



COMBINED FIRE AUTHORITY

20 JULY 2021

UPDATE ON THE POSITION IN RELATION TO STAFF PAY FOR 2021

REPORT OF CHIEF FIRE OFFICER

PURPOSE OF THE REPORT

1. This report outlines the latest position in relation to pay claims in the Fire and Rescue Service (FRS) sector and the potential impact on the Authority.

BACKGROUND

2. Pay in the FRS sector has been a controversial issue for a number of years as the government have looked to restrain public sector pay. The Fire Brigades Union (FBU) and other trade unions have lobbied hard to reverse this position and secure what they believe is a fair pay settlement for their members.
3. The mechanisms for negotiating pay awards vary across different staff groups in the sector. The majority of uniformed staff, from firefighter to Area Manager roles are covered by the National Joint Council for Local Authority Fire and Rescue Services (NJC) under "Grey Book" terms and conditions, staff in Principal Officer roles (Chief Fire Officer, Deputy Chief Fire Officer, Deputy Chief Executive and Assistant Chief Fire Officer) are covered by a separate NJC for Brigade Managers under "Gold Book" terms and conditions, whilst Corporate Staff are covered by the same NJC that covers staff in the County Council and Darlington Borough Council under "Green Book" terms and conditions. There is the potential therefore for there to be different cost of living pay awards for each of these staff groups depending on the negotiation process that is undertaken at each NJC.
4. In November 2020, as part of the Comprehensive Spending Round, the Government announced a pay pause for most public sector workers as a result of increased economic pressure from the Covid-19 pandemic. The pay pause does not automatically apply to fire and rescue service staff as decisions on pay are, in effect, devolved to the various NJCs. Throughout the period of austerity, the NJCs have however tended to implement pay freezes or caps outlined as part of the Government's overall strategy around pay restraint in the public sector. The expectation in the sector and informal advice from the Home Office was for FRSs not to build a pay increase into their budget assumptions for 2021/22 as any decision by the NJCs to move away from the overall pay pause policy could have longer-term implications for funding. Along with the majority of other FRS we did not build a pay award into the 2021-22 budget and therefore any award this year will have to be funded either through additional in-year efficiencies or from our very limited reserves.

PAY AWARD FOR GREY BOOK STAFF

5. For Grey Book staff detailed discussions on pay have been held over a number of years and the FBU, who represent the majority of staff in this group, have pushed for a significant pay rise through the Employers' side of the NJC since June 2017. The Authority has received regular updates on the discussions and negotiations that have taken place over the last four years, but no agreement has been reached on the longer-term issue of pay. Each year, however, an interim agreement has been reached for a cost-of-living increase.
6. On 29 April 2021 the FBU wrote to the National Employers and outlined their pay claim for 2021. A copy of the claim is included in NJC Circular NJC/3/21 which is attached as Appendix A.
7. The pay claim included the following requests:

Pay increase: Using CPI as the measure of inflation a competent firefighter needs an increase of more than £4,000 to restore real wages lost over more than a decade of austerity. Therefore, a settlement for 2021 should urgently begin to address this through an immediate and significant pay rise as well as by setting out a roadmap for further significant improvements in pay.

Pay progression: We have set out our concerns about the impact of the current flat pay structure on our members. You are aware that this has had the effect of hitting employees on Grey Book rates harder than those in sectors with systems of pay progression. CPD should be equalised and could be incorporated into a new system of pay progression beyond the competent rate.

New roles: The employees' side has also previously set out the union's expectation for any agreement in relation to broadening the role of a firefighter. We remain committed to developing the work of our service in the face of changing risk. This must be done by negotiation and agreement. It also requires investment from the governments of the UK. Nevertheless, these discussions should be immediately progressed.

