

BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY
BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE

Director of Legal & Governance, Graham Britten
Buckinghamshire Fire & Rescue Service
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Chief Fire Officer and Chief Executive
Jason Thelwell

To: The Members of the Executive Committee

5 March 2018

MEMBERS OF THE PRESS
AND PUBLIC

Please note the content of
Page 2 of this Agenda Pack

Dear Councillor

Your attendance is requested at a meeting of the **EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in Meeting Room 1, Fire and Rescue Headquarters, Stocklake, Aylesbury, Bucks, HP20 1BD on **WEDNESDAY 14 MARCH 2018 at 10.00 am** when the business set out overleaf will be transacted.

Yours faithfully

A handwritten signature in black ink that reads 'Graham Britten'.

Graham Britten
Director of Legal and Governance

Chairman: Councillor Reed
Councillors: Carroll, Lambert, Marland, McCall, McDonald, McLean and Roberts



MAKING YOU SAFER

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Recording of the Meeting

The Authority supports the principles of openness and transparency. It allows filming, recording and taking photographs at its meetings that are open to the public. Requests to take photographs or undertake audio or visual recordings either by members of the public or by the media should wherever possible be made to enquiries@bucksfire.gov.uk at least two working days before the meeting.

The Authority also allows the use of social networking websites and blogging to communicate with people about what is happening, as it happens.

Adjournment and Rights to Speak – Public

The Authority may, when members of the public are present, adjourn a Meeting to hear the views of the public on a particular agenda item. The proposal to adjourn must be moved by a Member, seconded and agreed by a majority of the Members present and voting.

Prior to inviting the public to speak, the Chairman should advise that they:

- (a) raise their hands to indicate their wish to speak at the invitation of the Chairman,
- (b) speak for no more than four minutes,
- (c) should only speak once unless the Chairman agrees otherwise.

The Chairman should resume the Meeting as soon as possible, with the agreement of the other Members present.

Adjournments do not form part of the Meeting and should be confined to times when the views of the public need to be heard.

Rights to Speak - Members

A Member of the constituent Councils who is not a Member of the Authority may attend Meetings of the Authority or its Committees to make a statement on behalf of the Member's constituents in the case of any item under discussion which directly affects the Member's division, with the prior consent of the Chairman of the Meeting which will not be unreasonably withheld. The Member's statement will not last longer than four minutes.

Where the Chairman of a Committee has agreed to extend an invitation to all Members of the Authority to attend when major matters of policy are being considered, a Member who is not a member of the Committee may attend and speak at such Meetings at the invitation of the Chairman of that Committee.

Questions

Members of the Authority, or its constituent councils, District, or Parish Councils may submit written questions prior to the Meeting to allow their full and proper consideration. Such questions shall be received by the Monitoring Officer to the Authority, *in writing or by fax*, at least two clear working days before the day of the Meeting of the Authority or the Committee.

EXECUTIVE COMMITTEE

TERMS OF REFERENCE

1. To make all decisions on behalf of the Authority, except in so far as reserved to the full Authority by law or by these Terms of Reference.
2. To assess performance of the Authority against agreed organisational targets.
3. To determine matters relating to pay and remuneration where required by collective agreements or legislation.
4. To select on behalf of the Authority—the Chief Fire Officer and Chief Executive, and deputy to the Chief Fire Officer and Chief Executive, or equivalent , taking advice from suitable advisers and to make recommendations to the Authority as to the terms of appointment or dismissal.
5. To consider and make decisions on behalf of the Authority in respect of the appointment of a statutory finance officer ; a statutory monitoring officer; and any post to be contracted to “Gold Book” terms and conditions in whole or in part taking advice from the Chief Fire Officer and suitable advisers.
6. To act as the Employers’ Side of a negotiating and consultation forum for all matters relating to the employment contracts of the Chief Fire Officer and Chief Executive, deputy to the Chief Fire Officer and Chief Executive, or equivalent; and where relevant, employees contracted to “Gold Book” terms and conditions in whole or in part.
7. To hear appeals if required to do so in accordance with the Authority’s Policies.
8. To determine any human resources issues arising from the Authority’s budget process and improvement programme.
9. To determine policies, codes or guidance:
 - (a) after considering recommendations from the Overview and Audit Committee in respect of:
 - (i) regulating working relationships between members and co-opted members of the Authority and the employees of the Authority; and
 - (ii) governing the conduct of employees of the Authority
 - (b) relating to grievance, disciplinary, conduct, capability, dismissals and appeals relating to employees contracted to “Gold Book” terms and conditions in whole or in part.
10. To form a Human Resources Sub-Committee as it deems appropriate.

AGENDA

Item No:

1. Apologies

2. Minutes

To approve, and sign as a correct record, the Minutes of the meeting of the Committee held on 7 February 2018 (Item 2) **(Pages 5 - 10)**

3. Disclosure of Interests

Members to declare any disclosable pecuniary interests they may have in any matter being considered which are not entered onto the Authority's Register, and officers to disclose any interests they may have in any contract to be considered.

4. Questions

To receive questions in accordance with Standing Order S0A7.

5. Reserves Strategy 2018/19 to 20/21

To consider Item 5 **(Pages 11 - 20)**

6. Gender Pay Gap Report

To consider Item 6 **(Pages 21 - 38)**

7. Exclusion of Press and Public

To consider excluding the public and press representatives from the meeting by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972, as the minutes contains information relating to an individual; and Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as the minutes contains information relating to the financial or business affairs of a person; and on these grounds it is considered the need to keep information exempt outweighs the public interest in disclosing the information:

8. Exempt Minutes

To approve, and sign as a correct record, the Exempt Minutes of the meeting of the Committee held on 7 February 2018 (Item 8)

9. Date of Next Meeting

To note that the next meeting of the Committee will be held on Wednesday 9 May 2018 at 10am.

If you have any enquiries about this agenda please contact: Katie Nellist (Democratic Services Officer) – Tel: (01296) 744633 email: knellist@bucksfire.gov.uk

Minutes of the meeting of the EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 7 FEBRUARY 2018 at 10.00 am.

Present: Councillors Carroll, Lambert, Marland, McCall, McDonald and Reed (Chairman) and Sullivan

Officers: J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), L Swift (Director of People and Organisational Development), D Sutherland (Director of Finance and Assets), M Hemming (Deputy Director of Finance and Assets), N Boustred (Head of Service Delivery), J Parsons (Head of Service Development), K Nellist (Democratic Services Officer) T Sanwo (Principal Accountant) and J McNeill (Regional Director, South East Employers)

Apologies: Councillor Roberts

EX25 MINUTES

RESOLVED –

That the Minutes of the meeting of the Executive Committee held on Wednesday 22 November 2017, be approved and signed by the Chairman as a correct record.

