

TO: Policy and Resources Committee

FROM: Deputy Chief Executive Officer – Matthew Warren

PRESENTING OFFICER(S): Head of Human Resources – Samantha Smith
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CAMBRIDGESHIRE FIRE AND RESCUE SERVICE MATERNITY PAY POLICY

1. Purpose

- 1.1 The purpose of this report is to inform the Policy and Resources Committee on work undertaken to review the Service's maternity pay provisions and to seek approval for the proposed revisions to contractual maternity pay in order that formal negotiation with trade unions can commence.

2. Recommendations

- 2.1 The Policy and Resources Committee is asked to;
- approve the proposed changes to contractual maternity pay in order to enable formal consultation to commence. Namely, to increase from six to 18 weeks full pay with effect from April 2019, with an associated change in the length of continuous service required to qualify for contractual maternity pay, from one year to two years by the eleventh week before the baby is due.
 - note the additional and concurrent work to review and update broader maternity provisions and support.

3. Risk Assessment

- 3.1 **Economic** – whilst there are economic risks for the Authority in committing to increase contractual maternity pay provision, significant cost modelling has been undertaken and the predicted additional costs are considered affordable in the longer term, given current financial planning assumptions. The predicted social and organisational benefits are predicted to outweigh the additional direct financial costs.
- 3.2 **Social** - whilst there is no direct evidence that increasing maternity pay provisions will directly impact on improved female diversity in the workforce, if it is affordable to the Authority to increase provision then this sends a message to prospective and current female employees that the Service values their contribution and will offer enhanced financial support to them whilst on maternity leave. It can also be used as a direct attraction mechanism. Thereby

the proposed change in policy is expected to contribute towards the achievement of strategic integrated risk management plan (IRMP) objectives.

- 3.2.1 The increase in continuous service requirement to qualify for contractual maternity pay does carry some social implication for the workforce; however the change in qualification period is felt appropriate in order to appropriately balance the direct and indirect costs of additional contractual maternity pay with those of supporting staff to achieve competence in their job role. This will also be mitigated by incorporating a transition period for the first year, which will allow for anyone going on maternity leave with less than two years continuous service to remain eligible for the current contractual maternity pay arrangements.

- 3.3 **Legal** – the legal obligation is to pay maternity pay at at least Statutory Maternity Pay (SMP) rates.

4. Background

- 4.1 As part of the Service's strategic work to attract and retain a more diverse workforce, the contractual maternity pay policy has been reviewed. This is part of a larger piece of work being undertaken to review and update the Service's broader maternity provisions and how female employees are supported during their pregnancy, maternity leave and on their return to work.
- 4.2 Contractual maternity pay is distinct from SMP, which is paid in addition and is largely recoverable. The vast majority of employees qualify for SMP, which is paid at the rate of 90% of average weekly earnings for the first six weeks, followed by 33 weeks paid at a flat rate (currently £145.18 per week).
- 4.3 The Service's current contractual maternity pay is six weeks full pay.
- 4.4 Benchmarking analysis has shown this to be a significantly lower than average package. The sector leaders in this area pay the equivalent of 45 weeks full pay. However it is important to note that the workforce profiles in these Services are notably different from Cambridgeshire Fire and Rescue Service (CFRS); therefore different financial planning assumptions will have been made when considering the long term affordability of their maternity pay provisions.
- 4.5 Benchmarking has also been undertaken against Cambridgeshire Constabulary. Their current maternity pay package is equivalent to CFRS however they have undertaken a similar review exercise and are currently consulting on an increase in maternity pay provision to 18 weeks full pay.
- 4.6 Feedback from female staff (across all areas of the Service) is that the maternity provisions in CFRS (including but not limited to maternity pay provisions) are a significant factor in longer term retention. For context, 28 instances of maternity leave have been taken in the past seven financial years (including two to commence before end of this financial year). Of these seven individuals (25%) have since left the Service so have not been retained in the long term.

