



**Senior Management Board Remuneration and Performance Review,
and Annual Report on Employee Bonus Scheme**

Buckinghamshire and Milton Keynes Fire Authority (BMKFA)

Report to the Executive Committee 7 February 2018

1. Executive Summary

- 1.1 This report provides information for members' consideration in their review of the corporate and individual performance of the senior management board (SMB), and whether a bonus payment would be appropriate. A local pay review is conducted annually and any proposed changes are approved by the full Authority in March, to be effective from the preceding January. The last remuneration review was in February 2017.
- 1.2 The senior management posts under consideration in this review are Chief Fire Officer / Chief Executive, Chief Operating Officer / Deputy Chief Fire Officer, Director of Finance and Assets, Director of People and Organisational Development, Director of Legal and Governance, Head of Service Delivery and Head of Service Development. These posts are considered under the National Joint Council for Brigade Managers of Fire and Rescue Services Constitution and Scheme of Conditions of Service (known as the 'Gold Book') arrangements of national and local review.
- 1.3 To support members in their considerations, account has been taken of the pay context in which the fire service operates, conditions of employment, local methodology for conducting a pay review, pay policy and corporate plan, financial position, performance data compared with other fire authorities (council tax precept, pay bill, net expenditure), salary benchmarking, deliverables against corporate plan, evidenced achievements.
- 1.4 Context and service performance data has been drawn from management reports to the FRA and from published national data collected by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Government Association (LGA). At the time of writing the report, the CIPFA statistics for 2018 are not yet available, so recommendations are based on the 2017 report and previous estimates.

- 1.5 Overall, the data presented continues to reflect a strong and effective leadership team that ensures efficient deployment of assets and operational outputs with wide provision of services to the community and has proactively engaged with external partners.
- 1.6 This is against a backdrop of continuing tighter fiscal measures and fewer resources including a decrease of 57% in revenue support grant that is due to be received from 2015/16 until 2019/20.
- 1.7 The Government has set an expectation that council tax will be increased every year during the current spending review. In 2016/17 and 2017/18 this was increased by 1.98%. It is assumed that council tax will be raised by 2.99% for the next two years.
- 1.8 The cost of providing the fire service compared to other combined fire authorities is one of the lowest in the country yet BMKFA continues to show sustained improvement by reducing the number of serious incidents attended and the incidence of deaths and injury remain low against a backdrop of an increasing population. The average response time to incidents has improved in the last two years after a period of increase.
- 1.9 The largest savings relate to operational staffing and innovative crewing through the development of flexible and resilient resourcing models to better meet risk, response standards and service demands.
- 1.10 The former chief fire officer's salary as at 1 January 2015 was £145,252. When he left and the current chief fire officer was recruited, the authority took the decision to reduce the chief fire officer pay. If this had remained unchanged, the salary as at 1 January 2018 would be £149,653 (assuming a 1% pay award per annum). This represents a saving of 4% on the pay of the CFO. The deputy chief fire officer post was similarly reduced when the post became vacant.

2 Background and context to pay and remuneration

- 2.1 The NJC for Brigade Managers Salaries and Numbers Survey 2017 July 2017 has now been published by the Local Government Association (LGA) covering pay, gender, ethnic origin, age and use of 'Gold Book' rates by fire authorities that do not employ Brigade Managers on Gold Book terms and conditions.
- 2.2 Pay statistics have been updated taken from the survey findings, at Para 8.1.4 in the LGA report. Of concern here is that the national salary levels now provided for 2014 are lower than the salary levels reported for 2014 previously. In the absence of any breakdown of figures used for these calculations, there is uncertainty about the validity of any meaningful benchmarking here.
- 2.3 An explanation for this may be that certain allowances have not been included in the pay data that was included previously. For example, additional allowances

of c£10,000 per annum for providing principal officer rota cover may have been excluded from the figures in this LGA report. It is important to note here that the Buckinghamshire Fire Service figures include all principal officer rota payments for operational personnel in the salary figures provided.

