# **REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD204**

#### Title: Maternity Pay Proposal

#### **Executive summary:**

This report sets out a proposal from the London Fire Commissioner (LFC) to commit expenditure for the purpose of increasing the period of paid maternity and adoption leave to which London Fire Brigade (LFB) staff are entitled. This increase would take the entitlement from 15 weeks' full pay plus 24 weeks' half pay, to 39 weeks' full pay plus 13 weeks' half pay. In addition, expenditure is requested for the backfilling of posts.

Costs to be incurred comprise: one-off expenditure of £432,725 to pay backpay to staff already on maternity or adoption leave; and up to £841,507 for the remainder of 2023-24, and up to £1,470,606 additional annual ongoing expenditure from 2024-25, as a result of the policy change. The approval of the Deputy Mayor for Fire and Resilience (the Deputy Mayor) is required for this expenditure.

The LFC would implement minimum service requirements for eligibility for enhanced maternity and adoption pay, as well as pay-back mechanisms for staff who do not return to work. Future years' costs would be reviewed as part of future financial planning rounds, taking into account pay rises and potential changes to workforce composition.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the LFC to seek the prior approval of the Deputy Mayor before *"[a] commitment to expenditure (capital or revenue) of* £150,000 or above as identified in accordance with normal accounting practices...".

#### **Decision**:

That the Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner to commit expenditure for the purpose of increasing the maternity and adoption pay provision and providing backfill:

- one-off expenditure of £432,725 to pay backpay to staff already on maternity or adoption leave
- up to £841,507 for the remainder of 2023-24, and up to £1,470,606 additional annual ongoing expenditure from 2024-25, as a result of the policy change.

#### **Deputy Mayor for Fire and Resilience**

I confirm that I do not have any disclosable pecuniary interests in the proposed decision.

The above request has my approval.

Signature:

Date:

02/10/2023

## PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE DEPUTY MAYOR

## Decision required – supporting report

### 1. Introduction and background

1.1. Report LFC-23-042y to the London Fire Commissioner (LFC) explains that London Fire Brigade's (LFB's) current maternity and adoption pay provision has been in place since 2007. In that time, it has fallen behind the provision offered by some other fire and rescue services (FRSs) and other parts of the GLA Group. The role of operational firefighters is physically very demanding, and it is important for women to return to necessary fitness before they can resume operational roles after pregnancy and childbirth. Furthermore, the retention of women after maternity leave is currently lower than the overall average for women in LFB. These reasons, which are set out in more detail below, lead the LFC to propose an increase maternity and adoption pay: from 15 weeks' full pay plus 24 weeks' half pay, to 39 weeks' full pay plus 13 weeks' half pay for all staff groups (operational, control and non-operational staff).

### Physical impact of pregnancy and childbirth on female firefighters

- 1.2. As of March 2023, there 473 female firefighters in LFB, and 563 women in other roles. All female staff would be eligible for the new maternity pay arrangements proposed in this report. Therefore, while it is set out that the physical demands of the role justify an increase in maternity leave entitlement for firefighters, the majority of potential beneficiaries are in less physical roles. However, the LFC has determined that it is important to treat all female staff equally in relation to maternity pay. There are other reasons to increase maternity pay that do apply to all staff, as set out in the next section.
- 1.3. The role of firefighters is very physically demanding, and pregnancy and childbirth have a physical impact on a woman's body. The longer a woman can remain on maternity leave, the more time this gives her body to recover from these impacts. Based on past trends, the LFB Wellbeing team estimates that it can take a woman between four and six months to return to a full level of physical activity after childbirth, though no formal data is collected to measure this. This can be longer if there have been any medical complications; a caesarean section; a tear; or an assisted delivery. Any extended period of absence due to medical reasons beyond the maternity leave period is already covered by LFB's health and wellbeing policy, and sick pay arrangements. These provide full pay for firefighters for 6-12 months, depending on the reasons for the sickness absence. During pregnancy, particularly in the later stages, many women experience limitations in maintaining fitness. Therefore, in addition to the time it takes for the body to recover from the birthing experience, time is also needed to regain the level of fitness required for operational roles. Providing a longer period of paid maternity provision, as well as support to get them back to the necessary fitness level (for example, tailored fitness plans) should reduce the amount of time women, once they have returned to work, spend off the run or on light duties. Currently, there is no compulsion for women to undertake any form of work-related activity whilst on maternity leave.
- 1.4. LFB's existing maternity policy for operational staff states that maternity provisions (pay and leave) will be applied if the baby dies or is stillborn after 24 weeks of pregnancy. This will remain the case. The policy also states, "Sympathetic consideration will be given as to what action is necessary by way of granting a period of paid leave or sickness absence."
- 1.5. The Independent Culture Review, led by Nazir Afzal and published in November 2022, found evidence to support the finding that LFB is institutionally misogynist. As well as reporting experiences of bullying and harassment the review included a common theme of female staff not feeling listened to. The review made various recommendations in relation to improved wellbeing of staff, including the following:
  - Recommendation 19: Review the triggers that are needed to generate interventions to support wellbeing.

