



## BMKFA Pay Policy Principles and Statement 2021/ 22

### 1.0 Introduction

The Pay Policy Statement (the 'Statement') sets out Buckinghamshire & Milton Keynes Fire Authority's (the Authority) approach to pay in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the Statement is to provide transparency with regards to the Authority's approach to setting the pay of its employees by identifying:

- the method by which salaries of all employees are determined
- the details and level of remuneration of its most senior employees, i.e. Chief Officers, as defined by the relevant legislation

Following approval of the Fire Authority, the Statement will be effective from 1 April 2021. It will be subject to an annual approval and in accordance with any new or proposed legislation to ensure it remains relevant and effective.

As detailed within the Authority's Reward and Recognition policy, and the Statement of Principles, the Authority aims to:

- Be fair, transparent and accountable in what employees are paid for and why, and to be consistent, systematic and clear in applying reward practices for all employees
- Adhere to affordability; ensuring all decisions on pay represents value for money for the taxpayer
- Reward and recognise employees for their knowledge, skills and contribution in the roles they are performing
- Adopt practices which will focus on enabling the recruitment, engagement and retention of the right calibre of people at all levels to deliver its corporate priorities
- Provide effective financial management of the total pay bill in order to inform all of its reward practices and approaches in making the most effective use of resources
- Have appropriate mechanisms in place to review terms and conditions of service
- Meet legislative requirements; ensuring remuneration practices comply with all legal obligations

### 2.0 Accountability and decision making

Decisions on pay policies will be taken by elected members - those who are directly accountable to local communities. All democratically accountable



members will have input into how decisions on pay are made and there will be openness about the policies that determine those decisions.

The annual Statements and any amendments will be considered by a meeting of the Fire Authority and will not be delegated to any sub-committee. All decisions on pay and reward for Chief Officers must comply with the current Statement.

### 3.0 Transparency

On an annual basis, the approved Statement will be published on the external website.

Although there is no requirement to use the Statement to publish specific numerical data on pay and reward, consideration will be given to how the information within the Statement fits with data on pay and reward published separately.

This includes data required to be published under the Local Government Transparency Code 2015 and Annual Statement of Accounts.

### 4.0 Legislation

In applying the Statement, the Authority will work to eliminate any elements which may, directly or indirectly, discriminate unfairly on the grounds of sex, race, colour, nationality, ethnic or national origin, age, marital status, having dependents, sexual orientation, gender reassignment, religion or belief, trade union activity, disability or any other factors.

Part-time employees will receive the same pay and remuneration as full-time employees undertaking the same role on a pro-rata basis.

Under the Equality Act 2010, it is unlawful for an employer to discriminate between men and women in terms of their pay and conditions where they are in the same employment and are doing the same or similar work, work rated as equivalent, or work of equal value. Undertaking an equal pay audit demonstrates the Authority's commitment as an employer to remove unfair pay practices. The last equal pay audit was undertaken in 2020, and no areas of concern were identified as a result of this audit.

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 that came into effect in 2017 requires public sector organisations with 250 or more employees to carry out gender pay gap reporting. In accordance with the Regulations, the Authority is required to annually publish six pieces of prescribed data about the pay and bonuses of male and female workers



within the Authority. On an annual basis the Authority publishes a Gender Pay Gap report, containing information relating to pay inequalities in line with gender pay gap reporting requirements.

## 5.0 Responsibility and scale

The Authority is directly responsible for an establishment budget of £23,167,671, and for a budgeted establishment of 128.81 full-time equivalent (FTEs) for Support Services employees, 280 FTE Wholetime employees and 96.76 FTE On-Call employees (details as at December 2020).

## 6.0 Determining levels of pay

The Authority recognises its employees are a vital factor in the efficient and effective operation of the Service. In this respect the Authority is committed to ensuring employees are valued and rewarded for their contribution to the Authority.

The Authority is committed to establishing the right working arrangements and conditions of employment for all its employees, and understands the benefits of the employment package in promoting and encouraging employee engagement, which in turn improves organisational performance.

The Authority is committed to effectively supporting day to day service delivery, transforming the Authority into a value for money, outcome driven and high performing organisation through, amongst other interventions, appropriate reward and recognition mechanisms.