- 2.4 The Local Government Transparency Code 2015, Department for Communities and Local Government (DCLG) and Code of Recommended Practice for Local Authorities on Data Transparency and the Accounts and Audit (England) Regulations 2011, seeks to ensure local people can access data including salary levels for senior staff. A link to this published data is available on the website with a list of responsibilities, details of bonuses and 'benefits in kind' for all staff earning over £50k
- 2.5 Localism Act, 2011 requires authorities to produce a Pay Policy Statement showing the dispersion of pay (including variable pay, use of performance related pay, bonuses, allowances and cash value of benefits in kind) and the ratio of pay showing the relationship between the remuneration of chief officers and other employees, known as a 'pay multiple'.
- 2.6 The Hutton report on Fair Pay, 2011 set out the case for a maximum pay multiple, keeping the pay of top public sector executives bounded to what their staff earn. A maximum pay multiple of 20:1 was proposed.
- 2.7 The Report from Adrian Thomas, Independent Review of Conditions of Service, England, November 2016, highlighted differences between fire authorities including accessibility of pay policy statements, CFO annual salaries and complexity of rank, job evaluation for principal officers. Data for Chief Fire Officers' salaries 2013 from each FRS was published and BMKFA featured at number 20 out of 46 authorities in descending order of CFO salary level. It is noted that whilst the purpose of the above report is relevant, the differentials reflected for BMKFA are no longer relevant following the review of salary levels when the new CFO was appointed in 2015.
- 2.8 There continues to be a focus on pay restraint for senior managers and this remains central to the government's deficit reduction strategy. Government guidance to this effect was published on 5 February 2016 as a reminder of the rules in place and the government's expectations on public sector employers, particularly relating to senior pay controls, exit payments, salary sacrifice schemes and other benefits.
- 2.9 The National Living Wage (NLW) was introduced in April 2016. This is currently at £7.50 / hour and is due to increase in April 2018 to £7.83 / hour. It is still unclear what 60 percent of the UK median earning will be by 2020 but previous figures proposed remain suggest it will be between £9 - £9.40 / hour. The NLW may present a challenge for local authorities in planning for future pay policies as it may impact on established pay structures and pay differentials. However,

firefighter pay is established at a national level and is not affected by the NLW levels.

3 Fire Service Conditions of employment

- 3.1 BMKFA applies national conditions of pay for the majority of operational and senior staff. SMB 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'. This provides for a national and local review of pay.
- 3.2 Operational staff below Brigade Manager are conditioned to the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service (known as the 'Grey Book'). However, the Authority recognises that new employees may be employed on terms and conditions outside the Grey Book. This includes the operation of a 'Bank System' where staff make themselves available when not on duty for operations. Payment for this is agreed locally.
- 3.3 A pilot of flexible arrangements for firefighters was carried out in May 2016. Terms and rates of pay were agreed outside the Grey Book for the protection of services and provision of enhanced resilience, including agreement to not participate in industrial action, on a voluntary basis.
- 3.4 A number of options were considered to take this forward and the role of the flexible firefighter was made permanent on a current flexible crewing arrangement (15 percent + mileage to align to a central station). The Flexi fire fighters are in place and a recent recruitment exercise attracted 70 applications
- 3.5 Support staff are on local terms and conditions of employment and progression through pay scales is determined based on evidenced performance.
- 3.6 Twenty two apprentice firefighters started in August 2016, to be operational from October 2016. Also, four support staff apprentices were taken on. More were recruited in 2017. By the end of 2017/18, there is to be 50+ employees who are either current apprentices, or recently completed apprenticeships including firefighter, business and administration, information communication technology and management & leadership. This will include a blend of new and existing employees.
- 3.7 Annual reviews are considered by the NJC to negotiate on national pay, taking account of affordability of local authorities, other relevant pay deals and the rate of inflation. There was an increase of 1 percent in brigade managers' pay with effect from 1 January 2016 and of 1 percent with effect from 1 July 2016 for Grey Book staff. In July 2017, the NJC for Brigade Managers agreed an increase of 1 percent for Brigade Managers with effect from January 2017. This reflects a minimum annual rate of pay for Population Band 2 at £100,776.

- 3.8 At the time of writing this report, pay discussions for Local Government Services (Green Book) staff are currently underway. The final pay offer has been made by the National Employers for 2018/20 (2 year deal). In 2018/19 this includes 'bottom loading' for the lower pay scales (up to SCP 19) to arrive at a lowest rate of £8.50 / hour, and a flat rate of 2 percent for posts above SCP 20. In 2019/20 it is proposed a 'bottom rate' of £9 / hour, a revision to the pay spine arrangements at the lower end to iron out gaps created by compacting the lower pay point, and a flat rate of 2 percent from the new SCP 23 upwards.
- 3.9 The NJC agreement requires Fire and Rescue Authorities (FRAs) to review Principal Officers' salary levels annually and determine this at a local level. 'When determining the appropriate level of salaries for all Brigade Managers, the FRA should refer to the relevant minimum salary of the CFO and the most relevant benchmark data'.
- 3.10 Account is also taken of national benchmarking, special market considerations, substantial local factors or complex responsibilities that bring added value, top management structures and size of management team compared to other Fire and Rescue Services (FRS), objectively assessed relative size of post and incident command responsibility (including beyond own boundaries).
- 3.11 Consideration in setting salary levels locally are likely to include:
1. Minimum salary levels for Chief Officers in relevant sized local authorities
 2. Market rates of pay for senior managers in a range of private and public sector organisations
 3. Evidence of recruitment and/or retention difficulties with existing minimum rates
- 3.12 The revised minimum levels of annual rates of pay for chief fire officers from 1 January 2017 covering Bands 1 – 4 is provided by the LGA report, with the caveat referred to in para 2.2 above. **Appendix 1.** The relevant Population Band for BMKFA is Band 2.

