

BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY

BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE

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Chief Fire Officer and Chief Executive

Jason Thelwell

To: The Members of the Executive Committee

29 January 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 7 FEBRUARY 2018 at 10.00 am** when the business set out overleaf will be transacted.

Yours faithfully

Graham Britten
Director of Legal and Governance

Chairman: Councillor Reed

Councillors: Carroll, Lambert, Marland, McCall, McDonald, Roberts and Sullivan



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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 22 November 2017 (Item 2) **(Pages 7 - 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. Members' Allowances

To consider Item 5 **(Pages 11 - 44)**

6. Budget Monitoring Performance and Debt Management April -November 2017

To consider Item 6 **(Pages 45 - 58)**

7. The Prudential Code, Prudential Indicators and Minimum Revenue Provision

To consider Item 7 **(Pages 59 - 68)**

8. Medium Term Financial Plan (MTFP) 2018/19 to 2020/21

To consider Item 8 **(Pages 69 - 80)**

9. Provisional 2018-19 Local Government Finance Settlement (the Consultation)

To consider Item 9 **(Pages 81 - 112)**

10. Partnership Governance Update

To consider Item 10 **(Pages 113 - 126)**

11. 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 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:

12. Strategic Management Board Remuneration and Performance Review 2017 and Annual Report on the Employee Bonus Scheme

To consider Item 12(**Pages 127 - 156**)

13. 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:

14. Exempt Minutes

To approve, and sign as a correct record, the Exempt Minutes of the meeting of the Committee held on 22 November 2017 (Item 14)

15. Date of Next Meeting

To note that the next meeting of the Committee will be held on Wednesday 14 March 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

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Minutes of the meeting of the EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 22 NOVEMBER 2017 at 10.00 am.

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

Officers: 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) J Finden (Fleet Manager) M Crothers (Programme Manager), F Mansfield (HR Services and Development Manager) and F Pearson (Communication and Consultation Manager)

Apologies: Councillor Sullivan

EX17 MINUTES

RESOLVED –

That the Minutes of the meeting of the Executive Committee held on Wednesday 20 September 2017, be approved and signed by the Chairman as a correct record.

EX18 FLEET STRATEGY 2018/19 – 2021/22

The Lead Member for Property and Resource Management advised the Committee that in the Executive Summary it stated 'to provide a clear, corporate vision for the overall direction of the vehicle fleet across the Authority' and that was what this strategy was going to do. It was important that the Authority put some sort of emphasis on planning for the future. The financial planning for this project was very robust. This was a real positive for the Authority.

The Director of Finance and Assets put forward to Members a refreshed Fleet Strategy for the next three years. The current Fleet Strategy had been very well received both by the Authority and indeed a wider audience. This new Strategy focused on continuing with the improvements already made three years ago.

A Member asked why a move to hybrid/electric vehicles was not mentioned in the Strategy and was advised that although this was something that was regularly monitored, there was nothing that would meet Service requirements at this current time. With regard to new technology on vehicles, CCTV had already been installed on some appliances and other new technologies were looked at as and when they came along and whether they would benefit the Authority.

RESOLVED –

That the Fleet Strategy 2018-2021 as set out in Annex 1 be adopted for implementation.

EX19

BUDGET MONITORING PERFORMANCE AND DEBT MANAGEMENT APRIL – SEPTEMBER 2017

The Lead Member for Finance, IT and Procurement advised the Committee that the revenue and capital budgets continued to be well controlled. There was a current underspend of £663k which represented a 2.35% variance against the budget. The main reasons for the increase in underspend was it was anticipated that the majority of the joint funding for sprinklers would not be spent in the current year; lower numbers of operational apprentices were forecast and there was additional treasury management income.

RESOLVED –

1. That the latest projected outturn forecast for the Authority as at 30 September 2017 be noted.
2. That £240k of the underspend is transferred to the sprinkler reserve.
3. That the planned transfer of £150k from the sprinkler reserve is not made in 2017-18.

EX20

EMERGENCY SERVICES MOBILE COMMUNICATIONS PROGRAMME (ESMCP)

The Lead Member for Finance, IT and Procurement advised the Committee that this report was another interim update.

The Head of Service Development advised the Committee that this was a centrally run project by the government that had been running for a few years now, originally it was expected to transition sometime next year.

(Councillor McCall joined the meeting).

The Programme Manager summarised the report for the Committee. The three main points were that the national infrastructure, which was the responsibility of EE to deliver to the programme, was on target and broadly meeting its milestones and early testing had been positive. The national transition plan was supposed to be published for fire services to scrutinise in July but that had not happened and it was now likely that this would not be ready until between the New Year 2018 and spring 2018. The Public Accounts Committee (PAC) had met on 13 November to scrutinise the progress of the project and they had focused mainly on the delay. It was unlikely that this Service would start transitioning now until 2020. The current risk nationally was amber/red. The PAC also focussed on Airwave and the extension to the current arrangements, but would not commit to any dates and would not commit to apportioning funding from

central government to services needing to take action to replace equipment.

RESOLVED –

That the report be noted.

(M Osborne (Deputy Chief Fire Officer), N Boustred (Head of Service Delivery) and J Parsons (Head of Service Development) excused themselves from the Meeting.)

EX21

VOLUNTARY SCHEME PAYS IN THE FIREFIGHTERS' PENSION SCHEMES

The HR and Services Manager advised the Committee that this report was being presented as there was a requirement for a decision to be made on whether to allow Voluntary Scheme Pay arrangements to be made available to affected Pension Scheme Members. For 2016/17 the Authority had two scheme members affected by this and for the 2016/17 tax year any Voluntary Scheme Pays tax charge must be paid to HMRC by the end of January 2018, as after this date, interest would start to accrue. The Home Office had confirmed that it hoped to get out another set of amendment regulations by the end of spring 2018 and if it did this, it would include Scheme Pays. However, there was no guarantee, and if they do not manage this, it was likely to be a long time before it could then be done due to the demands of Brexit.

RESOLVED –

1. That the operation of Voluntary Scheme Pays for all eligible Scheme members when the tax charge in a particular year is in excess of £2,000 be approved.
2. That the Scheme members' benefits be adjusted to reflect the payment made by the Authority under Voluntary Scheme Pays be noted.

EX22

EXCLUSION OF PUBLIC AND PRESS

RESOLVED –

By virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report contains information relating to an individual; and Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as 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:

Application for flexible working – Director of Finance and Assets

(M Osborne (Deputy Chief Fire Officer), N Boustred (Head of Service Delivery) and J Parsons (Head of Service Development) re-joined the meeting.)

D Sutherland (Director of Finance and Assets), M Hemming (Deputy Director of Finance and Assets), J Finden (Fleet Manager), F Mansfield (HR and Service Manager), M Crothers (Programme Manager) and F Pearson (Communication and Consultation Manager) left the meeting.

EX23 APPLICATION FOR FLEXIBLE WORKING – DIRECTOR OF FINANCE AND ASSETS

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

EX24 DATE OF NEXT MEETING

The Committee noted that the date of the next Executive Committee meeting would be held on Wednesday 7 February 2018 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 10.35 AM.



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	7 February 2018
OFFICER	Graham Britten, Director of Legal and Governance
LEAD MEMBER	Councillor Roger Reed, Chairman
SUBJECT OF THE REPORT	Members' Allowances
EXECUTIVE SUMMARY	<p>The Authority is required to adopt a Scheme of Members' Allowances before 1 April each year and, in so doing, have due regard to the recommendations of the Independent Remuneration Panels of the constituent authorities when considering its own Scheme of Members' Allowances and confirm that it has done so when it gives public notice of the Scheme of Allowances.</p> <p>Buckinghamshire County Council's terms of reference require a review of the Scheme of Members' Allowances to be undertaken every four years and this was carried out in January 2015 following a part review which was undertaken in 2013. The review carried out in January 2015 is attached at Appendix A.</p> <p>The Independent Remuneration Panel of the scheme for Milton Keynes Council undertook a review in January 2018 and this is attached at Appendix B.</p> <p>Previously the Authority agreed at its meeting on 14 December 2011 that the index linking for the period 2012/13 to 2014/15 – for basic and special responsibility (and co-optee) allowances – be the pay award for the Authority's staff on National Joint Council (NJC) for Local Authorities' Fire and Rescue Services, Scheme of Conditions of Service (Grey Book).</p> <p>It is recommended that the Authority continue this indexation for the period 2018/19.</p> <p>Some additional modifications have been made to the proposed 18/19 Scheme, shown as tracked changes, at Appendix C.</p> <p>In November 2017 the National Employers' side of the NJC agreed that while Grey Book pay negotiations continue the employers apply a 1% uplift backdated to 1 July 2017.</p>

ACTION	Decision.
RECOMMENDATIONS	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.
RISK MANAGEMENT	The recommendation will have no adverse effect on the Authority's business.
FINANCIAL IMPLICATIONS	<p>The current budget for Members' Allowances (Basic and Special Responsibility Allowances) is £72,780, including National Insurance.</p> <p>Costs will be incurred in publishing a notice that the Authority has made a Scheme of Members' Allowances in a newspaper circulating in its area. The cost is estimated to be in the region of £800.</p>
LEGAL IMPLICATIONS	The making or amendment of the Members' Scheme of Allowances is a function reserved to a meeting of the Authority. An amendment may be made by the Authority in year. Regulation 10(4) of Local Authorities (Members' Allowances) (England) Regulations 2003 provides that "A scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority and where the only change made to a scheme in any year is that effected by such annual adjustment in accordance with such index the scheme shall be deemed not to have been amended."
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	The making of a scheme of allowances is the responsibility of each individual authority defined in the Local Authorities (Members' Allowances) (England) Regulations 2003. The methodology for doing so is prescribed exclusively by those regulations.
HEALTH AND SAFETY	Not applicable.
EQUALITY AND DIVERSITY	<p>The Authority's Scheme of Members' Allowances does not include any element for meeting costs incurred by a Member who has to arrange care in order to carry out their function as a Member of the Fire Authority.</p> <p>The Local Authorities (Members' Allowances) (England) Regulations 2003 exclude the Authority from including such a provision in its Scheme. However, with the exception of co-opted members, all Members are appointed by either Buckinghamshire County Council or Milton Keynes Council and are entitled to claim "dependent carers' allowances" from their appointing authority. There are currently no co-opted members on the Authority.</p>

USE OF RESOURCES	The recommendation is consistent with the extant Scheme of Allowances.
PROVENANCE SECTION & BACKGROUND PAPERS	BMKFA Scheme for Members' Allowances 2017/18: http://bucksfire.gov.uk/files/4614/9009/0289/MEMBERS_ALLOWANCES_201718.pdf
APPENDICES	Appendix A: Report of the Independent Panel on Member Allowances for Buckinghamshire County Council January 2015. Appendix B: Milton Keynes Council report of the Independent Panel of Members' Allowances January 2018. Appendix C: Draft Scheme for Members' Allowances 2018/19.
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Katie Nellist Knellist@bucksfire.gov.uk 01296 744633

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5. REPORT OF THE INDEPENDENT PANEL ON MEMBER ALLOWANCES FOR BUCKINGHAMSHIRE COUNTY COUNCIL

Introduction: The Regulatory Context

1. The following report notes the proceedings and recommendations made by Buckinghamshire County Council's Independent Panel on Member Allowances.

2 The Panel was established under Regulation 20 of the Local Authorities (Member Allowances) (England) Regulations 2003 (SI 2003 No 1021) to produce a report and make recommendations as required by Regulation 21. These regulations, made under relevant provisions in the Local Government and Housing Act 1989 and the Local Government Act 2000, require all local authorities to maintain an Independent Panel on Member Allowances to review and make recommendations in respect of member allowances.

3. Councils are required to have regard to the recommendations of their Independent Panel before they make or amend a Member Allowances Scheme.

The Panel

Richard Benz, Partner, Kidd Rapinet, Solicitors, Aylesbury and founding Director and initial Chairman of Bucks Economic Partnership Alex Pratt JP BSc OBE, Managing Director, Serious Brands Ltd, and Chairman of Bucks Business First Lisa Williams, Managing Director of John Lewis, High Wycombe.

Terms of Reference

This review by the Panel is a whole-scheme review which has to be undertaken at least every four years. A part review was undertaken in 2012 and revisions made to the Special Responsibility Allowances (SRAs) after approval of the Panel's recommendations by full Council. The County Council also accepted the following Recommendations from the Panel in July 2013:

1 That the changes to the Scheme of Allowances mentioned above, and outlined in detail in Appendix 1 to this Report, be approved;

2 That an appropriate system of performance management for members be considered.

Interviews conducted by the Panel

The Panel met with the Party Group Leaders and the Chief Executive, individually, during the summer and invited comments from members of the Council on the Scheme and any changes that might be made. The Panel particularly invited comments on their recommendation from 2013 that a system of performance management for members should be developed.

Mr Martin Tett, Leader of the Council, and Mr Mike Appleyard, Deputy Leader of the Council.

Martin Tett and Mike Appleyard informed the Panel that, following the changes made in July last year, they were not proposing any further changes to the Member Allowances Scheme. They felt that the annual increase in rates linked previously to any officer pay award should be discontinued and the current rates of Special Responsibility Allowances, as outlined in Appendix 1 to this Report, should, therefore, be maintained. Other allowances in the Scheme should also continue at the current levels.

The Leader and Deputy Leader discussed their views on performance management of members with the Panel. In summary:-

They fully supported the principle but felt the development of a comprehensive system was not easy to achieve in practice. Members of the Council are elected every four years and this is a judgement in itself. Performance could not simply be gauged on the number of meetings a member attended, work in the community was as important. How would 'excellence' be judged and by whom? In the past when similar schemes have been discussed, the view has been that Group Leaders are not well placed to know what members do and contribute locally? How would contributions be 'moderated' between Groups? e.g. if one Group Leader thought his/her Group were all 'excellent' but another Group Leader were more challenging and rated his/her Group as only 'satisfactory'? No budget exists for further rewards and, in the light of the county's financial situation; the Council would probably have to reduce the standard Allowance to fund it. When services are being reduced and higher charges being made it is not an appropriate time to consider increasing allowances.

Mr Andy Huxley, Leader of the UKIP and Independent Group

Although he had some concerns over the number of SRAs paid, and felt that travel expenses paid were rather generous, Mr Huxley felt that the current system of Allowances works well. Whilst he supported the principle of performance management of members he was unsure how it could be applied in practice. Who would judge and on what criteria?

Mrs Avril Davies, Leader of the Liberal Democrat with Buckingham Labour Group

Mrs Davies felt that the existing rates in the Member Allowances Scheme were reasonable but expressed similar concerns about the number of SRAs paid. Travel expenses should be at paid at lowest petrol rate she felt. Mrs Davies supported the concept of performance management and shared with the Panel the performance management and review template that she uses with her Group. Mrs Davies wouldn't be against reward for excellence but was mindful of the budget implications. Money would be better spent on administrative support to her group, she felt.

Mrs Davies considered that the Council should pursue an accredited modular course of member development.

Mr Chris Williams, Chief Executive

Mr Williams explained the Council's Delivering Successful Performance (DSP) system of performance management for officers. It would be possible for a system of performance management to be developed for members, perhaps with a lower basic allowance and

then an "earned amount", but he appreciated all the issues mentioned by others that would make a system difficult to achieve.

Other Members of the Council

The Panel invited comments from all members of the Council on the current Allowances Scheme generally and, specifically, whether an element could possibly be built into the Scheme to reward excellence. In terms of the number of SRAs, and the levels of the allowances, there were no comments recommending that they be increased. There has been a historic link between the allowance rates and the annual officers pay award. The Council will need to decide whether the current rates of allowances should remain unchanged this year and, in future, how and when they are reviewed. The Council need to have "regard to" the views of the Panel before making changes to the Scheme of Allowances. The view of the Panel is that they should be delinked.

On the subject of "rewarding excellence", members were generally against this. Reasons such as budgetary implications, potential difficulties of fair and effective implementation (i.e. no "level playing field"), particularly in a political organisation, were mentioned.

Views of the Panel

The Panel are grateful to those members who gave up their time to meet with them and to the members who expressed their views in writing.

Contributors made the Panel aware of the Council's "Future Shape" proposals and for the Council to be more commercially aware in its approach. The Panel welcome this business-centred drive, particularly given the pressures local authorities are under in delivering quality services to the public with diminishing budgets. The ramifications of the "Future Shape" proposals are such that an even greater focus on a commercial approach and performance management is likely to be needed.

The Panel is aware that the Council will be under even more pressure, budget-wise, over the years ahead. Discussions will doubtless continue at national and local level about possible devolution of functions from central to local government and the debate about re-structuring local government in Buckinghamshire will gather pace. As a result of this, the Panel believes that the Council, as part of its business-centred approach, will need to give further consideration to performance management at all levels of the organisation. The Panel is disappointed that the Council has not yet acted on the recommendations it accepted in July 2013 and would urge the Council to act on them. In the view of the Panel, objections raised are not insurmountable and with careful thought and planning can be worked through and resolved. The Panel understands that other Councils are exploring the use of such a system and believes the Council should take the lead. The Panel notes that the Council uses it to measure the performance of its own staff.

The Panel consider that the "Future Shape" proposals are likely to require a reconsideration of the roles of elected members on the one hand and officers on the other- including (1) the traditional approach of elected members setting policy which is then implemented by officers and (2) in a cabinet-style system those involved in what could amount to a virtually full-time executive role being remunerated on a proper basis

for the time and effort put in, as opposed to simply receiving allowances. The Panel appreciates that these matters are outside of its terms of reference but proper consideration of them is, in its view, essential.

The Panel noted that the Council had recently been successful in achieving a refresh of the South-East Employers' (SEEMP) Member Development Charter. They congratulate the Council on this award and in their continuing commitment to member development. The Panel support the views of the SEEMP Panel judging the Award that the Council should, particularly, pursue the following areas of improvement:-

- All Members of Cabinet should be encouraged to have a Personal Development Plan (PDP) and a target of 80% of all members having a PDP should also be set
- All elected members be invited to prepare an Annual Report setting out their achievements for the year which could be uploaded to the Council's website. This would increase the visibility and accountability for each individual member. The Council should also re-visit and use the role profiles for all elected members as part of the PDP discussion. The role profiles will need to be reviewed to reflect the changing role of the member.
- The provision of leadership development particularly for members of the Cabinet
- The Council's Member Development Working Group should pilot and implement a 360 degree process to assist with the support for individual members.

With regard to POPs, the Panel see the following headings as being useful:-

Performance against (Strategic Plan) objectives

- What has worked particularly well in performing your role?
- What has worked less well and what have you learned from this?
- Attendance and contribution at Scrutiny and Committee Meetings?
- Attendance and contribution at Council?
- Attendance and contribution at Group Meetings?
- Representing constituents through Casework?
- Performance as a Deputy Cabinet Member Spokesperson?

Setting Objectives for next 12 months

Objectives should cover the period from April to March.

Learning and Development Needs

How are you seeking to develop your role and how will you acquire the required skills and experience? What support from the group and council would help?

In addition to the above, the Panel feels that the Council could add the 360 degree process to the template.

The Panel believes that a system of performance does not necessarily mean that the total spend on allowances would increase. Even if it did, the increased performance in delivery of Council activities could result in efficiency savings outweighing any increased allowances.

The Panel considers that, as part of any future structural review of local government in Buckinghamshire, central government should look again at the way local councillors are remunerated to ensure that the rewards are sufficient to attract the calibre of people who will be needed to run a different type of organisation.

THE PANEL'S RECOMMENDATIONS

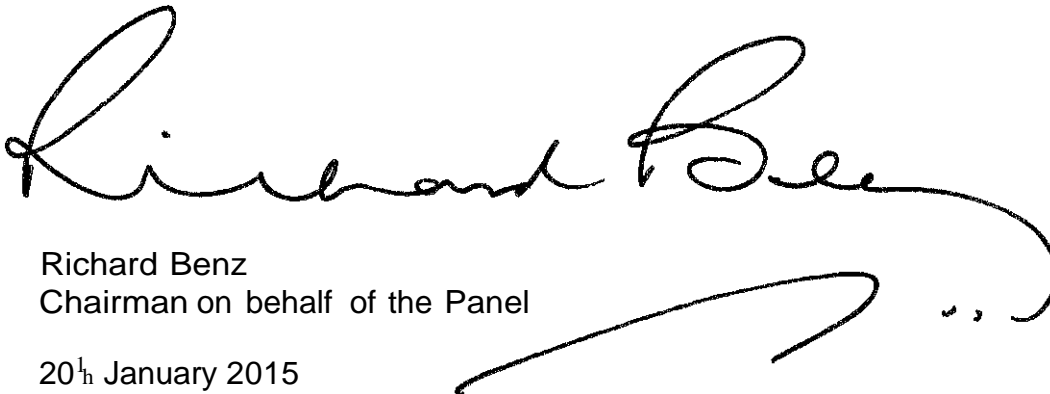
Following the four-yearly review the Panel recommends:-

1 That (having regard to the views of the Panel) the Council should decide whether the current rates of all Allowances in the Scheme should remain unchanged this year and, in future, how and when they are reviewed.

2 That the Council should take steps to implement the Panel's recommendations in its July 2013 report and continue to give due consideration to the development of a system of performance management for members starting with the initiatives outlined above.

3 That the Council should address in a timely way issues likely to result from the "Future Shape" proposals, having regard to the comments made in this report.

4 That the Council should invite the Panel to present and speak to this report.



Richard Benz
Chairman on behalf of the Panel

20th January 2015

APPENDIX 1

CURRENT SPECIAL RESPONSIBILITY ALLOWANCES

Post	SR Allowance (pa)	Total
Leader	£39,709	£39,709
Deputy leader	£26,473	£26,473
Cabinet Member (6)	£20,172	£121,032
Select Committee (Ch) x 4	£10,092	£40,368
Statutory Committee (Ch) x 4	£5,046	£20,184
Deputy Cabinet Members (7)	£5,046	£35,322
Group Leaders *		
Conservative (36)	£10,948	£10,948
Liberal Democrat (6) (5 Lib Dem /1 Labour	£2,938	£2,938
UKIP (7) (6 UKIP /1 Independent)	£3,205	£3,205
Chairman of the Council	£12,610	£12,610
Vice-Chairman of the Council	£3,156	£3,156
Chairman of Police & Crime Panel **	£10,092	£10,092
Police and Crime Panel Representative	£1,500	£1,500
Basic Allowance x 49	£10,718	£525,182
TOTAL		£852,719

*Allowances derived from formula: £1,336 basic plus £267 per member

** This is only payable in the case where the Panel elects the Buckinghamshire County Council's representative as its Chairman

**REPORT BY
THE MILTON KEYNES COUNCIL
INDEPENDENT REMUNERATION PANEL**

An Independent Review of Members' Allowances
January 2018

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Executive Summary

Milton Keynes Council's Independent Remuneration Panel has been asked to prepare this report in order to help the Council fulfil its statutory duty to review its scheme of allowances at regular intervals.

The Panel took account of a range of information prior to formulating their recommendations. This included information on the governance arrangements and structures of the Council, the views of councillors – via both face-to-face interviews, written submissions and a short survey – relevant benchmarking data, the economic and financial climate within which the Council operates and the desire to encourage citizens to participate in local democracy. The Panel also considered the statutory framework for members' allowances, including the relevant statutory instruments and the guidance issued by the Department for Communities and Local Government.

The Panel took particular care to try to balance the need to ensure that citizens are able to participate in local democracy by standing for election against the reality of the prevailing financial climate. In doing so, the Panel have based their recommendations upon the existing scheme of allowances but have made a small number of recommendations in order to address the issues that they perceive to exist within the scheme.

In terms of the basic allowance, the Panel have also taken into consideration the increasing workloads of councillors and the demands in representing citizens and participating in decision making in one of the most dynamic and fastest-growing areas of the United Kingdom. While councillors expressed a general level of satisfaction with the level of the basic allowance, the Panel were conscious of the fact that the amount is not index linked and has therefore not changed for some time. The Panel hope that their recommendations will address this issue.

The Panel have given equally careful consideration to the special responsibility allowances payable to councillors who undertake additional duties, many of which are equivalent to a demanding full-time job. The Panel heard a range of views on these allowances, which they took account of alongside benchmarking data from other comparable authorities and the particular governance structures and political landscape at Milton Keynes Council. The Panel have taken the decision to leave this section of the scheme largely untouched, but have made some recommendations for the Council to consider. The first is the introduction of an index to ensure allowances keep pace with the rising cost of living. The second is the introduction of an allowance for the Deputy Leader of the Council as Milton Keynes is almost unique in not recognising this position within its scheme of allowances.

The Panel would like to thank all of the councillors who took part in the review by answering the many questions that the Panel posed. The Panel believes that these recommendations, if adopted, will result in a scheme of allowances that is fair, transparent and affordable. The Panel hope that the Council will approve these recommendations.

Introduction

- 1.1 The Council is required to make a scheme of allowances for its councillors in accordance with the Local Authorities (Members' Allowances) (England) Regulation 2003. The process for making and reviewing such a scheme is regulated so that the public can have confidence in the independence, openness and accountability of the process involved. The process requires that the Council must establish an independent remuneration panel and, before making or amending its scheme of allowances, must have regard to the views of the Panel.
- 1.2 This report presents the recommendations of the Independent Remuneration Panel to the Council for consideration and approval.

The Panel

- 2.1 In accordance with the Council's constitution, the current Panel was appointed following a recruitment process established by the Council. The Panel comprises the following members:
 - Ms Ruby Parmar. Ruby is the Senior Partner at PricewaterhouseCoopers' Milton Keynes Office. Ruby also sits on the Board of Trustees of the Magic Bus India Foundation, a charity dedicated to providing children living in poverty the opportunity to shape their future.
 - Ms Jan Flawn CBE. Jan is the founder and Chair of PJ Care, a leading Milton Keynes-based provider of specialist neurological care and neuro rehabilitation for people with progressive or acquired neurological conditions.
 - Mr Stewart Bailey. Stewart is Managing Director of Virtual Viewing, a company specialising in computer generated work aimed at inspiring inward investment and interest in construction and design projects.The Panel was assisted in their deliberations by Paul Hanson, Democratic Services Manager from the LGSS Northamptonshire office.

