

**BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY**  
**BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE**

Director of Legal & Governance, Graham Britten  
Buckinghamshire Fire & Rescue Service  
Brigade HQ, Stocklake, Aylesbury, Bucks HP20 1BD  
Tel: 01296 744441 Fax: 01296 744600



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**Chief Fire Officer and Chief Executive**

Jason Thelwell

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To: The Chairman and Members of Buckinghamshire  
And Milton Keynes Fire Authority

5 February 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 **BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in Meeting Room 1, Fire and Rescue Headquarters, Stocklake, Aylesbury on **WEDNESDAY 14 FEBRUARY 2018 at 11.00 am** when the business set out overleaf will be transacted.

Yours faithfully

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

Graham Britten  
Director of Legal and Governance

Chairman: Councillor Reed

Councillors: Carroll, Cranmer, Exon, Glover, Irwin, Lambert, Marland, McCall, McDonald, McLean, Roberts, Sullivan, Teesdale, Watson and Wilson



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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](mailto: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.

## **Petitions**

Any Member of the constituent Councils, a District Council, or Parish Council, falling within the Fire Authority area may Petition the Fire Authority.

The substance of a petition presented at a Meeting of the Authority shall be summarised, in not more than four minutes, by the Member of the Council who presents it. If the petition does not refer to a matter before the Authority it shall be referred without debate to the appropriate 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.

## **COMBINED FIRE AUTHORITY - TERMS OF REFERENCE**

1. To appoint the Authority's Standing Committees and Lead Members.
2. To determine the following issues after considering recommendations from the Executive Committee, or in the case of 2(a) below, only, after considering recommendations from the Overview and Audit Committee:
  - (a) variations to Standing Orders and Financial Regulations;
  - (b) the medium-term financial plans including:
    - (i) the Revenue Budget;
    - (ii) the Capital Programme;
    - (iii) the level of borrowing under the Local Government Act 2003 in accordance with the Prudential Code produced by the Chartered Institute of Public Finance and Accountancy; and
  - (c) a Precept and all decisions legally required to set a balanced budget each financial year;
  - (d) the Prudential Indicators in accordance with the Prudential Code;
  - (e) the Treasury Strategy;
  - (f) the Scheme of Members' Allowances;
  - (g) the Integrated Risk Management Plan and Action Plan;
  - (h) the Annual Report.
3. To determine the Code of Conduct for Members on recommendation from the Overview and Audit Committee.
4. To determine all other matters reserved by law or otherwise, whether delegated to a committee or not.
5. To determine the terms of appointment or dismissal of the Chief Fire Officer and Chief Executive, and deputy to the Chief Fire Officer and Chief Executive, or equivalent.
6. To approve the Authority's statutory pay policy statement.

## AGENDA

### Item No:

#### 1. Apologies

##### 1a. Welcome any New Member onto the Authority

To welcome any new Member and to appoint to a Committee in accordance with the Group Leader's wishes.

#### 2. Minutes

To approve, and sign as a correct record the Minutes of the meeting of the Fire Authority held on 13 December 2017 (Item 2) **(Pages 7 - 12)**

#### 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. Chairman's Announcements

To receive the Chairman's announcements (if any).

#### 5. Petitions

To receive petitions under Standing Order SOA6.

#### 6. Questions

To receive questions in accordance with Standing Order SOA7.

#### 7. Recommendations from Committees:

##### **Executive Committee – 7 February 2018**

##### **(a) Members' Allowances**

"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."

The report considered by the Executive Committee is attached at Item 7(a) **(Pages 13 - 44)**

##### **(b) The Prudential code, Prudential Indicators and Minimum Revenue Provision**

"That the Authority be recommended to approve the Prudential Indicators and the Minimum Revenue Provision policy statement"

The report considered by the Executive Committee is attached at Item 7(b)

**(Pages 45 - 54)**

**(c) Medium Term Financial Plan 2018/19 to 2020/21**

“That the Authority be recommended to note and have due regard to the report and Statement of the Chief Finance Officer (Section 8 of Annex A).”

“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.”

“Approve the capital programme as set out in Appendix 2.”

The report considered by the Executive Committee is attached at Item 7(c)  
**(Pages 55 – 66)**

**The above recommendations are recommendations from officers to the Executive Committee, revisions, if any, will follow.**

**8. Treasury Management Strategy 2018/19**

To consider Item 8 **(Pages 67 - 84)**

**9. Fire and Rescue National Framework for England (Government Consultation)**

To consider Item 9 **(Pages 85 - 130)**

**10. Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services**

To consider Item 10 **(Pages 131 - 162)**

**11. Pay Policy Principles and Statement 2018/19**

To consider Item 11 **(Pages 163 - 182)**

**12. Apprenticeship Diversity Champions Network**

To consider Item 12 **(Pages 183 - 190)**

**13. Date of Next Meeting**

To note that the next meeting of the Fire Authority will be held on Wednesday 13 June 2018 at 11am (AGM).

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

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Minutes of the meeting of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 13 DECEMBER 2017 at 11.00 am

**Present** Councillors Carroll, Cranmer, Exon, Glover, Irwin, Lambert, Reed (Chairman), Roberts, Sullivan and Watson

**Officers:** J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), D Sutherland (Director of Finance and Assets), N Boustred (Head of Service Delivery), J Parsons (Head of Service Development), M Hemming (Deputy Director of Finance and Assets), K McCafferty (Head of Human Resources), A Chart (Health and Safety Manager), K Nellist (Democratic Services Officer), F Pearson (Communication and Consultation Manager), R Priest (Group Commander Community and Business Safety), C Duncan (Community Safety Co-ordinator) and G Taylor (Group Commander)

1 Member of the Public

**Apologies:** Councillors Marland, McCall, McDonald, Teesdale and Wilson

**FA31 WELCOME ANY NEW MEMBERS ONTO THE AUTHORITY**

The Chairman welcomed the new Member to the Fire Authority Councillor Anita Cranmer from Buckinghamshire County Council and advised that it was the Group Leader's wish that she be appointed to the Overview and Audit Committee.

RESOLVED –

That Councillor Cranmer be appointed to the Overview and Audit Committee.

**FA32 MINUTES**

RESOLVED –

That the Minutes of the meeting of the Fire Authority held on 18 October 2017, be approved and signed by the Chairman as a correct record.

**FA33 CHAIRMAN'S ANNOUNCEMENTS**

The Chairman's Announcements had been circulated in advance but the Chairman also announced that after many months of tough negotiation the Authority had finally reached agreement with EE/TMobile for renewed mobile mast licences. On top of the agreement already reached with O2/Vodafone, this would push the Authority's total income on these licences to circa £190k per annum. There were some costs to the Authority associated with the agreements, nevertheless, the net return would be significant. This was a great result given that, due to new technologies, the Authority had originally thought such income would fall to around £50k in total.

The Chairman also announced that in November the National Employers' side of the NJC agreed that while Grey Book pay

negotiations continued the employers apply a 1% uplift backdated to 1 July 2017, which had been his wish before the threatened legal action against the Authority by the FBU which had been discussed at the Authority's October meeting.

The Chief Fire Officer advised Members that the service would be featured on a future episode of Countryfile in January 2018, to be filmed at Olney Fire Station to highlight the issues around how the rural economy had changed and how that impacted on on-call firefighters.

**FA34**

## **COMMITTEE MATTERS**

### **(a) SOA4 Election of and Powers of the Chairman**

RESOLVED –

That the Authority's Standing Orders be amended so that the following text at SOA4 2(b) be deleted:

"In the absence of the Vice-Chairman, the oldest Member present will preside."

and replaced with:

"In the absence of the Vice-Chairman, the Monitoring Officer or an officer nominated by him or her will preside."

### **(b) SOA20 Suspension, Variation, and Revocation of Standing Orders**

RESOLVED –

That the Authority's Standing Orders be amended so that the following text at SOA20 5 (Variation and Revocation) be deleted:

"A printed copy of these Standing Orders shall be given to each Member of the Authority, for inclusion in the Member's Handbook, by the Monitoring Officer to the Authority upon nomination to the Authority by the Constituent Authority."

and replaced with:

"A printed copy of these Standing Orders shall be given to each Member of the Authority, as part of the induction pack upon nomination to the Authority by the Constituent Authority."

### **(c) Amendment to the Authority's Financial Regulations - Investments and Treasury Management**

RESOLVED –

That the Authority's Financial Regulations be amended so that the following text at C.9 (Investments and Treasury Management) be deleted:

"At or before the start of each financial year the Chief Finance Officer will prepare a report on the Treasury Management Strategy for the coming year for consideration by the Executive Committee before submission to the Authority for approval. The Chief Finance Officer will also report to the Executive Committee



and the Authority on the annual performance of the Treasury Management function following the end of the financial year.”

and replaced with:

“At or before the start of each financial year the Chief Finance Officer will prepare a report on the Treasury Management Strategy for the coming year for consideration by the Overview and Audit Committee before submission to the Authority for approval. The Chief Finance Officer will also report to the Overview and Audit Committee and the Authority on the annual performance of the Treasury Management function following the end of the financial year.”

**FA35**

**POLICING AND CRIME ACT 2017 CONSULTATION:  
CHANGES TO THE AUTHORITY’S COMBINATION SCHEME**

The Director of Legal and Governance advised Members that the purpose of this late item was to bring to the Authority’s attention the consultation issued by the Home Office on 27 November 2017 in order for it to consider its response. The consultation, which closed on 15 January 2018, invited views on proposals to make legislation to “*make amendments to the Combination Scheme of those FRAs who are supportive of the amendments*”. The amendments would create the process by which the Thames Valley Police and Crime Commissioner could become a voting member on the Authority.

Members discussed the consultation and directed that the following points should be drawn to the attention of the Home Office in its response to the Questionnaire:

- The Thames Valley PCC and Deputy PCC both already have an open invitation to attend meetings of the Authority. However, if the PCC were to become a Member of the Authority, the Authority would wish to exclude the PCC from entitlement to the receipt of any Member Allowances. The PCC should be funded by the sponsoring Authority i.e. the Office of the Thames Valley PCC and it should not be down to this Authority to fund that.
- If the PCC were to become a Member of the Authority, the PCC would be entitled to be counted as a Member of a political group on the Authority. The Authority does not agree that it should be the case that membership by the PCC should have an impact on the political proportionality of the Authority.
- If the PCC were to become a Member of the Authority there should be a reciprocal entitlement for the Chairman of this Authority to be a member of the Thames Valley Police and Crime Panel in order that there was a mutual arrangement for the open exchange of views between the PCC and the Authority.

RESOLVED –

1. that the Chairman be authorised to respond on the Authority's behalf in respect of the proposed amendments to its Combination Scheme as set out at page 6 of the Home Office consultation that it agrees with the proposed amendments;
2. it be noted that, if the amendments are made, there will be some minor consequential amendments to its Combination Scheme as indicated at page 7 of the Home Office consultation.

**FA36**

## **HEALTH, SAFETY AND WELL-BEING ANNUAL REPORT 2016-17**

The Lead Member for Health and Safety and Corporate Risk advised Members that 2016/17 had been a very busy year for the Health and Safety department with the 'go live' of the electronic safety event reporting and investigation system; the health and safety behavioural safety culture survey and the application for the RoSPA Achievement Award for excellence in health and safety performance, for which the service won the prestigious Gold award. Following the health and safety behavioural safety culture a focus group had been set up to work on the areas identified for development and a review of the suggestions made by those on the front line for improvement. The survey would be repeated in 2019/20 to measure progress.

The Health and Safety Manager thanked the Lead Member for her input into the work of the Health and Safety Department since she had taken over as Lead Member earlier this year.

The Health and Safety Manager advised Members that it was another very good year in terms of health and safety performance particularly in terms of the achievement of the RoSPA Gold Award, the first time since 2012 the service had applied for an award. Another highlight was the setting up of its performance statistics within VIPER which would be displayed at every station so that a holistic picture was seen by all personnel.

The Health and Safety Manager advised Members that the service was working closely with Thames Valley Police and the two Thames Valley fire and rescue services' health and safety counterparts on sharing procedures, learning and incident ground protocols. Thames Valley Police already utilised the Authority's risk assessments at shared incidents where this service had primacy.

Since the training programme educating staff on why reporting events was important, there had been an increase in the number of events being reported from 27 to 46 compared to last year. There had also been a significant increase of 193% in the number of 'near miss' reports shown as a green upward triangle in the 'our performance at a glance' table. Investigations into these events where there had been no injury or loss of any kind would assist in ensuring an actual event does not occur in the future.

There had been increases in the number of injuries at training events and routine activities. A new swift water training regime at Lee Valley was in place which on investigation showed that our personnel need to be fitter which this training will assist with. Work was underway to analyse personal injuries for trends and contributory factors i.e. an aging workforce, fatigue through additional shifts worked etc. Early indications were that working additional shifts was not a causal factor in these injuries.

The Chief Fire Officer advised Members that as they may be aware there would be a new inspection programme for fire and rescue services by HMICFRS. There would be three tranches of inspection with the first starting in summer 2018 in which 15 fire and rescue services would be inspected. Tranche two would start in winter 2018 and tranche three would start in spring 2019. The inspections would be conducted in the same way as police inspections. The Chief Fire Officer informed the Authority that it was in tranche three. A report outlining the Authority's plan would be going to a further meeting.

RESOLVED –

That the performance of the Service in terms of Health, Safety and Well-being be noted.

**FA37                    SUPPORTING PEOPLE WHO HOARD POSSESSIONS IN THEIR HOMES**

Members received a presentation on people who hoard possessions in their homes, from Group Commander Community and Business Safety Richard Priest and Community Safety Co-ordinator Christine Duncan.

**FA38                    CATON HOUSE NURSING HOME FIRE**

Members received a presentation on the Caton House Nursing Home Fire from Area Commander Julian Parsons and Group Commander Gary Taylor.

The Chairman also thanked Group Commander Gary Taylor on behalf of the Fire Authority as he was retiring at the end of December 2017 after 28.5 years of service.

**FA39                    EXEMPT MINUTES**

RESOLVED –

That the Exempt Minutes of the meeting of the Fire Authority held on 18 October 2017, be approved and signed by the Chairman as a correct record.

**FA40                    DATE OF NEXT MEETING**

The Authority noted that the next meeting of the Fire Authority was to be held on Wednesday 14 February 2017 at 11.00am.

THE CHAIRMAN CLOSED THE MEETING AT 12.49PM

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# Buckinghamshire & Milton Keynes Fire Authority



<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	7 February 2018
<b>OFFICER</b>	Graham Britten, Director of Legal and Governance
<b>LEAD MEMBER</b>	Councillor Roger Reed, Chairman
<b>SUBJECT OF THE REPORT</b>	<b>Members' Allowances</b>
<b>EXECUTIVE SUMMARY</b>	<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 <b>Appendix A</b>.</p> <p>The Independent Remuneration Panel of the scheme for Milton Keynes Council undertook a review in January 2018 and this is attached at <b>Appendix B</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 <b>Appendix C</b>.</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>

<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	That the Authority be recommended to adopt a Scheme for Members' Allowances for 2018/19 ( <b>Appendix C</b> 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.
<b>RISK MANAGEMENT</b>	The recommendation will have no adverse effect on the Authority's business.
<b>FINANCIAL IMPLICATIONS</b>	<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>
<b>LEGAL IMPLICATIONS</b>	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."
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	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.
<b>HEALTH AND SAFETY</b>	Not applicable.
<b>EQUALITY AND DIVERSITY</b>	<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>

<b>USE OF RESOURCES</b>	The recommendation is consistent with the extant Scheme of Allowances.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	BMKFA Scheme for Members' Allowances 2017/18: <a href="http://bucksfire.gov.uk/files/4614/9009/0289/MEMBERS_ALLOWANCES_201718.pdf">http://bucksfire.gov.uk/files/4614/9009/0289/MEMBERS_ALLOWANCES_201718.pdf</a>
<b>APPENDICES</b>	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.
<b>TIME REQUIRED</b>	10 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	Katie Nellist <a href="mailto:Knellist@bucksfire.gov.uk">Knellist@bucksfire.gov.uk</a> 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

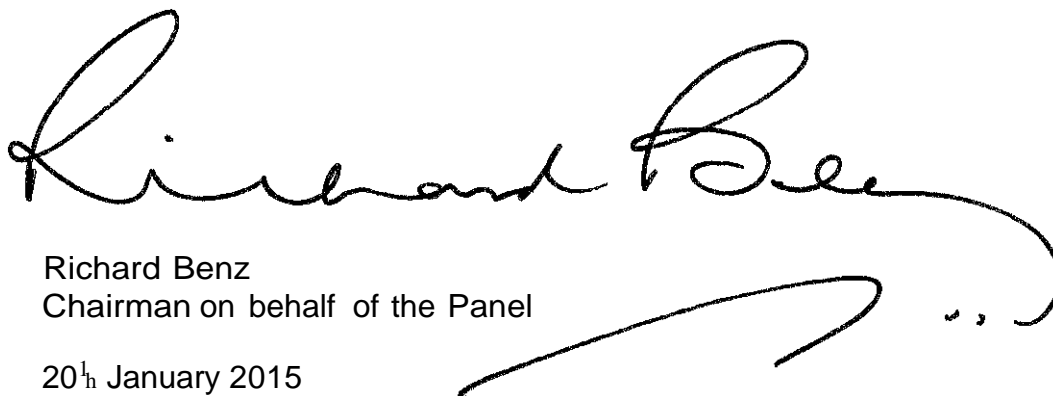
Following the four-yearly review the Panel recommends:-

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

20<sup>th</sup> 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	£5046	£20184
Deputy Cabinet Members (7)	£5,046	£35,322
Group Leaders *		
Conservative (36)	£10,948	£10948
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
<b>TOTAL</b>		<b>£852719</b>

\*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**

<b>Contents</b>	<b>Page</b>
<b>Executive Summary</b>	<b>3</b>
<b>Introduction</b>	<b>4</b>
<b>The Panel</b>	<b>4</b>
<b>Terms of Reference</b>	<b>4</b>
<b>The Evidence Considered</b>	<b>5</b>
<b>The Panel's Conclusions and Recommendations</b>	<b>6</b>
<b>The Basic Allowance</b>	<b>7</b>
<b>Special Responsibility Allowances</b>	<b>7</b>
<b>Other Allowances</b>	<b>10</b>
<b>Appendix 1: Proposed Scheme of Allowances</b>	<b>12</b>



## 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 Claims**

30. All information requested for the expense claim must be provided, including 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 must be provided.
32. Claims for the same expenses (mileage, travel and subsistence etc) must not be made from more than one body.
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 through the HR and Payroll Portal.
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.

## **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

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## **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

DRAFT

## **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).



# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	7 February 2018
<b>OFFICER</b>	David Sutherland, Director of Finance & Assets.
<b>LEAD MEMBER</b>	Councillor Peter McDonald
<b>SUBJECT OF THE REPORT</b>	<b>The Prudential Code, Prudential Indicators and Minimum Revenue Provision</b>
<b>EXECUTIVE SUMMARY</b>	<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>
<b>ACTION</b>	Decision
<b>RECOMMENDATIONS</b>	<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"> <li>1. the Prudential Indicators; and</li> <li>2. the Minimum Revenue Provision policy statement</li> </ol>
<b>RISK MANAGEMENT</b>	<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>
<b>FINANCIAL</b>	The decision on the prudential indicators sets out the

<b>IMPLICATIONS</b>	<p>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>
<b>LEGAL IMPLICATIONS</b>	<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>
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	<p>No direct impact.</p>
<b>HEALTH AND SAFETY</b>	<p>No direct impact.</p>
<b>EQUALITY AND DIVERSITY</b>	<p>No direct impact.</p>
<b>USE OF RESOURCES</b>	<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>
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p><b>Background</b></p> <p>Realignment of Reserve Balances to Facilitate the Medium Term Financial Plan, Executive Committee, 18 November 2015:</p> <p><a href="http://bucksfire.gov.uk/files/7314/4612/0201/ITEM_6_. Reserve Balances - Update Post Pre-Brief.pdf">http://bucksfire.gov.uk/files/7314/4612/0201/ITEM_6_. Reserve Balances - Update Post Pre-Brief.pdf</a></p>
<b>APPENDICES</b>	<ul style="list-style-type: none"> <li>• Appendix A – Prudential Indicators</li> <li>• Appendix B – Summary Table of Prudential Indicators</li> <li>• Appendix C – Minimum Revenue Provision Policy Statement</li> </ul>

<b>TIME REQUIRED</b>	10 minutes
<b>REPORT ORIGINATOR AND CONTACT</b>	Asif Hussain <a href="mailto:Ahussain@bucksfire.gov.uk">Ahussain@bucksfire.gov.uk</a> 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:

<b>Indicator</b>	<b>Actual 2016/17</b>	<b>Estimate 2017/18</b>	<b>Estimate 2018/19</b>	<b>Estimate 2019/20</b>	<b>Estimate 2020/21</b>
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:

<b>Indicator</b>	<b>Actual 2016/17</b>	<b>Estimate 2017/18</b>	<b>Estimate 2018/19</b>	<b>Estimate 2019/20</b>	<b>Estimate 2020/21</b>
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:

<b>Indicator</b>	<b>Actual 2016/17</b>	<b>Estimate 2017/18</b>	<b>Estimate 2018/19</b>	<b>Estimate 2019/20</b>	<b>Estimate 2020/21</b>
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	
	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
<b>Indicators for Affordability</b>						
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
<b>Indicators for Prudence</b>						
2.1	Gross borrowing (£000)	7,382	7,382	7,382	6,797	6,797
<b>Indicators for Capital Expenditure</b>						
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
<b>Indicators for External Debt</b>						
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
<b>Indicators for Treasury Management</b>						
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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Report considered by the Executive Committee – 7 February 2018



# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	7 February 2018
<b>OFFICER</b>	David Sutherland, Director of Finance and Assets
<b>LEAD MEMBER</b>	Councillor Peter McDonald
<b>SUBJECT OF THE REPORT</b>	<b>Medium Term Financial Plan (MTFP) 2018/19 to 2020/21</b>
<b>EXECUTIVE SUMMARY</b>	<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>
<b>ACTION</b>	Decision.