4. BMKFA Policies and Plans

- 4.1 The Pay Policy Principles and Statement 2017/18 set out the factors that are taken into account in determining the recommendations for the future pay position for senior managers.
- 4.2 A revised pay policy for 2018/19 will go to the Fire Authority in February 2017 but the changes will not impact on the SMB remuneration for this year. Decisions on pay policy are taken by elected members as they are directly accountable to local communities and all decisions on pay and reward for chief officers must comply with the current Pay Policy Statement.

- 4.3 Annex C of the Pay Policy refers to bonus payments being *'one-off ... to reflect excellent performance... which exceeds standards and targets agreed with the employee during their annual appraisal process...'*. Recognition does not have to take the form of payment, and where financial awards are proposed, it requires a fair and transparent process to be in place. Objectives are to reward those who demonstrate sustained, outstanding achievement or excellence in role.
- 4.4 In March 2016, eligibility criteria for the payment of "merit/bonus" awards for use by managers was agreed. This decision reflected the high performance and delivery of corporate objectives across the Authority.
- 4.5 Bonus payments are not intended as additional reward to staff who are performing at a fully satisfactory level and/or developing in line with normal expectations. Discretionary payments, such as merit awards, are not to be used where the requirements of a job have changed significantly and permanently, as this would be for consideration under job evaluation.
- 4.6 Managers were invited to make applications for merit/bonus awards for non SMB staff in line with established criteria provided at **Appendix 2**. 66 applications were received, an increase of 26 from last year, 29 for operational and 37 for support services staff. Total payments made cost £46,250, compared to £38,100 from 2016. The outcome of these considerations is also provided at **Appendix 2**.
- 4.7 Any Bonuses will be considered linked to evidenced and scrutinised delivery of performance management objectives. Payment for bonuses is discretionary and non-contractual. The amount allocated for bonuses will be self-funding linked to savings and performance. This principle is central to the Authority's considerations of reward and remuneration.
- 4.8 It is suggested that a review be undertaken of the methodology used to determine and allocate bonuses across the fire service over this year. This is to ensure that the processes, amounts and allocation are proportionate and fair to all employees, taking into account the increasing preparedness and wider range of staff willing to undertake new or innovative ways of working.
- 4.9 The Pay Policy 2017/18 defines Strategic Management Board (SMB) levels of remuneration as comprising salary, car provision or car allowance. Private medical insurance that was still provided to a few employees has now ended.
- 4.10 Benefits in kind are listed as car allowance value P11D. See **Appendix 3**. A car allowance figure has been removed from the flexible duty system required by senior operational managers as part of the operational cover provided. This differs from the car allowance which is relevant for support staff.
- 4.11 A further requirement is the publication of a 'Pay Multiple'. This is the ratio between the highest paid employee and the median average salary figure for all employees. This is provided in **Appendix 4**. It should be noted that since

2015/16 the pay ratio between the CFO and other staff has decreased from 11.04:1 to 9.86:1 which reflects a positive reduction in differentials.

- 4.12 In July 2017 the Mid Term Review and Refresh of the 2015-20 Corporate Plan was presented to the Fire Authority for noting progress made and approving updates. The focus was to equip the organisation to meet future challenges, respond to changes in demand and risk to the community, and reduce operating costs in line with planned reductions in government funding.
- 4.13 The Plan outlined the strategic objectives and enablers and scheduled key work programmes arising from the 2015/20 Public Safety Plan.
- 4.14 Objectives focus on:
- Preventing incidents
 - Protecting homes, buildings and businesses
 - Allocating assets and resources according to risk and demand
 - Providing value for money
- 4.15 Enabled by:
- People
 - Information management
 - Assets and equipment
- 4.16 Successful implementation of the Plan is critical to the achievement of the savings required by the 2015/16 to 2019/20 Medium Term Financial Plan. The Plan identified issues to be addressed in the Integrated Risk Management Plan (IRMP) and Action Plans. These are underpinned by more detailed Directorate Plans.
- 4.17 It is intended that the activities to deliver the strategic objectives and actions will be resourced from within the proposed establishment and budgets as outlined in the 2015/16 – 2019/20 Medium Term Finance Plan.
- 4.18 Directorates review performance against action plans and monitor progress against agreed performance indicators. Overall performance is scrutinised by Fire Authority members at the Overview and Audit Committee.
- 4.19 Particular achievements to March 2017 included ministerial visits, speeches and awards, the unique and innovative operational response and resourcing model supported by extensive workforce reform and service remodelling; improved and diverse services to the public such as providing a medical response; partnership working with Thames Valley Police and South Central Ambulance Service; apprenticeship schemes; recognition for staff health and wellbeing programme; integration of business systems. Not one fire station has been closed.

