



# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Fire Authority
<b>DATE OF MEETING</b>	16 December 2015
<b>OFFICER</b>	Lynne Swift, Director People & Organisational Development
<b>LEAD MEMBER</b>	Councillor Roger Reed
<b>SUBJECT OF THE REPORT</b>	<b>BMKFA Pay Policy Principles and Statement 2016/17</b>
<b>EXECUTIVE SUMMARY</b>	<p>The Authority is required to approve its Pay Policy Principles and Statement before the end of March immediately preceding the financial year to which it relates.</p> <p>It is proposed that the attached draft (Appendix 1) be the Authority's revised Pay Policy Principles and Statement for 2016/17. It is based on the Authority's current approved in-year amendments to the Pay Policy Principles and Statement for 2015/16, save as amended by additional text underlined (<u>underlined</u>) and deleted text shown struck through (<del>struck through</del>).</p> <p>The Pay Policy Principles and Statement has been revised and minor amendments made to section 17 'Pay Multiple', where the data has been updated to reflect the figures as at October 2015.</p> <p>The Government announced on 23 May 2015 its intention to end six-figure exit payments within all public sector bodies. A consultation document requesting views on the details of the policy ran between July and August 2015. A draft Statutory Instrument has been published setting out the detail.</p> <p>A core element of the proposal is that in order to relax the restrictions on the payment of exit payments under the proposed regulations, approval will be required of the full Fire Authority and that restrictions on the aggregate exit payments will apply unless there are exceptional circumstances. The introduction of the restriction on exit payments at a £95,000 cap will require an in-year amendment to the Authority's Pay Policy.</p>
<b>ACTION</b>	Decision.

<p><b>RECOMMENDATIONS</b></p>	<p>It is recommended that:</p> <ol style="list-style-type: none"> <li>1. The Pay Policy Principles and Statement at Appendix 1 be approved as the statutory Pay Policy Statement for 2016/17.</li> <li>2. The requirement for an in-year review of the Pay Policy Principles and Statement with the introduction of the £95,000 cap on public sector exit payments be noted.</li> <li>3. The change to the National Minimum Wage, at a rate of £6.70 per hour, to the National Living Wage, at a rate of £7.20 per hour on 1 April 2016 be noted.</li> <li>4. The application of the National Living Wage as the lowest rate of pay for staff for financial year 2016/17 be approved.</li> </ol>
<p><b>RISK MANAGEMENT</b></p>	<p>The Fire Authority is required to adopt and publish a Pay Policy Principles and Statement annually.</p>
<p><b>FINANCIAL IMPLICATIONS</b></p>	<p>There would be minimal direct financial implications arising from the Pay Policy Principles and Statement. Any financial impact of subsequent decisions will be factored into the Medium Term Financial Planning process and scrutinised and challenged by Members. Any in-year impacts will be considered and reported through the budget monitoring process and any resource re-allocation will be subject to the usual virement approvals and limits as set out in the Financial Regulations.</p>
<p><b>LEGAL IMPLICATIONS</b></p>	<p>Section 38 of the Localism Act 2011 places a requirement on the Authority to prepare annually, a statement setting out the Authority's policies on the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers. Chief officers are the most senior officers of the Authority. Authorities are required to state the definition of lowest paid employees they have adopted in the statement, and explain the reasons for adopting that particular definition. The statement may also set out the Authority's policies relating to other terms and conditions applying to it senior officers. In preparing its Statement, the Authority must have regard to any guidance issued or approved by the Secretary of State.</p>

