

A SENIOR fire officer has sparked anger after retiring with a £425,000 payout – then being immediately rehired on a £75,000 salary.

Peter Holland, 57, Lancashire Fire and Rescue Service's chief fire officer, insists the deal sees him stay on half his previous pay, saving the public purse a "fortune". The Lancashire Combined Fire Authority agreed for him to return with a 50 per cent pay cut, and has stopped any further employer pension contributions.

But Emma Boon, campaign director of the TaxPayers' Alliance, said: "Taxpayers will have had no say in yet another massive lump sum given to a public sector worker, despite the desperate need to make savings. "It's great to see that Mr Holland has come back to work for a lower salary, but taxpayers might be wondering why they have to pay him almost half a million pounds to do that.

"Lancashire Fire and Rescue Service can't afford to keep making massive discretionary payments to departing staff."

Pension expert Greg Heath, a managing director of Derbyshire Booth Financial Management, described the move as "galling". He said: "It might turn out to be saving from the budget but it is coming out of somewhere else. It is more number shuffling than a real saving. "They might save on the wage and payroll but they have moved it over to pension liability." He disputed claims it would save taxpayers money, adding: "I don't think it is a good deal."

Yesterday Mr Holland, who has been the chief fire officer since 1999, said the move will help plan for the future. He said: "It is a fixed-term contract while I am setting out succession planning for my successor. "I was quite happy to retire as of March 31 – that is what I would have done. It is the authority who wanted me to stay on. It is saving a fortune at a time of austerity."

Lancashire county councillor David O'Toole, chairman of the authority, said the decision was agreed unanimously. "It is a massive saving. If anybody is making a complaint it is sour grapes because it is in line with the savings we are looking to make". He added that Lancashire was the only UK fire authority to be awarded an independent "excellent" status, and Mr Holland's continued employment would help keep it that way.

Councillor Frank De Molfetta said: "It is important we keep him for a short period until we get his successor."