<b>RECOMMENDATIONS</b>	<p>It is recommended that the Authority be recommended to:</p> <ol style="list-style-type: none"> <li>1. Note and have due regard to the report and Statement of the Chief Finance Officer (see section 8 of Annex A).</li> <li>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.</li> <li>3. Approve the capital programme as set out in Appendix 2.</li> </ol>
<b>RISK MANAGEMENT</b>	<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>
<b>FINANCIAL IMPLICATIONS</b>	<p>All financial implications are shown in the main body of the report.</p>
<b>LEGAL IMPLICATIONS</b>	<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>
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	<p>No direct impact.</p>
<b>HEALTH AND SAFETY</b>	<p>No direct impact.</p>
<b>EQUALITY AND DIVERSITY</b>	<p>No direct impact.</p>
<b>USE OF RESOURCES</b>	<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>
<b>PROVENANCE SECTION</b>	<b>Background</b>



<p><b>&amp; BACKGROUND PAPERS</b></p>	<p>Medium Term Financial Plan (MTFP) 2017/18 to 2019/20, Fire Authority, 15 February 2017:  <a href="http://bucksfire.gov.uk/files/2615/0816/2851/ITEM_7c_Medium_Term_Financial_Plan_201718_to_201920_Revised_Appendix_1.pdf">http://bucksfire.gov.uk/files/2615/0816/2851/ITEM_7c_Medium_Term_Financial_Plan_201718_to_201920_Revised_Appendix_1.pdf</a></p> <p>Four Year Settlement and Efficiency Plan, Executive Committee, 21 September 2016:  <a href="http://bucksfire.gov.uk/files/3414/7333/8081/ITEM_6_BMKFA_Efficiency_Plan_Appendix.pdf">http://bucksfire.gov.uk/files/3414/7333/8081/ITEM_6_BMKFA_Efficiency_Plan_Appendix.pdf</a></p>
<p><b>APPENDICES</b></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><b>TIME REQUIRED</b></p>	<p>30 minutes</p>
<p><b>REPORT ORIGINATOR AND CONTACT</b></p>	<p>Mark Hemming  <a href="mailto:mhemming@bucksfire.gov.uk">mhemming@bucksfire.gov.uk</a>                      01296 744687</p>

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

### **1. Introduction**

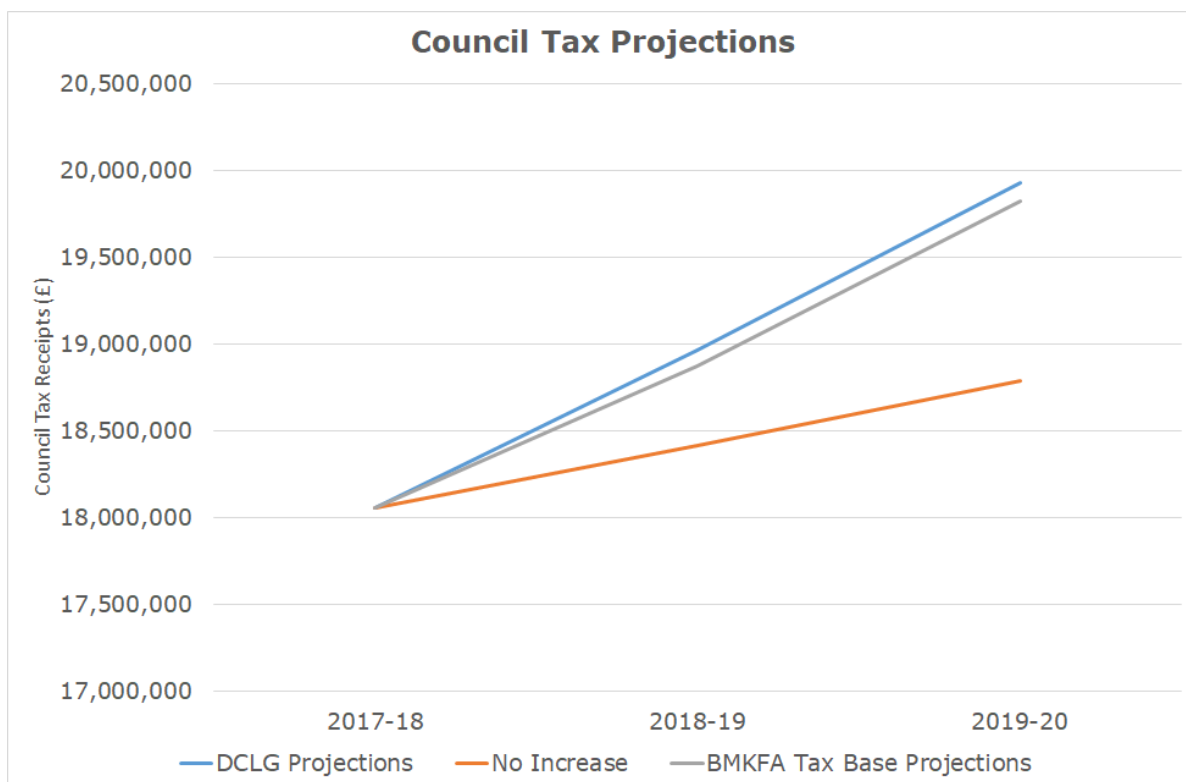
- 1.1. The purpose of this report is to present the proposed revenue and capital Medium Term Financial Plan (MTFP) 2018/19 to 2020/21.
- 1.2. The MTFP is closely linked to the Public Safety Plan (PSP) and Corporate Plan. The PSP sets out our strategic approach to the management of risk in the communities 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](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.

	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>
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
<b>Net Budget Requirement</b>	<b>28,210</b>	<b>28,379</b>	<b>29,072</b>	<b>29,135</b>
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
<b>Total Funding Available</b>	<b>-28,210</b>	<b>-28,379</b>	<b>-28,614</b>	<b>-28,334</b>
<b>Shortfall for Year</b>	<b>0</b>	<b>0</b>	<b>458</b>	<b>801</b>
<b>Cumulative Savings Requirement</b>	<b>0</b>	<b>0</b>	<b>458</b>	<b>1,259</b>

## Appendix 2 – Capital Programme

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

<b>Capital Programme Summary</b>	<b>Approved Budget 2017/18 £000</b>	<b>Provisional Outturn 2017/18 £000</b>	<b>Slippage 2017/18 £000</b>	<b>Budget Requests 2018/19 £000</b>	<b>Total Budget Requirement 2018/19 £000</b>	<b>Budget Requests 2019/20 £000</b>	<b>Budget Requests 2020/21 £000</b>
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
<b>Total Expenditure</b>	<b>16,218</b>	<b>3,659</b>	<b>12,463</b>	<b>1,216</b>	<b>13,679</b>	<b>1,221</b>	<b>1,216</b>
<b>Funding b/fwd</b>		<b>-8,648</b>			<b>-8,076</b>	<b>-962</b>	<b>-1,666</b>
<b>In year funding</b>		<b>-3,087</b>			<b>-6,565</b>	<b>-1,925</b>	<b>-1,925</b>
<b>Funding (Available) / Deficit</b>		<b>-8,076</b>			<b>-962</b>	<b>-1,666</b>	<b>-2,375</b>



### 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:

<b>Bands</b>	<b>Proportion of Band D Charge</b>	<b>Per Week (£)</b>	<b>Per Month (£)</b>	<b>Per Year (£)</b>
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



<b>MEETING</b>	Fire Authority
<b>DATE OF MEETING</b>	14 February 2018
<b>OFFICER</b>	David Sutherland, Director of Finance & Assets
<b>LEAD MEMBER</b>	Councillor Peter McDonald
<b>SUBJECT OF THE REPORT</b>	<b>Treasury Management Strategy 2018/19</b>
<b>EXECUTIVE SUMMARY</b>	<p>This report is being presented as the Authority is required to approve the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy. These documents (Appendix A) all support the Medium Term Financial Plan.</p> <p>The current strategy is operating effectively and outperforming the benchmark targets. However at a previous Overview and Audit Committee (July 2017), it was agreed that a paper would be brought to November's Overview and Audit Committee setting out potential options to further diversify the investment portfolio.</p> <p>Members were briefed at the Overview and Audit Committee in November 2017 (see Provenance Section &amp; Background Papers). Following this meeting, changes have been proposed to the strategy for 2018/19. The significant changes are:</p> <ol style="list-style-type: none"> <li>1. That the duration limit to be used for UK based counterparties for 2018/19 should be the Capita recommended limit plus six months (e.g. the limit for counterparties rated 'Red' will be 1 year).</li> <li>2. That the limit of 100 days is removed from non-UK based counterparties and that the duration limit is as per the Capita rating (but not including the plus six months discretion).</li> <li>3. Any counterparty rated at least 'Green' by Capita should be added to the counterparty list regardless of location.</li> <li>4. The top-ten building societies (by group assets) should be added to the counterparty list. The duration of investment will be limited to 1 year and the total amount invested with any one non-rated building society at any point in time will not exceed £2 million.</li> </ol>

	5. That up to £3 million can be invested in a property fund (or funds).
<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	<p>It is recommended that:</p> <ol style="list-style-type: none"> <li>1. the changes numbered 1–4 in the Executive Summary to the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy for 2018/19 be approved.</li> <li>2. up to £3 million can be invested in a property fund (or funds) be approved.</li> <li>3. work is undertaken to investigate the possibility of restructuring the existing debt portfolio, including potential renegotiation of early repayment charges be approved.</li> </ol>
<b>RISK MANAGEMENT</b>	<p>Making investments in the Authority’s own name means that the Authority bears the risk of any counterparty failure. This risk will be managed in accordance with the strategy and with advice from external treasury management advisors.</p> <p>The Director of Finance and Assets will act in accordance with the Authority’s policy statement; treasury management practices and CIPFA’s Standard of Professional Practice on Treasury Management. There are no direct staffing implications.</p>
<b>FINANCIAL IMPLICATIONS</b>	<p>The proposed budget for 2018/19 is £100k. It is anticipated that the budget will be met. Detailed information is shown within Appendix A.</p> <p>The advice from the Authority’s current treasury management advisers (Link) is that they are “not aware of any public sector bodies which actually make ethical investments. This is down to the two factors referred to, i.e. security, in that an organisation may be ethical but may not have the required credit ratings and guarantees in place to secure your investment and secondly yield, where returns are well below other secure investments available in the market place. To go down this route may therefore compromise security and yield.”</p> <p>“Ethical investments” currently available do not provide the necessary security and yield.</p>
<b>LEGAL IMPLICATIONS</b>	<p>The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Communities and Local Government Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] to have regard to any prevailing CIPFA Treasury</p>

	<p>Management Code of Practice.</p> <p>Under section 12 of the Local Government Act 2003 the Authority has the power to invest for “any purpose relevant to its functions” and “for the purposes of the prudent management of its financial affairs”.</p> <p>However it must exercise its investment power in accordance with its fiduciary duty, analogous to that of a trustee, owed to those who contribute to the funds of the Authority.</p>
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	No direct impact.
<b>HEALTH AND SAFETY</b>	No direct impact.
<b>EQUALITY AND DIVERSITY</b>	No direct impact.
<b>USE OF RESOURCES</b>	The projected income has been factored into the Medium Term Financial Plan.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p>CIPFA Code of Practice for Treasury Management in the Public Services (CIPFA Code)</p> <p>Department for Communities and Local Government Guidance on Local Government Investments (DCLG Guidance)</p> <p><b>Background</b> Treasury Management Strategy Development, Overview and Audit Committee, 15 November 2017: <a href="http://bucksfire.gov.uk/files/1015/0964/7252/ITEM_9_Treasury_Management_Strategy_Development.pdf">http://bucksfire.gov.uk/files/1015/0964/7252/ITEM_9_Treasury_Management_Strategy_Development.pdf</a></p>
<b>APPENDICES</b>	<p>Appendix A – Treasury Management Policy Statement, Treasury Management Strategy Statement and Annual Investment Strategy</p> <p>Appendix B – Provisional Counterparty List</p> <p>Appendix C – Prospects for Interest Rates</p> <p>Appendix D – Indicative Property Fund Returns</p>
<b>TIME REQUIRED</b>	15 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Asif Hussain <a href="mailto:ahussain@bucksfire.gov.uk">ahussain@bucksfire.gov.uk</a> 01296 744421</p>

## **Appendix A – Treasury Management Policy Statement, Treasury Management Strategy Statement and Annual Investment Strategy**

### **Treasury Management Policy Statement**

This Authority defines its treasury management activities as:

The management of the Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

This Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The investment policy objective for this Authority is the prudent investment of its treasury balances. The Authority's investment priorities are the security of capital and liquidity of its investments so that funds are available for expenditure when needed. Both the CIPFA Code and DCLG guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.

The Authority's borrowing objectives are to minimise the revenue costs of debt whilst maintaining a balanced loan portfolio. The Authority will set an affordable borrowing limit each year in compliance with the Local Government Act 2003, and will have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities when setting that limit.

### **Treasury Management Strategy Statement**

#### **Current Portfolio Position**

The Authority's treasury portfolio position as at 30 September 2017 comprised:

##### Borrowing

Fixed Rate Funding: £7.382m Average Rate: 4.48%

The last repayment of £368k was made in May 2016 with the next loan maturity not due until 2018.

##### Investments

£25.080m Average Rate 1 April 2017 to 30 September 2017: 0.59%

It is anticipated that a number of large payments will be made before the end of the year. Therefore, projected interest receivable (see 'Prospects for Interest Rates' below) has been modelled on an average fund balance of £20m.

### **Prospects for Interest Rates**

For 2018/19, the Authority will continue with Link as its external treasury management advisor. Link was previously known as Capita and the takeover of Capita Asset Services was completed by Link in November 2017. Link's view of the prospects for interest rates can be seen in Appendix C.

Link advise that the current benchmark rate of return on investments should be Base Rate (currently 0.50%), although the rate may be higher if the Authority is able and willing to commit funds for longer durations (up to one year). Using this benchmark figure, the Authority would achieve an annual return of circa £100k on a balance of £20m (the total current projected return for 2017/18 is circa £150k).

If the Authority were to increase the maximum lending duration for UK based counterparties, increase the number of building societies and remove the restrictions for them to be rated, then the Authority can expect to receive returns in the excess of 0.75% based on the returns other authorities (within our benchmarking group) have achieved on a one-year investment.

If the Authority were also to invest in a property fund the minimum duration would need to be three years (although ideally five) due to the entry and exit fees involved to invest within these funds. Indicative returns for property funds are shown in Appendix D.

For any type of investment there is a downside risk to the level of return we would obtain due to the uncertainty in the markets and the negative impact they have on the interest rates and therefore historical rates of return may not always provide a realistic indication of returns for the future. This will be closely monitored and reported to Members if the position changes from what we are currently projecting.

### **Borrowing Strategy**

The Authority's borrowing objectives are:

- To minimise the revenue costs of debt whilst maintaining a balanced loan portfolio
- To manage the Authority's debt maturity profile, leaving no one future year with a disproportionate level of repayments

No additional borrowing is forecast to take place during the duration of the medium term financial plan.

### **Investment Strategy**

This Authority maintains investments that are placed with reference to cash flow requirements. Investment of the Authority's funds is in accordance with the Annual Investment Strategy.

### **Debt Rescheduling**

The potential for debt rescheduling is monitored in light of interest rate movements.

Any rescheduling will be in accordance with the borrowing strategy. The reasons for rescheduling include:

- The generation of cash savings at minimum risk
- Fulfilment of the borrowing strategy
- Enhancement of the maturity profile of the borrowing portfolio

The level of penalties on the early repayment of borrowing make it difficult to restructure debt effectively at current interest rates. It is recommended that further work be undertaken during the year to investigate debt restructuring, including the potential renegotiation of the early repayment charges.

### **Annual Investment Strategy (AIS)**

A prudent investment policy has two objectives (as defined by the DCLG guidance):

- achieving first of all security (protecting the capital sum from loss);
- and then liquidity (keeping the money readily available for expenditure when needed);
- only once proper levels of security and liquidity are determined, it will then be reasonable to consider what yield can be obtained consistent with those priorities.

### **Investment Policy**

In accordance with guidance from the DCLG and CIPFA, and in order to minimise the risk to investments, the Authority has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the Link ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support has had an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied have effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

As with previous practice, ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Authority will engage with its advisors to maintain a monitor on market pricing such as credit default swaps (CDS) and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Link in



producing its colour coding which show the varying degrees of suggested creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

### **Creditworthiness Policy**

This Authority applies the creditworthiness service provided by Link. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes have been used by the Authority to determine the suggested duration for investments. However going forward, it is recommended that the Authority continues to use Link's colour codes plus an additional six months for UK counterparties only. It would be beneficial if the Authority could lend to existing counterparties for a longer duration. This will increase the risk slightly but will offer increased returns. The Authority will therefore use counterparties within the following durational bands:

<b>Colour Rating (UK Counterparties)</b>	<b>Colour Rating (Non UK Counterparties)</b>
Yellow - 5 Years and 6 Months	Yellow - 5 Years
Purple – 2 Years and 6 Months	Purple – 2 Years
Blue – 1 Year and 6 Months (only applies to nationalised or semi nationalised UK Banks)	Blue – 1 Year
Orange – 1 Year and 6 Months	Orange – 1 Year
Red – 1 Year	Red – 6 Months
Green – 9 Months	Green – 3 Months
No colour not to be used (except for building societies on our counterparty list which the Authority can invest with for a maximum duration of 365 days limited)	No colour not to be used

to a maximum investment of £2 million per counterparty)	
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The Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency’s ratings.

Typically the minimum credit ratings criteria the Authority use will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-, viability rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Authority is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty/investment scheme no longer meeting the Authority’s minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Authority will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority’s lending list.

Sole reliance will not be placed on the use of this external service. In addition this Authority will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

### **Country Limits**

In 2014/15, the Authority determined that it would not only use approved counterparties based within the United Kingdom during the year but allowed a limited number of counterparties from outside of the UK to be used. Although none of these counterparties were used during 2016/17, these will remain on the lending list for 2017/18. In addition, any counterparty rated at least ‘Green’ by Link should be added to the counterparty list regardless of location. The primary purpose of this is not to increase yield, but to provide additional diversity to the portfolio to effectively manage risk. A number of non-UK banks are ranked higher than some of the UK banks on the Authority’s current counterparty list. Therefore the Authority proposes to limit the duration of all non UK investment in line with Link’s recommended limits and remove the limit of 100 days set in previous years for non-UK banks. A list of the proposed counterparties is shown in Appendix B.

### **Counterparty Limits**

As per the 2017/18 AIS, the Authority has determined that the maximum balance that can be invested with a single counterparty at any point in time will be no more than 30% of the portfolio, up to a limit of £5 million.

There are two exceptions to this limit in the 2017/18 AIS will continue to be Lloyds, where the maximum balance that can be invested will be a limit of £7.5 million. Of

this £7.5 million, no more than £5 million will be invested in non-instant access (call) accounts.

The rationale for this is that Lloyds are the Authority's main banking provider, and as part of the contract will pay credit interest on all balances at a rate of Base Rate minus 0.10% (currently giving an effective rate of 0.40%). This means that:

- A higher rate can be achieved than on most other instant-access accounts
- The staff time taken to move money between our main bank account and other instant access account is reduced
- The banking charges associated with the movement of the money between accounts is reduced
- The additional risk exposure to the Authority is minimal as all amounts over the current £5 million limit would be available for withdrawal immediately should circumstances require

The other exception relates to non-rated building societies on our counterparty listing whereby the maximum balance that can be invested will be limited to £2 million for a maximum duration of 365 days.

### **Investment Security**

Investments are defined as being in one of two categories:

- Specified investments – these are investments with high security and high liquidity. All specified investments are in sterling and have a maturity of no more than one year. They will be with the UK government, a local authority, a parish council or with an investment scheme or body of “high credit quality” (as judged against the Creditworthiness Policy detailed earlier in this paper)
- Non-specified investments – any type of investment that does not meet the specified investment criteria. A maximum of £5 million will be held in aggregate in non-specified investments for longer than 364 days – up to a maximum of five years and 6 months as denoted by the yellow banding on the Link creditworthiness policy detailed earlier in this paper. In addition, property funds are also classified as non-specified investments and a maximum of £3 million will be held in aggregate.

### **Investment Training**

Relevant training and updates will be provided to relevant staff by the external treasury management advisors. This will be supplemented by additional training from CIPFA where necessary.

### **Investment of Money Borrowed in Advance of Need**

The Authority does not currently have any money that has been borrowed in advance of need. No further borrowing is planned over the medium term.

### **Investment Liquidity**

In consultation with external treasury advisors, the Authority will review its balance sheet position, level of reserves and cash requirements in order to determine the length of time for which investments can be prudently committed. Investments will be

placed at a range of maturities, including having money on-call in order to maintain adequate liquidity.

**Appendix B – Provisional Counterparty List**

This list is based on information provided by Link as at 29 December 2017. Please note that all colours indicated refer to Link's creditworthiness policy (see Appendix A):

UK Based Counterparties

<b><u>Country</u></b>	<b><u>Counterparty</u></b>	<b><u>Maximum Duration (as rated by Link)*</u></b>
UK	Abbey National Treasury Services	Orange - 12 mths
UK	Bank of Scotland	Orange - 12 mths
UK	Barclays Bank plc	Red - 6 mths
UK	Close Brothers	Red - 6 mths
UK	Clydesdale Bank	No colour - 0 mths
UK	Co-operative Bank Plc	No colour - 0 mths
UK	Goldman Sachs International	Red - 6 mths
UK	HSBC Bank plc	Orange - 12 mths
UK	Lloyds Banking Group	Orange - 12 mths
UK	Santander UK PLC	Red - 6 mths
UK	Standard Chartered Bank	Red - 6 mths
UK	Sumitomo Mitsui Banking Corporation Europe Ltd	Red - 6 mths
UK	UBS Ltd	Orange - 12 mths
UK	Coventry Building Society	Red - 6 mths
UK	Leeds Building Society	Green - 100 days
UK	Nationwide BS	Red - 6 mths
UK	Yorkshire Building Society	Green - 100 days
UK	Skipton Building Society	Green - 100 days
UK	Debt Management Office	Yellow - 60 mths
UK	Other Local Authorities	Yellow - 60 mths
UK	Royal Bank of Scotland Group	Blue - 12 mths
UK	National Westminster Bank	Blue - 12 mths

**\* This is the duration suggested by Link. As per the updated Creditworthiness Policy (see page 7) these will all be extended by six months, except for building societies rated 'Green', which will have a maximum duration of 12 months for up to £2m.**

The Authority will also have the ability to invest in AAA rated money market funds (MMFs) and enhanced money market funds.

Non-UK Based Counterparties

<b><u>Country</u></b>	<b><u>Counterparty</u></b>	<b><u>Maximum Duration (as rated by Link)</u></b>
Australia	Australia and New Zealand Banking Group Ltd.	Orange - 12 mths
Australia	Commonwealth Bank of Australia	Orange - 12 mths
Australia	Macquarie Bank Ltd.	Red - 6 mths
Australia	National Australia Bank Ltd.	Orange - 12 mths
Australia	Westpac Banking Corp.	Orange - 12 mths
Belgium	BNP Paribas Fortis	Red - 6 mths
Belgium	KBC Bank N.V.	Red - 6 mths
Canada	Bank of Montreal	Orange - 12 mths
Canada	Bank of Nova Scotia	Orange - 12 mths
Canada	Canadian Imperial Bank of Commerce	Orange - 12 mths
Canada	National Bank of Canada	Red - 6 mths
Canada	Royal Bank of Canada	Orange - 12 mths
Canada	Toronto-Dominion Bank	Orange - 12 mths
Denmark	Danske A/S	Red - 6 mths
Finland	OP Corporate Bank plc	Orange - 12 mths
France	BNP Paribas	Red - 6 mths
France	Credit Agricole Corporate and Investment Bank	Red - 6 mths
France	Credit Agricole S.A.	Red - 6 mths
France	Credit Industriel et Commercial	Red - 6 mths
France	Societe Generale	Red - 6 mths
Germany	BayernLB	Red - 6 mths
Germany	Commerzbank AG	Green - 100 days
Germany	Deutsche Bank AG	Green - 100 days
Germany	DZ BANK AG Deutsche Zentral-Genossenschaftsbank	Orange - 12 mths
Germany	Landesbank Baden-Wuerttemberg	Red - 6 mths
Germany	Landesbank Berlin AG	Orange - 12 mths
Germany	Landesbank Hessen-Thueringen Girozentrale	Orange - 12 mths
Germany	Landwirtschaftliche Rentenbank	Purple - 24 mths
Germany	NRW.BANK	Purple - 24 mths
Netherlands	ABN AMRO Bank N.V.	Red - 6 mths
Netherlands	Bank Nederlandse Gemeenten N.V.	Purple - 24 mths
Netherlands	Cooperatieve Rabobank U.A.	Orange - 12 mths
Netherlands	ING Bank N.V.	Orange - 12 mths
Netherlands	Nederlandse Waterschapsbank N.V.	Purple - 24 mths
Qatar	Qatar National Bank	Green - 100 days
Singapore	DBS Bank Ltd.	Orange - 12 mths
Singapore	Oversea-Chinese Banking Corp. Ltd.	Orange - 12 mths
Singapore	United Overseas Bank Ltd.	Orange - 12 mths
Sweden	Nordea Bank AB	Orange - 12 mths
Sweden	Skandinaviska Enskilda Banken AB	Orange - 12 mths
Sweden	Svenska Handelsbanken AB	Orange - 12 mths
Sweden	Swedbank AB	Orange - 12 mths
Switzerland	Credit Suisse AG	Red - 6 mths
Switzerland	UBS AG	Orange - 12 mths

United Arab Emirates	First Abu Dhabi Bank PJSC	Orange - 12 mths
United States	Bank of America N.A.	Orange - 12 mths
United States	Bank of New York Mellon, The	Purple - 24 mths
United States	Citibank N.A.	Orange - 12 mths
United States	JPMorgan Chase Bank N.A.	Orange - 12 mths
United States	Wells Fargo Bank, NA	Orange - 12 mths

As noted in Appendix A, the duration of all non-UK investments will be in line with Links' duration limits.

#### Counterparties Rated 'No Colour' by Link

As noted in Appendix A, sole reliance will not be placed on the use of Link ratings. The Authority will also use market data and market information, information on government support for banks and the credit ratings of that supporting government. The Authority added four building societies to its counterparty list in 2014/15, at which time they were all rated 'No Colour'. These are all now rated by Link and appear on our Provisional Counterparty Listing above. Therefore the Authority proposes to increase the number of building societies in our counterparty list to ten. The top-ten building societies (by net assets) should be added to the counterparty list. The duration of investment will be limited to 365 days and the maximum amount invested with any non-rated building society at any point in time will not exceed £2 million. Based on the published data by Building Societies Association (August 2017), the following building societies would be added onto the counterparty listing.

