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Policy Note:

**Pay Policy Principles and Statement
2017/18**

To:	Document Type:	✓	Document Summary:
All employees of the Authority, including temporary staff.	Policy	✓	This policy sets out the principles of accountability, transparency and fairness relating to pay. The policy lays down how pay is managed and set for all employees of the Authority including the Strategic Management Board.
	Assessment		
	Procedure		
	Guidance Note		
	Technical Note		
	Information		
	Safety Critical		
Keyword: Pay, pay rates, pay scales, remuneration, performance related pay, pay multiple, bonus			
Please note that as Documents are frequently updated, if you print a document, its accuracy cannot be guaranteed, always check for latest version.			

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Version 3.1: Document revised and minor amendments made to terminology, 1 September 2014 Support Services Staff revised pay scales and 1 July 2014 NJC Circular 03/14 pay rates added.

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Version 5.0: 2016/17 Pay Policy Principles and Statement presented to a meeting of the full Fire Authority on 16 December 2015.

Version 6.0: 2017/18 Pay Policy Principles and Statement presented to a meeting of the full Fire Authority on 15 February 2017

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BMKFA Pay Policy Principles and Statement

This document applies to all employees of Buckinghamshire & Milton Keynes Fire Authority (The Authority).

Principles

1. Accountability

Decisions on pay policies will be taken by elected members - those who are directly accountable to local communities. We will ensure that all democratically accountable members have a significant input into how decisions on pay are made and that we are open about the policies that determine those decisions.

Our annual Pay Policy Statements and any amendments to them will be considered by a meeting of the Fire Authority and will not be delegated to any sub-committee. In scheduling such meetings, we will act in accordance with our responsibilities under part 5A of the Local Government Act 1972. However, we note that the Secretary of State does not consider that any of the grounds for exclusion of the public would be met for discussions of Pay Policy Statements. Such meetings should therefore be open to the public and should not exclude observers. All decisions on pay and reward for chief officers must comply with the current Pay Policy Statement.

The Fire Authority will be offered the opportunity to vote before salary packages (£100,000 plus) are offered in respect of a new appointment. For this purpose, salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment.

2. Transparency

Our Pay Policy Statement along with our approach to the publication of and access to information relating to remuneration will be published on our website.

Although we are not required to use our Pay Policy Statement to publish specific numerical data on pay and reward, we will consider how the information within the Pay Policy Statement fits with that data on pay and reward that we publish separately.

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This includes that data required to be published under the Code of Recommended Practice for Local Authorities on Data Transparency and by the Accounts and Audit (England) Regulations 2011.

3. Fairness

We will ensure that decisions about senior pay are taken in the context of similar decisions on lower paid staff salaries and that the relationship between those decisions is considered. We will consider our proposals for the pay relationship between the remuneration of chief officers and employees who are not chief officers.

We will publish our pay multiple – the ratio between the highest paid employee and the mean average earnings and the lowest paid across the Fire and Rescue Service.

We will set out our approach to the award of other elements of remuneration including bonuses, performance related pay as well as severance payments.

Part 1 Pay Policy (all staff excluding SMB)

1. All pay decisions will be fair, based on policy and reflecting the requirements of legislation.
2. Our systems will be transparent and well known amongst staff groups and we will discuss planned changes to our systems with the appropriate representative bodies.
3. We will, where possible, avoid complex pay systems and in determining pay will make reference to market rates in order to secure best value for the taxpayer.

Level and elements of remuneration

4. The majority of staff are employed under contracts with either; the terms and conditions of the NJC for Local Authority Fire and Rescue Services Scheme of Conditions of Service, 2004 "the Grey Book" incorporated; or with the provisions of the local terms and conditions of Buckinghamshire and Milton Keynes Fire Authority Scheme of Conditions of Service for Support Services staff.

