

REQUEST FOR DEPUTY MAYOR FOR FIRE DECISION – DMFD248

Title: Top Management Group 2024/25 Pay Settlement

Executive summary:

This report requests the approval of the Deputy Mayor for Planning, Regeneration and the Fire Service to authorise the London Fire Commissioner (LFC) to commit revenue expenditure £420,699 for the purpose of implementing the 2024/25 pay settlement for Top Management Group staff that has been reached with the trade union (Prospect).

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire Commissioner 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 Planning, Regeneration and the Fire Service authorises the London Fire Commissioner to commit revenue expenditure of £420,699 for the purpose of implementing the 2024/25 pay settlement for TMG staff that has been reached with the trade union (Prospect).

Deputy Mayor for Planning, Regeneration and the Fire Service

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

The above request has my approval.

Signature:



Date:

15/10/2024

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

Decision required – supporting report

1. Introduction and background

- 1.1 Report LFC-24-048 to the London Fire Commissioner (LFC) explains that the annual settlement date for the Top Management Group (TMG) cost of living increase is 1 April and the effective date of the performance related pay (PRP – progression through the salary band) and the non-consolidated payment (PRP for staff at the top of the band) is 1 April.
- 1.2 For the April 2024 pay settlement, discussions and negotiations have continued since 29 January 2024 and a formal offer was made by the LFC to the trade union on 20 June 2024. The trade union subsequently accepted the offer on 24 June 2024. The offer, which has been accepted by the trade union (based on current salary) is as follows:

From 1 April 2024

- A cost-of-living increase to TMG staff up to the grade of Assistant Director of four per cent.
 - A performance related pay (PRP)/non-consolidated payment of two per cent to those eligible TMG staff.
- 1.3 The London Fire Brigade's (LFB) TMG pay settlement is consistent with the pay offer for fire and rescue staff (non-operational staff) and the national pay settlement reached for operational/control staff within the National Joint Council for the same period.
 - 1.4 The trade union's acceptance of the offer is subject to LFB's commitment to reviewing TMG pay progression.
 - 1.5 An FRS/TMG pay and benefits review that was undertaken independently by QCG consultants to ensure that the pay and reward system for professional services remains competitive, to enable LFB to attract and retain talent, has been completed. The review's recommendations have been received and a programme plan is being developed to review these. LFB shall work closely with stakeholders, including the trade unions, in relation to reviewing the recommendations.

2. Objectives and expected outcomes

- 2.1 The approved LFC Final 2024/25 Budget report (LFC-24-027) that forecasts a three per cent pay award increase for staff. The settlement is for a four per cent cost-of-living increase and a two percent PRP/non-consolidated payment increase for 2024/25.
- 2.2 The total revenue cost of the 2024/25 pay settlement for the four per cent cost of living and the two per cent PRP/non-consolidated payment increases is £420,699 based on current staff salaries plus staff eligibility for the PRP/non-consolidated payment. This is broken down in the table overleaf.

Table 1 – Breakdown of total TMG pay settlement 2024/25

	Cost-of-living 4% increase	PRP/non-consolidated payment 2% increase
Operational TMG Staff	£170,374	£85,594
Non-operational TMG Staff	£110,086	£54,645

- 2.3 The revenue amount already budgeted for the 2024/25 cost of living pay settlement was £210,000. This means the additional revenue expenditure to cover the additional one per cent pay increase above the three per cent budgeted is £70,460, which will be drawn from the 2024/25 Budget Flexibility Reserve. The additional cost of the two per cent for PRP/non-consolidated payment costing of £140,239 is funded through staff turnover within the TMG group.

3. Equality comments

- 3.1 The LFC and the Deputy Mayor for Planning, Regeneration and the Fire Service 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, colour or 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 has been completed which evaluates no negative impact or restrictions on its application to staff with protected characteristics and complies with the Public Sector Equality Duty responsibilities.
- 3.9 Although a pay increase is generally accepted to be beneficial, it is recognised that the pay increase which is based on a percentage increase across all TMG grades does mean that staff on higher TMG grades receive more money than those on lower TMG grades. It is also recognised that a flat increase to all staff would maintain any existing pay gaps between under/overrepresented groups.
- 3.10 The action plan that is detailed in the LFB gender, ethnicity and disability pay gap report 2023 (that includes TMG staff) sets out a range of actions to address the pay gap which include improving data collation, recruitment and career progression. A Senior Leader Development Programme is to be piloted. The TMG pay review shall also consider opportunities to address the pay gap.