Country	Counterparty	Maximum Duration (as rated by Link 29.12.2017)
UK	Principality	No colour - 0 mths
UK	West Bromich	No colour - 0 mths
UK	Newcastle	No colour - 0 mths
UK	Nottingham	No colour - 0 mths
UK	Cumberland	No colour - 0 mths

## Appendix C – Prospects for Interest Rates

The following table gives the Link central view:

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2017	0.50	1.50	2.80	2.50
Mar 2018	0.50	1.60	2.90	2.60
Jun 2018	0.50	1.60	3.00	2.70
Sep 2018	0.50	1.70	3.00	2.80
Dec 2018	0.75	1.80	3.10	2.90
Mar 2019	0.75	1.80	3.10	2.90
Jun 2019	0.75	1.90	3.20	3.00
Sep 2019	0.75	1.90	3.20	3.00

The following paragraphs provide Link's commentary on the current economic situation:

After the UK surprised on the upside with strong economic growth in 2016, growth in 2017 has been disappointingly weak. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases in the cost of imports into the economy.

At Its 2 November meeting, the MPC duly delivered a 0.25% increase in Bank Rate. It also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

However, some forecasters are flagging up that they expect growth to accelerate significantly towards the end of 2017 and then into 2018. This view is based primarily on the coming fall in inflation, (as the effect of the effective devaluation of sterling after the EU referendum drops out of the CPI statistics), which will bring to an end the negative impact on consumer spending power. In addition, a strong export performance will compensate for weak services sector growth. If this scenario was indeed to materialise, then the MPC would be likely to accelerate its pace of increases in Bank Rate during 2018 and onwards.

It is also worth noting the contradiction within the Bank of England between action in 2016 and in 2017 by two of its committees. After the shock result of the EU referendum, the Monetary Policy Committee (MPC) voted in August 2016 for emergency action to cut Bank Rate from 0.50% to 0.25%, restarting £70bn of QE purchases, and also providing UK banks with £100bn of cheap financing. The aim of this was to lower borrowing costs, stimulate demand for borrowing and thereby increase expenditure and demand in the economy. The MPC felt this was necessary in order to ward off their expectation that there would be a sharp slowdown in economic growth. Instead, the economy grew robustly, although the Governor of the Bank of England strongly maintained that this was because the MPC took that action. However, other commentators regard this emergency action by the MPC as being



proven by events to be a mistake. Then in 2017, we had the Financial Policy Committee (FPC) of the Bank of England taking action in June and September over its concerns that cheap borrowing rates, and easy availability of consumer credit, had resulted in too rapid a rate of growth in consumer borrowing and in the size of total borrowing, especially of unsecured borrowing. It, therefore, took punitive action to clamp down on the ability of the main banks to extend such credit! Indeed, a PWC report in October 2017 warned that credit card, car and personal loans and student debt will hit the equivalent of an average of £12,500 per household by 2020. However, averages belie wide variations in levels of debt with much higher exposure being biased towards younger people, especially the 25 -34 year old band, reflecting their lower levels of real income and asset ownership.

One key area of risk is that consumers may have become used to cheap rates since 2008 for borrowing, especially for mortgages. It is a major concern that some consumers may have over extended their borrowing and have become complacent about interest rates going up after Bank Rate had been unchanged at 0.50% since March 2009 until falling further to 0.25% in August 2016. This is why forward guidance from the Bank of England continues to emphasise slow and gradual increases in Bank Rate in the coming years. However, consumer borrowing is a particularly vulnerable area in terms of the Monetary Policy Committee getting the pace and strength of Bank Rate increases right - without causing a sudden shock to consumer demand, confidence and thereby to the pace of economic growth.

Moreover, while there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two to three years will actually pan out.

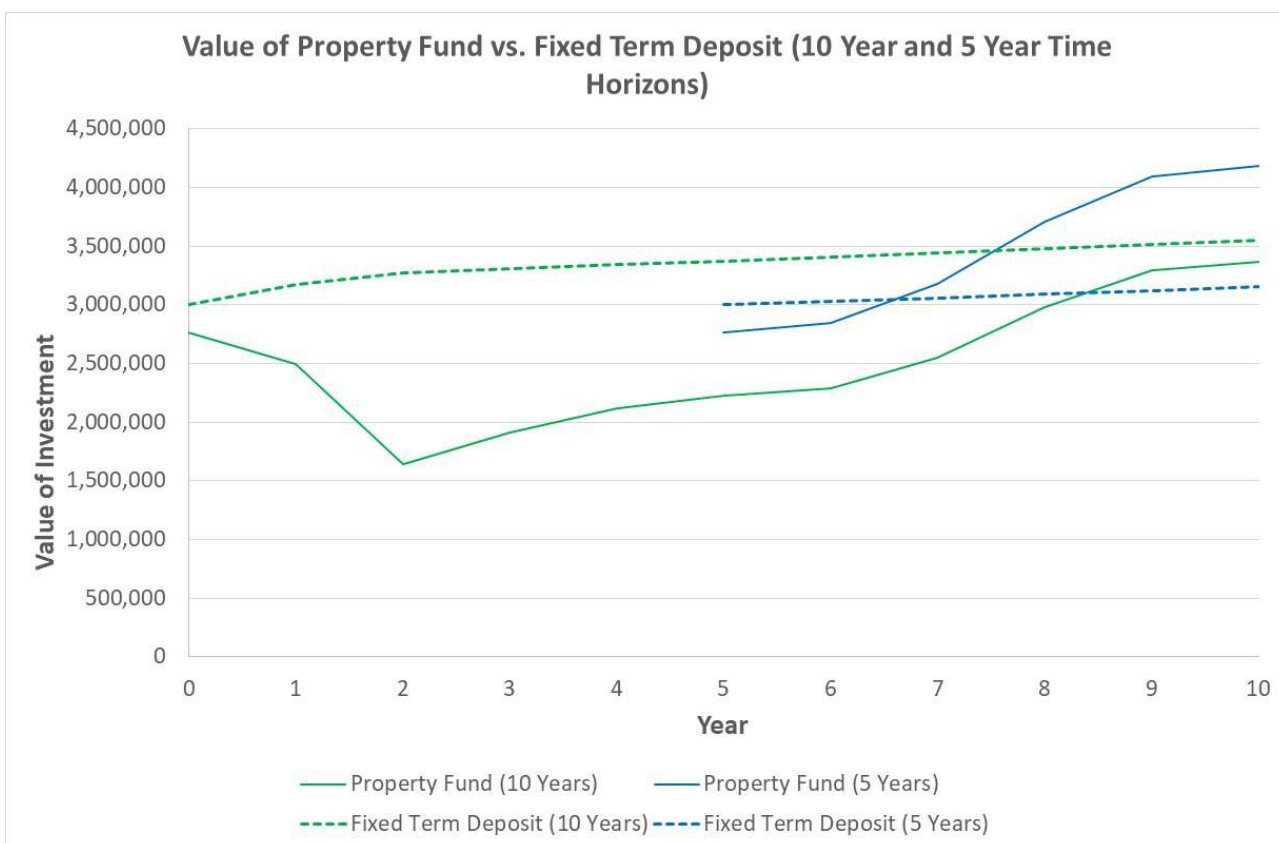
### Appendix D – Indicative Property Fund Returns

The table below shows the net returns of the best and worst performing property funds over various time periods:

<b>Fund Performance (Net) as at 29/09/2017</b>	<b>Best Performing Fund (%)</b>	<b>Worst Performing Fund (%)</b>
3 Month	4.5	1.7
1 Year	9.5	3.6
3 Year (Annualised)	12.9	8
5 Year (Annualised)	14.2	7
10 Year (Annualised)	4.9	0.5

The 10 year performance is significantly worse than for the other time periods, as it features a time when average property prices fell significantly in a relatively short period.

The chart below shows the performance of £3 million placed in a typical property fund over the last five and ten years would have compared to placing £3 million in a fixed term deposit over the same time period. The property fund assumes that all rental income is reinvested at the end of each year and the fixed term deposit assumes multiple deposits of 1 year duration, with interest income reinvested at the end of each year.



This illustrates that over the 10 year period, the property fund would have recovered sufficiently so as not to record an overall loss, but was outperformed by the fixed

term deposit. Over the 5 year period, the property fund significantly outperformed the fixed term deposit.

Whilst past performance is not necessarily an indicator of future performance, these indicative returns do illustrate the potential volatility of property funds, and the requirement to be prepared to hold the investment for a significant duration.

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# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Fire Authority
<b>DATE OF MEETING</b>	14 February 2018
<b>OFFICER</b>	Mick Osborne, Deputy Chief Fire Officer
<b>LEAD MEMBER</b>	Councillor Roger Reed
<b>SUBJECT OF THE REPORT</b>	<b>Fire and Rescue National Framework for England (Government Consultation)</b>
<b>EXECUTIVE SUMMARY</b>	<p>The Consultation seeks views on the revised Fire and Rescue National Framework for England, which was published on 27 December 2017.</p> <p>Section 21 of the Fire and Rescue Services Act 2004 requires the Secretary of State to prepare a Fire and Rescue National Framework which sets priorities and objectives for fire and rescue authorities (FRAs) in England in connection with the discharge of their functions. FRAs have a statutory duty to have regard to the Framework.</p> <p>The National Framework was last updated in 2012 and this revised version incorporates such changes as the creation of a new inspectorate, the National Fire Chiefs Council, along with the provisions contained within the Policing and Crime Act 2017 on emergency services collaboration and changes to fire and rescue governance.</p> <p>In preparation for the draft consultation response, a gap analysis between the 2012 version of the National Framework and the proposed revision has been undertaken. This analysis with the main changes can be found at Appendix B</p> <p>The deadline for responding to the Consultation is the date of this meeting 14 February and a response has already been drafted and is attached in Appendix C for Members to amend / approve.</p>
<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	That the proposed draft response (Appendix C) to the consultation be approved.
<b>RISK MANAGEMENT</b>	No direct impact.
<b>FINANCIAL IMPLICATIONS</b>	There are no envisaged direct financial implications arising from the revised Framework document.

<b>LEGAL IMPLICATIONS</b>	Section 21 of the Fire and Rescue Services Act 2004 (FRSA 2004) requires Fire and Rescue Authorities to 'have regard' to the National Framework in carrying out their functions.
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	No direct impact.
<b>HEALTH AND SAFETY</b>	No direct impact.
<b>EQUALITY AND DIVERSITY</b>	No direct impact.
<b>USE OF RESOURCES</b>	No direct impact.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	Communities and Local Government Fire and Rescue National Framework for England 2012 <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5904/nationalframework.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5904/nationalframework.pdf</a>
<b>APPENDICES</b>	Appendix A - The Fire and Rescue National Framework for England – Government Consultation Appendix B – Gap Analysis Appendix C – Draft Response to the Consultation
<b>TIME REQUIRED</b>	10 minutes
<b>REPORT ORIGINATOR AND CONTACT</b>	Mick Osborne <a href="mailto:mosborne@bucksfire.gov.uk">mosborne@bucksfire.gov.uk</a> 07979 747172



Home Office

# Fire and Rescue National Framework for England

## Government consultation

This consultation begins on 27 December 2017.

This consultation ends on 14 February 2018.

## About this consultation

- To:** Fire and rescue authorities and fire and rescue representative bodies
- Duration:** From 27 December 2017 to 14 February 2018
- Enquiries (including requests for the paper in an alternative format) to:** Alan Turnbull  
Home Office  
6<sup>th</sup> Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF  
Tel: 0207 035 3558  
Email: [FRSComms@homeoffice.gsi.gov.uk](mailto:FRSComms@homeoffice.gsi.gov.uk)
- How to respond:** You can submit your responses to the consultation by using the [online form](#) on gov.uk
- or in hard copy, by 14 February 2018 to:  
Harinder Sahota  
Home Office  
6<sup>th</sup> Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF  
Tel: 0207 035 3478  
Email: [FRSComms@homeoffice.gsi.gov.uk](mailto:FRSComms@homeoffice.gsi.gov.uk)
- Response paper:** A response to this consultation exercise is due to be published by spring 2018 on gov.uk.



# Contents

Foreword	2
Executive summary	4
Introduction	6
Draft Fire and Rescue National Framework for England	7
Questionnaire	29
About you	30
Contact details and how to respond	31
Consultation principles	33

# Foreword

Fire and rescue services play a crucial role in making our communities safer, whether it be preventing and protecting people from fire and other risks, or responding swiftly and effectively to the incidents and emergencies that occur. Over the past decade we have witnessed a significant decrease in the number of fires which suggests that we are, as a society, becoming safer than ever from the risk and consequences of fire. In part this must be a testament to the successful fire prevention and protection work that fire and rescue services deliver day in, day out, up and down the country.

Nevertheless, the awful tragedy at Grenfell Tower provided a stark and terrible reminder that we can never afford to become complacent. We must continue to work hard to keep people – especially those whose vulnerability to fire is increased by age, infirmity, mental health, domestic violence or any of the other complex issues some of us are living with – as safe from fire and associated risks as possible. In many cases, this means engaging effectively with other agencies to work together to better protect and improve the outcomes for these individuals.

The past decade has also seen fire and rescue services respond to an ever growing number of non-fire incidents. Collaboration should be at the heart of how services operate so that services can work with, or on behalf of, local providers, to deliver a range of public safety activity to protect their local communities where it is in the interests of efficiency and effectiveness for them to do so.

In 2016, the Home Office outlined an ambitious programme of reform which it is delivering with the fire and rescue sector. This revised National Framework seeks to embed these reforms, which include:

- transforming local governance of fire and rescue by enabling mayors and police and crime commissioners to take on responsibility for fire and rescue services where a local case is made;
- establishing Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) as an independent inspection regime for fire and rescue authorities;
- developing a comprehensive set of professional standards to drive sector improvement;
- supporting services to transform commercially with more efficient procurement and collaboration;
- increasing the transparency of services with the publication of greater performance data and the creation of a new national fire website; and -
- driving forward an ambitious programme for workforce reform including through enhancing: professionalism; management and leadership; training and

development; equality and diversity; improved culture; and options for flexible working.

As part of this reform programme, the fire landscape is changing with the formation of the National Fire Chiefs Council; an independent inspectorate (HMICFRS); and a professional standards body. The revised framework outlines the roles and responsibilities of these bodies and sets expectations for how services should work with them.

It is against this background that the Government launches this revised National Framework for consultation. The National Framework will continue to provide an overall strategic direction to fire and rescue authorities, but Whitehall will not run fire and fire and rescue services remain free to operate in a way that enables the most efficient and effective delivery of their services, drawing upon their considerable skills and experience to best reduce the risks from fire. Ultimately, it is to local communities, not Government, that fire and rescue authorities are accountable.

Finally, it is vital that we learn the lessons from Grenfell. I very much welcome the publication of Dame Judith's interim report setting out a comprehensive analysis of the current system of building regulations and fire safety and recommendations for how it can be improved. It is clear there is a need for reform across the system and that we need a new intelligent system of regulation and enforcement which encourages everyone to do the right thing and which holds those who cut corners to account. The scale of the change that her report calls for cannot be delivered by government alone so we will work closely with Dame Judith and other partners – including the National Fire Chiefs Council and fire and rescue services - during the next phase of the review, identifying the changes that need to be made to the system. We will update the National Framework as required to ensure that the learning and recommendations from this Review, as well as those from the wider Grenfell Tower Inquiry, are captured and reflected.

In the meantime, we acknowledge the vital work that local fire and rescue services, and the NFCC, as a member of the Expert Panel, are doing to ensure that building owners are taking all the necessary steps to ensure those living in high rise buildings are safe and feel safe to remain in their homes.

I look forward to receiving consultation responses on the revised National Framework.



Rt hon Nick Hurd MP

Minister for Policing and the Fire Service

# Executive summary

1. Section 21 of the Fire and Rescue Services Act 2004 requires the Secretary of State to prepare a Fire and Rescue National Framework which sets priorities and objectives for fire and rescue authorities (FRAs) in England in connection with the discharge of their functions. FRAs have a statutory duty to have regard to the Framework. The 2004 Act requires the Secretary of State to keep the Framework under review and revise it if needed with significant revisions subject to statutory consultation with representatives of fire and rescue authorities and their employees.
2. The National Framework was last updated in 2012 and changes are needed which warrant a full revision of it at this time to embed the fire reform programme such as the creation of a new inspectorate for fire and rescue services and the creation of the National Fire Chiefs Council. The Framework also reflects the provisions in the Policing and Crime Act 2017 on emergency services collaboration and changes to fire and rescue governance.
3. We have sought the views of an external working group in drafting this framework including the LGA and their elected members; the National Fire Chiefs Council; and HMICFRS.
4. We propose the priorities and objectives for FRAs as set by the Framework to be:
  - identify and assess the full range of foreseeable fire and rescue related risks their areas face;
  - make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents;
  - collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of service provision;
  - be accountable to communities for the service they provide; and
  - develop and maintain a workforce that is resilient, skilled, flexible and diverse.
5. Within the Workforce chapter (chapter 6) of the draft National Framework, the section on 're-engagement of senior officers post-retirement' has been the subject of an earlier, separate consultation. The Government's response to that consultation is published separately. The draft National Framework includes the proposed wording following that consultation and no more changes to that section are planned following this consultation process.

6. Annex A of the draft National Framework contains a revised 'Protocol on Central Government Intervention Action for Fire and Rescue Authorities'. Section 23 of the Fire and Rescue Services Act 2004 requires that an intervention protocol be prepared, and for the Secretary of State to have regard to it in the exercise of their power of intervention. Revisions to the protocol are required to be consulted on and so comments are invited on this document.
  
7. Subject to the outcome of the public consultation and parliamentary time allowing, the Government intends for the new National Framework to come into effect in April 2018 to coincide with the commencement of fire inspection. The existing Framework – brought into effect in 2012 - remains valid until it is replaced. The outputs from the Grenfell Tower Inquiry and the Independent Review of Building Regulations and Fire Safety will be considered on an ongoing basis and further changes may be made to the Framework as required. Any such changes will be subject to a separate consultation.

# Introduction

This paper sets out for consultation the revised Fire and Rescue National Framework for England and also for the revised 'Protocol on Central Government Intervention Action for Fire and Rescue Authorities'. The consultation is aimed at fire and rescue authorities in England and their staff, as well as fire and rescue representative bodies.

The proposals are unlikely to lead to additional costs or savings for businesses, charities or the voluntary sector, or on the public sector.

Copies of the consultation paper are being sent to:

Chiefs and Chairs of all Fire and Rescue Authorities in England

Local Government Association

National Fire Chiefs Council

Association of Principal Fire Officers

Fire Brigades Union

Fire Officers' Association

Retained Firefighters' Union

Association of Police and Crime Commissioners

However, this list is not meant to be exhaustive or exclusive and responses are welcomed from anyone with an interest in, or views on, the subject covered by this paper.

# Draft Fire and Rescue National Framework for England

## 1. INTRODUCTION

### Powers

1.1 Under section 21 of the Fire and Rescue Services Act 2004 (“the 2004 Act”), the Secretary of State must prepare a Fire and Rescue National Framework.

The Framework:

- a) must set out priorities and objectives for fire and rescue authorities in connection with the discharge of their functions;
- b) may contain guidance to fire and rescue authorities in connection with the discharge of any of their functions; and
- c) may contain any other matter relating to fire and rescue authorities or their functions that the Secretary of State considers appropriate.

1.2 In setting out priorities and objectives for fire and rescue authorities in England, the requirements are best calculated to promote public safety and the economy, efficiency and effectiveness of fire and rescue authorities. The Framework sets out high level expectations; it does not prescribe operational matters which are best determined locally by fire and rescue authorities and their staff.

1.3 In preparing the Framework, the Secretary of State is required to consult fire and rescue authorities or their representatives; persons representing employees of fire and rescue authorities; and any other persons they consider appropriate.

1.4 Every fire and rescue authority must have regard to the Framework in carrying out their functions. Every authority must publish an annual statement of assurance of compliance with the Framework (see Chapter 3).

1.5 Fire and rescue authorities function within a long-established statutory and policy framework. This document does not repeat all the duties placed on them in connection with the discharge of their functions, or more generally as a public service provider and employer.

1.6 The term ‘fire and rescue authority’ in this Framework applies to every fire and rescue authority in England unless otherwise stated.

### Priorities

1.7 The priorities in this Framework are for fire and rescue authorities to:

- identify and assess the full range of foreseeable fire and rescue related risks their areas face;
- make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents;
- collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of service provision;

- be accountable to communities for the service they provide; and
- develop and maintain a workforce that is professional, resilient, skilled, flexible and diverse.



## 2. DELIVERY OF CORE FUNCTIONS

### Identify and assess

- 2.1 Every fire and rescue authority must assess all foreseeable fire and rescue related risks that could affect their communities, whether they are local, cross-border, multi-authority and/or national in nature from fires to terrorist attacks. Regard must be had to Community Risk Registers produced by Local Resilience Forums and any other local risk analyses as appropriate.
- 2.2 Fire and rescue authorities must put in place arrangements to prevent and mitigate these risks, either through adjusting existing provision, effective collaboration and partnership working, or building new capability. Fire and rescue authorities should work through the Strategic Resilience Board where appropriate when determining what arrangements to put in place.

### Prevent and protect

- 2.3 Prevention is always better than cure. Fire and rescue authorities must make provision for promoting fire safety, including fire prevention, and have a locally determined risk-based inspection programme in place for enforcing compliance with the provisions of the Regulatory Reform (Fire Safety) Order 2005 in premises to which it applies.
- 2.4 We expect fire and rescue authorities to target their fire safety, prevention and protection resources on: those individuals or households who are at greatest risk from fire in the home; those most likely to engage in arson or deliberate fire setting; and on those non-domestic premises where the life safety risk is the greatest.
- 2.5 To identify those at greatest risk from fire, we expect fire and rescue authorities to work closely with other organisations in the public and voluntary sector, as well as with the police and ambulance services. Wherever appropriate, we expect fire and rescue services to develop partnerships to support risk reduction services to those identified as vulnerable, including from exploitation or abuse, and wherever possible to share intelligence and relevant risk data.
- 2.6 In many cases, fire and rescue prevention and protection staff will be in a position to identify individuals' wider vulnerabilities and exposure to risks beyond fire. By working closely and collaboratively with other public and voluntary sector organisations – both nationally through the National Fire Chiefs Council and through local arrangements - we recognise fire and rescue authorities can make an important contribution to increasing the effectiveness and efficiency of public services and alleviating pressures on local response resources. However, this should not be at the expense of their core fire functions.
- 2.7 Given the wide range of roles that fire and rescue personnel undertake, including with people with complex needs and vulnerabilities, fire and rescue authorities will need to ensure that all their staff in public-facing roles have the necessary skills and training to meet such demands. They also should have appropriate safeguarding arrangements in place to provide the public with the reassurance and confidence that they have every right to expect.

2.8 In all their prevention and protection activities, fire and rescue authorities should robustly evaluate the impact of their activities to ensure that they only pursue those which can be demonstrated to impact effectively and cost-efficiently on risk reduction within their communities. Fire and rescue authorities should share details of their successful interventions (and, importantly, those less successful interventions) to support each other to understand and build on what works best and what is most cost-effective.

## **Respond**

2.9 Fire and rescue authorities must make provision to respond to incidents such as fires, road traffic collisions and other emergencies within their area and in other areas in line with their mutual aid agreements.

2.10 Fire and rescue authorities can enter into reinforcement schemes, or mutual aid agreements, with other fire and rescue authorities for securing mutual assistance, so far as practicable.

2.11 Fire and rescue authorities must have effective business continuity arrangements in place in accordance with their duties under the Civil Contingencies Act 2004. These arrangements must be able to meet the full range of service delivery risks and national resilience duties and commitments that they face. Business continuity plans should not be developed on the basis of armed forces assistance being available.

## **Integrated Risk Management Plan**

2.12 To establish how it aims to deliver its core functions to effectively prevent and mitigate the fire and rescue related risks facing their communities, each fire and rescue authority must produce an integrated risk management plan. Each plan must:

- reflect up to date risk analyses including an assessment of all foreseeable fire and rescue related risks that could affect the area of the authority;
- demonstrate how prevention, protection and response activities will best be used to prevent fires and other incidents and mitigate the impact of identified risks on its communities, through authorities working either individually or collectively, in a cost effective way;
- evaluation of service delivery outcomes including the allocation of resources, for the mitigation of those risks;
- set out its management strategy and risk-based programme for enforcing the provisions of the Regulatory Reform (Fire Safety) Order 2005 in accordance with the principles of better regulation set out in the Statutory Code of Compliance for Regulators, and the Enforcement Concordat;
- cover at least a three-year time span and be reviewed and revised as often as it is necessary to ensure that the authority is able to deliver the requirements set out in this Framework;
- reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies and partners; and
- be easily accessible and publicly available.