	<p>The 2016/17 Pay Policy Principles and Statement must be approved by the full Fire Authority before 31 March 2016. Approval cannot be delegated to any committee, sub-committee, or officers.</p> <p>The Pay Policy Principles and Statement may be amended by the full Fire Authority during the financial year to which it applies.</p> <p>Section 41 of the Localism Act 2011 requires the Authority to comply with its Pay Policy Principles and Statement for the relevant financial year when making a determination that relates to the remuneration, or other terms and conditions of a senior officer of the Authority.</p> <p>The Pay Policy Principles and Statement must include the Authority's policies in relation to senior pay on:-</p> <ul style="list-style-type: none"> <li>(a) the level and elements of remuneration</li> <li>(b) remuneration on recruitment</li> <li>(c) increases and additions to remuneration</li> <li>(d) the use of performance related pay</li> <li>(e) the use of bonuses</li> <li>(f) the approach to payment on their ceasing to be employed by the Authority, and</li> <li>(g) the publication of and access to information relating to remuneration</li> </ul> <p>The statutory guidance gives discretion as to whether the Authority wishes to mirror these headings in its Pay Policy Principles and Statement in respect of its other employees.</p>
<p><b>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</b></p>	<p>There is scope within the tender process for an apprentice training agency to collaborate with Royal Berkshire Fire Authority on the potential future use of apprentices within the Service.</p>
<p><b>HEALTH AND SAFETY</b></p>	<p>No implications.</p>
<p><b>EQUALITY AND DIVERSITY</b></p>	<p>Pay decisions will be subject to the demands of equal pay processes.</p> <p>A People Impact Assessment will be updated, as a minimum annually, as analysis is undertaken on all pay decisions and a review of trends carried out. This will ensure an equitable, transparent, consistent and legally compliant basis for the employment relationship between the Authority and its employees.</p>

	<p>The Authority plans to engage ten Firefighter apprentices and seven Support Services staff apprentices through an appointed training agency in the Financial year 2016/17. This presents the Authority with an opportunity to adapt and refresh the workforce. The apprentices will be paid a minimum rate of pay of the National Minimum wage until 31 March 2016 and from 1 April 2016 the National Living Wage as a minimum. This is above the National Minimum Wage rate for apprentices. At the Executive Committee meeting on 29 July 2015 the Authority approved enhanced pay rates for apprentices, which increases with experience and competence. Any increases would be subject to the apprentice reaching agreed developmental milestones.</p> <p>On 14 July 2015 the Government Equalities Office launched a consultation, <i>Closing the Gender Pay Gap</i>, the results of which will be published winter 2015. In the consultation the Government states publishing pay information highlighting any differences in pay between male and female employees, therefore showing greater transparency within the workplace, will encourage employers to consider what more can be done to close any pay gaps. The Authority will note any recommendations following publication of the report.</p>
<p><b>USE OF RESOURCES</b></p>	<p>Adoption of the annual Pay Policy Principles and Statement ensures statutory compliance. However, as the legislation permits in-year changes there is scope for the Authority to revisit certain elements to reflect the needs of the Service.</p> <p><b>Communication with stakeholders:</b> Following approval of the Pay Policy Principles and Statement, communication will be via the normal policy publication and amendment process.</p> <p><b>Internal Controls:</b> Adherence to the Pay Policy Principles and Statement is controlled via strict establishment and pay change approval process controls.</p>
<p><b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b></p>	<p><b>Background</b></p> <p>Report to Fire Authority held 18 February 2015: BMKFA Pay Policy Principles and Statement 2015/16:  <a href="http://bucksfire.gov.uk/files/4614/2347/0573/Fire_Authority_Agenda.pdf">http://bucksfire.gov.uk/files/4614/2347/0573/Fire_Authority_Agenda.pdf</a></p> <p>Report to Executive Committee held 29 July 2015:</p>

	<p>Apprenticeship Scheme:  <a href="http://bucksfire.gov.uk/files/6414/3714/4213/EXECUTIVE_COMMITTEE_PACK_290715.pdf">http://bucksfire.gov.uk/files/6414/3714/4213/EXECUTIVE_COMMITTEE_PACK_290715.pdf</a></p> <p>Link to Public Sector Exit Payments, response to the consultation document:  <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464367/Public_sector_exit_payments_response.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464367/Public_sector_exit_payments_response.pdf</a></p> <p>Link to Draft Public Sector Exit Payment Regulations 2016:  <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/473606/Draft_public_sector_exit_cap_reggs.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/473606/Draft_public_sector_exit_cap_reggs.pdf</a></p>
<p><b>APPENDICES</b></p>	<p><b>Appendix 1:</b> Draft Pay Policy Principles and Statement 2016/17 (Part 1: All staff, Part 2: SMB only)</p> <p><b>Annexe A:</b> "Grey Book" pay rates from 1 July 2015</p> <p><b>Annexe B:</b> Support Services staff pay scales from 1 September 2014</p> <p><b>Annexe C:</b> Employee Bonus Payment Setting Scheme and Process</p>
<p><b>TIME REQUIRED</b></p>	<p>10 minutes.</p>
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