Terms of Reference for the Review

- 3.1 The Panel's terms of reference were based on the relevant statutory instrument (Members Allowances (England) Regulations 2003), as well as guidance issued by the Department for Communities and Local Government (New Council Constitutions: Guidance on Regulation for Local Authority Allowances). It should be noted that the Panel is required to take these documents into account when preparing recommendations on the Council's scheme of allowances.
- 3.2 In line with the statutory requirements relating to schemes, the Panel's agreed terms of reference were as follows:
 - To determine the amount of basic allowance that should be payable to councillors;

- To determine the responsibilities or duties which should lead to the payment of a special responsibility allowance and the amount of such allowances;
- To determine the duties for which a travelling and subsistence allowance can be paid and the amount of such allowances;
- Whether the Council's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and the amount of this allowance and the means by which it should be determined; and
- Whether annual adjustments of allowance levels should be made by reference to an index, and, if so, for how long such a measure should run.

3.3 The Panel also agreed the following set of broad principles within which the review of allowances was undertaken:

- In line with the statutory guidance, the Panel took into account the principle that an element of the role of councillor must be voluntary, but that should not mean that councillors should suffer significant financial loss as a result of undertaking the role;
- Allowances should not be designed to reward councillors, but neither should the level of allowances prohibit individuals from considering standing for election; and
- The Panel were mindful that a reasonable percentage of councillors that should be eligible to receive a Special Responsibility Allowance.

The Evidence Considered

4.1 The Panel considered a range of qualitative and quantitative evidence, as well as benchmarking data. In the area of basic and special responsibility allowances, the Panel attributed greatest weight to the written and verbal testimony of councillors.

4.2 Benchmarking evidence was considered, however, the Panel had to be cautious in the application of this data. This was because the data, while helpful in determining the relative position of allowances paid by Milton Keynes Council in comparison to other comparable (statistical nearest neighbour) authorities, the data does not reveal the reasons for any discrepancies, nor the detail of the range of responsibilities covered by each post.

4.3 The Panel issued an open invitation to all councillors to meet with them and share their views. Individual interviews were conducted with ten councillors over the course of the review, representing all of the political groups on the Council. A simple questionnaire was also circulated at the Panel's request and nine responses were received. A range of opinions were heard, relating not just to allowances but also to the nature of the role of councillor, the time commitment involved and other forms of support that are available to councillors. Input was received from councillors who were employed, self-employed and retired.

4.4 There was a general consensus that the current rate of basic allowance is broadly sufficient, but some concerns were expressed about the lack of any form of indexation within the scheme and the long-term effect this could have on the viability of allowances. The Panel

felt that the basic allowance must be set at a level that allows councillors to make the not-inconsiderable time commitment required in order to fulfil their roles effectively, particularly now given the rapid growth within the Milton Keynes area.

- 4.5 On the issue of special responsibility allowances, a diverse range of opinions were expressed. There was a broad consensus on the level of allowances attached to such roles as group leaders and committee chairs, but rather less consensus about roles such as committee vice-chairs. The Panel took careful account of this information and used benchmarking data to determine how such roles were treated in other comparable authorities.
- 4.6 In terms of the expenses that may be claimed in the course of carrying out their roles, councillors were generally satisfied with the arrangements in place. Some small changes to the scheme were suggested, however, and the Panel has made recommendations based on their own views as to the fairness and transparency of this aspect of the scheme.
- 4.7 Some councillors expressed the view that a form of means testing could be used to ensure that the budget for allowances is apportioned efficiently. The Panel noted this issue but were mindful of the fact that the legislative framework which underpins local authority allowances provides no freedom to do this.
- 4.8 The Panel noted that most formal committee meetings take place in the evenings in order to make the best use of councillors' time and reduce the impact on those councillors who are in paid employment. The Panel welcomed the efforts made by the Council but felt that the Council could, and should, do more to support councillors who are also employed, particularly where they undertake additional roles within the Council.
- 4.9 In formulating recommendations about the special responsibility allowances within the new scheme, the Panel sought to examine the nature of the roles undertaken by councillors and determine the position of each role within the hierarchy of allowances. This approach was based on the principles that underpin every review of allowances and takes into account factors such as
- The level of decision making responsibility associated with each role;
 - Other responsibilities associated with each role (such as responsibility for chairing a committee, and attendance at outside meetings associated with the role);
 - The time requirement of each role; and
 - Any other specialist skills, knowledge or other factors needed to be able to carry out each role effectively.

The Panel's Conclusions and Recommendations

- 5.1 In undertaking their review, the Panel were mindful of the fact that their recommendations would be subject to considerable internal and external scrutiny and would have to be supported by the evidence considered. The Panel also considered whether the current

financial and economic climate should inform their recommendations. The Panel took the view that this was an important factor and the public would rightly expect it to form part of the Panel's considerations. The Panel also felt, however, that it had to be balanced against other factors such as the need to encourage democratic diversity and participation in local democracy.

- 5.2 The councillors whose views were provided to the Panel represented a range of backgrounds, including employed, self-employed and retired members. The Panel took the view that no-one should be prevented from undertaking the role of councillor as a result of their personal circumstances. Having considered the range of information presented to them, they took the view that while there is evidence to suggest that allowances play a part in this issue, factors such as the time commitment required of councillors also has a direct bearing. The Panel have sought to make recommendations that will enable a diverse range of citizens are able to consider standing for election.

The Basic Allowance

- 6.1 The Panel considered a range of evidence and opinion about the basic allowance. The Panel felt that, although there was general satisfaction with the level of basic allowance currently paid to councillors, care needed to be taken to ensure that the allowance properly covers the costs associated with undertaking the role of councillor, particularly for councillors in full or part-time employment who may need to take unpaid leave and experience a corresponding loss of pensionable pay in order to undertake their role. The Panel were also cognisant of the additional workloads placed on all councillors as a result of the rapid growth taking place in Milton Keynes and the increasing complexity of the role as a result of this.
- 6.2 The Panel feel that the basic allowance should be seen as covering the reasonable costs associated with holding the office of councillor. In light of the above, the Panel recommend that the basic allowance should be set at £10,500 per year from 1 April 2018
- 6.3 The Panel also recommend that the basic allowance should increase by 2% every year from 1 April 2019 for a period of four years. This increase is the same as that recently announced for local government staff. The Panel feels that this recommendation will address a shortcoming of the Council's current scheme of allowances in a sensible and sustainable way.

Special Responsibility Allowances

- 7.1 On the subject of special responsibility allowances (SRAs), the Panel heard a wide range of views on the different roles that are necessary in order to facilitate the operation of the new governance arrangements. In some cases the message was fairly clear and consistent, while in other cases – such as committee vice chairs - there was far less consensus.

7.2 The Panel reviewed each role individually, using the evidence supplied by councillors, as well as written material supplied by the Council, as the basis for evaluating each role and determining an appropriate allowance.

7.3 Leader of the Council, Deputy Leader of the Council and Cabinet Members

7.3.1 In the case of the Leader, Deputy Leader and Cabinet, the Panel were satisfied that councillors undertaking these roles continue to take on very significant decision making and other responsibilities. These include holding senior officers to account, negotiating with Government representatives and other external agencies and, in the case of the Leader, setting priorities for other decision makers and representing Milton Keynes at an international level. It was clear to the Panel that these roles also require a substantial time commitment. The Panel is satisfied that the allowance for both the Leader and members of the Cabinet are appropriate and should not be changed.

7.3.2 The Panel were, however, greatly concerned that the role of Deputy Leader is not recognised within Milton Keynes Council's scheme of allowances. The Panel have no doubt that the role of Deputy Leader is an important one which, by definition, is more onerous than that of Cabinet Member. The Panel also noted that Milton Keynes Council is the only one of the nearest neighbour authorities not to recognise the role of Deputy Leader within its scheme of allowances.

7.3.3 The Panel therefore recommend the following allowances:

Leader of the Council	£30,000
Deputy Leader of the Council	£15,000
Cabinet Member	£11,000

7.3.4 Additionally, the Panel could see no practical value in the application of a cap on the total cost of cabinet positions, particularly given the limitation on the size of the Cabinet prescribed by statute and the fact that no similar cap is in place for other positions such as scrutiny committee chairs. The Panel therefore recommend that the cap be removed from the scheme of allowances.

7.4 Overview and Scrutiny Committees

7.4.1 Unlike the Cabinet, roles associated with overview and scrutiny (Chair of Scrutiny Management Committee and Chairs of Scrutiny Committees) are not associated with significant decision making responsibility. The Panel felt that this continues to be an important distinction which must be taken into account. Nevertheless, the Panel acknowledge that scrutiny plays an important part in the governance of the Council, particularly at a time of significant challenge. It is clear to the Panel that the councillors responsible for leading the scrutiny function take on significant

responsibility in terms of holding decision makers (i.e. the Cabinet) and senior officers to account. The Panel acknowledges that chairing a scrutiny committee can be a time consuming role.

7.4.2 The Panel recommends no changes to the existing allowances:

Chair of Scrutiny Management Committee	£7,500
Chair of Scrutiny Committee	£4,500
Chair of Task and Finish Groups (pro-rata)	£4,500

7.5 Other Committees

7.5.1 The Panel acknowledged that chairing other committees (Licensing and Regulatory, Development Control, Audit Committee, Standards Committee and RegenerationMK Committee) are notable roles. The Panel are clear that councillors undertaking these roles are expected to carry out their duties diligently, but also acknowledged that the time commitment and level of subject matter knowledge required varied between committees.

7.5.2 The Panel heard a range of views about the role of vice chairs of these committees. Some councillors felt that vice chairs undertake an important and onerous role, while others felt that vice chairmanship of a committee is a developmental role which may be undertaken in preparation for a more onerous role in the future. The Panel considered this issue carefully but ultimately decided that, given the number of councillors who are already eligible to receive a special responsibility allowance, these roles do not merit an allowance

7.5.3 The Panel agreed that the allowances provided within the current scheme, and the relative hierarchy of roles, is correct. The Panel therefore recommend the following allowances:

Licensing and Regulatory Committee Chair	£8,000
Development Control Committee Chair	£8,000
Audit Committee Chair	£5,500
Standards Committee Chair	£3,000
RegenerationMK Committee Chair	£3,000

7.6 Opposition Group Leaders

7.6.1 The Panel felt that councillors undertaking the role of group leader undertake a responsible and demanding job, particularly given the current and historical political makeup of the Council.

7.6.2 The Panel recommend the following allowances:

Main Opposition Group Leader	£620 per group member
Smaller Opposition Group Leader	£620 per group member

7.7 Civic Allowances

7.7.1 Although civic allowances do not strictly form part of the Panel's remit, as they are included within the scheme of allowances the Panel saw fit to include these roles within their recommendations. The Panel recommend no changes to these allowances:

Mayor	£11,000
Deputy Mayor	£5,500

7.8 Indexation

7.8.1 The Panel considered the need to put in place a form of indexation for special responsibility allowances in order to ensure that the level of compensation provided to councillors who undertake these important roles does not fall behind the cost of living. The Panel discussed this point in depth and resolved to recommend that special responsibility allowances should increase by 2% every year from 1 April 2018 for a period of four years. It should be noted that one member of the Panel felt it was more appropriate to defer the introduction of this indexation until April 2019, for reasons of affordability. The remaining two members of the Panel, however, felt that this issue needed to be addressed immediately. This indexation should also apply to civic allowances.

Other allowances and expenses

8.1 The Panel considered and reviewed all of the other allowances and expenses under their terms of reference (set out in section 3). They have decided to make the following recommendations:

- The dependents' and carers' allowance should be retained at the present rate (living wage in respect of child care, £10 per hour or Milton Keynes Council Home Help rate in respect of care for adults);
- The amounts payable for travel expenses should continue to be paid at the same rates as those paid to officers;
- The amounts payable for subsistence expenses should continue to be paid at the current rates; and

- The amounts payable to co-opted members should continue to be paid at the current rates.
- The Panel have recommended small clarifications to the list of approved duties for which expenses can be claimed.

Other recommendations

9.1 The Panel heard much about the difficulties of balancing the demands associated with the role of councillor with employment and family life. The Panel were concerned to hear about the impact that this has on councillors, particularly when deciding whether to take on additional roles or even whether to re-stand for election once election.

9.2 The Panel therefore recommends that the Council should investigate ways of helping councillors manage their work-life balance effectively. This should extend to providing information about employment rights for councillors who are employed, as well as providing employers with information about the benefits of employing councillors.

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**BUCKINGHAMSHIRE AND MILTON
KEYNES FIRE AUTHORITY**

***MEMBERS' SCHEME OF ALLOWANCES
2018/19***

THE BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY

MEMBERS' SCHEME OF ALLOWANCES

Introduction

1. This Scheme is governed by the Local Authorities (Members' Allowances)(England) Regulations 2003 and the Local Authorities (Members' Allowances)(England) (Amendment) Regulations 2003 – “the regulations.”
2. Elected Members of the Buckinghamshire and Milton Keynes Combined Fire Authority may claim basic allowances, special responsibility allowances, travelling allowances and subsistence allowances for approved duties in accordance with the provisions of this scheme.
3. Appointed (non elected) members may claim co-optees allowance, travelling allowances and subsistence allowances for approved duties specified in this scheme.
4. "Year" means the 12 months ending with 31 March.
5. The Scheme has four Schedules attached which are:
 - (a) Schedule 1 - Special Responsibility Allowances
 - (b) Schedule 2 - Payment of Travelling and Subsistence Allowances
 - (c) Schedule 3 - Duties Excluded from the Allowances Scheme
 - (d) Schedule 4 - Rates of Allowances

Creation and Amendment of the Scheme

6. This scheme comes into effect on 1 April 2018.
7. For subsequent changes in basic allowances, special responsibility allowances and co-optees allowances, new rates will be payable from the date the amendment takes effect as set out either in this scheme or the Regulations.
8. The Fire Authority will be responsible for amending the scheme and in doing so will have regard to any recommendations to its constituent councils of the independent remuneration panels set up by them.

Basic Allowances

9. The Fire Authority will pay equally to each Member of the Authority a basic allowance of an amount specified in Schedule 4.
10. Where the term of office of a Member begins or ends in the course of a financial year entitlement will be apportioned in accordance with the Regulations. The apportionment will not take place where a Member's term of office lasts less than one month.
11. Basic Allowances are payable monthly and are subject to tax and national insurance deductions.

Special Responsibility Allowances

12. The Fire Authority will pay each year to the Members of the Fire Authority who have special responsibilities by reason of the office(s) they hold the special responsibility allowances set out in Schedule 1.
13. Where a Member takes up or relinquishes any post that carries a special responsibility allowance in the course of a financial year the entitlement will be apportioned in accordance with the Regulations. The apportionment will not take place where a Member's term of office lasts less than one month.
14. Special responsibility allowances are payable in monthly instalments and are subject to tax and national insurance deductions. Where a Member is eligible for more than one special responsibility allowance (whether payable by the Fire Authority or another authority for Fire Authority duties) only the highest one will be payable, with the exception that a Lead Member may claim one Lead Member's Allowance in addition to one other Special Responsibility Allowance payable.

Approved Duties

15. Travelling and Subsistence Allowances are payable monthly and are only payable to Elected Members of the Fire Authority for the approved duties set out in Schedule 2.

Co-optees Allowance

16. A Co-optees Allowance may be paid to appointed members (i.e. non-Elected Members whether voting or not) for the performance of any approved duty as defined by this document.
17. The allowance will be payable in monthly instalments and are subject to tax and national insurance deductions.

Travelling and Subsistence Allowances

18. The term "Member" for the purpose of travelling and subsistence allowances applies to any person who is a Member of the Fire Authority, or who is a member of any committee, sub-committee or panel of the Fire Authority, and so includes appointed non-elected members of those bodies. The payment of these allowances is dependent upon the performance of an "approved duty" which is an attendance as a member at a meeting, or the carrying on of a duty, set out in Schedule 2.
19. The rates for travel and subsistence allowances are specified in Schedule 4.

Allowances are Maxima

20. The scales for all allowances are maxima and there is no obligation on any Member to claim any or all of the allowances.
21. A Member shall give notice in writing to the Chief Finance Officer that he/she elects to forego any part of his/her entitlement to an allowance under the scheme.

Social Functions and Occasions

22. Elected Members on occasions are invited, or feel it necessary to attend functions, or occasions which have a social element. No allowances are paid to Members of the Fire Authority on these occasions unless the Member is undertaking the performance of a positive duty and one of significant size, e.g. making a speech or distributing prizes when travel and subsistence allowances may be paid. Merely to attend because the member is interested or represents people in the district is insufficient to justify payment of any allowances.

Conference Expenses

23. If attendance at a conference has been approved by the Authority, conference expenses which are obligatory and outside the control of the Member, will be paid in advance on request or will be reimbursed. These expenses will include the conference fee. The actual cost of accommodation, meals and the like, will only be met or reimbursed if it is part of the inclusive charge for the conference or it is a requirement of the conference or its organisers that the Member should stay at a particular hotel.
24. Travel and subsistence allowances are payable where appropriate.

Telephones

25. A mobile phone will be provided to the Chairman of the Fire Authority, with the cost of supply, rental and business calls being met by the Fire Authority.

Avoidance of Duplication

26. A claim for an allowance under this scheme must include, or be accompanied by, a statement signed by the claimant that no other claim has been, or will be made for the matter to which the claim relates.

Records of Payments

27. Records of payments made to Members are available for inspection free of charge by any local government elector of the Fire Authority.
28. A person entitled to inspect a record may make a copy of any part of it.
29. Details of total payments made to each Member for allowances under this scheme will be published as soon as practicable after the end of the year to which they relate.

Expense Claim Formss

30. All information requested ~~on for~~ the expense claim form must be provided, including ~~details of start and finish times, journeys made and meetings attended~~ the number of miles, the locations travelled from and to and the reason for travel. (It is always advisable for Members to make contemporaneous notes in their diary to assist in the completion of claims).
31. Claims for expenses should only be made when actually incurred, ie rail/bus, taxis, hotel accommodation. Receipts ~~should~~ must be provided.
32. Claims for the same expenses (mileage, travel and subsistence etc) must not be made from more than one body.
- ~~33. Claim forms should be completed and submitted to the Chief Finance Officer, preferably within seven working days after the end of each calendar month.~~
- ~~34~~33. Payments for basic and special responsibility allowances will be paid monthly in arrears and travel and subsistence payments will be paid monthly in arrears on the submission of a claim ~~form~~ through the HR and Payroll Portal.
- ~~35~~34. No claim from a Member for traveling or subsistence allowances which is submitted more than three months after the costs were incurred and no later than the end of April for the preceding financial year will be

entertained, except in exceptional circumstances and approved in writing by the Chief Finance Officer.

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SCHEDULE 1

SPECIAL RESPONSIBILITY ALLOWANCES FROM APRIL 2018

Special Responsibility Allowance per annum

• Position	£
• Chairman	12,215
• Vice-Chairman	4,093
• Chairman – Executive Committee	5,039
• Chairman – Overview and Audit Committee	3,301
• Chairman – Human Resources Sub-Committee	1,652
• Group Leaders	3,665
• Lead Members	3,185

SCHEDULE 2

PAYMENT OF TRAVELLING AND SUBSISTENCE ALLOWANCES

The duties in this Section have been approved for the payment of travel and subsistence allowances:

- (a) Attendance at a meeting of the Fire Authority;
- (b) Attendance at a meeting of any committee or sub-committee of the Fire Authority;
- (c) Attendance at a meeting of any section, panel, working party or other meeting authorised by the Fire Authority or a committee or sub-committee of the Fire Authority or a joint committee of the Fire Authority and one or more other authorities to which the member has been specifically appointed provided that it is a meeting to which Members of at least two political groups have been invited.
- (d) Attendance at a meeting of an association of authorities of which the Fire Authority is a member and to which the member has been appointed by the Fire Authority to represent it.
- (e) Attendance at ad hoc meetings with other authorities, organisations or bodies authorised by a committee or sub-committee of the Fire Authority, or the Director of Legal and Governance on the advice of the relevant Chairman or Vice-Chairman if this is not practicable.
- (f) Attendance at briefing meetings to which Members of at least two political groups have been invited authorised by a committee or sub-committee of the Fire Authority, or the Director of Legal and Governance on the advice of the relevant Chairman or Vice-Chairman if this is not practicable.
- (g) Attendance at seminars and conferences arranged by the Fire Authority, a committee or sub-committee of the Fire Authority, or the Director of Legal and Governance on the advice of the relevant Chairman or Vice-Chairman if this is not practicable, about any of its functions.
- (h) Attendance at specific visits arranged by the Fire Authority, a committee or sub-committee of the Fire Authority, or the Director of Legal and Governance on the advice of the relevant Chairman or Vice-Chairman if this is not practicable, about any of its functions and where Members of at least two political groups have been invited.
- (i) Attendance at a meeting of any body or authority upon which the member has been appointed by the Fire Authority or a committee or sub-committee of the Fire Authority to represent it.

- (j) Attendance in connection with the discharge of any function of the Fire Authority conferred by or under any enactment and empowering or requiring the Fire Authority to inspect or authorise the inspection of premises.
- (k) Attendance at meetings of bodies where the Fire Authority makes appointments, where the Fire Authority has a major influence at national, regional, county or district level. These bodies are listed below:
 - (i) Local Government Association
 - (ii) Fire Commission
- (l) Attendance at any disciplinary, grievance, dismissal or appeals sub-committee or panel.
- (m) The following duties if approved by the Fire Authority or a Committee:
 - Attendance at briefing meetings held for the purpose of, or in connection with, the discharge of the functions of the Fire Authority or any of its committees or sub-committees.
 - Attendance at the official opening of new Fire Authority establishments or projects.
 - Attendance by the Chairman and Vice-Chairman of the Fire Authority and of committees at official functions in a representative capacity.
 - Duties undertaken by Chairmen and Vice-Chairmen of the Fire Authority, committees or subcommittees acting in an official capacity.
 - Members' delegations to Government Departments.
 - Town Centre Management Meetings and Parishes.
- (n) Meetings organised by the Chief Fire Officer, Chief Finance Officer or Director of Legal and Governance or their nominated representatives with external bodies or persons to further the business and aims of the Fire Authority which the relevant officer certifies requires the attendance of members on the grounds of urgency which prevents approval being obtained from the Fire Authority, a committee or sub-committee

Note: In authorising attendances in accordance with the above, no member, official or officer of the Fire Authority shall act in a discriminatory manner reflecting party political preference. Members, officials and officers should take care to ensure that their actions can not be construed as having been discriminatory.

SCHEDULE 3

DUTIES EXCLUDED FROM THE ALLOWANCES SCHEME

The duties in this Section are those for which the Fire Authority has decided that no allowances will be paid.

- Members' surgeries
- Political activities

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SCHEDULE 4

RATES OF ALLOWANCES

From April 2018 the following rates of allowances will apply

Basic Allowance:

£1,223 per annum

Special Responsibility Allowances:

See Schedule 1

Co-optees Allowance

£306 per annum

Travel Allowances

(a) Car

The rate for travel by a Member's own private motor vehicle, or one belonging to a member of his/her family or otherwise provided for his/her use, other than a solo motor cycle, shall be 45 pence for the first 10,000 miles and 25 pence for each mile after that.

(b) Motorcycle

The rate for travel by a Member's own motorcycle, or one belonging to a member of his/her family, or otherwise provided for his/her use, shall be 24 pence per mile.

(c) Bicycle

The rate for travel by a Member's own bicycle, or one belonging to a member of his/her family, or otherwise provided for his/her use, shall not exceed 20p a mile.

(d) Public Transport

Members can claim the full cost of travelling on public transport at standard class rates whilst carrying out Approved Duties, provided a valid receipt, bus ticket etc is produced to substantiate the claim.

Subsistence

The rate of subsistence allowance shall not exceed the amounts which can be claimed under the Buckinghamshire County Council Members Allowances Scheme applicable at the time when the cost is incurred.

Uplift for Inflation

Basic, Special Responsibility and Co-optees allowances will be adjusted for inflation each year until, but not beyond 1 April 2019, in line with the pay award for the Authority's staff on National Joint Council for Local Authorities' Fire and Rescue Services, Scheme of Conditions of Service (Grey Book).

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	7 February 2018
OFFICER	David Sutherland, Director of Finance & Assets
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	Budget Monitoring Performance and Debt Management April – November 2017
EXECUTIVE SUMMARY	<p>To present the provisional revenue and capital outturn position and debt management performance to 30 November 2017.</p> <p>The report in Appendix A sets out the Authority's revenue and capital spending position as at 30 November 2017, together with the projected outturn position for the financial year.</p> <p>Managers have positively and proactively controlled spend and forecast an underspend of £262k, against a revenue budget of £28.210m. This represents a 0.93% variance against the budget.</p> <p>This is a decrease in the forecast underspend of £401k since Quarter 2. The main reasons for the movement in the forecast are:</p> <ul style="list-style-type: none"> • The £240k underspend relating to joint funding for sprinklers has been transferred to the sprinkler reserve • The £150k planned transfer from the sprinkler reserve will not be transferred this year. <p>Both of the above were approved by the Committee at its meeting on 22 November 2017.</p>
ACTION	Noting.
RECOMMENDATIONS	1. That the latest projected outturn forecast for the Authority as at 30 November 2017 be noted.
RISK MANAGEMENT	Management of our financial resources is a key risk to the Authority and the performance reports to Committee inform Members of the main financial risks facing the Authority in year.
FINANCIAL IMPLICATIONS	As set out in the main body of the report.