EX26 MEMBERS' ALLOWANCES

The Lead Member for People and Equality and Diversity advised Members that the Authority was required to adopt a Scheme of Members' Allowances before 1 April each year and, in doing so, have due regard to the recommendations of the Independent Remuneration Panels (IRP) of the constituent authorities, Buckinghamshire County Council and Milton Keynes Council.

The officer's recommendation was for allowances to be increased in line with the pay award for 17/18 agreed by the NJC for Grey Book staff.

A discussion was held about Group Leaders' Allowances in the constituent authorities where proportionality was applied based on size of group; and where only one SRA can be claimed.

The Chief Fire Officer suggested that the Director of Legal and Governance could look at the Scheme of Members' Allowances in consultation with the Group Leaders.

The Director of Legal and Governance advised Members that he would undertake a review, but it would ultimately be for the Authority to decide on what it wished to adopt having regard to the IRP reports of Buckinghamshire County Council and Milton Keynes Council.

RESOLVED –

That the Authority be recommended to adopt a Scheme for Members' Allowances for 2018/19 (Appendix C which includes figures indicative of a 1% increase) with an uplift from the 17/18 Scheme to reflect any final Grey Book pay award for 17/18.

Councillor McCall's abstention was noted.

EX27 BUDGET MONITORING PERFORMANCE AND DEBT MANAGEMENT APRIL – NOVEMBER 2017

The Lead Member for Finance, IT and Procurement advised the Committee that there was very little change from the last update.

The Director of Finance and Assets advised Members that managers had positively and proactively controlled spend and forecast an underspend of £262k, against a revenue budget of £28.210m. This represented a 0.93% variance against the budget.

RESOLVED –

That the latest projected outturn forecast for the Authority as at 30 November 2017 be noted.

EX28 THE PRUDENTIAL CODE, PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION

The Lead Member for Finance, IT and Procurement advised the Committee that this report was being presented as the Prudential Indicators and Minimum Revenue Provision policy statement were required to be approved by the Authority and to support the Medium Term Financial Plan.

The Deputy Director of Finance and Assets advised Members that this was a statutory report that had to be published each year the basic purpose of which was to show that borrowing was affordable over the longer term. The Authority's borrowing was affordable and there were no plans for further borrowing in the foreseeable future.

RESOLVED –

That the Authority be recommended to approve:

1. the Prudential Indicators; and
2. the Minimum Revenue Provision Policy Statement

EX29 MEDIUM TERM FINANCIAL PLAN (MTFP) 2018/19 TO 2020/21

The Lead Member for Finance, IT and Procurement advised the Committee that this report was setting the precept for the following year.

The Deputy Director of Finance and Assets advised Members that the Revised Appendix 1 had been updated following confirmation from the billing authorities of amounts receivable from Council Tax and Business Rates, the statutory deadline for which was 31 January, which was after this report had been produced. There was no change to the Council Tax figures, but the good news was that the Business Rates had increased slightly from £5.308m to £5.421m, an increase of £113k. Growth for 2018/19 had been increased by £113k. This was to provide additional operational posts to further enhance the resilience of the Authority's response model, support the recruitment programme and drive the change programme.

The Deputy Director of Finance and Assets advised Members that the final settlement was presented to Parliament yesterday and there was no change to the provisional settlement in terms of the Council Tax referendum limit, which was to go up by no more than 3%, the recommendation was a 2.99% increase. There were some significant risks around the budget, the biggest one was the pay award. The Authority had budgeted for 1% which was in line with its efficiency plan and it would maintain that position, any pay increase over and above that would need to be funded by central government.

The Deputy Director of Finance and Assets advised Members that Appendix 2 showed the proposed Capital Programme. This showed that the Authority's programme was affordable and it showed that there was funding available. The Authority was aware that as building work was about to commence on the Blue Light Hub in Milton Keynes, there was also a need to do some building work in the south of the county around the Wycombe/Beaconsfield area and any surplus funding that was available would be very quickly used up.

The Deputy Director of Finance and Assets advised Members that Appendix 3 showed the amount payable for a typical band D property, assuming Members approve a 2.99% increase in Council Tax. A band D would go up to £62.70 per year, which was an increase of about £1.82, compared to last year, or around 3.5p per week.

A Member asked if the USAR (Urban Search and Rescue) funding was guaranteed and was advised that the position on USAR was that the Government had been talking about a review of the USAR provision for a number of years and the funding goes from year to year. This year the Government was going to fund USAR for another 12 months, in previous years the Authority had only been funded for 6 months at a time. If the Authority loses the USAR grant it was a very significant loss, which would push the Authority into some very difficult decisions at that point.

RESOLVED –

That the Authority be recommended to:

1. Note and have due regard to the report and Statement of the Chief Finance Officer (see section 8 of Annex A);
2. Approve a Council Tax precept of £62.70 for a band D equivalent property (a 2.99% increase from 2017/18 – equal to 3.5p per week) and the revenue budget as set out in Appendix 1;
3. Approve the capital programme as set out in Appendix 2.

EX30

PROVISIONAL 2018-19 LOCAL GOVERNMENT FINANCE SETTLEMENT (THE CONSULTATION)

The Lead Member for Finance, IT and Procurement advised Members that due to the timescale for responding to the Consultation (the deadline was 16 January) a response had already been submitted and was attached for Members to note. The Consultation looked for views on the Provisional 2018-19 Local Government Finance Settlement, which was published on 19 December 2017. The significant question for the Authority was regarding the Council Tax referendum principles for 2018-19.

RESOLVED –

That the submitted response to the consultation be noted.

EX31

PARTNERSHIP GOVERNANCE UPDATE

The Director of Finance and Assets advised the Committee that in May 2014 a partnership strategy was approved including a set of nine key principles that need to be determined in order to justify any relationship with another body as a true partnership. In carrying out this review a formal Partnership Register was established, together with a separate list of joint working groups and other forums attended either by officer and/or Members of the Authority that do not meet the fuller criteria for a true partnership.

RESOLVED –

1. That the revised Partnership Register, set out in Appendix 2 be approved.
2. That the separate list of joint working groups where the Authority has an interest, set out in Appendix 3 be approved.
3. That the content of Appendix 4 be noted.