- Recommendation 16: Gather better information on employee red flags that signal the need for early intervention to prevent deteriorating mental health.
- 1.6. The key outcomes envisioned in the review, from these recommendations, were to ensure LFB spots red flags early; and understands and systemically reaches out to staff who could be at particular risk. The proposed changes to its maternity policy will support the delivery of these recommendations and outcomes.
- 1.7. The heightened risk to female staff working in the fire service throughout pregnancy, and postnatally, has been highlighted to the LFC by LFB staff through LFB's equality support group. The Fire Brigades Union (FBU) has also highlighted the increased risk to female staff during this period, and has called publicly for a longer period of paid maternity leave than is being proposed in this decision form.<sup>1</sup>
- 1.8. While there is a limited research base for understanding this issue, existing research indicates harmful occupational impacts for women working in the fire service. A report produced by researchers from Brighton University, published by the FBU, cumulated various sources detailing occupational health risks for firefighters in relation to fertility and maternal health.<sup>2</sup> The report highlights that, in addition to higher risk of miscarriage, female firefighters experience more preterm births than the general population. Research also highlights the risk of contaminants being passed on from breastfeeding mothers to their babies.<sup>3</sup> This is already acknowledged by LFB in its maternity policy, which requires firefighters to be removed from operational duty until they have ceased breastfeeding. The negative impact on female firefighters' mental health, arising from being at work during that time, has been publicly documented.<sup>4</sup> More generally, exposure to contaminants during pregnancy can have impacts on the baby, including birth defects, slowed foetal growth, impeded brain development and preterm labour, all of which could impact the timescale for female firefighters returning to work.<sup>5</sup>
- 1.9. LFB acknowledges that the research in this area is still limited, likely due in part to the historic lack of women in the profession. While plans for more detailed research on the occupational risks unique to female firefighters are emerging,<sup>6</sup> it is important to recognise the existing body of research that details the risk to women during pregnancy and postnatally in the fire service, particularly when this is being raised with LFB directly by its female staff. It is acknowledged that further policy change may be required as research improves in future. However, in line with LFB's commitments to deliver the recommendations of the Independent Culture Review, it is proposed to take early action to address the foreseeable higher risk faced by this staff group, to improve physical and mental health outcomes.

## Recruitment and retention

1.10. As of March 2023, there are 1,036 female staff at LFB, representing around 18 per cent of the total workforce. There are 473 female firefighters, representing 10 per cent of the operational workforce. Nationally,<sup>7</sup> as at 31 March 2022, females accounted for 19 per cent of total FRS staff and 8 per cent of firefighters. The best-performing service in the fire and rescue sector was Gloucestershire FRS, where females accounted for 26 per cent of total staff and 20 per cent of firefighters. These figures demonstrate that significant improvements are required in the level of female employment, both in London and nationally.