4. Other considerations

Workforce comments

- 4.1 The 2024/25 pay settlement has been negotiated with the trade union and represents a fair and consistent approach, whilst also recognising the value of the TMG staff and the work they undertake.

Sustainability comments

- 4.2 There are no direct sustainability implications arising from the recommendation within this report.

Procurement comments

- 4.3 There are no direct procurement implications arising from the recommendations within this report.

Conflicts of interest

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

5. Financial comments

- 5.1 The report recommends that the 2024/25 Top Management Group pay settlement is agreed to ensure consistency with other staff groups – the national pay settlement reached for operational/control staff which has already been implemented, and the offer for FRS staff. The TMG offer has already been accepted by the trade union.
- 5.2 The proposal is a cost-of-living increase of 4 per cent, at a cost of £280,460 and a PRP/non-consolidated payment increase of 2 per cent, at a cost of up to £140,239 for a total cost of up to £420,699. The 'Final 2024/25 Budget' report (LFC-24-027) included ongoing funding of 3 per cent for the cost-of-living increase and assumes that the PRP/non-consolidated payment increase is funded by staff turnover within the TMG group, as staff leave at the higher end of pay scales and join at a lower point on the scale.

- 5.3 The total revenue cost of the four per cent pay award £280,460 of which £210,000 (a three per cent award) was budgeted for as part of the 2024/25 budget report. This means the additional revenue expenditure to cover the additional one per cent pay increase is £70,460, which will be drawn from the Budget Flexibility Reserve in 2024/25. The revenue cost of the two per cent for PRP/non-consolidated payment costing of £140,239 will be met through staff turnover in year.
- 5.4 The Budget Flexibility Reserve had an opening balance of £13,560k at the start of the 2024/25 financial year.
- 5.5 The Budget Flexibility Reserve is forecasted to have an uncommitted balance of £2,883k by March 2025 as per the LFC Quarter 1 2024-25 Financial Monitoring Report. This balance includes the impact of the £70,460 pressure above.
- 5.6 It should also be noted that as a result of the forecast revenue overspend for 2024/25 the Quarter 1 report proposes that the remaining balance on the BFR after this draw is transferred to the General Reserve to support in-year overspend.
- 5.7 The budget for pay inflation is reviewed annually as part of the budget setting process for future years. The LFB's 2025/26 Budget Submission to the Mayor will also include the ongoing cost of the 1 per cent element of the pay award above the 2024/25 budget position. This pay element of the overall LFB budget will be prioritised over other (and more discretionary) expenditure to ensure ongoing affordability.

6. Legal comments

- 6.1 This report seeks approval to implement the TMG pay settlement figures for 2024/25 following agreement reached with representative bodies.
- 6.2 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. 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. 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 for Planning, Regeneration and the Fire Service (the "Deputy Mayor").
- 6.3 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...". The commitment of revenue expenditure referred to in this report therefore requires approval from the Deputy Mayor.
- 6.4 The statutory basis for the actions proposed in this report is provided by the Fire and Rescue Services Act 2004 ('the Act'), under which the LFC must secure the provision of personnel. Under the Act the Commissioner may also do anything that they consider incidental or indirectly incidental to his core functions. Additionally, section 112 of the Local Government Act 1972 empowers the LFC to appoint officers and determine their reasonable terms and conditions, including conditions as to remuneration.
- 6.5 These comments have been adopted from those provided by the LFC's General Counsel Department in report LFC-24-084 to the LFC.

Appendices and supporting papers:

Appendix 1 – report LFC-24-084 - Top Management Group 2024/25 Pay Settlement

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 either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

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 (✓)

Drafting officer

Soeli Dayus has drafted this report with input from the LFC and in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service

Niran Mothada has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Planning, Regeneration and the Fire Service for approval.

✓

Advice

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on Monday 30 September 2024.

✓

INTERIM CHIEF FINANCE OFFICER:

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

Signature:



Date:

11/10/2024