The Authority is committed to ensuring its reward and recognition practices are conducted in a fair, open and transparent manner that is effective, efficient and responsive, promoting good practice with all its reward and recognition needs.

## 7.0 Pay structure

The pay structure reflects the different roles, duties and responsibilities undertaken by employees within the Authority. This is reflected in pay differentials between different employee groups and between employees within the same employee group. The pay bands established are based on nationally applied role maps (Operational employees) or graded bands established through role profiles (Support Services employees).



## Operational roles

For the majority of Operational roles, appointments are offered under the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service (known as the Grey Book) and any other local terms and conditions, which the Authority may, from time to time, adopt in relation to the appointment, save where such provisions are amended by a contract of employment.

Any National pay award is as agreed through the National Joint Council (NJC) and notified to Fire Authorities. The last pay award was agreed as two per cent, effective 1 July 2020.

The pay framework was reviewed in 2003 following a rank-to-role exercise in line with National Guidance, with the grades for each role determined by a consistent job evaluation process. Where appropriate, National role maps are used to determine responsibilities and accountabilities within roles.

For Grey Book employees, 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 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 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.

In addition, and in line with retention and succession planning, the Authority does agree enhanced remuneration outside of the Grey Book for specific roles, such as Area Commanders, Group Commanders and Station Commanders.

## Support Services roles

Appointments for Support Services roles are determined in accordance with local terms and conditions of Buckinghamshire & Milton Keynes Fire Authority Scheme of Conditions of Service for Support Services employees and any other local terms and conditions, which the Authority may, from time to time, adopt in relation to appointments, save where such provisions are amended by a contract of employment.

Any pay award is locally agreed by the Strategic Management Board (SMB). The last pay award was agreed as two per cent, effective 1 July 2020.

For Support Services employees, the pay structure takes the form of pay scales, which was reviewed in 2014 to two pay points; development and



competent. This is with the exception of employees in post prior to September 2014, who retain three-point scales (until they move posts or are subject to regrading) and those employed within Fleet Management.

The grades for Support Services roles are determined using an analytical job evaluation process, that systematically ranks each role objectively and fairly. This job evaluation system (Korn Ferry (Hay) Methodology) is a recognised best practice non-discriminatory method of ranking roles against a pre-determined scale.

## Brigade Manager roles

Appointments for Brigade Managers are offered under the National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services (known as the Gold Book) as adopted locally and as amended or supplemented by agreement between the Chief Fire Officer/Chief Executive and the employee, or in the case of the Chief Fire Officer/Chief Executive, or equivalent, between the Fire Authority and the employee. Employment is also subject to other terms and conditions of service as determined by the Authority from time to time.

Any National pay award is as agreed through the NJC and notified to Fire Authorities. The last pay award was agreed as two per cent, effective 1 January 2020.

For Strategic Management Board (SMB) members, pay arrangements are locally determined and the level of pay fixed and designed to cover the full range and scope of the role.

There is a twin-track approach for determining levels of pay for Brigade Manager roles. At National level, the NJC annually reviews the level of pay increase applicable to these roles covered by the National Agreement. Any increases agreed by the NJC are communicated to Fire Authorities via circulars. All other decisions about pay and remuneration are taken by the Fire Authority, who will review salary levels on an annual basis.

## 8.0 Remuneration on Appointment

Remuneration will be based on the evaluated rate for the role, either nationally or locally set.

Base salary is one of a number of components of the employment package and by no means the only factor that influences the Authority's ability to recruit and retain employees.

New employees will usually be appointed to the minimum pay level for the relevant grade (trainee or development rate), unless relevant supporting experience can be identified and appropriately evidenced.



All new Brigade Manager appointments are subject to Fire Authority approval. 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.

## 9.0 Pay Progression

For Operational roles, rates of pay are determined by the role the employee is undertaking, and whether the employee is in the 'Trainee', 'Development' or 'Competent' stage of that role. The time it will take an employee to demonstrate competence will depend on the specific requirements of the employee, accessibility to assessments and the opportunities available. Employees can move between roles through successfully completing a promotion assessment process.