<sup>&</sup>lt;sup>1</sup> FBU, <u>Firefighters need 12-month maternity pay to protect mothers and babies, says union</u>, 13 July 2023

<sup>&</sup>lt;sup>2</sup> FBU, <u>Female firefighters – thermoregulation and health</u>

<sup>&</sup>lt;sup>3</sup> Journal of Midwifery & Women's Health, <u>Environmental Contaminants in Breast Milk</u>, 2006

<sup>&</sup>lt;sup>4</sup> The Independent, <u>'I had to give up breastfeeding to return to firefighting weeks after giving birth to pay my bills'</u>, 13 July 2023

<sup>&</sup>lt;sup>5</sup> The Guardian, <u>Female 'hotshot' firefighters want action on reproductive health risks</u>, 11 August 2021

<sup>&</sup>lt;sup>6</sup> University of Arizona Cancer Center, <u>Researchers Studying Stress, Cancer Risk and Reproductive Toxicity in Women</u> <u>Firefighters</u>, 27 January 2021

<sup>&</sup>lt;sup>7</sup> Home Office, Fire and rescue workforce and pensions statistics – England, April 2021 to March 2022: data tables

- 1.11. Improving maternity pay would increase LFB's attractiveness as an employer and strongly signal the LFC's commitment to women in the workplace. In addition, although increasing maternity pay was not considered or recommended in the Independent Culture Review, the LFC has proposed to make it an important part of the latest package of actions planned as a result of the Culture Review, under the theme, "A workplace where everyone is afforded dignity". This was set out in the 7 June 2023 update to His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) for the Fire Performance Oversight Group.
- 1.12. A further reason for proposing increased maternity provision is the retention and recruitment of female staff. The suite of key performance indicators (KPIs) agreed as part of the Community Risk Management Plan (CRMP) includes the proportion of workforce who are women. A target of 20 per cent has been set for 2023-24; this will be reviewed and refreshed annually during the CRMP period. The improvement of maternity and adoption pay seeks to improve the recruitment and retention of female firefighters in pursuance of that target. In 2022, staff turnover was 7.24 per cent for females and 8.96 per cent for males. In contrast, the turnover of women who had taken maternity leave within the previous two years was 9.58 per cent. All women in this category took less than their full entitlement of maternity leave (15 weeks' full pay plus 24 weeks' half pay).
- 1.13. It should be noted that solely increasing maternity pay is unlikely to produce positive impacts on female recruitment and retention. A review of academic and policy literature has been undertaken by GLA colleagues, and shared with LFB officers, to inform the development of this policy. This demonstrated researchers' findings that other policies supporting parenting, such as flexible working, are important in the recruitment and retention of female staff. These wider changes are not being introduced by the proposed decision in this report. However, they will be considered in the holistic review, which is under way and is expected to be completed in quarter 4 of 2023-24. LFB is introducing other measures in the wake of the Independent Culture Review and HMICFRS inspections that seek to improve the experience of female staff, such as enhanced facilities to give female firefighters more privacy at fire stations.

## Options

- 1.14. Four options to address the issue of maternity pay have been considered. These are summarised below and set out in more detail in section 2:
  - Do nothing.
  - Enhance the current provision by paying statutory maternity/adoption pay (SMP) in addition to half-pay.
  - Replace the current provision of maternity/adoption pay (15 weeks' full pay plus 24 weeks' half pay) with 39 weeks' full pay plus 13 weeks' half pay. This is the preferred option, as it is considered the most likely to deliver the objective of supporting women in the workforce, and assisting in the recruitment and retention of women across LFB.
  - Replace the current provision of maternity/adoption pay (15 weeks' full pay plus 24 weeks' half pay) with 29 weeks' full pay and 10 weeks' SMP (the same as the GLA's provision).

#### Holistic review

1.15. The LFC is currently undertaking a holistic review of support for parents in LFB. This covers maternity support leave (also known as paternity leave); shared parental leave; miscarriage and stillbirth; surrogacy; and workplace adjustments, such as flexible working and short-term redeployment. Activity relating to this review includes: a review of LFB pay and benefits, including those related to parenthood, by an external supplier, QCG; the review, update, simplification and collation of related policy documents into a Family Leave policy; and pilot projects exploring the use of short-term secondments and flexible working practices to enable operational women to remain in the workforce and support childcare needs. It is anticipated that the QCG review will be completed by December 2023, when the LFC will be able to consider the findings. The Family Leave policy,

incorporating the aforementioned reviews, will be published in March 2024. The LFC is bringing forward these proposals to increase maternity and adoption pay before the wider review, as specific concerns around current maternity pay provision have been raised by the FBU Women's Action Committee as an urgent matter that particularly impacts on operational women. The LFC has, therefore, prioritised this element ahead of developing wider measures to support parents. It also sends an important signal about the LFC's support for women in the context of the Culture Review's wider findings.

