

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

**Buckinghamshire and Milton Keynes Fire Authority (BMKFA)**

**Report to the Executive Committee 15 November 2023**

**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 Team (SMT), and whether a performance related payment would be appropriate. A local pay review is conducted annually, and any changes are normally effective from the preceding January. The last remuneration review was in November 2022.
- 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 Legal and Governance
  - Head of Prevention, Response and Resilience
  - Head of Protection, Assurance and Development
- 1.3 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
- 1.4 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, financial position, performance data compared with other Fire Authorities (Council Tax precept), and salary benchmarking.

- 1.5 Context and Service performance data has been drawn from management reports to the Fire Authority (FA) and from published Council Tax Requirement Forms. SMT Performance and Achievements can be seen in **Appendix 2**.
- 1.6 Overall, the data presented continues to reflect a strong and effective leadership team that ensures efficient deployment of assets and operational outputs. There is a wide provision of services to the community and proactive engagement with external partners.
- 1.7 This is against a challenging year in 2022/2023 with numerous financial pressures faced by the Authority. Inflation peaked at over 11% and pay awards agreed by the National Joint Council were higher than budgeted. The Authority was able to cover this additional cost in-year through existing one-off business rates funding and reversal of provisions which were no longer needed. The Fire sector was also given precept flexibility to raise precepts by £5 which was approved in February 2023 which will contribute towards these pressures in future years.
- 1.8 The cost of providing the BMKFA compared to other Fire Services in 2022/2023 is currently one of the lowest in the country in Band D equivalent Council Tax. (**Appendix 1**).
- 1.9 Buckinghamshire Fire and Rescue Service (BFRS) saw an increase in the number of incidents they attend during 2022/2023, when compared to the average of the previous five-year period (April 2017 to March 2022). The average number of incidents attended (excluding co-responder incidents) was 7028, compared with 7567 in 2022/2023, an increase of 7.7 per cent. BFRS also attended 596 co-responder incidents during 2022/2023. Notable improvements included; a reduction of accidental dwelling fires by 11 per cent and a reduction of chimney fires by 9 per cent.

## **2 Background and context to pay and remuneration**

- 2.1 The NJC for Brigade Managers Salaries and Numbers Survey 2019 was published by the LGA on 29 October 2019. This covered 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. A link to this report is on the South East Employers (SEE) website <https://seemp.co.uk/free-resources/latest-on-pay/>

- 2.2 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 employees. A link to this published data is available on the BMKFA website with a list of responsibilities, details of bonuses and 'benefits in kind' for all employees earning over £50k.
- 2.3 The 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'. A maximum pay multiple of 20:1 was proposed in the Hutton Report Review of Fair Pay in the public sector, 2011.
- 2.4 Government guidance regarding expectations was published in May 2018, 'Fire and Rescue National Framework for England'. This outlined high level expectations to promote public safety and the economy, efficiency and effectiveness of Fire and Rescue Authorities.
- 2.5 There are ongoing discussions with the Home Office and devolved administrations about additional funding across UK Fire Services.
- 2.6 At the 22 March 2023 Executive Committee, Members agreed a 7 per cent increase effective 1 January 2022 and 5 per cent increase effective 1 January 2023 for Gold Book employees.
- 2.7 The National Living Wage (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.
- 2.8 Gender Pay gap reports and action plans have been presented to the FA, in line with legislation. The Authority is committed to working towards attracting, developing and retaining a more diverse workforce and to reduce the gender pay gap further.

### **3 Financial Position**

- 3.1 A number of initiatives and services are being provided to the local community, which have been delivered with one of the lowest Council Tax

Band D levels for Fire Services in the country. This is shown in the Council Tax Requirement Form statistics relating to 2022/2023 in **Appendix 1**.

- 3.2 BMKFA provides more services without passing the cost to the taxpayer. Collaboration with partners across the region has increased. Examples are:
- attending medical emergencies as co-responders
  - a record number of Fire and Wellness visits have been completed
  - increased flexibility and modernisation of working arrangements maximising the use of resources
  - youth engagement
  - continuing to support the wider health agenda
  - reinforcing fire safety awareness and training in light of the tragic Grenfell Tower fire
  - collaborative procurement
- 3.3 The financial performance for 2022/2023 was reported to the Executive Committee on 12 July 2023. The net revenue budget 2022/2023 was £33.480m. Managers had proactively developed resilient models to meet known risk and demand levels, whilst maintaining response standards. The £5 precept flexibility approved in 2022/2023 has been utilised to increase the operational establishment from 280 to 300. HR have been proactively carrying out recruitment drives to attract and recruit to our operational establishment. The provisional outturn figure for the year was a net underspend of £0.607m.
- 3.4 The most recent Budget Monitoring Performance April – July 2023 report dated 13 September 2023 has included within its budget the 5 per cent pay award in January and July 2023.
- 3.5 The Council Tax precept must be considered in regard to the Services financial position. As part of the 2022/23 financial settlement, the government provided the lowest charging quartile of fire and rescue authorities (FRAs) with the flexibility to increase their band D precepts by £5 in 2022/23 without the need to hold a referendum. This was to assist those FRAs in addressing immediate pressures and to maintain a sustainable income baseline for future years. Buckinghamshire Fire and Rescue Service were included within these 8 FRA's and the Fire Authority approved the increase in Council tax precept by £5.