5. Pay review methodology

5.1 The following performance and benchmarking data have been used as the basis for members to determine any changes to local pay. This requires members to consider various types of qualitative and quantitative data, which may include:

1. Information about the extent to which corporate objectives have been met
2. Chief Fire Officer appraisal data as provided by the Chairman
3. Senior management board appraisal data as provided by the Chief Fire Officer
4. Progress on any specific projects that members had identified as high priority
5. Performance data provided by the Chief Fire Officer following discussions with the senior management board.
6. Comparative performance data with other fire services
7. Salary benchmarking data in relation to senior management team salaries for Group 2, Combined South East Region Fire Services
8. Financial data about budget provision for pay / reward costs arising from this review
9. Data about the national pay settlements awarded to Gold, Green and Grey Book employees

5.2 Evidence is required to demonstrate delivery of performance management objectives reflecting excellence. Information to support consideration of areas 6-9 above is provided in this report.

5.3 Relevant posts for consideration (SMT) are:

- Chief Fire Officer / Chief Executive
- Chief Operating Officer / Deputy Chief Fire Officer
- Director of People and Organisational Development,
- Director of Legal and Governance
- Director of Finance and Assets
- Head of Service Delivery
- Head of Service Development

5.4 Any costs arising from the application of the agreed SMT pay review methodology will be factored into the medium term financial planning process.

5.5 A range of possible outcomes to this pay review are:

- Non-pay rewards
- Pay increases that are incorporated into salaries (consolidated and pensionable)
- Non-incorporated bonuses (non-consolidated and non-pensionable)
- Pay agreements that span more than one year
- No change to existing reward arrangements

- 5.6 All statutory deductions will apply (income tax and national insurance contributions) and funds for any uplift are to be taken from savings achieved during the preceding year.
- 5.7 In accordance with the Pay Policy Principles, there is no right of appeal against recommendations or final decisions made.

6 Financial position

- 6.1 The Annual Report to Buckinghamshire County Council 2017 confirmed BMKFA demonstrated sustained improvement by managing down the number of fire calls and changing how it works to provide a wider range of services to the local community, making savings across the whole service and delivering this with the lowest council tax level for a non-metropolitan combined fire service in the country.
- 6.2 The Service provides more services without passing on additional cost to the tax payer, including attending medical emergencies as co-responders. Increased flexibility and modernisation of working arrangements maximises use of resources; youth engagement; wider health agenda; reinforcing fire safety awareness and training in light of the tragic Grenfell Tower Fire; collaborative procurement; use of drone imagery to support firefighting operations and investigations.
- 6.3 The Budget Monitoring Performance and Debt Management April – September 2017 report stated that managers have positively and proactively controlled spend and forecast an underspend of £273k, against a revenue budget of £28.2m. This is after the effect of transfers to and from reserves relating to sprinklers have been removed.
- 6.4 Proactive management of finances and a prudent approach to spending public money has reported a consistent underspend against budget from 2011 to 2017.
- 6.5 According to the Annual Financial Statement to end March 2017, a net surplus for the year 2016/17 of -£870,843 was due to a number of factors including on-call establishment remaining below budgeted levels and several vacant posts across the organisation; more efficient and effective ways of working; over-achievement of interest earned on cash balances. This presents a consistent pattern of underspend over recent years.

7 Performance data compared with other fire authorities

7.1 Council tax precept

- 7.1.1 Council tax was frozen by BMKFA from 2011 to 2015 at £59.13 per household in Band D and was reduced by 1 percent in 2015/16 to £58.54 per household.

A change in Government policy led to BMKFA increasing the Band D equivalent council tax by 1.98 percent in 2016/17 to £59.70 per household and by 1.98 percent in 2017/18 to £60.88 per household. This equates to an equivalent increase of 25p per year since 2011.

- 7.1.2 The Medium Term Financial Plan 2016/17 to 2019/20 was based on the assumption that council tax for BMKFA will be raised by 1.99 percent for the next three years. This equates to £59.70 for Band D equivalent property for BMKFA compared to an average figure of £73.14 average Band D figure for combined fire authorities in 2016/17.
- 7.1.3 **Appendix 5** compares council tax data between BMKFA and 29 other combined fire authorities in 2017/18. This illustrates an average Band D equivalent Council Tax for that year and evidences the position of BMKFA remaining within the lower quartile and sitting at third lowest figure of the 29 fire services including metropolitan fire services, but the lowest of all combined fire authorities.