LEGAL IMPLICATIONS	None.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	None.
HEALTH AND SAFETY	None.
EQUALITY AND DIVERSITY	None.
USE OF RESOURCES	The paper sets out how work has been progressing for achieving greater financial ownership and accountability for resources attached to the delivery of specific aims and objectives of the Authority.
PROVENANCE SECTION & BACKGROUND PAPERS	<p>Background</p> <p>Medium Term Financial Plan 2017/18 to 2020/21, CFA Meeting 8 February 2017:</p> <p>http://bucksfire.gov.uk/files/3914/8578/3188/ITEM_7_Medium_Term_Financial_Plan_201718_to_201920.p df</p>
APPENDICES	Appendix A – Budget Monitoring Performance and Debt Management April – November 2017
TIME REQUIRED	10 Minutes
REPORT ORIGINATOR AND CONTACT	<p>Taiye Sanwo (Revenue) and Asif Hussain (Capital)</p> <p>tsanwo@bucksfire.gov.uk ahussain@bucksfire.gov.uk</p> <p>01296 744425 and 01296 744421</p>

Appendix A

Table 1 - Revenue Forecasts by Service Area

The table below shows the budget and actual expenditure for each directorate as at the end of November 2017.

The budget of £28.210m is compared to the forecast outturn to give a forecast year-end underspend of £262k.

Directorate	Area Manager	Total Budget £	Actual Year to Date £	Forecast Outturn £	Projected Year End Variance £
Corporate Core	Corporate Management	1,035,110	650,912	934,585	-100,525
	Legal & Governance	296,560	184,041	311,513	14,953
Corporate Core Total		1,331,670	834,952	1,246,098	-85,572
Finance & Assets	Finance & Procurement	897,390	697,734	923,570	26,180
	Resource Management	2,015,100	1,511,831	2,052,889	37,789
Finance & Assets Total		2,912,490	2,209,566	2,976,459	63,969
People & Organisation Development	Training & Development	1,917,990	1,647,636	1,741,608	-176,382
	Operations & Services	709,350	551,016	711,242	1,892
People & Organisation Development Total		2,627,340	2,198,652	2,452,850	-174,490
Delivery, Corporate Development & Planning	Service Delivery	14,216,920	8,442,927	13,036,813	-1,180,107
	Service Development	488,110	423,692	475,004	-13,106
	Service Transformation	2,264,540	1,694,177	2,813,839	549,299
	IT & Communications	1,599,010	1,077,910	1,566,934	-32,076
Delivery, Corporate Development & Planning Total		18,568,580	11,638,706	17,892,590	-675,990
Statutory Accounting & Contingency	Capital Charges	1,976,000	0	1,984,000	8,000
	Contingency	595,020	0	843,586	248,566
	Non Distributed Costs	218,940	174,682	342,197	123,257
	Savings	-19,890	-169	0	19,890
Statutory Accounting & Contingency Total		2,770,070	174,512	3,169,783	399,713
Total Expenditure		28,210,150	17,056,388	27,737,780	-472,370
Total Funding		-28,210,150	-20,085,503	-28,000,150	210,000
Net Position		0	-3,029,115	-262,370	-262,370

The key variations in directorate budgets compared to year-end outturn shown above in Table 1 are:

Finance & Assets £64k over – This relates to overspends on employees and supplies and services budgets and under achievement of income. The overspends are offset by underspends on transport and premises related expenditure.

People & Organisation Development £174k under – The overall underspend contains a projected underspend on support apprentices in Prevention & Protection and Community Safety, as recruitment has been delayed due to changes in the apprenticeship frameworks. In addition, POD is forecast to underspend on its employees budget and over-achieve on the income budget due to the extension of seconded officers.

Delivery, Corporate Development & Planning £676k under - The underspend is mainly due to on-call firefighter employment being significantly below budgeted establishment levels. The overall wholetime firefighters budget is forecast to overspend.

The £240k underspend on joint funded sprinklers has now been transferred to the sprinklers reserve as there have been no costs to date and we are only expecting costs for up to two domestic systems over the remainder of the year.

Statutory Accounting & Contingency £400k over – The forecast overspend primarily relates to the planned recruitment of additional firefighter apprentices in order to ensure sufficient staff numbers are available to deliver our resourcing model. This area also shows some one-off costs of back-dated injury awards, following a review undertaken by our firefighters pension administrators.

2. Direct Employee Costs

Table 2 shows the budget and provisional outturn for each sub-heading within the direct employees subjective as at the end of November 2017.

Staffing	Total Plan £	Actual Year to Date £	Forecast Outturn £	Projected Year End Variance £
Wholetime	12,645,445	8,244,069	12,788,319	142,874
Support	4,066,345	2,654,819	3,969,050	-97,295
On-Call	1,631,030	982,375	1,174,594	-456,436
Technicians	253,320	141,637	220,400	-32,920
Sessional	147,450	65,838	139,606	-7,844
Agency Staff	12,380	309,968	204,082	191,702
Grand Total	18,755,970	12,398,705	18,496,051	-259,919

Wholetime – The overall wholetime firefighters budget is forecast to over-spend due to higher bank costs than planned

Support Staff – There is a forecast net underspend on support staff budgets across the directorates.

On Call – on-call firefighter employment is currently significantly under budgeted establishment levels.

Technicians – There is a forecast underspend as the vehicle workshop is under the established budget by one post.

Agency Staff – agency staff have been used to cover interim vacancies and this offsets the underspend on support staff and technicians.

3. Bank cost analysis

The graph and Table 3 below show wholetime operational staff costs from 2013/14 onwards, with Bank payments forming a significant part of these from 2015/16.

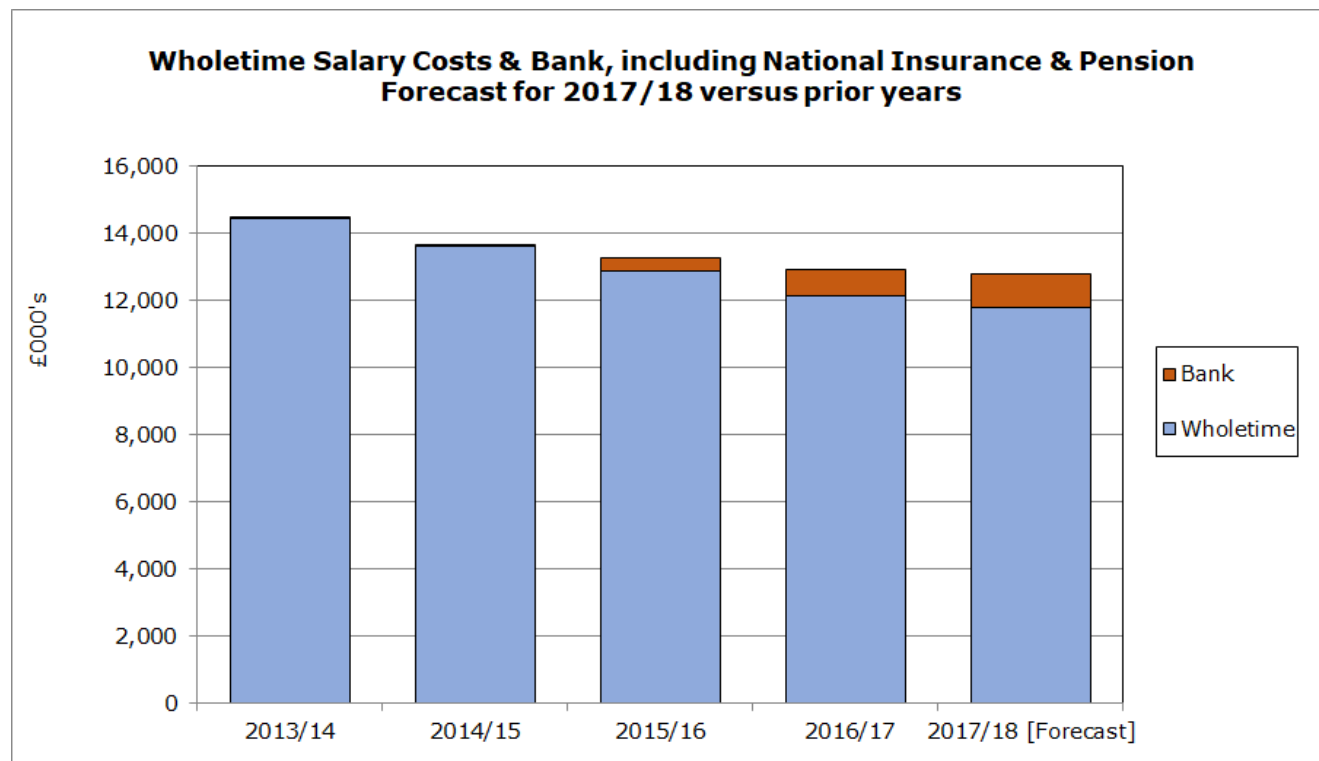


Table 3

Wholetime Salary & Bank Costs	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 (Forecast) £
Wholetime (WT)	14,425,095	13,603,248	12,844,792	12,133,692	11,783,319
Bank	4,236	24,592	411,864	766,632	1,005,000
Total WT and Bank	14,429,331	13,627,840	13,256,656	12,900,324	12,788,319

The Authority has been proactive in developing resilient resourcing models in order to meet known risk and demand levels of the service, while maintaining response standards. Examples of this approach include operating with a smaller regular establishment, which is reinforced by on-call and whole-time firefighters working 'Bank' shifts, as well as a number of firefighters on more flexible local terms and conditions.

With a smaller regular establishment being achieved via falling staff numbers from 2013/14 due to retirements and leavers, the 'Bank system' offers a flexible resource, designed to maintain appliance availability in the event of crewing shortfalls.

The aforementioned figures show how costs have continued to fall over the last few years, driven by the introduction of this more flexible resource.

4. Major Risk Areas

The monitoring process will focus more attention on areas identified by management as high risk. An initial assessment of the main financial risks faced has been undertaken by Finance against the following categories:

- High value budgets
- Historically volatile budgets
- Demand led income and expenditure budgets

		Total Budget £	Actual Year to Date £	Forecast Outturn £	Projected Year End Variance £
A.	Employee Direct Costs	18,755,970	12,398,705	18,496,051	-259,919
B.	Knowledge & Information Services	1,482,670	1,024,079	1,502,499	19,829
C.	Fuel Charges	285,670	151,797	255,000	-30,670
D.	Energy / Utilities	251,020	95,573	208,508	-42,512
E.	Employment Agencies /Consultants	12,380	309,968	204,082	191,702

- The variances for A. and E. are as noted in Section 2 above.

5. Funding

The table below details the budget and forecast outturn for each category of funding.

Funding	Total Budget £	Actual Year to Date £	Forecast Outturn £	Projected Year End Variance £	Previous month Year End Variance £
Government Funding	-3,356,210	-3,156,528	-3,356,210	0	0
Specific Grants	-1,088,600	-770,221	-1,088,600	0	0
NNDR	-3,372,920	-2,350,551	-3,372,920	0	0
Top-up / Pooling Receipts	-1,914,720	-1,253,113	-1,854,720	60,000	60,000
Precept	-18,327,700	-12,555,090	-18,327,700	0	0
Movement in Reserves	-150,000	0	0	150,000	0
Grand Total	-28,210,150	-20,085,503	-28,000,150	210,000	60,000

Current projections show the majority of funding streams to budget with the exception of NNDR pooling arrangements.

The planned £150k use of reserves for Joint Funded Sprinklers will not be utilised this financial year.

6. Savings and efficiencies

Of the £2,184k savings offered up in the 2017/18 Medium Term Financial Plan, £18k is from Corporate Core, £108k from Finance & Assets, £10k from POD, £1,690k from Delivery, Corporate Development and Planning, £318k from Statutory Accounting & Contingency and £40k from Funding.

Directorate	Target Saving £000	Forecast Actual Saving £000	Under/ (Over) Recovery £000
Corporate Core	18	18	-
Finance & Assets	108	108	-
People & Organisation Development	10	10	-
Delivery, Corporate Development and Planning	1,690	1,690	-
Statutory Accounting & Contingency	318	318	-
Funding	40	40	-
Total Savings	2,184	2,184	-

Corporate Core, Finance and Assets and POD – Supplies and services budgets have been reduced based on historical analysis of actual spend in this area.

Delivery, Corporate Development and Planning – The savings primarily relate to the reduction in numbers of wholetime firefighters. The number of wholetime firefighters is currently slightly below the budgeted establishment level.

7. Capital Forecasts

The capital programme for 2017/18 is £16.217m, which includes £13.553m worth of carry forwards from 2016/17 and additional funding approved at Fire Authority in June in relation to the Blue Light Hub (£1.330m).

Project Name	Original Budget 2017-18	Agreed 16-17 Carry Forwards	In Year Approvals	Revised Budget 2017-18	Actual Year to Date	Commitments	Forecast Outturn	Slippage to 2018/19	Year End Variance
Property	500,000	150,000	0	650,000	144,312	8,240	250,000	400,000	0
Property Review	0	11,132,813	1,330,000	12,462,813	184,491	35,649	700,000	11,762,813	0
Sub Total	500,000	11,282,813	1,330,000	13,112,813	328,803	43,889	950,000	12,162,813	0
CCTV Cameras	0	51,250	0	51,250	0	0	51,250	0	0
Operational Vehicles Red Fleet	500,000	2,091,762	-36,500	2,555,262	1,663,936	618,290	2,175,262	300,000	-80,000
Operational Vehicles White Fleet	16,000	31,601	36,500	84,101	29,106	29,101	84,101	0	0
Hydraulic Equipment	56,000	0	0	56,000	51,980	0	51,980	0	-4,020
Digital Radios	90,000	0	0	90,000	0	0	90,000	0	0
Operational Equipment	85,000	54,053	0	139,053	30,220	2,500	139,053	0	0
Sub Total	747,000	2,228,666	0	2,975,666	1,775,242	649,891	2,591,646	300,000	-84,020
ICT	87,000	42,000	0	129,000	61,478	0	117,000	0	-12,000
Sub Total	87,000	42,000	0	129,000	61,478	0	117,000	0	-12,000
Total	1,334,000	13,553,479	1,330,000	16,217,479	2,165,523	693,780	3,658,646	12,462,813	-96,020

Capital Funding

The capital programme will be funded as follows:

Funding	Balance at 1 April 2017 £000	Estimated Transfers (In) £000	Estimated Transfers Out £000	Estimated Balance at 31 March 2018 £000
Usable Capital Receipts Reserve	(244)	(262)	12	(494)
Revenue Contribution to Capital	(6,156)	(2,825)	3,647	(5,334)
Transformation Funding	(2,248)	-	-	(2,248)
Total	(8,648)	(3,087)	3,659	(8,076)

Property Portfolio

Capital property works have progressed throughout this financial year in line with the property condition survey. Several stations have had works carried out such as refurbishment of ablution blocks, new bay doors and general refurbishments. Further works are planned to be completed in quarter 4 which relate to the refurbishment of the kitchen area at Aylesbury station and workshops.

Currently a slippage of £400k is being reported against the property budgets in relation to the replacement of the air handling system and reconfiguration of the main floor at Brigade Headquarters. This is expected to commence in the 2018/19 financial year.

The tender for the main contractor for the blue light hub has been awarded and the pre-commencement stage is underway. Due to the main building works unlikely to take place until 2018/19, a slippage of £11,763k is currently being reported which will be slipped into next financial year.

Fire Appliances & Equipment

A budget of £747k was approved for the purchase of two red fleet appliances, one white fleet vehicle, operational equipment and digital radios. Orders have been placed for the two red fleet appliances, one white fleet vehicle and operational equipment. These two red fleet appliances are expected to be delivered in April 2018 resulting in a slippage of £300k to cover final stage payments.

A slippage of £2,217k was brought forward from 2016/17 capital programme which predominantly related to the purchase of eight operational and two training red fleet appliances (orders placed in 2016/17). Seven of these appliances have been delivered with the remaining three due to be delivered in quarter 4. Currently a £80k underspend is being projected which is due to the joint tender carried out with neighboring authorities achieving better economies of scales by ordering the appliances collaboratively.

In June, the Fire Authority approved the purchase of the USAR canine vehicle and equipment which will be funded from existing underspends in the red fleet budget. The vehicle is planned to be purchased later this financial year

Support

From the budget of £129k for ICT, £54k relates to the Wi-Fi upgrade and £75k is for the replacement of hardware. The initial Wi-Fi upgrade is complete but the on-going annual Wi-Fi updates are still due to take place. The Wi-Fi updates will need to be charged to revenue as it is an annual maintenance cost which cannot be capitalised. Therefore the revenue contribution to capital will be reduced by £12k and the funds will be transferred to the revenue budget to fund these costs.

The remaining budget of £75k allocated to hardware replacement, of which £39k has been spent on ICT hardware. Furthermore expenditure is planned for the rest of the year and therefore the £75k budget is forecast to be fully spent.

8. Reserves

The table below shows the projected movement in reserves during the year.

Reserves	Balance at Start of Year £000	Projected Movement £000	Projected Balance at End of Year £000
General Fund	-3,036	773	-2,263
Earmarked Reserves (Revenue)*	-2,203	-137	-2,340
Earmarked Reserves (Capital)	-6,400	572	-5,828
Total	-11,639	1,208	-10,431

* Earmarked Reserves includes £369k, which represents this Authority's share of the joint control room renewals fund (which is held by Oxfordshire Fire and Rescue Service)

9. Performance Indicators

The table below shows the performance targets and actuals (rolling averages) for the year to date.

Description	2016/17 Actual	2017/18 Target	2017/18 Actual (rolling average)
Budget Monitoring Training	100.0%	100.0%	100.0%
Managers accessing Integra Cost Centre Report	100.0%	100.0%	100.0%
% invoices paid within 30 days	99.8%	100.0%	76%
Budget Mon. Report turn-around (working days)	7 days	7 days	7 days

Budget monitoring training is provided to managers assuming responsibility for budget management and control. A risk based approach is applied to budget monitoring with resources allocated to high risk areas. This supports a proactive challenge role for Finance and budget holder engagement. Compliance to date has been at 100%.

The rolling average for the percentage of invoices paid on time is 76%. This is due to the changeover of the new finance system between March and April.

10. Debt Management

The table below shows the key debtor performance figures for the year:

DEBTOR KEY PERFORMANCE INDICATORS 2017/18	Q1	Q2	As of November 2017
Debts over 60 days overdue	£14,864	£11,580	£11,943
Total Debt outstanding	£17,447	£38,912	£42,711
Debts over 60 days overdue as a % of total debt outstanding	88%	31.30%	30.55%
Average time from raising invoices to receipt of income	7 days	11 days	9 days

The above figures show the quarterly average of debt during 2017/18. For quarter 3, the average total debt outstanding was £42k of which £12k relates to debt 60 days overdue. Total debt outstanding as at the end of November 2017 was £30k, with the actual value of debts over 60 days overdue being £12k.

The majority of the debts (87%) over 60 days overdue at the end of November 2017 relate to legal costs made in favour of Bucks Fire and Rescue Service against defendants after being successfully prosecuted for breaches of the fire safety regulations. Once a court order has been made the Authority has little control over the timing of these payments.

The average time from raising invoices to receipt of income is 9 days.



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	7 February 2018
OFFICER	David Sutherland, Director of Finance & Assets.
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	The Prudential Code, Prudential Indicators and Minimum Revenue Provision
EXECUTIVE SUMMARY	<p>This report is being presented as the Prudential Indicators (Appendices A and B) and Minimum Revenue Provision policy statement (Appendix C) are required to be approved by the Fire Authority and to support the Medium Term Financial Plan (MTFP).</p> <p>A review of the Balance Sheet indicates that the Authority is currently in an over-borrowed position. Due to prohibitive penalties the early repayment of borrowing is not currently an option. The Authority has no plans for additional borrowing in the foreseeable future, according to the current MTFP.</p>
ACTION	Decision
RECOMMENDATIONS	<p>That the Executive Committee approve the recommendations below for submission to the Fire Authority.</p> <p>That the Authority be recommended to approve:</p> <ol style="list-style-type: none"> 1. the Prudential Indicators; and 2. the Minimum Revenue Provision policy statement
RISK MANAGEMENT	<p>The Prudential Code was established to ensure that capital investment plans are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. The indicators presented here demonstrate that the current plans for capital investment meet these criteria and present an acceptable level of risk to the Authority.</p> <p>Minimum revenue provision is a statutory charge to the General Fund, which ensures that an Authority has sufficient cash balances to repay borrowing upon maturity, reducing the refinancing risk.</p> <p>There are no direct staffing implications.</p>

FINANCIAL IMPLICATIONS	<p>The decision on the prudential indicators sets out the financial limits within which the Authority will operate in future years.</p> <p>The minimum revenue provision is a statutory charge against the General Fund, estimated at £47k for 2018/19 (no change from 2017/18).</p>
LEGAL IMPLICATIONS	<p>The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, SI 2003/3146 make provision for capital finance and accounts under the Local Government Act 2003 requiring the authority to have regard to the 'Prudential Code for Capital Finance in Local Authorities' when determining, under the Local Government 2003 Act, how much money it can afford to borrow; and require the Authority to determine for the current financial year an amount of minimum revenue provision which it considers to be prudent.</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	<p>The impact of the Prudential Code will allow the Authority to make informed choices between revenue and capital financing of procured services, to encourage invest to save schemes and will only allow capital investment to proceed where the Authority can fund projects within prudential limits.</p> <p>Making sufficient minimum revenue provision ensures that when borrowing matures, cash is available to make the repayment. This ensures that the Authority does not need to borrow additional money to repay existing loans.</p>
PROVENANCE SECTION & BACKGROUND PAPERS	<p>Background</p> <p>Realignment of Reserve Balances to Facilitate the Medium Term Financial Plan, Executive Committee, 18 November 2015:</p> <p>http://bucksfire.gov.uk/files/7314/4612/0201/ITEM_6_.Reserve_Balances_-_Update_Post_Pre-Brief.pdf</p>
APPENDICES	<ul style="list-style-type: none"> • Appendix A – Prudential Indicators • Appendix B – Summary Table of Prudential Indicators • Appendix C – Minimum Revenue Provision Policy

	Statement
TIME REQUIRED	10 minutes
REPORT ORIGINATOR AND CONTACT	Asif Hussain Ahussain@bucksfire.gov.uk (01296) 744421

Appendix A – Prudential Indicators

1.0 Indicators for Affordability

1.1 The ratio of financing costs to net revenue stream

This indicator measures the percentage of the net revenue funding used to finance external debt. As no future borrowing is planned and a decision was made to reallocate reserves to reduce the capital financing requirement in 2015/16, the ratio of financing costs to net revenue stream will remain consistently low from 2016/17 onwards:

Indicator	Actual 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Ratio of financing costs to net revenue stream	0.8%	0.8%	0.9%	0.9%	0.9%

1.2 The incremental impact of capital investment decisions on the council tax

This indicator measures the impact of any additional (or reduction in) financing costs on the council tax. The incremental impact will remain zero as the planned MRP set aside only relates to the finance lease which will remain the same resulting in no incremental impact.

Indicator	Actual 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
The incremental impact of capital investment decisions on the council tax	£0.00	£0.00	£0.00	£0.00	£0.00

2.0 Indicators for Prudence

2.1 Gross borrowing and the Capital Financing Requirement

The table below shows gross borrowing and the capital financing requirement (CFR). The Authority should ensure that gross borrowing does not, except in the short term, exceed the CFR. However, due to the reallocation of reserves to reduce the CFR (excluding finance lease) to zero (see Provenance Section & Background Papers) gross borrowing will exceed CFR for the medium to long-term. This situation will exist until borrowing is repaid. Due to early repayment premiums it is prohibitively expensive to make any early repayments at the current time.

Gross borrowing reduced to £7.382m due to a loan repayment of £368k which matured in May 2016. The next repayment of £585k is not due until May 2018. The figures shown below indicate the maximum level of borrowing during the year (i.e. repayments will reduce the limit for the following year):

Indicator	Actual 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Gross borrowing (£000)	7,382	7,382	7,382	6,797	6,797
Capital financing requirement (£000)	1,731	1,684	1,637	1,590	1,543

3.0 Indicators for Capital Expenditure

3.1 Capital Expenditure

This indicator shows the expected level of capital expenditure for future years:

Indicator	Actual 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Capital expenditure (£000)	3,212	3,659	13,679	1,221	1,216

3.2 Capital Financing Requirement (CFR)

The CFR reflects the Authority's underlying need to borrow. This figure was reduced down to the level of the finance lease by the reallocation of reserves (see Provenance Section & Background Papers). No additional borrowing is planned in the medium term. The CFR should be looked at in relation to gross borrowing, as detailed in Section 2.1:

Indicator	Actual 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Capital financing requirement (underlying need to borrow for a capital purpose) (£000)	1,731	1,684	1,637	1,590	1,543

4.0 Indicators for External Debt

4.1 Authorised Limit

This is the maximum limit on borrowing and other long-term liabilities (currently limited to the finance lease at Gerrards Cross). This amount cannot be exceeded without approval from the Fire Authority:

Indicator	Actual 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Authorised limit for borrowing (£000)	7,382	7,382	7,382	6,797	6,797
Authorised limit for other long-term liabilities (£000)	1,780	1,733	1,686	1,639	1,592
Authorised limit for external debt (£000)	9,161	9,115	9,068	8,436	8,389

4.2 Operational Boundary

This indicator shows the most likely estimate of debt for future years:

Indicator	Actual 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Operational boundary for borrowing (£000)	7,382	7,382	7,382	6,797	6,797
Operational boundary for other long-term liabilities (£000)	1,780	1,733	1,686	1,639	1,592
Operational boundary for external debt (£000)	9,161	9,115	9,068	8,436	8,389

The actual external debt for the year ending 31 March 2017 was **£9.115m**.

5.0 Indicators for Treasury Management

5.1 Adoption of CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectorial Guidance Notes

The aim is to ensure that treasury management is led by a clear and integrated forward treasury management strategy, and a recognition of the pre-existing structure of the Authority's borrowing and investment portfolios.