### 3. INSPECTION, ACCOUNTABILITY AND ASSURANCE

#### Inspection

- 3.1 Independent inspection of fire and rescue authorities in England – and the fire and rescue service they oversee - is delivered by Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). The chief fire and rescue inspector and inspectors of fire and rescue authorities in England have powers of inspection given to them by the Fire and Rescue Services Act 2004, as amended by the Policing and Crime Act 2017.
- 3.2 The inspectorate will provide a crucial assurance function to consider how effective and efficient fire and rescue authorities are, how well they manage their people and whether they are fulfilling their statutory obligations. The inspectorate will also highlight good practice and identify areas where improvement is needed so that remedial or constructive action can be taken.
- 3.3 The Policing and Crime Act 2017 requires the chief fire and rescue inspector for England to publish an inspection programme setting out what inspections of fire and rescue authorities in England they propose to carry out, and an inspection framework setting out the manner in which inspections will be carried out, including the matters that will be inspected. The inspection framework and programme applies to every fire and rescue authority in England. The 2017 Act also requires the chief fire and rescue inspector for England to submit an annual report to the Secretary of State providing an assessment of the efficiency and effectiveness of fire and rescue authorities in England for the period in respect of which the report is prepared.
- 3.4 All fire and rescue authorities must cooperate with the inspectorate and its inspectors to enable them to deliver their statutory function. This includes providing relevant data and information to inform inspections. The Home Office and HMICFRS will work together to align data and information collections where possible to avoid duplication.
- 3.5 Fire and rescue authorities should give due regard to reports and recommendations made by HMICFRS and - if needed - prepare, update and regularly publish an action plan (including any such plans arising from peer reviews and self-assessments) detailing how the recommendations are being actioned. When forming an action plan, the fire and rescue authority could seek advice and support from other organisations, for example, the National Fire Chiefs Council and the Local Government Association.

#### Intervention

- 3.6 Section 22 of the Fire and Rescue Services Act 2004 gives powers to the Secretary of State to intervene should a fire and rescue authority fail, or is likely to fail, to act in accordance with this Framework. The Secretary of State is required to prepare a protocol about the exercise of these powers and to have regard to it when exercising the section 22 powers. The intervention protocol for these powers is attached at Annex A.
- 3.7 The 2004 Act allows the Secretary of State, by order, to require the fire and rescue authority to do something; to stop doing something; or not to do something in order to ensure the fire and rescue authority acts in accordance with this Framework. An order could be made if the Secretary of State considers it would promote public safety, the

economy, efficiency and effectiveness of the relevant fire and rescue authority. Before any such order is made the Secretary of State must give the authority an opportunity to make representations about the order proposed.

- 3.8 Use of this power is a last resort and intervention would only be considered if there was clear evidence that an authority was failing to act in accordance with the Framework, and that the failure was sufficiently serious as to warrant Government intervention. The expectation is that the fire and rescue authority should put in place processes to overcome any concerns, seeking sector-led support as appropriate.
- 3.9 The Secretary of State also has other powers of intervention (for example, under section 15 of the Local Government Act 1999) but the Protocol on Central Government Intervention Action for Fire and Rescue Authorities at Annex A relates solely to ensuring fire and rescue authorities act in accordance with the National Framework.

### **Accountability**

- 3.10 Fire and rescue authorities are expected to have governance and accountability arrangements in place covering issues such as financial management and transparency, complaints and discipline arrangements, and compliance with the seven principles of public life.<sup>1</sup>
- 3.11 Each fire and rescue authority must hold the individual who has responsibility for managing the fire and rescue service – in most cases the Chief Fire Officer - to account for the delivery of the fire and rescue service and the functions of persons under their direction and control. In London, the Mayor of London must hold the London Fire Commissioner, as fire and rescue authority for Greater London, to account for the exercise of the Commissioner's functions.
- 3.12 In demonstrating their accountability to communities for the service they provide, fire and rescue authorities need to:
- be transparent and accountable to their communities for their decisions and actions;
  - provide the opportunity for communities to help to plan their local service through effective consultation and involvement; and
  - have scrutiny arrangements in place that reflect the high standard communities expect for an important public safety service.

### **Assurance and scrutiny**

- 3.13 Fire and rescue authorities must provide assurance to their communities and to government on financial, governance and operational matters and show how they have had due regard to their priorities and expectations set out in their integrated risk management plan and the requirements included in this Framework.

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<sup>1</sup> Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty; and Leadership

- 3.14 Fire and rescue authorities must publish an annual statement of assurance, which in the case of PCC fire and rescue authorities (PCC FRA), will be subject to scrutiny by the Police, Fire and Crime Panel (PFCCP). These statements may also be considered by the inspectorate as part of their work.
- 3.15 PFCCPs will perform a scrutiny function, providing both support and challenge to the Police, Fire and Crime Commissioner (PFCC) on the exercise of their functions, acting as a critical friend. The powers, responsibilities and membership requirements of PFCCPs are set out in the Police Reform and Social Responsibility Act 2011.

## Transparency

- 3.16 Each fire and rescue authority must comply with their statutory transparency requirements. The nature of the requirements is dependent on the legal basis of the authority; for example, combined fire and rescue authorities would be subject to the Local Authority Transparency Code 2015 while PCC FRAs must comply with requirements under section 11 of the Police Reform and Social Responsibility Act 2011 and the Elected Local Policing Bodies (Specified Information) Order 2011. All fire and rescue authorities should therefore publish certain information, including: senior salaries, register of interests, staffing, income and expenditure, property, rights and liabilities, and decisions of significant public interest. Fire and rescue authorities must make their communities aware of how they can access data and information on their performance.
- 3.17 Furthermore, section 26 of the Fire and Rescue Services Act 2004 states that a fire and rescue authority must:
- a) submit to the Secretary of State any reports and returns that are required; and
  - b) give the Secretary of State any information with respect to its functions that are required.
- 3.18 Specifically, fire and rescue authorities have a responsibility to provide regular data to the Home Office as stipulated by the DCLG Single Data List process. The data supplied are the source for the official and national statistics published by the Home Office and are used for the purposes of policy development across a range of organisations including Government as well as providing a publicly available national overview of activity by fire and rescue services.

## 4. GOVERNANCE

- 4.1 Fire and rescue authorities operate with a range of different locally determined governance arrangements including an individual – either a police, fire and crime commissioner or a mayor – having sole responsibility for being the fire and rescue authority for an area. Where police and crime commissioners - and mayors - wish to develop a local proposal with options to take on governance responsibility for fire and rescue in their area, fire and rescue authorities must provide the police and crime commissioner with such information that they reasonably require for the purposes of developing a proposal for the Secretary of State to consider.
- 4.2 The Secretary of State can only give effect to such a fire governance proposal where, in her view, it appears to be in the interests of economy, efficiency and effectiveness, or in the interests of public safety. The Secretary of State cannot give effect to a proposal if, in her view, it would have an adverse effect on public safety.
- 4.3 Each fire and rescue authority has a statutory duty to ensure provision of their core functions as required by the Fire and Rescue Services Act 2004 and, for example, take strategic decisions and hold their chief fire officer to account.
- 4.4 The exception is in London, where the Policing and Crime Act 2017 reforms the governance of fire and rescue in London by abolishing the London Fire and Emergency Planning Authority and creating the London Fire Commissioner as a corporation sole being the fire and rescue authority. The Mayor of London has overall responsibility for setting the strategic direction of the fire and rescue authority in London, appointing the London Fire Commissioner (subject to a confirmation hearing), holding the Commissioner to account and setting the budget for the Commissioner.
- 4.5 The London Fire Commissioner is responsible for ensuring fire and rescue services in London are efficient and effective and prepares the integrated risk management plan for approval by the Mayor.

### **Managing the fire and rescue service/Chief Fire Officer**

- 4.6 Each fire and rescue authority will appoint an individual - a Chief Fire Officer - who has responsibility for managing the fire and rescue service. This includes managing the personnel, services and equipment secured by the fire and rescue authority for the purposes of carrying out functions conferred on it by the Fire and Rescue Services Act 2004, Civil Contingencies Act 2004, and other enactments. The Chief Fire Officer must, in exercising their functions, have regard to the fire and rescue authority's integrated risk management plan.
- 4.7 The fire and rescue authority should give due regard to the professional advice of the chief fire officer when making decisions affecting the operation of their fire and rescue service.

### **Plans to be prepared by PCC fire and rescue authorities**

- 4.8 Where a police and crime commissioner takes on the functions and duties of a fire and rescue authority they will be known as the police, fire and crime commissioner (PFCC). The PFCC must prepare and publish the documents set out below:



**A fire and rescue plan:** the plan should set out the strategic vision, priorities and objectives for the fire and rescue service over the period of the document in connection with the discharge of the fire and rescue authority's functions. The plan is subject to scrutiny by the Police, Fire and Crime Panel (in the same way they scrutinise the PCC's police and crime plan). In developing this plan, the PFCC must make arrangements for obtaining the view of the community, as they currently do in preparing their police and crime plan.

**A fire and rescue statement:** the statement should outline the way in which the authority has had regard - in the period covered by the document - to this National Framework and to any fire and rescue plan prepared by the authority for that period. This is subject to scrutiny by the Police, Fire and Crime Panel.

- 4.9 The PFCC must have regard to both the fire and rescue plan and the police and crime plan when carrying out their functions. The plans can be combined. Where a joint police and crime and fire and rescue plan is developed, the plan must set out both policing and fire and rescue priorities and objectives. Such plans are subject to scrutiny by the Police, Fire and Crime Panel.
- 4.10 The PCC FRA must, like all other fire and rescue authorities, produce an integrated risk management plan as set out in chapter 2. This may also include details of how the fire and rescue service intends to meet the strategic vision set out by the fire and rescue plan. The integrated risk management plan will be subject to inspection by HMICFRS.
- 4.11 The function of preparing and issuing the plan may be delegated to the Chief Fire Officer - or Chief Officer where a single employer has been put in place – however, the plan must be approved by the PCC FRA.

### **National Fire Chiefs Council**

- 4.12 The National Fire Chiefs Council brings together the leadership of the UK's fire and rescue services to provide co-ordinated professional, operational and technical leadership of the sector, advising and supporting central and local government, and other stakeholders.
- 4.13 The NFCC fulfils a multifaceted role that is reflected throughout this document and other national frameworks. The NFCC represents the sector in local and national structures, helping to develop national policies and strategies. The NFCC is the first line of operational advice to central and local government during major incidents. This is outlined within the National Coordination and Advisory Framework (NCAF), which fire and rescue services must proactively engage with.
- 4.14 The NFCC has a role to drive continuous improvement and development throughout the sector. Fire and rescue services should consult the NFCC for advice and support when developing improvement plans, particularly in response to inspections.
- 4.15 The expectation is that fire and rescue services in England engage with the NFCC and, in turn, that the Chiefs Council works to support and represent every service.

## 5. ACHIEVING VALUE FOR MONEY

- 5.1 Fire and rescue authorities must manage their budgets and spend money properly and appropriately, and ensure the efficient and effective use of their resources, pursuing all feasible opportunities to keep costs down while discharging their core duties effectively. Fire and rescue authorities should regularly review the numbers and deployment of firefighters and other staff to ensure that its fire and rescue service has a workforce that is commensurate with the risks that it faces.
- 5.2 Fire and rescue authorities must ensure that financial decisions are taken with the advice and guidance of the chief finance officer and that decisions are taken with an emphasis on delivering value for money to the public purse. Fire and rescue authorities should ensure that management of their finances is undertaken with regard to published guidance including those set out at Annex B.
- 5.3 Fire and rescue authorities should publish a medium term financial strategy which includes funding and spending plans for revenue and capital. The strategy should take into account multiple years, the inter-dependencies of revenue budgets and capital investments, the role of reserves and the consideration of risks. It should have regard to affordability and also to CIPFA's Prudential Code for Capital Finance in Local Authorities. The strategy should be aligned with the fire and rescue authority's integrated risk management plan and – if appropriate – the Fire and Rescue Plan.
- 5.4 Fire and rescue authorities should publish robust, transparent and locally owned efficiency plans on their websites. Each fire and rescue authority should also publish an annual report on their progress against their efficiency plans.

### Reserves

- 5.5 Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 5.6 Fire and rescue authorities should establish a policy on reserves and provisions in consultation with their chief finance officer. General reserves should be held by the fire and rescue authority and managed to balance funding and spending priorities and to manage risks. This should be established as part of the medium-term financial planning process.
- 5.7 Each fire and rescue authority should publish their reserves strategy on their website, either as part of their medium term financial plan or in a separate reserves strategy document. The reserves strategy should include details of current and future planned reserve levels, setting out a total amount of reserves and the amount of each specific reserve that is held for each year. The reserves strategy should provide information for at least two years ahead.
- 5.8 Sufficient information should be provided to enable understanding of the purpose for which each reserve is held and how holding each reserve supports the fire and rescue authority's medium term financial plan.



5.9 Information should be set out in a way that is clear and understandable for members of the public, and should include:

- how the level of the general reserve has been set;
- justification for holding a general reserve larger than five percent of budget;
- whether the funds in each earmarked reserve are legally or contractually committed, and if so what amount is so committed; and
- a summary of what activities or items will be funded by each earmarked reserve, and how these support the fire and rescue authority’s strategy to deliver good quality services to the public.

### **Commercial transformation**

5.10 Each fire and rescue authority must demonstrate that it is achieving value for money for the goods and services it receives. Every fire and rescue authority should look at ways to improve its commercial practices including whether they can aggregate their procurement with other fire and rescue authorities and other local services (e.g. police) to achieve efficiencies.

5.11 Fire and rescue authorities must demonstrate and support commercial transformation programmes where appropriate. Each fire and rescue authority should be able to demonstrate full awareness of the objectives to standardise requirements, aggregate demand and manage suppliers of products and services within their commercial arrangements.

5.12 Fire and rescue authorities must ensure that their commercial activities, be that the placement of new contracts or the use of existing contracts, is in line with their legal obligations, including but not limited to the Public Contracts Regulations, the Public Services (Social Value) Act 2012, the Modern Slavery Act 2015 and transparency commitments.

### **Collaboration**

5.13 The Policing and Crime Act 2017 created a statutory duty on fire and rescue authorities, police forces, and ambulance trusts to:

- keep collaboration opportunities under review;
- notify other emergency services of proposed collaborations that could be in the interests of their mutual efficiency or effectiveness; and
- give effect to a proposed collaboration where the proposed parties agree that it would be in the interests of their efficiency or effectiveness and that it does not have an adverse effect on public safety.

5.14 The duty is deliberately broad to allow for local discretion in how it is implemented and recognises that local emergency services are best placed to determine how to collaborate for the benefit of their communities. However, the duty sets a clear expectation that collaboration opportunities should be considered.

5.15 The duty does not preclude wider collaboration with other local partners, such as local authorities and wider health bodies. To reflect their wider role, ambulance trusts are required to consider the impact of the proposed collaboration on their wider non-

emergency functions and the NHS when determining if it would be in the interests of their efficiency or effectiveness.

- 5.16 Fire and rescue authorities should, where appropriate, work alongside all relevant local agencies and multi-agency teams involved in protecting those identified as vulnerable.
- 5.17 Fire and rescue authorities must collaborate with other fire and rescue authorities to deliver intraoperability (between fire and rescue authorities) and interoperability (with other responders such as other emergency services, wider Category 1 and 2 responders and Local Resilience Forums) in line with the Joint Emergency Services Interoperability Principles (JESIP). Fire and rescue authorities must collaborate with the National Resilience Lead Authority to ensure interoperability is maintained for National Resilience assets.
- 5.18 Intraoperability includes, but is not limited to:
- compatible communications systems, control rooms and equipment;
  - common command and compatible control and co-ordination arrangements;
  - effective information, intelligence and data sharing;
  - compatible operational procedures, and guidance with common terminology;
  - compatible training and exercising (both individually and collectively); and
  - cross border working with other English fire and rescue authorities and those in the devolved administrations.
- 5.19 Interoperability includes, but is not limited to:
- compatible communications systems, control rooms and equipment, as appropriate;
  - compatible command, control and co-ordination arrangements;
  - effective inter-agency working and liaison and, where appropriate, information, intelligence and data sharing;
  - shared understanding of respective roles and responsibilities, operational procedures, guidance and terminology;
  - robust multi-agency plans for managing risks identified in the National Risk Assessment and community risk registers;
  - multi-agency training and exercising; and
  - cross border working with other responders in England and the devolved administrations.

## **Research and development**

- 5.20 Fire and rescue authorities should engage with national research and development programmes, including those overseen by the NFCC, unless there is a good reason not to.
- 5.21 Where fire and rescue services embark on research and development outside of any national programme, processes should be put in place to ensure it meets quality standards and, where possible and appropriate, is available to the sector to enable good practice to be shared.

## Trading

- 5.22 Fire and rescue authorities have the power to trade and make a profit but they must ensure that their commercial activities are performed in accordance with the requirements of the Local Government Act 2003, the Fire and Rescue Services Act 2004 (as amended by the Localism Act 2011) and the Local Government Order 2009. Fire and rescue authorities must also ensure that such commercial activities are exercised through a company within the meaning of Part 5 of the Local Government and Housing Act 1989.
- 5.23 A trading company is a separate legal entity and elected members and officers should at all times be aware of potential conflicts of interest when carrying out their roles for their authorities, or when acting as directors of trading companies.
- 5.24 Fire and rescue authorities must ensure any actions taken in respect of their trading companies are considered against the requirements of competition law. Any financial assistance - in cash or in kind - given by an authority that establishes or participates in it, should be for a limited period, set against the expectation of later returns, and re-paid by those returns. Any assistance should be provided under a formal agreement with the company and must be entered into for a commercial purpose. Before entering into such an agreement, the authority should satisfy itself that it will achieve its objective, and the company should satisfy itself that it will meet its objective in terms of its business plan. The parties should consider any State Aid implications and obtain their own expert advice where necessary.

## 6. WORKFORCE

### People Strategy

- 6.1 Each fire and rescue authority should have in place a people strategy that has been designed in collaboration with the workforce. This should take into account the principles set out in the NFCC's people strategy and at a minimum cover:
- improving the diversity of the workforce to ensure that it represents the community it serves;
  - equality, cultural values and behaviours;
  - recruitment, retention and progression;
  - flexible working;
  - professionalism, skills and leadership;
  - training opportunities;
  - health, wellbeing and support; and
  - a policy to tackle bullying and harassment.
- 6.2 The Home Office collects and publishes a range of workforce data. This includes workforce diversity, information on new joiners, reasons for leaving and firefighter injuries.

### Professional Standards Body<sup>2</sup>

- 6.3 The sector is currently working in partnership with government to consider options for enhancing professionalism by ensuring the development of a coherent and comprehensive set of professional standards across all areas of fire and rescue services' work, drawing on existing standards where appropriate.
- 6.4 All fire and rescue authorities must implement the standards approved through this work and the inspectorate will have regard to these standards as part of their inspections.

### Fitness Principles

- 6.5 Fire and rescue authorities have an important role in helping to ensure their firefighters remain fit and are supported in remaining in employment. Each fire and rescue authority must comply with the fitness principles set out at Annex C.

### Re-engagement of senior officers

- 6.6 The re-appointment of principal fire officers to the same or similar posts within the same fire and rescue authority, a short time after they have retired, has caused concern in recent years and increases costs for taxpayers. These individuals very often receive their pension benefits on retirement (such as their tax free lump sum) and then return on favourable terms, including an increase in take-home pay through avoiding paying employee pension contributions.

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<sup>2</sup> Please note that this policy is under development and an announcement is likely to be made before the final Framework is published.

- 6.7 Fire and rescue authorities must not re-appoint principal fire officers<sup>3</sup> after retirement to their previous, or a similar, post save for in exceptional circumstances when such a decision is necessary in the interests of public safety. Any such appointment must be transparent, justifiable and time limited.
- 6.8 In the exceptional circumstance that a re-appointment is necessary in the interests of public safety, this decision should be subject to agreement by a public vote of the elected members of the fire and rescue authority, or a publicised decision by the appropriate elected representative of the fire and rescue authority, taking into account the legislative requirements of PCC FRA Chief Fire Officer appointment procedures. The reason why the re-appointment was necessary in the interests of public safety, and alternative approaches were deemed not appropriate, must be published and the principal fire officer's pension must be abated until they cease to be employed by a fire and rescue authority.
- 6.9 To ensure greater fairness and the exchange of talent and ideas, all principal fire officer posts must be open to competition nationally, and fire and rescue authorities must take account of this in their workforce planning.
- 6.10 While the above requirements only extend to principal fire officers, we expect fire and rescue authorities to have regard to this principle when re-appointing at any rank.

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<sup>3</sup> For the purpose of this Framework, Principal Officers refers to those officers at Brigade or Area Manager level, and above, or those with comparable responsibilities to those roles.

## 7. NATIONAL RESILIENCE

- 7.1 The Government retains responsibility for the provision of national resilience assets and capabilities managed and delivered through fire and rescue services. This responsibility extends to undertaking the National Risk Assessment which informs the requirements for fire and rescue national resilience capabilities.
- 7.2 In meeting this responsibility, the Government has committed significant financial resource to build national resilience capabilities and to support their ongoing maintenance.
- 7.3 The Government relies on the strategic leadership role of the NFCC to maintain fire and rescue national resilience capabilities in a high state of operational readiness through a comprehensive assurance regime delivered through lead authority arrangements.
- 7.4 Fire and rescue authorities must work with the lead authority to support the national resilience assurance processes in order to ensure capabilities are maintained at a high state of operational readiness. This includes co-operation of fire and rescue authorities, as necessary, on devolved training and, where applicable, on the long term capability management arrangements.
- 7.5 Fire and rescue services, through the NFCC's representation on the Strategic Resilience Board, must also work with Government to identify and address any national resilience capability gaps identified through ongoing analysis of the National Risk Assessment.

### Gap analysis

- 7.6 Fire and rescue authorities' risk assessments must include an analysis of any gaps between their existing capability and that needed to ensure national resilience (as defined above).
- 7.7 Fire and rescue authorities are required to assess the risk of emergencies occurring and use this to inform contingency planning. To do this effectively, fire and rescue authorities are expected to assess their existing capability and identify any gaps as part of the integrated risk management planning process. This gap analysis needs to be conducted by fire and rescue authorities individually and collectively to obtain an overall picture of their ability to meet the full range of risks in their areas.
- 7.8 As part of their analysis, fire and rescue authorities must highlight to the Home Office or the Fire and Rescue Strategic Resilience Board, any capability gaps that they believe cannot be met even when taking into account mutual aid arrangements, pooling and reconfiguration of resources and collective action.
- 7.9 The Home Office, in liaison with other government departments and the devolved administrations, will support fire and rescue authorities in considering and defining the gap between existing capability and the capability required to ensure national resilience.

## **National Coordination and Advisory Framework**

- 7.10 The National Coordination and Advisory Framework (NCAF) has been designed to provide robust and flexible response arrangements to major emergencies that can be adapted to the nature, scale and requirements of the incident.
- 7.11 Fire and rescue authorities must proactively engage with, and support, the NCAF arrangements including the NFCC's lead operational role.

## **Response to Terrorist Attacks or Marauding Terrorist Attacks**

- 7.12 Fire and rescue services must be able to respond to the heightened threat of terrorism and be ready to respond to incidents within their areas and across England to keep communities safe. Fire and rescue services should also be interoperable to provide operational support across the UK to terrorist events as required. To enhance resilience to terrorist risks, the Government has committed significant financial resources to develop a Marauding Terrorist Firearms Attack (MTFA) capability, with the support of fire and rescue services. This is aligned to the National Risk Assessment and provides a specialist response across the country.
- 7.13 Government and the NFCC recognise the critical contribution of fire and rescue services when responding to acts of terrorism. This is an agreed function of fire and rescue services as set out in the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service (the Grey Book), and is encompassed within the broad descriptions within the existing agreed firefighter role maps: to save and preserve endangered life, and safely resolve operational incidents.
- 7.14 Fire and rescue authorities are responsible for maintaining the robustness of the capability and, where they have an MTFA capability, must put in place arrangements to ensure their teams are fully available at all times, including periods when business continuity arrangements are in place.
- 7.15 MTFA arrangements shall be further enhanced by putting in place an appropriate multi-agency assurance mechanism that will ensure the capability is effective and delivers it to the agreed standard.

## **National Resilience Assurance**

- 7.16 Fire and rescue authorities must continue to work collectively and with the Fire and Rescue Strategic Resilience Board and the national resilience lead authority to provide assurance to government that:
- existing national resilience capabilities are fit for purpose and robust; and
  - risks are assessed, plans are assessed and any gaps in capability that are needed to ensure national resilience are identified.
- 7.17 Fire and rescue authorities with MTFA teams must work with police forces and ambulance trusts to provide tri-service assurance of this capability.

