

<b>MERSEYSIDE FIRE AND RESCUE AUTHORITY</b>			
<b>MEETING OF THE:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>		
<b>DATE:</b>	<b>12 DECEMBER 2024</b>	<b>REPORT NO:</b>	<b>CFO/74/24</b>
<b>PRESENTING OFFICER:</b>	<b>CHIEF FIRE OFFICER, PHIL GARRIGAN</b>		
<b>RESPONSIBLE OFFICER:</b>	<b>DIRECTOR OF PEOPLE AND ORGANISATIONAL DEVELOPMENT, NICK MERNOCK</b>	<b>REPORT AUTHOR:</b>	<b>HEAD OF HUMAN RESOURCES, MIKE PILKINGTON</b>
<b>OFFICERS CONSULTED:</b>	<b>DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA</b>		
<b>TITLE OF REPORT:</b>	<b>PAY POLICY 2024</b>		

<b>APPENDICES:</b>	<b>APPENDIX A:           PODPOL10 – PAY POLICY 2024</b>
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### **Purpose of Report**

1. To request that 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 that pay awards for 2024 have now been agreed and implemented covering all of our Grey, Green and Red Book colleagues.

### **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](http://www.merseyfire.gov.uk)).
5. The updated policy is attached as appendix A.

## National Minimum Wage / National Living Wage / Real Living Wage

- As part of the annual review and update of this policy, Officers review rates of pay to ensure continued compliance against legal requirements as outlined within the annually updated regulations for the national minimum wage (NMW) for those aged under 21; and the national living wage (NLW) for those aged 21 and over.
- The current April 2024 rates for the NMW & NLW and the rates outlined by the Government in the recent October budget commencing April 2025 are as follows:

	<b>21 and over</b>	<b>18 to 20</b>	<b>Under 18</b>	<b>Apprentice</b>
<b>April 2024 (current rate)</b>	£11.44	£8.60	£6.40	£6.40
<b>April 2025</b>	£12.21	£10.00	£7.55	£7.55

- Officers also 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 to, or above the Real Living Wage (RLW) as set by the Living Wage Foundation.
- The RLW has increased by over 15% in the last 2 years rising from £10.90 (announced October 2022) to the new rate announced in October 2024 of **£12.60** per hour (for those outside of London). Over the past five years the RLW has increased by over 32%.
- In terms of compliance, the Living Wage Foundation set employers a target of six months to ensure minimum pay rates are at or above the levels announced in October. Therefore, to comply with the 2024 level minimum pay of £12.60 is required by 1<sup>st</sup> May 2025.
- At present, the lowest graded permanent support staff roles (Green and Red book) are those on Green book terms and conditions whose posts are assessed at Grade 2. The hourly rate ranges from **£12.96** per hour to **£13.17** per hour (based on a 35-hour week). This is the rate including the pay award covering the period 2024/25 which was agreed in late October 2024 and has been paid (including arrears) to employees in November 2024.
- This rate is compliant with the NMW and NLW. This is also above the recently announced RLW on the basis that the Authority's terms and conditions for green book staff are based on a 35-hour week. For Local Authorities who operate on the basis of 37 hours per week, Grade 2 roles would not comply with the RLW.
- The lowest graded grey book roles are Firefighter trainee (FFT) & Firefighter Control trainee (FFCT) which currently receive an hourly rate of **£12.91** (FFT)

and **£12.26** (FFCT) per hour respectively. This is the rate from 2024 and reflects the pay award of 4% agreed in June 2024 which took effect on 1<sup>st</sup> July 2024.

14. These rates are compliant with the NMW and NLW. The Firefighter Control trainee (FFCT) rate of £12.26 will be below the RLW rate of £12.60 for any employees operating in this role between 1<sup>st</sup> May 2025 and the confirmation of the 2025 grey book pay award.
15. Unlike many other pay award reference periods, Grey Book pay awards usually commence on 1<sup>st</sup> July each year rather than 1<sup>st</sup> April. However recent experience (excluding 2024) has shown that securing agreement on the level of increase can often take many months meaning pay does not rise on 1<sup>st</sup> July. For the FFCT rate of pay to meet the RLW rate a pay rise of at least 2.5% would need to be agreed for 2025.
16. Under current workforce planning predictions Officers do not anticipate having any staff employed in the role of FFCT therefore the Authority will continue to comply with RLW requirements.
17. Where an employers pay scales fail to achieve a rate of pay that meets the legally required NMW or NLW, the law allows for the employer to pay an additional enhancement to ensure compliance. Whilst the RLW is not legally enforced, similar options exist should they be needed either to reflect delayed pay awards or ensure compliance with the RLW. Officers will continue to monitor and report back as necessary to Members.

### **Apprenticeship Roles**

18. Alongside its substantive posts, the Authority provides for a number of 'non established' temporary apprenticeship roles to enable individuals to gain valuable experience and development in support of securing full time permanent roles either within MFRA or with other employers.

For these apprentices (who are employed via the national government apprentice scheme) a review was undertaken in 2022 where it was decided to increase the rate of pay from the National Apprenticeship wage, which mirrors the National Minimum wage for under 18's (this will be £7.55 in April 2025) to ensure all apprentices are paid the National Living Wage for their age, which for those over 21 years of age would be £12.21 in April 2025.

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### **Equality and Diversity Implications**

19. A full EIA has been completed for the Pay Policy and is published on the Service intranet.
20. There are no additional ED&I implications arising from this policy.

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### **Staff Implications**

21. Ensuring pay is competitive is vital to compete for and to retain talent within a labour market that the ONS estimates suggests currently has 841,000 job vacancies as of October 2024.
22. The recent challenges related to inflation and the impact this will have on the cost of living remains a priority for both staff and officers.

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### **Legal Implications**

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23. Section 38 of the Localism Act 2011 places a requirement on the Authority to publish a Pay Policy on its website.
24. The Authority 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.

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### **Financial Implications & Value for Money**

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25. The Director of Finance and Procurement outlines the impact and funding arrangements for the 2024 pay awards in his quarterly updates.
26. There are no other direct financial implications associated with the publication of the Pay Policy.

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### **Risk Management and Health & Safety Implications**

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27. There are no risk management or health & safety Implications associated with the Pay Policy.

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### **Environmental Implications**

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28. There are no environmental implications associated with the Pay Policy.

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**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.*

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29. An effective Pay Policy and grading structure allows us to attract and retain the best staff who enable us to work towards our vision of being 'The best Fire & Rescue Service in the UK'.

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### **BACKGROUND PAPERS**

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**NONE**

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### **GLOSSARY OF TERMS**

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**NONE**