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5. For Grey Book staff rates of pay are set out in circulars issued by the NJC and entitlements are governed by Part B of the Grey Book. However the Authority recognises that new employees may be employed on terms and conditions outside of the Grey Book. This includes the operation of the 'Bank System'. The Authority also recognises that employees in existing firefighter roles may want to agree rates of pay outside of the Grey Book for the protection of services and provision of enhanced resilience, including agreement to not participate in industrial action.
6. For other staff the pay structure takes the form of pay scales with spinal column_points. Progression is based on evidenced performance and would normally occur on 1st April if the required criteria are met; at least six months in post, subject to performance and the maximum grade for the post not being exceeded. Incremental progression may be withheld if performance is not to the required standard.
7. Pay scales are inserted in the annexes:

Annex A: Grey Book Pay rates from 1 July 2016
Annex B: Support Services staff Pay scales from 1 July 2016
8. Some members of staff participate in lease car and private healthcare insurance arrangements.
9. The Authority reimburses mileage, travel expenses, subsistence and other expenses (e.g. overnight stays, meals and professional fees) when appropriate and in accordance with the Authority's procedures relating to expenses.

Remuneration on Recruitment

10. Remuneration will be based on the evaluated rate for the job, either nationally or locally.

Increases and additions to remuneration

11. Additional Responsibility Allowance (ARA) payments are used to reward increased responsibilities and duties beyond the normal remit of the role for specific periods, for existing staff to cover managed vacancies for short to medium term periods, enabling successful change management with minimal risk.

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12. Any such payments require the signature of two Directors in accordance with the current procedures.

Use of Performance related pay

13. Performance related pay is not in operation although certain posts attract performance increments based on skill development.

Use of bonuses

14. One off bonus payments will be considered linked to evidenced and scrutinised delivery of performance management objectives and is outlined in Annex C.

Approach on ceasing to hold office or be employed by the Authority

15. The Authority’s current policies in respect of discretionary payments are in line with recommendations to be found in the minutes of the Fire Authority on 24 June 2014 titled Local Government Pension Scheme 2014 – Employer Discretions, the minutes of the Executive Committee held on 17 July 2013, and a report to the Executive Committee on 13 May 2015 - Scheme Manager Discretions for the Firefighters’ Pension Scheme 2015.

Publication of and access to information relating to remuneration

16. We will publish information in accordance with the Local Government Transparency Code 2014.

Pay Multiple

17. The pay multiple is the ratio between the highest paid salary and the median average salary of the Authority’s workforce. The average salary level is defined as the total of all regular payments made to an individual.

For the financial year 2017/18, the definition of lowest paid staff are those staff we employ who are paid at rates that are maintained in line with the National Living Wage and the lowest rate will be that applicable for workers aged 25 and over.

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The current BMKFA pay multiples are:

The Authority's pay multiple; the ratio between the highest paid employee and the median average salary figure for all employees in the Authority is:

Highest pay: lowest pay: 10.17:1

Highest pay: median pay: 4.77:1

Year	Highest pay : Lowest pay	Highest pay : Median pay
2017/18	10.17:1	4.77:1
2016/17	10.71:1	4.72:1
2015/16	11.04:1	4.77:1
2014/15	11.5:1	4.87:1
2013/14	11.72:1	4.9:1
2012/13	12.7:1	5.0:1

18. It is our intention that salary multiples do not reach the 1:20 ratio referred to in the Hutton Report.

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Part 2 Pay Policy – Strategic Management Board (SMB)

SMB members pay arrangements are locally determined. Pay progression is performance based, with scope to increase the salary after completion of the annual external SMB remuneration and performance review process. The provisions of the National Joint Council for Brigade Managers of Fire and Rescue Services (referred to as the Gold Book) also apply for remuneration purposes for annual pay awards.

Level and elements of remuneration

19 Senior management remuneration comprises salary, car provision or car allowance.

20. Gold Book Pay is based on a twin track approach of an annual nationally agreed pay deal and a local pay agreement. SMB Pay Policy includes proposals to consider the implementation of Earn Back Arrangements and addresses the requirements of the Localism Act in relation to the SMB.

Remuneration on Recruitment

21. Remuneration will be based on the evaluated rate for the job.

Increases and additions to remuneration

22. Increases and additions for senior management posts will require approval of the appropriate committee of the Authority.

Use of Performance related pay

23. Performance related pay will be used in the context of the relevant policy, based on "Earn back" principles and will need approval by the appropriate committee.

