



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Fire Authority, 16 February 2022

Report title: Pay Policy Principles and Statement 2022/23

Lead Member: Councillor Steven Lambert; People, Equality and Diversity and Assurance

Report sponsor: Mick Osborne; Chief Operating Officer / Deputy Chief Fire Officer

Author and contact: Faye Mansfield; HR Advisory and Development Manager

Action: Decision

Recommendations:

1. The Pay Policy Principles and Statement as set out in Appendix one as the statutory Pay Policy Statement for 2022/23 is approved for publication
2. The Authority notes the Pay Multiple ratio continues to fall for the tenth year running, with the tenth-year period seeing the ratio improved by 30 per cent since 2012

Executive summary:

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.

It is proposed the attached draft (Appendix one) be the Authority's revised Pay Policy Principles and Statement for 2022/23. It is based on the Authority's current approved Pay Policy Principles and Statement for 2021/22, save as amended by additional text underlined (underlined) and deleted text shown struck through (~~struck through~~).

It is pleasing to report that the Pay Multiples ratio of highest paid to lowest paid employee (as at December 2021) continues to fall for the tenth year running. This tenth-year period sees the ratio improved by 30 per cent since 2012.

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.

Within the 2018/19, 2019/20, 2020/21 and 2021/22 Pay Policy Principles and Statement cover reports, a note was made to the introduction of a public sector exit payment cap termination payment for high earners. The Restriction of Public Sector Exit Payment Regulations 2020 then came into force on 04 November 2020 and

detailed within the Pay Policy Principles and Statement for 2021/22. However, on 12 February 2021, HM Treasury published a Treasury Direction disapplying the parts of the Regulations which implemented a £95,000 cap on public sector exit payments. On 25 February 2021, the Restriction of Public Sector Exit Payment (Revocation) Regulations 2021 (the Revocation Regulations), was placed before Parliament, and came into force formally revoking the 2020 Regulations on 19 March 2021. The Revocation Regulations contained a legal obligation for employers to make termination payments to employees with an exit date in the period the Regulations applied (04 November 2020 to 11 February 2021). For the Authority there were no employees impacted by the exit payment cap.

Since the Revocation Regulations, the Government continues to discuss exit payments and the importance of delivering value for the taxpayer. It is anticipated an exit payment cap or similar will be reintroduced in some form, and the Authority will contribute to any Government consultation process as appropriate, and thereafter, await details of any Regulation changes and implementation dates.

Financial implications:

There are no 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.

Risk management:

The Fire Authority is required to adopt and publish an annual Pay Policy Principles and Statement.

Developing and maintaining good employee morale is key to instilling loyalty and maintaining a productive workplace. By being fair, transparent and accountable in what employees are paid for and why, and being consistent, systematic and clear in applying reward practices for all employees, the Authority is living its values and showing best practices with its reward and recognition needs.

Legal implications:

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 this Statement, the Authority must have regard to any guidance issued or approved by the Secretary of State.

The 2022/23 Pay Policy Principles and Statement must be approved by the full Fire Authority before 31 March 2022. Approval cannot be delegated to any committee, sub-committee, or officers.

The Pay Policy Principles and Statement may be amended by the full Fire Authority during the financial year to which it applies.

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.

The Pay Policy Principles and Statement must include the Authority's policies in relation to senior pay on:

- a) the level and elements of remuneration
- b) remuneration on recruitment
- c) increases and additions to remuneration
- d) the use of performance related pay
- e) the use of bonuses
- f) the approach to payment on their ceasing to be employed by the Authority, and
- g) the publication of and access to information relating to remuneration.

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.

Privacy and security implications:

The purpose of the Pay Policy Principles and Statement is to provide transparency with regards to the Authority's approach to setting the pay of its employees.

Duty to collaborate:

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.

Health and safety implications:

There are no health and safety implications arising from this report.

Environmental implications:

There are no environmental implications arising from this report.

Equality, diversity, and inclusion implications

An Equality Impact Assessment has been completed as part of the update. There are no identified adverse impacts on any protected characteristics.

Any pay decisions will be subject to the demands of equal pay processes.

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and approved by Parliament in 2016 and came into force in 2017. The obligations under the Regulations 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.

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. The Authority will continue to work on closing the Gender Pay Gap and a separate report will be presented to the Executive Committee in March 2022.

Consultation and communication

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 from a national perspective.

Communication: Following approval of the Pay Policy Principles and Statement, communication will be via the normal policy publication and amendment process. This will include engagement with members of the Joint Consultation Forum.

Internal Controls: Adherence to the Pay Policy Principles and Statement is controlled via strict establishment and pay change approval process controls and annual reporting. In addition, reports are submitted on key reward areas as appropriate.

Background papers:

Report to Fire Authority held 17 February 2021; BMKFA Pay Policy Principles and Statement 2021/22:

<https://bucksfire.gov.uk/documents/2021/02/item-9-pay-policy.pdf/>

The Localism Act 2011:

<http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

Openness and accountability in local pay: guidance. Published 2012:

<https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-guidance>

Openness and accountability in local pay: supplementary guidance. Published 2013:

<https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-supplementary-guidance>

Appendix	Title	Protective Marking
1	Pay Policy Principles and Statement 2022/23	