EX32**EXCLUSION OF PRESS AND PUBLIC**

RESOLVED –

By virtue of paragraph 1 of part 1 of schedule 12a of the local government act 1972, as an appendix to the report contains information relating to an individual; and paragraph 3 of part 1 of schedule 12a of the local government act 1972 as an appendix to the report contains information relating to the financial or business affairs of a person; and on these grounds it is considered the need to keep information exempt outweighs the public interest in disclosing the information, so that the meeting could consider the following matter:

J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), L Swift (Director of People and Organisational Development), D Sutherland (Director of Finance and Assets), M Hemming (Deputy Director of Finance and Assets), N Boustred (Head of Service Delivery), J Parsons (Head of Service Development) and T Sanwo (Principal Accountant) left the meeting

EX33**STRATEGIC MANAGEMENT BOARD REMUNERATION AND PERFORMANCE REVIEW 2017 AND ANNUAL REPORT ON THE EMPLOYEE BONUS SCHEME**

The Committee considered the report and appendices, details of which were noted in the confidential/exempt minutes.

RESOLVED:

It was recommended that:

1. A financial recognition of achievements to the Chief Fire Officer/Chief Executive (CFO/CE) through a bonus payment be approved.
2. The level of bonus payment to the Chief Fire Officer be agreed.

(The Chief Fire Officer/Chief Executive re-joined the meeting)

3. An amount of funds to be allocated to other members of the SMB by the Chief Fire Officer based on individual performance reviews be agreed.
4. The summary of the awards made in 2016/17 under the Authority's Employee Bonus Scheme set out in Appendix 2 be noted.
5. The recommendation set out in Appendix 7 of the attached report be approved.

6. A review to be carried out in the coming year, of the Senior Management Team Pay Review methodology as set out in Appendix 8 be approved.

EX34 EXCLUSION OF PRESS AND PUBLIC

RESOLVED –

By virtue of paragraph 1 of part 1 of schedule 12a of the local government act 1972, as an appendix to the report contains information relating to an individual; and paragraph 3 of part 1 of schedule 12a of the local government act 1972 as an appendix to the report contains information relating to the financial or business affairs of a person; and on these grounds it is considered the need to keep information exempt outweighs the public interest in disclosing the information, so that the meeting could consider the following matter:

EX35 EXEMPT MINUTES

RESOLVED –

That the Exempt Minutes of the meeting of the Executive Committee held on Wednesday 22 November 2017, be approved and signed by the Chairman as a correct record.

EX36 DATE OF NEXT MEETING

The Committee noted that the date of the next Executive Committee meeting would be held on Wednesday 14 March 2018 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 11.30 AM.



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	14 March 2018
OFFICER	David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	Reserves Strategy 2018/19 to 2020/21
EXECUTIVE SUMMARY	<p>The purpose of this report is to establish a Reserves Strategy, which sets out the level of reserves and their planned use.</p> <p>The consultation on the Fire and Rescue National Framework for England (see also Provenance Section & Background Papers) introduced a new section detailing how authorities should establish and publish a reserves strategy.</p> <p>The Draft Fire and Rescue National Framework for England, paragraph 5.7 states that 'Each fire and rescue authority should publish their reserves strategy on their website, either as part of their medium term financial plan or in a separate reserves strategy document.' Paragraphs 5.7 to 5.9 state that the reserves strategy should:</p> <ul style="list-style-type: none"> • include details of current and future planned reserve levels, setting out a total amount of reserves and the amount of each specific reserve that is held for each year • provide information for at least two years ahead • provide sufficient detail to enable understanding of the purpose for which each reserve is held and how holding each reserve supports the fire and rescue authority's medium term financial plan • set out in a way that is clear and understandable for members of the public, and should include: <ul style="list-style-type: none"> ○ how the level of the general reserve has been set ○ justification for holding a general reserve larger than five percent of budget ○ whether the funds in each earmarked reserve are legally or contractually

	<p>committed, and if so what amount is so committed</p> <ul style="list-style-type: none"> ○ a summary of what activities or items will be funded by each earmarked reserve, and how these support the fire and rescue authority's strategy to deliver good quality services to the public <p>The revised National Framework is expected to come into effect in April 2018.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that the Committee:</p> <ol style="list-style-type: none"> 1. Approve the Reserves Strategy 2018/19 to 2020/21. 2. Approve the transfers to/from reserves detailed in Appendix A (Section 2.3).
RISK MANAGEMENT	Reserves should be held by the Authority and managed to balance funding and spending priorities and to manage risks. This should be established as part of the medium-term financial planning process.
FINANCIAL IMPLICATIONS	All financial implications are shown in the main body of the report.
LEGAL IMPLICATIONS	<p>The National Framework sets priorities and objectives for fire and rescue authorities in England in connection with the discharge of their functions. Fire and rescue authorities have a duty to have regard to the Framework.</p> <p>Financial Regulations paragraph B.6 states that 'All requests for movements, transfers and changes to reserves must be formally approved by the Executive Committee on the advice of the Chief Finance Officer.'</p>
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	Reserves are held to support the Medium Term Financial Plan and in order to deliver the Authority's Public Safety Plan. The Authority no longer receives any capital funding from the Government, so capital reserves are essential for future investment on the Authority's assets.

<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background Fire and Rescue National Framework for England Government consultation: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/672148/171222_National_Framework_consultation_document_-_v2.pdf LAAP BULLETIN 99, Local Authority Reserves and Balances, CIPFA, July 2014: http://www.cipfa.org/~media/files/policy%20and%20guidance/laap%20bulletins/laap99%20reserves%20and%20balances.pdf?la=en</p>
<p>APPENDICES</p>	<p>Appendix A - Reserves Strategy 2018/19</p>
<p>TIME REQUIRED</p>	<p>15 minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Mark Hemming mhemming@bucksfire.gov.uk 01296 744687</p>

Appendix A – Reserves Strategy 2018/19 to 2019/20

1. Introduction

- 1.1. Reserves are an essential part of good financial management. They allow authorities to manage unpredictable financial pressures and plan for their future spending. The level, purpose and planned use of reserves are important factors for Members to consider in developing medium-term financial plans (MTFP) and setting annual budgets.
- 1.2. Reserves are held for three main purposes:
 - a) a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves
 - b) a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves
 - c) a means of building up funds (often referred to as earmarked reserves) to meet known or predicted requirements. Within the existing statutory and regulatory framework, it is the responsibility of the chief finance officer to advise the Authority about the level of reserves that it should hold and to ensure that there are clear protocols for their establishment and use.

2. Current and Future Planned Reserve Levels

- 2.1. As at 31 March 2017, the Authority's total reserves were £11.6m. Based on the latest forecast outturn position, it is expected total reserves will decrease to £10.5m by 31 March 2018.
- 2.2. The current and future planned level of each reserve can be seen in section 2.3. The future planned level includes a reallocation between reserves that Members are asked to approve (see Recommendation 2). This reallocation will increase the level of capital reserves available for future expenditure, as it is anticipated significant expenditure will be required on fire stations in the south of the county over the medium term, in order to support the delivery of the Public Safety Plan.