For Support Services roles, progression through the pay grade will be based on evidenced performance, and at least six months in post, attaining training and qualifications associated with the role, and the maximum grade for the post not being exceeded. Progression may be withheld if performance is not to the required standard. Employees can move between roles through completing a promotion assessment process.

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.

## 10. Other allowances and payments

**Allowances:** There are a number of allowances paid to employees, where specific circumstances require this and where it can be justified. These allowances are in accordance with National agreement or have been locally set in order to meet the demands of service delivery.

**Market rate supplement:** The Authority recognises the pay structure and job evaluation process does not normally consider factors such as market pay rates relating to specific roles or fluctuating demand for skills in the market place. Whilst the use of market rate supplements will not be the norm, there may be occasions where the Authority is unable to attract candidates to specific roles due to the fluctuations in the local labour market. In addition, existing employees may leave, citing the reason of being offered the 'market rate' for the role. When this occurs consideration may be given to awarding a



market rate supplement in addition to the approved job evaluated grade for the role. Any payment will be time limited and reviewed annually.

**Expenses:** The Authority recognises employees may incur reasonable expenses whilst undertaking their role and will ensure employees are not financially disadvantaged or advantaged because of genuine business expenses. Unless a prior arrangement is in place, employees will be responsible for the payment of expenses incurred and will be reimbursed in accordance with the Authority's procedures relating to expenses.

**Car lease schemes:** Some employees participate in lease car arrangements, either as an essential car user, lease car user, or via a provided car scheme. The criteria are dependent on the requirements of the role or in accordance with terms and conditions of employment.

**Relocation expenses:** Upon appointment, where relocation expenses are incurred, the Authority may reimburse the individual in accordance with the Authority's Relocation Expenses Scheme. Members of the Fire Authority will determine the specific application in respect of a SMB appointment and SMB will determine the application of the scheme to all other appointments. The scheme is applied at the discretion of the Authority and normally only applies to external appointees.

**Additional Responsibility Allowance (ARA):** These payments are used to reward increased responsibilities and duties beyond the normal remit of the role for specific periods, for example to cover managed vacancies for short to medium term periods, enabling successful change management with minimal risk. These payments apply to employees on Grey Book terms and conditions.

**Honorarium payments:** These can be given to Support Services employees when they are asked to undertake part of the duties at a higher graded post or duties outside the scope of their post, which is particularly onerous. Where the payment relates to an employee undertaking a proportion of the duties of a higher graded post, the calculation of the payment will normally link to the pay scale of the duties of the higher graded post being undertaken. For duties outside the scope of the employee's role, the amount of the payment will be determined by estimating the relative worth of the task in comparison to the employee's substantive grade. These payments are for Support Services employees.

An ARA or Honorarium payment requires approval via a business case.

For SMB members, any increase or additions to remuneration will require approval of the appropriate committee of the Authority.



Bonus payments and performance related pay: One-off bonus payments/merit awards may be considered linked to evidenced and scrutinised delivery of performance management objectives.

Pension Schemes: The Authority operates five pension schemes:

- 1992 Firefighters Pension Scheme
- 2006 Firefighters Pension Scheme
- 2006 Retained Modified Pension Scheme
- 2015 Firefighters Pension Scheme
- 2014 Local Government Pension Scheme

Subject to meeting the qualifying conditions, employees have a right to belong to a pension scheme. All new employees will be automatically entered into the relevant occupational pension scheme as defined by their terms and conditions of employment. Qualifying employees will be automatically re-enrolled every three years during their employment if they have opt-out of the scheme.

The Authority makes an employer contribution to the Firefighters Pension Scheme of 37.3 per cent of pensionable pay (1992 Scheme), 27.4 per cent of pensionable pay (2006 Scheme), 37.3 per cent of pensionable pay (2006 Retained Modified Scheme), 28.8 per cent of pensionable pay (2015 Scheme), and 17.4 per cent of pensionable pay (LGPS Scheme).