1.16. While a holistic approach is required, it does not follow that the provisions in this proposal are dependent on that review. Rather, the proposal sets the intent and addresses the key issue of maternity and adoption pay, while the wider review would seek to bring other aspects of parental leave up to a similar standard. This does not mean that any increase in other provisions (for example, shared parental leave or maternity support leave) will automatically be as great.

## 2. Objectives and expected outcomes

- 2.1. The report proposes increased maternity and adoption provision, with the objective of LFB being an organisation of choice for women. Demonstrating that LFB values women, by providing maternity leave that allows them to properly return to fitness following pregnancy and childbirth, is a means of achieving this objective. Improved maternity and adoption provision is expected to help to retain and recruit women, and meet the suite of KPIs set out in the CRMP. Furthermore, the LFC has an obligation under the Public Sector Equality Duty to advance equality of opportunity and encourage good relations between people who share protected characteristics and those who do not. In addition to the Public Sector Equality Duty, LFB's Culture Review found LFB to be institutionally misogynistic, and Recommendation 11 of the Review speaks to increasing the diversity of LFB.
- 2.2. Four options have been considered regarding maternity provision. These are set out below.

Option 1

2.3. This is to do nothing. This would maintain maternity and adoption benefits at their current level, until at least the conclusion of the holistic review, when changes would again be considered. It is considered that not taking action in response to the concerns of the FBU Women's Action Committee may have a detrimental effect on employee engagement. This would also delay a measure aimed at increasing LFB's ability to recruit and retain women, which could cost the organisation reputationally.

Option 2

- 2.4. This option would provide staff with SMP (currently £172.48 per week) from weeks 16-39 of their maternity or adoption leave, in addition to half pay. LFB currently offers half pay, and recovers the statutory pay element through National Insurance adjustments.
- 2.5. This would be an improvement to the maternity provision currently offered, at a lower cost to LFB than option 3, below. However, FBU members will likely consider that this option does not go far enough; and it would still leave LFB offering a lower maternity/adoption pay entitlement than several other FRSs.

Option 3

2.6. This option proposes to replace the current provision of maternity/adoption pay (15 weeks' full pay plus 24 weeks' half pay) with 39 weeks' full pay plus 13 weeks' half pay. This is the costliest option, but it would achieve the aim of encouraging women to take their full leave entitlement. This, in turn, would allow more time for women to recover and potentially engage in postnatal fitness support to facilitate their return to operational fitness. It would also demonstrate that LFB values the role that women play not only in the organisation but also in society. As the most generous offer, it is the one considered likeliest to attract and retain the most women to LFB.

## Option 4

- 2.7. This option would match the GLA's maternity provision: full pay for 29 weeks, followed by SMP (currently £172.48 per week) for 10 weeks.
- 2.8. While this would be an improvement to the maternity provision currently offered, at a lower cost to LFB than option 3, FBU members will likely consider that this option does not go far enough; and it would still leave LFB offering a lower maternity/adoption pay entitlement than several other FRSs.

## Comparison to other organisations

- 2.9. LFB's current maternity and adoption pay (option 1) is lower than the GLA, Transport for London (TfL) and the Metropolitan Police Service (MPS). However, it is higher than all the neighbouring FRSs for which the LFC has been able to obtain data. The NHS Agenda for Change (which applies to the London Ambulance Service) also offers less than LFB's current provision. Five FRSs have more generous maternity and adoption pay provisions than LFB; three of these would remain more generous under both option 2 (existing entitlement, plus SMP for weeks 16-39) and option 4 (29 weeks' full pay, plus SMP for 10 weeks). Option 3 would lead LFB to match the highest maternity pay in the FRS sector, and would also be better than other emergency services in London.
- 2.10. While it is acknowledged that the LFC's preferred option is more generous than other parts of the GLA Group, the role of operational women and the physical demands placed on them is not comparable to many other roles within the GLA Group. LFB employs women in operational roles, control, and non-operational roles. In order to treat all of its female employees fairly, it is proposed that the improved provision applies to all female employees.
- 2.11. Table 1 sets out the rates of maternity pay, as set out in options 1 to 4 above, relative to other FRSs/public bodies:

