

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No 7

HUMAN RESOURCES COMMITTEE: 12 OCTOBER 2015

SUBJECT: MATERNITY PAY COMPARATIVE STUDY

**JOINT REPORT OF THE CHIEF FIRE OFFICER, THE DEPUTY CLERK TO THE
AUTHORITY, THE FINANCE OFFICER AND THE PERSONNEL ADVISOR TO THE
AUTHORITY**

1 INTRODUCTION

- 1.1 This report provides an update with regard a comparative study into maternity pay conducted on behalf of the Authority.

2 BACKGROUND

- 2.1 At the HR Committee meeting on 14 July 2014 members approved a revision to the maternity pay provisions that aligned the arrangements for both men and women in the light of changes to paternity support leave required in law. At that meeting Officers gave a commitment to continue to work with the Service Equality Committee to make improvements to maternity and paternity provisions where possible (minute 4 of meeting 14/07/14).
- 2.2 Following further discussion at the Equality Committee during 2015 it was agreed to undertake further work to better understand the suitability of the Authority's arrangements going forward.

3 MATERNITY PAY REVIEW

- 3.1 A comparative study into maternity pay has been conducted by the independent consultant, Dr Paul Andrew. The study allows the Authority to better understand the relative position of the Authority's practices with a broad group of Fire and Rescue and Local Authorities. This work assisted in distinguishing between provisions; enabling the Authority to continue to offer employment terms that are legally compliant, and attract and retain a diverse workforce that represents our communities.
- 3.2 Fire and Rescue and Local Authorities across the country were contacted with requests to share information with regard to their maternity pay provisions.



Seventeen Authorities responded to the request which enabled broad comparisons to be made. Table 1 in Appendix A to this report provides a summary of the comparative findings. This summary indicates that when compared to the respondent group, the Authority falls towards the lower end of the medium quartile and is in a comparatively weak position in terms of maternity provisions.

4 PROPOSAL

4.1 Members are requested to consider an improvement to the approach to maternity pay provision that would result in a marginal increase in cost whilst improving the equality outcomes for all staff and the long term retention of women within our workforce.

4.2 The proposal is based on a revised entitlement set out below:

Current Provision

1 week at 100%, 5 weeks at 90%, 12 weeks at 50% + SMP and 21 weeks SMP

Proposed Provision

1 week at 100%, 5 weeks at 90%, 21 weeks at 50% + SMP and 12 weeks SMP

4.3 Table 2 illustrates a comparison of the proposed maternity provision based upon the last 3 years of data for further consideration by members. If approved the proposal would result in an approximate increase in maternity pay of £2,500 per employee whilst on maternity leave.

5 RISK MANAGEMENT

5.1 A risk assessment has been undertaken to ensure that the risk to the Authority has been minimised as far as practicable.

6 FINANCIAL IMPLICATIONS

6.1 The financial implications of the proposal are a potential increase in revenue expenditure of approximately £17,500 per year based upon the average number of employees undertaking maternity leave. This number is not anticipated to rise as a consequence of this proposal.

7 EQUALITY AND FAIRNESS IMPLICATIONS

By commissioning in an independent study of maternity pay provision, the Authority continues to demonstrate a clear commitment to improving equality outcomes for all employees whilst promoting the Authority as an employer of choice. The proposed changes will improve the benefits for female employees undertaking maternity leave and in turn support the diversity of the workforce.



8 HEALTH AND SAFETY IMPLICATIONS

8.1 There are no health and safety implications in respect of this report.

9 RECOMMENDATIONS

9.1 The Authority is recommended to:

- a) Endorse the contents of this report ;
- b) Approve the increase in maternity provision set out in section 4.2 for this report;
- c) Receive further reports as appropriate.

BACKGROUND PAPERS

The under mentioned Background Papers refer to the subject matter of the above report:

- Maternity Pay Comparative Study, Dr Paul Andrew

APPENDIX 1

	High Quartile	Medium Quartile	TWFRA	Low Quartile	Statutory
	26 Weeks at 100% and 13 Weeks at 50%	6 Weeks at 90%, 21 Weeks at 50% + SMP, and 12 Weeks SMP	1 Week at 100%, 5 Weeks at 90%, 12 Weeks at 50% + SMP, and 21 Weeks at SMP	6 Weeks at 90%, 12 Weeks at 50% + SMP, and 21 Weeks SMP	6 Weeks at 90%, 33 Weeks at SMP
Gross Pay to Employee	£ 15,021.89	£ 12,232.71	£ 9,921.62	£ 9,875.40	£ 7,102.08
Pay with Add On	£ 18,657.47	£ 15,604.29	£ 13,083.70	£ 13,032.48	£ 10,013.16
Recoverable	£ 6,533.91	£ 6,533.91	£ 6,533.91	£ 6,533.91	£ 6,533.91
Total Cost to FRS's	£ 12,123.56	£ 9,070.38	£ 6,549.79	£ 6,498.57	£ 3,479.25

Table 1 - Maternity Pay Comparisons UK Fire and Rescue Authorities

The calculations have been based on the average female salary in TWFRA £24,101. Payments take account of statutory maternity payments, recoverable costs, national insurance and pension contributions.

	2012/2013	2013/2014	2014/2015	2015/2016 **
Number of Maternities	4	9	10	5
Current cost to TWFRS	£ 28,607	£ 58,431	£ 65,592	£ 32,624
Cost based on Proposed Scheme *	£ 38,352	£ 80,591	£ 89,337	£ 45,263
Increase on current Scheme	£ 9,925	£ 22,160	£ 23,745	£ 12,639
Ave increase per maternity	£ 2,481	£ 2,462	£ 2,375	£ 2,528

Table 2 - Comparative Maternity Pay Example for TWFRA

* The calculations are based on an additional entitlement of 1 Week at 100%, 5 weeks at 90%, 21 weeks at 50% + SMP and 12 weeks SMP and take account of additional costs as above.

** 2015/2016 - Part Year. Last maternity recorded starts in November 2015