

Report title

London Weighting

Report to

Commissioner's Board

Date

28 August 2019

Report by

Assistant Director, People Services

Report number

LFC-0236

Protective marking: **NOT PROTECTIVELY MARKED**

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Summary

This report recommends formal approval by the London Fire Commissioner of the provisional agreement on London Weighting that has been reached between LFB officers and the London Regional Committee of the Fire Brigades Union (FBU). This agreement is attached as appendix 1. The agreement is currently subject to a ballot of all London Region FBU members; the outcome of the ballot is expected on, or shortly after, 29 August 2019.

The London Fire Commissioner Governance Direction 2018 requires the London Fire Commissioner to seek prior approval of the Deputy Mayor for Fire and Resilience before a commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices. The cost of the recommendations within this report is projected to exceed £150,000 as described in paragraphs 6-9.

Recommended decision

That the London Fire Commissioner formally approves and implements the agreement at appendix 1, subject to this being agreed by the current ballot of London Region FBU members.

Background

1. Historically, London Weighting was paid as a separate allowance to all London Fire Brigade occupational groups. This was first consolidated for top managers; subsequently, in 2011/2012, London Weighting was consolidated for FRS staff, Control staff, and operational middle managers. This left London Weighting being paid as a separate allowance only to firefighters, crew managers and watch managers, and this has continued to the present day. These staff are collectively represented by the London Region FBU.
2. The normal settlement date for London Weighting increases in recent years has been 1 July. The most recent settlement period ended on 30 June 2017. No claim for a London Weighting increase from 1 July 2017 was received from the London Region FBU until November 2018. In that month the London Region FBU lodged a claim as follows:

- 1 July 2017-30 June 2018 – 4.6%
 - 1 July 2018-30 June 2019 – 3.4%
3. These figures were justified by the FBU with reference to increases in the London Living Wage.
 4. A protracted period of negotiation followed the lodging of this claim. A key objective of Brigade-side negotiators within these talks was consolidation of London Weighting into basic pay, primarily to avoid this separate annual negotiation in future years. The FBU negotiators were initially resistant to this, but this outcome was achieved in the negotiations via the Brigade offering to meet the FBU's claim in full (which includes an arrears payment), plus the payment of a one-off lump sum of £500 to firefighters, crew and watch managers currently employed by the Brigade (pro rata for part-time staff). As noted in the agreement, this lump sum is in recognition that consolidation of London Weighting represents a change to terms and conditions, and that payments linked to basic pay (in particular overtime) would have increased if consolidation had taken place at any time since 01 July 2017. Given the budgetary impact, this offer was approved in advance with the Mayor's office. The appendix 1 agreement is currently the subject of a ballot of all London Region FBU members which closes on 29 August 2019.
 5. It will be noted that, under the agreement, London Weighting increases by the amount of the NJC pay award from 1 July 2019. This increase is likely to be 2% - this amount has been offered by the national employers, and the FBU Executive Council is recommending acceptance of this offer in a current national ballot of FBU members. The Brigade has budgeted for a 2% increase in London Weighting from 1 July 2019.

Financial impact

6. LFB's budgeted provision for London Weighting increases over the two years in question is 1% (2017/18) and 2% (2018/19).
7. Table 1 below sets out the budgetary implications of meeting the FBU's claims for 4.6% and 3.4% increases in London Weighting for 2017/18 and 2018/19, and payment of a lump sum of £500 to current staff.
8. It will be seen that the London Weighting agreement will lead to an additional budgetary pressure of £2.0m in 2019/20, with an ongoing additional budgetary pressure of £2.4m in 2020/21. There will be an increased cost of overtime going forward as a result of consolidating London Weighting as this will increase basic pay rates on which overtime rates are calculated. Up until now, hourly pay rates for overtime have not included London Weighting.
9. This budgetary impact has been incorporated into the medium term financial forecast, and will therefore need to be balanced by future savings, subject to overall future income and expenditure streams.

Table 1 – Budgetary impact of London Weighting agreement

	2019/20 £k	From 2020/21 £k
Budget	1,626	1,810
Costs:		
4.6% from July 2017; 3.4% from July 2018; and projected 2% from July 2019	3,484	3,677
Backdated Cost for 2017/18 and 2018/19	3,476	
Cost of Pay award excluding consolidation and one-off payments	6,960	3,677
One off Payment (£500)	2,604	
Impact of Consolidation (estimated increased cost of overtime)	252	504
Total Cost	9,816	4,180
Less Provision raised as part of 2018/19 Accounts	(6,177)	
Total Budget Impact	2,012	2,371

Finance comments

10. This report sets out the cost of the proposed London Weighting agreement for Operational Staff. The total cost of the proposed award in 2019/20 will be £9.8m and will be offset by the budgeted London weighting awards for 2017 to 2020 of £1.6m, and a provision of £6.2m raised in 2018/19.
11. The Quarter 1 Financial Position report (LFC-0204) included an estimated £2.4m pressure in 2019/20 and will be revised to £2.0m based on the delayed impact of the consolidation to October 2019. The on-going budget impact is £2.4m and this has already been included in Medium Term Forecast included as part of the report on the Mayor's Budget Guidance (LFC-0206).

Workforce comments

12. This report concerns the outcome of negotiations with the London Region FBU.

Legal comments

13. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") 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 Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
14. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience. Paragraph (b) of Part 2 of the said direction requires the 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...”. The Deputy Mayor’s approval is accordingly required for the London Fire Commissioner to incur the expenditure set out in the recommendations to this report. As per paragraph 4 of this report, provisional approval for the offer set out in appendix 1 was sought from the Mayor’s office and was provided in early April 2019.