Use of Bonuses

24. One off bonus payments may be considered linked to evidenced and scrutinised delivery of performance management objectives.

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Approach on ceasing to hold office or be employed by the Authority

25. **Summary dismissal:** Dismissal without notice payments

Dismissal with notice: Salary payment in line with contract

Redundancy: In accordance with Authority procedures

Resignation or leave date: Normal salary payment until end of notice period

Redeployment: In accordance with prevailing Authority procedures

26. This Authority does not make payments to senior staff members who leave other than to those who are leaving for the purposes of improved efficiency.

27. Re-employment/re-engagement will not normally occur following retirement, however there may be exceptional circumstances where specialist knowledge and expertise are required for a defined period of time in the event of which re-employment/re-engagement may be considered. In this circumstance rules on abatement, protected pension age and public sector exit caps and claw backs will be considered.

28. The Fire Authority will be given the opportunity to vote as to the terms of appointment or dismissal of the Chief Fire Officer and Chief Executive and deputy to the Chief Fire Officer and Chief Executive, or equivalent.

Publication of and access to information relating to remuneration

29. We will publish information in accordance with the Local Government Transparency Code 2014.

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ANNEX A

FIREFIGHTING ROLES (Wholetime) PAY RATES effective 1 July 2016			
	Basic annual salary	Basic hourly rate	Overtime rate
Firefighter			
Trainee	22,237	10.15	15.23
Development	23,162	10.58	15.87
Competent	29,638	13.53	20.30
Crew Manager			
Development	31,501	14.38	21.57
Competent	32,858	15.00	22.50
Watch Commander			
Development	33,569	15.33	23.00
Competent A	34,502	15.75	23.63
Competent B	36,745	16.78	25.17
Station Commander			
Development	38,220	17.45	26.18
Competent A	39,367	17.98	26.97
Competent B	42,154	19.25	28.88
Group Commander			
Development	44,018	20.10	Not Applicable
Competent A	45,338	20.70	"
Competent B	48,796	22.28	"
Area Manager			
Development	51,677	23.60	Not applicable
Competent A	53,226	24.30	"
Competent B	56,685	25.88	"

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FIREFIGHTING ROLES (On-call) PAY RATES effective 1 July 2016				
	£ per annum	£ per annum	£ per hour	£ per occasion
Firefighter				
Trainee	2,224	1,112	10.15	3.90
Development	2,316	1,158	10.58	3.90
Competent	2,964	1,482	13.53	3.90
Crew Manager				
Development	3,150	1,575	14.38	3.90
Competent	3,286	1,643	15.00	3.90
Watch Commander				
Development	3,357	1,678	15.33	3.90
Competent A	3,450	1,725	15.75	3.90
Competent B	3,675	1,837	16.78	3.90
Station Commander				
Development	3,822	1,911	17.45	3.90
Competent A	3,937	1,968	17.98	3.90
Competent B	4,215	2,108	19.25	3.90
Group Commander				
Development	4,402	2,201	20.10	3.90
Competent A	4,534	2,267	20.70	3.90
Competent B	4,880	2,440	22.28	3.90
Area Manager				
Development	5,168	2,584	23.60	3.90
Competent A	5,323	2,661	24.30	3.90
Competent B	5,669	2,834	25.88	3.90

Column 1 shows the full annual retainer
 Column 2 shows the retainer for employees on the day crewing duty system
 Column 3 shows the hourly rate for work undertaken
 Column 4 shows the disturbance payment per call-out

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ANNEX B

Support Services Staff pay scales effective 1 July 2016			
Pay Scale	Money Value	Pay Point Descriptor	Responsibility level
A (NMW)	£12,962	National Minimum Wage (statutory rate reviewed October 2016)	6
A (NLW)	£14,469.68	National Living Wage (Statutory rate reviewed April 2017)	
B	£16,380.18	Development	7
	£16,789.23	Competent	
C	£17,628.54	Development	8
	£18,392.10	Competent	
	£19,188.99	Exempt	
D	£19,495.02	Development	9
	£19,982.85	Competent	
E	£20,822.16	Development	10
	£21,204.95	Competent	
	£21,589.76	Exempt	
F	£22,744.19	Development	11
	£23,255.25	Competent	
	£23,766.31	Exempt	
G	£24,943.97	Development	12
	£25,303.53	Competent	
	£25,805.50	Exempt	
H	£27,248.79	Development	13
	£27,739.65	Competent	
	£28,485.03	Competent +	
	£28,395.14	Exempt	
I	£31,043.36	Development	14
	£31,891.76	Competent	
	£32,749.25	Exempt	
J	£33,803.69	Development	15
	£34,649.06	Competent	

