



# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Fire Authority
<b>DATE OF MEETING</b>	15 February 2017
<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 2017/18</b>
<b>EXECUTIVE SUMMARY</b>	<p>The Authority is required to approve the 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 2017/18. It is based on the Authority's current approved Pay Policy Principles and Statement for 2016/17, 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 December 2016.</p> <p>Members will be aware of the ability to adopt terms and conditions outside of the Grey Book (see point 5 of the Appendix 1). This opportunity has been utilised this year on a voluntary basis across some roles and functions to offer a more resilient, enhanced and flexible resource, focused on meeting demand and offering the very best service to the public.</p> <p>The independent review of conditions of service for Fire and Rescue staff in England undertaken by Adrian Thomas includes recommendations related to pay and these will always be fully considered when matters of pay arise.</p> <p>Within financial year 2017/18 there will be the introduction of the public sector exit payment cap of £95,000 which will apply to the Authority. At this point</p>

	<p>the final details of the Regulations and implementation date are awaited. It is anticipated that from April 2017 Regulations will also be introduced requiring the Authority to 'claw back' termination payments to departing employees who in the period of twelve months prior to the end of employment earned remuneration of £80,000 or more and return to any public sector body within twelve months of receipt of an exit payment.</p> <p>It should also be noted that the ratio between the highest paid and lowest paid employee continues to fall for the sixth year running.</p>
<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	<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 2017/18.</li> <li>2. The requirement for an in-year review of the Pay Policy Principles and Statement with the introduction of the cap on public sector exit payments be noted.</li> </ol>
<b>RISK MANAGEMENT</b>	The Fire Authority is required to adopt and publish a Pay Policy Principles and Statement annually.
<b>FINANCIAL IMPLICATIONS</b>	<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>
<b>LEGAL IMPLICATIONS</b>	<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</p>

	<p>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 2017/18 Pay Policy Principles and Statement must be approved by the full Fire Authority before 31 March 2017. 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>All Authorities are required to have a Pay Policy Principles and Statement. At this time our Thames Valley partners have a separate Statement, however an aligned approach would be appropriate in the future, particularly to support collaborative working, sharing of resources and working across boundaries.</p>

	<p>This will be raised with the other Thames Valley Fire and Rescue Services with a view to progressing early in the collaboration programme, to enable operational alignment. We will be recommending they adopt a Pay Policy Principles and Statement aligned to ours as a way forward.</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 Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 were approved by Parliament in 2016 and will come into force 31 March 2017. This will require local authorities and fire and rescue authorities to publish gender pay gap data every April using snapshot data. The intention is to highlight differences in pay between male and female employees, therefore showing greater transparency within the workplace, and will encourage employers to consider what more can be done to close any pay gaps.</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 such as collaboration, recommendations from the independent review of conditions of service for Fire and Rescue staff in England undertaken by Adrian Thomas and the Enterprise Act 2016.</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 the Executive Committee held 23 November 2016; Independent review of Conditions of Service for Fire and Rescue staff in England:</p> <p><a href="http://bucksfire.gov.uk/files/1414/7879/2916/EXECUTIVE_COMMITTEE_AGENDA_231116_compressed.pdf">http://bucksfire.gov.uk/files/1414/7879/2916/EXECUTIVE_COMMITTEE_AGENDA_231116_compressed.pdf</a></p> <p>Report to Fire Authority held 16 December 2015; BMKFA Pay Policy Principles and Statement 2016/17:</p> <p><a href="http://bucksfire.gov.uk/files/5914/5528/0376/Fire_Authority_agenda_and_reports_161215.compressed.pdf">http://bucksfire.gov.uk/files/5914/5528/0376/Fire_Authority_agenda_and_reports_161215.compressed.pdf</a></p> <p>Link to the Enterprise Act 2016:</p> <p><a href="http://www.legislation.gov.uk/ukpga/2016/12/pdfs/ukpga_20160012_en.pdf">http://www.legislation.gov.uk/ukpga/2016/12/pdfs/ukpga_20160012_en.pdf</a></p> <p>Link to draft Public Sector Exit Payment Regulations 2016:</p> <p><a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/473606/Draft_public_sector_exit_cap_regs.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/473606/Draft_public_sector_exit_cap_regs.pdf</a></p> <p>Link to Small Business, Enterprise and Employment Act 2015:</p> <p><a href="http://www.legislation.gov.uk/ukpga/2015/26/pdfs/ukpga_20150026_en.pdf">http://www.legislation.gov.uk/ukpga/2015/26/pdfs/ukpga_20150026_en.pdf</a></p> <p>Link to the Government response to the consultation 'Closing the Gender Pay Gap' published February 2016:</p> <p><a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/500087/Government_response_-_Closing_the_Gender_Pay_Gap.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/500087/Government_response_-_Closing_the_Gender_Pay_Gap.pdf</a></p> <p>Link to The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017:</p> <p><a href="http://www.legislation.gov.uk/ukdsi/2017/9780111153277">http://www.legislation.gov.uk/ukdsi/2017/9780111153277</a></p>
<p><b>APPENDICES</b></p>	<p><b>Appendix 1:</b> Draft Pay Policy Principles and Statement 2017/18</p> <p><b>Annex A:</b> "Grey Book" pay rates from 1 July 2016</p> <p><b>Annex B:</b> Support Services staff pay scales from 1 July 2016</p> <p><b>Annex C:</b> Employee Bonus Payment Setting Scheme and Process</p>
<p><b>TIME REQUIRED</b></p>	<p>10 minutes.</p>

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