

Merseyside Fire and Rescue Authority			
Meeting of the:	Authority		
Date:	29 October 2026	Report No:	CFO/14/2627
Presenting Officer:	Chief Fire Officer, Nick Searle		
Responsible Officer:	Director of People and Organisational Development, Nick Mernock	Report Author:	Head of Human Resources, Mike Pilkington
Officers Consulted:	Director of Finance and Procurement, Mike Rea Strategic Leadership Team (SLT)		
Title of Report:	Pay Policy 2026 - Interim Update		

Appendices:	Appendix A: Podpol10 – Pay Policy 2026
	Appendix B: EIA

Purpose of Report

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

Recommendation

2. It is recommended that Members;
 - a) approve publication of the updated 2026 Pay Policy;
 - b) agree to the proposed change in publication date of the annual Pay Policy aligning 2027 and future updates with Budget Authority; and
 - c) note that pay awards for 2026 have been agreed and implemented covering Grey and Green Book colleagues, however agreement has yet to be reached over a 2025 and 2026 pay award for our Red Book (Craft) colleagues.

Introduction and Background

3. The Authority is required to publish a statement setting out its policies in relation to the pay of its workforce, including Senior Officers, in line with Sections 38-43 of the Localism Act 2011.
4. This requirement is discharged via publication of the Pay Policy (PODPOL 10) on the Authority's Website (www.merseyfire.gov.uk).

5. In recent years Pay Policy updates have been brought to Members in the autumn following completion of the respective annual pay award negotiation processes across our different staff groups.
6. Officers are proposing to realign the publication date of the Pay Policy with the Authority's annual budget setting process. Aligning publication of the Pay Policy with Budget Authority will ensure that Members are able to consider the arrangements alongside broader financial planning considerations.
7. The updated Pay Policy for 2026 is attached at Appendix A. The Policy has been reviewed and updated to reflect current organisational arrangements, agreed national pay awards for Green Book and Grey Book employees, together with other minor amendments required to ensure continued compliance with the Localism Act 2011.
8. As part of the 2026 Pay Policy update, a new appendix has been added to the Pay Policy setting out the Authority's policy for determining and reviewing employee pension contribution bandings under the Firefighters' Pension Scheme 2015.
9. The appendix has been developed to provide a transparent and consistent framework for applying contribution rates, annual reviews and mid-year changes in accordance with the Firefighters' Pension Scheme (England) Regulations 2014. Whilst this does not alter employee pension benefits or contribution rates that are set nationally, it provides clarity regarding the administration and governance arrangements applied by the Scheme Manager.
10. If the proposals are agreed, the 2027 Pay Policy will be brought to the February 2027 Budget Authority meeting.
11. The Pay Policy forms part of the Authority's wider approach to pay governance and provides a clear statement of the principles applied to employee remuneration. The Authority continues to operate nationally negotiated terms and conditions for the majority of employees, supported by locally approved arrangements that ensure remuneration decisions are made in a transparent, consistent, and accountable manner.

Outcome of 2026 National Pay Negotiations

12. Since previous approval of the Authority's Pay Policy, national pay negotiations have concluded for both Green Book and Grey Book employees for the period 2026-27.
13. For Green Book employees, agreement was reached through the National Joint Council (NJC) for Local Government Services. The agreed settlement of a 3.3% increase on all pay points has been implemented by the Authority.

14. For Grey Book employees, agreement was reached through the National Joint Council for Local Authority Fire and Rescue Services. The agreed pay award of 3.8% has also been implemented and is reflected within the updated Pay Policy.
15. National negotiations relating to Red Book (Craft) employees remain ongoing. At the time of writing, agreement has not been reached in respect of either the 2025 or 2026 pay settlements. The Authority continues to apply nationally agreed terms and conditions and will implement any future settlement once agreed through the national negotiating machinery.
16. The budget implications of pay awards are reported to Members regularly as part of quarterly financial reviews.