## 8. TIMESCALE AND SCOPE

### Timescales

8.1 This Framework has an open ended duration. The Secretary of State continues to be responsible for keeping the terms of the Framework under review under section 21(3) of the Fire and Rescue Services Act 2004 and is required under section 25 to prepare a biennial report to Parliament on the extent to which fire and rescue authorities are acting in accordance with the Framework.

### Scope

8.2 The Framework covers England only. It does not apply to Northern Ireland, Scotland or Wales where responsibility for fire and rescue is devolved.



## Annex A

### Protocol on Central Government Intervention Action for Fire and Rescue Authorities

#### Introduction

1. It is a requirement under section 23 of the Fire and Rescue Services Act 2004 (the 2004 Act) that an intervention protocol be prepared, and for the Secretary of State to have regard to it in the exercise of their power of intervention.
2. The Secretary of State's order-making powers under section 22 of the 2004 Act are to ensure that fire and rescue authorities act in accordance with the Fire and Rescue National Framework for England (the Framework). Intervention is by order, subject to the negative Parliamentary procedure, and can only be made if the Secretary of State considers it would promote public safety; and the economy, efficiency or effectiveness of the relevant fire and rescue authority, or the services it provides.
3. To date there has been no formal intervention in the operations of a fire and rescue authority by the Secretary of State under these powers. Use of this power is seen as a last resort. The expectation is that the political and professional leadership of the fire and rescue authority will put in place processes to ensure that sector-led support is provided to any fire and rescue authority that needs it.
4. This intervention protocol (the protocol) broadly sets out the arrangements between the Secretary of State, the Local Government Association (LGA), Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), the National Fire Chiefs Council (NFCC) and fire and rescue authorities should formal intervention be considered necessary.
5. In this protocol the term 'intervention' is used to refer to action by the Secretary of State in exercise of their powers under section 22 of the 2004 Act. Although the Secretary of State also has other powers of intervention (for example, under section 15 of the Local Government Act 1999) this protocol does not apply to an intervention under those powers.

#### Role of partners in supporting fire and rescue authorities at risk

6. HMICFRS will play a leading role in identifying any fire and rescue authority that is failing, or is likely to fail, in providing efficiency, effectiveness and leadership for the public. The NFCC and the LGA, will play an important liaison role in engaging the wider sector in supporting those authorities at risk and work collaboratively with key bodies,<sup>4</sup> identify at an early stage serious risks to performance or the requirement to act in accordance with the Framework. The NFCC and/or Local Government Association will work with these bodies to prevent the escalation of those risks to avoid any risk to public safety or any negative impact on the reputation of the sector. For a PCC fire and

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<sup>4</sup> This could refer to fire and rescue authorities, the relevant professional leadership including the National Fire Chiefs Council, other sector-owned bodies, inspection bodies and HMICFRS in particular, and/or government departments

rescue authority, the Association of Police and Crime Commissioners (APCC) could also be approached for advice and support.

7. If there are specific concerns in respect of performance, or if there is evidence that indicates a fire and rescue authority is failing or is at risk of failing to act in accordance with the Framework, either through inspection by HMICFRS or through sector-led processes, the NFCC and/or the Local Government Association, and/or the Police, Fire and Crime Panel, and/or the Association of Police and Crime Commissioners will work with the authority to help them address the issues and seek improvement.

### **Circumstances leading to statutory intervention**

8. No intervention would be considered unless there was clear evidence that an authority was failing to act in accordance with the Framework and that the failure was sufficiently serious as to require Government intervention.
9. If, following a sustained and determined attempt to resolve problems through sector-led improvement an issue cannot be resolved, or if a fire and rescue authority is unwilling or unable to engage with sector-led improvement measures, the Secretary of State can, under section 28 of the Fire and Rescue Services Act 2004, commission HMICFRS to lead an investigation. Under this provision, the Secretary of State also has the power to require HMICFRS to undertake any further inspection of fire and rescue authorities in England as required for the purpose of furthering their efficiency and effectiveness. The Secretary of State may also seek advice and information from other persons/bodies (for example, the NFCC) in respect of specific identified issues.
10. The Secretary of State has a range of powers including to request information about a fire and rescue authority's functions<sup>5</sup> and conferring on a fire and rescue authority functions relating to emergencies<sup>6</sup>. Inspection powers – powers to obtain information and access premises – are also held by HMICFRS' inspectors.<sup>7</sup>

### **What happens upon statutory intervention?**

11. In the event that statutory intervention is considered necessary, the Secretary of State will consult the authority concerned and any other body or authority which is considered necessary, such as HMICFRS, the NFCC and the Local Government Association, before exercising powers of intervention under section 22 of the 2004 Act.
12. The form or extent of any formal intervention will be a matter for determination on a case by case basis, taking into account the views of the fire and rescue authority, HMICFRS, the NFCC, the Local Government Association, and any other consultees, depending on the nature and the severity of the failure under consideration. Following such deliberations, the Secretary of State will agree a course of action, and how the required improvement will be delivered.

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<sup>5</sup> Section 26 of the 2004 Act

<sup>6</sup> Section 9 of the 2004 Act

<sup>7</sup> Section 28 of the 2004 Act

## Annex B

### Published Financial Guidance (see Chapter 5)

- The Accounts and Audit Regulations 2015 issued by the Department for Communities and Local Government which sets the financial reporting framework for local government bodies, including police bodies and Combined Authorities.
- The Code of Practice on Local Authority Accounting issued by CIPFA /LASAAC, which constitutes proper practices for local government bodies, including fire bodies.
- The Public Sector Internal Audit Standards (PSIAS) issued by CIPFA as the relevant internal audit standards setter for local government and the fire and rescue service.
- Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards issued by CIPFA.
- Delivering Good Governance in Local Government issued by CIPFA/SOLACE.
- Statement on the Role of the Chief Finance Officer in Public Service Organisations issued by CIPFA.
- Standing Guide to the Commissioning of Local Authority Work and Services issued by CIPFA.
- Prudential Code for Capital Finance in Local Authorities issued by CIPFA.
- Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes issued by CIPFA.
- Audit Committees: Practical Guidance for Local Authorities and Police issued by CIPFA.
- Position Statement on Audit Committees in Local Authorities and Police, CIPFA, 2013.
- Statutory guidance for local authorities on the framework for flexible use of capital receipts issued by the Department for Communities and Local Government.
- Local Authority Accounting Panel (LAAP) bulletins that provide topical guidance on specific issues and accounting developments.

## Annex C

### Fitness Principles

Fire and rescue authorities have an important role in helping to ensure their firefighters remain fit and are supported in remaining in employment. Each fire and rescue authority must:

- have a process of fitness assessment and development to ensure that operational personnel are enabled to maintain the standards of personal fitness required in order to perform their role safely;
- ensure that no individual will automatically face dismissal if they fall below the standards required and cannot be deployed operationally;
- ensure that all operational personnel will be provided with support to maintain their levels of fitness for the duration of their career;
- consider where operational personnel have fallen below the fitness standards required whether an individual is able to continue on full operational duties or should be stood down, taking into account the advice provided by the authority's occupational health provider. In making this decision, the safety and well-being of the individual will be the key issue;
- commit to providing a minimum of 6 months of development and support to enable individuals who have fallen below the required fitness standards to regain the necessary levels of fitness;
- refer an individual to occupational health where underlying medical reasons are identified that restrict/prevent someone from achieving the necessary fitness; and ensure that individual receives the necessary support to facilitate a return to operational duties; and
- fully explore opportunities to enable the individual to remain in employment including through reasonable adjustment and redeployment in role where it appears the medical condition does not allow a return to operational duties.

In those circumstances where there are no such opportunities and suitable alternative employment is either unavailable or, where available, is not agreed by the individual, then the fire and rescue authority will commence an assessment for ill-health retirement through the Independent Qualified Medical Practitioner process.

If no underlying medical issues are identified, and following a programme of development and support it becomes apparent that an individual will be unable to regain the necessary levels of fitness, then a fire and rescue authority will fully explore opportunities for reasonable adjustments and/or suitable alternative employment. In those circumstances where there are no opportunities for reasonable adjustments or suitable alternative employment, the fire and rescue authority will in the case of an employee aged at least 55, consider commencement of the authority initiated early retirement process for it to determine whether the individual should be retired with an authority initiated early retirement pension.

# Questionnaire

We would welcome comments on the following sections in the draft National Framework, or any general comments.

<b>Delivery of Core Functions</b>

<b>Inspection, Accountability and Assurance</b>

<b>Governance</b>

<b>Achieving Value for Money</b>

<b>Workforce</b>

<b>National Resilience</b>

<b>Intervention Protocol (Annex A)</b>

<b>Other comments</b>

Thank you for participating in this consultation.

# About you

Please use this section to tell us about yourself

<b>Full name</b>	
<b>Job title</b> or capacity in which you are responding to this consultation exercise (for example, member of the public)	
<b>Date</b>	
<b>Company name/organisation</b> (if applicable)	
<b>Address</b>	
<b>Postcode</b>	
If you would like us to acknowledge receipt of your response, please tick this box	<input type="checkbox"/> (please tick box)
Address to which the acknowledgement should be sent, if different from above	

**If you are a representative of a group**, please tell us the name of the group and give a summary of the people or organisations that you represent.

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# Contact details and how to respond

Please send your response by 14 February 2018 to:

Harinder Sahota

Home Office

6<sup>th</sup> Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF

**Tel:** 0207 035 3478

**Email:** FRSComms@homeoffice.gsi.gov.uk

## Complaints or comments

If you have any complaints or comments about the consultation process you should contact the Home Office at the above address.

## Extra copies

Further paper copies of this consultation can be obtained from this address and it is also available online at [web address]

Alternative format versions of this publication can be requested from [email/telephone number of sponsoring policy division].

## Publication of response

A paper summarising the responses to this consultation will be published in [insert publication date, which as far as possible should be within three months of the closing date of the consultation] months' time. The response paper will be available online at [web address]

## Representative groups

Representative groups are asked to give a summary of the people and organisations they represent when they respond.

## Confidentiality

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 Home Office.

The Home Office will process your personal data in accordance with the DPA and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.



# Consultation principles

The principles that government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

<https://www.gov.uk/government/publications/consultation-principles-guidance>





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## Gap Analysis

- 1.1 In preparing a consultation response, a gap analysis between the 2012 version of the National Framework and the 2018 proposed revision has been undertaken. In summary, the 2018 draft keeps at its core much of the 2012 Framework, but offers greater breadth and detail in a number of current and new additional sections.
- 1.2 The 2012 National Framework set out the priorities for fire and rescue authorities as:
- Identify and assess the full range of foreseeable fire and rescue related risks their area face, make provision for prevention and protection activities and respond to incidents appropriately;
  - Work in partnership with their communities and a wide range of partners locally and nationally to deliver their service; and
  - Be accountable to communities for the service they provides.
- 1.3 The 2018 proposed revision to the Framework develops and expands these priorities primarily in relation to the collaboration and the workforce to:
- Identify and assess the full range of foreseeable fire and rescue related risks their areas face;
  - Make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents;
  - Collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of service provision;
  - Be accountable to communities for the service they provide; and
  - Develop and maintain a workforce that is resilient, skilled, flexible and diverse.
- 1.4 In addition to these priorities, the table below provides a comparison of the key areas included in each of the National Framework documents to provide Members with a high-level overview between the two versions.

<b>2012 National Framework</b>	<b>2018 Draft National Framework</b>
Integrated Risk Management Plan including Prevention, Protection and Response	Integrated Risk Management Plan including Prevention, Protection and Response (Greater emphasis on Prevention and Protection)
National Resilience	National Resilience (including Terrorist Attacks and Marauding Terrorist Firearm Attack (MTFA))
Local Resilience and Mutual Aid	Local Resilience and Mutual Aid
Collaboration in terms of intraoperability and interoperability focused between fire and rescue authorities, other emergency services, category 1 and 2 responders and Local Resilience Forums	Collaboration in terms of intraoperability and interoperability focused between fire and rescue authorities, other emergency services, category 1 and 2 responders and Local Resilience Forums
Scrutiny Arrangements	Scrutiny Arrangements
Transparency	Transparency
Assurance	Assurance
Sector-Led Improvement and Intervention	Inspection and Intervention
	Governance and Accountability
	Role of NFCC
	Value for Money (Financial Management)
	Commercial Transformation (Procurement)
	Statutory Duty to Collaborate
	Trading
	Workforce (People Strategy, Professional Standards, Fitness Principles & Re-engagement of Senior Officers)

## **Appendix C – Response to the Consultation**

The following is Buckinghamshire and Milton Keynes Fire Authority's (BMKFA) response to the Fire and Rescue National Framework for England Government Consultation.

### **Delivery of Core Functions**

BMKFA welcomes the focus on core functions and the additional emphasis made around prevention and protection activities and agrees that fire and rescue authorities can make a positive contribution to the delivery of public services locally, however not at the expense of delivery of core functions.

This section appears to be heavily focused on life safety and fails to mention that FRSs have a role to play in identifying risk and preventing economic and social loss.

### **Inspection, Accountability and Assurance**

BMKFA again welcomes the independent inspection of fire and rescue authorities in England, along with its inclusion within the National Framework and has responded separately to the HMICFRS framework consultation.

In relation to 3.18, BMKFA agrees that the provision of data is essential for future evidence based decision making on policy and transparency. However, the current arrangements for providing data to the Home Office (in particular the incident recording system) is inefficient and outdated and requires government investment.

### **Governance**

The addition of this section is noted, please see further comments in relation to governance and in particular the National Fire Chiefs Council under 'Other Comments' below.

### **Achieving Value for Money**

BMKFA welcomes the addition of this particular section, with the following comments;

In relation to research and development, at 5.20 BMKFA agrees that it is important to pool resources and collaborate over research and development programmes.

However, it would like to make the following observations. Firstly the NFCC R&D function is still in its infancy and not yet in a position to satisfy all the needs of the UK FRS collectively. Also, many research projects are small scale and involve local collaborations with academic institutions. This allows academic development of individuals as well as supporting individual FRS needs. This should not be stifled, it is however agreed that good practice should be shared.

It would be helpful in this section to also define the role of the Centre for Applied Science and Technology (CAST) in supporting FRS research and development. Currently CAST is better established and financed by the Home Office to support

Police, Border Force much more effectively than FRS. We feel this should change and CAST be supported by the Home office to work further with FRS, NFCC and the R&D function.

### **Workforce**

BMKFA again welcomes this section, although the section is light on the promotion of workforce reform and recommendation from previous Government published reviews such as the Independent review of conditions of service for fire and rescue staff in England by Adrian Thomas published in 2016.

In relation to 6.3 – 6.4 BMKFA eagerly awaits the announcement on the professional standards body.

In 6.6 the opening line mentions 'same fire and rescue authority'. Can it be read that 6.7 extends this principle across all fire and rescue authorities and indeed other bodies related to fire and rescue authorities?

### **National Resilience**

BMKFA note and approve the continuing commitment from Government to providenational resilience but would welcome a longer commitment to funding in order to improve resilience and assist with contingency planning.

The addition of MTFA is noted along with the interpretation from Government that this is an agreed function of fire and rescue services as set out in the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service (Grey Book).

### **Intervention Protocol**

Please see comments below.

### **Other Comments**

It is noted that the draft National Framework expressly recognises the National Fire Chiefs Council (NFCC).

The NFCC is a subcommittee of the registered charity and limited company known as the Chief Fire Officers' Association Ltd (CFOA). The subcommittee was set up under 'arrangement and operating principles' agreed by CFOA Ltd as recently as April 2017. The subcommittee is further comprised of coordination committees.

It would be fair to describe this subcommittee, which has no separate legal status from CFOA Ltd, as in an embryonic state. It is therefore questionable as to whether it is prudent to give the NFCC quasi-statutory status by recognition in the statutory National Framework and in the proposed revised statutory Protocol on Central Government Intervention Action for Fire and Rescue Authorities.

All of the NFCC membership roles with the exception of its Chairman are unpaid. It is therefore also fair to state that the participation of its members is dependent on the indulgence of the fire and rescue authorities which choose to



permit their officers the time to undertake roles on the NFCC outside of their primary employment.

It is suggested that fire and rescue authorities could consult and seek advice from the NFCC in their preparation of any action plans arising from an inspection (para 3.5). This is unexceptional as it is non-prescriptive and such a course of action is within the discretion of a politically constituted authority to consult with whom it wishes.

It is not clear however the mechanism or method by which a fire and rescue authority can effectively consult with the NFCC within the meaning of the National Framework. Nor is it known whether the NFCC has the resources to provide, and the processes to sign off or endorse, the advice given in its name on any proposed action plan.

However elsewhere the draft National Framework appears to remove the discretion to consult. It enjoins (para 4.14) that 'Fire and rescue services should consult the NFCC for advice and support when developing improvement plans, particularly in response to inspections'.

This raises the same concerns as to the maturity of the NFCC's operating model in a situation in which the National Framework essentially purports to mandate that it must provide support and advice to 'fire and rescue services' (sic). It is not clear if the distinction between fire and rescue authorities in para 3.5 and fire and rescue services in paragraphs 4.14 is deliberate. There seems to be no sensible reason for the change in terms. If paragraph 4.14 is to be retained, it is submitted that the usage at 3.5 must be preferred.

It is noted that at para 4.15 'The expectation is that fire and rescue services in England engage with the NFCC and, in turn, that the Chiefs Council works to support and represent every service'.

Paragraph 4.15 is merely a self-serving aspiration of the type found in the NFCC's 'arrangement and operating principles'. It can have no proper place in the National Framework. The National Framework is a document which by section 21 of the Fire and Rescue Services Act 2014 must be directed to fire and rescue authorities, and to which most fire and rescue authorities must have regard.

Even if it were able to agree protocols for its internal approval of the level and type of support and advice it is unclear how the NFCC would be able to resource this, including managing potential conflicts of interests, when it is reliant on a pool of well-meaning volunteers and the tolerance of fire and rescue authorities which permit these volunteers to participate in these extramural activities.

The same concerns pertain and become even more apparent in connection with the relationships which would be created with a fire and rescue authority, the Secretary of State, and the NFCC in the new role envisaged for the NFCC by the draft National Framework in the proposed revised statutory Protocol on Central Government Intervention Action.





# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Fire Authority
<b>DATE OF MEETING</b>	14 February 2018
<b>OFFICER</b>	Julian Parsons, Head of Service Development
<b>LEAD MEMBER</b>	Councillor Roger Reed
<b>SUBJECT OF THE REPORT</b>	<b>Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services</b>
<b>EXECUTIVE SUMMARY</b>	<p>Chapter four of the Policing and Crime Act 2017 established the legal framework for the inspection of English fire and rescue services (FRS). Wales and Scotland have their own mechanisms for assuring services. The Home Office subsequently awarded a contract to Her Majesty's Inspectorate of Constabulary and consequently they changed their name to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).</p> <p>The HMICFRS then developed a framework for inspecting fire and rescue services, based in part on the framework they use for inspecting constabularies. The HMICFRS consulted with an Expert Reference Group (ERG) which contained stakeholders from the sector.</p> <p>The HMICFRS will be grading every FRS as follows: Outstanding, Good, Requires Improvement and Inadequate.</p> <p>A grade will be awarded for each of these three areas:</p> <ul style="list-style-type: none"> <li>• How efficient is the FRS at keeping people safe and secure from fire and other risks?</li> <li>• How effective is the FRS at keeping people safe and secure from fire and other risks?</li> <li>• How well does the FRS look after its people?</li> </ul> <p>The inspection process will involve the following:</p> <ul style="list-style-type: none"> <li>• A self-assessment based on a series of diagnostic and sub diagnostics;</li> <li>• Provision of data to the HMICFRS;</li> <li>• A field visit undertaken by inspectors. This is expected to be an intense process where a number of inspectors spend a week in each Service testing it against the diagnostics;</li> <li>• An initial feedback session to senior managers;</li> <li>• Provision of a draft report allowing</li> </ul>

	<p>confirmation or challenge of facts.</p> <ul style="list-style-type: none"> <li>• Provision of a final report which will be published in the public domain.</li> </ul> <p>The framework will be validated via a pilot inspection process embracing three FRS. One combined authority (Staffordshire), one county council (Suffolk) and one metropolitan service (West Yorkshire). These will take place early in 2018. This will then be followed by three inspection tranches comprising fifteen FRS in each. These are shown at Appendix B.</p> <p>Buckinghamshire FRS (BFRS) will be inspected in Tranche three in the Spring of 2019.</p> <p>On 19 December 2017 the HMICFRS invited FRSs to consult on the framework and methodology for inspections. The letter, framework and methodology are attached as Appendix C, D and E. BFRS's response is attached as Appendix F.</p>
<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	<ol style="list-style-type: none"> <li>1. That the content of the report be noted.</li> <li>2. That the response to the formal consultation on the framework (Appendix F) be agreed.</li> </ol>
<b>RISK MANAGEMENT</b>	<p>There are reputational corporate risks to the organisation should we be graded as inadequate. The Service has already taken steps to mitigate this through having extensive internal and external audits of a number of areas of the Service. Notably, our operations have been subject to external independent assurance. Our Health, Safety and Wellbeing function has been independently audited by the Royal Society for the Prevention of Accidents and received a Gold Award.</p>
<b>FINANCIAL IMPLICATIONS</b>	<p>FRS are not funded for burden and preparation resource implications of HMICFRS visit, nor is the Service charged. This round of inspections is funded by the Home Office. The Police are top sliced from their government grants to fund the HMICFRS inspections of constabulary. There has been no mention yet that this might be a future funding model for the inspection of FRS.</p>
<b>LEGAL IMPLICATIONS</b>	<p>The powers of inspection of FRS are established by the Policing and Crime Act 2017. There is no contractual relationship between BFRS or HMICFRS. There are no specific legal functions or liabilities anticipated at this time.</p>
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO</b>	<p>Though this is something each Service has to plan and deliver individually, officers have been working with Darlington and Thames Valley Police Services in order to understand how they have achieved Outstanding</p>

<b>COLLABORATE</b>	grades for efficiency.
<b>HEALTH AND SAFETY</b>	There are no Health, Safety or Wellbeing implications anticipated. This area is subject to inspectorate scrutiny.
<b>EQUALITY AND DIVERSITY</b>	There are no Equality and Diversity implications expected as part of the process. This area is subject to inspectorate scrutiny.
<b>USE OF RESOURCES</b>	<p>A preparation plan has been devised for the Service. This can be viewed at Appendix G. The preparations for HMICFRS is being led by the Head of Service Development.</p> <p><b>Communication with stakeholders;</b> A Stakeholder engagement exercise has been carried out and points of communication with Members and staff has been programmed into the preparation plan.</p> <p><b>The system of internal control;</b> Specific areas identified for service improvement have been identified through a number of workshops. These are being captured in relevant departmental plans and the Operational Assurance Plan. These will be reported on in the usual way and ultimately to the Executive Committee.</p> <p><b>The medium term financial strategy;</b> No implications for the strategy are identified at this time. There may be future implications depending on the long term funding model adopted for the HMICFRS.</p> <p><b>The balance between spending and resources;</b> No new human resources have been identified as being required to prepare for inspection. The Corporate Planning Manager is overseeing preparation of evidence gathering with support from the Service's Business Continuity and Resilience Manager. The Viper system has been designed to capture evidence on an ongoing basis. This allows managers to provide evidence as part of their usual reporting process. Further scrutiny of the progress against the delivery of the corporate plan is provided by the Performance Management Board.</p> <p>The ethos of the Service will be to continue to deliver the Service's vision and strategic aims and gather the relevant evidence for the HMICFRS as business as usual rather than an extra burden.</p> <p>While we develop an understanding of the inspection process and monitor the experience and effect on other Services we will revisit the resourcing needs.</p> <p>We have identified that preparations for aspects of the new Public Safety Plan (PSP) due in 2020 need to be closely aligned with preparations for the HMICFRS.</p>

	This is reflected in the plan.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<b>Background</b> Chapter four of the Policing and Crime Act 2017 established the legal framework for the inspection of English fire and rescue services. Wales and Scotland have their own mechanisms for assuring services. The Home Office subsequently awarded a contract to Her Majesty's Inspectorate of Constabulary and consequently they changed their name to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services.
<b>APPENDICES</b>	Appendix A- Letter from HMICFRS 8 December 2017 Appendix B- FRS Inspection Tranches Appendix C-Letter from HMICFRS 19 December 2017 Appendix D-FRS Inspection Programme and framework consultation-2018-19 Appendix E- Draft Inspection Methodology Appendix F- HMICFRS BFRS Response Appendix G- HMICFRS-PSP Preparation Plan
<b>TIME REQUIRED</b>	15 Minutes
<b>REPORT ORIGINATOR AND CONTACT</b>	Stuart Gowanlock <a href="mailto:sgowanlock@bucksfire.gov.uk">sgowanlock@bucksfire.gov.uk</a> 01296 744435



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89 Eccleston Square, London SW1V 1PN  
Direct Line: 020 3513 0524  
Fax: 020 3513 0650  
Email: [zoe.billingham@hmic.gsi.gov.uk](mailto:zoe.billingham@hmic.gsi.gov.uk)

**Zoë Billingham BA Hons (Oxon)**  
Her Majesty's Inspector of Constabulary  
Her Majesty's Inspector of Fire & Rescue  
Services

08 December 2017

Dear

## **FIRE AND RESCUE INSPECTION PROGRAMME UPDATE**

I am writing to update you on progress to establish the fire and rescue service inspection programme. I am very grateful to you and your colleagues for all of your support and guidance so far.