5.2 Upper limit on fixed interest rate exposures

This indicator shows the Authority's upper limit of the net exposure to fixed interest rates. Currently all borrowing is at a fixed rate of interest:

Indicator	Actual 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Upper limit on fixed interest rate exposures	100%	100%	100%	100%	100%

5.3 Upper limit on variable interest rate exposures

This indicator shows the Authority's upper limit of the net exposure to variable interest rates:

Indicator	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2019/20
Upper limit on variable interest rate exposures	20%	20%	20%	20%	20%

5.4 Maturity structure of fixed rate borrowing

This shows the repayment profile of fixed rate borrowing. All loans are repayable on maturity:

Indicator	Actual 2016/17	Projected 2017/18		Estimate 2018/19		Estimate 2019/20		Estimate 2020/21	
Maturity structure of fixed rate borrowings	Actual Maturity	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit
Under 12 months	0%	0%	0%	0%	8%	0%	0%	0%	0%
12 months and within 24 months	8%	0%	8%	0%	0%	0%	0%	0%	0%
24 months and within five years	0%	0%	0%	0%	8%	0%	24%	0%	24%
five years and within 10 years	22%	0%	22%	0%	27%	0%	15%	0%	15%
10 years and within 20 years	32%	0%	32%	0%	19%	0%	20%	0%	20%
20 years and within 30 years	0%	0%	0%	0%	0%	0%	0%	0%	0%
30 years and within 40 years	38%	0%	38%	0%	38%	0%	41%	0%	41%
40 years and above	0%	0%	0%	0%	0%	0%	0%	0%	0%

5.5 Total principal sums invested for periods longer than 364 days

The purpose of this indicator is for the Authority to contain its exposure to the possibility of loss that might arise as a result of its having to seek early repayment or redemption of principal sums invested. The Authority currently have £4m invested split between two local Authorities, both over a period longer than 364 days. Subject to Fire Authority approval of the 2018/19 Treasury Management Strategy, up to £3m could be invested in a property fund(s). If the property fund investment is not approved, the amounts below would be limited to £5m from 2018/19 onwards.

Indicator	Actual 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Total principal sums invested for periods longer than 364 days (£000)	0	4,000	8,000	8,000	8,000

5.6 Credit Risk

The duration of any investment with a counterparty will be restricted as advised by our treasury management advisors. The advisors will base their assessment of credit risk based on credit ratings provided by the major agencies, as well as reviewing credit default swaps (a proxy measure for the markets perceived risk of default).

Appendix B – Summary Table of Prudential Indicators

For reference, the following table summarises the key indicators detailed in Appendix A in a single table:

	Indicator	Actual 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Indicators for Affordability						
1.1	Ratio of financing costs to net revenue stream	0.8%	0.8%	0.9%	0.9%	0.9%
1.2	The incremental impact of capital investment decisions on the council tax	£0.00	£0.00	£0.00	£0.00	£0.00
Indicators for Prudence						
2.1	Gross borrowing (£000)	7,382	7,382	7,382	6,797	6,797
Indicators for Capital Expenditure						
3.1	Capital expenditure (£000)	3,212	3,659	13,679	1,221	1,216
3.2	Capital financing requirement (£000)	1,731	1,684	1,637	1,590	1,543
Indicators for External Debt						
4.1	Authorised limit for external debt (£000)	9,161	9,115	9,068	8,436	8,389
4.2	Operational boundary for external debt (£000)	9,161	9,115	9,068	8,436	8,389
Indicators for Treasury Management						
5.2	Upper limit on fixed interest rate exposures	100%	100%	100%	100%	100%
5.3	Upper limit on variable interest rate exposures	20%	20%	20%	20%	20%
5.5	Total principal sums invested for periods longer than 364 days (£000)	0	4,000	8,000	8,000	8,000

The actual external debt for the year ending 31 March 2017 was £9.115m. The projected external debt for the year ending 31 March 2018 is £9.068m (both figures include the finance lease liability).

The following indicators are not shown above:

- 5.1 – the Authority has adopted CIPFA's Treasury Management Code for 2017/18
- 5.4 – details of the maturity structure of fixed rate borrowing (see Appendix A)
- 5.6 – narrative regarding credit risk (see Appendix A)

Appendix C – Minimum Revenue Provision (MRP) Policy Statement

The two methods for calculating prudent provision are set out below and were approved by members in 2008/09. Regulation 28 of the 2003 Regulations (as amended by regulation 4 of the 2008 Regulations) requires a local authority to calculate for the current financial year an amount of MRP which it considers to be prudent. The Secretary of State recommends that, for the purposes of regulation 4 the prudent amount of provision should be determined in accordance with one of four options, two of which were agreed by members in 2008/09 and are outlined below.

The broad aim of prudent provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits (asset life).

(a) CFR Method

MRP is equal to 4% of the Capital Financing Requirement (CFR) at the end of the preceding financial years. Since the CFR (excluding finance lease) is now at zero, this method is no longer applicable (for finance leases, the MRP requirement is regarded as met by a charge equal to the element of the rent that goes to write down the Balance Sheet liability).

(b) Asset Life Method

Since 1 April 2008, where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be determined by reference to the life of the asset, based on an equal instalment method. This amount is projected to be nil for 2017/18.

Where assets have been purchased utilising Capital grants or Revenue Contributions no MRP calculation is required. Only assets purchased utilising borrowing require an MRP charge.

The asset life method calculation requires estimated useful lives of assets to be input in to the calculations. These life periods will be determined by the Director of Finance and Assets & Treasurer, with regard to the statutory guidance and advice from professional valuers.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	7 February 2018
OFFICER	David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	Medium Term Financial Plan (MTFP) 2018/19 to 2020/21
EXECUTIVE SUMMARY	<p>The main report (Annex A) presents the proposed revenue and capital Medium Term Financial Plan (MTFP) for the financial years 2018/19 to 2020/21.</p> <p>The provisional settlement was announced on 19 December 2017 and is included in the funding assumptions. Final confirmation is expected in February 2018. Within the settlement it was announced that authorities without any specific council tax freedoms can increase Council Tax by up to 3% without the need for a referendum.</p> <p>Key assumptions are detailed in Section 4 of Annex A and are based on information received to date.</p> <p>Appendix 1 shows the base budget for 2017/18 with adjustments made for savings and growth to give the position for each future year. The savings and growth lines match the totals for those bids scrutinised by officers, Strategic Management Board and members of the Executive Committee at the challenge sessions held on 19 October 2017 and 11 January 2018.</p> <p>Appendix 2 shows the latest summary of the capital programme for 2018/19 and approved schemes for the following years.</p> <p>Appendix 3 provides further detail on the level of council tax chargeable for each band if the Authority accepts the recommendation to increase the band D equivalent amount by 2.99%.</p> <p>It should also be noted that the figures for council tax and business rates are provisional. The statutory deadline for the billing authorities to provide this information to the Authority is 31 January. Any changes to the figures will be presented in a revised Appendix 1 at the meeting.</p>
ACTION	Decision.

RECOMMENDATIONS	<p>It is recommended that the Authority be recommended to:</p> <ol style="list-style-type: none"> 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.
RISK MANAGEMENT	<p>Management of our Financial resources is a key risk to the Authority. By projecting forward and monitoring our financial plans, we are in a better position to avoid and mitigate the risk of adverse financial consequences.</p>
FINANCIAL IMPLICATIONS	<p>All financial implications are shown in the main body of the report.</p>
LEGAL IMPLICATIONS	<p>The Local Government Act 2003 gives the responsible finance officer, namely the Chief Finance Officer of the Combined Fire Authority under s112 of the Local Government Finance Act 1988, the responsibility to report to Members of the Authority on their assessment of the robustness of the estimates used within the budget and on the adequacy of reserves.</p> <p>Members must take account of the advice of the Chief Finance Officer in respect of the above and the highlighted associated risks before considering the recommendations as set out in the report.</p>
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	<p>No direct impact.</p>
HEALTH AND SAFETY	<p>No direct impact.</p>
EQUALITY AND DIVERSITY	<p>No direct impact.</p>
USE OF RESOURCES	<p>The Medium Term Financial Plan, including capital and revenue budgets, identifies the financial resources required projected into the future based on the delivery of specific aims and objectives of the Authority as set out in the Public Safety Plan (PSP). Members, Senior Management Board and many staff have been involved in agreeing priorities and the budget setting process over the preceding months.</p>

<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>Medium Term Financial Plan (MTFP) 2017/18 to 2019/20, Fire Authority, 15 February 2017: http://bucksfire.gov.uk/files/2615/0816/2851/ITEM_7c_Medium_Term_Financial_Plan_201718_to_201920_Revised_Appendix_1.pdf</p> <p>Four Year Settlement and Efficiency Plan, Executive Committee, 21 September 2016: http://bucksfire.gov.uk/files/3414/7333/8081/ITEM_6_BMKFA_Efficiency_Plan_Appendix.pdf</p>
<p>APPENDICES</p>	<p>Annex A – Medium Term Financial Plan 2018/19 to 2020/21</p> <p>Appendix 1 – MTFP Budget Model</p> <p>Appendix 2 – Capital Programme Summary</p> <p>Appendix 3 – Council Tax Funding</p>
<p>TIME REQUIRED</p>	<p>30 minutes</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Mark Hemming mhemming@bucksfire.gov.uk 01296 744687</p>

Annex A – Medium Term Financial Plan (MTFP) 2018/19 to 2020/21

1. Introduction

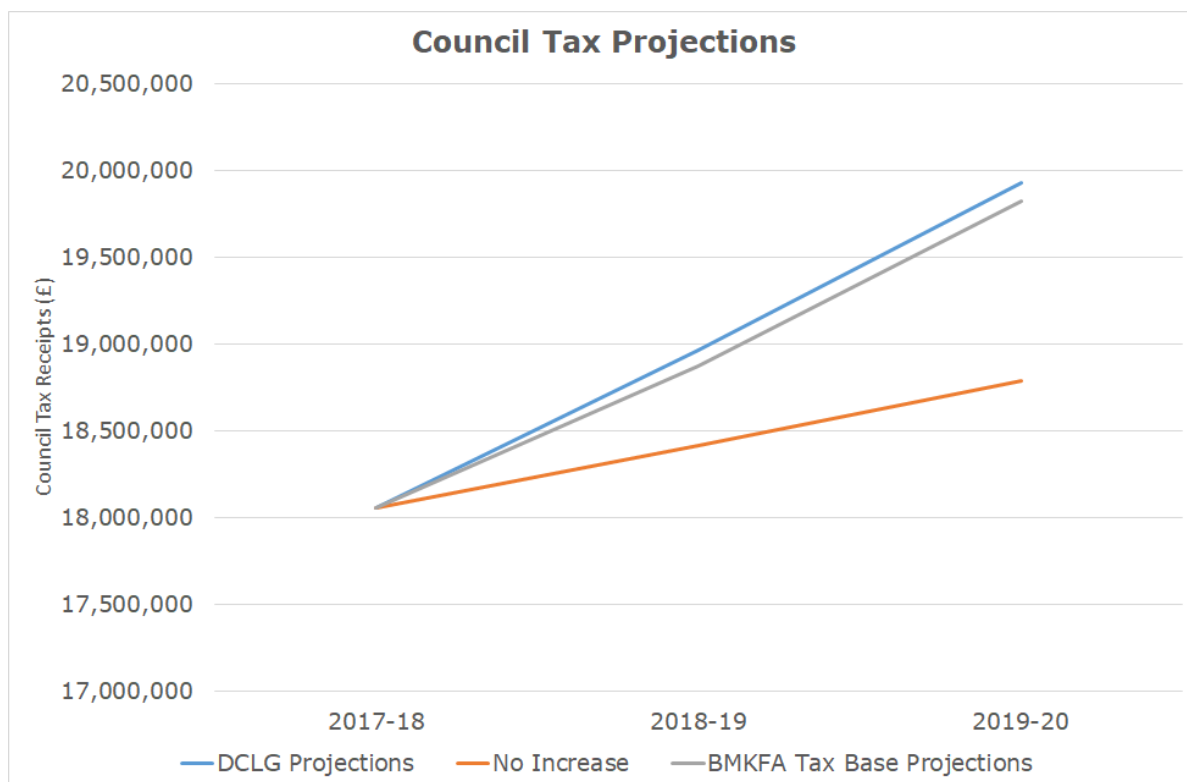
- 1.1. The purpose of this report is to present the proposed revenue and capital Medium Term Financial Plan (MTFP) 2018/19 to 2020/21.
- 1.2. The MTFP is closely linked to the Public Safety Plan (PSP) and Corporate Plan. The PSP sets out our strategic approach to the management of risk in the communities we serve. The Corporate Plan sets out how we intend to equip and develop our organisation and its people to meet the challenges that we face. The MTFP details the resources available to facilitate these plans and how the plans contribute to reducing future operating costs.
- 1.3. As part of the Fire Authority's Terms of Reference and MTFP, the Authority reviews and sets a balanced budget each year in line with corporate priorities. The MTFP is expressed as a detailed annual budget for the first year, with outline indicative budgets for the following two years.
- 1.4. Under Section 25 of the Local Government Act 2003 the Chief Finance Officer (as S.112 Chief Finance Officer of the Local Government Finance Act 1988) is required to report to Members on:
 - The robustness of the estimates made for the purposes of the calculations of the budget
 - The adequacy of the proposed financial reserves
- 1.5. The Local Government Act 2003 requires that Members have regard to the report in making their decisions (see section 8).
- 1.6. Section 42A of the Local Government Finance Act 1992 also requires the Authority to have regard to the level of reserves for meeting estimated future expenditure when calculating the net budget requirement.

2. Local Government Finance Settlement 2018 to 2019

- 2.1. This year's settlement announcement continued the important shift in the Government's principles announced last year. Most noticeably, the shift away from freezing council tax to using council tax to generate additional funding has continued.
- 2.2. As part of the this year's announcement, the Government published headline changes in core spending power between 2017/18 and 2018/19 for every authority. The headline change for BMKFA for was an increase of 1.5%. Indicative figures for 2019/20 have also been published.
- 2.3. However, this headline increase is based on two fundamental assumptions
 - That the growth in council tax base between 2017/18 and 2019/20 will be 2% per annum
 - That the Authority will increase its Band D council tax in 2018/19 and 2019/20 by 3%, which is the maximum increase permissible without triggering a referendum.
- 2.4. Underlying the core spending power figures is a decrease of 57% in revenue support grant that we receive between 2015/16 and 2019/20.

3. Council Tax and Business Rates

- 3.1. In publicly declaring core spending power figures, the Government has clearly set an expectation that local authorities will increase council tax every year during the current spending review period by the maximum amount permissible.
- 3.2. The chart below shows the council tax receipts assumed for BMKFA in the Government's core spending power figures versus the amounts forecast based on local taxbase projections, and the amounts receivable if there was no increase in the Band D equivalent each year:



- 3.3. The cumulative difference between a 3% annual increase and holding council tax at its current level over the two year period is £1.7m. It is also important to consider that all the Public Safety Plan objectives up to 2020 are assumed to be met as part of the financial planning.
- 3.4. The Authority has taken a responsible approach and frozen council tax in every year from 2010/11 to 2014/15 and decreased it by 1% in 2015/16. This was despite having the option to increase council tax by up to £5.00 (equivalent to an 8.46% rise) in 2013/14 without the need to undertake a local referendum.
- 3.5. Council tax was increased by 1.98% in the last two years, in response to the aforementioned shift in Government policy away from providing a Council Tax Freeze Grant.
- 3.6. Despite this Authority's response to the settlement consultation, no specific additional precept flexibility was afforded to fire and rescue authorities. Authorities with no specific additional flexibility may however increase their Band D equivalent by up to 3% without triggering a referendum (last year this figure was 2%).

- 3.7. The Authority currently sets a band D equivalent precept of £60.88 per annum (approx. £1.17 per week). This is significantly below the national average and is the lowest precept of any non-metropolitan combined fire authority.
- 3.8. Council tax chargeable for each band should the Authority resolve to increase the band D equivalent amount by 2.99% is shown in Appendix 3.
- 3.9. For the year 2018/19, BMKFA has agreed to continue with the Buckinghamshire business rates pool. This allows more rates to be retained locally and is estimated to be worth around £104k to the Authority. However, the longevity of this pool is subject to local agreement, and is dissolved if one participant decides to withdraw. It may also be curtailed early subject to Government announcements on the move to retaining 100% of business rates locally.

4. Risk Factors in Budget Assumptions

- 4.1. The budget proposed for 2018/19 at Appendix 1 has been compiled by looking in detail at current spending and future plans. Savings opportunities and growth bids compared to last year's budget have been identified and subjected to senior officer and Member challenge. As far as possible, bids and savings have been matched to the priorities outlined in the corporate plan.
- 4.2. At the time of writing there is no information available on the continuation or otherwise of the USAR grant beyond 2018/19. Funding for 2018/19 will be paid before the end of March 2018. The potential discontinuation of USAR funding is a significant financial risk facing the Authority at present.
- 4.3. Savings and growth bids (including the impacts of those submitted in previous years) which have been subjected to challenge are included for 2018/19 and the base adjusted. The savings figures include reductions in a number of budgets across the service, as well as additional income receivable from aerial telecommunications devices installed on a number of drill towers. Risks which have been identified are to be covered from the general reserves and the remaining contingency.
- 4.4. The detailed costings are based on the updated budget requirement including the annual uplift assumptions below:

	2017/18	2018/19	2019/20	2020/21
Pay inflation	1%	1%	1%	1%
RPI	2%	3%	3%	3%
CPI	1.75%	1.75%	1.75%	1.75%
Council tax base	1.7%	1.4%	1.6%	1.6%
Business tax base	0.75%	0.75%	0.75%	0.75%

- 4.5. Pay inflation has been projected at 1% per annum, in line with the assumptions contained within the Efficiency Plan. However, the Authority is aware that there is a high risk that the national agreement may set a level higher than 1%. For every additional 1% increase the cost to this Authority is approximately £180k each and every year. This would clearly have a significant adverse impact on the forecast position within the model.

5. Capital

- 5.1. The revenue impact of the capital programme has been factored into the base revenue budget requirement. This includes an annual revenue contribution to capital of £1.9m.
- 5.2. The table at Appendix 2 details the approved capital programme for 2017/18, the estimated provisional outturn position and any proposed slippage to the programme. Any slippage is then added to the new budget requests for 2018/19 to give a total capital budget requirement of £13.7m for 2018/19.
- 5.3. The Authority should also take cognisance of the prudential indicators when approving the capital programme (submitted as a separate paper at this meeting).

6. Scrutiny and Challenge Process

- 6.1. All budget changes have been determined based on a series of challenge panels held by officers and then by members of the Executive Committee during the MTFP process.

7. Adequacy of Reserves

- 7.1. A paper ensuring the adequacy of reserves to support the MTFP was approved by the Executive Committee at its meeting on 18 November 2015 (http://bucksfire.gov.uk/files/7314/4612/0201/ITEM_6_.Reserve_Balances_-_Update_Post_Pre-Brief.pdf). There have been no subsequent events that require the level of the General Fund determined at that time to be adjusted at present
- 7.2. The forecast balances and reserves at year-end as per the budget monitoring report at the end of November 2017 are:
 - General Fund Balance - £2.3m
 - Earmarked Reserves - £2.3m
 - Capital Reserves - £5.8m

This represents a decrease of £1.2m from the balances held at the start of the year.

8. Statement of the Chief Finance Officer

- 8.1. The purpose of this statement is to comply with the requirements of the Local Government Act 2003 whereby the Chief Finance Officer, in the Fire Authority's case the Director of Finance and Assets and Chief Finance Officer, must report on:
- The robustness of the estimates made for the purposes of the calculations of the budget and;
 - The adequacy of the proposed financial reserves;
 - In recommending the budget to the Authority, Members must take the advice of the Chief Finance Officer in respect of the above and the associated risks as highlighted within the report.
- 8.2. Given the level of the General Fund Balance and earmarked reserves available, the prudent approach to the budget setting process for the next financial year and the tighter controls introduced for budget management, it is my conclusion as Chief Finance Officer for the Authority that there is sufficient capacity in the reserves to cope with the financial risks the Authority faces for 2018/19 and future years and that the methodology applied provides the necessary assurance to the Authority about the robustness of the estimates used in constructing the budget.

Appendix 1 – MTFP Model

The model below is based on the assumptions detailed in Sections 3 and 4 and all growth and savings bids have been subjected to officer and Member scrutiny as detailed in Section 6.1. It is assumed that the USAR grant will continue to be received for the medium-term, although as noted previously, its potential discontinuation represents a risk to the Authority. It should also be noted that the figures for council tax and business rates are provisional. The statutory deadline for the billing authorities to provide this information to the Authority is 31 January. Any changes to the figures will be presented in a revised Appendix 1 at the meeting.

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Base Budget	28,323	28,210	28,379	29,072
Pay Adjustment	258	183	183	183
Inflation Adjustment	140	0	86	86
Savings	-2,184	-311	0	0
Growth	1,589	793	14	-176
Previous year savings & growth adjustments	24	-646	560	-30
Contingency	-140	0	0	0
Revenue Contribution to Capital	200	150	-150	0
Net Budget Requirement	28,210	28,379	29,072	29,135
Government Funding	-3,348	-2,633	-2,286	-1,307
Business Rates	-5,124	-5,308	-5,511	-5,497
Council Tax Receipts Surplus/Deficit	-276	-389	0	0
Business Rates Pooling	-164	-104	0	0
Fire Specific Grants (USAR/Firelink)	-1,097	-1,097	-1,097	-1,097
Council Tax Receipts	-18,051	-18,848	-19,720	-20,433
Use of Reserves	-150	0	0	0
Total Funding Available	-28,210	-28,379	-28,614	-28,334
Shortfall for Year	0	0	458	801
Cumulative Savings Requirement	0	0	458	1,259

Appendix 2 – Capital Programme

The table below summarises the capital programme from 2017/18 through to 2020/21:

Capital Programme Summary	Approved Budget 2017/18 £000	Provisional Outturn 2017/18 £000	Slippage 2017/18 £000	Budget Requests 2018/19 £000	Total Budget Requirement 2018/19 £000	Budget Requests 2019/20 £000	Budget Requests 2020/21 £000
Property	650	250	400	500	900	500	500
Property Review	12,463	700	11,763	0	11,763	0	0
Fire Appliances & Equipment	2,976	2,592	300	641	941	646	641
Support	129	117	0	75	75	75	75
Total Expenditure	16,218	3,659	12,463	1,216	13,679	1,221	1,216
Funding b/fwd		-8,648			-8,076	-962	-1,666
In year funding		-3,087			-6,565	-1,925	-1,925
Funding (Available) / Deficit		-8,076			-962	-1,666	-2,375

Appendix 3 – Council Tax Rates

If the band D equivalent council tax were increased by 2.99% for 2018/19, the following rates would apply to properties in each band:

Bands	Proportion of Band D Charge	Per Week (£)	Per Month (£)	Per Year (£)
A	6/9	0.80	3.48	41.80
B	7/9	0.94	4.06	48.77
C	8/9	1.07	4.64	55.73
D	9/9	1.20	5.23	62.70
E	11/9	1.47	6.39	76.63
F	13/9	1.74	7.55	90.57
G	15/9	2.00	8.71	104.50
H	18/9	2.40	10.45	125.40

This would represent an annual increase of £1.21 per annum on a band A, £1.82 per annum on a band D and £3.64 per annum on a band H property.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	7 February 2018
OFFICER	David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	Provisional 2018-19 Local Government Finance Settlement (the Consultation)
EXECUTIVE SUMMARY	<p>The Consultation seeks views on the Provisional 2018-19 Local Government Finance Settlement, which was published on 19 December 2017. The significant question for the Authority regards the council tax referendum principles for 2018-19.</p> <p>In its response to the 2018-19 Local Government Finance Settlement: Technical Consultation Paper (see Provenance Section & Background Papers) the Authority stated that fire and rescue authorities should be able to increase their band D equivalent council tax by up to £10 without the need for a referendum.</p> <p>The current proposal within the Consultation is that the council tax referendum limit for fire and rescue authorities will be less than 3%.</p> <p>The response to the Consultation draws on data published as part of the Provisional Settlement to reassert the Authority's view that fire and rescue authorities should be able to increase their band D equivalent council tax by up to £10 without the need for a referendum.</p> <p>Due to the timescale for responding to the Consultation (the deadline was 16 January) a response has already been submitted and is attached in Appendix B for Members to note.</p>
ACTION	Noting.
RECOMMENDATIONS	That the submitted response to the consultation be noted.
RISK MANAGEMENT	No direct impact.
FINANCIAL IMPLICATIONS	In 2017/18 BMKFA had the lowest precept of any non-metropolitan combined fire and rescue authority. The band D equivalent charge is £60.88. The total council tax receivable for 2017/18 (excluding prior years' surpluses) is £18.1m.

	<p>The current medium-term financial plan assumes that council tax will be increased by 2.99% in 2018/19 and 2019/20. It is forecast that in 2018/19 the total council tax receipts will be £18.8m.</p> <p>If the band D equivalent was increased by £10 for 2018/19 the total council tax receipts would be £21.3m.</p>
LEGAL IMPLICATIONS	None arising from the recommendation.
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	See Financial Implications.
PROVENANCE SECTION & BACKGROUND PAPERS	<p>The 2018-19 Local Government Finance Settlement: Technical Consultation Paper (the Consultation) :</p> <p>http://bucksfire.gov.uk/files/5115/0719/9506/ITEM_10_Local_Government_Finance_Settlement_2018-19Appendices.pdf</p>
APPENDICES	<p>Appendix A - The provisional 2018-19 local government finance settlement - Consultation Paper</p> <p>Appendix B – Submitted Response to the Consultation</p>
TIME REQUIRED	10 minutes
REPORT ORIGINATOR AND CONTACT	<p>Mark Hemming</p> <p>mhemming@bucksfire.gov.uk</p> <p>(01296) 744687</p>



Department for
Communities and
Local Government

The provisional 2018-19 local government finance settlement

Consultation Paper



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Scope of the consultation

Topic of this consultation:	This consultation covers proposals for the provisional local government finance settlement for 2018-19.
Scope of this consultation:	<p>This consultation seeks views on proposals for the local government finance settlement for 2018-19, in particular from representatives of local government, before determining the final amount of Revenue Support Grant and its allocation to receiving authorities and the specified body.¹</p> <p>The consultation notifies representatives of local government of the general nature of the basis of distribution of Revenue Support Grant, and of the general nature of the basis of calculation of 'tariff' and 'top up' payments through this consultation document and accompanying documents, in particular the draft Local Government Finance Report for 2018-19.²</p>
Geographical scope:	These proposals relate to England only.
Impact Assessment:	Since the Government does not envisage that the proposals within this consultation document will have an impact on business, no impact assessment has been produced.