	Number of weeks @			
Organisation	100%	90%	50%	SMP
Option 1 (LFB current)	15		24	
Option 2	15		24	24
Option 3	39		13	
Option 4	29			11
Stafford FRS	39		13	
Cheshire FRS	45			
Avon FRS	39			
Shropshire FRS	26		6	7
Durham & Darlington FRS	18		21	
Kent FRS	18			21
Cumbria FRS		6	12	33
Cambridgeshire FRS	6	6		33
Dorset & Wiltshire FRS	6		20	13
Tyne & Wear FRS	1	5	21	12
South Yorkshire FRS	2	4	20	13
Nottingham FRS		6	20	12
Northumberland FRS		6	12	21
Hereford & Worcestershire FRS		6	12	21
Hertfordshire FRS		6	12	21
Bedfordshire FRS		6	12	21
Surrey FRS		6	12	21

Table 1 – Relative rates of maternity pay

Lancashire FRS		6	12	21
Bucks & Milton Keynes FRS		6	12	21
Agenda For Change (NHS)	8		18	13
GLA	29			10
MPS	30			9
TfL	26			13

2.12. The composition of other services, structures and working patterns may enable them to offer a more generous maternity package than LFB, being a metropolitan brigade with ambitions to increase the percentage of women in service. There is also evidence to suggest that other services have tighter eligibility conditions than LFB, and have pay-back clauses where staff do not return from maternity or adoption leave, or leave the service within certain timeframes. Alongside the increase in maternity and adoption pay, LFB will implement: eligibility criteria for enhanced maternity/adoption pay of 63 weeks prior to the expected week of childbirth/

adoption; and a requirement that staff in receipt of enhanced maternity/adoption pay return to work for at least six months or pay back the enhancement, mirroring the GLA policy.

Costings

- 2.13. The sustainability comments (at 4.6 to 4.11, below) explain that this represents an ongoing annual cost that assumes eligible staff take the full entitlement for options 2-4, and continuity of behaviour seen between 2017 and 2022.
- 2.14. Costs for the four options are summarised below:
  - Option 1: This would be cost-neutral. The current average cost of maternity and adoption leave is estimated at £930,872 per annum.
  - Option 2: At the current rate of SMP (£172.48 per week) this would cost an additional £4,139.52 per employee taking at least 39 weeks of maternity/adoption leave. The total additional cost would be £114,561 per annum.
  - Option 3: The estimated pay cost of staff taking their full entitlement of maternity and adoption leave is £1,616,022, an increase of £685,150 per annum compared to the current provision. This estimate is based on 2017-22 maternity leave data, and current average staff costs.
  - Option 4: This would cost £1,072,127 per annum on average, an increase of £141,255 compared to the current provision.
- 2.15. An additional consideration concerns those who are already on maternity or adoption leave. The LFC is proposing to apply the increased provision as backpay for staff already on maternity leave, as of 1 March 2023. With this proposal, option 3 will cost an additional £432,725, based on the number of people either: returning from maternity or adoption leave since 1 March 2023; or (as of 20 July 2023) anticipated to be on maternity or adoption leave on 1 October 2023 (the earliest likely implementation of the change). The backpay costs for options 2 and 4 would be £89,000 and £112,820 respectively.
- 2.16. If approved, option 3 will likely result in individuals taking longer periods of maternity and adoption leave. This may, in turn, put pressure on business areas and workloads, and lead managers to look to fill roles, during these leave periods, with like-for-like cover.
- 2.17. It is difficult to estimate the actual cost of this backfilling, particularly for operational staff where maternity leave may be one factor in determining if sufficient staff are available. In order to produce an estimate of the maximum cost, high-level calculations have been made for FRS (non-operational), operational and control staff groups. This approach has taken maternity leave levels based on 2017-22 data, and then assumed that every absence is backfilled based on current staff costs. This produced a current cost of backfilling, before the proposals in this report, of £1,061,426 annually.