### **Inspection programme and framework**

We will publish the inspection programme and framework for the fire and rescue service for public consultation before Christmas. This document will set out our inspection approach and methodology, and seeks views on our proposed approach. It will be open for public consultation for 9 weeks. We will use the consultation responses to amend and refine our approach before seeking formal approval from the Home Secretary to publish the inspection programme and framework in March 2018.

In addition to the public consultation, we will consult you and your colleagues on the judgment criteria before it is finalised and in advance of the first tranche of inspections. We will need extensive professional feedback on this document to get the judgment criteria right. We are grateful to you and your colleagues for your help in refining the methodology so far. We found the feedback you provided at the conference on 10 October 2017 invaluable and we have amended the methodology in response to your input and advice.

### **Inspection pilots and tranches**

We have now selected the services in which we will pilot our inspection approach in early 2018. These are Suffolk, Staffordshire and West Yorkshire fire and rescue services. We are very grateful to these services and the other fire and rescue services who volunteered to participate in the pilots. We selected the services for pilot to allow us to test our inspection approach in a range of accountability structures and different geographical areas.

I am also now able to confirm the fire and rescue services allocated to each of the three inspection tranches. I have attached these for your information at Annex A. Please note the tranches are not listed in inspection order. The inspection tranches are expected to start as follows;

- Tranche 1 15 inspections Summer 2018
- Tranche 2 15 inspections Autumn/ Winter 2018
- Tranche 3 15 inspections Spring 2019

I will write to you again when the inspection dates for each tranche are finalised. If there are any particular dates within your nominated tranche which you would prefer the inspection team to avoid, please notify us via [FRS@hmic.gsi.gov.uk](mailto:FRS@hmic.gsi.gov.uk). Please note there may be some flexibility to move inspection dates within tranche, however the tranche in which your fire and rescue service will be inspected is fixed.

We are hosting an inspection preparation conference on 31 January 2018 in London. This event will provide an explanation of what each fire and rescue service can expect the inspection process to mean for them. It will cover how the process of inspection will work for fire and rescue services from start to finish. This will include tactical details such as submitting data for analysis, how the fieldwork timetable will work and how soon you can expect to see a draft report after the fieldwork has finished.

Invitations to the event will go out shortly and we expect the event will be most helpful to the people you have asked to facilitate and support the inspection process. Each fire and rescue service has been allocated two places at the conference. We look forward to meeting your colleagues there.

If you have any questions regarding the pilot inspection please contact Laura Gibb ([lauraalice.gibb@hmic.gsi.gov.uk](mailto:lauraalice.gibb@hmic.gsi.gov.uk)) or Dave Norris ([david.norris@hmic.gsi.gov.uk](mailto:david.norris@hmic.gsi.gov.uk))

Yours sincerely



**Zoë Billingham**  
Her Majesty's Inspector of Constabulary  
Her Majesty's Inspector of Fire & Rescue Services



### HMICFRS FRS inspection tranches- 2018/19

Tranche 1	HMI	Region	Tranche 2	HMI	Region	Tranche 3	HMI	Region
<b>Surrey</b>	Dru Sharpling	South Eastern	<b>West Sussex</b>	Dru Sharpling	South Eastern	<b>East Sussex</b>	Dru Sharpling	South Eastern
<b>Hampshire</b>	Matt Parr	London and South	<b>Oxfordshire</b>	Matt Parr	London and South	<b>Greater London</b>	Matt Parr	London and South
<b>Isle of Wight</b>	Matt Parr	London and South	<b>Royal Berkshire</b>	Matt Parr	London and South	<b>Buckinghamshire</b>	Matt Parr	London and South
<b>Lancashire</b>	Matt Parr (covering)	Northern	<b>Humberside</b>	Matt Parr (covering)	Northern	<b>Durham</b>	Matt Parr (covering)	Northern
<b>Cheshire</b>	Matt Parr (covering)	Northern	<b>Merseyside</b>	Matt Parr (covering)	Northern	<b>Cleveland</b>	Matt Parr (covering)	Northern
<b>Warwickshire</b>	Wendy Williams	Western	<b>Greater Manchester</b>	Matt Parr (covering)	Northern	<b>Cumbria</b>	Matt Parr (covering)	Northern
<b>Avon</b>	Wendy Williams	Western	<b>Northumberland</b>	Matt Parr (covering)	Northern	<b>North Yorkshire</b>	Matt Parr (covering)	Northern
<b>Isles of Scilly</b>	Wendy Williams	Western	<b>Tyne and Wear</b>	Matt Parr (covering)	Northern	<b>West Yorkshire</b>	Matt Parr (covering)	Northern
<b>Hereford and Worcester</b>	Wendy Williams	Western	<b>Shropshire</b>	Wendy Williams	Western	<b>South Yorkshire</b>	Matt Parr (covering)	Northern
<b>Cornwall</b>	Wendy Williams	Western	<b>Dorset and Wiltshire</b>	Wendy Williams	Western	<b>Devon and Somerset</b>	Wendy Williams	Western
<b>Bedfordshire</b>	Zoe Billingham	Eastern	<b>West Midlands</b>	Wendy Williams	Western	<b>Staffordshire</b>	Wendy Williams	Western
<b>Cambridgeshire</b>	Zoe Billingham	Eastern	<b>Norfolk</b>	Zoe Billingham	Eastern	<b>Gloucestershire</b>	Wendy Williams	Western
<b>Hertfordshire</b>	Zoe Billingham	Eastern	<b>Northamptonshire</b>	Zoe Billingham	Eastern	<b>Essex</b>	Zoe Billingham	Eastern
<b>Kent</b>	Zoe Billingham	Eastern	<b>Leicestershire</b>	Zoe Billingham	Eastern	<b>Suffolk</b>	Zoe Billingham	Eastern
<b>Lincolnshire</b>	Zoe Billingham	Eastern	<b>Nottinghamshire</b>	Zoe Billingham	Eastern	<b>Derbyshire</b>	Zoe Billingham	Eastern

- 1 Please note tranches are **not** in inspection order. Pilot FRSs are highlighted in yellow
- 2 HMI Matt Parr is temporarily covering the Northern region



19 December 2017

Jason Thelwell  
Chief Fire Officer  
Buckinghamshire Fire and Rescue Service

Dear Jason

**Consultation on HMICFRS' proposed inspection programme and framework for fire and rescue services 2018/19**

I am writing to seek your views on HMICFRS' proposed inspection programme and framework fire and rescue service for 2018/19. This consultation is the first for the new fire and rescue service inspection programme; we welcome your experience, expertise and insight to help us shape this important work. Thank you to you and your colleagues for all of your help so far.

I wrote to you on 8 December to let you know we have selected Suffolk, Staffordshire and West Yorkshire fire and rescue services for the pilot inspections. We will adapt our proposed approach from the pilot inspections and from this consultation. The attached consultation document includes 7 questions we would welcome your response to.

Please submit your answers to this consultation, together with any other comments, by email to: [HMICFRSfireinspectionprogramme@hmic.gsi.gov.uk](mailto:HMICFRSfireinspectionprogramme@hmic.gsi.gov.uk), no later than 1700 on 19 February 2018.

If you prefer, you can post responses to the Chief Operating Officer, HMICFRS, 6th floor, Globe House, 89 Eccleston Square, London SW1V 1PN.

**Inspection preparation conference**

As you know, we are hosting an inspection preparation conference on 31 January 2018. The event will include workshops to help services prepare for the inspections planned for 2018/19, with time for group discussions on the pre-fieldwork, fieldwork and post-fieldwork stages of inspection. The event will also offer you the opportunity to meet your Service Liaison Lead and the HMICFRS fire and rescue service inspection portfolio team.

The event will be a tactical and detailed run-through of the inspection process and as such, is not aimed at those at chief officer level. We will arrange another event for all chief fire officers and chairs of fire authorities before the first tranche of inspections start.

I would like to invite you to nominate two representatives from your fire and rescue service to attend this event. We think this event will be most useful to the person you have nominated as operational point of contact for your service's inspection process. You may also wish to send your senior strategic lead for inspections.

The event will be held on Wednesday 31 January 2018, 9:00 – 16:30, in central London. Further details, including the full agenda, will be sent to the representatives you nominate by 8 January 2018. I would be grateful if you could confirm who will be attending for your service by emailing [FRS@hmic.gsi.gov.uk](mailto:FRS@hmic.gsi.gov.uk)

I am grateful to all those who have given their time and expertise to develop the inspection regime to date. I look forward to continuing to work closely with you all in the New Year.

Wishing you all a peaceful festive period and a happy New Year.

Yours sincerely



**Zoë Billingham**  
Her Majesty's Inspector of Constabulary  
Her Majesty's Inspector of Fire & Rescue Services



# Proposed fire and rescue services inspection programme and framework 2018/19

For consultation

December 2017

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## Contents

<b>Foreword</b> .....	<b>3</b>
<b>Consultation introduction</b> .....	<b>4</b>
<b>Her Majesty’s Inspectorate of Constabulary and Fire &amp; Rescue Services</b> .....	<b>5</b>
<b>Introduction</b> .....	<b>6</b>
Types of inspection HMICFRS will conduct in 2018/19 .....	6
<b>An overview of HMICFRS’ proposed inspection programme for fire and rescue services 2018/19</b> .....	<b>8</b>
Fire and rescue inspection programme .....	8
National thematic inspections .....	10
<b>HMICFRS’ inspection framework</b> .....	<b>11</b>
Inspection framework for fire and rescue services.....	11
Fire and rescue service authorities’ priorities.....	12
Professional standards body .....	12
<b>Methodology, monitoring, assurance and analysis</b> .....	<b>13</b>
Advisory and reference groups .....	13
HMICFRS’ monitoring process .....	13
Follow-up from previous inspections.....	13
<b>Consultation questions</b> .....	<b>14</b>
<b>How to respond to this consultation</b> .....	<b>15</b>

## Foreword

In July 2017, Her Majesty's Inspectorate of Constabulary's (HMIC) remit was extended to include inspections of fire and rescue services in England. It is now called Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

This is the first inspection programme and framework for fire and rescue service inspections. We will assess and report on the efficiency and effectiveness of the 45 fire and rescue services in England. This includes how well fire and rescue services prevent, protect against and respond to fires and other emergencies and how well they look after the people who work for the service. This consultation document seeks responses to seven questions about how the inspection of fire and rescue services should be carried out. We will use the consultation responses to develop a programme and framework, and methodology for our inspections.

We have given prominence to the following principal themes: how effective each fire and rescue service is at preventing and responding to incidents; whether the service provides value for money; whether the service understands where future risks lie; and the ability of the service to train staff, embrace diversity, and develop a positive working culture. As part of our inspection reports, we will provide graded judgments, which will help the public to see how well their fire and rescue service is performing.

The inspection programme will be developed with the fire and rescue service by recruiting experts from the sector to carry out the inspections, and by taking advice from senior service representatives who are members of the external reference group. The inspection programme will be designed to promote improvement in all aspects of the work undertaken by fire and rescue services.

This public consultation will be open from 19 December 2017 to 19 February 2018. I hope that you will offer your considered views, to help us design an inspection programme that leads to continued improvements across fire and rescue services.

**(Sgd.) Thomas P Winsor**

**Sir Thomas Winsor WS  
HM Chief Inspector of Fire & Rescue Services**

## Consultation introduction

This document provides details of HMICFRS' proposed fire and rescue services inspection programme for 2018/19, and asks for your views on whether the right areas of fire and rescue services activity are covered. In particular, we are seeking your responses to the following questions:

1. What do you think of the proposed approach to FRS inspection that HMICFRS proposes to conduct in 2018/19? How could this be improved?
2. Do you agree that an integrated inspection of fire and rescue services' effectiveness and efficiency, and how they look after their people, is better than separate thematic inspections?
3. Are there any other areas of fire and rescue services' activity that should be included in the integrated inspections?
4. Does the draft inspection methodology (annex A) include the right questions to gather evidence for a rounded assessment of fire and rescue services? How could this be improved?
5. How else could HMICFRS adapt the way in which it acquires information to take full account of the circumstances of fire and rescue services and of risks to public safety?
6. What, if any, new or emerging problems for fire and rescue services should HMICFRS take into account in its inspections?
7. What else should HMICFRS consider doing to make its fire and rescue service assessments as fair as they can be?

These questions are repeated in the body of this document. At the end of the document there is an explanation of how you can let us have your views.



## **Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services**

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) independently assesses and reports on the effectiveness and efficiency of police forces and fire and rescue services – in the public interest.

We ask the questions which we believe the public wishes to have answered, and publish our findings, conclusions and recommendations in an accessible form, using our expertise to interpret the evidence. We provide authoritative information to allow the public to compare the performance of their police force or fire and rescue service against others, and to determine whether performance has improved or deteriorated over time. Our recommendations are designed to bring about improvements in the service provided to the public.

## Introduction

This document provides details of HMICFRS' proposed inspection programme and framework for fire and rescue services for 2018/19.

### **Types of inspection HMICFRS will conduct in 2018/19**

HMICFRS may conduct several different types of inspection each year. To provide context for the proposed fire and rescue services' inspection framework for 2018/19, each type of inspection is summarised here.

#### **Fire and rescue services inspection programme**

The fire and rescue services inspection programme enables HMICFRS to draw together evidence from inspections of all 45 fire and rescue services in England. This rounded assessment of all fire and rescue services will cover the effectiveness and efficiency of each service and how it looks after its people. This will include an assessment of:

- the operational service provided to the public (including prevention, protection, resilience, and response);
- the efficiency of the service (how well it provides value for money, allocates resources to match risk, and collaborates with the police and ambulance services); and
- the organisational effectiveness of the service (how well it promotes its values and culture, trains its staff and ensures they have the necessary skills, ensures fairness and diversity for the workforce and develops leadership and service capability).

The resulting assessments will include graded judgments of performance.

HMICFRS' assessments are designed to enable the public to see how each fire and rescue service's performance changes over time and in relation to the performance of other services.

The fire and rescue services inspections will not include an assessment of corporate governance or the accountability structures provided by the fire and rescue authority, police, fire and crime commissioner, locally elected mayors and, in London, the Mayor's Office.

## Inspecting governance arrangements

The fire and rescue service inspections will focus on the service provided to the public rather than on the accountability structures that govern fire and rescue services. During inspections, HMICFRS inspectors will meet representatives from fire and rescue authorities, police, fire and crime commissioners, locally elected mayors and, in London, the Mayor's Office.

If during an inspection we identify evidence that the decisions and activities of those within the fire and rescue authority, police, fire and crime commissioner, locally elected mayors and, in London, the Mayor's Office inhibit the efficiency and effectiveness of the chief fire officer, we may carry out a separate corporate governance inspection.

## Statutory requirements

This inspection programme and framework requires the approval of the Home Secretary before the inspectors act in accordance with it<sup>1</sup>.

The Home Secretary may, at any time, require HMICFRS to carry out an inspection of a fire and rescue authority in England, all fire and rescue authorities in England, or all fire and rescue authorities in England of a particular type<sup>2</sup>.

Such a requirement may limit the inspection to a particular matter<sup>3</sup>. HMICFRS may also carry out an inspection of a fire and rescue authority in England even though that inspection has not been set out in an inspection programme and has not been required by the Home Secretary<sup>4</sup>. Before doing so, the chief inspector must consult the Home Secretary<sup>5</sup>.

### Consultation questions

1. What do you think of the proposed approach to FRS inspection that HMICFRS proposes to conduct in 2018/19? How could this be improved?
2. Do you agree that an integrated inspection of fire and rescue services' effectiveness and efficiency, and how they look after their people, is better than separate thematic inspections?

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<sup>1</sup> Section 28A(2), Fire and Rescue Services Act 2004

<sup>2</sup> Section 28A(3), Fire and Rescue Services Act 2004. Available at: [www.legislation.gov.uk/ukpga/2004/21/contents](http://www.legislation.gov.uk/ukpga/2004/21/contents)

<sup>3</sup> Section 28A(4), Fire and Rescue Services Act 2004

<sup>4</sup> Section 28A(5), Fire and Rescue Services Act 2004

<sup>5</sup> Section 28A(6), Fire and Rescue Services Act 2004

# An overview of HMICFRS' proposed inspection programme for fire and rescue services 2018/19

## Fire and rescue inspection programme

In May 2016, the Home Secretary established a wide-ranging reform programme for the fire and rescue services in England. This included a proposal to establish a rigorous and independent inspection regime for fire and rescue authorities.

In July 2017, the Home Office confirmed that HMIC would take on the role of inspecting fire and rescue services in England, and of assessing and reporting on the effectiveness and efficiency of each service. To reflect these new responsibilities, HMIC's name changed to HMICFRS.

The Policing and Crime Act 2017, which amended the Fire and Rescue Services Act 2004, contains provisions to strengthen existing powers to inspect fire and rescue authorities<sup>6</sup>.

HMICFRS will inspect the fire and rescue services that carry out the principal functions of a fire and rescue authority: fire safety, firefighting, road traffic accidents and other emergencies<sup>7</sup>. We will inspect all 45 fire and rescue services in England, in three sets of 15 services, beginning in summer 2018. We will consult the fire and rescue sector on the criteria for judgment. Each inspection will result in a rounded assessment and graded judgments for each fire and rescue service. We will publish a report of our findings.

The principal questions which the fire and rescue services inspection programme is designed to answer are set out below, along with the corresponding inspection focus. The detailed draft FRS inspection methodology is provided at annex A. We ask for your views on the proposed methodology.

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<sup>6</sup> Section 11, Policing and Crime Act 2017

<sup>7</sup> Sections 6-9, Fire and Rescue Services Act 2004

**Principal question****Inspection focus**

How effective is the fire and rescue service at keeping people safe and secure from fire and other risks?

How well the fire and rescue service understands its current and future risks, works to prevent fires and other risks, protects the public through the regulation of fire safety, responds to fires and other emergencies, and responds to national risks.

How efficient is the fire and rescue service at keeping people safe and secure from fire and other risks?

How well the fire and rescue service uses its resources to manage risk, and secures an affordable way of providing its service, now and in the future.

How well does the fire and rescue service look after its people?

How well the fire and rescue service promotes its values and culture, trains its staff and ensures that they have the necessary skills, ensures fairness and diversity for its workforce, and develops leaders.

Our assessment of effectiveness will consider how well the fire and rescue service is performing its principal functions in relation to fire safety, fire-fighting and road traffic collisions. The inspection will give prominence to the principal themes of how effective each service is at preventing, protecting against and responding to incidents; whether the service provides value for money; and whether the service understands its current demands and where future risks lie.

Our assessment of efficiency will consider whether the way in which each fire and rescue service operates represents value for money, and how well it is matching resources to the risks faced by the public.

Our assessment of how each fire and rescue service looks after its people will consider leadership at all levels in the organisation, including training, diversity, values and culture.

This will be the first full assessment of all 45 fire and rescue services for some years. At the end of each set of inspections, HMICFRS intends to publish a report of its assessment of each fire and rescue service inspected in that set, as well as a summary of themes emerging from the inspections. HM Chief Inspector of Fire & Rescue Services for England is required to report each year on the carrying out of inspections, including an assessment of the efficiency and effectiveness of the fire and rescue authorities in England<sup>8</sup>.

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<sup>8</sup> Section 28B, Fire and Rescue Services Act 2004

## National thematic inspections

National thematic inspections are in-depth examinations of specific fire and rescue service matters, which will usually be identified through HMICFRS' monitoring processes or as a result of a commission from the Home Secretary. These inspections will identify areas of strong and weak practice in specific fire and rescue services, but will result also in recommendations that are relevant to the fire and rescue service as a whole. The Home Office can commission thematic inspections on individual issues if needed. HMICFRS is not funded to carry out thematic inspections.

### Consultation questions

3. Are there any other areas of fire and rescue services' activity that should be included in the integrated inspections?
4. Does the draft inspection methodology (annex A) include the right questions to gather evidence for a rounded assessment of fire and rescue services? How could this be improved?

# HMICFRS' inspection framework

## Inspection framework for fire and rescue services

We will gather information to inform our assessments using a range of methods that include: analysis of documents and data; reviews of operational incidents; surveys of the public, and of fire and rescue services staff; interviews; focus groups; and observations of fire and rescue practice.

Following the first round of full inspections, HMICFRS intends to move to a risk-based inspection programme, which will be developed and consulted on separately. This allows inspection activity and resources to take account of known risks to public safety and to reflect the assessed performance of each fire and rescue service.

### Graded judgments

Fire and rescue services will be assessed and given graded judgments for the three principal questions in the inspection methodology (efficiency, effectiveness and people). We may give a single overall judgment for each service. We will test this during the pilot inspections and make a final decision as to our approach when the pilots have concluded. The categories of graded judgment are:

- outstanding;
- good;
- requires improvement; and
- inadequate.

Judgment is made against how efficient and effective fire and rescue services are, and how well they look after their people.

Good is based on policy, practice or performance that meets pre-defined grading criteria that are informed by any relevant national operational guidance or standards.

If the policy, practice or performance exceeds what is expected for good, then consideration will be given to a graded judgment of outstanding.

If there are shortcomings in the policy, practice or performance of the fire and rescue service, then consideration will be given to a graded judgment of requires improvement. If there are serious critical failings of policy, practice or performance of the fire and rescue service, then consideration will be given to a graded judgment of inadequate.

## Fire and rescue service authorities' priorities

Fire and rescue authorities must have regard to the Fire and Rescue National Framework for England in carrying out their functions<sup>9</sup>. The Fire and Rescue National Framework for England<sup>10</sup> states that each fire and rescue authority must produce an integrated risk management plan that identifies and assesses all foreseeable fire and rescue related risks that could affect its community.

HMICFRS inspectors will consider the content of the fire and rescue authority's integrated risk management plan and how this translates into the operational practice of the fire and rescue service. The plan will be used as a source of information about the assessment of risk and vulnerability in respect of each service, the factors which affect considerations of public safety, and how each fire and rescue service will use prevention, protection and response activities to mitigate the risk to communities.

## Professional standards body

Part of the Home Office reform programme for fire and rescue services is the formation of a professional standards body. It is currently in development. HMICFRS will take account of all existing and new professional standards for fire and rescue services, including national operational guidance.

### Consultation questions

5. How else could HMICFRS adapt the way in which it acquires information to take full account of the circumstances of fire and rescue services and of risks to public safety?
6. What, if any, new or emerging problems for fire and rescue services should HMICFRS take into account in its inspections?
7. What else should HMICFRS consider doing to make its fire and rescue service assessments as fair as they can be?

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<sup>9</sup> Section 21(7), Fire and Rescue Services Act 2004

<sup>10</sup> The Framework is prepared by the Home Secretary. It must set out priorities and objectives for fire and rescue authorities in connection with the discharge of their functions; it may contain guidance to fire and rescue authorities in connection with the discharge of any of their functions; and it may contain any other matter relating to fire and rescue authorities or their functions as the Home Secretary considers appropriate. (Section 21, Fire and Rescue Services Act 2004) Available at: [www.gov.uk/government/collections/fire-and-rescue-national-framework-for-england](http://www.gov.uk/government/collections/fire-and-rescue-national-framework-for-england)



## **Methodology, monitoring, assurance and analysis**

### **Advisory and reference groups**

This inspection programme is being developed with fire and rescue services. It has been designed to promote improvements across fire and rescue services.

HMICFRS has established a fire and rescue service external reference group. Its members include those who have specific skills and experience in the areas that will be inspected such as representatives from fire and rescue services, the National Fire Chiefs Council, the Home Office, the Local Government Association and police, fire and crime commissioners. We are using their knowledge and advice to establish a sound methodology for inspections.

