



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Executive Committee, 15 November 2023

Report title: Senior Management Team Remuneration and Performance Review, and Annual Report on Employee Bonus Scheme

Lead Member: Councillor Shade Adoh, Lead Member - People, Equality and Diversity and Assurance

Report sponsor: Mick Osborne, Interim Chief Fire Officer/Chief Executive

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Action: Decision

Recommendations: As per paragraph four of Annex A, it is recommended that:

- 1 Performance related pay and bonus payments are not paid to the Senior Management Team (SMT) in the current financial year.
- 2 The SMT methodology is reviewed once the Chief Fire Officer recruitment process is complete.

Executive summary:

Senior Management Team (SMT) members 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” for pay purposes. This involves a two-track approach for determining levels of pay:

- National Pay - At national level, the NJC annually reviews the level of pay increase applicable to Principal Officers
- Local Pay - The NJC agreement also requires Fire and Rescue Authorities to review Principal Officers’ salary levels on an annual basis.

SMT members on local terms and conditions are not covered by this review.

In determining any proposed changes to local pay, the Pay Review methodology requires Members to consider various types of qualitative and quantitative data, including public sector comparisons and organisations geographically relevant.

In line with the methodology, a review considering performance and relevant benchmarking data has been undertaken and is attached at **Annex A** for consideration by Members.

Overall, there has been continued demonstration of success across all directorates including operational delivery, prudent financial and asset management, innovative

and progressive workforce reform, and increased partnership working to deliver a range of services to the community.

Performance is scrutinised by the Overview and Audit Committee, which monitors the Authority's progress in delivering the Strategic Objectives set out in the Corporate Plan.

The Authority's Pay Policy Statement requires that the Executive Committee receives an annual report summarising the awards which have been made under the Employee Bonus Scheme to employees throughout the Service.

Financial implications:

If Members are minded not to pay performance related pay as per the recommendations, there is no financial impact in 2023/2024.

If Members are minded to pay performance related pay, they would have to be covered by underspends as this has not been budgeted for.

Adherence to the pay policy principles and statement is controlled via strict establishment and pay change approval process controls.

Risk management:

On the 15 September 2021, the Succession Planning – Business Continuity and Resilience report was presented to the Executive Committee. It outlined the potential risks faced, measures undertaken and in place to mitigate them.

Succession reports have been presented to Members in July, September and October 2023.

Legal implications:

SMT members are collectively and individually responsible for delivering the Corporate Plan and the Authority's objectives.

Performance of SMT members is regularly appraised either by the Chief Fire Officer/Chief Executive (CFO/CE) or by the Chairman, supported by Lead Members where appropriate.

The Authority's current Pay Policy, Part 9 – Pay Progression, states "For SMB members, pay progression is performance based, with scope to increase the salary after completion of the annual SMB remuneration and performance review process. Any increase or additions to remuneration will require approval of the appropriate committee of the Authority."

Whilst SMT members have been invited to contribute with evidence to demonstrate performance improvements, officers have not been - and will not be - party to any decision-making in relation to their own remuneration.

Managers are invited to make applications for merit/bonus awards for non SMT employees in line with the criteria. The outcome of managers' recommendations with supporting evidence (e.g., performance rating, attendance levels, amounts

applied for) are considered by a panel of SMT members. These have not taken place for a number of years.

The proposal is that the methodology is reviewed for SMT performance related pay and merit awards for staff once the Chief Fire Officer recruitment is complete. The pay policy may need to be reviewed, depending on the recommendations.

In determining any changes to local pay, the methodology requires members to consider various types of qualitative and quantitative data, including:

1. Information about the extent to which corporate objectives have been met.
2. CFO/CE appraisal data as provided by the Chairman.
3. SMT appraisal data as provided by the CFO/CE.
4. Progress on any specific projects that Members identified as high priority.
5. Performance data provided by the CFO/CE relating to SMT.
6. Comparative performance data with other Fire and Rescue Services.
7. Salary benchmarking data in relation to senior manager teams, (Population Band 2), Combined South East Region Fire Services.
8. Financial data about budget provision for pay/reward costs arising from this review.
9. Data about national pay settlements awarded to Gold, Green and Grey Book employees.

For the previous SMT Remuneration and Performance Review, and Annual Report on Employees Bonus Scheme, presented to the Fire Authority in November 2020, legal advice was presented in relation to non-payment of performance related pay for SMT.

Bonus payments have not been paid to SMT members or Merit awards to employees, in the previous four years, as a result of financial constraints.

Privacy and security implications:

The Authority's Standing Orders provide, at D16, that "If any question arises at a Meeting of the Authority as to the appointment, promotion, dismissal, salary, superannuation, or conditions of service or as to the conduct of a particular person employed or formerly employed by the Authority, the Chairman shall move a motion that shall immediately be put without debate to exclude the public under Section 100A(4) and Schedule 12A paragraph 1 of the Local Government Act 1972." **Duty to collaborate:**

Relevant market rates across the Thames Valley and Nationally are reviewed as part of the process. Senior management processes, such as collaborative succession planning, are under consideration.

