trainee (FFT) & Firefighter Control trainee (FFCT) which currently receive an hourly rate of £11.05 (FFT) and £10.49 (FFCT) per hour respectively. This is above the Real Living Wage.
9. Paragraph 7 and 8 reflect current rates following 2021 pay increases with 2022 pay deals yet to be agreed or implemented.

Future Challenges to Green Book Grade System

10. The NJC [circular](#) dated 19th May 2022 provided an update on the current status of the expected trade unions 2022 pay claim alongside a detailed outline of the predicted challenges to NJC pay scales based on estimates made by the Low Pay Commission for future increases to the National Living wage.
11. As of May 2022 the NJC estimate a NLW in 2024 of £10.95 within a potential range of £10.58 - £11.53, albeit there is a high degree of uncertainty related to wage growth forecasts given current inflationary pressures.
12. Should the NLW be set at £10.95 in 2024 this would see (based on 2021 rates) scale point 1-5 from the current grading system (grades 1,2,3 and part of grade 4) having to be removed as they would be below the legally required NLW. This would create obviously challenges in terms of level of responsibility and overall grading further up the salary points.
13. As outlined in the circular a number of options are under consideration at a national level, however officers will continue to review and local options available with the view to implementing solutions to address these challenges. Options will be reported back to members as necessary.

Equality and Diversity Implications

14. A full EIA has been completed for the Pay Policy and is attached at Appendix B.

Staff Implications

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15. Ensuring pay is competitive is vital to compete for and to retain talent within a labour market that the ONS estimates suggest current has a record of 1.3 Million job vacancies as May 2022.
 16. The added challenges of the current rates of inflation and the impact this will have on the cost of living for staff is significant priority for both staff and officers.

Legal Implications

17. Section 38 of the Localism Act 2011 places a requirement on the Authority to publish a Pay Policy on its website.
18. MFRA is required to comply and ensure employees receive pay in line with the NMW and NLW. A failure to ensure pay is in accordance could result in investigation by HMRC and employees raising an employment tribunal.

Financial Implications & Value for Money

19. There are no financial implications associated with the publication of the Pay Policy.
20. Additional options brought to members in light of the predicted challenges to the existing grade structure will be fully costed out and presented in the appropriate report.

Risk Management, Health & Safety, and Environmental Implications

21. There are no Health & Safety or Environmental Implications associated with the Pay Policy.

Contribution to Our Vision: *To be the best Fire & Rescue Service in the UK.*

Our Purpose: *Here to serve, Here to protect, Here to keep you safe.*

22. An effective Pay Policy and grading structure allows us to attract and retain the staff who form our One Team and work towards being 'The best Fire & rescue Service in the UK'

BACKGROUND PAPERS

None

GLOSSARY OF TERMS

MFRA Merseyside Fire and Rescue Authority is the physical and legal entity. When writing reports MFRA is the "object".

MFRS Merseyside Fire and Rescue Service is the service provided by MFRA.
When writing reports MFRS is the “action”

ONS Office for National Statistics