



# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	4 February 2015
<b>OFFICER</b>	Lynne Swift, Director of People and Organisational Development
<b>LEAD MEMBER</b>	Councillor Roger Reed
<b>SUBJECT OF THE REPORT</b>	<b>Senior Management Team Remuneration and Performance Review</b>
<b>EXECUTIVE SUMMARY</b>	<p>This report sets out recommendations for members' consideration on senior management team (SMT) pay and remuneration for the 2014 annual review. 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. The last review took place in February 2014.</p> <p>Senior management team members are contracted under the National Joint Council (NJC) for Brigade Managers of Fire and Rescue Services 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 3.</p> <p>For 2014 the NJC national pay award for Brigade Managers was a one per cent increase on salaries up to £99,999 and a £1,000 flat rate for salaries £100,000 and above. There had not been a national pay increase for senior managers since 2009.</p> <p>For 2014, firefighters 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 one per cent pay award. They had received the same level of award in 2012 and 2013.</p> <p>Appendix 4 provides more detail on the 2014 'Gold' and 'Grey' book awards.</p> <p>Support services staff under the Buckinghamshire and Milton Keynes Fire Authority scheme of conditions of service were part of an equal pay audit and full review of pay and benefits which concluding in May 2014.</p>

	<p>Outcomes were introduced from September 2014.</p> <p>A new salary and grading structure was introduced. Allowances were streamlined and a comparison was undertaken against the market. Time based increments were removed. There has been no specific 'annual' salary review for 2014. A pay modeling exercise is underway to determine future review mechanisms and options.</p> <p>Appendix 2 details the nationally agreed pay award for staff employed under the "Green Book" conditions of service for comparison purposes only. The national award was 2.20% over a two-year period.</p> <p>Appendices 5 and 6 of this report set out the Authority's performance and comparisons with other fire and rescue services based on research and CIPFA data.</p>
<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	<p>It is recommended that:</p> <ol style="list-style-type: none"> <li>1. members approve the minor changes to the methodology as set out in Appendix 1.</li> <li>2. members approve the proposals as set out in Appendix 7.</li> </ol>
<b>RISK MANAGEMENT</b>	There are no risks to the delivery of the Authority's functions.
<b>FINANCIAL IMPLICATIONS</b>	<p>If members are minded to consider an award as per the methodology described in Appendix 1, this would be funded from the year end outturn favourable variances.</p> <p>For members information the year end outturn positions before movements to and from reserves in recent years have been:</p> <p>2011/12 c£1,800K favourable variance</p> <p>2012/13 c£873K favourable variance</p> <p>2013/14 c£1,300K favourable variance</p> <p>The latest estimate for the corresponding 2014/15 outturn as of end December 2014 is projected to be c£1,700K. This is an agreed reduction on to estimated £2 million underspend reported for Quarter 2; the main change being member approval for £238K of the underspend for ICT capital projects.</p>
<b>LEGAL IMPLICATIONS</b>	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.
<b>HEALTH AND SAFETY</b>	There is no impact.
<b>EQUALITY AND DIVERSITY</b>	A People Impact Assessment has been completed and there are no equality and diversity issues arising from this report.
<b>USE OF RESOURCES</b>	<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 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 not been and will not be party to any decision making in relation to their own remuneration.</p> <p><b>Performance and Benchmarking Data</b></p> <p>In determining any changes to local pay, the methodology requires members to consider various types of qualitative and quantitative data. This section of the report includes a summary of the data.</p> <p>Specifically:</p> <ol style="list-style-type: none"> <li>1. Information about the extent to which corporate objectives have been met.</li> <li>2. Chief Fire Officer/Chief Executive appraisal data as provided by the Chairman.</li> <li>3. Senior management team appraisal data as provided by the Chief Fire Officer/Chief Executive.</li> <li>4. Progress on any specific projects that members had identified as high priority.</li> <li>5. Comparative performance data with other Fire Services.</li> <li>6. Salary benchmarking data in relation to senior management team salaries for Group 2, Combined South East Region Fire Services.</li> <li>7. Financial Data about budget provision for pay/reward costs arising from this review.</li> <li>8. Data about national pay settlements awarded to Gold, Green and Grey book employees.</li> <li>9. Performance Data provided by the Chief Fire Officer</li> </ol>

	(following discussions with the senior management team).
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p><b>Background</b></p> <p>SMT members are contracted under NJC "Gold Book" conditions for pay purposes. This involves a two-track approach for determining levels of pay;</p> <ul style="list-style-type: none"> <li>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 had not been a national pay increase for senior managers since 2009 until the national agreement agreed in July 2014, effective from 1 January 2014.</li> <li>Local Pay - The NJC agreement also requires Fire and Rescue Authorities to review Principal Officers' salary levels on an annual basis.</li> </ul> <p>Remuneration principles are part of the Authority's current Pay Policy Statement 2013/2014. More recently specific principles were agreed in relation to support services staff pay. The principle of self-funding linked to savings and performance is central to the Authority's reward and remuneration philosophy.</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>
<b>APPENDICES</b>	<p>Appendix 1: Senior Management Team Pay Review Methodology</p> <p>Appendix 2: NJC "Green Book" Pay Award 2015-2016</p> <p>Appendix 3: Extract from "Gold Book" 2006 Fifth Edition</p> <p>Appendix 4: NJC "Grey Book" Pay Award 2014</p> <p>Appendix 5: Salaries for Chief Fire Officers in England</p> <p>Appendix 6: CIPFA Statistical Data</p> <p>Appendix 7: Senior Management Remuneration and Performance (<b>Exempt</b>)</p>
<b>TIME REQUIRED</b>	15 Minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Keith MacGillivray MBE MA BSc</p> <p><a href="mailto:keith.macgillivray@btinternet.com">keith.macgillivray@btinternet.com</a></p> <p>07500 931466</p>