7.2 Total pay bill expenditure

- 7.2.1 A breakdown of CFO and SMT members' remuneration is provided in **Appendix 3**. A number of honoraria / bonus payments are shown paid in 2017 for performance in 2016. Some refer to new appointments.

7.3 Net expenditure excluding capital charges per 1,000 population

- 7.3.1 Each directorate is allocated a budget to achieve greater financial ownership and accountability for resources.
- 7.3.2 The figures provided in Appendix 9 demonstrate consistent improvement or maintenance of the budget in times of financial constraint. This reflects very positively on the financial position of the fire authority and the efficiency and probity with which its resources are being managed and deployed.

8 Salary benchmarking data in relation to senior management team salaries and LGA fire salary benchmark information

8.1 Employee costs

- 8.1.1 BMKFA is in Population Band 2. The national average of CFO salaries in Population 2 in **2014** is reported** as £133,181 and in 2017 at £131,423.
- 8.1.2 The national average of DCFO salaries in Population 2 in **2014** is reported** as £105,214 and in 2017 at £105,704.
- 8.1.3 For Chief Fire Officers there has been an increase of 4 percent since 2014 and for Deputy Chief Fire Officers, the average pay increased by 1.9 percent.

Population Band 2	Mean average
2014	
CFO	£133,181
DCFO	£105,214
2017	
CFO	£131,423
DCFO	£105,704

** LGA Fire salary survey 2017 (see para 2.2)

8.1.4 According to the LGA survey, the overall number of officers in receipt of additional pay such as car allowances and flexi-duty/standby allowance was 33 in 2017, which is a decrease of 38 percent since 2014 when there were 54 officers receiving additional pay. At chief fire officer level there were 12 receiving additional pay, a decrease of three since 2014. At deputy chief fire officer level, there were 12 officers receiving additional pay, which is two fewer than in 2014.

	National Mean average Population Band 2	BMKFA**	BMKFA difference above mean average
2017			
CFO	£131,423	£142,697	£11,274
DCFO	£105,704	£118,485	£12,781
2018*			
CFO	132,737	144,124	11,387
DCFO	106,761	119,670	12,909

* Anticipated 1 percent increase

** Does not include Bonus figure

8.1.5 The base salary for the Chief Fire Officer in BMKFA in 2017 is £142,697 and the Deputy Chief Fire Officer is £118,485. In 2017 with a 1 percent increase, the CFO salary figure is 8 percent higher than the mean average for Population Band 2 fire services and the DCFO figure is 11 percent higher.

8.1.6 Assuming a 1 percent pay increase for 2018, the CFO salary figure would be 8 percent higher than the mean average for Population Band 2 fire services and the DCFO figure would be 11 percent higher.

8.1.7 Whilst the NJC Brigade Managers survey reflect that the chief and deputy chief fire officer pay is a little above the national average pay, the statistics provided by CIPFA of combined fire authorities in the South East region reflect that Buckinghamshire is the lowest pay in this geographical area and

the second lowest pay level in combined fire authorities of a similar population size. (**Appendix 6**)

9 Appraisals and evidenced performance management achievements

- 9.1 A verbal update on the CFO appraisal will be provided by the Chairman of the Fire Authority at the meeting, which will be supported by documentation.
- 9.2 The CFO has indicated his assessment that the senior management board have performed well and that if members were supportive, they would warrant recognition by way of bonus payments for their contribution to the service's success. Any payments will be based on evidenced performance criteria and will be dealt with by the CFO through normal managerial arrangements.

10 Proposal

- 10.1 There has been a continued demonstration of success in workforce reform, operational delivery, prudential financial and asset management, growing partnership working to deliver a range of services to the community, a small increase in Council Tax of 1.99 percent following an increase of 1.98 percent last year and three years of no increase and comparatively slightly higher than average salary levels for the CFO and DCFO.
- 10.2 I propose therefore that members consider whether or not to award a financial recognition of this achievement to the CFO through a bonus payment, and if so, the level of bonus. Also, that the total amount of funds, if any, be allocated to other members of the SMT based on individual performance reviews, through the delegated authority of the CFO.