#### **4 Proposal**

- 4.1 There has been a continued demonstration of success in workforce reform, operational delivery, prudential financial and asset management, and growing partnership working to deliver a range of services to the community.
- 4.2 Engagement year on year from the rest of the workforce to demonstrate higher levels of performance, and which is recognised by senior management, is good.
- 4.3 However, due to continued financial constraints it is recommended that:
- 1 Performance related pay and bonus payments are not paid to the Senior Management Team in the current financial year.
  - 2 The SMT methodology is reviewed once the Chief Fire Officer recruitment process is complete.

**Comparative data of Fire Authorities Council Tax Precept 2022/2023 (source Council Tax Requirement Forms)**

	Average Band D Equivalent Council Tax Precept  2022/2023  (£)
<b>Fire and Rescue Authorities</b>	
West Midlands	68.03
Northamptonshire PCC-FRA	68.20
<b>Buckinghamshire Fire Authority</b>	<b>72.16</b>
West Yorkshire	72.18
Berkshire	73.95
Leicestershire	74.29
Cambridgeshire	74.97
Essex PCC-Fire	75.33
Hampshire and Isle of Wight	75.43
North Yorkshire PCC-FRA	75.61
Lancashire	77.27
South Yorkshire	77.58
Avon	77.95
Dorset and Wiltshire	79.43
Staffordshire PCC-FRA	80.35
Derbyshire	80.84
Cleveland	81.86
Kent	82.35
Cheshire	82.48
Merseyside	83.61
Nottinghamshire	84.57
Tyne and Wear	87.35
Hereford and Worcester	89.40
Humberside	90.11
Devon and Somerset	91.79
East Sussex	99.37
Bedfordshire	104.45
Shropshire	106.27
Durham	109.69

## **SMT Performance and Achievements**

The Corporate Plan was presented to and approved at the June 2020 FA meeting, it included recommendations from the 2020 – 2025 Public Safety Plan and the January 2020 Her Majesty's Inspectorate for Constabulary and Fire and Rescue Services (HMICFRS) Inspection. Further updates have since been presented to the FA on the Corporate Plan, HMICFRS.

The Corporate Plan outlines the strategic objectives and enablers and scheduled key work programmes arising from the Public Safety Plan. The focus is to equip the Service 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.

Objectives focus on:

- Preventing incidents
- Protecting homes, buildings and businesses
- Allocating assets and resources according to risk and demand
- Providing value for money and ensure compliance with regulatory requirements and good practice

Enabled by:

- People
- Information management systems and processes
- Assets and equipment

Successful implementation is critical to the achievement of the savings required by the 2022/2023 to 2026/2027 Medium Term Financial Plan. The plan will be underpinned by more detailed Directorate Plans.

The Medium-Term Financial Plan 2022/2023 to 2026/2027 identifies the financial resources required to deliver the specific aims and objectives as set out in the Public Safety Plan.

Directorates review performance against action plans and monitor progress against agreed performance indicators. Overall performance is scrutinised by FA Members at the Overview and Audit Committee.

Particular achievements include:

- Development of technological work streams to meet resourcing requirements, the Workforce planning group has achieved the target in excess of 300 Firefighters and the applications for Supervisory managers are at their highest level

## Annex A

- Exceeding the national public sector target of 2.3 per cent Apprenticeship new starts annually
- Armed Forces Gold Covenant achieved
- Developed and embedding flexible, resilient and innovative resourcing models
- Equality, Diversity and Inclusion Objectives refreshed to continue strong focus on embedding EDI values across the service
- The pay multiples in the 2023/2024 Pay Policy shows the continuing trend of pay restraint between the highest and lowest paid employees
- SMT members continue to be developed in a range of different ways, for example high level external qualifications, demonstrating that remuneration is being considered in ways other than pay.
- With the Bank of England interest rates rising a number of times during 2022/23, the Finance team were able to invest and achieve higher investment returns than originally budgeted. The budget was £0.030m at the start of the financial year, however the actual return on investment achieved by the Finance team was £0.328m