2.3. The table below shows the current and future planned level of each reserve:

	Balance as at 31 March 2017 £000	Approved in Year Transfers £000 (Note 1)	Forecast Use/ (Additions) 2017/18 £000	Proposed Reallocations £000 (Note 2)	Planned Balance as at 31 March 2018 £000	Planned Balance as at 31 March 2019 £000	Planned Balance as at 31 March 2020 £000	Planned Balance as at 31 March 2021 £000
a) General Fund Balance	(3,035)	1,035	(263)	763	(1,500)	(1,500)	(1,500)	(1,500)
b) Invest to Save Reserve	(250)	-		250	-	-	-	-
c) Apprentice Reserve	(500)	-			(500)	(500)	(500)	(500)
d) Redundancy and Early Retirement Reserve	(250)	-		250	-	-	-	-
e) Sprinklers Reserve	(200)	(290)			(490)	(490)	(490)	(490)
f) Control Room Reserve	(371)	-	(52)		(423)	(475)	(527)	(579)
g) Continuing Projects Reserve	(582)	-	238		(344)	(70)	-	-
h) Insurance Reserve	(50)	-		50	-	-	-	-
i) Training Reserve	-	(85)		85	-	-	-	-
j) Usable Capital Receipts Reserve	(245)	-	(249)		(494)	-	-	-
k) Revenue Contribution to Capital	(6,156)	(900)	1,722	(1,398)	(6,732)	(2,360)	(3,064)	(3,773)
Total	(11,639)	(240)	1,396	-	(10,483)	(5,395)	(6,081)	(6,842)

Note 1 – this shows transfers to/from reserves approved by the Executive Committee during 2017/18

Note 2 – the amount to be reallocated from the General Fund is based on the forecast underspend as reported to the Executive Committee on 7 February 2018. The final amount to be transferred will be based on the actual year-end outturn figure.

2.4. The purpose for which each reserve is held, how holding each reserve supports the fire and rescue authority's medium term financial plan and the extent of any legal or contractual commitment is:

- a) General Fund Balance – this is a contingency to cushion the impact of unexpected events or emergencies. Detail of how the level of this reserve has been set can be seen in section 3.
- b) Invest to Save Reserve – the original purpose of this reserve was to fund upfront investment in projects that would realise savings in future years. It is more appropriate that this funding is held with the Revenue Contribution to Capital Reserve as these projects are likely to be capital in nature.

- c) Apprentice Reserve – this reserve is held in order to fund the introduction of operational apprentices, should these be unable to be funded from future in-year underspends. Due to the time taken to train new apprentices they will initially take our staffing numbers above the budgeted establishment figure. The introduction of apprentices is an essential part of our workforce strategy, which underpins the Public Safety Plan. None of this reserve is currently legally or contractually committed.
- d) Redundancy and Early Retirement Reserve – there is no forecast need for this reserve in the medium-term so it is proposed to transfer this amount to the Revenue Contribution to Capital Reserve to support the Authority’s capital programme.
- e) Sprinklers Reserve – this reserve is held to provide match funding for the installation of sprinkler systems at high risk premises. This is an essential part of our protection strategy. None of this reserve is currently legally or contractually committed.
- f) Control Room Reserve – this reserve is held by Oxfordshire Fire and Rescue Service in order to renew assets within the joint Thames Valley fire control service (the amount shown above represents this Authority’s share of the renewals fund). The control service is an essential part of mobilising appliances and firefighters to incidents across the Thames Valley. This reserve is contractually committed to be spent on the renewal of assets with Thames Valley fire control.
- g) Continuing Projects Reserve – this reserve is used to fund the business and systems integration project (BASI). It is expected that this reserve will be fully utilised by 31 March 2020.
- h) Insurance Reserve – this reserve was held to mitigate the risk of a large number of high value insurance claims. It now forms part of the risk assessed level of the General Fund (see Section 3.2)
- i) Training Reserve – this reserve was created to provide additional training for on-call staff in 2017/18. This training was able to be provided from in-year funding so it is recommended that this amount is transferred to the Revenue Contribution to Capital Reserve.
- j) Usable Capital Receipts Reserve – this reserve holds the proceeds from the sale of assets, and can only be used for those purposes specified in the capital finance and accounting regulations. None of this reserve is currently legally or contractually committed.
- k) Revenue Contribution to Capital Reserve – this reserve holds the funds to pay for the current and future years capital programme. Investment in the Authority’s assets such as fire stations and fire appliances is essential to ensure delivery of the Public Safety Plan. Once the Authority has entered into a build contract for the construction of the blue light hub

in Milton Keynes, the majority of the planned balance as at 31 March 2018 will be contractually committed. Amounts not currently committed to specific projects are planned to be used towards investment required in fire stations in the south of the county over the medium term.

3. Unallocated General Reserves

- 3.1. In order to assess the adequacy of unallocated general reserves when setting the budget, chief finance officers should take account of the strategic, operational and financial risks facing the authority. The assessment of risks should include external risks, such as flooding, as well as internal risks, for example, the ability to deliver planned efficiency savings.
- 3.2. Details of how the level of the general reserve has been set are shown in the table below. This is based on guidance set out in Local Authority Accounting Panel (LAAP) Bulletin 99 (see Provenance Section and Background Papers):

Budget Assumptions	Comments	Amount Required £000
The treatment of inflation and interest rates	Pay inflation is a significant risk if increases above 1% are not funded centrally. The amount required is based on an additional 2% award.	360
Estimates of the level and timing of capital receipts	This amount is based on 5% of the total estimated capital receipts within the capital programme	60
The treatment of demand led pressures	An amount has been set aside to cover any spate conditions that could impact significantly on demand e.g. flooding or an exceptionally hot, dry Summer. It could also be used to cover other one-off spikes in demand e.g. investigations following a significant incident	100
The treatment of planned efficiency savings/productivity gains	A key future efficiency within the Medium Term Financial Plan is the property saving associated with consolidating our current property portfolio. This is the amount required if planned savings are delayed by one year.	177
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	This amount is based on 5% of the total estimated expenditure on the capital programme for 2018/19	680
The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions	The insurance excess is set at £5,000 for the majority of claims. There is a risk that there may be a large number of high value claims. This value assumes ten claims over £5,000 in any one year.	50
The general financial climate to which the authority is subject	There are risks to the continuation of the fire specific revenue grants that the Authority currently receives, covering Urban Search and Rescue (USAR) and Firelink (control room communication links). This amount is based on 10% of the specific grants receivable for 2018/19.	100
	Total Required	1,527

- 3.3. The above amount has been rounded down to £1.5m. This amount of general reserve is equal to 5% of the net revenue budget for 2017/18.