List of Appendices:

- Appendix 1** Minimum annual rates of pay for chief fire officers by population band from 1 January 2016
- Appendix 2** Bonus Awards 2016/17 non-SMB staff
- Appendix 3** Breakdown of total remuneration of CFO and SMT members
- Appendix 4** BMKFA pay multiples over three years
- Appendix 5** Comparative data provided by 30 Other combined fire authorities against data provided by BMKFA for average Band D equivalent Council Tax 2015-16 and for 2014-15 (source CIPFA *Fire and Rescue Services statistics 2016-17*).
- Appendix 6** Comparison of population size 2014 compared to council tax 2017/18 of combined fire authorities in SE region and of fire authorities of similar size to BMKFA. CIPFA
- Appendix 7** Recommendation for member consideration
- Appendix 8** Senior Management Team Pay Review Methodology
- Appendix 9** Summary Data- 2016-17 – Net Expenditure divided by General Data
– Population as at June 2016

Annual rates of pay for chief fire officers from 1 January 2017

Population Band 1	Up to 500,000
Minimum rate of pay	£100,776*
Population Band 2	500,001 to 1,000,000
Minimum rate of pay	£100,776*
Population Band 3	1,000,001 to 1,500,000
Minimum rate of pay	£109,970
Population Band 4	1,500,000 and above (except London)
Minimum rate of pay	£120, 658

* New appointments

Criteria used by managers when applying for merit/bonus awards for staff March 2017

Criteria	Category
Where an individual consistently demonstrates significant outcomes and achievements that are beyond what is expected for the role, performing at an exceptional standard.	A
Where there is a retention issue with a member of staff who has significant experience, knowledge and/or skills which are of high value to the work of the Authority and without whom its effectiveness would be significantly reduced.	B
Where an individual has contributed to the success of a one-off project to an exceptionally high standard and to the benefit of the Authority, beyond normal expectations.	C
Where an individual has helped to cover the absence of a colleague for a significant period of time whilst not undertaking the role in total.	D
Where an individual has developed or changed a way of working in a way which has had a significant, positive impact on the effectiveness of the service.	E
Other reason: to be described in full	F

Outcome of managers' recommendations

In 2017, applications and supporting evidence (e.g. performance rating, attendance levels, amounts applied for) were considered by a panel of SMB members.

- 66 applications received (compared to 44 last year and 19 applications in 2015)
- 29 were for operational staff and 37 for support services staff
- In some cases the panel recommended alternative award amounts, either a reduction or an increase
- 20 of the operational applications were combined as two Station awards, as it was felt by the panel that the award was more of a group based result than individual
- Total payments cost £46,250, an £8,150 increase on the £38,100 in 2016.

Payments are non pensionable.

The panel were pleased with the evidence and cases put forward for all nominations. The CFO approved the recommendations and payments were made in July 2017.

CFO Remuneration

Wef 1 January	Base Salary	Bonus / honorarium	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	141,284	20,000	936	20,137	182,357
2017	142,697	20,000	nil	20,204	182,901
2018	144,124*				

Deputy CFO Remuneration

Wef 1 January	Base Salary	Bonus / honorarium	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	117,312	12,000	936	25,407	155,655
2017	118,485	13,000	1,266	24,800	157,551
2018	119,670*				

Head of Service Delivery – Remuneration

Wef 1 January	Base Salary	Bonus / honorarium	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	80,000**	4,000	nil		
2017	80,800	6,000	nil	16,634	103,434
2018	81,608*				

Head of Service Development – Remuneration

Wef 1 January	Base Salary	Bonus / honorarium	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	93,350	5,000	936	20,259	119,545
2017	94,284	4,000	nil	20,257	118,541
2018	95,227*				

Director People and Organisational Development – Remuneration

Wef 1 January	Base Salary	Bonus / honorary **	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	90,387	12,000	8,351	12,056	122,794
2017	91,291	13,000	9,327	12,220	125,838
2018	92,204*				

Director, Legal & Governance – Remuneration

Wef 1 January	Base Salary	Bonus / honorary **	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	90,387	10,000	10,257	12,056	122,700
2017	91,291	10,000	11,364	12,220	124,875
2018	92,204*				

Director Finance Assets – Remuneration

Wef 1 January	Base Salary	Bonus / honorary **	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	83,830 88,000 wef 1.11.16	7,000	5,000***	10,490	
2017	88,880	10,000	7,149	11,408	117,437
2018	89,769*				

**Assumption of 1 percent national pay increase 2018 Gold Book*

*** WEF 1 August 2016 – not substantive SMB member until then*

**** Car allowance only*

BMKFA pay multiples – last three years

Year	Highest pay : Lowest pay	Highest pay : Median pay
2018/19	9.86 : 1	4.77 : 1
2017/18	10.17 : 1	4.77 : 1
2016/17	10.71 : 1	4.72 : 1
2015/16	11.04 : 1	4.77 : 1