- 2.18. As an estimate of the additional cost incurred for backfilling as a result of the recommendations in this report, it has been assumed that such cost increases in line with the expected 74 per cent rise in the cost of maternity pay. This produces a total maximum increase in the cost of backfilling of £785,456. It should be noted, however, that the actual costs incurred are expected to be significantly below this, as not all maternity leave will require backfilling; and it should be seen as a representative figure of the financial equivalence of this lost time. However, as postholders are likely to be on maternity or adoption leave for longer periods, posts that might require backfilling are likely to be for longer periods.
- 2.19. Authority is thus sought for the LFC to commit additional expenditure of up to £785,456 annually from 2024-25 for backfilling, including the potential increase in pre-arranged overtime (PAO) as a result of an increase in time taken by staff on maternity leave. The proposal to increase maternity and adoption pay is not expected to negatively impact the position on PAO spend in 2023-24 and future years.
- 2.20. The costs of maternity and adoption provision, and backfilling, would be expected to increase beyond these amounts should this policy and wider changes achieve the LFC's stated objective to increase the recruitment and retention of female staff. Potential future costs are discussed in the sustainability comments at 4.6 to 4.11, below.
- 2.21. This additional cost is to be funded from an allocation of £1,500,000, approved in the 2023-24 budget, to cover the ongoing costs for this financial year. This spend will be monitored on a quarterly basis. Future years' costs will be built into future financial planning rounds, taking into account pay rises and potential changes to workforce composition.

## 3. Equality comments

- 3.1. The LFC and the Deputy Mayor for Fire and Resilience (the Deputy Mayor) are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This, in broad terms, involves understanding the potential impact of policy and decisions on different people; taking this into account; and then evidencing how decisions were reached.
- 3.2. It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colouror nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.4. The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
  - eliminate discrimination, harassment and victimisation and other prohibited conduct
  - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it
  - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - remove or minimise disadvantages suffered by persons who share a relevant protected

characteristic where those disadvantages are connected to that characteristic

- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.7. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - tackle prejudice
  - promote understanding.
- 3.8. An equality impact assessment (EIA) has been conducted for this proposed policy change. It found that, while the proposal predominantly benefitted women, it did not have a direct detrimental effect on men, or any other protected group. However, it should be considered that the benefit of the proposed decision will primarily be experienced by female staff in straight/ heterosexual relationships who undertake to act as the primary caregiver for their child. Groups of staff with differing circumstances will not experience these benefits to the same extent, or at all. This may be considered to apply to bisexual, gay or lesbian staff whose partner gives birth to a child; male staff who would otherwise want to be the primary caregiver for their child; and staff who give birth as surrogates. Inequality between these staff, with regards to access to maternity benefits, will potentially be exacerbated by the current proposals notwithstanding the other reasons this proposal will benefit the organisation and overall levels of equality as defined by other measures. The introduction of equivalent pay for shared parental leave may mitigate these impacts, but is not currently proposed by the LFC. The current holistic review of support for parents is considering these issues in more depth.
- 3.9. The EIA did identify that, while this change will primarily have a positive impact on women, there is a potential negative impact on women and primary adopters not being able to maintain their skills and development (especially on the operational side) while on leave. It also noted that caring responsibilities have been deemed a contributing factor to gender pay gaps due to extraction from the workplace leading to missed opportunities, which typically impact women more than men. Currently, the majority of LFB staff taking maternity or adoption leave are absent for ten months or more. Operational women returning to work before their entitlement ends are generally risk-assessed as non-deployable for a considerable time after their return. This proposal, which seeks to increase the amount of leave during which people receive pay, or to provide the financial means for people to stay on leave for as long as they need to, will not therefore make them any more likely to suffer the detriment identified in the EIA than they would otherwise. The LFC is, however, undertaking work to identify ways of bringing those who want to return early more opportunity to do so – such as through flexible operational shift patterns, or secondments to non-operational project work that would, conversely, benefit their professional development. Women also have the option to undertake personalised plans, to enable to them to achieve operational fitness prior to returning to work from maternity leave.