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Buckinghamshire & Milton Keynes Fire Authority



MEETING	Executive Committee
DATE OF MEETING	14 March 2018
OFFICER	Lynne Swift, Director of People & Organisational Development
LEAD MEMBER	Councillor Steven Lambert
SUBJECT OF THE REPORT	Gender Pay Gap Report
EXECUTIVE SUMMARY	<p>The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 that came into effect in 2017 require public sector organisations employing over 250 staff 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 organisation:</p> <ol style="list-style-type: none"> 1. Mean gender pay gap in hourly pay 2. Median gender pay gap in hourly pay 3. Mean bonus gender pay gap 4. Median bonus gender pay gap 5. Proportion of males and females receiving a bonus payment 6. Proportion of males and females in each pay quartile <p>This data must be published 'within the period of 12 months beginning with the snapshot date' (Regulation 2(2)). The snapshot date for public sector employers is 31 March each year.</p> <p>The gender pay gap report, as detailed in Annex A, gives the Authority's gender pay gap as at 31 March 2017. The mean gender pay gap is 19% and the median gender pay gap is 10.61%</p> <p>Whilst both gender pay and equal pay deal with the disparity of pay within the workplace, it is important to note that the gender pay gap is different from equal pay and this is explained in Annex A.</p>
ACTION	Noting.
RECOMMENDATIONS	<p>It is recommended that:</p> <ol style="list-style-type: none"> 1. The content of the gender pay gap report be noted, which will be submitted to the government's

	<p>website (gov.uk) as per reporting requirement before 30 March 2018</p>
<p>RISK MANAGEMENT</p>	<p>Regulations: The Authority will comply with the Regulations requiring employers with over 250 staff to publish their gender pay gap data before 30 March each year.</p> <p>The six pieces of prescribed data within the report will be published on the government’s website (gov.uk) and the full report published on the Authority’s external website. This information to be made available on the Authority’s website for a period of three years.</p> <p>Annually publishing the data in line with the Regulations will help the Authority monitor the effectiveness of the actions in reducing the gap over time.</p> <p>Transparency: The government’s expectation is that greater transparency and public scrutiny will require employers to take action to close the gender pay gap. Whilst Regulations require employers to publish six pieces of prescribed information, there is the option to provide contextual narrative with this data. There are a number of factors influencing the gender pay gap and the narrative as detailed in Annex A helps to explain this, by providing further information and reasons for the data and also detail actions to be taken to address the gender pay gap.</p> <p>If the gender pay gap data is published without this narrative it could be damaging to the Authority’s reputation externally. In addition, recruitment and retention may also be impacted if there is no explanation to the gap or actions to address this, particularly relevant when individuals are comparing data with other employers.</p> <p>From year two onwards benchmarking data, as published on the government’s website, will also provide additional useful comparison data for subsequent reports.</p> <p>Consistency: Ordinary pay, expressed as hourly pay, is used to calculate the mean and median gender pay gaps and the pay period informs the calculation for ordinary pay. For those employees who do not work a consistent working pattern, e.g. 37 hour week, the calculation has been averaged over a 12 week period as per Acas and Government Equalities Office guidance.</p> <p>There is a risk that Fire and Rescue Services will calculate data differently and therefore potentially widely different mean and median gender pay gaps will be reported in year one. By providing a narrative to the data it gives a justification for how the data has</p>

	been calculated.
FINANCIAL IMPLICATIONS	There are no direct financial implications arising from this report.
LEGAL IMPLICATIONS	Whilst the Regulations do not contain any provisions imposing a penalty for non-compliance, omissions to disclose this data could result in enforcement action by the Equality and Human Rights Commission or challenged by way of judicial review.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	Each Thames Valley Fire and Rescue service will report separately. Outcomes of the year one reports will be compared and if there are common issues, collaborative actions to reduce any gender pay gap will be considered as part of the existing Workforce Reform collaborative group programme.
HEALTH AND SAFETY	There are no health and safety implications.
EQUALITY AND DIVERSITY	<p>The report has identified the Authority has a gender pay gap, however most organisations will have one. What is important is the continued effort to lower and eliminate this gap. Having a gap does not mean the Authority is discriminating against groups of individuals. The Authority is confident this gap does not stem from paying male and female employees differently for the same of equivalent work.</p> <p>The Regulations will help to raise the profile of gender issues within organisations. The Authority will strive to increase gender diversity in all areas of the organisation. A particular priority is attracting and retaining a more diverse workforce and having better representation of males and females at all levels across the organisation.</p>
USE OF RESOURCES	<p>Publishing the first, of the annual, gender pay gap report ensures compliance with The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.</p> <p>Communication with stakeholders: Other employers, job applicants, trade unions, media and the public are likely to be paying close attention to the annually published gender pay gap data. Due to the high profile nature of gender pay it is important that employees are made aware of the gender pay gap report for this organisation before 30 March 2018. Communication is also important as a lot of people confuse gender pay with equal pay. The gender pay gap shows the average difference between the earnings of males and females and equal pay means that males and females are not getting equal pay for doing equal work.</p> <p>Due to the importance and level of interest in this</p>

	<p>topic, a communication plan has been developed, covering key stakeholders.</p> <p>The system of internal control; Regular reports will be provided to the Strategic Management Board, Executive Committee and Fire Authority as necessary.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017: https://www.legislation.gov.uk/ukdsi/2017/9780111153277/schedule/1</p> <p>Closing the Gender pay gap. Government response to the consultation. Published February 2017: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/500087/Government_response_-_Closing_the_Gender_Pay_Gap.pdf</p> <p>Gender pay gap reporting: Overview. Published February 2017: https://www.gov.uk/guidance/gender-pay-gap-reporting-overview</p> <p>Acas and Government Equalities Office Guidance. Managing gender pay reporting: http://m.acas.org.uk/media/pdf/m/4/Managing_gender_pay_reporting_04_12_17.pdf</p> <p>Report your gender pay gap data (Gov.uk): https://www.gov.uk/report-gender-pay-gap-data</p>
<p>APPENDICES</p>	<p>Annex A – Gender Pay Gap Report (to be published March 2018)</p>
<p>TIME REQUIRED</p>	<p>10 minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Faye Mansfield – HR Services & Development Manager fmansfield@bucksfire.gov.uk 01296 744623</p>



Gender Pay Gap Report

March 2018





Regulations came into effect in 2017 that require organisations employing over 250 staff to carry out gender pay gap reporting. The two sets of Regulations introduced impose mandatory gender pay gap reporting on employers; the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and the Equality Act 2010 (Gender Pay Gap Reporting) Regulations 2017. Both sets of Regulations are similar, however the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 apply to public sector employers, including fire authorities.