5. Cost Modelling and Assumptions

- 5.1 A number of alternative maternity pay packages have been considered by Chief Officers. In order to understand and predict longer term affordability, these have been modelled against the actual number of maternity leaves which have been taken in the last seven financial years, as well as various predictions for increased maternity leaves in future years.
- 5.2 The exact number of maternity leaves can never be precisely predicted and it is accepted that there will be peaks and troughs from year to year, both in terms of the numbers of staff taking maternity leave as well as the levels in the organisation at which these staff work (as salary levels will impact maternity pay costs).
- 5.3 Data from the last seven financial years shows that the current average is four maternity leaves per annum, with actual numbers varying from one to five per annum. The data includes staff from all areas of the Service and from a range of salary levels and is therefore considered to be sufficiently representative to enable meaningful cost modelling.
- 5.4 Other factors have also been considered when determining which alternative increased contractual maternity pay package to recommend to the Policy and Resources Committee. These are:
 - 5.4.1 The fact that maternity pay provisions are mirrored for adoption pay provisions, so any change in provisions would also impact on CFRS's adoption pay policy. In circumstances of adoption (including surrogacy) the parents may choose which of them takes main adoption leave and which takes parental support leave (which mirrors paternity leave). This is, however considered a minimal risk in terms of longer term affordability, as only one individual from the Service has taken adoption leave in memory/records and it can reasonably be presumed that any future numbers would also be low, as Department for Education data shows that only around 4,500 adoptions took place in England in 2017 (latest data available).
 - 5.4.2 The risk of potential future increased costs relating to the costs of shared parental leave. Shared parental leave allows mothers to end maternity leave/pay early so that one or both parents can take leave in a more flexible way during the baby's first year. The current legal position is that if shared parental leave is taken, the maternity leave comes to an end, and any remaining statutory maternity leave and pay entitlement only is transferred over to the partner (or can be shared in alternating blocks between the parents). However this position is subject to ongoing legal challenge. As yet this challenge is unsuccessful, however it can be foreseen that the legal position may well change in the future. This is considered a moderate risk and could mean that any remaining contractual pay entitlement (not just statutory pay entitlement) would transfer to the partner. This has the potential to increase costs (perhaps significantly) for any employer who employs both parents.

- 5.4.3 The impact of notional backfill costs for maternity leave absence. For the purposes of cost modelling, these have been based on the on-costed cost of a firefighter, although it is accepted that the rank of control staff going on maternity leave in last seven years varies up to Watch Commander and that the salaries of professional support staff going on maternity leave can also vary significantly. Although the notional backfill costs do not vary in the different alternative scenarios modelled and in reality not all roles are directly back-filled, they still are a factor when considering the overall affordability of alternative increased contractual maternity pay provision.
- 5.5 Considering all of the above, the recommendation is to increase contractual maternity pay to 18 weeks full pay. The recommendation is to increase with effect from April 2019, with pro-rating of the new pay provisions to be applied to those staff on maternity leave at that point.
- 5.6 Using data from the last seven financial years, the additional cumulative cost if this provision had been in place equates to just over £183,000 (an average of just over £26,000 per year). The full cost modelling of this scenario, including a breakdown for each financial year, is at Appendix 1.
- 5.7 It is proposed that additional costs will be funded from reserves for the first year, in order to monitor actual increased costs against predicted, before building into base budgets for future years.
- 5.8 Cost modelling for predicted future maternity leaves is also shown at Appendix 1. Using the average cost for a single maternity leave, predictions of four, eight, 12 and 16 maternity leaves per annum in future have been modelled.
- 5.9 Considering future predicted increases in the number of maternity leaves per annum alongside other financial pressures, increasing maternity pay provision to 18 weeks full pay is considered currently to be most realistically affordable in the longer term.

6. Length of Continuous Service to Qualify for Contractual Maternity Pay

- 6.1 The current qualification period for contractual maternity pay is one years continuous service at the 11th week before the baby is born.
- 6.2 It is proposed that alongside the increase in contractual maternity pay, the qualification period is increased to two years continuous service by the 11th week before the baby is due.
- 6.3 This is felt appropriate in order to appropriately balance the direct and indirect costs of additional contractual maternity pay with those of supporting staff to achieve competence in their job role.
- 6.4 Data from the last seven years shows that this change in qualification period would have affected one employee taking maternity leave (out of 28 periods of maternity leave taken). To mitigate any potential impact associated with this

change, it is proposed that in the first year, transition arrangements would apply, with anyone taking maternity leave who did not have two years continuous service by the 11th week before their baby was due continuing to be eligible for the current contractual maternity pay entitlement (six weeks full pay).

