

# Buckinghamshire & Milton Keynes Fire Authority



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| <b>MEETING</b>               | Fire Authority  |
| <b>DATE OF MEETING</b>       | 14 February 2018  |
| <b>OFFICER</b>               | Lynne Swift, Director of People & Organisational Development  |
| <b>LEAD MEMBER</b>           | Councillor Steven Lambert   |
| <b>SUBJECT OF THE REPORT</b> | <b>Pay Policy Principles and Statement 2018/19</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 (Annex A) be the Authority's revised Pay Policy Principles and Statement for 2018/19. It is based on the Authority's current approved Pay Policy Principles and Statement for 2017/18, 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 where appropriate. It is pleasing to report that the Pay Multiples ratio of highest paid to lowest paid employee (as at December 2017) continues to fall for the sixth year running. This six year period sees the ratio improved by 22 per cent since 2012.</p> <p>The Authority's Pay Policy Principles and Statement has since 2013 provided that only in exceptional circumstances would an Strategic Management Board (SMB) member be re-employed/re-engaged following retirement. Paragraph 28 of Annex A is amended to reflect the procedure mandated by the National Framework.</p> <p>The Pay Policy Principles and Statement will continue to support and enhance a range of employment opportunities. This will continue to be utilised 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>Within the 2017/18 Pay Policy Principles and Statement cover report, a note was made to the introduction of a public sector exit payment cap and 'claw back' termination payments for high earners.</p> |

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|                               | <p>The implementation of these two arrangements has not come to fruition in 2017/18 and the Authority will continue to await the final details of any Regulation changes and implementation dates during financial year 2018/19.</p>   |
| <b>ACTION</b>                 | <p>Decision.</p>   |
| <b>RECOMMENDATIONS</b>        | <p>It is recommended that the Pay Policy Principles and Statement as set out in Annex A be approved as the statutory Pay Policy Statement for 2018/19.</p>   |
| <b>RISK MANAGEMENT</b>        | <p>The Fire Authority is required to adopt and publish a Pay Policy Principles and Statement annually.</p>   |
| <b>FINANCIAL IMPLICATIONS</b> | <p>There will 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 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 its 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 2018/19 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</p> |

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|  | <p>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 THE DUTY TO COLLABORATE</b></p> | <p>All Authorities are required to have a Pay Policy Principles and Statement. At this time our Thames Valley partners have separate statements, however an aligned approach may be appropriate in the future, particularly to support collaborative working, sharing of resources and working across boundaries.</p>  |
| <p><b>HEALTH AND SAFETY</b></p>  | <p>There are no health and safety 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 was approved by Parliament in 2016 and came into force in 2017. The obligations under the Regulation requires prescribed gender pay gap information to be published within 'the period of 12 months beginning with the data snapshot date' (Regulation 2(2)). The snapshot data for public sector employers is 31 March each year.</p> <p>The intention of the Regulation 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. A separate report will be presented to the Executive Committee in March 2018 on the Authority's</p> |

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|  | gender pay gap.  |
| <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 and any relevant reform outcomes of the national aspect of the NFCC FRS People Strategy 2017 to 2022.</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<br/>&amp;<br/>BACKGROUND PAPERS</b></p> | <p><b>Background</b></p> <p>Report to Fire Authority held 15 February 2017; BMKFA Pay Policy Principles and Statement 2017/18:<br/> <a href="http://bucksfire.gov.uk/files/3614/8638/9933/FIRE_AUTHORITY_AGENDA_AND_REPORTS_150217.compressed.pdf">http://bucksfire.gov.uk/files/3614/8638/9933/FIRE AUTHORITY AGENDA AND REPORTS 150217.compressed.pdf</a></p> <p>The Localism Act 2011:<br/> <a href="http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted">http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted</a></p> <p>Openness and accountability in local pay: guidance. Published 2012:<br/> <a href="https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-guidance">https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-guidance</a></p> <p>Openness and accountability in local pay: supplementary guidance. Published 2013:<br/> <a href="https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-supplementary-guidance">https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-supplementary-guidance</a></p> <p>Home Office: A revised Fire and Rescue National Framework for England. Open consultation. Published 27 December 2017:<br/> <a href="https://www.gov.uk/government/consultations/a-revised-fire-and-rescue-national-framework-for-england">https://www.gov.uk/government/consultations/a-revised-fire-and-rescue-national-framework-for-england</a></p> <p>Home Office Re-engagement of Senior Fire Officers Post-retirement. Response to Government Consultation. 2017:<br/> <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/670713/re-engagement_consultation_response.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/670713/re-engagement_consultation_response.pdf</a></p> |

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| <p><b>APPENDICES</b></p>                    | <p><b>Annex A:</b> Draft Pay Policy Principles and Statement 2018/19</p> <p><b>Appendix 1:</b> Firefighting roles pay rates effective 1 July 2017</p> <p><b>Appendix 2:</b> Support Services staff pay scales effective 1 July 2017</p> <p><b>Appendix 3:</b> Employee Bonus Payment Setting Scheme and Process</p> |
| <p><b>TIME REQUIRED</b></p>                 | <p>10 minutes</p>   |
| <p><b>REPORT ORIGINATOR AND CONTACT</b></p> | <p>Faye Mansfield – HR Services &amp; Development Manager<br/> <a href="mailto:fmansfield@bucksfire.gov.uk">fmansfield@bucksfire.gov.uk</a><br/>                     01296 744623</p>   |