Gender pay gap information must be published within 'the period of 12 months beginning with the snapshot date' (Regulation 2(2)). The snapshot data for public sector employers is 31 March each year.

What is the gender pay gap?

The gender pay gap shows the difference between the average earnings of males and females, expressed as a percentage of men's earnings, e.g. females earn 10% less than men. The gender pay gap is reported on both the mean (average) and median (mid-point) basis.

In the UK today, females earn on average 18% less than men (Source: CIPD Gender Pay Gap, closing it together 2017). There are a number of causes to the gender pay gap:

- A higher proportion of males working in senior positions
- A higher proportion of females working in part-time roles (therefore normally earning less than their full-time colleagues)
- Skills gap, lack of training and development opportunities
- Lack of role models
- Family, childcare and caring commitments
- Lack of opportunities for flexible working
- Attitude and culture
- Confidence

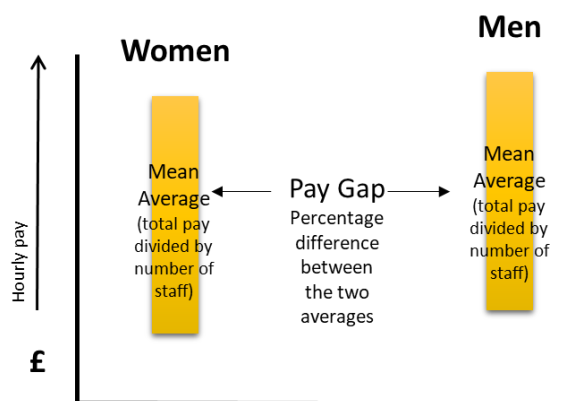


What is the gender pay gap? *cont.*

It is expected that most organisations will have a gender pay gap in year one, however the next step is to take action to address the gap, therefore ensuring year on year the gap is reduced and eventually eliminated. With organisations being required to publish their gender pay gap information in the public domain, this will allow greater comparison with other organisations and the Office of National Statistics (ONS) figures. Greater transparency in pay will help to attract and retain talent and will provide the information to allow organisations to improve workplace practices, policies and procedures that will promote gender equality and ensure any remedial action is prioritised.

How to explain the gender pay gap

The gender pay gap is most commonly expressed as a mean average, which begins by scrutinising two sets of salaries to calculate the average remuneration for each gender.



Source: CIPD People Management magazine February 2018

This expression of the gender pay gap does not imply (or rule out) unequal pay, which occurs when two people performing the same role are paid differently. It more likely means there is an uneven distribution of genders at different levels—which may be a problem in itself.



Different to equal pay reporting

Whilst both gender pay and equal pay deal with the disparity of pay females receive within the workplace, it is important to note that the gender pay gap is **different** to equal pay.

- The principle of equal pay is that males and females who carry out the same job, similar jobs or work of equal value, as set out in the Equality Act 2010, should receive equal pay
- Gender pay gap examines the difference in the average pay gap between males and females expressed as a percentage of men's earnings and is not unlawful

Organisations which are fully compliant with the Equality Act 2010 can still have a gender pay gap. This is often due to having more males in senior and highly paid positions and females in lower paid and part-time roles. The gender pay gap is a mechanism by which organisations can examine this data and take positive action to reduce the gender pay gap.

What information must be reported?

The gender pay gap calculations are drawn from specific data each year and based on full-pay relevant employees. To be included as a full-pay relevant employee, the employee must be:

- Employed on the snapshot date; 31 March each year
- Paid their usual full pay in the pay period ending on the snapshot date

Below details the standard information to be disclosed by organisations as part of the gender pay gap reporting as detailed in Schedule 1 of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

Pay:

This is the ordinary pay received by each full-pay relevant employee in the pay period at the snapshot date. Ordinary pay includes basic pay, allowances, pay for leave and shift premium pay and calculated before deductions are made at source. This data examines:

- The difference in the mean hourly pay between male and female relevant employees as a percentage of male pay (paragraph 8)
- The difference in the median hourly pay between male and female relevant employees as a percentage of male pay (paragraph 9)



What information must be reported? *cont.*

Pay *cont.*

- The proportion of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands (paragraph 13)

Ordinary pay does not include overtime, expenses, benefits in kind, arrears of pay, salary sacrifice schemes (such as childcare), tax credits or redundancy pay.

Bonus:

Bonuses paid to full-pay relevant employees in the 12 month period ending on the snapshot date (31 March). This data examines:

- The difference in the mean bonus pay paid to male relevant employees and that paid to female relevant employees in the 12 months before the snapshot date (paragraph 10)
- The difference in the median bonus pay paid to male relevant employees and that paid to female relevant employees in the 12 months before the snapshot date (paragraph 11)
- The proportion of male relevant employees who were paid bonus pay and that paid to female relevant employees in the 12 months before the snapshot date (paragraph 12)

The Service's reportable data on pay and bonuses is detailed on pages 8 to 10 of this report.





Gender pay gap calculations for the Service as at 31 March 2017 are:

Full Pay Relevant Employees — Total 472

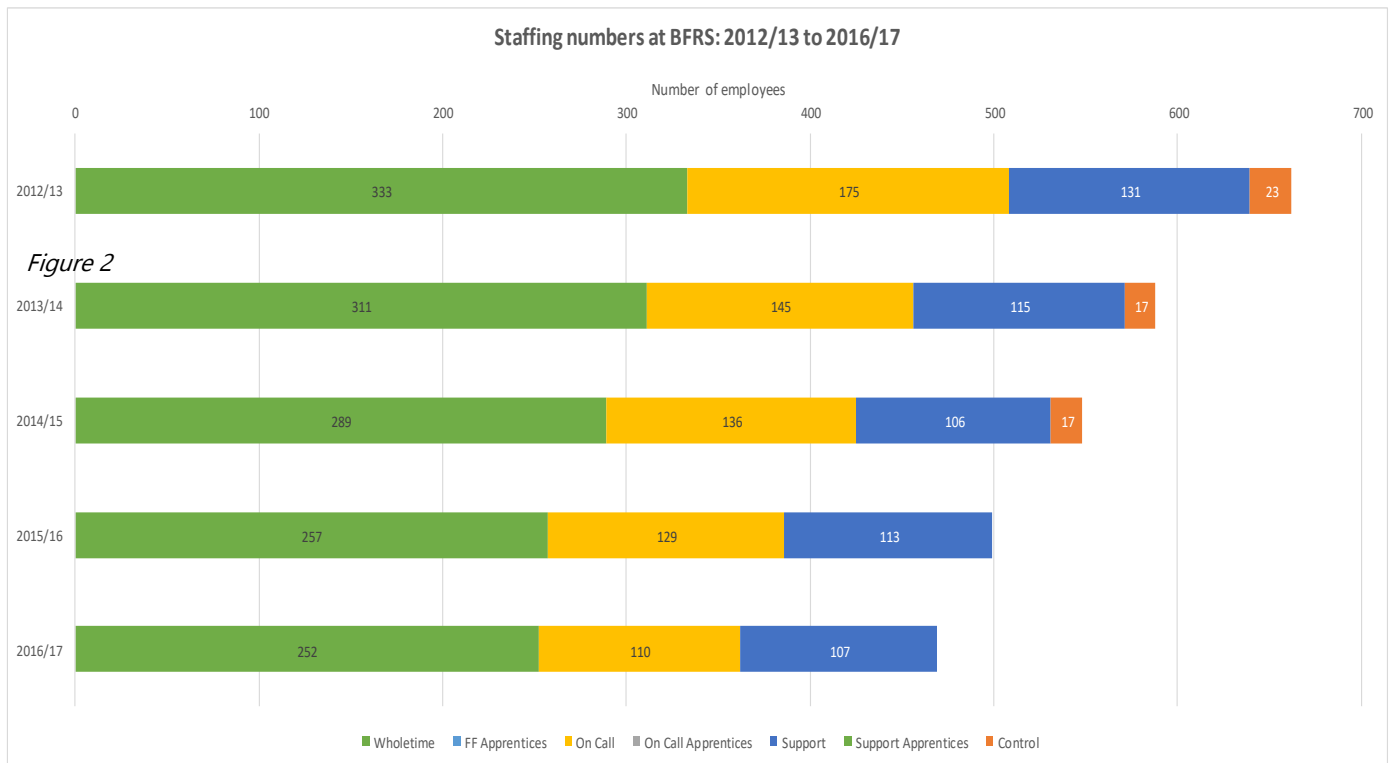
This is the number of employees who received their normal full pay within the snapshot date. This informs the mean and median hourly pay gap calculations and the proportion of employees within the Quartile Pay Bands.

Relevant Employees — Total 488

This is the number of staff employed by the Service on the snapshot date. This informs the mean and median bonus pay gap calculations. The difference in number between relevant and full pay relevant employees is due to **16** employees not receiving their usual full pay within the pay period.

Staffing numbers for the core employee groups

The following information provides an overview of the decline in numbers for four core employee groups within the Service: Wholetime, Support Services, On-call and Control.





Since 2012/13 the Service has seen a decline in staffing numbers, including the transfer of Control Room staff to the Berkshire based Thames Valley Fire Control Service (TVFCS) in 2015/16.

Since 2012, focus has been on transforming the Service. Whilst operating with considerably reduced funding following the Comprehensive Spending Review in 2010, the Service has adapted to the changing circumstances. Although there has been a significant reduction in staffing numbers, we have continued to operate without compromising the level of service provided to the community. This has also be managed without resulting in any compulsory firefighter redundancies or the loss of any fire stations or fire engines.

<i>Figure 3</i>	2012	2016	% difference
Wholetime	333	252	24.3%
On-call	175	110	37.1%
Support	131	107	18.3%
Control	23	0	100%
Total	662	469	29.2%

As detailed in Figure 4 (below) when analysing the data broken down by gender, there has been a greater reduction in the number of male employees. However, as this is the larger staffing group, this is to be expected. The reduction in females during the same period is largely due to the transfer of Control Room staff to TVFCS.

<i>Figure 4</i>	2012		2016		% difference	
	Male	Female	Male	Female	Male	Female
Wholetime	324	9	242	10	25.3% reduction	11.1% increase
On-call	171	4	101	5	40.9% reduction	25% increase
Support	65	66	49	62	24.6% reduction	6.1% reduction
Control	4	19	0	0	100% reduction	100% reduction
Total	564	98	392	77		



In accordance with the Regulations, the Service is required to annually publish six pieces of prescribed data about the pay and bonuses of males and females within the organisation:

1. Mean hourly gender pay gap (paragraph 8)

The difference between the mean hourly rate of pay for male and female full-pay relevant employees:

Staff group	Male hourly pay £	Female hourly pay £	Pay gap £	Pay gap %
All staff	18.10	14.59	3.51	19%

The mean (average) gender pay gap is 19%. This means that male employees earn £3.51 per hour more than females and therefore, on average, females earn 81% when compared to male earnings.

2. Median hourly gender pay gap (paragraph 9)

The difference between the median hourly rate of pay for male and female full-pay relevant employees:

Staff group	Male hourly pay £	Female hourly pay £	Pay gap £	Pay gap %
All staff	15.74	14.07	1.67	10.61%

The median gender pay gap is 10.61% or £1.67 per hour. This means that on average, females earn 89% when compared to male earnings.

3. Mean bonus gap (paragraph 10)

The difference between the mean bonus paid to male relevant employees and that paid to female relevant employees.

Staff group	Male bonus pay £	Female bonus pay £	Pay gap £	Pay gap %
All staff	230.04	354.01	123.97	* -53.89%

** Negative pay gaps occur when females earn more on average, positive pay gaps are used when males earn more on average*

The mean bonus gap is -53.89%. This means that female employees received on average a bonus greater than £123.97 than males. Although more male employees received a bonus, a higher proportion of females received a bonus than males. The proportion is higher due to the fact that there are fewer females within the organisation.



4. Median bonus gap (paragraph 11)

The difference between the median bonus paid to male relevant employees and that paid to female relevant employees.

Staff group	Male bonus pay £	Female bonus pay £	Pay gap £	Pay gap %
All staff	500	1000	500	-100%

The median bonus gap is 100% or £500. This means that female employees received a bonus equating to £500 more than male employees. Although more male employees received a bonus payment, 75% of these received **less** than the median bonus pay amount for females (£1000), compared to 40% of females.

In comparison 25% of male employees who received a bonus payment received **more** than the median bonus pay amount for females (£1000) compared to 60% of females.



5. Bonus Proportions (paragraph 12)

The proportion of male and female employees who were paid a bonus during the relevant pay 12 month pay period:

Gender	Number of employees	Proportion
Male	44	10.80%
Female	20	24.70%



6. Quartile Pay Bands (paragraph 3)

The proportions of male and female full-pay relevant employees in the lower (L), lower middle (LM), upper middle (UM) and upper (U) quartile equally distributed pay bands are shown in the table below.