## 4. Other considerations

Workforce comments

- 4.1. The current scope is to extend full pay entitlement for maternity and adoption leave. Beyond this, LFB has identified that a wider review of parental leave policies is required, which will require time and resource to be identified and made available.
- 4.2. This includes opportunities to further refine the maternity policy and support available:
  - review maternity support leave (paternity leave)/shared parental leave
  - update policy to cover miscarriage/stillbirth
  - update policy to cover surrogacy.
- 4.3. To further support a return to work following maternity leave, LFB's Fitness team could be commissioned to resume work on a postnatal fitness support programme. This would facilitate a healthy return to operational fitness.
- 4.4. To drive a reduction in those leaving within two years of taking maternity/adoption leave, challenges faced and reasons for leaving LFB will be explored. This could include engagement with staff who have taken maternity/adoption leave, and analysis of exit interviews. It could also explore potential issues or difficulties with working patterns, flexible arrangements and childcare responsibilities, which won't be resolved by a change in maternity pay.
- 4.5. The issue of LFB's maternity and adoption pay was originally raised by the FBU Women's Action Committee, and discussions have continued with them. Should approval be given for the LFC to commit expenditure to increase LFB's maternity and adoption pay provision, consultation will also take place with the GMB and Unison, LFB's other recognised trade unions. Consultation has not taken place with these representative bodies yet, as the LFC did not wish to raise expectations with staff without the expenditure being first authorised.

### Sustainability comments

- 4.6. The costings represent an ongoing annual cost that assumes eligible staff take the full entitlement for options 2-4, and continuity of behaviour between 2017 and 2022. The costs assume that the average number of staff taking maternity/adoption leave remains 30.8 people per year. However, it should be noted that, as LFB attracts more female staff (particularly in the operational employment group, as the policy intends), the number of staff taking maternity leave (and therefore the annual cost) is likely to increase. Women currently make up 10.2 per cent of operational staff (18.3 per cent of total). Though 31 per cent of trainee firefighters are women, those 17 individuals constitute just 0.4 per cent of the total operational staff.
- 4.7. As part of the agreed suite of new KPIs for the CRMP, LFB has a target for 2023-24 only, set at 20 per cent of the workforce being women. No targets have been set for future years. Any assessment of financial impact in five years' time would therefore be illustrative, showing the sensitivity of costs to changes in workforce composition. Any increased costs will be factored into future financial planning rounds.
- 4.8. Assuming the number of trainees and leavers remains constant (that is, they will break even) from 2025-26 onwards, and the establishment stays the same in that period, and based on achieving a stretch target of 35 per cent intake of women each year, it is estimated that LFB will employ 804 female firefighters by 31 March 2030. This will constitute 16.8 per cent of the total number of firefighters (currently 10.2 per cent).
- 4.9. Assuming that the proportion of female firefighters taking maternity leave remains constant, at 3.6 per cent per year, this would see 29 maternities per year, an increase of 68 per cent. Applying this increase to the operational element of the current estimated cost per annum of maternity leave (£534,857) takes the cost of maternity under the current policy to £1,294,575 per annum by 2030, an increase of 39 per cent.
- 4.10. Applying the same calculations to option 3 gives a cost of £2,037,681 per annum by 2030, an

increase of  $\pounds$ 743,106 (57 per cent) against the projected maternity pay spend under option 1. Some of this cost would likely be offset by the introduction of the minimum service requirement, as well as demographic changes such as the declining birth rate in England and Wales,<sup>8</sup> although improved maternity provision in LFB may encourage women to have children.

4.11. This will also increase the costs associated with backfilling set out at 2.19. Applying the same ratio to the figure set out above would give an estimated cost of  $\pounds$ 1,904,469 for backfill by 2030. This would be an increase of  $\pounds$ 537,777 on the projected costs of backfill for option 3 in 2023-24.