7. Equality Impact Assessment and Consultation

- 7.1 An equality impact assessment has been completed and can be seen at Appendix 2. The impact expected from increasing contractual maternity pay provision is positive however it is noted that maximisation of this positive impact will need to be balanced with longer term affordability considerations.
- 7.2 As the proposal is a change to employee terms and conditions, it will be subject to formal negotiation with the recognised trade unions. However as it represents a notable enhancement to current terms and conditions, this is not expected to be problematic.

8. Broader Work

- 8.1 As noted in paragraph 4 above, the review of contractual maternity pay provision is part of a larger piece of work being undertaken to review and update the Service's broader maternity provisions and how female employees are supported during their pregnancy, maternity leave and on their return to work.
- 8.2 A number of focus groups have been held to gather views on what the Service currently does well to support women through pregnancy and maternity leave and where the opportunities are to further improve. All staff who have been on maternity leave in the last five years, or who are known to be currently pregnant, were invited to attend. An open invitation was also issued to all staff in order to gather the most rounded views and understand what works well and what the challenges are from all perspectives (e.g. line managers and colleagues, as well as pregnant members of staff)
- 8.3 Conversations at the focus groups were incredibly constructive and show that staff are very willing to work with the Service to share their experiences in order to help make improvements.
- 8.4 A number of further ways in which we can improve broader support for people throughout their entire maternity experience have been identified from the focus groups. Those that are being taken forward for implementation by April 2019 are;
- guidance documents for both employees and line managers, plus an e-learning package for line managers,
 - a working group to address and finally resolve issues with regard to maternity uniform,
 - engagement with the wider workforce to explore possibilities around modified duties for pregnant employees and also how to involve and

engage with our male colleagues about the way in which maternity issues affect / impact on them - as fathers, as colleagues and as managers,

- IVF guidance,
- refresh of maternity risk assessment.

8.5 In 2019/20, once these initial improvements are made, Phase two will see;

- the introduction of a “maternity mentors” scheme to provide additional practical support and advice to both pregnant employees and line managers. Appropriate guidance needs to be ready first, as well as wider engagement to encourage colleagues from across the Service to be involved and champion such a scheme.
- more work undertaken regarding longer term broader opportunities for flexibility on return to work after maternity leave. With some of the groundwork in place regarding how women are supported during their pregnancy and maternity leave, this should follow on logically.

BIBLIOGRAPHY

Source Document	Location	Contact Officer
Cambridgeshire and Peterborough Fire Authority Maternity Policy (current published version)	Service HQ Hinchbrooke Cottage Brampton Road Huntingdon	Sam Smith Head of Human Resources 07717 476176 samantha.smith@cambsfire.gov.uk

Appendix 1 – Cost Modelling

Employee Number	Mat Leave Start Date	Mat Leave End Date	Statutory Maternity Pay
13	08 Oct 2012	07 Oct 2013	9726.22
21	12 Nov 2012	31 Oct 2013	7884.45
17	17 Dec 2012	15 Sep 2013	6987.26
15	24 Jan 2013	08 Sep 2013	5263.23
18	18 Mar 2013	17 Mar 2014	7230.70
16	28 Mar 2013	31 Dec 2013	9043.86

Current Contractual Maternity Pay (six weeks)	Weekly Pay	Government Funding (92% of SMP)	Current costs (six weeks full pay plus SMP less Govt. funding)
5821.20	970.20	8948.12	6599.30
3429.79	571.63	7253.69	4060.55
2762.76	460.46	6428.28	3321.74
1903.71	317.29	4842.17	2324.77
3036.68	506.11	6652.24	3615.14
4982.88	830.48	8320.35	5706.39
Subtotals for Financial Year (FY)			25,627.88

18 weeks full pay	Cost of proposed new model (18 weeks full pay plus SMP less Govt. funding)
17463.60	18241.70
10289.37	10920.13
8288.28	8847.26
5711.13	6132.19
9110.04	9688.50
14948.64	15672.15
Additional cost for FY	43,874.04

19	08 Apr 2013	05 Jan 2014	7557.90
23	20 Apr 2013	19 Apr 2014	7806.12
22	20 May 2013	19 May 2014	0.00
	11 Jun 2013	10 Jun 2014	6600.30
14	24 Jun 2013	23 Mar 2014	6571.74