Basic Information

To:	The consultation will be of particular interest to local authorities, and representative bodies for local authorities.
Body/bodies responsible for the consultation:	Local Government Finance Directorate within the Department for Communities and Local Government.
Duration:	This consultation will last for 4 weeks from 19 th December 2017 to 16 th January 2018.
Enquiries:	For any enquiries about the consultation please contact Roger Palmer Roger Palmer @communities.gsi.gov.uk or 0303 444 2075
How to respond:	Please respond by completing our online survey. The survey provides an opportunity to submit further information using a file

¹ As required by section 78(5) of the Local Government Finance Act 1988.

² As required by section 78A(3) of the Local Government Finance Act 1988 and paragraph 12 of Schedule 7B to the same Act.

upload function on the final page. The survey can be found at the following web link:

<https://www.surveymonkey.co.uk/r/provisionalsettlement1819>

Alternatively, you can respond to the questions in this consultation by email to:

LGFsettlement@communities.gsi.gov.uk

If you are responding in writing, please make it clear which questions you are responding to.

Written responses should be sent to:

Roger Palmer
Department for Communities and Local Government
2nd floor, Fry Building
2 Marsham Street
London SW1P 4DF

When you reply it would be very useful if you confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:

- your name,
- your position (if applicable),
- the name of organisation (if applicable),
- an address (including post/code),
- an email address, and
- a contact telephone number.

About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004.

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Communities and Local Government will process your personal data in accordance with DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.
Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not, or if you have any other observations about how we can improve the process please, contact DCLG Consultation Co/coordinator.

Department for Communities and Local Government
2 Marsham Street
London
SW1P 4DF

Or by e-mail to: consultationcoordinator@communities.gsi.gov.uk

1. Summary of proposals

1.1 Summary

1.1.1 This chapter provides an overview of the wider reforms of local government finance which will help to provide context to the proposals for the 2018-19 local government finance settlement:

- it summarises the key themes and approaches that the Government is proposing for the 2018-19 local government finance settlement, and
- it provides background information, including on: the ongoing reforms to business rates retention and the progress of the fair funding review of relative needs and resources; the Government's commitment to understanding social care pressures; changes to council tax referendum principles.

1.2 Background

1.2.1 The Government recognises that it is locally elected councillors who understand the priorities of their communities. The 2016-17 local government finance settlement responded to what councils up and down the country called for: it delivered unprecedented four year funding allocations and the certainty necessary to unlock local reforms, as well as a path to financial self-sufficiency. We are approaching the third year of the multi-year settlement, which 97% of local authorities accepted. Local government will see an increase in funding next year, against a backdrop of a challenging public sector deficit.

The future of the local government finance system

1.2.2 The Government recognises the need to provide future certainty beyond the existing 4-year funding deal, and to meet its manifesto commitment to give councils more control of the taxes they raise locally. Central to this is **increasing the proportion of locally collected business rates that councils will retain**. The current multi-year settlement provides a path to a new system which will build on the current 50% retention scheme.

1.2.3 Over the last year, the Government has been working closely with the local government sector to identify central government grants that can be funded through retained business rates in the future, and on reforming the local government finance system where needed.

1.2.4 As previously announced, it is the Government's intention for the following grants to be funded through retained business rates: Revenue Support Grant, Rural Services Delivery Grant, GLA Transport Grant and the Public Health Grant. The Government will implement this increase in business rates retention in 2020-21. Allowing local authorities to keep business rates to the value of these grants would represent business rates retention across the local government system of at least 75% (based on the value of these grants in 2019-20). The Government also intends to use the

intervening period to develop a set of measures that support a smooth transition of funding for public health services from a grant to retained business rates.

- 1.2.5 The Government will also **continue to work with the sector to improve the way the local government finance system works**, such as tackling the impact of business rates appeals on local authorities. The Government has established a steering group and a number of working groups, chaired jointly by DCLG and the LGA, to develop reforms with the view of implementing these in 2020-21 alongside greater business rates retention.
- 1.2.6 In spring 2017 the Government launched a 'Further Consultation on 100% Business Rates Retention'. The Government's response, and a summary of the representations received, has been published alongside this consultation document and can be found at the web link below. The representations received from local authorities and others will help inform the direction of future reform.

<https://www.gov.uk/government/consultations/self-sufficient-local-government-100-business-rates-retention>

- 1.2.7 Alongside these reforms, officials from DCLG continue to make progress on **a fair funding review of relative needs and resources**, in collaboration with the Local Government Association and representatives from across local government. This review will calculate new baseline funding levels based on an up-to-date assessment of the relative needs and resources of local authorities. Business rates will be redistributed according to the outcome of the new assessment, alongside the resetting of business rates baselines, subject to suitable transitional measures. Today the Government has published a consultation setting out its approach, asking councils to help shape the future methodology, which can be found here:

<https://www.gov.uk/government/consultations/fair-funding-review-a-review-of-relative-needs-and-resources>

- 1.2.8 Since the Spending Review, the Government has recognised the increased pressure on **Adult Social Care Services**, which is why, at Spring Budget 2017, an additional £2 billion over 3 years was provided for adult social care.
- 1.2.9 It is important that a longer-term picture is established. An ageing society means that we need to reach a sustainable settlement for social care, which is why the Government is committing to publishing a Green Paper by summer 2018 setting out its proposals for reform. The Government has begun a process of initial engagement through which it will work with experts, stakeholders and users to shape the paper's proposals for long-term reforms.

2018-19 and 2019-20 local government finance settlements

- 1.2.10 Two years of the current multi-year settlement remain before the Government aims to implement greater business rates retention and the fair funding review of relative needs and resources. These years will offer a bridge to the new system.

1.2.11 Ahead of the implementation of greater business rates retention, **the Government is announcing the continuation of existing 100% business rates retention pilots**. At the 2017-18 local government finance settlement, agreement was reached with five areas to pilot 100% business rates retention. These were in devolution areas, part of the commitment to empower local government by transferring funding and powers away from Whitehall. Greater Manchester, Liverpool City Region, West Midlands, West of England and Cornwall will continue to pilot business rates retention and retain 100% of growth in 2018-19.

1.2.12 The ‘Further Consultation’ on business rates retention set out that there would be **new business rates retention pilots in 2018-19**. It is important that, in order to explore options for how greater business rates retention will work, different types of authority across the country take part in piloting. Next year, the following 10 areas will also pilot 100% business rates retention, and be able to keep that additional growth in their business rate income with no impact on the rest of local government³:

- Berkshire
- Derbyshire
- Devon
- Gloucestershire
- Kent & Medway
- Leeds
- Lincolnshire
- Solent
- Suffolk
- Surrey

1.2.13 As announced at the Budget, the GLA, the City of London and all the London Boroughs will form a “pool” for the purposes of the business rates retention scheme and will also pilot 100% business rates retention in 2018-19.

1.2.14 The Government will continue to pilot future reform of the system in 2019-20 ahead of implementing greater business rates retention in 2020-21. Further details will be provided in 2018.

1.2.15 **The Government will also make changes to the council tax referendum principles for 2018-19 and 2019-20**. Respondents to the 2018-19 local government finance settlement technical consultation argued that local authorities should be better able to meet pressures where appropriate, and be accountable for those decisions.

1.2.16 In recognition of this, as well as higher than expected inflation levels, the Government will strike a balance between addressing service pressures and giving council tax-payers the final say over excessive increases as per its manifesto commitment. The Government has decided to set the core referendum principles in

³ A full list of the constituent local authorities which make-up these pilot areas can be found in the provisional Local Government Finance Report.

line with inflation (at 3%) for all authorities, with further flexibilities for police and crime commissioners, in 2018-19 and 2019-20. The Adult Social Care Precept flexibility will remain the same as previously announced – this will form a large part of the £9.25 billion more dedicated funding for adult social care that the Government provided access to earlier this year.

1.2.17 Furthermore, some respondents to the recent 2018-19 local government finance settlement technical consultation have raised the issue of so-called ‘negative RSG’ in relation to the final year of the multi-year settlement in 2019-20. This is where changes in Revenue Support Grant have led to a downward adjustment of some local authorities’ business rates top-ups or tariffs in that year. The Government remains committed to the 4-year deal but recognises the concern of some councils around this issue. **The Government will look at fair and affordable options for dealing with ‘negative RSG’ and will formally consult on proposals ahead of next year’s settlement.**

1.2.18 The Government has made several further decisions in recognition of representations made by councils to the 2018-19 local government finance settlement technical consultation, including on the New Homes Bonus, the Rural Services Delivery Grant, and council tax precepts for newly created Mayoral Combined Authorities. These are outlined in later chapters.

1.2.19 Under the Local Government Finance Act 1988, the Government is required to consult on proposals to distribute centrally allocated resources. This consultation paper meets this requirement and describes the Government’s wider proposals that relate to the third year of the multi-year settlement.

1.3 Summary of proposals

1.3.1 Earlier in the autumn, the Government consulted on technical issues concerning the 2018-19 local government finance settlement. A summary of the responses to this consultation can be found at:

<https://www.gov.uk/government/consultations/local-government-finance-settlement-2018-to-2019-technical-consultation>

1.3.2 Having considered responses to that consultation, this document confirms our approach to the 2018-19 local government finance settlement. This is outlined in the following chapters:

Chapter 2 – The distribution of central resources

1.3.3 This chapter outlines our proposals for distributing central resources in 2018-19 in line with the four year offer announced in 2016-17. In summary, it outlines:

- the third year of the multi-year settlement offer for those councils that accepted the Government’s offer, and arrangements for those that did not,
- the method for distributing New Homes Bonus funding,

- the profile of the Rural Services Delivery Grant in 2018-19 and the method for distribution, and
- the method for funding the Business Rates Safety Net.

Chapter 3 – Changes to local resources

1.3.4 This chapter outlines the Government's proposals for the 2018-19 local government finance settlement that have implications for the local resources collected by councils. In summary, it:

- outlines the Government's proposals for the council tax referendum principles for 2018-19, including the approach to Mayoral Combined Authorities precepts,
- sets out the approach being taken for adjusting business rates tariff and top-ups to cancel out, as far as is practicable, the impact of the 2017 business rates revaluation on local authorities' income, and
- confirms the methodology for the final settlement, for calculating the agreed changes in the local share of retained business rates and the level of tariff and top-ups for local authorities piloting 100% business rates retention, designed to ensure that no authorities anywhere in the country are adversely affected by these pilots.

Chapter 4 – Draft equality statement

1.3.5 This chapter contains a draft assessment of the impact of the provisional 2018-19 settlement on persons who share a protected characteristic.

2. The distribution of central resources

2.1 Summary

2.1.1 This chapter outlines our proposals for distributing central resources in 2018-19 in line with the four year offer announced in 2016-17. In summary, it outlines:

- the third year of the multi-year settlement offer for those councils that accepted the Government's offer, and arrangements for those that did not,
- the method for distributing New Homes Bonus funding,
- the profile of the Rural Services Delivery Grant in 2018-19 and the method for distribution, and
- the method for funding the Business Rates Safety Net.

2.2 The multi-year settlement offer

2.2.1 The 2016-17 local government finance settlement announced the opportunity for councils to accept a multi-year settlement offer, which would give greater certainty of funding until the end of the Parliament. The offer included:

- Revenue Support Grant,
- Business rates tariff and top up payments, which will not change for reasons relating to the relative needs of local authorities,
- Rural Services Delivery Grant, and
- Transition Grant for 2016-17 and 2017-18.

2.2.2 97% of councils accepted the offer and published an efficiency plan or other supporting document.

2.2.3 Government will need to take account of future events such as the transfer of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities and any other unforeseen events. However, barring exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement, the Government expects these to be the amounts presented to Parliament each year.

2.2.4 The Government intends to make payments⁴ in 2018-19 to receiving authorities (any billing authority or major precepting authority),⁵ except local policing bodies,⁶ under sections 78, 78A and 79 of the Local Government Finance Act 1988.

⁴ Revenue Support Grant.

⁵ Each of the following is a major precepting authority:

- a county council which does not have the functions of a district council,

2.2.5 A draft local government finance report for 2018-19 has also been published alongside this document which sets out the method for allocating Revenue Support Grant. This is consistent with the methodology in 2016-17 and a description included in the 2016-17 provisional consultation document, which can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/494385/Provisional_settlement_consultation_document.pdf

2.2.6 Allocations of funding for individual authorities are set out in the supporting tables published as part of this consultation.

2.2.7 We have also published individual local authority allocations for the improved Better Care Fund until 2019-20, which total £1.5 billion in 2018-19 and £1.8 billion in 2019-20.

Question 1: Do you agree with the methodology for allocating Revenue Support Grant in 2018-19?

2.3 Local authorities that have not accepted the multi-year settlement

2.3.1 For those authorities who have not accepted the multi-year offer and published an efficiency plan, the Government is only confirming funding allocations for 2018-19. The funding allocations for these authorities in 2019-20 will be revisited in due course as part of the annual settlement process covering that year. The Government cannot guarantee that funding allocations for these authorities in these years will not be reduced or distributed on a different basis.

2.4 New Homes Bonus

2.4.1 The New Homes Bonus (the 'Bonus') was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. Including 2018-19 allocations, over £7 billion has been allocated to local authorities through the scheme to reward additional housing supply. Although the Bonus was successful in encouraging authorities to welcome housing growth, it did not reward those authorities who are the most open to growth. In December 2016, following consultation, the Government announced reforms to the Bonus as follows:

-
- police and crime commissioners in England whose police area is listed in Schedule 1 to the Police Act 1996,
 - a metropolitan county fire and rescue authority,
 - a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004, or a scheme to which section 4 of that Act applies (a 'combined fire and rescue authority')
 - the Greater London Authority, and
 - a mayoral combined authority, as defined by section 107A(8) of the Local Democracy, Economic Development and Construction Act 2009.

⁶ Local policing bodies comprise the Mayor's Office for Policing and Crime, police and crime commissioners, and the Common Council of the City of London. (The Mayor's Office for Policing and Crime (MOPAC) is a functional body of the Greater London Authority (s.424(1) of the Greater London Authority Act 1999).

- reduction of the number of years New Homes Bonus payments are made from 6 to 5 years in 2017-18 and to 4 years from 2018/19, and
- introduction of a national baseline for housing growth of 0.4% of council tax base (weighted by band) from 2017-18 below which the Bonus will not be paid.

2.4.2 The Government also retained the option of making adjustments to the baseline in future years to reflect significant and unexpected housing growth. In the 2018-19 local government finance settlement technical consultation, the Government indicated that decisions on the baseline for 2018-19 would be made following a review of council tax base statistics published in November.

2.4.3 After careful consideration of representations made during the technical consultation, the Government has decided not to make any additional change to the baseline, below which the Bonus will not be paid, and it will remain at 0.4% for the 2018-19 allocations. The Government will retain the option to adjust the baseline in subsequent years.

2.4.4 In the 2018-19 local government finance settlement technical consultation, the Government also consulted on withholding part of the Bonus from authorities not planning effectively for new homes. After considering responses carefully, the Government has decided not to implement any further reforms to the Bonus for 2018-19.

2.4.5 Provisional New Homes Bonus allocations for 2018-19 are being announced alongside this provisional settlement. Based on the most recent council tax base data available, the cost of New Homes Bonus payments relating to 2018-19 is forecast to be £204 million. Combining this with the cost of legacy payments provides an estimated total New Homes Bonus payment of £946 million in 2018-19. Details of the provisional allocations, and how the allocations have been calculated, can be found here:

<https://www.gov.uk/government/publications/new-homes-bonus-provisional-allocations-2018-to-2019>

<https://www.gov.uk/government/publications/new-homes-bonus-calculator-2018-to-2019>

2.4.6 Funding for New Homes Bonus will be made up from £900 million provided from Revenue Support Grant, and an expected £46 million from departmental budgets. Final New Homes Bonus allocations for 2018-19 will be published alongside the final local government finance settlement in February 2018.

2.4.7 **Question 2: Do you agree with the Government's proposal to fund the New Homes Bonus in 2018-19 with £900 million from Revenue Support Grant and any additional funding being secured from departmental budgets?**

2.5 Rural Services Delivery Grant

2.5.1 As part of the 2016-17 local government finance settlement, the Government announced that the Rural Services Delivery Grant would be increased for the next

four years including payments of £80.5 million in 2016-17, £65 million in 2017-18, £50 million in 2018-19, and £65 million in 2019-20.

- 2.5.2 Since the Government set those allocations, it has recognised that cost pressures associated with service delivery in rural sparse areas, such as lack of private sector providers and poor broadband coverage should be met with a more consistent package of funding over the course of this Parliament. The Government has therefore decided to increase the grant in 2018-19 only, bringing it up from £50 million to £65 million, in line with adjacent years.
- 2.5.3 This grant of £65 million in 2018-19 will be allocated to the top quartile of local authorities on the basis of the super-sparsity indicator, which ranks authorities by the proportion of the population which is scattered widely, using Census data and weighted towards the authorities with the sparsest populations.

Question 3: Do you agree with the Government's proposed approach of paying £65 million in 2018-19 to the upper quartile of local authorities based on the super-sparsity indicator?

2.6 Business rates safety net

- 2.6.1 The business rates safety net ensures that no authority's income from business rates fall by no more than 7.5% of their individual baseline funding level for the year. In previous years it has been funded by a levy on local authorities which benefit from disproportionate growth in business rates income and a top-slice from Revenue Support Grant. If it appears that the levy on high-earning authorities may be insufficient to fund the safety net, an additional amount is held back.
- 2.6.2 The Government proposes to hold back £35 million from RSG to fund the business rates safety net for 2018-19. We propose that this amount should be deducted from the control totals for each set of services as outlined in Annex D of the Local Government Finance Report (England) 2018/19 in proportion to the size of those control totals. The level of funding held back does not determine whether payments will be made; all councils that qualify for safety net payments will continue to receive them.

Question 4: Do you agree with the Government's proposal to hold back £35 million to fund the business rates safety net in 2018-19, on the basis of the methodology described in paragraph 2.6.2?

3. Changes to local resources

3.1 Summary

3.1.1 As part of the 2018-19 local government finance settlement technical consultation, the Government consulted on a number of proposals that had implications for the local resources collected by councils.

3.1.2 Having carefully considered the representations received, this chapter sets out the Government's proposals. These include:

- the Government's proposals for the council tax referendum principles for 2018-19,
- the approach to Mayoral Combined Authorities precepts in 2018-19,
- the approach being taken for adjusting business rates tariff and top-ups to cancel out, as far as is practicable, the impact of the 2017 business rates revaluation on local authorities' income, and
- confirmation of the methodology, for the final settlement, for calculating the agreed changes to the local share of retained business rates and the level of tariff and top-ups for local authorities piloting 100% business rates retention, designed to ensure that no authorities anywhere in the country are adversely affected by these pilots.

3.2 Council tax referendum principles for principal local authorities

3.2.1 In the 2018-19 local government finance settlement technical consultation, the Government sought views on maintaining the same referendum principles as set out at the 2017-18 local government finance settlement, to ensure that local residents can veto high increases in council tax via a referendum.

3.2.2 Following careful consideration of responses, and in recognition of higher than expected inflation and the pressures on services such as social care and policing, the Government has decided to make changes to the council tax referendum principles. In doing so it continues to allow taxpayers the final say over excessive increases as per its manifesto commitment:

- a core principle of 3% in 2018-19 and 2019-20,
- shire district councils will be allowed increases of less than 3%, or up to and including £5, whichever is higher in 2018-19 and 2019-20,
- a continuation of the Adult Social Care precept of an additional 2% with additional flexibility to increase the precept by 1% to 3% in 2018-19, provided that increases do not exceed 6% between 2017-18 and 2019-20, and

- Police precepts (including the GLA charge for the Metropolitan Police) will be allowed increases of up to £12 in 2018-19 and 2019-20.

Question 5: What are your views on the council tax referendum principles proposed by the Government for 2018-19?

3.3 Council tax precepts for Mayoral Combined Authorities

- 3.3.1 Devolution Deals have led to the creation of 6 Mayoral Combined Authorities (MCAs) with powers such as transport and planning. MCAs are currently funded by their constituent councils through a levy for transport functions, and contributions agreed and provided by constituent local authorities in their area.
- 3.3.2 From 2018-19 elected Combined Authority mayors can raise additional resources through a precept (or additional charge) on local council tax bills, unless an Order is made that prevents them from doing so (such as in West of England, where it has been agreed with the authority that the mayor will not be empowered to set a precept). The precept may only be set with the agreement of the Combined Authority. The new MCAs of Cambridgeshire & Peterborough, Liverpool City Region, Tees Valley and West Midlands may set a precept for mayors' general functions, and the Greater Manchester Combined Authority may set a precept with two separately identified elements for the mayor's general functions and for his police and crime commissioner functions.
- 3.3.3 In the 2018-19 local government finance settlement technical consultation, the Government asked how the Band D council tax level of MCAs should be determined, given that no previous amount has been set. After consideration of responses to this question, the Government has concluded that it should be for each mayor to balance their ambitions and other resources and decide the level of the first precept they set in 2018-19.
- 3.3.4 We expect mayors will exercise restraint and set a council tax precept which is proportionate to their needs and not burdensome to their residents. It remains open to Government to review the level of the mayoral precepts that are set in 2018-19, and any application of council tax referendum principles in subsequent years.

3.4 Town and parish councils

- 3.4.1 Since the introduction of council tax referendums in 2012-13, no referendum principles have been set for local precepting authorities such as town and parish councils ("parishes"), although the Government has made it clear that it would keep this under review and take action if necessary.
- 3.4.2 Ahead of the 2017-18 round of council tax setting, the Government issued a challenge to parishes to demonstrate restraint when setting precept increases that were not a direct result of taking on additional responsibilities, and to make precept decisions more transparent to local tax-payers. The average increase set by the sector in 2017-18 was 6.3% and the Government indicated that continued deferral of referendum principles would be dependent upon it receiving clear evidence of how the sector is responding to the challenge.

- 3.4.3 In response, the sector provided details of a range of activities around fiscal responsibility, transparency and engagement, the promotion of good practice and use of other sources of income, county-level engagement regarding significant precept increases⁷ and publishing the *Good Councillors' Guide to Finance and Transparency*.
- 3.4.4 Having noted this work and the sector's request for longer-term certainty to aid financial planning, the Government intends to defer the setting of referendum principles for town and parish councils for three years. However, this is conditional upon:
- the sector taking all available steps to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for other uses or for "invest to save" projects which will lower on-going costs, and
 - the Government seeing clear evidence of restraint in the increases set by the sector as a whole.

3.5 The business rates revaluation adjustment methodology

- 3.5.1 The last business rates revaluation took effect from 1 April 2017. Revaluation is a revenue neutral exercise so the total rates bill stayed the same at the England level in real terms, after allowing for appeals. At the local authority level, overall bills increased or fell depending upon whether rateable values in that area performed above or below the average for England, after allowing for appeals.
- 3.5.2 This would have resulted in a change in the business rates income available to authorities under the business rates retention scheme, for reasons outside their control. Therefore, when the Government introduced the 50% business rates retention scheme, it signalled that it would adjust each authority's tariff or top up following a revaluation to ensure, as far as is practicable, that their retained income was the same after revaluation as immediately before; thereby ensuring that the growth incentive created by the rates retention scheme and the delivery of public services will not be threatened by losses of income outside the control of authorities.
- 3.5.3 At the 2017-18 local government finance settlement the Government used a formula – originally set out at Annex A of the provisional settlement consultation document⁷ – to adjust tariffs and top-ups for 2017-18. At that time the Government made it clear that these would be further revised at the 2018-19 local government finance settlement to take account of updated data, with a final technical adjustment for 2019-20.
- 3.5.4 Since using the formula in the 2017-18 local government finance settlement, responses received from local authorities to the 2018-19 local government finance settlement technical consultation queried whether the formula unfairly distorts the

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/577947/Provisional_2017-2018_local_government_finance_settlement_consultation.pdf

changes to tariffs and top-ups because of the way it takes account of the decisions authorities have made about increasing, or reducing their appeal provisions in 2016-17.

3.5.5 Having carefully considered these responses, the Government proposes to change the formula to remove the impact of one-off changes to appeal provisions in 2016-17. The methodology that the Government proposes to employ to further revise 2017-18 tariff and top-ups is set out at Annex A.

3.5.6 The revised 2017-18 tariffs and top-ups, calculated in accordance with this formula, will be indexed by the change in the small business rating multiplier between 2017-18 and 2018-19 to determine a tariff or top-up for each authority for 2018-19. Exceptionally, in 2018-19 authorities will also pay, or receive, an “adjustment”, representing the difference between their revised 2017-18 tariff or top-up, and the tariff or top-up that was set out in the 2017-18 local government finance settlement.

Question 6: Do you agree with the methodology for calculating the revaluation adjustment to business rates tariff and top-up payments as outlined in paragraphs 3.5.1 to 3.5.6?

3.6 Adjustments to business rates in areas piloting 100% business rates retention

3.6.1 Last year, agreement was reached with a number of devolution deal areas to pilot 100% business rate retention. Greater Manchester and Liverpool City Region, together with Cornwall Council and the councils in the combined authority areas of West of England and West Midlands will continue to pilot 100% rates retention in 2018-19. As announced at the Budget, the GLA, the City of London and all the London Boroughs will form a “pool” for the purposes of the business rates retention scheme and will also pilot 100% business rates retention in 2018-19.