National Minimum Wage / National Living Wage

17. As part of the review and update of this policy, officers review rates of pay to ensure continued compliance with the 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.
18. The 2026 rates, announced by the Government as part of the 2025 Budget statement, which took effect from 1st April 2026 are:
 - For those aged 21 and over **£12.71** per hour (up from £12.21)
 - For those aged 18-20 - **£10.85** per hour (up from £10.00)
 - For those aged 16-17 and apprentices **£8.00** per hour (up from £7.55)
19. The Government is expected to announce revised National Living Wage and National Minimum Wage rates, which will take effect from 1 April 2027, as part of the Budget Statement on 28 October 2026.
20. 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. Following the deletion of SCP2, as part of the 2025 NJC pay agreement which took effect on 1st April 2026, the lowest Green Book hourly rate is Grade 2 (SCP 3), which is **£14.04** per hour.
21. This rate remains above both the National Minimum Wage and National Living Wage rates applicable from 1 April 2026.
22. Following deletion of the trainee grade as part of the NJC Grey Book pay agreement, the lowest graded Grey Book roles are Firefighter Development (FFD) & Firefighter Control Development (FFCD) which currently receive hourly rates of **£14.40** (FFD) and **£13.68** (FFCD) respectively (2025 rates).
23. The lowest graded red book role earns an hourly rate of **£14.60**. Whilst this still provides headroom, with 2 years having passed since the last agreed pay award in 2024, officers are monitoring and will take appropriate action to ensure compliance with NLW/NMW requirements if this becomes necessary.

24. All pay rates remain above both the National Minimum Wage and National Living Wage rates applicable from 1 April 2026. Officers are satisfied that the Authority remains compliant with its statutory obligations in relation to pay.

Apprenticeship Roles

25. Alongside its substantive posts, the Authority provides for a number of 'non established' temporary Green Book apprenticeship roles to enable individuals to gain valuable experience and development in support of securing full time permanent roles either within the Authority or with other employers.
26. For Green Book apprentices (who were employed via the national apprenticeship scheme), a review was undertaken in 2022 which resulted in the Authority increasing pay from the National Apprenticeship Wage, which mirrors the National Minimum Wage for those aged under 18 (£8.00 per hour from April 2026), to a rate equivalent to the National Living Wage applicable to the individual's age. As a result, apprentices aged 21 and over receive £12.71 per hour as of April 2026.
27. In addition, a number of Red Book apprenticeship roles are established within our Workshops team to support succession and workforce planning. These posts have a 4-year scaled apprenticeship grading scheme in place aligned to the red book. As with other red book roles, officers are monitoring and will take appropriate action to ensure compliance with NLW/NMW requirements if this becomes necessary.

Equality and Diversity Implications

28. The Pay Policy is supported by an Equality Impact Assessment which has been reviewed as part of the policy update, is attached and will be available on the Portal.
29. There are no additional ED&I implications arising from this policy.

Staff Implications

30. Ensuring pay remains competitive is important to support the recruitment and retention of employees within increasingly competitive labour markets.
31. 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.

Legal Implications

32. Sections 38-43 of the Localism Act 2011 place a requirement on the Authority to publish a Pay Policy.
33. The Authority is required to comply and ensure employees receive pay in line with the NMW and NLW. A failure to ensure pay complies with the National

Minimum Wage and National Living Wage requirements could result in an investigation by HMRC and potential employment tribunal claims.

Financial Implications & Value for Money

- 34. The financial impact and funding arrangements relating to pay awards are reported to Members through the Authority's regular quarterly financial review reports.
- 35. There are no other direct financial implications associated with the publication of the Pay Policy.

Risk Management and Health & Safety Implications

- 36. There are no significant risk management or health and safety implications associated with publication of the Pay Policy. Failure to maintain and publish a compliant Pay Policy could, however, result in non-compliance with statutory requirements.

Environmental Implications

- 37. There are no 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.*

- 38. 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.'

Background Papers

NONE

Glossary of Terms

NMW **National Minimum Wage**

NLW **National Living Wage**