## Conflicts of interest

4.12 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

## 5. **Financial comments**

- 5.1. This report requests authority for the LFC to commit expenditure to increase the period of paid maternity and adoption leave to which staff are entitled, from 15 weeks' full pay plus 24 weeks' half pay to 39 weeks' full pay plus 13 weeks' half pay. The financial impact of this change is estimated at £685,150 on increased maternity pay, and £785,456 on increased backfilling costs. This is a total ongoing annual cost of £1,470,606. This estimate is based on calculations using 2017-22 data on maternity leave and 2023-24 staff costs. It therefore excludes any future pay inflation and any potential uplift to the number of staff to which the policy may be relevant in future years. (See the sustainability comments at 4.6 to 4.11, above, about future changes in the composition of the workforce.)
- 5.2. The estimated financial cost of backfilling notably includes the forecast impact on PAO as a result of the increase in paid maternity leave. This have been considered in context with the overspend incurred in 2022-23, and the actions that have been put in place to reduce this cost in 2023-24. The recommendations in this report will not result in any significant changes to those plans as agreed, with maternity leave being a much smaller driver of PAO than the wider pressures observed in 2022-23. Any additional PAO costs incurred as a result of this report will therefore be contained within the estimated maximum additional backfilling cost of £785,456, as set out in 5.1, above.
- 5.3. As discussed in the sustainability comments (4.6 to 4.11), costs associated with these proposals would be expected to increase in line with any increase in female recruitment and retention. This report is only seeking approval for costs based on current levels of female employment. Expenditure on staff pay and overtime will be closely monitored as part of the regular financial-position reporting. If forecast staff pay, as a result of the recommendation in this report, exceed the budget, additional savings would be identified or costs managed to reduce spend to within approved levels.
- 5.4. The report also requests an additional consideration to offer backpay for those on maternity or adoption leave on 1 March 2023. Assuming a policy implementation date of 1 October 2023, the financial impact of this consideration is estimated at £432,725 for 2023-24.
- 5.5. Approving the maternity pay proposal would result in additional annual cost of £1,470,606, as set out above. If this proposal is approved and implemented in October 2023, the cost in 2023-24 is estimated at £1,274,232, with £448,779 for increased maternity pay; £392,728 for increased backfill costs; and £432,725 for one-off backpay costs.
- 5.6. This additional cost is to be funded from an allocation of £1,500,000, approved in the 2023-24 budget, to cover the ongoing costs for this financial year. This spend will be monitored on a quarterly basis. Future years' costs will be built into future financial planning rounds, taking into

<sup>&</sup>lt;sup>8</sup> ONS, <u>Births in England and Wales: 2021</u>, 9 August 2022

account pay rises and potential changes to workforce composition.

5.7 There are no direct financial implications for the GLA.

### 6. Legal comments

- 6.1. Under section 9 of the Policing and Crime Act 2017, the LFC is established as a corporation sole with the Mayor appointing the occupant of that office. Section 1 of the Fire and Rescue Services Act 2004 states that the LFC is the fire and rescue authority for Greater London.
- 6.2. Under section 112 of the Local Government Act 1972 (applied to the LFC by section 146A of that Act), the LFC "shall appoint such officers as they think necessary for the proper discharge by the authority of such of their or another authority's functions as fall to be discharged by them". An officer appointed under this provision "shall hold office on such reasonable terms and conditions, including conditions as to remuneration, as the authority appointing him think fit."
- 6.3. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the LFC specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 6.4. By direction dated 1 April 2018, the Mayor set out those matters, for which the LFC would require the prior approval of either the Mayor or the Deputy Mayor.
- 6.5. Paragraph (b) of Part 2 of that direction requires the LFC to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices". Having considered the expenditure occasioned by the recommendations in this report the Deputy Mayor's approval is accordingly required.
- 6.6. Subject to the Deputy Mayor giving authority for the expenditure for the proposals set out in this report, the Commissioner intends to amend LFB's maternity policy. The amendment to the LFB's maternity policy will be made following consultation and where necessary, negotiation with the trade unions.
- 6.7. These comments have been adopted from those provided by the LFC's General Counsel Department in report LFC-23-042y to the LFC.

## Appendices and supporting papers:

Appendix 1 - report LFC-23-042y - Maternity Pay Proposal

#### Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note**: This form (Part 1) will be published either within one working day after approval <u>or</u> on the defer date.

# Part 1 Deferral:

### Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: to enable staff consultation to take place.

Until what date: (a date is required if deferring): 01 January 2024

**Part 2 Confidentiality**: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

### Is there a part 2 form? NO

ORIGINATING OFFICER DECLARATION:	Drafting officer to confirm the following $(\checkmark)$
<b>Drafting officer</b> <u>Richard Berry</u> has drafted this report with input from the LFC and in accordance with GLA procedures and confirms the following:	√
<b>Assistant Director/Head of Service</b> <u>Niran Mothada</u> has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Fire and Resilience for approval.	$\checkmark$
<b>Advice</b> The Finance and Legal teams have commented on this proposal.	$\checkmark$
<b>Corporate Investment Board</b> A summary of this decision was reviewed by the Corporate Investment Board on 2 October 2023.	$\checkmark$

## **INTERIM CHIEF FINANCE OFFICER:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:

lumen lune

**Date:** 02/10/2023