3.6.2 In addition, following successful bids to pilot in other areas, a further 89 local authorities in 10 areas will form “pools” to pilot 100% business rate retention in 2018-19. Taken together, these pilots will allow us to test the greatest number of different variants of 100% business rates retention, and to assess how different structures support local growth and the sustainability of local services.⁸

3.6.3 Through the pilots we will also test a number of potential elements of the 100% business rates retention scheme, including revised safety net arrangements. These arrangements will not impact on non-pilot authorities.

3.6.4 New pilot authorities will each retain 100% of locally-raised business rates. In return they will forego Revenue Support Grant (RSG) and Rural Services Delivery Grant. Authorities’ tariffs and top-ups will be adjusted to ensure fiscal neutrality. In the 2017-18 local government finance settlement technical consultation, the Government set out a methodology for calculating the baseline funding levels, business rates baselines and tariffs and top-ups of the pilot authorities for 2017-18.

⁸ A full list of the constituent local authorities which make-up these pilot areas can be found in the provisional Local Government Finance Report.

We propose to use the same methodology in 2018-19 to calculate the baseline funding levels, business rates baselines and tariffs and top-ups for the “new” 2018-19 pilots and to amend the baseline funding levels, business rates baselines and tariffs and top-ups for the pilots created in 2017-18, to reflect changes in those authorities’ grant totals between 2017-18 and 2018-19.

4. Draft equality statement

- 4.1. In the 2018-19 local government finance settlement technical consultation, we sought views on the impact of the proposals for the 2018-19 settlement outlined in the consultation document on persons who share a protected characteristic. A draft equality statement for the provisional 2018-19 local government finance settlement has been published alongside this consultation document.

Question 7: Do you have any comments on the impact of the 2018-19 local government finance settlement on those who share a protected characteristic, and on the draft equality statement published alongside this consultation document? Please provide supporting evidence.

Annex A: Methodology for adjusting for the 2017 revaluation

2017-18 tariff and top-up as calculated in the Settlement

The tariff and top-up amount for 2017-2018 was calculated as:

$$(A + B) \times (C / D)$$

where:

A is the tariff or top-up amount for the authority for 2016/2017, calculated in accordance with Section 6 of the Local Government Finance Report (England) 2016/2017;

B is calculated as follows:

$$E \times (1 - F / G) \times H$$

C is the value of the September 2016 RPI, which is 264.9;

D is the value of the September 2015 RPI, which is 259.6;

E is the sum of:
an authority's income from business rates; plus the amount of section 31 grant paid to the authority in 2015/2016 to compensate for loss of business rates income multiplied by 0.484/0.480 to bring it up to 2016-17 values.

F is:
the sum of rateable value in all of the draft 2017 local rating lists covering the authority's area using the draft lists published on 28 September 2016⁹; multiplied by the 2017/2018 small business rates multiplier adjusted for revaluation, which is 0.436

G is:
the sum of the rateable value in all of the 2010 local rating lists covering the authority's area published on 28 September¹; multiplied by the 2016/2017 small business rates multiplier, which was 0.484;

H is the authority's local share as set out in paragraph 1.2 below;

The table below sets out the local share for each class of authority.

⁹ <https://www.gov.uk/government/statistics/non-domestic-rating-high-level-estimates-of-change-in-rateable-value-of-rating-lists>

Class of authority	Local Share
Non-metropolitan district councils which do not have the functions of county councils	0.40
London borough councils Common Council of the City of London	0.30
Metropolitan district councils Non-metropolitan district councils which have the functions of county councils County councils which have the functions of district councils but which do not have responsibility for the provision of fire and rescue services	0.49
County councils which have the functions of district councils and which have responsibility for the provision of fire and rescue services Council of the Isles of Scilly	0.50
County councils which do not have responsibility for the provision of fire and rescue services	0.09
County councils which have responsibility for the provision of fire and rescue services	0.10
Metropolitan county fire and rescue authorities, Combined fire and rescue authorities	0.01
Greater London Authority,	0.20

Recalculation of 2017-18 tariff and top-up

The adjusted tariff and top-up amount for 2017/2018 will be calculated as:

$$(A + I) \times (C / D)$$

where:

I is calculated as follows:

$$(J - K + L) \times (1 - M / N) \times H$$

- J is the sum of:
an authority's income from business rates; plus the amount of section 31 grant paid to the authority in 2016/2017 to compensate for loss of business rates income
- K is the sum of:
the RV list amendments charged against the provision for appeals and the changes in provision for appeals taken from the NNDR3 1617
- L is:
the authority's closing balance for provisions, taken from NNDR3 1617; divided by the sum of the multipliers for all years from 10/11 to 16/17, which is 3.18; and then multiplied by the 1617 small business multiplier, 0.484
- M is:
the sum of the rateable value in all of the 2017 local rating lists covering the authority's area for 1 April 2017 and measured on that day; multiplied by the 2017/2018 small business rates multiplier adjusted for revaluation, which is 0.436
- N is:
the sum of the rateable value in all of the 2010 local rating lists covering the authority's area for 31 March 2017 and measured on 1 April 2017; multiplied by the 2016/2017 small business rates multiplier, which was 0.484;

2017-18 tariff and top-up adjustment

The adjustment is calculated as the difference between the adjusted tariffs and top-ups (see para 2.1) and the original 1718 tariffs and top-ups (see para 1.1)

2018-19 tariff and top-up

The tariff and top-up amount for 2018/2019 will be calculated as:

$$(A + I) \times (O / P)$$

where:

- O is the value of the small business rating multiplier in 1819;
- P is the value of the small business rating multiplier in 1718;

Annex B: Summary of consultation questions

Question 1: Do you agree with the methodology for allocating Revenue Support Grant in 2018-19?

Question 2: Do you agree with the Government's proposal to fund the New Homes Bonus in 2018-19 with £900 million from Revenue Support Grant and any additional funding being secured from departmental budgets?

Question 3: Do you agree with the Government's proposed approach of paying £65 million in 2018-19 to the upper quartile of local authorities based on the super-sparsity indicator?

Question 4: Do you agree with the Government's proposal to hold back £35 million to fund the business rates safety net in 2018-19, on the basis of the methodology described in paragraph 2.6.2?

Question 5: What are your views on the council tax referendum principles proposed by the Government for 2018-19?

Question 6: Do you agree with the methodology for calculating the revaluation adjustment to business rates tariff and top-up payments as outlined in paragraphs 3.5.1 to 3.5.6?

Question 7: Do you have any comments on the impact of the 2018-19 local government finance settlement on those who share a protected characteristic, and on the draft equality statement published alongside this consultation document? Please provide supporting evidence.

Annex C: Glossary of technical terms

Baseline funding level

The amount of an individual local authority's Start-Up Funding Assessment for 2013/14 provided through the *local share* of the Estimated Business Rates Aggregate uprated each year by the change to the small business multiplier (in line with RPI).

Business rates baseline

Determined for individual authorities at the outset of the business rates retention scheme by dividing the *local share* of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.

Local share

The percentage share of locally collected business rates that is retained by local government.

Revenue Support Grant

Billing and most major precepting authorities receive Revenue Support Grant from central government in addition to their local share of business rates Aggregate. An authority's Revenue Support Grant amount plus the local share of the Estimated Business Rates Aggregate will together comprise its Settlement Funding Assessment.

Safety net

Mechanism to protect any authority which sees its business rates income drop, in any year, by more than 7.5% below their *baseline funding level* (with baseline funding levels being uprated by the small business rates *multiplier* for the purposes of assessing eligibility for support).

Start-up funding assessment

A local authority's share of the local government spending control *total* which will comprise its Revenue Support Grant for the year in question and its *baseline funding level*.

Tariffs and top-ups

Calculated by comparing at the outset of the business rate retention scheme an individual authority's business rates baseline against its baseline funding level. Tariffs and top-ups are self-funding, fixed at the start of the scheme and index linked to RPI in future years.

Tariff authority

An authority with, at the outset of the scheme, a higher individual authority business rates baseline than its baseline funding level, and which therefore pays a tariff.

Top-up authority

An authority with, at the outset of the scheme, a lower individual authority business rates baseline than its baseline funding level, and which therefore receives a top up.

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Appendix B –Submitted Response to the Consultation

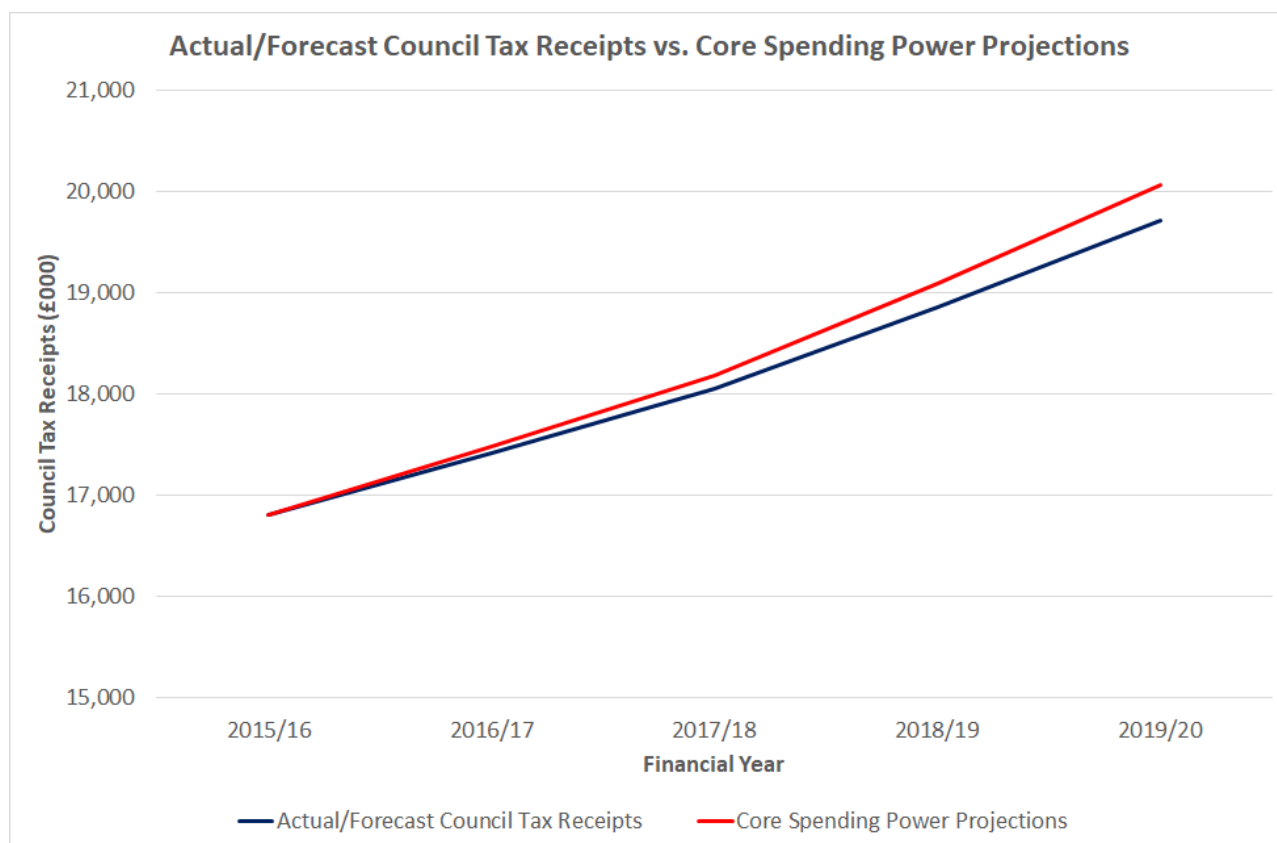
The following is Buckinghamshire and Milton Keynes Fire Authority's (BMKFA) response to the Provisional 2018-19 Local Government Finance Settlement Consultation Paper. This should be read in conjunction with our submission to the 2018-19 Local Government Finance Settlement: Technical Consultation Paper.

Question 5: What are your views on the council tax referendum principles proposed by the Government for 2018-19?

The Authority is disappointed that, despite responses to the Technical Consultation Paper, there were no specific council tax referendum principles set for fire and rescue authorities. BMKFA would reiterate all of the points raised in our response to the 2018-19 Local Government Finance Settlement: Technical Consultation Paper. All of these points remain valid and we would also highlight the following additional considerations based on data released as part of the provisional settlement.

Core Spending Power

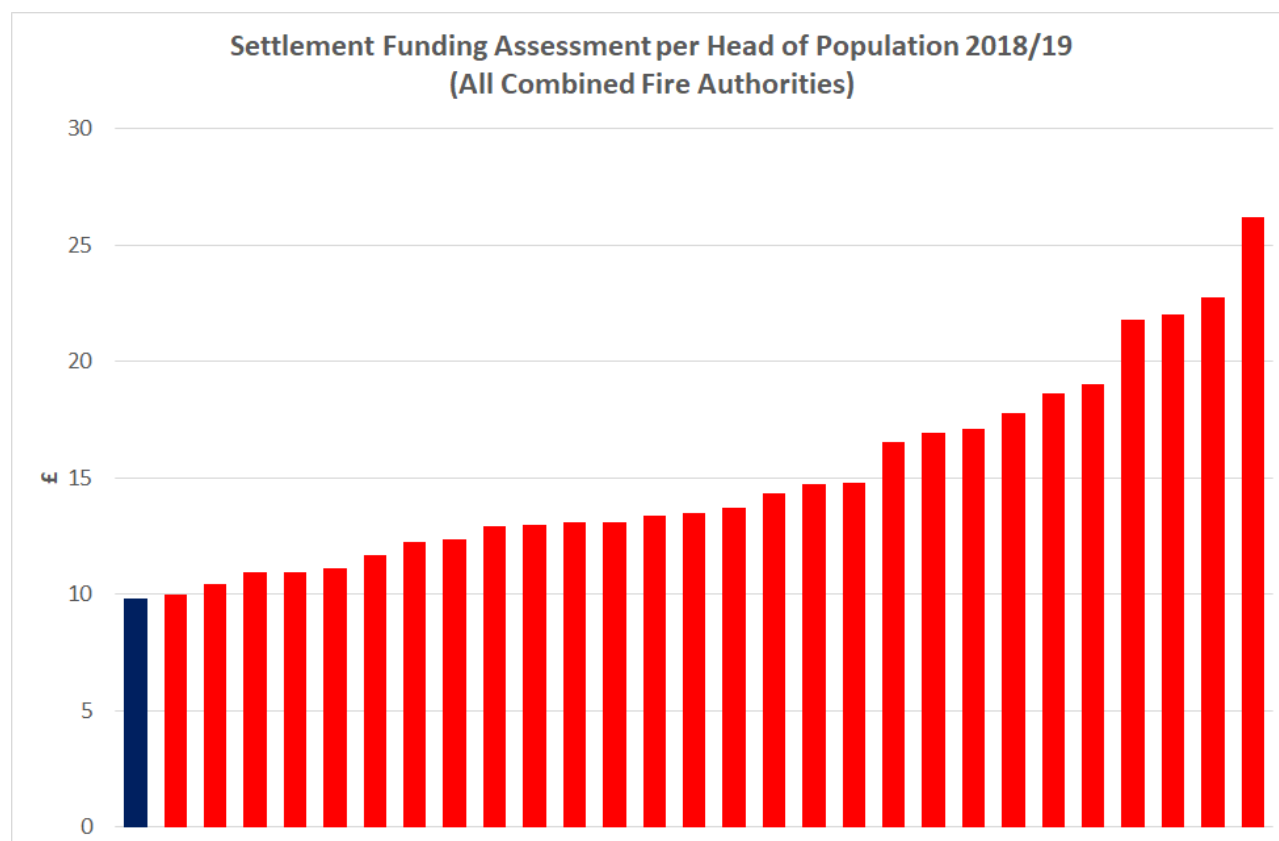
As part of the settlement (and in previous years) figures have been released detailing the core spending power of individual authorities. All core spending power figures released since the 2016/17 settlement have assumed that BMKFA's council tax base will grow by 2% per annum. However, actual growth has been below this level and is currently forecast to average 1.6% per annum between 2015/16 and 2019/20. The effect of this is illustrated in the chart below:



The cumulative difference between the actual/forecast figures and those assumed within the core spending power figures is more than **£750k** over the four-year period.

Settlement Funding Assessment

The provisional settlement details the settlement funding assessment (SFA) for each authority. The chart below shows the SFA for all combined fire authorities (CFAs) for 2018/19:



In the above chart BMKFA is highlighted dark-blue. This shows that BMKFA has the lowest SFA of any CFA. However, as BMKFA has the lowest precept of any non-metropolitan CFA there is no scope for us to rectify the discrepancy in the SFA without any specific exception.

BMKFA therefore calls on the government to allow us to increase council tax by up to £10 in 2018-19 without the need to hold a referendum.

Buckinghamshire & Milton Keynes Fire Authority



MEETING	Executive Committee
DATE OF MEETING	7 February 2018
OFFICER	David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor David Carroll
SUBJECT OF THE REPORT	Partnership Governance Update
EXECUTIVE SUMMARY	<p>In May 2014, the Executive approved a partnership strategy 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.</p> <p>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 officers and/or Members of the Authority that do not meet the fuller criteria for a true partnership.</p> <p>The Executive Committee agreed at their meeting in July 2015 to receive an annual report on Partnerships and this is the second of those reports.</p> <p>Appendix 1 provides details of participation for those partnerships identified on the Partnership Register and agreed by the Authority in 2016.</p> <p>Appendix 2 outlines the timescale, governance and rationale for each of the partnerships.</p> <p>Appendix 3 lists the joint working groups attended by this Service.</p> <p>Appendix 4 shows the ongoing collaborative work being undertaken by officers, which may in due course lead to future formal partnerships, or may become more embedded working groups for future consideration by Members.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that:</p> <ol style="list-style-type: none"> 1. Members approve the revised Partnership Register, set out in Appendix 2 2. Members approve the separate list of joint working groups where the Authority has an interest, set out in Appendix 3. 3. Members note the content of Appendix 4.

RISK MANAGEMENT	<p>As set out in Section 20 of the Financial Instructions:</p> <p>Each partnership should have a defined responsible manager within the Authority. This person is responsible for ensuring that:</p> <p>The partnership is appraised for financial viability in both the current and future years;</p> <ul style="list-style-type: none"> - The financial risk to the Authority is assessed; - Appropriate resources are assigned to the governance of the partnership; - The partnership is supported by an appropriate documented agreement which outlines the financial liabilities and accountabilities of the partners, together with procedures for financial transactions and monitoring, and which has been agreed in writing by all partners; and - The accounting arrangements are satisfactory. <p>The Director of Finance & Assets must be consulted and their agreement obtained to the acceptability of the details in respect of the above prior to commencement of the Partnership.</p>
FINANCIAL IMPLICATIONS	There are no direct financial implications arising from this report.
LEGAL IMPLICATIONS	The Authority's Financial Regulations (E.2) provide that "The Executive is responsible for approving partnership arrangements/joint working initiatives with other local public, private, voluntary and community sector organisations to address local needs."
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	This is the first paper relating to partnerships brought to the Authority following the introduction of the Policing and Crime Act 2017, which for the first time, has introduced a duty to collaborate. This paper demonstrates how the Service works collaboratively to achieve effective partnership working.
HEALTH AND SAFETY	There are no health and safety implications arising from this report.
EQUALITY AND DIVERSITY	There are no equality and diversity implications arising from this report.
USE OF RESOURCES	Any existing partnerships have been reviewed for use resource utilisation and new partnerships are considered against the criteria set out in the strategy.
PROVENANCE SECTION & BACKGROUND PAPERS	<p>Background</p> <p>O&A 9/12/10</p> <p>Update - Significant Governance Issues 2009/10</p>

	<p>Internal Audit Report: Review of progress on internal audit recommendations from previous audits</p> <p>O&A 12/5/11 Internal Audit Report: Review of progress on internal audit recommendations from previous audits</p> <p>O&A 22/6/11 Review of Progress on Internal Audit Recommendations Annex</p> <p>O&A 25/9/13 Annual Governance Statement 2012/13. Internal Audit Report: Update of progress of Audit Recommendations</p> <p>Buckinghamshire & Milton Keynes Fire Authority Financial Regulations http://www.bucksfire.gov.uk/NR/rdonlyres/F5A74AFB-37F7-42D0-9B07-B29E98DF789D/0/08FINANCIALREGULATIONS.pdf</p> <p><i>Evaluating Partnerships, An Overview and Compendium of Approaches</i> CIPFA May 2009 (Copyrighted material) http://www.cipfa.org/policy-and-guidance/publications/e/evaluating-partnerships-an-overview-and-compendium-of-approaches</p> <p>Executive 14/5/14 Min EX46 http://bucksfire.gov.uk/files/6714/0602/9795/ITEM_4_14-05-14_MINUTES_-_DRAFT_V3_FINAL.pdf</p> <p>Executive 29/7/16 Min EX06 http://bucksfire.gov.uk/files/9814/3740/2261/ITEM_9_Executive_-_Partnership_Governance_Framework_-_Jul_2015_-FINAL.pdf</p> <p>Executive 23/11/16 Item 6 http://bucksfire.gov.uk/files/1414/7879/2916/EXECUTIVE_COMMITTEE_AGENDA_231116_compressed.pdf</p>
APPENDICES	<p>Appendix 1: Review of Member and Officer participation in Partnerships</p> <p>Appendix 2: Partnership Register</p> <p>Appendix 3: List of joint working groups / forums attended by the Authority</p> <p>Appendix 4: Ongoing collaborative work</p>
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	<p>Richard Priest rpriest@bucksfire.gov.uk</p> <p>01296 744480</p>

Partnership Participation Review 2018

The rationale for inclusion of all partnerships was established in the paper to the Executive in July 2015. The updates below are to inform Members of developments since the last paper.

1. Safer MK and Safer & Stronger Bucks

In relation to Safer MK Partnership Board, the Head of Service Delivery is the appointed lead and one of the five members with voting rights. The Service Delivery Manager North is the nominated deputy.

The appointed lead for the Safer & Stronger Bucks Board is the Head of Service Delivery, with the Service Delivery Manager South the nominated deputy.

2. MK Safety Centre

The Memorandum of Understanding (MoU) with the MK Safety Centre will be reviewed prior 31st March 2019.

From 1st April 2018 the Service Delivery Manager North will become the Service's nominated Trustee for the Safety Centre.

3. USAR Canine – Hampshire FRS

This MoU remains in force and will be reviewed in 2019.

4. Fire Co-Responder – South Central Ambulance Service (SCAS)

This partnership with SCAS is progressing and is increasing opportunities to identify further opportunities for interoperability.

5. British Red Cross

The MOU is planned to be reviewed again early next year.

6. Training Partnership – Fire Service College

This partnership was reviewed in 2017 and a new three year contract has been agreed.

7. TVFCS

This partnership with Oxfordshire and Royal Berkshire Fire & Rescue Services is in place and work is progressing aligned with the transition plan.

8. Primary Authority Scheme – Yumm!

The Primary Authority Scheme partnership with Yumm! (KFC) is progressing in agreement with both parties.

9. Primary Authority Scheme – Cineworld

In January 2016 the Authority reached agreement with Cineworld to set up a primary authority relationship between the Authority and Cineworld such that Cineworld will request 'Primary Authority Advice' as defined in the Regulatory Enforcement and Sanctions Act 2008.

In effect this means that B&MKFA will provide advice and guidance to, and on behalf of Cineworld in the in the UK, for all matters relating to fire safety. The cost of providing the service is recovered by the Authority.

This is a joint Primary Authority Scheme initiative, with Milton Keynes Council providing Cineworld with Primary Authority Advice for Trading Standards.