The HMICFRS Fire Technical Advisory Group considers how to develop appropriate methods of data collection and analysis to support the inspection methodology. The members of the Fire Technical Advisory Group include representatives of the National Fire Chiefs Council co-ordinating committees, the Home Office, representative bodies, fire and rescue services and others. It will also include representatives from the professional standards body, when it has been established.

### **HMICFRS' monitoring process**

HM inspectors of fire and rescue services (HMIs) will regularly monitor all services in order to promote improvements. If an HMI identifies a cause of concern about practice in a particular fire and rescue service, it will be raised with the relevant chief fire officer/chief executive/commissioner and the fire authority/police fire and crime commissioner, so that they can take action.

### **Follow-up from previous inspections**

HMICFRS conducts a number of follow-up activities throughout the year. They range from formal revisits to offering support to services in responding to our findings. Also, we track the progress that services have made against our recommendations.

## Consultation questions

1. What do you think of the proposed approach to FRS inspection that HMICFRS proposes to conduct in 2018/19? How could this be improved?
2. Do you agree that an integrated inspection of fire and rescue services' effectiveness and efficiency, and how they look after their people, is better than separate thematic inspections?
3. Are there any other areas of fire and rescue services' activity that should be included in the integrated inspections?
4. Does the draft inspection methodology (annex A) include the right questions to gather evidence for a rounded assessment of fire and rescue services? How could this be improved?
5. How else could HMICFRS adapt the way in which it acquires information to take full account of the circumstances of fire and rescue services and of risks to public safety?
6. What, if any, new or emerging problems for fire and rescue services should HMICFRS take into account in its inspections?
7. What else should HMICFRS consider doing to make its fire and rescue service assessments as fair as they can be?

## How to respond to this consultation

Please submit your answers to these questions, together with any other comments, by email to: [HMICFRSfireinspectionprogramme@hmic.gsi.gov.uk](mailto:HMICFRSfireinspectionprogramme@hmic.gsi.gov.uk), no later than 1700 on 19 February 2018.

If you prefer, you can post responses to the Chief Operating Officer, HMICFRS, 6th floor, Globe House, 89 Eccleston Square, London SW1V 1PN.

If you have a complaint or comment about HMICFRS' approach to consultation, you can email this to: [HMICFRSfireinspectionprogramme@hmic.gsi.gov.uk](mailto:HMICFRSfireinspectionprogramme@hmic.gsi.gov.uk)

## How consultation responses will be reviewed

HM Chief Inspector of Fire & Rescue Services will consider respondents' views and, if he determines it appropriate to do so, change the proposed inspection programme and framework before putting it to the Home Secretary for approval. In accordance with section 28A(2), Fire and Rescue Services Act 2004, HM Chief Inspector of Fire & Rescue Services must obtain the approval of the Secretary of State for an inspection programme or inspection framework before the inspectors act in accordance with it.

The final document, which will be appropriately revised to reflect the results of the consultation, will be made available on HMICFRS' website at: [www.justiceinspectorates.gov.uk/hmicfrs/about-us/what-we-do/inspection-programmes/](http://www.justiceinspectorates.gov.uk/hmicfrs/about-us/what-we-do/inspection-programmes/)

You should note that HMICFRS may publish consultation responses, or summaries of them, except where they have been provided in confidence. Please indicate in your response if you do not wish it to be published.

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## Annex A - HMICFRS Fire and rescue service inspection methodology

How effective and efficient are the Fire and Rescue Service (FRS)?		
Core	Diagnostic	Sub-diagnostic
1. How effective is the FRS at keeping people safe and secure from fire and other risks?	1.1 How well does the FRS understand the risk of fire and other emergencies?	1.1.1 How well does the FRS engage with the local community to build up a comprehensive risk profile?
		1.1.2 To what extent does the FRS use information from other sources (e.g. health and social care data, population and demographic data) to build the risk profile?
		1.1.3 How well does the FRS define the level of community risk, including those communities most at risk, hard to reach, hidden (e.g. unscrupulous landlords, overcrowded dwellings) or affecting the most vulnerable people?
		1.1.4 To what extent does the FRS undertake regular liaison with relevant bodies to ensure a common understanding of risk, including fire standards and requirements?
		1.1.5 To what extent are the results of preventative or protective activity used to ensure a common understanding of risk?
		1.1.6 How well does the FRS identify and assess current, emerging or future changes in the risk of fire and other risks?
	1.2 How effective is the FRS at preventing fires and other risks?	1.2.1 To what extent is preventative activity, such as the Home Fire Safety Check programme, focused on those most at risk?
		1.2.2 How well does the FRS raise awareness and campaign to prevent fires and promote community safety?
		1.2.3 What progress has the FRS, with partners, achieved in preventing fires and keeping people safe?
		1.2.4 How well does the FRS work with partner organisations to promote road safety and reduce the numbers killed and seriously injured on the roads?
		1.2.5 How well does the FRS work with partners to tackle fire setting behaviour and support the prosecution of arsonists?
	1.3 How effective is the FRS at protecting the public through the regulation of fire safety?	1.3.1 To what extent is enforcement and inspection based on risk?
		1.3.2 To what extent is a systematic, consistent and robust Fire Safety Audit undertaken by FRS staff?
		1.3.3 How well is information on risk communicated throughout the FRS?
		1.3.4 How well does the FRS take enforcement action against those who fail to comply with fire safety regulations?
1.3.5 How well does the FRS work with other enforcement agencies to share information on risk and take joint enforcement action (e.g. local authority licensing, building control and trading standards officers)?		
1.3.6 To what extent is the FRS working in partnership to reduce the burden of unwanted fire signals?		
1.3.7 To what extent does the FRS engage with local business or large organisations to share information and expectations on compliance with fire safety regulations?		
1.4 How effective is the FRS at responding to fires and other emergencies?	1.4.1 To what extent does the FRS provide a proportionate response to incidents on the basis of risk and vulnerability?	
	1.4.2 How well does the FRS communicate information about risk and vulnerability?	
	1.4.3 How well does the FRS command fire service assets at incidents?	
	1.4.4 How well does the FRS identify vulnerability and safeguard vulnerable people at incidents?	
	1.4.5 How well does the FRS communicate information about incidents to the public?	
	1.4.6 To what extent are consistent, rigorous and open systems in place to evaluate operational performance and make operational improvements?	
	1.4.7 How well does the FRS exchange learning with other FRSs, including learning from national incidents?	
1.5 How effective is the FRS at responding to national risks?	1.5.1 To what extent has the FRS established arrangements to be able to supplement resources in the event of extraordinary need, such as a flood, or a major incident?	
	1.5.2 How well has the FRS established site specific response plans for high risk premises?	
	1.5.3 To what extent has the FRS demonstrated it is interoperable with other FRSs to ensure an effective and efficient cross-border response?	
	1.5.4 To what extent does joint training and joint exercising help the FRS to plan for and test arrangements for dealing with major multi-agency incidents?	
	1.5.5 How well prepared is the FRS to form part of a multi-agency response to a community risk identified by the local resilience forum, including a marauding terrorist attack?	
2. How efficient is the FRS at keeping people safe and secure from fire and other risks?	2.1 How well does the FRS use resources to manage risk?	2.1.1 To what extent do FRS plans address the risks identified in the IRMP (integrated risk management plan)?
		2.1.2 To what extent are the FRS plans built on sound planning assumptions, subject to informed challenge and meet financial requirements?
		2.1.3 How well does the FRS allocate resources to preventative, protective and response activity?
		2.1.4 To what extent has the FRS considered national requirements?
		2.1.5 How well does the FRS ensure that the workforce's time is productive, making use of a flexible workforce and flexible working patterns?
		2.1.6 To what extent is the FRS actively exploring all opportunities for collaboration within and beyond the fire sector?
		2.1.7 How well does the FRS ensure there are mechanisms in place for monitoring, evaluation and review of collaborations (including benefits realisation and outcomes)?
		2.1.8 To what extent are business continuity arrangements in place and how often are these tested?
	2.2 How well is the FRS securing an affordable way of managing the risk of fire and other risks now and in the future?	2.2.1 To what extent does the FRS understand and is taking action to mitigate the main/ significant financial risks?
		2.2.2 To what extent does the FRS have a track record for achieving savings and closing any residual future budget gaps?
		2.2.3 To what extent can the FRS demonstrate sound financial management of principal non-pay costs (inc fleet and equipment) through benchmarking, contract renegotiation, and joint procurement?
		2.2.4 How well do FRS plans make the best use of the opportunities, and respond to the risks, presented by changes in technology?
		2.2.5 To what extent does the FRS estate/fleet strategy, and changes to estate/fleet, support current and future service provision?
		2.2.6 To what extent is the FRS continuing to make savings to invest for future innovation?
3. How well does the FRS look after its people?	3.1 How well does the FRS promote its values and culture?	3.1.1 How well does the FRS understand the wellbeing needs of its workforce?
		3.1.2 How well does the FRS take early action to improve the wellbeing of the workforce?
		3.1.3 How well do leaders demonstrate they model and maintain the values the FRS expects of them?
		3.1.4 To what extent is a culture of promoting health, safety and wellbeing evident at all levels in the FRS?
		3.1.5 To what extent has the FRS established a culture of learning and improvement?
	3.2 How well trained and skilled are FRS staff?	3.2.1 How well does the FRS understand the skills and capabilities of its workforce (including the use of technology)?
		3.2.2 How well does the FRS ensure it has the right workforce mix of skills and capabilities?
		3.2.3 To what extent does the FRS have the capacity and capability it needs to both achieve change and operational performance?
	3.3 How well does the FRS ensure fairness and diversity?	3.3.1 How well do leaders seek feedback and challenge from all parts of the workforce?
		3.3.2 How well does the FRS identify and resolve workforce concerns?
3.3.3 How well does the FRS identify and address potential disproportionality in recruitment, retention and progression for fire-fighters and staff with protected characteristics?		
3.4 How does the FRS develop leadership and capability?	3.4.1 How well does the FRS manage and develop the individual performance of its fire-fighters and staff?	
	3.4.2 How fairly does the FRS identify high potential members of the workforce to become senior leaders?	
	3.4.3 How fairly does the FRS select for leadership roles at all levels?	

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**HMICFRS Framework  
Consultation  
Buckinghamshire FRS Response  
29 January 2018**

*1. What do you think of the proposed approach to FRS inspection that HMICFRS proposes to conduct in 2018/19? How could this be improved?*

Buckinghamshire Fire and Rescue Service (BFRS) believes this is an appropriate approach for the first round of inspections in order to gain a comprehensive overview of the performance of services in the proposed timeframe. It should provide adequate evidence to provide public assurance.

There is concern the HMICFRS may find benchmarking FRS' performance against one another problematical. The main concerns in relation to this are:

- Different demographics.
- Different income/budget per population.
- Different characteristics of road networks i.e. motorways.  
Size/scale/budget allows for more specialists, knowledge, automation of process and investment of money and time into future/current concepts (software/methodologies, etc.).

Another concern is the ability to deliver this programme in the current timeframe as it does appear to be highly ambitious bearing in mind the levels of scrutiny and checks and balances the HMICFRS apply to reports before publication.

*2. Do you agree that an integrated inspection of fire and rescue services' effectiveness and efficiency, and how they look after their people, is better than separate thematic inspections?*

BFRS believes that this approach should provide a sufficiently comprehensive overview that will inform future thematic inspections and that this approach will be more efficient in the longer term than starting with thematic inspections.

*3. Are there any other areas of fire and rescue services' activity that should be included in the integrated inspections?*

Yes. Areas identified as being outside the scope of these inspections (accountability structures) are currently well catered for through internal and external audit. The health and safety culture and performance should be considered as part of the 'people' element of the inspection.

The primary focus should be on providing scrutiny and assurance on operational matters which were formerly only provided by the peer review process.

*4. Does the draft inspection methodology (annex A) include the right questions to gather evidence for a rounded assessment of fire and rescue services? How could this be improved?*

Our understanding of the data that HMICFRS proposes to collect gives us some cause for concern. Much of the data tends to focus on service inputs and outputs (e.g. how many of 'x' is carried out, number of crew attending an incident, number of appliances attending an incident etc.) We believe that there should be

**HMICFRS Framework  
Consultation  
Buckinghamshire FRS Response  
29 January 2018**

a greater emphasis on outcomes (how many dwelling fires, how many casualties, how many deliberate fires etc.)

Most of our work is focused on outcomes and not how they were calculated.

In general the diagnostic questions are straightforward but it would have been useful to understand the underlying judgment criteria as part of this consultation, as the purpose of questions is not always clear nor what would constitute a 'good' performance.

A particular example is sub-diagnostic 1.1.4. 'To what extent does the FRS undertake liaison with relevant bodies to ensure a common understanding of risk, including fire standards and requirements?'

On the face of it, it is not entirely clear what the thrust and breadth of this question is and what good performance might look like.

*5. How else could HMICFRS adapt the way in which it acquires information to take full account of the circumstances of fire and rescue services and of risks to public safety?*

BFRS agrees that looking at a Service in terms of efficiency, effectiveness and workforce is valid. An alternative way of looking at the operational performance of a Service in terms of planning and preparedness, delivery of operational services and assurance and organisational learning. This could look as follows:

**Effective and Efficient Planning and Preparation for operational incidents.**

How well does the FRS plan to provide proportionate resourcing to incidents on the basis of community, built environment and environmental risk?

How well does the FRS use its resources to manage current demand and risk?

How well trained and skilled are operational FRS staff? Is training delivered in accordance with national operational training specifications which align with national occupational standards?

How well does the FRS ensure it has the right workforce mix of skills and capabilities to meet operational risk and demand?

How well does the FRS plan to make the best use of the equipment, fleet and changes in technology?

How well does the FRS establish and manage site specific response plans for high risk premises?

To what extent does joint training and joint exercising help the FRS to plan for and test arrangements for dealing with major incidents which require multi-agency involvement?



**HMICFRS Framework  
Consultation  
Buckinghamshire FRS Response  
29 January 2018**

How well does the FRS incorporate Joint Emergency Services Interoperability Programme (JESIP) principles in its operations?

How well does the FRS capture, communicate and check the embedding of local, national operational learning and Joint Organisational Learning?

How well is the FRS prepared to form part of a multi-agency response to an identified community risk and terrorist threats?

**Effective and Efficient Operational Performance at Incidents.**

How effective and efficient is the FRS at responding to incidents?

How effective and efficient are the FRS's incident command systems, procedures and implementation of these at operational incidents? Are these in accordance with National Operational Guidance?

Does the FRS provide a proportionate response to incidents on the basis of demand?

How well does the FRS understand the competence of its operational workforce?

How well does the FRS communicate risk plans and information on vulnerable persons to crews attending incidents?

How well does the FRS receive and manage severe weather warnings or other issues that may affect the business continuity?

How well does the FRS' safeguarding policies and procedures work when safeguarding issues are discovered at operational incidents?

How interoperable is the FRS with other FRSs to ensure an effective and efficient cross-border response?

How well does the FRS implement JESIP at operational incidents?

How well does the FRS respond to local and regional major incidents, support the LRF and communicate public safety issues to the community.

**Effective and Efficient Continuous Service Improvement.**

To what extent are consistent, rigorous and open systems in place to evaluate operational performance and make operational improvements?

How well does the FRS exchange learning with other FRSs, including learning from national incidents?

How well does the FRS's operational assurance processes function?

**HMICFRS Framework  
Consultation  
Buckinghamshire FRS Response  
29 January 2018**

How well does the FRS's People Strategy capture poor performance and lead to effective remedial actions for individuals, groups and organisational learning?

How well does the FRS measure the satisfaction of those who receive operational services and use this to learn and improve?

How well does the FRS use data from operational incidents to inform its risk management strategies in the future and also identify equality, diversity and inclusivity issues in the community and its staff?

*6. What, if any, new or emerging problems for fire and rescue services should HMICFRS take into account in its inspections?*

The impact of reductions in funding on the ability to provide the service the public expects must be considered.

*7. What else should HMICFRS consider doing to make its fire and rescue service assessments as fair as they can be?*

One of the concerns of BFRS is the ability of the inspection process to be able to recognise and understand the implications of different Service operating models. Some smaller Services operate particularly lean staffing models for both frontline and back office service delivery. They have developed lean and agile governance models to concentrate on the delivery of outcomes. We believe that a key focus of the inspections should be looking at the tangible outcomes of Services in respect of what they said they would deliver in an IRMP against what they actually deliver. We welcome the inclusion of financial planning and hope this is used as a balancing factor when considering overall a Service's ability to deliver real benefits for the community it serves within its budget.

The first full round of inspections should cover all areas as defined in the draft framework document. If areas of weakness are identified on a recurring basis then these should be captured for thematic inspections in addition to the three main areas.

# Buckinghamshire & Milton Keynes Fire Authority



<b>MEETING</b>	Fire Authority
<b>DATE OF MEETING</b>	14 February 2018
<b>OFFICER</b>	Lynne Swift, Director of People & Organisational Development
<b>LEAD MEMBER</b>	Councillor Steven Lambert
<b>SUBJECT OF THE REPORT</b>	<b>Pay Policy Principles and Statement 2018/19</b>
<b>EXECUTIVE SUMMARY</b>	<p>The Authority is required to approve the Pay Policy Principles and Statement before the end of March immediately preceding the financial year to which it relates.</p> <p>It is proposed that the attached draft (Annex A) be the Authority's revised Pay Policy Principles and Statement for 2018/19. It is based on the Authority's current approved Pay Policy Principles and Statement for 2017/18, save as amended by additional text underlined (<u>underlined</u>) and deleted text shown struck through (<del>struck through</del>).</p> <p>The Pay Policy Principles and Statement has been revised and minor amendments made where appropriate. It is pleasing to report that the Pay Multiples ratio of highest paid to lowest paid employee (as at December 2017) continues to fall for the sixth year running. This six year period sees the ratio improved by 22 per cent since 2012.</p> <p>The Authority's Pay Policy Principles and Statement has since 2013 provided that only in exceptional circumstances would an Strategic Management Board (SMB) member be re-employed/re-engaged following retirement. Paragraph 28 of Annex A is amended to reflect the procedure mandated by the National Framework.</p> <p>The Pay Policy Principles and Statement will continue to support and enhance a range of employment opportunities. This will continue to be utilised on a voluntary basis across some roles and functions to offer a more resilient, enhanced and flexible resource, focused on meeting demand and offering the very best service to the public.</p> <p>Within the 2017/18 Pay Policy Principles and Statement cover report, a note was made to the introduction of a public sector exit payment cap and 'claw back' termination payments for high earners.</p>

	<p>The implementation of these two arrangements has not come to fruition in 2017/18 and the Authority will continue to await the final details of any Regulation changes and implementation dates during financial year 2018/19.</p>
<b>ACTION</b>	<p>Decision.</p>
<b>RECOMMENDATIONS</b>	<p>It is recommended that the Pay Policy Principles and Statement as set out in Annex A be approved as the statutory Pay Policy Statement for 2018/19.</p>
<b>RISK MANAGEMENT</b>	<p>The Fire Authority is required to adopt and publish a Pay Policy Principles and Statement annually.</p>
<b>FINANCIAL IMPLICATIONS</b>	<p>There will be minimal direct financial implications arising from the Pay Policy Principles and Statement. Any financial impact of subsequent decisions will be factored into the Medium Term Financial Planning process and scrutinised and challenged by Members. Any in-year impacts will be considered and reported through the budget monitoring process and any resource re-allocation will be subject to the usual virement approvals and limits as set out in the Financial Regulations.</p>
<b>LEGAL IMPLICATIONS</b>	<p>Section 38 of the Localism Act 2011 places a requirement on the Authority to prepare annually, a statement setting out the Authority’s policies on the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers. Chief officers are the most senior officers of the Authority. Authorities are required to state the definition of lowest paid employees they have adopted in the statement and explain the reasons for adopting that particular definition. The statement may also set out the Authority’s policies relating to other terms and conditions applying to its senior officers. In preparing its Statement, the Authority must have regard to any guidance issued or approved by the Secretary of State.</p> <p>The 2018/19 Pay Policy Principles and Statement must be approved by the full Fire Authority before 31 March 2017. Approval cannot be delegated to any committee, sub-committee, or officers.</p> <p>The Pay Policy Principles and Statement may be amended by the full Fire Authority during the financial year to which it applies.</p> <p>Section 41 of the Localism Act 2011 requires the Authority to comply with its Pay Policy Principles and Statement for the relevant financial year when making a determination that relates to the remuneration, or</p>

	<p>other terms and conditions of a senior officer of the Authority.</p> <p>The Pay Policy Principles and Statement must include the Authority’s policies in relation to senior pay on:</p> <ul style="list-style-type: none"> <li>(a) the level and elements of remuneration</li> <li>(b) remuneration on recruitment</li> <li>(c) increases and additions to remuneration</li> <li>(d) the use of performance related pay</li> <li>(e) the use of bonuses</li> <li>(f) the approach to payment on their ceasing to be employed by the Authority, and</li> <li>(g) the publication of and access to information relating to remuneration.</li> </ul> <p>The statutory guidance gives discretion as to whether the Authority wishes to mirror these headings in its Pay Policy Principles and Statement in respect of its other employees.</p>
<p><b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b></p>	<p>All Authorities are required to have a Pay Policy Principles and Statement. At this time our Thames Valley partners have separate statements, however an aligned approach may be appropriate in the future, particularly to support collaborative working, sharing of resources and working across boundaries.</p>
<p><b>HEALTH AND SAFETY</b></p>	<p>There are no health and safety implications.</p>
<p><b>EQUALITY AND DIVERSITY</b></p>	<p>Pay decisions will be subject to the demands of equal pay processes.</p> <p>A People Impact Assessment will be updated, as a minimum annually, as analysis is undertaken on all pay decisions and a review of trends carried out. This will ensure an equitable, transparent, consistent and legally compliant basis for the employment relationship between the Authority and its employees.</p> <p>The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 was approved by Parliament in 2016 and came into force in 2017. The obligations under the Regulation requires prescribed gender pay gap information to be published within ‘the period of 12 months beginning with the data snapshot date’ (Regulation 2(2)). The snapshot data for public sector employers is 31 March each year.</p> <p>The intention of the Regulation is to highlight differences in pay between male and female employees, therefore showing greater transparency within the workplace, and will encourage employers to consider what more can be done to close any pay gaps. A separate report will be presented to the Executive Committee in March 2018 on the Authority’s</p>

	gender pay gap.
<p><b>USE OF RESOURCES</b></p>	<p>Adoption of the annual Pay Policy Principles and Statement ensures statutory compliance. However, as the legislation permits in-year changes there is scope for the Authority to revisit certain elements to reflect the needs of the Service and any relevant reform outcomes of the national aspect of the NFCC FRS People Strategy 2017 to 2022.</p> <p><b>Communication with stakeholders:</b> Following approval of the Pay Policy Principles and Statement, communication will be via the normal policy publication and amendment process.</p> <p><b>Internal Controls:</b> Adherence to the Pay Policy Principles and Statement is controlled via strict establishment and pay change approval process controls.</p>
<p><b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b></p>	<p><b>Background</b></p> <p>Report to Fire Authority held 15 February 2017; BMKFA Pay Policy Principles and Statement 2017/18:  <a href="http://bucksfire.gov.uk/files/3614/8638/9933/FIRE_AUTHORITY_AGENDA_AND_REPORTS_150217.compressed.pdf">http://bucksfire.gov.uk/files/3614/8638/9933/FIRE AUTHORITY AGENDA AND REPORTS 150217.compressed.pdf</a></p> <p>The Localism Act 2011:  <a href="http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted">http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted</a></p> <p>Openness and accountability in local pay: guidance. Published 2012:  <a href="https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-guidance">https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-guidance</a></p> <p>Openness and accountability in local pay: supplementary guidance. Published 2013:  <a href="https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-supplementary-guidance">https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-supplementary-guidance</a></p> <p>Home Office: A revised Fire and Rescue National Framework for England. Open consultation. Published 27 December 2017:  <a href="https://www.gov.uk/government/consultations/a-revised-fire-and-rescue-national-framework-for-england">https://www.gov.uk/government/consultations/a-revised-fire-and-rescue-national-framework-for-england</a></p> <p>Home Office Re-engagement of Senior Fire Officers Post-retirement. Response to Government Consultation. 2017:  <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/670713/re-engagement_consultation_response.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/670713/re-engagement_consultation_response.pdf</a></p>

<p><b>APPENDICES</b></p>	<p><b>Annex A:</b> Draft Pay Policy Principles and Statement 2018/19</p> <p><b>Appendix 1:</b> Firefighting roles pay rates effective 1 July 2017</p> <p><b>Appendix 2:</b> Support Services staff pay scales effective 1 July 2017</p> <p><b>Appendix 3:</b> Employee Bonus Payment Setting Scheme and Process</p>
<p><b>TIME REQUIRED</b></p>	<p>10 minutes</p>
<p><b>REPORT ORIGINATOR AND CONTACT</b></p>	<p>Faye Mansfield – HR Services &amp; Development Manager  <a href="mailto:fmansfield@bucksfire.gov.uk">fmansfield@bucksfire.gov.uk</a>                      01296 744623</p>

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## Annex A

### BMKFA Pay Policy Principles and Statement 2018/19

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

#### Principles

##### 1. Accountability

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

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

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

##### 2. Transparency

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

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

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



### 3. Fairness

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

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

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

#### **Part 1 Pay Policy (all staff excluding SMB)**

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

#### **Level and elements of remuneration**

4. The majority of staff are employed under contracts with either; the terms and conditions of the NJC for Local Authority Fire and Rescue Services Scheme of Conditions of Service, 2004 "the Grey Book" incorporated; or with the provisions of the local terms and conditions of Buckinghamshire and Milton Keynes Fire Authority Scheme of Conditions of Service for Support Services staff.
5. For Grey Book staff rates of pay are set out in circulars issued by the NJC and entitlements are governed by Part B of the Grey Book. However the Authority recognises that new employees may be employed on terms and conditions outside of the Grey Book. This includes the operation of the 'Bank System'. The Authority also recognises that employees in existing firefighter roles may want to agree rates of pay outside of the Grey Book for the protection of services and provision of enhanced resilience, including agreement to not participate in industrial action.
6. For other staff the pay structure takes the form of pay scales with spinal column points. Progression is based on evidenced performance and would normally occur on 1st April if the required criteria are met; at least six months in post, subject to performance and the maximum grade for the post not being exceeded. Incremental progression may be withheld if performance is not to the required standard.



