

Buckinghamshire & Milton Keynes Fire Authority



MEETING	Executive Committee
DATE OF MEETING	5 February 2014
OFFICER	Lynne Swift, Director People and Organisational Development
LEAD MEMBER	Councillor Roger Reed
SUBJECT OF THE REPORT	Remuneration and Performance Review
EXECUTIVE SUMMARY	<p>This report sets out recommendations for members' consideration on senior management pay and remuneration for the 2012 and 2013 annual reviews. Appendix 1 sets out the Senior Management Team Pay Review Methodology.</p> <p>The review process should take place annually in the autumn with any changes approved by the full authority generally effective from the following 1 January. However the 2012 review was deferred to accommodate a senior management restructure which further reduced the number of principal officers. Initially the HR Sub Committee at its meeting on 16 January 2013 deferred the 2012 review to commence February 2013, however, owing to changes to member composition this was further deferred until after summer 2013.</p> <p>Senior Management Team members are contracted under National Joint Council for Brigade Managers of Fire and Rescue Constitution and Scheme of Conditions of Service; known as the "Gold Book", for pay purposes. The "Gold Book" sets a two track approach for determining levels of pay as outlined in the background section of this report and detailed in Appendix 2.</p> <p>For 2012 and 2013 fire fighters under the National Joint Council NJC for Local Authority Fire and Rescue Services Scheme of Conditions of Service 2004, known as the "Grey Book" received a 1% pay award.</p> <p>For 2013 staff under the Buckinghamshire and Milton Keynes Fire Authority scheme of conditions of service, April 1997 incorporated, known as the "Green Book" were recently awarded a 1% pay award, backdated to July 1 2013.</p> <p>Appendix 3 of this report sets out the Authority's performance and comparisons with other Fire and</p>

	Rescue Services based on CLG and CIPFA data.
ACTION	Decision
RECOMMENDATIONS	<p>It is recommended that the Executive Committee:</p> <ol style="list-style-type: none"> 1. Approve the amendments to the Senior Management Team Pay Review Methodology as set out in Appendix 4 2. Delegate authority to the CFO/CEO to negotiate amendments to employment contracts of the Heads of Service Delivery so that "Gold Book" methodology be applied in respect of salary. 3. Apply a 1% pay award for SMT members as an outcome of the 2013 review. 4. Apply a 1% pay award to eligible SMT members under the 2012 review. 5. Approve the proposals as set out in Appendix 5
RISK MANAGEMENT	There are no risks to the delivery of the Authority's functions.
FINANCIAL IMPLICATIONS	<p>The costs of implementing recommendation 3 and 4 are c£29k in total, which will now be factored into the MTFP subject to member approval.</p> <p>For members information the year-end outturn positions before movements to and from reserves in the years being considered have been:</p> <ul style="list-style-type: none"> • 2011/12 c£1,800k favourable variance • 2012/13 c£873k favourable variance • 2013/14 c£1,300 favourable variance (current forecast)
LEGAL IMPLICATIONS	The terms of reference of the Executive Committee include the role of the employer in connection with employees of the Authority contracted in whole or in part to the "Gold Book". The recommendations are consistent with the Authority's extant statutory pay policy statement
HEALTH AND SAFETY	There is no impact.
EQUALITY AND DIVERSITY	A People Impact Assessment has been completed and there are no equality and diversity issues arising from this report.
USE OF RESOURCES	<p>The senior management team are collectively and individually responsible for delivering the corporate plan and the Authority's objectives.</p> <p>Performance of SMT members is regularly appraised either by the CFO/CEO or Chairman supported by Lead</p>

	<p>members where appropriate.</p> <p>The Authority’s Pay Policy, Part 2 section 24, and the methodology described in Appendix 1, allow for Authority consideration of one-off bonus payments linked to evidenced and scrutinised delivery of performance management objectives.</p> <p>Whilst SMT members have been invited to contribute with evidence to demonstrate performance improvements officers have been not been and will not be party to any decision making in relation to their own remuneration.</p> <p>Performance and Benchmarking Data</p> <p>In determining any changes to local pay, the methodology requires members to weigh various types of qualitative and quantitative data. This section of the report includes a summary of the data.</p> <ol style="list-style-type: none"> 1. Information about the extent to which corporate objectives have been met. 2. Chief Fire Officer/Chief Executive appraisal data as provided by the Chairman 3. Senior Management Team appraisal data as provided by the Chief Fire Officer/Chief Executive 4. Progress on any specific projects that members had identified as high priority 5. Comparative performance data with other Fire Services 6. Salary benchmarking data in relation to Senior Management Team salaries for Group 2, Combined South East Region Fire Services 7. Financial Data about budget provision for pay/reward costs arising from this review. 8. Data about national pay settlements awarded to Gold, Green and Grey book employees 9. Performance Data provided by the Chief Fire Officer (following discussions with the Senior Management Team).
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>SMT members are contracted under NJC negotiated “Gold Book” conditions for pay purposes. This involves a two-track approach for determining levels of pay;</p> <ul style="list-style-type: none"> • National Pay - At national level, the NJC annually reviews the level of pay increase applicable to Principal Officers. Any increase is effective from the usual annual settlement date 1st January. There has not been a national pay increase for Senior Managers since 2009.

	<ul style="list-style-type: none"> Local Pay - The NJC agreement also requires Fire and Rescue Authorities to review Principal Officers' salary levels on an annual basis. The Authority's Senior Management Team Pay Review Methodology was approved by HR Sub Committee on 16 January 2013. The methodology is attached at Appendix 1. <p>Remuneration principles are part of the Authority's current Pay Policy Statement 2013/2014 and more recently more specific principles were agreed by the Executive Committee on 20 November 2013 in relation to "Green Book" pay. The principle of self-funding linked to savings and performance is central.</p> <p>The methodology (Appendix 1) recognises that there are a range of pay and non-pay options for members to consider which include attending development opportunities, incorporated salary rises, non-incorporated bonuses, pay agreements that span a number of years and no change to existing reward packages.</p> <p>The National award for "Grey Book" was 1% in 2012 and 1% for 2013.</p> <p>National "Green book" pay award for 2013 was 1%.</p> <p>Rationale to Support Recommendation</p> <ul style="list-style-type: none"> The members of the Senior Management Team are the only part of the workforce not to have received an annual pay award for 2013. Most members of SMT did not receive a pay award for 2012, although those who were conditioned to other conditions prior to coming into their current roles may have. It seems timely for members to consider the issue of senior officer remuneration levels. Senior Fire Officers have suffered a disproportional requirement for increased pension contributions under the changes to the firefighter's pension Scheme. For example, a Firefighters Contribution rate has increased from 11% to 14.2% (April 2014) whilst for the CFO, over the same period, the CFO's contributions have increased from 11% to 17% in April 2014. <p>Minute of the meeting of the HUMAN RESOURCES SUB-COMMITTEE of the EXECUTIVE COMMITTEE of BUCKINGHAMSHIRE AND MILTON KEYNES FIRE</p>
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<p>APPENDICES</p>	<p>Appendix 1: Senior Management Team Pay Review Methodology</p> <p>Appendix 2: Gold Book Guidance (2006 Fifth Edition)</p> <p>Appendix 3: BMKFA Performance data</p> <p>Appendix 4: Revised Senior Management Team Pay Review Methodology</p> <p>Appendix 5: Remuneration and Performance</p>
<p>TIME REQUIRED</p>	<p>10 Minutes</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Claire Williams MSc FCIPD Strudel HR Mobile: 07906 139490 Email: claire@strudelhr.co.uk</p>