3382.68	563.78	6953.27	3987.31
2892.12	482.02	7181.63	3516.61
307.06	51.18	0.00	307.06
1608.24	268.04	6072.28	2136.26
2286.90	381.15	6046.00	2812.64
Subtotals for FY			12,759.88

10148.04	10752.67
8676.36	9300.85
921.18	921.18
4824.72	5352.74
6860.70	7386.44
Additional cost for FY	20,954.00

12	20 Oct 2014	19 Jul 2015	0.00
1	25 Oct 2014	24 Oct 2015	7707.00
24	09 Feb 2015	02 Jan 2016	7449.26

2727.29	454.55	0.00	2727.29
3352.44	558.74	7090.44	3969.00
2987.04	497.84	6853.32	3582.98
Subtotals for FY			10,279.27

8181.87	8181.87
10057.32	10673.88
8961.12	9557.06
	28,412.81
Additional cost for FY	18,133.54

8	06 Aug 2015	04 Aug 2016	7667.10
10	03 Sep 2015	20 Apr 2016	8784.30
7	07 Sep 2015	04 Sep 2016	8209.32
11	20 Nov 2015	04 Sep 2018	7419.30
6	25 Feb 2016	22 Feb 2017	8833.86

3444.21	574.04	7053.73	4057.58
5628.84	938.14	8081.56	6331.58
3712.17	618.70	7552.57	4368.92
2938.25	489.71	6825.76	3531.79
4093.60	682.27	8127.15	4800.31
Subtotals for FY			23,090.18

10332.63	10946.00
16886.52	17589.26
11136.51	11793.26
8814.75	9408.29
12280.80	12987.51
	62,724.32
Additional cost for FY	39,634.14

	11 May 2016	10 May 2017	7466.76
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3485.16	580.86	6869.42	4082.50
Subtotals for FY			4,082.50

10455.48	11052.82
	11,052.82
Additional cost for FY	6,970.32

3	28 Jul 2017	26 Jul 2018	8339.10
9	13 Sep 2017	11 Sep 2018	7888.44
2	20 Oct 2017	18 Oct 2018	7883.40
4	11 Dec 2017	09 Dec 2018	9116.52

3684.45	614.08	7671.97	4351.58
3550.47	591.75	7257.36	4181.55
3520.40	586.73	7252.73	4151.07
4134.60	689.10	8387.20	4863.92
Subtotals for FY			22,295.47

11053.35	11720.48
10651.41	11282.49
10561.20	11191.87
12403.80	13133.12
	60,343.13
Additional cost for FY	38,047.66

	12 May 2018	08 Feb 2019	8167.74
5	02 Jun 2018	31 May 2019	8460.06

4133.91	688.99	7514.32	4787.33
3684.45	614.08	7783.26	4361.25
Subtotals for FY			9,148.58

12401.73	13055.15
11053.35	11730.15
	24,785.30
Additional cost for FY	15,636.72

Total Costs **107,283.77**

		290,534.19
Total Additional Costs		183,250.42

Maternity leave starts in FY		
	2012/13	6
	2013/14	5
	2014/15	3
	2015/16	5
	2016/17	1
	2017/18	4
	2018/19	4 (FY not complete, 2 started & 2 more currently expected before FY end)
Average per FY		4

Average cost of maternity leave (per person)	6 weeks full pay	3,973.47
	18 weeks full pay	10,760.53

Potential future costs (average)	if 4 mat leaves/year	43,042.12
	if 8 mat leaves/year	86,084.24
	if 12 mat leaves/year	129,126.36
	if 16 mat leaves/year	172,168.48

Appendix 2 – Equality Impact Assessment



CAMBRIDGESHIRE
FIRE & RESCUE SERVICE



EQUALITY IMPACT ASSESSMENT

Please ensure you have **Final Showing Markup** and **Show Comments** selected in toolbar above to see further guidance.

Introduction

The general equality duty (Equality Act 2010) means Cambridgeshire Fire and Rescue Service must have **due regard** to the need to:

Eliminate unlawful discrimination, harassment and victimisation

Take opportunities to advance equality

Foster good relations with and between underrepresented or disadvantaged groups.