Appendix 2 - Partnership Register

Partnership Name	Original Signing Date	Is the partnership legally defined and agreed by all partners?	Where does it fit within the Fire Authority plan?	Are there clear aims and outcomes for the Partnership?	Are the outcomes measureable and agreed by all partners?	Is the risk shared as well as the resources?	Date of last review by all partners	Could the outcomes be achieved in any other manner?	Is there an exit strategy / Should the Authority require one?
Safer MK	N/K	Crime & Disorder Act 1998	Vision & Strategic Objectives	Yes	In Part	Yes	Annual	No	No/No
Safer & Stronger Bucks	N/K	Crime & Disorder Act 1998	Vision & Strategic Objectives	Yes	In Part	Yes	Annual	No	No/No
MK Safety Centre	2010	Yes	Strategic Objectives & Local Plan	Yes	Yes, Activity Outcomes, No	Yes (Limited)	Annual	Potentially	Yes/Yes
Oxon FRS/RBFRS	2013	Yes	Protection – Cross Border arrangements	Yes	Not Agreed but Measureable	Yes	Annual	Yes, but at greater cost	Yes/Yes
USAR Canine Hampshire FRS	Feb 2009	Yes	Response/ National Resilience	Yes	Yes	Yes	Feb 2014 (new agreement drafted)	Yes – own canine provision but at greater cost	Yes/Yes
Fire Co-Responder	1/03/14	Yes	Vision & Strategic Objectives	Yes	Yes	Yes	1/06/14	Not by using fire crews as co-responders	Yes/Yes

Partnership Governance Update

British Red Cross	2012	No	Prevention	Yes	N/A	Yes	2014	Yes, but at greater cost	Yes/Yes
Training Partnership – Fire Service College	2015	Yes	Vision & Strategic Objectives	Yes	Yes	Yes	Quarterly	Yes, but it would be more costly	Yes/Yes
Thames Valley Fire Control Service	2015	Yes	Response – Steady state operation of the TVFCS	Yes	Yes, as set out in primary objectives	Yes	N/A	Yes, but it would be more costly	Yes/Yes
KFC - Primary Authority Advice	2014	Yes	Protection Policy – Fire Safety	Yes	Yes	N/A	N/A	Yes, but less efficiently at national level	Yes/Yes
Cineworld – Primary Authority Advice	2016	Yes	Protection Policy – Fire Safety	Yes	Yes	N/A	N/A	Yes, but less efficiently at national level	Yes/Yes

Appendix 3 - List of joint working groups attended by the Authority

District	Group
AVD	AV CSP Strategy Group
AVD	Aylesbury Vale Local Strategic Partnership
AVD	AV CSP (Implementation)
AVD	AV Community Cohesion Delivery Group
AVD	AVDC ASB Tactical Action Group (TAG)
AVD	AVDC Joint Action Group (JAG)
AVD	Aylesbury LSP
BFRS	Building Control Liaison
BFRS	Fire and Emergency Support Services
BFRS	Safety Advisory Groups
Bucks	Bucks CC Road Safety Team
Bucks	BSP Policy Officers Group
Bucks	Bucks ASB Strategy Group
Bucks	Bucks Equalities Network
Bucks	Chinese Business Community Partnership
Bucks	Community Cohesion & Equalities Forum
Bucks	Bucks Community Safety partnership
Bucks	Bucks Resilience Group
Bucks	Dignity In Care Group
Bucks	Risk Assessment Multi-agency Partnership (RAMP)
Bucks	Youth Inclusion and Support Panels
Bucks	Safeguarding Adults Board
Bucks	Safeguarding Children Board
C/SB	Chiltern and South Bucks Strategic Partnership
C/SB	Chiltern and South Bucks Partnership Steering Group
C/SB	Chiltern and South Bucks Community Safety Partnership
C/SB	Chiltern and South Bucks – Joint Action Groups
MK	Healthy Living Group
MK	Milton Keynes Council Road Safety Team
MK	Safe at Home Scheme
MK	Safer MK Performance Group
MK	Safer MK Public Safety
MK	Joint Area Tasking and Coordination (JATAC)
MK	Joint Emergency Services Group
MK	MK Safety Advisory Group (MK SAG)
MK	MK Prevent Board
MK	Older People's Group
MK	Adults Safeguarding Programme Board

MK	Children's Safeguarding Programme Board
WD	Wycombe CSP (Strategy Group)
WD	Wycombe CSP (Implementation)
WD	Wycombe Community Cohesion Delivery Group
WD	Wycombe Community Cohesion Strategy Group
WD	Wycombe Joint Action Group
WD	Wycombe Partnership (LSP) Executive
WD	Wycombe Partnership (LSP) Full

FRS Area	Group
SE Region	NFCC SE Protection Strategy Group
SE Region	Environment Agency South East (EASE) and FRSs
TV	Local Resilience Forum Regional Contingency Group
SE Region	South East Operational Response & Resilience Group
TV	Local Resilience Forum Communications Group
TV	Thames Valley Cross Border Group
TV	Thames Valley NVQ Centre
SE Region	South East National Operational Guidance (NOG) Group
FRS	Silverstone Major event group
SE Region	NFCC SE Prevention Strategy Group
SE Region	Employee Development Group

Appendix 4 – Ongoing Collaborative Work

Working with 'Blue Light' Partners

Whilst the Policing and Crime Act 2017 placed a duty on 'blue light' partners to collaborate where practicable, this has been the approach by this Authority for many years.

This approach can be seen by the agreement to build a 'blue light' hub in Milton Keynes, placing all three emergency services in one building which will support current inter-agency working and help identify future potential ways of working collaboratively.

A more specific example of the collaborative approach can be seen with:

- **Missing Persons – Thames Valley Police**

BFRS is looking at ways it can support Thames Valley Police in finding missing persons. This is resource-intensive for the police and support from BFRS could take the form of the drone, crews to aid searching, or the use of fire stations to provide command and control centres for search teams.

Supporting the Wider Health Agenda – Older People

Aligned to the Authority's Prevention Strategy, collaborative work is continuing in the following areas:

- **Falls Prevention – MK Council, AgeUK:MK & NHS MK**

Working with the NHS Falls Prevention team and AgeUK: MK, joint training has been undertaken between all three organisations to better understand how each supports those in the community at risk from falling. This has resulted in BFRS staff referring people at risk of falling, with reciprocal referrals being made by the other organisations relating to those at risk from fire, who were previously unknown to BFRS.

- **Falls Prevention – Bucks NHS**

BFRS staff work with the NHS Falls prevention team to deliver stability classes to those most at risk from falls. These classes have been held within office space at BFRS Headquarters for local residents to prevent them from having to travel further afield to local hospitals.

The Service is developing 'Home Fire Risk Check' visits to into 'Safe & Well' visits to ensure that trained BFRS crews can optimise visits to people's homes by delivering advice and support to mitigate the people becoming at higher risk from fire. Once a person becomes non-ambulant, there is an increased risk

from fire and so falls prevention work will be an essential element of the 'Safe & Well' visit.

- **Walking Groups – Bucks County Council**

BFRS staff are continuing to lead walking groups at specified locations within Bucks to encourage older people to become more active and to reduce the risk that they are socially isolated. This also encourages staff to become more active and links to the Service approach to increasing physical activity amongst all personnel.

- **Exercise Classes – LEAP**

LEAP continues to deliver physical activity classes at Princes Risborough Fire Station, using the drill yard, at no cost to either organisation. These accessible classes are aimed at all adults in the local area to support increasing activity and reducing social isolation. The intention is to run these from more fire stations across Bucks and MK.

- **Dementia Awareness – Dementia Society**

Supported by the Dementia Society, all frontline BFRS staff have undertaken dementia awareness training to make them better understand those in the community who have this condition.

Supporting the Wider Health Agenda – Youth Engagement

- **'Embers' Course (Aylesbury) – Bucks County Council**

Working with Bucks County Council Youth Team, BFRS staff have run two programmes aimed at increasing the physical activity and self-confidence of schoolchildren in the Aylesbury area, working in conjunction with local schools. This course has evolved from the 'Junior Firefit' programme, which is running successfully at High Wycombe Fire Station.

- **Employability Programme (Aylesbury) – Bucks County Council**

Working alongside the Bucks County Council Youth Team, Aylesbury Fire Station staff successfully delivered an employability course aimed at those young people not currently engaged in employment, training or education. The intention is to link this programme with business groups to create a potential employment 'pathway' for young people.

- **Sustainable Tenancies (Broughton) – MK Council**

The community co-ordinator for MK has created a brand new initiative aimed at supporting those young people moving from living in care to independent living. Working with the MK Council Corporate Parenting Team, who have identified suitable young people, the co-ordinator supported by staff at Broughton Fire Station deliver life skills courses to the young people.

The attendees learn basic DIY, practise their cooking skills, are given financial advice, encouraged to be a good neighbour and are also encouraged to call back to the station regularly for more support and guidance if this is needed.

This has been supported by the local Tesco store. This programme has now been evaluated and the intention is to run this at other stations throughout the Service area where there is an identified need.

- **Bucks Business First - Buckinghamshire & Thames Valley Local Enterprise Partnership**

BFRS is keen to explore how it can play a part in supporting young people to find employment in Bucks and also to support businesses in finding the right kind of youngster to help their business grow.

- **Working with the Voluntary & Charitable Sector - MK Community Action & MK Community Foundation**

BFRS is working closely with MK: Community Action and MK: Community Foundation. These groups support the funding of charities and voluntary groups as well as helping them with their governance arrangements. These organisations are key to helping BFRS understand how it can work more effectively in the future with these key groups.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	7 February 2018
OFFICER	Lynne Swift, Director People and Organisational Development
LEAD MEMBER	Councillor Steven Lambert
SUBJECT OF THE REPORT	Strategic Management Board Remuneration and Performance Review 2017 and Annual Report on the Employee Bonus Scheme
EXECUTIVE SUMMARY	<p>Strategic Management Board (SMB) members are contracted under the National Joint Council (NJC) for Brigade Managers of Fire and Rescue Services Constitution and Scheme of Conditions of Service; known as the "Gold Book", for pay purposes. This involves a two-track approach for determining levels of pay;</p> <ul style="list-style-type: none"> ▪ National Pay - At national level, the NJC annually reviews the level of pay increase applicable to Principal Officers. Any increase is effective from the usual annual settlement date 1st January. ▪ Local Pay - The NJC agreement also requires Fire and Rescue Authorities to review Principal Officers' salary levels on an annual basis. <p>In determining any proposed changes to local pay, the Pay Review methodology requires Members to consider various types of qualitative and quantitative data, including public sector comparisons and organisations geographically relevant.</p> <p>In line with the methodology an independent review considering performance and relevant benchmarking data has been undertaken and is attached at Appendix A for consideration by Members.</p> <p>Overall there has been continued demonstration of success across all directorates including operational delivery, prudent financial and asset management, innovative and progressive workforce reform, and increased partnership working to deliver a range of services to the community.</p> <p>Performance is scrutinised by the Overview and Audit Committee, which monitors the Authority's progress in delivering the Strategic Objectives set out in the 2015-20 Corporate Plan.</p>

	<p>The Authority's Pay Policy Statement also requires that the Executive Committee receives an annual report summarising the awards which have been made under the Employee Bonus Scheme to employees throughout the organisation.</p>
ACTION	Decision and Information
RECOMMENDATIONS	<p>It is recommended that:</p> <ol style="list-style-type: none"> 1. a financial recognition of achievements to the Chief Fire Officer/Chief Executive (CFO/CE) through a bonus payment be considered; 2. if a bonus payment to the Chief Fire Officer is approved, the level of bonus be agreed. 3. an amount of funds be agreed to be allocated to other members of the SMB by the Chief Fire Officer based on individual performance reviews; 4. the summary of the awards made in 2016/17 under the Authority's Employee Bonus Scheme set out at Appendix 2 be noted; 5. the recommendation set out in Appendix 7 of the attached report be approved; and 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.
RISK MANAGEMENT	There are no risks to the delivery of the Authority's functions.
FINANCIAL IMPLICATIONS	<p>If members are minded to consider bonus awards as per the methodology described, this would be funded from the year end outturn favourable variances.</p> <p>For members information the year end outturn positions before movements to and from reserves in recent years have been:</p> <p>2014/15 c£1,811k favourable variance 2015/16 c£1,821k favourable variance 2016/17 c£1,770k favourable variance</p> <p>The latest estimate for the corresponding 2017/18 outturn as of end November 2017 is projected to be c£652k (including underspends already transferred to earmarked reserves).</p> <p>The impact of future pay awards will be factored into the medium term financial plan.</p>
LEGAL IMPLICATIONS	The terms of reference of the Executive Committee

	include the role of the employer in connection with employees of the Authority contracted in whole or in part to the "Gold Book". The recommendations are consistent with the Authority's extant statutory pay policy statement.
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	<p>Relevant market rates across the Thames Valley and Nationally are reviewed as part of the process. The Thames Valley collaboration programme is currently focusing in six projects, collectively referred to as phase 1.</p> <p>Senior management processes, such as collaborative succession planning, are under consideration - as is sharing senior management resources as part of phase 2.</p> <p>There may be an opportunity in future to use one external independent consultant to review senior remuneration across the Thames Valley Services, particularly if we are able to align Pay Policy Statements.</p>
HEALTH AND SAFETY	There is no impact.
EQUALITY AND DIVERSITY	There are no equality and diversity issues arising from this report.
USE OF RESOURCES	<p>The arrangements for setting, reviewing and implementing strategic and operational objectives; Performance monitoring, including budget monitoring; achievement of strategic objectives and best value performance indicators;</p> <p>SMB members are collectively and individually responsible for delivering the corporate plan and the Authority's objectives.</p> <p>Performance of SMB members is regularly appraised either by the Chief Fire Officer/Chief Executive (CFO/CE) or Chairman supported by Lead Members where appropriate.</p> <p>The Authority's Pay Policy, Part 2 section 24, and the methodology described in Appendix 8, allow for Authority consideration of one-off bonus payments linked to evidenced and scrutinised delivery of performance management objectives.</p> <p>Whilst SMB members have been invited to contribute with evidence to demonstrate performance improvements, officers have not been and will not be party to any decision making in relation to their own remuneration.</p> <p>Performance and Benchmarking Data:</p> <p>In determining any changes to local pay, the methodology requires members to consider various</p>

	<p>types of qualitative and quantitative data, including:</p> <ol style="list-style-type: none"> 1. Information about the extent to which corporate objectives have been met 2. CFO /CE appraisal data as provided by the Chairman 3. SMB appraisal data as provided by the CFO/CE 4. Progress on any specific projects that members identified as high priority 5. Performance data provided by the CFO/CE relating to SMB. 6. Comparative performance data with other Fire and Rescue Services 7. Salary benchmarking data in relation to senior manager teams, (Population Band 2), Combined South East Region Fire Services 8. Financial data about budget provision for pay / reward costs arising from this review 9. Data about national pay settlements awarded to Gold, Green and Grey Book employees <p>System of Internal Controls:</p> <p>Adherence to the Pay Policy Principles and Statement is controlled via strict establishment and pay change approval process controls.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background:</p> <p>The SMB is made up of the:</p> <ul style="list-style-type: none"> • Chief Fire Officer/Chief Executive • Chief Operating Officer/Deputy Chief Fire Officer • Director of Finance and Assets • Director of People and Organisational Development • Director of Legal and Governance • Head of Service Delivery • Head of Service Development <p>Appendix 8 sets out the Senior Management Team pay review methodology which covers the mechanism for the implementation of the Senior Officers Remuneration Procedure.</p> <p>The SMB methodology recognises that there are a range of pay and non-pay options for members to consider, which include attending development opportunities, incorporated salary rises, non-incorporated bonuses, pay agreements that span a number of years and no change to existing reward packages.</p> <p>Remuneration principles are part of the Authority's current Pay Policy Statement 2017/2018. The principle of self-funding linked to efficiencies and performance</p>

	<p>is central to the Authority's reward and remuneration philosophy.</p> <p>The Authority strives to provide a modern employment proposition to support demand. A revised Pay Policy Statement 2018/2019 is recommended for approval by the full Authority in February 2018. The policy already "recognises that new employees may be employed on terms and conditions outside of the Grey Book". 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.</p> <p>Report to Fire Authority 15 February 2017: Pay Policy Principles and Statement 2017/18:</p> <p>http://bucksfire.gov.uk/files/2315/0816/2918/ITEM_9_Pay_Policy_Principles_and_Statement_2017-18_Fire_Authority_15_02_17Appendix.pdf</p> <p>Report to Overview & Audit Committee 15 November 2017: Annual Performance Monitor 2016-17</p> <p>http://bucksfire.gov.uk/files/5515/0964/7359/ITEM_1_1_Annual_Performance_Monitor_-_Cover_Paper_Annexes-min.pdf</p>
<p>APPENDICES</p>	<p>Report: Senior Management Board Remuneration and Performance Review, and Annual Report on Employee Bonus Scheme (<i>J McNeill</i>)</p> <p>Appendix 1: Minimum annual rates of pay for chief fire officers by population band from 1 January 2016</p> <p>Appendix 2: Bonus Awards 2016 non-SMB staff</p> <p>Appendix 3: Breakdown of total remuneration of CFO and SMT members</p> <p>Appendix 4: BMKFA pay multiples over three years</p> <p>Appendix 5: Comparative data provided by 30 other combined fire authorities against data provided by BMKFA for average Band D equivalent Council Tax 2015-16 and for 2014-15 (source CIPFA <i>Fire and Rescue Services statistics 2016-17</i>).</p> <p>Appendix 6: Comparison of population size 2014 compared to council tax 2017/18 of combined fire authorities in SE region and of fire authorities of similar size to BMKFA. CIPFA</p> <p>Appendix 7: Exempt from publication</p> <p>Appendix 8: Senior Management Team Pay Review Methodology</p> <p>Appendix 9: Summary Data- 2016-17 – Net Expenditure divided by General Data – Population as at June 2016</p>

Strategic Management Board Remuneration and Performance Review 2017
and Annual Report on the Employee Bonus Scheme

TIME REQUIRED	20 minutes
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**Senior Management Board Remuneration and Performance Review,
and Annual Report on Employee Bonus Scheme**

Buckinghamshire and Milton Keynes Fire Authority (BMKFA)

Report to the Executive Committee 7 February 2018

1. Executive Summary

- 1.1 This report provides information for members' consideration in their review of the corporate and individual performance of the senior management board (SMB), and whether a bonus payment would be appropriate. A local pay review is conducted annually and any proposed changes are approved by the full Authority in March, to be effective from the preceding January. The last remuneration review was in February 2017.
- 1.2 The senior management posts under consideration in this review are Chief Fire Officer / Chief Executive, Chief Operating Officer / Deputy Chief Fire Officer, Director of Finance and Assets, Director of People and Organisational Development, Director of Legal and Governance, Head of Service Delivery and Head of Service Development. These posts are considered under the National Joint Council for Brigade Managers of Fire and Rescue Services Constitution and Scheme of Conditions of Service (known as the 'Gold Book') arrangements of national and local review.
- 1.3 To support members in their considerations, account has been taken of the pay context in which the fire service operates, conditions of employment, local methodology for conducting a pay review, pay policy and corporate plan, financial position, performance data compared with other fire authorities (council tax precept, pay bill, net expenditure), salary benchmarking, deliverables against corporate plan, evidenced achievements.
- 1.4 Context and service performance data has been drawn from management reports to the FRA and from published national data collected by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Government Association (LGA). At the time of writing the report, the CIPFA statistics for 2018 are not yet available, so recommendations are based on the 2017 report and previous estimates.

- 1.5 Overall, the data presented continues to reflect a strong and effective leadership team that ensures efficient deployment of assets and operational outputs with wide provision of services to the community and has proactively engaged with external partners.
- 1.6 This is against a backdrop of continuing tighter fiscal measures and fewer resources including a decrease of 57% in revenue support grant that is due to be received from 2015/16 until 2019/20.
- 1.7 The Government has set an expectation that council tax will be increased every year during the current spending review. In 2016/17 and 2017/18 this was increased by 1.98%. It is assumed that council tax will be raised by 2.99% for the next two years.
- 1.8 The cost of providing the fire service compared to other combined fire authorities is one of the lowest in the country yet BMKFA continues to show sustained improvement by reducing the number of serious incidents attended and the incidence of deaths and injury remain low against a backdrop of an increasing population. The average response time to incidents has improved in the last two years after a period of increase.
- 1.9 The largest savings relate to operational staffing and innovative crewing through the development of flexible and resilient resourcing models to better meet risk, response standards and service demands.
- 1.10 The former chief fire officer's salary as at 1 January 2015 was £145,252. When he left and the current chief fire officer was recruited, the authority took the decision to reduce the chief fire officer pay. If this had remained unchanged, the salary as at 1 January 2018 would be £149,653 (assuming a 1% pay award per annum). This represents a saving of 4% on the pay of the CFO. The deputy chief fire officer post was similarly reduced when the post became vacant.

2 Background and context to pay and remuneration

- 2.1 The NJC for Brigade Managers Salaries and Numbers Survey 2017 July 2017 has now been published by the Local Government Association (LGA) covering pay, gender, ethnic origin, age and use of 'Gold Book' rates by fire authorities that do not employ Brigade Managers on Gold Book terms and conditions.
- 2.2 Pay statistics have been updated taken from the survey findings, at Para 8.1.4 in the LGA report. Of concern here is that the national salary levels now provided for 2014 are lower than the salary levels reported for 2014 previously. In the absence of any breakdown of figures used for these calculations, there is uncertainty about the validity of any meaningful benchmarking here.
- 2.3 An explanation for this may be that certain allowances have not been included in the pay data that was included previously. For example, additional allowances

of c£10,000 per annum for providing principal officer rota cover may have been excluded from the figures in this LGA report. It is important to note here that the Buckinghamshire Fire Service figures include all principal officer rota payments for operational personnel in the salary figures provided.

- 2.4 The Local Government Transparency Code 2015, Department for Communities and Local Government (DCLG) and Code of Recommended Practice for Local Authorities on Data Transparency and the Accounts and Audit (England) Regulations 2011, seeks to ensure local people can access data including salary levels for senior staff. A link to this published data is available on the website with a list of responsibilities, details of bonuses and 'benefits in kind' for all staff earning over £50k
- 2.5 Localism Act, 2011 requires authorities to produce a Pay Policy Statement showing the dispersion of pay (including variable pay, use of performance related pay, bonuses, allowances and cash value of benefits in kind) and the ratio of pay showing the relationship between the remuneration of chief officers and other employees, known as a 'pay multiple'.
- 2.6 The Hutton report on Fair Pay, 2011 set out the case for a maximum pay multiple, keeping the pay of top public sector executives bounded to what their staff earn. A maximum pay multiple of 20:1 was proposed.
- 2.7 The Report from Adrian Thomas, Independent Review of Conditions of Service, England, November 2016, highlighted differences between fire authorities including accessibility of pay policy statements, CFO annual salaries and complexity of rank, job evaluation for principal officers. Data for Chief Fire Officers' salaries 2013 from each FRS was published and BMKFA featured at number 20 out of 46 authorities in descending order of CFO salary level. It is noted that whilst the purpose of the above report is relevant, the differentials reflected for BMKFA are no longer relevant following the review of salary levels when the new CFO was appointed in 2015.
- 2.8 There continues to be a focus on pay restraint for senior managers and this remains central to the government's deficit reduction strategy. Government guidance to this effect was published on 5 February 2016 as a reminder of the rules in place and the government's expectations on public sector employers, particularly relating to senior pay controls, exit payments, salary sacrifice schemes and other benefits.
- 2.9 The National Living Wage (NLW) was introduced in April 2016. This is currently at £7.50 / hour and is due to increase in April 2018 to £7.83 / hour. It is still unclear what 60 percent of the UK median earning will be by 2020 but previous figures proposed remain suggest it will be between £9 - £9.40 / hour. The NLW may present a challenge for local authorities in planning for future pay policies as it may impact on established pay structures and pay differentials. However,

firefighter pay is established at a national level and is not affected by the NLW levels.

3 Fire Service Conditions of employment

- 3.1 BMKFA applies national conditions of pay for the majority of operational and senior staff. SMB are contracted under the National Joint Council (NJC) for Brigade Managers of Fire and Rescue Services Constitution and Scheme of Conditions of Service, known as the 'Gold Book'. This provides for a national and local review of pay.
- 3.2 Operational staff below Brigade Manager are conditioned to the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service (known as the 'Grey Book'). However, the Authority recognises that new employees may be employed on terms and conditions outside the Grey Book. This includes the operation of a 'Bank System' where staff make themselves available when not on duty for operations. Payment for this is agreed locally.
- 3.3 A pilot of flexible arrangements for firefighters was carried out in May 2016. Terms and rates of pay were agreed outside the Grey Book for the protection of services and provision of enhanced resilience, including agreement to not participate in industrial action, on a voluntary basis.
- 3.4 A number of options were considered to take this forward and the role of the flexible firefighter was made permanent on a current flexible crewing arrangement (15 percent + mileage to align to a central station). The Flexi fire fighters are in place and a recent recruitment exercise attracted 70 applications
- 3.5 Support staff are on local terms and conditions of employment and progression through pay scales is determined based on evidenced performance.
- 3.6 Twenty two apprentice firefighters started in August 2016, to be operational from October 2016. Also, four support staff apprentices were taken on. More were recruited in 2017. By the end of 2017/18, there is to be 50+ employees who are either current apprentices, or recently completed apprenticeships including firefighter, business and administration, information communication technology and management & leadership. This will include a blend of new and existing employees.
- 3.7 Annual reviews are considered by the NJC to negotiate on national pay, taking account of affordability of local authorities, other relevant pay deals and the rate of inflation. There was an increase of 1 percent in brigade managers' pay with effect from 1 January 2016 and of 1 percent with effect from 1 July 2016 for Grey Book staff. In July 2017, the NJC for Brigade Managers agreed an increase of 1 percent for Brigade Managers with effect from January 2017. This reflects a minimum annual rate of pay for Population Band 2 at £100,776.

- 3.8 At the time of writing this report, pay discussions for Local Government Services (Green Book) staff are currently underway. The final pay offer has been made by the National Employers for 2018/20 (2 year deal). In 2018/19 this includes 'bottom loading' for the lower pay scales (up to SCP 19) to arrive at a lowest rate of £8.50 / hour, and a flat rate of 2 percent for posts above SCP 20. In 2019/20 it is proposed a 'bottom rate' of £9 / hour, a revision to the pay spine arrangements at the lower end to iron out gaps created by compacting the lower pay point, and a flat rate of 2 percent from the new SCP 23 upwards.
- 3.9 The NJC agreement requires Fire and Rescue Authorities (FRAs) to review Principal Officers' salary levels annually and determine this at a local level. 'When determining the appropriate level of salaries for all Brigade Managers, the FRA should refer to the relevant minimum salary of the CFO and the most relevant benchmark data'.
- 3.10 Account is also taken of national benchmarking, special market considerations, substantial local factors or complex responsibilities that bring added value, top management structures and size of management team compared to other Fire and Rescue Services (FRS), objectively assessed relative size of post and incident command responsibility (including beyond own boundaries).
- 3.11 Consideration in setting salary levels locally are likely to include:
1. Minimum salary levels for Chief Officers in relevant sized local authorities
 2. Market rates of pay for senior managers in a range of private and public sector organisations
 3. Evidence of recruitment and/or retention difficulties with existing minimum rates
- 3.12 The revised minimum levels of annual rates of pay for chief fire officers from 1 January 2017 covering Bands 1 – 4 is provided by the LGA report, with the caveat referred to in para 2.2 above. **Appendix 1.** The relevant Population Band for BMKFA is Band 2.

4. BMKFA Policies and Plans

- 4.1 The Pay Policy Principles and Statement 2017/18 set out the factors that are taken into account in determining the recommendations for the future pay position for senior managers.
- 4.2 A revised pay policy for 2018/19 will go to the Fire Authority in February 2017 but the changes will not impact on the SMB remuneration for this year. Decisions on pay policy are taken by elected members as they are directly accountable to local communities and all decisions on pay and reward for chief officers must comply with the current Pay Policy Statement.