15. The statutory basis for the actions proposed in this report is provided by the Fire and Rescue Services Act 2004, under which the Commissioner must secure the provision of personnel and may take any action they consider appropriate to do this.

Sustainability implications

16. The report recommends approval of an agreement regarding London Weighting which supports continued fair employment.

Equalities implications

17. With regards to the staffing group covered by the appendix 1 agreement (firefighters, crew managers and watch managers), there are no direct equality implications as the provisions, certainly in respect of the back-dated London Weighting increases, and consolidation, will apply equally to all these staff. The lump sum is to be paid pro rata to part-time staff, but this is a proportionate provision reflecting their pro rata hours. A similar process was followed in 2017/18 when the FRS pay award included a £300 lump sum; this was pro-rated for part-time staff.
18. When comparing the race/gender composition of firefighters, crew managers and watch managers to the wider operational workforce, and the Brigade’s total workforce (see Table 2 below), there is negligible disparity with regards to the former. There is of course a disparity when compared to the whole workforce as we know that women and BAME staff are under-represented within the operational workforce, especially women. The FRS workforce, on the other hand, is 50.7% women and 29.8% BAME; Control staff are 77.1% women and 10.5% BAME (this BAME representation is lower than amongst the operational workforce). The issues here are not about the London Weighting agreement, but the wider workforce composition issues that are being addressed separately within our recruitment and inclusion strategies.

Table 2 – Race/gender composition of (a) Firefighters, crew manager and watch managers; (b) the whole operational workforce and (c) the whole Brigade workforce (as at 31 July 2019)

	Firefighters, crew managers, watch managers (staff covered by the London Weighting agreement)	Total operational workforce	Total Brigade workforce
BAME	602 (13.1%)	628 (13.0%)	886 (15.4%)
White	3916 (85.4%)	4121 (85.6%)	4783 (83.1%)
Race not known	68 (1.5%)	70 (1.5%)	84 (1.5%)
Female	339 (7.4%)	355 (7.4%)	856 (14.9%)
Male	4247 (92.6%)	4464 (92.6%)	4897 (85.1%)
Total	4586	4819	5753

List of Appendices

Appendix	Title	Protective Marking
1.	Agreement on London Weighting reached between Brigade officers and the London Regional Committee of the FBU	Not Protectively Marked

Consultation

Name/role	Method consulted
(No prior consultation on the wording of this report; the London Fire Commissioner and Directors and have been consulted on the appendix 1 agreement)	

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Appendix 1

Agreement between the London Fire Brigade on the one hand and the London Region Fire Brigades Union on the other regarding London Weighting

Scope of the agreement

This agreement applies to firefighters, crew managers and watch managers as set out in this agreement. This agreement is made on [date].

Increase in London Weighting wef. 01 July 2017

The London Weighting allowance increases by 4.6% wef. 01 July 2017. The new rates from this date are as follows:

- Trainee firefighter - £4157
- Development firefighter - £4287
- All other firefighters, crew managers, watch managers - £5583

Increase in London Weighting wef. 01 July 2018

The London Weighting allowance increases by a further 3.4% wef. 01 July 2018. The new rates from this date are as follows:

- Trainee firefighter - £4298
- Development firefighter - £4433
- All other firefighters, crew managers, watch managers - £5773

Consolidation of London Weighting

With effect from the earliest practicable date, London Weighting is consolidated into basic pay at the above (01 July 2018) rates, pro rata as applicable for part-time staff, and those in nil/half etc. pay. The consolidated rate will be subject to the NJC pay award with effect from 1 July 2019, and going forward percentage pay increases will follow NJC annual pay awards. There is no intention to move away from NJC national pay arrangements arising from consolidation of London Weighting.

Arrears of London Weighting – current staff

Arrears of London Weighting, back to 01 July 2017, will be paid to all current firefighters, crew and watch managers in the earliest available payroll. Arrears will also be paid to current staff, previously but no longer in these roles, where applicable. All arrears to current staff as at the date of this agreement will be pensionable.

Arrears of London Weighting – leavers since 01 July 2017

Compensatory payments equivalent to arrears of London Weighting, back to 01 July 2017, will be payable to all firefighters, crew and watch managers, and more senior staff previously in these roles where applicable, who have left the employment of LFB since 01 July 2017 up to, but not including, the date of this agreement. These compensatory payments will be non-pensionable. LFB will write to all relevant leavers (and to the estate beneficiary in the case of deceased leavers), and these compensatory payments will be paid on receipt of confirmation of bank details.

Lump sum payment

In recognition that consolidation of London Weighting represents a change to terms and conditions, and that payments linked to basic pay would have increased if consolidation had taken place at any time since 01 July 2017, a gross lump sum of £500.00 is payable to firefighters, crew managers and watch managers as set out below.

- The lump sum is payable only to staff employed by LFB on the date of this agreement. Staff who left prior to this date, or who joined the employment of the Brigade after this date, are not eligible to receive this lump sum.
- The lump sum will be paid pro rata to part-time employees, e.g. an employee who works 50% of full-time hours will receive a gross lump sum of £250.
- The lump sum is not pensionable, but is subject to tax and national insurance.
- The lump sum will be paid in the earliest available payroll.
- For those on a career break, the lump sum will be paid on return to work.

For the London Fire Brigade:

Name Signed Date

For the London Region Fire Brigades Union:

Name Signed Date