There may be an opportunity in future to use one external independent consultant to review senior remuneration across the Thames Valley Services, particularly if we are able to align pay policy statements.

Health and safety implications: There are no Health and Safety impacts.

Environmental implications: There are no Environmental impacts.

Equality, diversity, and inclusion implications:

Decisions relating to senior management pay are set out in the annual Pay policy statement which is equality impact assessed.

As part of gender pay reporting requirements, pay which includes performance related pay and bonuses are reported. Any anomalies in pay and performance related pay/bonuses are reviewed and acted upon. Gender pay action plans are in place to ensure male and female employees are treated equally and fairly. Ethnicity pay is not a statutory reporting requirement, work is being undertaken in this area.

Since the Director of People and Organisational Development left the Service in August 2019, there have been no female members on Strategic Management Board. SMT include three posts, not included in this review; they are covered under local terms and conditions - the Head of Technology, Transformation and PMO, Head of Human Resources and Deputy Director of Finance and Assets. This increased the diversity of SMT. Protected characteristics for SMT and across the Service are monitored and plans are in place to improve the diversity of the service.

The Equality, Diversity and Inclusion (EDI) Group reviews progress against EDI objectives on a regular basis, and these are reported to the Fire Authority. The 2020 – 2025 EDI objectives were approved at the June 2020 Fire Authority meeting. An annual update of progress against the objectives is presented to the Fire Authority, the last of which was in June 2023.

The People Strategy 2020 – 2025, was approved at the October 2020 Fire Authority; EDI forms part of the strategy. The annual update was presented to the October 2023 Fire Authority.

The results of the biennial Culture survey, which took place in January 2022 have been cascaded through the Service to inform improvements. The next survey is due in January 2024. It will take place annually thereafter.

An Equal Pay audit was undertaken by an external organisation. It was presented to the 21 July 2021 Overview and Audit Committee. A pay and allowances review is due to be undertaken.

An equality impact assessment (Appendix 3) has been written which shows neutral impacts across SMT and employees. Those on lower salaries could be impacted by not receiving a merit award, however these have not been paid for many years and are not contractual. Wellbeing support is in place for all employees.

Consultation and communication:

To ensure transparency, remuneration including performance related payments are published on the BMKFA website. This is in line with statutory requirements.

The Pay policy is updated, presented to the Fire Authority for approval and published on an annual basis.

Members of SMT do not play a part in the pay review process and are not present at the meeting where payments are discussed. Previously, following the Executive Committee meeting, the CFO reviews each SMT member's performance and makes an informed decision as to whether to award a performance related payment. This is communicated in writing to the SMT member.

Previously and in line with procedure, the Executive Committee makes the decision as to whether the CFO should receive a performance related payment, based on performance during the previous year.

Background papers:

Background: The members of SMT included in the review are:

- Chief Fire Officer/Chief Executive
- Chief Operating Officer/Deputy Chief Fire Officer
- Director of Finance and Assets
- Director of Legal and Governance
- Head of Prevention, Response and Resilience
- Head of Protection, Assurance and Development

The SMT methodology recognises that there are a range of monetary and non-monetary options for Members to consider, which include attending development opportunities, incorporated salary rises, non-incorporated performance related pay/bonuses, pay agreements that span a number of years and no change to existing reward packages.

Remuneration principles are part of the Authority's current Pay Policy Statement. The principle of self-funding linked to efficiencies and performance is central to the Authority's reward and remuneration philosophy.

Senior Staff Salary Information (published on BMKFA website)

<https://bucksfire.gov.uk/fire-authority/financial-information/senior-staff-salary-information/>

Fire and Rescue National Framework for England

<https://www.gov.uk/government/publications/fire-and-rescue-national-framework-for-england--2>

Gender Pay Gap report

[Gender Pay Gap Report - Buckinghamshire Fire & Rescue Service \(bucksfire.gov.uk\)](https://bucksfire.gov.uk/gender-pay-gap-report/)

Pay policy

[Pay Policy Statement - Buckinghamshire Fire & Rescue Service \(bucksfire.gov.uk\)](https://bucksfire.gov.uk)

[South East Employers pay information](https://seemp.co.uk/free-resources/latest-on-pay/)

<https://seemp.co.uk/free-resources/latest-on-pay/>

Workforce Development Update – Succession Planning, Executive Committee 15 September 2021

<https://bucksfire.gov.uk/documents/2021/09/item-9-workforce-development-ec-150921.pdf/>

Standing Orders for the Authority and its Committee, June 2021

<https://bucksfire.gov.uk/documents/2022/01/fire-authority-standing-orders-updated-june-2021.pdf/>

Appendix	Title	Protective Marking
Annex A	SMT Remuneration and Performance Review and Annual Report on Employee Bonus Scheme	TBC
Appendix 1	Comparative Data of Fire Authorities Council Tax 2022/2023 (source Council Tax Requirement Forms)	
Appendix 2	SMT Performance and Achievements	
Appendix 3	Equality Impact Assessment	