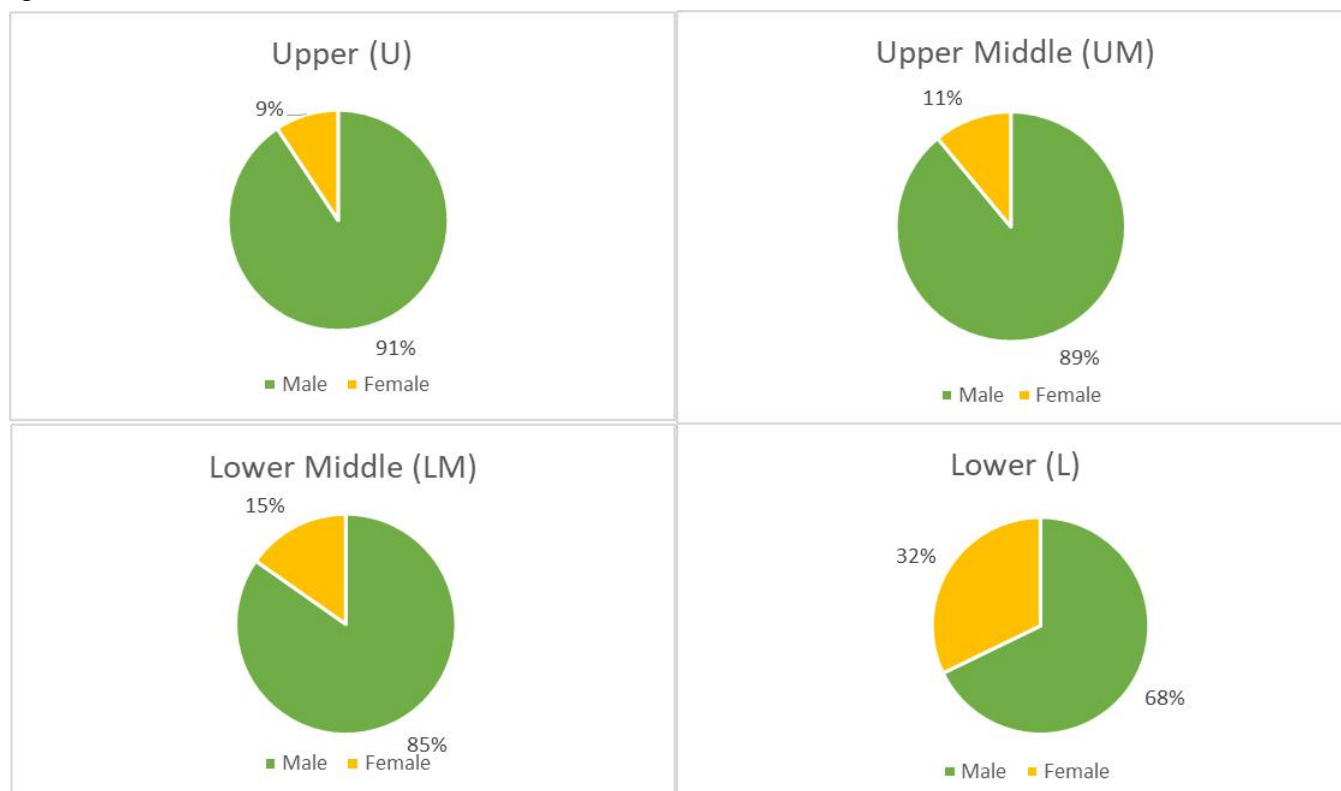
To determine quartiles, employees were ranked in order of their hourly rate, from highest to lowest and divided into four equal groups, according to the guidelines.

Figure 5

Quartile	Male	% of total gender	Female	% of total gender	Total
Upper (U)	107	27%	11	14%	118
Upper Middle (UM)	105	27%	13	16%	118
Lower Middle (LM)	100	26%	18	23%	118
Lower (L)	80	20%	38	48%	118
Total	392		80		472

These charts show the proportion of male and female employees within each quartile.

Figure 6





6. Quartile Pay Bands *cont.*

Figure 7

Quartile	Male	% of total full pay relevant	Female	% of total full pay relevant	Total
Upper (U)	107	23%	11	2%	118
Upper Middle (UM)	105	22%	13	3%	118
Lower Middle (LM)	100	21%	18	4%	118
Lower (L)	80	17%	38	8%	118
Total	392		80		472

When examining the structure of the organisation by role type i.e. senior management, middle management, supervisory management and non-management, females are more evenly represented in each category. In the middle management category, 25% of the total group are female.

The highest number of males and females are within the non-management role type category with numbers decreasing evenly for both males and females as you progress up each level of role type to the senior management level, which you would expect.

Figure 8

Category	Female	Male	Total	% that are female
Senior Management	3	20	23	13%
Middle Management	8	24	32	25%
Supervisory Management	21	119	140	15%
Non-Management	44	219	263	17%

The role type categories are not reflective of the data within the quartile pay bands as non-management and supervisory management employees appear in each of the quartiles due to earning potential, i.e. additional roles, allowances and bank shifts.



In year one of the gender pay gap reporting, full comparison data is not provided. However, before 30 March 2018 there is a statutory obligation to publish gender pay gap information. In subsequent reports benchmark analysis can be provided.



Conclusion

The results of the gender pay gap reporting for the Service as at 31 March 2017 finds that the mean gender pay gap is 19% when compared against the National UK gender pay gaps of 18% for 2017. A recent CIPD study (Source: CIPD People Management magazine February 2018) analysed the gender pay gap figures from the first 570 organisations from both public and private sectors to report so far, which demonstrated a broad spread of mean averages of pay ranging from 64.8% to -12.9%, with the majority clustering between 25% and 0.

Whilst there is no benchmarking data for year one, the fact that our gender pay gap is higher than the national average is a concern that requires immediate consideration. Our aim is to prioritise ways to lower the gender pay gap to below the national UK gender pay gap of 18% and to reduce it further.

Gender pay gap reporting will help to raise the profile of gender issues within all organisations. The Service will strive to increase gender diversity in all areas of the organisation. A particular priority for this Service is attracting and retaining a more diverse workforce and have better representation of males and females at all levels across the Service.



Action Plan for 2018/19:

- Develop the evidence base to determine where the Service can achieve the biggest improvements in closing the gender pay gap
- Improve community engagement, offering role models to positively market a career in the Fire Service
- Continue with a review of the recruitment processes to attract a more diverse workforce
- Review policies and procedures relating to flexible working
- Invest in developing mentoring programmes for all employees and, in particular, female employees to help them progress to the next level of their career
- Create clear inclusive talent pipelines, aimed at achieving greater diversity at the senior levels in the organisation
- Have development programmes in place to enable all employees to have the maximum opportunities to progress their career within the Service
- A review of bonus payments and allowances to be carried out

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