- 4.3 Annex C of the Pay Policy refers to bonus payments being *'one-off ... to reflect excellent performance... which exceeds standards and targets agreed with the employee during their annual appraisal process...'*. Recognition does not have to take the form of payment, and where financial awards are proposed, it requires a fair and transparent process to be in place. Objectives are to reward those who demonstrate sustained, outstanding achievement or excellence in role.
- 4.4 In March 2016, eligibility criteria for the payment of "merit/bonus" awards for use by managers was agreed. This decision reflected the high performance and delivery of corporate objectives across the Authority.
- 4.5 Bonus payments are not intended as additional reward to staff who are performing at a fully satisfactory level and/or developing in line with normal expectations. Discretionary payments, such as merit awards, are not to be used where the requirements of a job have changed significantly and permanently, as this would be for consideration under job evaluation.
- 4.6 Managers were invited to make applications for merit/bonus awards for non SMB staff in line with established criteria provided at **Appendix 2**. 66 applications were received, an increase of 26 from last year, 29 for operational and 37 for support services staff. Total payments made cost £46,250, compared to £38,100 from 2016. The outcome of these considerations is also provided at **Appendix 2**.
- 4.7 Any Bonuses will be considered linked to evidenced and scrutinised delivery of performance management objectives. Payment for bonuses is discretionary and non-contractual. The amount allocated for bonuses will be self-funding linked to savings and performance. This principle is central to the Authority's considerations of reward and remuneration.
- 4.8 It is suggested that a review be undertaken of the methodology used to determine and allocate bonuses across the fire service over this year. This is to ensure that the processes, amounts and allocation are proportionate and fair to all employees, taking into account the increasing preparedness and wider range of staff willing to undertake new or innovative ways of working.
- 4.9 The Pay Policy 2017/18 defines Strategic Management Board (SMB) levels of remuneration as comprising salary, car provision or car allowance. Private medical insurance that was still provided to a few employees has now ended.
- 4.10 Benefits in kind are listed as car allowance value P11D. See **Appendix 3**. A car allowance figure has been removed from the flexible duty system required by senior operational managers as part of the operational cover provided. This differs from the car allowance which is relevant for support staff.
- 4.11 A further requirement is the publication of a 'Pay Multiple'. This is the ratio between the highest paid employee and the median average salary figure for all employees. This is provided in **Appendix 4**. It should be noted that since

2015/16 the pay ratio between the CFO and other staff has decreased from 11.04:1 to 9.86:1 which reflects a positive reduction in differentials.

- 4.12 In July 2017 the Mid Term Review and Refresh of the 2015-20 Corporate Plan was presented to the Fire Authority for noting progress made and approving updates. The focus was to equip the organisation to meet future challenges, respond to changes in demand and risk to the community, and reduce operating costs in line with planned reductions in government funding.
- 4.13 The Plan outlined the strategic objectives and enablers and scheduled key work programmes arising from the 2015/20 Public Safety Plan.
- 4.14 Objectives focus on:
- Preventing incidents
 - Protecting homes, buildings and businesses
 - Allocating assets and resources according to risk and demand
 - Providing value for money
- 4.15 Enabled by:
- People
 - Information management
 - Assets and equipment
- 4.16 Successful implementation of the Plan is critical to the achievement of the savings required by the 2015/16 to 2019/20 Medium Term Financial Plan. The Plan identified issues to be addressed in the Integrated Risk Management Plan (IRMP) and Action Plans. These are underpinned by more detailed Directorate Plans.
- 4.17 It is intended that the activities to deliver the strategic objectives and actions will be resourced from within the proposed establishment and budgets as outlined in the 2015/16 – 2019/20 Medium Term Finance Plan.
- 4.18 Directorates review performance against action plans and monitor progress against agreed performance indicators. Overall performance is scrutinised by Fire Authority members at the Overview and Audit Committee.
- 4.19 Particular achievements to March 2017 included ministerial visits, speeches and awards, the unique and innovative operational response and resourcing model supported by extensive workforce reform and service remodelling; improved and diverse services to the public such as providing a medical response; partnership working with Thames Valley Police and South Central Ambulance Service; apprenticeship schemes; recognition for staff health and wellbeing programme; integration of business systems. Not one fire station has been closed.

5. Pay review methodology

5.1 The following performance and benchmarking data have been used as the basis for members to determine any changes to local pay. This requires members to consider various types of qualitative and quantitative data, which may include:

1. Information about the extent to which corporate objectives have been met
2. Chief Fire Officer appraisal data as provided by the Chairman
3. Senior management board appraisal data as provided by the Chief Fire Officer
4. Progress on any specific projects that members had identified as high priority
5. Performance data provided by the Chief Fire Officer following discussions with the senior management board.
6. Comparative performance data with other fire services
7. Salary benchmarking data in relation to senior management team salaries for Group 2, Combined South East Region Fire Services
8. Financial data about budget provision for pay / reward costs arising from this review
9. Data about the national pay settlements awarded to Gold, Green and Grey Book employees

5.2 Evidence is required to demonstrate delivery of performance management objectives reflecting excellence. Information to support consideration of areas 6-9 above is provided in this report.

5.3 Relevant posts for consideration (SMT) are:

- Chief Fire Officer / Chief Executive
- Chief Operating Officer / Deputy Chief Fire Officer
- Director of People and Organisational Development,
- Director of Legal and Governance
- Director of Finance and Assets
- Head of Service Delivery
- Head of Service Development

5.4 Any costs arising from the application of the agreed SMT pay review methodology will be factored into the medium term financial planning process.

5.5 A range of possible outcomes to this pay review are:

- Non-pay rewards
- Pay increases that are incorporated into salaries (consolidated and pensionable)
- Non-incorporated bonuses (non-consolidated and non-pensionable)
- Pay agreements that span more than one year
- No change to existing reward arrangements

- 5.6 All statutory deductions will apply (income tax and national insurance contributions) and funds for any uplift are to be taken from savings achieved during the preceding year.
- 5.7 In accordance with the Pay Policy Principles, there is no right of appeal against recommendations or final decisions made.

6 Financial position

- 6.1 The Annual Report to Buckinghamshire County Council 2017 confirmed BMKFA demonstrated sustained improvement by managing down the number of fire calls and changing how it works to provide a wider range of services to the local community, making savings across the whole service and delivering this with the lowest council tax level for a non-metropolitan combined fire service in the country.
- 6.2 The Service provides more services without passing on additional cost to the tax payer, including attending medical emergencies as co-responders. Increased flexibility and modernisation of working arrangements maximises use of resources; youth engagement; wider health agenda; reinforcing fire safety awareness and training in light of the tragic Grenfell Tower Fire; collaborative procurement; use of drone imagery to support firefighting operations and investigations.
- 6.3 The Budget Monitoring Performance and Debt Management April – September 2017 report stated that managers have positively and proactively controlled spend and forecast an underspend of £273k, against a revenue budget of £28.2m. This is after the effect of transfers to and from reserves relating to sprinklers have been removed.
- 6.4 Proactive management of finances and a prudent approach to spending public money has reported a consistent underspend against budget from 2011 to 2017.
- 6.5 According to the Annual Financial Statement to end March 2017, a net surplus for the year 2016/17 of -£870,843 was due to a number of factors including on-call establishment remaining below budgeted levels and several vacant posts across the organisation; more efficient and effective ways of working; over-achievement of interest earned on cash balances. This presents a consistent pattern of underspend over recent years.

7 Performance data compared with other fire authorities

7.1 Council tax precept

- 7.1.1 Council tax was frozen by BMKFA from 2011 to 2015 at £59.13 per household in Band D and was reduced by 1 percent in 2015/16 to £58.54 per household.

A change in Government policy led to BMKFA increasing the Band D equivalent council tax by 1.98 percent in 2016/17 to £59.70 per household and by 1.98 percent in 2017/18 to £60.88 per household. This equates to an equivalent increase of 25p per year since 2011.

- 7.1.2 The Medium Term Financial Plan 2016/17 to 2019/20 was based on the assumption that council tax for BMKFA will be raised by 1.99 percent for the next three years. This equates to £59.70 for Band D equivalent property for BMKFA compared to an average figure of £73.14 average Band D figure for combined fire authorities in 2016/17.
- 7.1.3 **Appendix 5** compares council tax data between BMKFA and 29 other combined fire authorities in 2017/18. This illustrates an average Band D equivalent Council Tax for that year and evidences the position of BMKFA remaining within the lower quartile and sitting at third lowest figure of the 29 fire services including metropolitan fire services, but the lowest of all combined fire authorities.

7.2 Total pay bill expenditure

- 7.2.1 A breakdown of CFO and SMT members' remuneration is provided in **Appendix 3**. A number of honoraria / bonus payments are shown paid in 2017 for performance in 2016. Some refer to new appointments.

7.3 Net expenditure excluding capital charges per 1,000 population

- 7.3.1 Each directorate is allocated a budget to achieve greater financial ownership and accountability for resources.
- 7.3.2 The figures provided in Appendix 9 demonstrate consistent improvement or maintenance of the budget in times of financial constraint. This reflects very positively on the financial position of the fire authority and the efficiency and probity with which its resources are being managed and deployed.

8 Salary benchmarking data in relation to senior management team salaries and LGA fire salary benchmark information

8.1 Employee costs

- 8.1.1 BMKFA is in Population Band 2. The national average of CFO salaries in Population 2 in **2014** is reported** as £133,181 and in 2017 at £131,423.
- 8.1.2 The national average of DCFO salaries in Population 2 in **2014** is reported** as £105,214 and in 2017 at £105,704.
- 8.1.3 For Chief Fire Officers there has been an increase of 4 percent since 2014 and for Deputy Chief Fire Officers, the average pay increased by 1.9 percent.

Population Band 2	Mean average
2014	
CFO	£133,181
DCFO	£105,214
2017	
CFO	£131,423
DCFO	£105,704

** LGA Fire salary survey 2017 (see para 2.2)

- 8.1.4 According to the LGA survey, the overall number of officers in receipt of additional pay such as car allowances and flexi-duty/standby allowance was 33 in 2017, which is a decrease of 38 percent since 2014 when there were 54 officers receiving additional pay. At chief fire officer level there were 12 receiving additional pay, a decrease of three since 2014. At deputy chief fire officer level, there were 12 officers receiving additional pay, which is two fewer than in 2014.

	National Mean average Population Band 2	BMKFA**	BMKFA difference above mean average
2017			
CFO	£131,423	£142,697	£11,274
DCFO	£105,704	£118,485	£12,781
2018*			
CFO	132,737	144,124	11,387
DCFO	106,761	119,670	12,909

* Anticipated 1 percent increase

** Does not include Bonus figure

- 8.1.5 The base salary for the Chief Fire Officer in BMKFA in 2017 is £142,697 and the Deputy Chief Fire Officer is £118,485. In 2017 with a 1 percent increase, the CFO salary figure is 8 percent higher than the mean average for Population Band 2 fire services and the DCFO figure is 11 percent higher.
- 8.1.6 Assuming a 1 percent pay increase for 2018, the CFO salary figure would be 8 percent higher than the mean average for Population Band 2 fire services and the DCFO figure would be 11 percent higher.
- 8.1.7 Whilst the NJC Brigade Managers survey reflect that the chief and deputy chief fire officer pay is a little above the national average pay, the statistics provided by CIPFA of combined fire authorities in the South East region reflect that Buckinghamshire is the lowest pay in this geographical area and

the second lowest pay level in combined fire authorities of a similar population size. (**Appendix 6**)

9 Appraisals and evidenced performance management achievements

- 9.1 A verbal update on the CFO appraisal will be provided by the Chairman of the Fire Authority at the meeting, which will be supported by documentation.
- 9.2 The CFO has indicated his assessment that the senior management board have performed well and that if members were supportive, they would warrant recognition by way of bonus payments for their contribution to the service's success. Any payments will be based on evidenced performance criteria and will be dealt with by the CFO through normal managerial arrangements.

10 Proposal

- 10.1 There has been a continued demonstration of success in workforce reform, operational delivery, prudential financial and asset management, growing partnership working to deliver a range of services to the community, a small increase in Council Tax of 1.99 percent following an increase of 1.98 percent last year and three years of no increase and comparatively slightly higher than average salary levels for the CFO and DCFO.
- 10.2 I propose therefore that members consider whether or not to award a financial recognition of this achievement to the CFO through a bonus payment, and if so, the level of bonus. Also, that the total amount of funds, if any, be allocated to other members of the SMT based on individual performance reviews, through the delegated authority of the CFO.

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Annual rates of pay for chief fire officers from 1 January 2017

Population Band 1	Up to 500,000
Minimum rate of pay	£100,776*
Population Band 2	500,001 to 1,000,000
Minimum rate of pay	£100,776*
Population Band 3	1,000,001 to 1,500,000
Minimum rate of pay	£109,970
Population Band 4	1,500,000 and above (except London)
Minimum rate of pay	£120, 658

* New appointments

Criteria used by managers when applying for merit/bonus awards for staff March 2017

Criteria	Category
Where an individual consistently demonstrates significant outcomes and achievements that are beyond what is expected for the role, performing at an exceptional standard.	A
Where there is a retention issue with a member of staff who has significant experience, knowledge and/or skills which are of high value to the work of the Authority and without whom its effectiveness would be significantly reduced.	B
Where an individual has contributed to the success of a one-off project to an exceptionally high standard and to the benefit of the Authority, beyond normal expectations.	C
Where an individual has helped to cover the absence of a colleague for a significant period of time whilst not undertaking the role in total.	D
Where an individual has developed or changed a way of working in a way which has had a significant, positive impact on the effectiveness of the service.	E
Other reason: to be described in full	F

Outcome of managers' recommendations

In 2017, applications and supporting evidence (e.g. performance rating, attendance levels, amounts applied for) were considered by a panel of SMB members.

- 66 applications received (compared to 44 last year and 19 applications in 2015)
- 29 were for operational staff and 37 for support services staff
- In some cases the panel recommended alternative award amounts, either a reduction or an increase
- 20 of the operational applications were combined as two Station awards, as it was felt by the panel that the award was more of a group based result than individual
- Total payments cost £46,250, an £8,150 increase on the £38,100 in 2016.

Payments are non pensionable.

The panel were pleased with the evidence and cases put forward for all nominations. The CFO approved the recommendations and payments were made in July 2017.

CFO Remuneration

Wef 1 January	Base Salary	Bonus / honarium	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	141,284	20,000	936	20,137	182,357
2017	142,697	20,000	nil	20,204	182,901
2018	144,124*				

Deputy CFO Remuneration

Wef 1 January	Base Salary	Bonus / honarium	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	117,312	12,000	936	25,407	155,655
2017	118,485	13,000	1,266	24,800	157,551
2018	119,670*				

Head of Service Delivery – Remuneration

Wef 1 January	Base Salary	Bonus / honarium	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	80,000**	4,000	nil		
2017	80,800	6,000	nil	16,634	103,434
2018	81,608*				

Head of Service Development – Remuneration

Wef 1 January	Base Salary	Bonus / honarium	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	93,350	5,000	936	20,259	119,545
2017	94,284	4,000	nil	20,257	118,541
2018	95,227*				

Director People and Organisational Development – Remuneration

Wef 1 January	Base Salary	Bonus / honarium **	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	90,387	12,000	8,351	12,056	122,794
2017	91,291	13,000	9,327	12,220	125,838
2018	92,204*				

Director, Legal & Governance – Remuneration

Wef 1 January	Base Salary	Bonus / honarium **	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	90,387	10,000	10,257	12,056	122,700
2017	91,291	10,000	11,364	12,220	124,875
2018	92,204*				

Director Finance Assets – Remuneration

Wef 1 January	Base Salary	Bonus / honarium **	P11D Cash Equivalent Benefit	Employer Pension contribution	Total cost
2016	83,830 88,000 wef 1.11.16	7,000	5,000***	10,490	
2017	88,880	10,000	7,149	11,408	117,437
2018	89,769*				

**Assumption of 1 percent national pay increase 2018 Gold Book*

*** WEF 1 August 2016 – not substantive SMB member until then*

**** Car allowance only*

BMKFA pay multiples – last three years

Year	Highest pay : Lowest pay	Highest pay : Median pay
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

Lower quartile authorities

Metropolitan fire authorities

Code	Authority Name	Authority Class	General Data - Average Band D Equivalent Council Tax 2016-17 (£ p)	
E6146	West Midlands Fire and CD Authority	FA		56.03
E6142	Greater Manchester Fire and CD Authority	FA		58.78
E6104	Buckinghamshire Combined Fire Authority	FA		59.70
E6147	West Yorkshire Fire and CD Authority	FA		59.71
E6103	Berkshire Combined Fire Authority	FA		61.27
E6124	Leicestershire Combined Fire Authority	FA		61.62
E6117	Hampshire Combined Fire Authority	FA		62.60
E6123	Lancashire Combined Fire Authority	FA		65.50
E6105	Cambridgeshire Combined Fire Authority	FA		65.52
E6127	North Yorkshire Combined Fire Authority	FA		65.88
E6144	South Yorkshire Fire and CD Authority	FA		67.63
E6115	Essex Combined Fire Authority	FA		67.68
E6101	Avon Combined Fire Authority	FA		67.93
E0000	Dorset and Wiltshire	FA		69.21
E6134	Staffordshire Combined Fire Authority	FA		70.33
E6110	Derbyshire Combined Fire Authority	FA		71.18
E6107	Cleveland Combined Fire Authority	FA		71.70
E6106	Cheshire Combined Fire Authority	FA		71.86
E6122	Kent Combined Fire Authority	FA		72.00
E6143	Merseyside Fire and CD Authority	FA		72.89
E6130	Nottinghamshire Combined Fire Authority	FA		73.85
E6160	London F&EPA	FA		73.89
E6145	Tyne and Wear Fire and CD Authority	FA		76.11
	Hereford and Worcester Combined Fire Authority			
E6118	Authority	FA		78.00
E6120	Humberside Combined Fire Authority	FA		78.89
E6161	Devon and Somerset Fire and Rescue Service	FA		79.98
E6114	East Sussex Combined Fire Authority	FA		86.72
E6102	Bedfordshire Combined Fire Authority	FA		91.00
E6132	Shropshire Combined Fire Authority	FA		94.05
E6113	Durham Combined Fire Authority	FA		95.76

Appendix 6

Comparison of population size 2014 compared to council tax 2017/18 of combined fire authorities in SE region and of fire authorities of similar size to BMKFA. CIPFA

Combined fire authorities South East region

Authority name Combined fire authority	Population June 2014	Average Band D council tax 2017-18 £p	2016/17 CFO Pay
Berkshire	885600	62.49	156,565
Buckinghamshire	781100	60.88	142,697
East Sussex	820900	88.40	156,864
Hampshire	1800500	63.84	151,000
Kent	1784400	73.35	147,000

Combined fire authorities – similar population size to BMKFA

Authority name Combined fire authority	Population June 2014	Average Band D council tax 2017-18 £p	2016/17 CFO Pay
Bedfordshire	644000	92.81	143,800
Berkshire	885600	62.49	156,565
Buckinghamshire	781100	60.88	142,697
Cambridgeshire	830300	66.78	141,000
East Sussex	820900	88.40	156,864
N Yorkshire	805900	67.19	156,164

Senior Management Team Remuneration and Performance Review

Senior Management Team Pay Review Methodology

This methodology is designed to provide a mechanism for the implementation of the Senior Officers Remuneration Procedure, in accordance with the Gold Book.

Overview

A working group of at least two members of the Executive Committee (including the Chairman) and the Chairman of the Overview and Audit Committee will meet annually to consider relevant data and make recommendations to the autumn meeting of the Executive Committee. This will then be put forward as a recommendation to the full Authority; who will consider it in the context of the approved policy statement.

The salaries for the posts of Chief Fire Officer, Chief Operating Officer, Director of People and Organisational Development, Director of Legal and Governance, Director of Finance and Assets and Heads of Service Delivery will be considered as part of this process.

Changes will generally be effective from 1 January.

In their deliberations, members will be mindful of the wider economic context and the current national pay restraints. The outcomes of the Hutton Review of Fair Pay in the Public Sector will also be considered.

Any costs arising from the application of this methodology will be self-funded through savings (full or part) on the senior management team budget and will not impact on the finance available for other Buckinghamshire and Milton Keynes Fire and Rescue Service staffing budgets.

Objectives

The purpose of the review is to ensure that the Fire Authority motivates the senior management team to:

- Stimulate greater effectiveness.
- Expedite the Corporate plan.
- Drive culture change by providing an acceptable level of reward which is
- recognised as fair, given local and national perspectives.

Range of Possible Outcomes

The working group may choose to make a range of recommendations including:

- Non-pay rewards (such as attending development opportunities).
- Pay increases that are incorporated into salaries.
- Non-incorporated bonuses.
- Pay agreements that span more than one year.
- No change to existing reward arrangements.

Process

1. An external consultant will be engaged to gather relevant information and prepare a report for presentation to the members' sub-group. The report with recommendations will address qualitative and quantitative data which may include:
 - Information about the extent to which corporate objectives have been met (as provided by the Performance Intelligence Unit Manager).
 - Chief Fire Officer appraisal data as provided by the Chairman.
 - Senior management team appraisal data as provided by the Chief Fire Officer.
 - Progress on any specific projects that members had identified as high priority.
 - Performance data provided by the Chief Fire Officer (following discussions with the senior management team).
 - Comparative performance data with other fire services.
 - Salary benchmarking data in relation to senior management team salaries for Group 2, Combined South East Region Fire Services.
 - Financial data about budget provision for pay/reward costs arising from this review.
 - Data about the national pay settlements awarded to Gold, Green and Grey book employees.

From 31 March 2012, these points will be considered within the context of the approved policy statement as set by the Authority.

2. Working group members meet to analyse and discuss the report, and determine their recommendation to the Executive Committee.
3. The external consultant prepares the report to committee setting out the sub-group recommendation, and the justification for the recommendation. This report forms the audit trail for any pay/benefits adjustments.
4. The report will be presented to members at the autumn meeting of the Executive Committee and then to the full Fire Authority.
5. Any appeals will be dealt with through the Buckinghamshire and Milton Keynes Fire Authority Grievance Procedure.

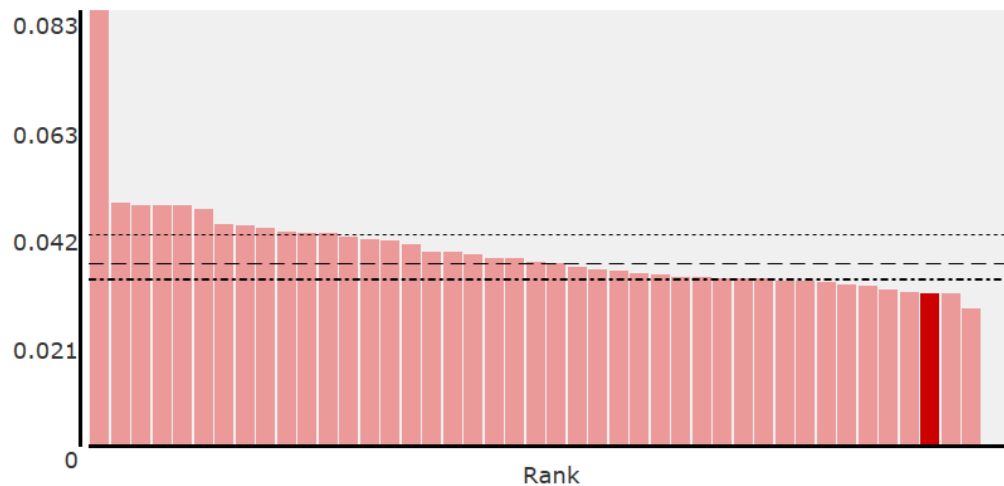
Appendix 9

Summary Data - 2016-17 Actual Expenditure Outturn Prices (non IAS 19 Accounting Basis) - Net Expenditure (excluding Capital Charges) (£'000)

divided by

General Data - Population as at June 2016 (number)

■ Buckinghamshire Combined Fire Authority ■ Selected Authorities

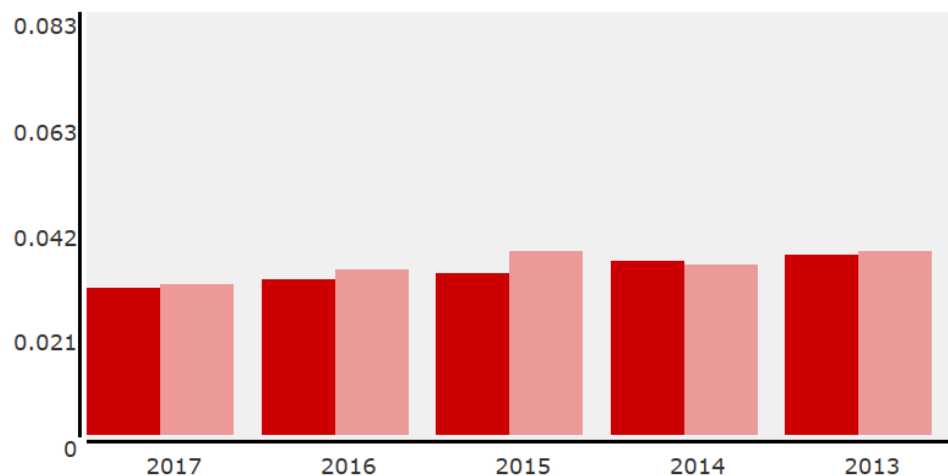


Summary Data - 2016-17 Actual Expenditure Outturn Prices (non IAS 19 Accounting Basis) - Net Expenditure (excluding Capital Charges) (£'000)

divided by

General Data - Population as at June 2016 (number)

■ Buckinghamshire Combined Fire Authority ■ Selected Authorities



Source: Fire and Rescue Service Statistics (2013 to 2017)

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