8. The National Employers held a number of consultation events with Chairs of Fire Authorities and Chief Fire Officers in May 2021 to discuss the preferred response to the pay claim. The majority view appears to have been widespread support for a significant pay award for all staff groups, however, that would need to be underpinned by additional funding from the Government or increased flexibility around council tax precept. It was recognised that neither option was likely to be forthcoming this year and therefore any unfunded pay award for 2021 would be extremely challenging for many authorities, given most had followed the advice given from the Home Office and not built a pay award into the budget for 2021/22.
9. Following the consultation events, the National Employers decided to make a formal offer of 1.5% for all Grey Book staff effective from 01 July 2021. The details of the offer are contained in NJC Circular NJC/3/21 (Appendix A). 01 July is the normal pay award date for this staff group.
10. The FBU subsequently consulted their members and accepted the offer of a 1.5% pay increase and this was communicated to FRSs on 28 June 2021 through NJC Circular NJC 4/21, a copy of which is included as Appendix B.

PAY AWARD FOR GOLD BOOK STAFF

11. Pay awards for Gold Book staff are negotiated through a separate NJC which includes the Fire Leaders Association (FLA) from the employees' side as they represent the majority of Brigade Managers from across the sector. The FLA pay claim for 2021 was for a cost-of-living increase that was no worse than that awarded to other staff groups. The normal effective pay award date for this group of staff is however 01 January each year, although in recent years the decision around an increase has generally not been taken until after the decision has been taken around the Grey Book pay award. This has enabled a level of consistency to be applied across the various staff groups for operational staff.
12. On 24 June the NJC for Brigade Managers wrote to Fire Authority Chairs and FRSs outlining that a 1.5% increase had been agreed for this staff group, backdated to 01 January 2021. A copy of the letter is attached as Appendix C.

PAY AWARD FOR GREEN BOOK STAFF

13. For staff covered by the Green Book, pay awards are considered by the National Joint Council for Local Government Services and the employees' side are represented by the Joint Trade Union Side (UNISON, GMB and UNITE). The normal effective pay award date for this group of staff is 01 April each year.
14. The pay claim from the Joint Trade Union Side was made on 15 February 2021. It was reasonably detailed, covering a number of requests for changes to terms and conditions alongside a substantial pay award in order to mitigate "a lost decade of cuts, austerity and crisis." The overall pay increase requested was for a minimum of 10% across all spinal points.
15. On 14 May 2021 the NJC made a formal offer of a 1.5% increase in pay with some changes to terms and conditions, although not on each issue that was requested in the claim from the unions. On 21 May 2021 this offer was rejected by the Joint Trade Union Side and no agreement has subsequently been agreed as yet.

IMPLICATIONS FOR THE AUTHORITY

16. The award of pay increases from the various NJCs has resulted in significant pressure on the 2021/22 budget. Overall an additional £253,000 will need to be found either from further in-year efficiencies or be taken from reserves to balance this year's budget. This could increase slightly depending on the final agreement reached for Green Book staff.
17. The full year cost of a 1.5% increase for all staff groups is £311,000 and this is currently not built into the Medium-Term Financial Plan (MTFP). Depending on the outcome of the Comprehensive Spending Review, predicted to be announced in the Autumn, there is likely to be further pressure on the MTFP over the next few years.
18. The timing around the effective pay awards across the various staff groups proves problematic in terms of accurate budget forecasting. Representation through the National Fire Chiefs Council (NFCC) will be made to raise this issue with the National Employers.
19. Pay for public sector staff is becoming an area of increased tension in terms of industrial relations nationally. Tensions could rise significantly if the level of inflation was to increase, and the value of wages be further deflated.

20. Whilst there is widespread support for a funded pay increase for all staff groups from FRAs and CFOs the negotiating landscape is extremely challenging. Unfunded pay awards being offered by the various NJCs, which are at times out with of the preferred position of FRAs, places significant financial pressure on services.
21. The expected White Paper on fire service reform may set out some longer-term solutions to the challenges although it may also lead to further tension in terms of industrial relations. The FBU have already set out their concerns to some of the proposals that are expected to be in the White Paper.

RECOMMENDATIONS

22. Members are requested to:
 - (a) **Note** the position in relation to pay awards for the various staff groups for 2021.
 - (b) **Note** the financial impact and that further measures will be required to balance the budget for 2021/22.

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