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K	£38,408.28	Development	16
	£39,379.90	Competent	
	£40,505.04	Exempt	
L	£41,742.29	Development	17
	£42,785.62	Competent	
M	£45,277.29	Development	18
	£46,523.63	Competent	
	£47,761.89	Exempt	
N	£55,527.78	Development	19
	£56,911.48	Competent	
	£58,448.70	Exempt	
O	£60,326.29	Development	20
	£61,834.22	Competent	

Fleet Management	Money Value	Pay Point Descriptor
Vehicle Technicians	£24,277.37	VT Point 1
	£24,796.51	VT Point 2
	£25,308.58	VT Point 3
	£25,806.51	VT Point 4
	£26,286.26	VT Point 5
	£26,762.98	VT Point 6
Supervisors	£27,247.78	SU Point 7
	£27,743.69	SU Point 8
	£28,400.19	SU Point 9
Fleet Management	£29,065.78	FM Point 10
	£29,730.36	FM Point 11
	£30,390.90	FM Point 12
	£31,044.37	FM Point 13
	£31,891.76	FM Point 14
	£32,749.25	FM Point 15

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ANNEX C

EMPLOYEE BONUS PAYMENT SETTING SCHEME AND PROCESS

Introduction

The purpose of this document is to set out in outline the principles and process for determining whether or not employees will receive bonus payments and if so, sets out the process to determine the allocation of such payments. Bonus payments will be one-off and paid only to reflect excellent performance; that is performance, which exceeds the standards and targets agreed with the employee during their annual appraisal process and prior to the start of the financial year, for which any performance scheme is introduced.

Eligibility

Eligibility would be specified as part of any scheme rules on an annual basis.

Key Principles

The following key principles underpin any bonus and/or performance related reward schemes:

- The Scheme is entirely discretionary and forms no part of the contract of employment.
- The Scheme sits in the context of the Authority’s overall strategic and performance management processes, therefore targets and objectives included in any scheme will align with the Corporate and Public Safety Plan objectives, via the “golden thread” process.
- Payments will only be made where the employee’s contribution not only reflects excellence but also clearly assists with achieving the Authority’s strategic objectives.
- It is intended to reward those who can demonstrate sustained, outstanding achievement or excellence in their role.
- It is intended to recognise and reward, not only the exceeding of targets and standards, but also the acquisition of the necessary competencies and deployment of behaviours that reinforce the Authority’s values and norms.
- The amount of money available to be paid in bonus payments to employees under the scheme will be determined as part of the annual budgeting process and any scheme will be self-funding.
- All eligible candidates invited to participate in any scheme must have an agreed appraisal, including core and stretching objectives in advance of the bonus scheme year.

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- Recommendations for payments under the scheme will be made by the employee's line manager following the annual appraisal round to the appropriate Director.
- Recommendations will be reviewed by a Moderating Panel consisting of:
 - The Chief Operating Officer/DCFO
 - The Director of People and Organisational Development
 - The Director of Finance and Assets
 - The Director of Legal and Governance
- The Moderating Panel may choose to appoint an independent advisor to assist with the process of ensuring that proposed awards are based on the exercise of consistent judgement in both the setting of targets and standards and the assessment of achievement against these.
- Payments under the Scheme will be authorised by the Chief Fire Officer/Chief Executive on recommendation of the Moderation Panel.
- Employees will only be informed of approved awards and not as to whether or not a recommendation was made.
- There will be no appeal against recommendations or final decisions.
- The Executive Committee will receive an annual report summarising the awards, if any, that have been made.
- Eligibility criteria will be approved by SMB on an annual basis. This may include decisions not to run a bonus scheme or to extend to other workgroups.
- Decisions will comply with the requirements of the Authority's Pay Policy, which is reviewed and approved annually.
- If and when an annual bonus scheme is agreed, specific detailed rules will be developed in advance of the scheme year; for example, new staff who become eligible in year, long term absence etc.
- Any payments will be subject to statutory deductions.