Lower quartile authorities

Metropolitan fire authorities

Code	Authority Name	Authority Class	General Data - Average Band D Equivalent Council Tax 2016-17 (£ p)
E6146	West Midlands Fire and CD Authority	FA	56.03
E6142	Greater Manchester Fire and CD Authority	FA	58.78
E6104	Buckinghamshire Combined Fire Authority	FA	59.70
E6147	West Yorkshire Fire and CD Authority	FA	59.71
E6103	Berkshire Combined Fire Authority	FA	61.27
E6124	Leicestershire Combined Fire Authority	FA	61.62
E6117	Hampshire Combined Fire Authority	FA	62.60
E6123	Lancashire Combined Fire Authority	FA	65.50
E6105	Cambridgeshire Combined Fire Authority	FA	65.52
E6127	North Yorkshire Combined Fire Authority	FA	65.88
E6144	South Yorkshire Fire and CD Authority	FA	67.63
E6115	Essex Combined Fire Authority	FA	67.68
E6101	Avon Combined Fire Authority	FA	67.93
E0000	Dorset and Wiltshire	FA	69.21
E6134	Staffordshire Combined Fire Authority	FA	70.33
E6110	Derbyshire Combined Fire Authority	FA	71.18
E6107	Cleveland Combined Fire Authority	FA	71.70
E6106	Cheshire Combined Fire Authority	FA	71.86
E6122	Kent Combined Fire Authority	FA	72.00
E6143	Merseyside Fire and CD Authority	FA	72.89
E6130	Nottinghamshire Combined Fire Authority	FA	73.85
E6160	London F&EPA	FA	73.89
E6145	Tyne and Wear Fire and CD Authority	FA	76.11
E6118	Hereford and Worcester Combined Fire Authority	FA	78.00
E6120	Humberside Combined Fire Authority	FA	78.89
E6161	Devon and Somerset Fire and Rescue Service	FA	79.98
E6114	East Sussex Combined Fire Authority	FA	86.72
E6102	Bedfordshire Combined Fire Authority	FA	91.00
E6132	Shropshire Combined Fire Authority	FA	94.05
E6113	Durham Combined Fire Authority	FA	95.76

Appendix 6

Comparison of population size 2014 compared to council tax 2017/18 of combined fire authorities in SE region and of fire authorities of similar size to BMKFA. CIPFA

Combined fire authorities South East region

Authority name Combined fire authority	Population June 2014	Average Band D council tax 2017-18 £p	2016/17 CFO Pay
Berkshire	885600	62.49	156,565
Buckinghamshire	781100	60.88	142,697
East Sussex	820900	88.40	156,864
Hampshire	1800500	63.84	151,000
Kent	1784400	73.35	147,000

Combined fire authorities – similar population size to BMKFA

Authority name Combined fire authority	Population June 2014	Average Band D council tax 2017-18 £p	2016/17 CFO Pay
Bedfordshire	644000	92.81	143,800
Berkshire	885600	62.49	156,565
Buckinghamshire	781100	60.88	142,697
Cambridgeshire	830300	66.78	141,000
East Sussex	820900	88.40	156,864
N Yorkshire	805900	67.19	156,164

Senior Management Team Remuneration and Performance Review

Senior Management Team Pay Review Methodology

This methodology is designed to provide a mechanism for the implementation of the Senior Officers Remuneration Procedure, in accordance with the Gold Book.

Overview

A working group of at least two members of the Executive Committee (including the Chairman) and the Chairman of the Overview and Audit Committee will meet annually to consider relevant data and make recommendations to the autumn meeting of the Executive Committee. This will then be put forward as a recommendation to the full Authority; who will consider it in the context of the approved policy statement.

The salaries for the posts of Chief Fire Officer, Chief Operating Officer, Director of People and Organisational Development, Director of Legal and Governance, Director of Finance and Assets and Heads of Service Delivery will be considered as part of this process.

Changes will generally be effective from 1 January.

In their deliberations, members will be mindful of the wider economic context and the current national pay restraints. The outcomes of the Hutton Review of Fair Pay in the Public Sector will also be considered.

Any costs arising from the application of this methodology will be self-funded through savings (full or part) on the senior management team budget and will not impact on the finance available for other Buckinghamshire and Milton Keynes Fire and Rescue Service staffing budgets.

Objectives

The purpose of the review is to ensure that the Fire Authority motivates the senior management team to:

- Stimulate greater effectiveness.
- Expedite the Corporate plan.
- Drive culture change by providing an acceptable level of reward which is
- recognised as fair, given local and national perspectives.

Range of Possible Outcomes

The working group may choose to make a range of recommendations including:

- Non-pay rewards (such as attending development opportunities).
- Pay increases that are incorporated into salaries.
- Non-incorporated bonuses.
- Pay agreements that span more than one year.
- No change to existing reward arrangements.