- The Government introduced a UK wide apprenticeship levy from April 2017. This levy was to help fund the increase in the quantity and quality of apprenticeship training and to give employers greater control of apprenticeships. The levy rate is set at 0.5 per cent of an employer's pay bill and is collected via PAYE. At the Executive Committee meeting on 29 July 2015, Members opted to use the apprenticeship training agency (ATA) model for the recruitment of apprentices. The Authority will utilise apprenticeship opportunities wherever practicable as part of a blended approach to improving diversity and refreshing the workforce. We will reward apprentices appropriately, recognising competence and performance during the various development stages of their apprenticeship.

- Pay scales are inserted in the annexes:

**Appendix 1: Grey Book Pay rates from 1 July 2017**

**Appendix 2: Support Services Staff Pay scales from 1 July 2017**

- Some members of staff participate in lease car arrangements.
- The Authority reimburses mileage, travel expenses, subsistence and other expenses (e.g. overnight stays, meals and professional fees) when appropriate and in accordance with the Authority's procedures relating to expenses.

## **Remuneration on Recruitment**

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

## **Increases and additions to remuneration**

- Additional Responsibility Allowance (ARA) payments are used to reward increased responsibilities and duties beyond the normal remit of the role for specific periods, for existing staff to cover managed vacancies for short to medium term periods, enabling successful change management with minimal risk.
- Any such payments require the signature of two Directors in accordance with current procedures.

## **Use of Performance related pay**

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

## **Use of bonuses**

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



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

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

## Publication of and access to information relating to remuneration

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

## Pay Multiple

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

For the financial year **2018/19**, the definition of lowest paid staff are those staff we employ who are paid at rates that are maintained in line with the National Living Wage and the lowest rate will be that applicable for workers aged 25 and over.

## The current BMKFA pay multiples are:

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

Highest pay: lowest pay: **9.86:1**

Highest pay: median pay: **4.77:1**

Year	Highest pay : Lowest pay	Highest pay : Median pay
<b><u>2018/19</u></b>	<b><u>9.86:1</u></b>	<b><u>4.77:1</u></b>
2017/18	10.17:1	4.77:1
2016/17	10.71:1	4.72:1
2015/16	11.04:1	4.77:1
2014/15	11.5:1	4.87:1
2013/14	11.72:1	4.9:1
2012/13	12.7:1	5.0:1

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



## Part 2 Pay Policy – Strategic Management Board (SMB)

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

### Level and elements of remuneration

- 20 Senior management remuneration comprises salary, car provision or car allowance.
- 21. Gold Book Pay is based on a twin track approach of an annual nationally agreed pay deal and a local pay agreement. SMB Pay Policy includes proposals to consider the implementation of Earn Back Arrangements and addresses the requirements of the Localism Act in relation to the SMB.

### Remuneration on Recruitment

- 22. Remuneration will be based on the evaluated rate for the job.

### Increases and additions to remuneration

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

### Use of Performance related pay

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

### Use of Bonuses

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

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

- 26. **Summary dismissal:** Dismissal without notice payments

**Dismissal with notice:** Salary payment in line with contract

**Redundancy:** In accordance with Authority procedures

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



**Redeployment:** In accordance with prevailing Authority procedures

27. This Authority does not make payments to senior staff members who leave other than to those who are leaving for the purposes of improved efficiency.
28. Re-employment/re-engagement will not normally occur following retirement, however there may be exceptional circumstances where specialist knowledge and expertise are required for a defined period of time in the event of which re-employment/re-engagement may be considered. ~~In this circumstance, rules on abatement, protected pension age and public sector exit caps and claw backs will be considered.~~ In the exceptional circumstance that re-employment/re-engagement is necessary in the interest of public safety, this decision will be subject to prior approval at a meeting of the Fire Authority in open session.
29. The Fire Authority will be given the opportunity to vote as to the terms of appointment or dismissal of the Chief Fire Officer and Chief Executive and deputy to the Chief Fire Officer and Chief Executive, or equivalent.

#### **Publication of and access to information relating to remuneration**

30. We will publish information in accordance with the Local Government Transparency Code 2015.



## Appendix 1:

<b>FIREFIGHTING ROLES (Wholetime) PAY RATES effective 1 July 2017</b>			
	<b>Basic annual salary</b>	<b>Basic hourly rate</b>	<b>Overtime rate</b>
<b>Firefighter</b>			
Trainee	22,459	10.26	15.39
Development	23,394	10.68	16.02
Competent	29,934	13.67	20.51
<b>Crew Commander</b>			
Development	31,816	14.53	21.80
Competent	33,187	15.15	22.73
<b>Watch Commander</b>			
Development	33,905	15.48	23.22
Competent A	34,847	15.91	23.87
Competent B	37,112	16.95	25.43
<b>Station Commander</b>			
Development	38,602	17.63	26.45
Competent A	39,761	18.16	27.24
Competent B	42,576	19.44	29.16
<b>Group Commander</b>			
Development	44,458	20.30	Not applicable
Competent A	45,791	20.91	"
Competent B	49,284	22.50	"
<b>Area Manager</b>			
Development	52,194	23.83	Not applicable
Competent A	53,758	24.55	"
Competent B	57,252	26.14	"





## FIREFIGHTING ROLES (On-call) PAY RATES effective 1 July 2017

	£ per annum	£ per annum	£ per hour	£ per occasion
<b>Firefighter</b>				
Trainee	2,246	1,123	10.26	3.94
Development	2,339	1,170	10.68	3.94
Competent	2,993	1,497	13.67	3.94
<b>Crew Commander</b>				
Development	3,182	1,591	14.53	3.94
Competent	3,319	1,659	15.15	3.94
<b>Watch Commander</b>				
Development	3,391	1,695	15.48	3.94
Competent A	3,485	1,742	15.91	3.94
Competent B	3,711	1,856	16.95	3.94
<b>Station Commander</b>				
Development	3,860	1,930	17.63	3.94
Competent A	3,976	1,988	18.16	3.94
Competent B	4,258	2,129	19.44	3.94
<b>Group Commander</b>				
Development	4,446	2,223	20.30	3.94
Competent A	4,579	2,290	20.91	3.94
Competent B	4,928	2,464	22.50	3.94
<b>Area Manager</b>				
Development	5,219	2,610	23.83	3.94
Competent A	5,376	2,688	24.55	3.94
Competent B	5,725	2,863	26.14	3.94

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





## Appendix 2:

SUPPORT SERVICES PAY SCALES effective 1 July 2017		
Pay Scales	Money Value	Pay Point Descriptor
A (NMW)	£12,962	National Minimum Wage ( <i>statutory rate reviewed October 2018</i> )
A (NLW)	£14,470	National Living Wage ( <i>statutory rate reviewed April 2018</i> )
B	£16,544	Development
	£16,957	Competent
C	£17,805	Development
	£18,576	Competent
	£19,381	Conditions apply, see note below
D	£19,690	Development
	£20,183	Competent
E	£21,030	Development
	£21,417	Competent
	£21,806	Conditions apply, see note below
F	£22,972	Development
	£23,488	Competent
	£24,004	Exempt
G	£25,193	Development
	£25,557	Competent
	£26,064	Conditions apply, see note below
H	£27,521	Development
	£28,017	Competent
	£28,770	Competent ( <i>Driving Instructors only</i> )
	£28,679	Conditions apply, see note below
I	£31,354	Development
	£32,211	Competent
	£33,077	Conditions apply, see note below
J	£34,142	Development
	£34,996	Competent
K	£38,792	Development
	£39,774	Competent
	£40,910	Conditions apply, see note below
L	£42,160	Development
	£43,213	Competent
M	£45,730	Development
	£46,989	Competent
	£48,240	Conditions apply, see note below
N	£56,083	Development
	£57,481	Competent
	£59,033	Conditions apply, see note below



0	£60,930	Development
	£62,453	Competent

Fleet Management Pay Scales	Money Value
Vehicle Technicians	£24,278
	£25,044
	£25,562
	£26,065
	£26,549
	£27,031
Supervisors	£27,520
	£28,021
	£28,684
Fleet Management	£29,356
	£30,028
	£30,695
	£31,355
	£32,211
	£33,077



## Appendix 3:

### EMPLOYEE BONUS PAYMENT SETTING SCHEME AND PROCESS

#### Introduction

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

#### Eligibility

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

#### Key Principles

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

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

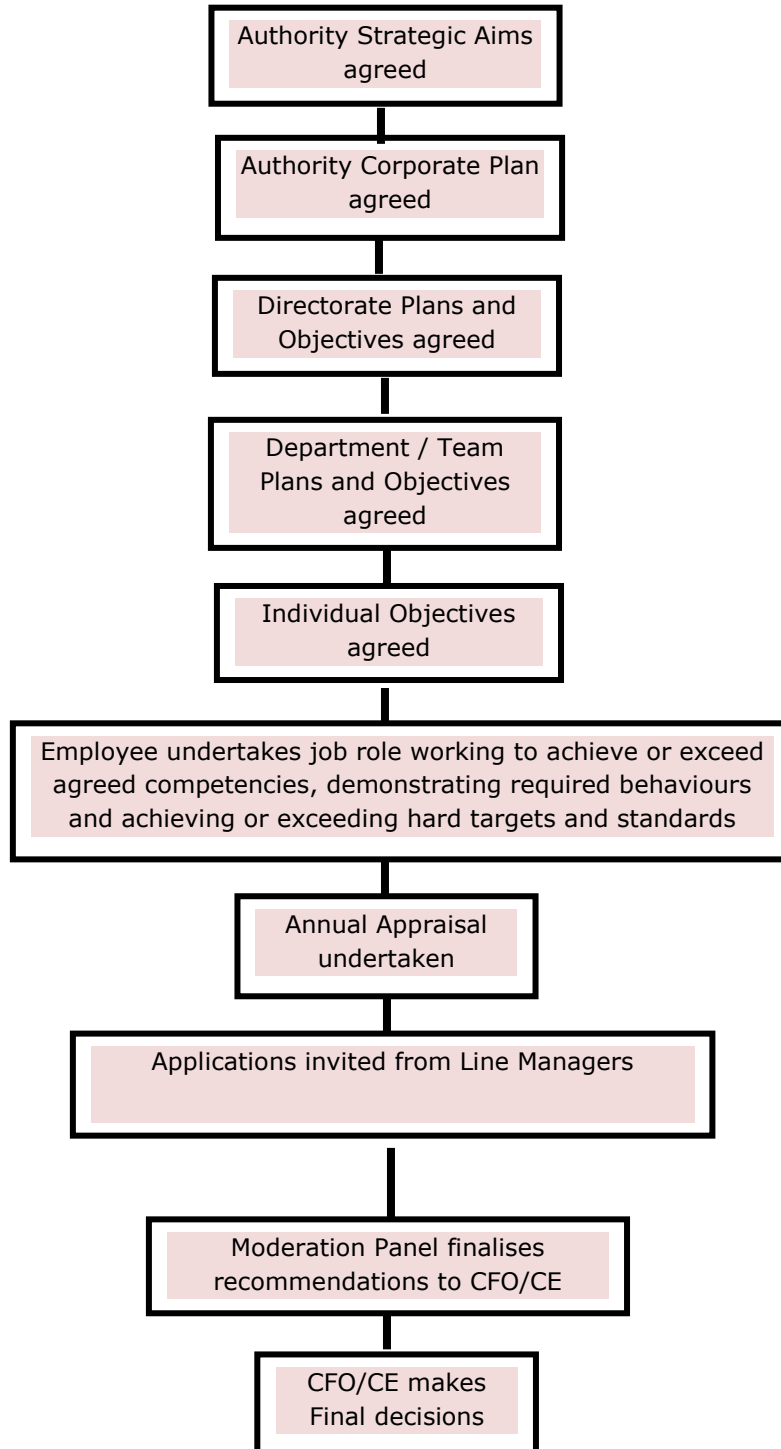


- All eligible candidates invited to participate in any scheme must have an agreed appraisal, including core and stretching objectives in advance of the bonus scheme year.
- Recommendations for payments under the scheme will be made by the employee's line manager following the annual appraisal round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



**BUCKINGHAMSHIRE & MILTON KEYNES FIRE  
AUTHORITY**

**Bonus Setting Scheme Process Flow Chart**



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# Buckinghamshire & Milton Keynes Fire Authority



<b>MEETING</b>	Fire Authority
<b>DATE OF MEETING</b>	14 February 2018
<b>OFFICER</b>	Lynne Swift, Director of People & Organisational Development
<b>LEAD MEMBER</b>	Councillor Steven Lambert
<b>SUBJECT OF THE REPORT</b>	<b>Apprenticeship Diversity Champions Network</b>
<b>EXECUTIVE SUMMARY</b>	<p>The Apprenticeship Diversity Champions Network (ADCN) is an initiative promoted by the National Apprenticeship Service. This report details the Apprenticeship Diversity Champions Network, its relevance to the Authority, the benefits of being a member and the requirements of becoming signatories to the Pledge.</p> <p>The ADCN aims to make a positive change to the diversity and inclusion of apprenticeships, and increase representation of Black and Minority Ethnic (BME), Learning Disability and Disabled (LDD), females in Science, Technology, Engineering and Maths (STEM), and those from disadvantaged areas. The Network will develop and share best practice, and provide support to those who want to widen participation in apprenticeships. Their view is that apprenticeships are a vehicle to help improve social mobility whilst building a skilled, diverse workforce. The aims of the ADCN align well with the Authority's published Equality, Diversity and Inclusion (EDI) objectives 2016-2020, which were approved by Members at the Fire Authority meeting held in June 2016.</p> <p>This report seeks Members' approval for the proposed draft Pledge in order to join the Network. An overview of the Network and a completed draft Pledge are attached as Annex A to this report.</p>
<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	It is recommended that the Pledge for the Apprenticeship Diversity Champions Network is endorsed for signature by the Chairman of the Authority, the Lead Member for People and Equality and the Chief Fire Officer/Chief Executive.
<b>RISK MANAGEMENT</b>	The main risks associated with not becoming a

	<p>member of the Apprenticeship Diversity Champions Network are that top level buy-in will not be clearly demonstrated towards our EDI and People Strategy, and the subsequent cascading of this ethos throughout the Authority's staff. We could miss out on the opportunity to be better placed in addressing the objectives of increasing our diversity through apprenticeships within Buckinghamshire and Milton Keynes Fire Authority (BMKFA).</p>
<b>FINANCIAL IMPLICATIONS</b>	<p>There are no direct costs attached to the production of the Pledge or becoming a member of the Apprenticeship Diversity Champions Network.</p>
<b>LEGAL IMPLICATIONS</b>	<p>There are no known legal implications arising. The Network will assist BMKFA to meet its objectives set out in the four yearly objectives we have set under the Public Sector Equality Duty.</p>
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	<p>Membership of this Network has been considered nationally across all fire and rescue services in England, and the National Fire Chiefs Council (NFCC) Workforce Committee recommended that up to four fire and rescue services consider membership as a pilot. BMKFA was one of four recommended services.</p> <p>The Authority already collaborates with Thames Valley Fire Services on EDI. A project is also underway to move to a joint approach to apprenticeship recruitment based on the BMKFA model. We will continue to share learning and seek further opportunities. As collaboration increases across the Thames Valley, and staff employed by our partner services fulfil vital functions on behalf of the Authority, it is envisaged that future stages will include work with these partners to progress their own Pledge.</p>
<b>HEALTH AND SAFETY</b>	<p>There are no Health and Safety implications of this report.</p>
<b>EQUALITY AND DIVERSITY</b>	<p>The recommendations contribute towards delivering the Authority's Equality and Diversity Objectives 2016-2020.</p> <p>No adverse impacts have been identified. A number of positive impacts have been identified in the Impact Assessment that has been completed. All measures contained within the Pledge are available to all employees. Reasonable adjustments will be made as required to ensure fair access.</p>
<b>USE OF RESOURCES</b>	<p><b>Contribution to the achievement of strategic objectives:</b></p> <p>Signing up to becoming a member of the Apprenticeship Diversity Champions Network would support the Authority in achieving its workforce</p>



	<p>strategy (2015-20 Corporate Plan, Strategic Enabler 1 – ‘to optimise the contribution and well-being of our people’) and will assist BMKFA to meet its objectives set out in the four yearly objectives we have set under the Public Sector Equality duty.</p> <p><b>Communication with stakeholders:</b></p> <p>Stakeholder communication will be a significant element in the success of the activities that will need to be developed to achieve the goal of increasing the diversity of our workforce through apprenticeships. Following Authority approval, the signing of the Pledge will be communicated to the Leadership Group, staff and key stakeholders by normal channels.</p> <p>Communication with the public will be via the BMKFA external website and external outlets as advised by the Communications Officer.</p> <p><b>System of internal control:</b></p> <p>Regular reports will be provided to the Performance Management Board, Strategic Management Board, and to Members as appropriate, on the progress and effectiveness of the Network in supporting our EDI objectives and its measures in improving diversity in apprenticeships for BMKFA.</p>
<p><b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b></p>	<p><b>Background</b></p> <p>This recommendation contributes to the following Authority aims:</p> <p>Buckinghamshire and Milton Keynes Fire Authority 2015 – 20 Corporate Plan</p> <p><a href="http://bucksfire.gov.uk/files/5514/3315/2727/ITEM_1_4b_2015-20_Corporate_Plan_-_Covering_Exec_Paper_Appendix_1.pdf">http://bucksfire.gov.uk/files/5514/3315/2727/ITEM_1_4b_2015-20_Corporate_Plan_-_Covering_Exec_Paper_Appendix_1.pdf</a></p> <p>Paper to Fire Authority 8 June 2016 - Equality and Diversity Objectives 2016-20, Public Sector Equality Duty and Review of 2012-15 Objectives:</p> <p><a href="http://bucksfire.gov.uk/files/4714/6425/6193/ITEM_1_5_ED_Cover_Paper_FA_Annex_and_Appendices.pdf">http://bucksfire.gov.uk/files/4714/6425/6193/ITEM_1_5_ED_Cover_Paper_FA_Annex_and_Appendices.pdf</a></p> <p>Paper to Executive Committee 3 February 2016 - The Authority’s People Strategy 2016 to 2020. Optimising the contribution and well-being of our people:</p> <p><a href="http://bucksfire.gov.uk/files/3614/5528/0478/ITEM_8_People_Strategy_Executive_paper_final_Appendices_compressed.pdf">http://bucksfire.gov.uk/files/3614/5528/0478/ITEM_8_People_Strategy_Executive_paper_final_Appendices_compressed.pdf</a></p> <p>Equality and Human Rights Commission Guidance; Equality information and the equality duty: A guide for public authorities:</p> <p><a href="https://www.equalityhumanrights.com/en/publication-download/equality-information-and-equality-duty-">https://www.equalityhumanrights.com/en/publication-download/equality-information-and-equality-duty-</a></p>

	<a href="#">guide-public-authorities</a> Apprenticeship Diversity Champions Network: <a href="https://www.gov.uk/government/groups/apprenticeship-diversity-champions-network">https://www.gov.uk/government/groups/apprenticeship-diversity-champions-network</a>
<b>APPENDICES</b>	Annex A: The Apprenticeship Diversity Champions Network (ADCN) including the draft Pledge
<b>TIME REQUIRED</b>	10 Minutes
<b>REPORT ORIGINATOR AND CONTACT</b>	Mark Ridder, Employee Relations and Engagement Manager <a href="mailto:mrigger@bucksfire.gov.uk">mrigger@bucksfire.gov.uk</a> 01296 744634

## **Apprenticeship Diversity Champions Network Annex A**

### **The Apprenticeship Diversity Champions Network**

The National Apprenticeship Service has reported research showing that companies with a more diverse workforce perform better (every 1 per cent increase in the diversity rate of the workforce can lead to a 9 per cent rise in sales revenue), so making good business sense. This initiative also sits well with our Equality, Diversity and Inclusion (EDI) objectives of increasing the number of females and BME employees within the Service and research has shown that a workforce that more closely matches the communities they serve deliver better services to those communities. The Government's goal for 2020 is to increase Black and Minority Ethnic (BME) apprenticeship starts by 20 per cent.

The core principles of Apprenticeship Diversity Champions Network (ADCN) Membership includes; employing apprentices; driving an inclusive culture; championing diversity, gathering data, reporting back; and making a pledge. If adopted, a number of activities will need to be developed to achieve the goal of increasing the diversity of our workforce through apprenticeships.

In developing our pledge it will be important to consider all aspects of the employment process, and this begins with an application process and a written pledge which must contain the following:

- A minimum of three measurable actions which have been approved for sharing in the public domain.
- The name of a dedicated diversity champion with this organisation.
- Activity to widen participation and improve diversity through the apprentice programme.
- An action to collect internal diversity data.

This could also include:

- Actions to improve the apprenticeship recruitment process: more inclusive entry requirements and assessment practice.
- Actions to support progression: role models and internal peer supports.
- Organisational targets for the diversity of apprentices: Black and Minority Ethnic (BME), Learning Disability and Disabled (LDD), female etc.
- Actions to champion diversity and apprenticeships: through our networks and supply chain.

Membership of The Apprenticeship Diversity Champions Network (ADCN) has a number of stated benefits which we will share with other network members such as the BBC, Barclays, Balfour Beatty, and includes:

- Monthly newsletters
- Support tools and materials
- Networking communications toolkit
- Case studies and best practice guides
- Peer support
- Use of the network's logo

## **Apprenticeship Diversity Champions Network Annex A**

The Network and its membership benefits fit extremely well with the Authority's resourcing and EDI Objectives 2016-2020 and will support us to meet these objectives.

This report seeks member approval for the proposed draft pledge that is required in order to join the network.



## **Apprenticeships Diversity Champions Network Pledge**

Buckinghamshire and Milton Keynes Fire Authority (BMKFA) are delighted to be part of the Apprenticeships Diversity Champions Network (ADCN) and we pledge to drive diversity in apprenticeships through our commitment during 2018 to:

- Use the ADCN to support our People Strategy to attract and retain a diverse workforce by encouraging and actively promoting employment applications from all groups in the community.
- Use our apprenticeship programme to maintain a skilled and committed professional workforce, and work towards employing a workforce that is more representative of the working-age population of Buckinghamshire and Milton Keynes.
- Ensure our resourcing activities relating to our apprenticeship programme include engagement with our communities through local schools and interest groups. We will work with a range of partners to target different priority groups such as those from disadvantaged backgrounds and Black and Minority Ethnic (BME) to broaden the diversity of our talent pool.
- By the end of 2018 it is planned that ten per cent of our workforce will either be apprentices, or will have completed an apprenticeship.
- Ensure our apprenticeship programme is a key element in promoting an inclusive culture by creating pathways to facilitate the upskilling of our employees and creating visible opportunities for progression for all employees.
- Roll out unconscious bias training, initially to managers and then to make available to all employees.
- Using our e learning platform, develop a range of Diversity and Inclusion learning and development tools and increase the uptake of completed modules.

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