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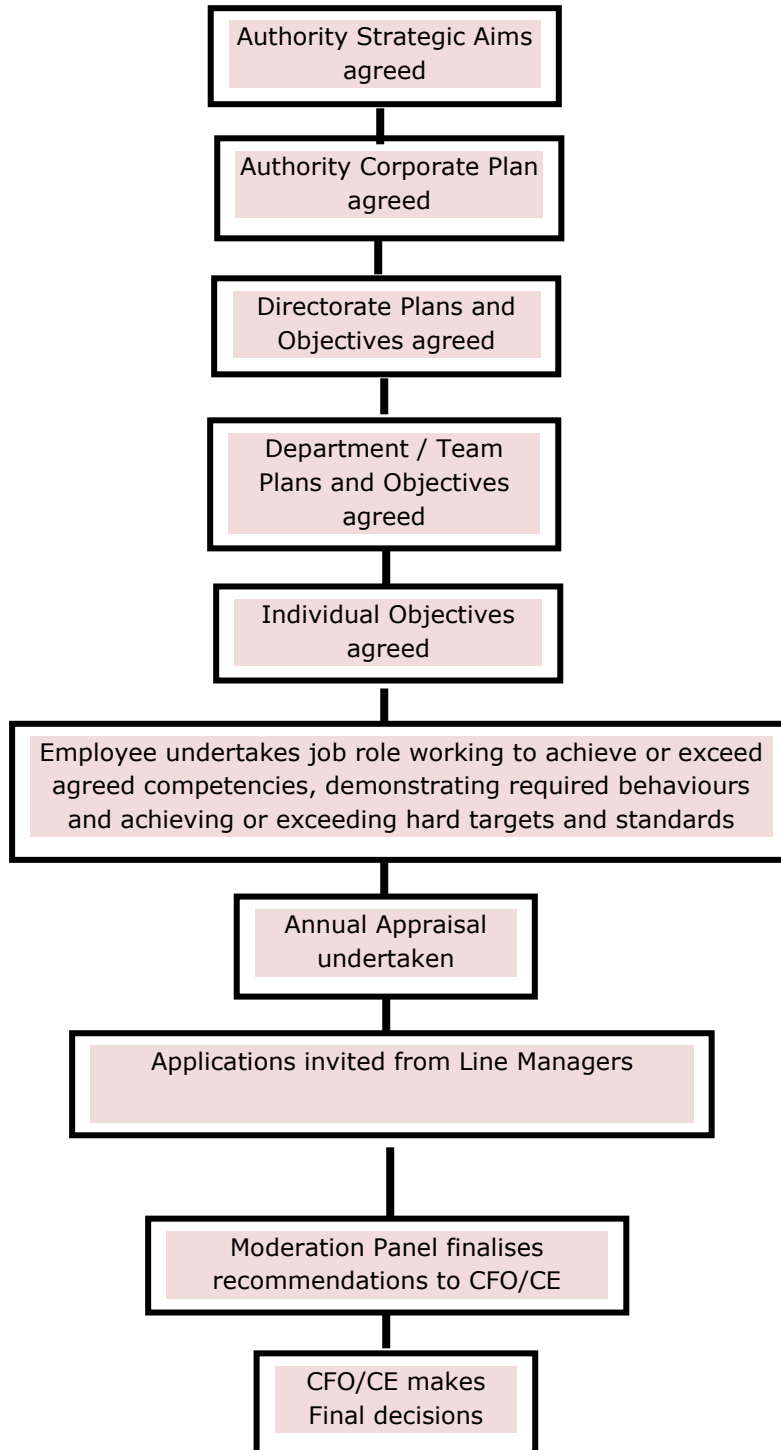


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Bonus Setting Scheme Process Flow Chart



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