Process

1. An external consultant will be engaged to gather relevant information and prepare a report for presentation to the members' sub-group. The report with recommendations will address qualitative and quantitative data which may include:
 - Information about the extent to which corporate objectives have been met (as provided by the Performance Intelligence Unit Manager).
 - Chief Fire Officer appraisal data as provided by the Chairman.
 - Senior management team appraisal data as provided by the Chief Fire Officer.
 - Progress on any specific projects that members had identified as high priority.
 - Performance data provided by the Chief Fire Officer (following discussions with the senior management team).
 - Comparative performance data with other fire services.
 - Salary benchmarking data in relation to senior management team salaries for Group 2, Combined South East Region Fire Services.
 - Financial data about budget provision for pay/reward costs arising from this review.
 - Data about the national pay settlements awarded to Gold, Green and Grey book employees.

From 31 March 2012, these points will be considered within the context of the approved policy statement as set by the Authority.

2. Working group members meet to analyse and discuss the report, and determine their recommendation to the Executive Committee.
3. The external consultant prepares the report to committee setting out the sub-group recommendation, and the justification for the recommendation. This report forms the audit trail for any pay/benefits adjustments.
4. The report will be presented to members at the autumn meeting of the Executive Committee and then to the full Fire Authority.
5. Any appeals will be dealt with through the Buckinghamshire and Milton Keynes Fire Authority Grievance Procedure.

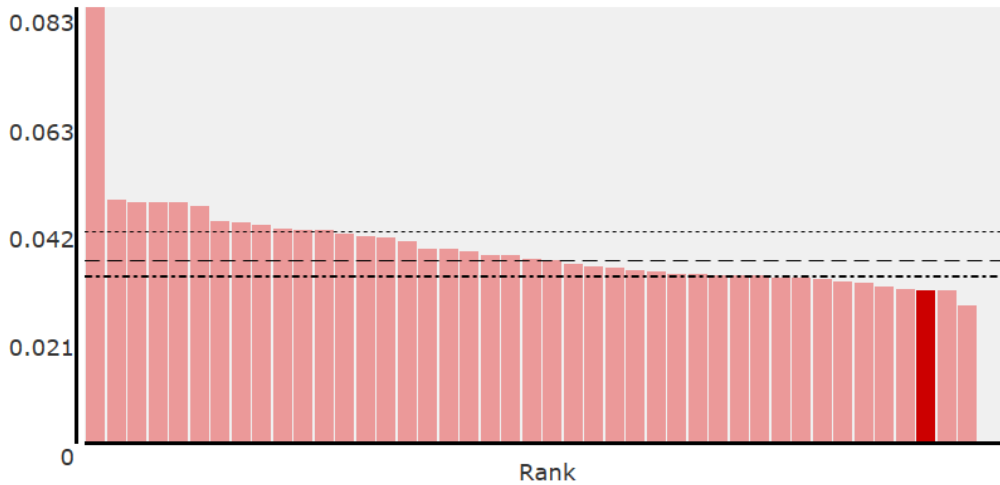
Appendix 9

Summary Data - 2016-17 Actual Expenditure Outturn Prices (non IAS 19 Accounting Basis) - Net Expenditure (excluding Capital Charges) (£'000)

divided by

General Data - Population as at June 2016 (number)

■ Buckinghamshire Combined Fire Authority ■ Selected Authorities

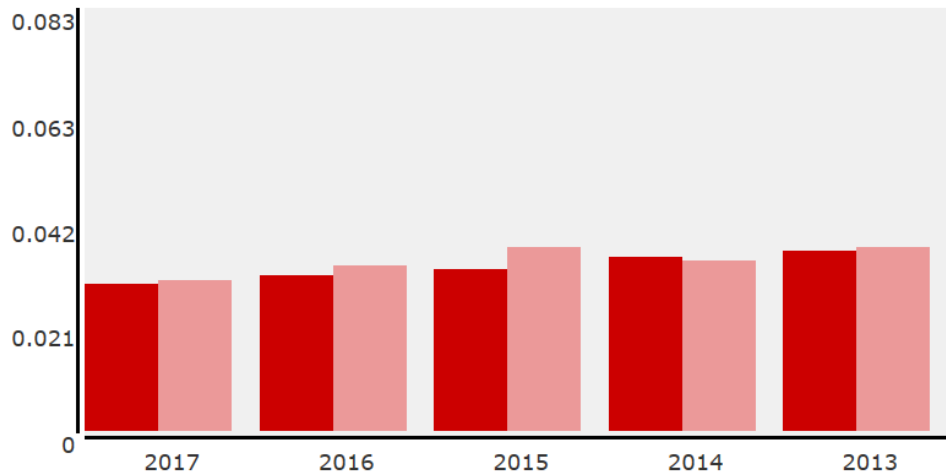


Summary Data - 2016-17 Actual Expenditure Outturn Prices (non IAS 19 Accounting Basis) - Net Expenditure (excluding Capital Charges) (£'000)

divided by

General Data - Population as at June 2016 (number)

■ Buckinghamshire Combined Fire Authority ■ Selected Authorities



Source: Fire and Rescue Service Statistics (2013 to 2017)

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