These requirements are in relation to the protected characteristics (PC) of **age, disability, ethnicity (including nationality, national origin, colour and race); gender reassignment; marriage or civil partner status, maternity and pregnancy, religion or belief, sex, sexual orientation.**

This means:

Removing or reducing disadvantage experienced by people due to a PC

Taking steps to meet the needs of people from PC groups where these are different from other peoples' needs.

Encourage people from PC groups to participate in public life or in other activities where their participation rate is disproportionately low.

The following analysis helps us meet these responsibilities.

Department/Station :	Title of policy, service or activity
Human Resources	Proposal to increase contractual maternity pay provision
Completed by:	Date EqlA completed & DMS number
Sam Smith, Head of HR	07 Sept 2018, DMS #537473
Lead Manager/Officer	Is policy new/proposed; existing or changing?
Sam Smith	Changing

Part 1 Assessing impact on different groups

a. Brief summary of aims of policy, activity or service.

A proposal to increase the contractual maternity pay provision for all staff (subject to qualifying length of service), in order to support an increase in recruitment and retention of a more diverse workforce.

Provisions also to be mirrored for those taking main adoption leave (including surrogacy).

b. Who are the main stakeholders to the policy, activity or service and who should it benefit?

All staff eligible to take maternity leave

All staff eligible to take adoption leave

Trade Unions

COG / COAG

Fire Authority (must approve any required budgetary changes)

c. Evidence or information used to assess impact.

The Service's strategic aim to increase the diversity of the workforce and to remove all possible barriers to achieving this is set out in the IRMP.

The data on gender diversity of the workforce as at 30 June (latest available data) for the rolling 5 year period is as follows:

Snapshot at	Wholetime		OnCall		Operational		Control		Support		Non-Operational		Total	
Month Ending	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Jun-14	11	4.8%	10	3.6%	21	4.2%	34	87.2%	65	53.7%	99	61.9%	120	18.0%
Jun-15	11	4.8%	10	4.1%	21	4.4%	32	84.2%	66	54.1%	98	61.3%	119	18.8%
Jun-16	15	6.3%	10	4.3%	25	5.3%	36	85.7%	66	52.0%	102	60.4%	127	19.8%
Jun-17	18	7.2%	12	5.1%	30	6.2%	35	83.3%	72	49.7%	107	57.2%	137	20.4%
Jun-18	16	6.6%	15	6.5%	31	6.6%	33	78.6%	79	47.9%	112	54.1%	143	21.0%

Although improvements have been made over the past 5 years, there is still more to do to ensure gender diversity reflects the demographic of the communities we serve (50.2% in 2011).

Whilst there is no direct evidence that increasing maternity pay provisions will directly impact on improved female diversity in the workforce, if it is affordable to the Authority to

increase provision then this sends a message to prospective female employees that the Service values their contribution and will offer enhanced financial support to them whilst on maternity leave. It can also be used as a direct attraction mechanism.

It is difficult to draw on specific information to assess the impact on those who may take main adoption leave, as little data exists nationally on the numbers of individuals taking adoption leave from employment, and only one individual from the Service has taken adoption leave in memory/records. However it can reasonably be presumed that numbers would be low, as Department for Education data shows that around 4,500 adoptions took place in England in 2017 (latest data available, see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664995/SFR50_2017-Children looked after in England.pdf)

d. From the evidence, which protected characteristic group(s) (see comment for full list) are likely to be impacted by this policy compared to people in general? Give a summary of the impact; whether it is positive or negative; affects community, staff or both.

The proposed increase to maternity pay provision is most likely to affect female staff who become pregnant whilst in the Service's employment.

The mirroring of maternity pay provisions for adoption leave could in theory affect any employee of the Service, as in circumstances of adoption (or surrogacy) the parents may choose which of them takes main adoption leave and which takes parental support leave (which mirrors paternity leave).

In both cases this is a positive impact.

e. Conclusion – what changes – if any - can be made to improve the policy or activity in order to reduce any negative impact or to maximise positive impact?

None deemed necessary as the impact is positive.

It will be for the Fire Authority to determine and agree the affordability of any increase to maternity pay provisions, based on the projected increased costs (not just of increasing provision but of a potential increase in the number of maternity leaves that may be taken from the Service in future years). Therefore the maximisation of impact will need to be balanced with affordability considerations.