The employee contributes of between 11 per cent and 17 per cent of pensionable pay (1992 Scheme), 8.5 per cent and 12.5 per cent of pensionable pay (2006 Scheme), 11 per cent and 17 per cent of pensionable pay (2006 Retained Modified Scheme), 11 per cent and 14.5 per cent of pensionable pay (2015 Scheme) and 5.5 per cent and 12.5 per cent of pensionable pay (LGPS Scheme).

The Authority is obliged to publish its adopted pension discretions for the Firefighters' Pension Schemes and Local Government Pension Scheme, and the Authority's current policies in respect of discretionary payments are detailed on the external [website](#).

## 11. Pay Multiple

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.

The definition of lowest paid employee are those who are paid at rates maintained in line with the National Living Wage and the lowest rate will be that applicable for workers aged 23 and over.



As at December 2020:

- The lowest paid salary is £16,824 (FTE)
- The highest paid salary is £151,446 (FTE)
- The median salary is £31,767 (FTE)

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

Pay multiple between the highest salary and lowest salary is 9:1 (this essentially means the lowest salary goes into the highest salary 9 times).

Pay multiple between the highest salary and median salary is 4.77:1 (this essentially means the median salary goes into the highest salary 4.77 times).

Year	Highest pay : Lowest pay	Highest pay : Median pay
2021/22	9:1	4.77:1
2020/21	9.37:1	4.77:1
2019/20	9.64:1	4.77:1
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
2014/15	11.5:1	4.87:1
2013/14	11.72:1	4.9:1
2012/13	12.7:1	5.0:1

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

## 12. Payment on termination of employment

There may be a number of circumstances where early retirement or voluntary redundancy payments may be paid to employees on ceasing to hold office. This can relate to individual circumstances, for example ill health, or can be the result of organisational change or in the interests of the efficiency of the Authority.

In the event of any redundancies, redundancy payments will be calculated in accordance with statutory requirements as modified by the Authority's agreed policies.

The Authority does not make payments to senior staff members in addition to entitlements under its redundancy procedure who leave, other than to those who are leaving for the purposes of improved efficiency.



Where other severance payments are appropriate, such payments will be approved by the Director of Legal and Governance and the Director of Finance and Assets, and will be subject to a settlement agreement.

## 13. Re-employment and Pension Abatement

This applies where an individual retires from the Authority, draws their pension benefits and is subsequently re-employed into the same or other role within the Authority.

The Authority will consider re-employment of retired employees in accordance with the relevant pension scheme regulations and governance arrangements. There is no automatic right to be re-employed. The decision will be strictly based on organisational need and will normally follow an open and fair selection process.

The Fire and Rescue National Framework for England, published in May 2018, stated that Fire Authorities must not re-appoint principal fire officers (at Brigade Manager or Area Manager level or those with comparable responsibilities to those roles) after their retirement to their previous or similar role, save for in exceptional circumstances when such a decision is necessary in the interest of public safety. Any such appointment must be transparent, justifiable and time limited, with the reason for the decision published and the pension abated until the contract ends. Such a decision will be subject to prior approval at a meeting of the Fire Authority in open session.

Where an employee has taken their pension benefits (either as a former employee or employee from another public section organisation), and is then re-employed, an abatement check will be undertaken. Pension will be adjusted so the combination of pension and new salary does not exceed the individual's salary at the time of their retirement.

There is no age limit on abatement and this continues for the full period of re-employment. When the re-employment ends, the pension will be reinstated to the full amount.

The Authority operates a flexible retirement process for employees in the Local Government Pension Scheme. This allows an employee to take their pension benefits and remain employed on reduced hours or at a lower grade without abatement of pension. This complies with the provisions of the Local Government Pension Scheme.



## 14. Employee bonus and merit award payment setting scheme and process

**Introduction:** This section outlines 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
- Recommendations for payments under the scheme will be made by the employee's line manager following the annual appraisal process to the appropriate Director
- Recommendations will be reviewed by a Moderation Panel consisting of:
  - The Chief Operating Officer/DCFO
  - The Director of Finance and Assets
  - The Director of Legal and Governance



- The Moderation 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 members of SMB on an annual basis. This may include decisions not to run a bonus scheme
- 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 employees who become eligible in year, long term absence
- Any payments will be subject to statutory deductions

