

BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY
BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE

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

Jason Thelwell

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

6 February 2016

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 15 FEBRUARY 2017 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 Busby
Councillors Brunning, Carroll, Clarke OBE, Exon, Glover, Gomm, Huxley, Lambert,
Mallen, Marland, McDonald, Reed, Schofield, 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 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

2. Minutes

To approve, and sign as a correct record the Minutes of the meeting of the Fire Authority held on 14 December 2016 (Item 2) **(Pages 7 - 14)**

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 – 8 February 2016

(a) Size of the Authority and its Code of Conduct Complaints Procedure

"That the Authority be recommended to resolve that":

1. "The Authority remains a size of 17 members".

OR

1. "With effect commencing 2017/18 the Authority be increased to a size of between **18** and **25** Members".

OR

1. "With effect commencing 2017/18 the Authority be reduced to a size of between **9** and **16** Members, and if fewer than **13** Members:
 - a. the Executive Committee not be constituted; and
 - b. the Overview and Audit Committee be constituted to comprise those Members who are not Lead Members together with **1** to **3** non-voting Co-opted Member(s)".
2. "In the event of recommendations 1(a) to (b) being approved, the Director of Legal and Governance be authorised to:
 - a. advertise for suitable appointable candidates to be co-opted

onto the Overview and Audit Committee and to agree a process for selection in consultation with the Chairman of the Overview and Audit Committee in advance of the Authority's 2017 AGM; and

- b. prepare any necessary amendments arising from the resolutions set out under 1(a) to (b) to the Authority's constitutional documents for approval at the Authority's 2017 AGM".
3. "The Procedure for the handling of allegations under the Code of Conduct for Councillors and Co-opted Members (**Annex C**) be adopted".
4. "It be noted that the Policing and Crime Bill will require the Authority at a future meeting:
 - a. if a request is received from the Thames Valley Police and Crime Commissioner to attend, speak and vote at Authority meetings as if a Member of the Authority, to:
 - i. consider the request, and
 - ii. give reasons for their decision to agree to or refuse the request.
 - b. to revise its Code of Complaints Procedure if the Thames Valley Police Crime Commissioner were to become a Member of the Authority".
5. "In the event of a change in size to the Authority being approved, the Director of Legal and Governance be authorised to write to the Chief Executives of Buckinghamshire County and Milton Keynes councils of the change in membership in order that that their councils can appoint councillors on the basis of the respective electorates as at 1 December 2016 according to the Office for National Statistics as published in February 2017."

The report considered by the Executive Committee is attached at Item 7(a) (**Pages 15 - 40**)

(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 41 - 50**)

(c) Medium Term Financial Plan 2017/18 to 2019/20

"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 £60.88 for a band D equivalent property (a 1.98% increase from 2016/17 – equal to 2.3p 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 51 - 64)

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

8. Treasury Management Strategy 2017/18

To consider Item 8 **(Pages 65 - 78)**

9. Pay Policy Principles and Statement 2017/18

To consider Item 9 **(Pages 79 - 100)**

10. District Councils' combined alternative submission of a 2 unitary model

To consider Item 10 **(Pages 101 - 116)**

11. Update on Sprinklers

To consider Item 11 **(Pages 117 - 120)**

12. Blue Light Hub Update

Report to follow

13. Date of Next Meeting

To note that the next meeting of the Fire Authority will be held on Wednesday 7 June 2017 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

Minutes of the meeting of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 14 DECEMBER 2016 at 11.00 am

Present: Councillors Brunning, Busby (Chairman), Carroll, Clarke OBE (part), Exon, Glover, Gomm, Huxley, Lambert, Marland, McDonald, Reed, Schofield, Watson and Wilson

Officers: J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), L Swift (Director of People and Organisational Development) D Sutherland (Director of Finance and Assets), M Hemming (Deputy Director of Finance and Assets), K McCafferty (Head of Human Resources), N Boustred (Head of Service Delivery), P Holland (Head of Service Transformation), J Parsons (Head of Service Development), A Chart (Health and Safety Manager), J Pickford (Programme Manager), M Crothers (Programme Manager), A Collett (Organisational Development Manager), Sean Brannon (Training Design Technician), K Nellist (Democratic Services Officer), A McCallum (Executive Assistant to Chief Fire Officer) and A Baines (Health and Safety Apprentice)

Apologies: Councillors Mallen and Teesdale

FA24 MINUTES

RESOLVED –

That the Minutes of the meeting of the Fire Authority held on 19 October 2016, be approved and signed by the Chairman as a correct record.

The Head of Projects and Transformation updated Members on the planning application for the Milton Keynes Blue Light Hub as, contrary to officers' expectations reported to the Authority at its October meeting, it had not been included on the agenda for the December Milton Keynes Development Control Committee meeting. The Head of Projects and Transformation reported that the Planning Officer had informed him that it would be taken to the 5 January 2017 meeting with a recommendation that planning permission be approved.

FA25 CHAIRMAN'S ANNOUNCEMENTS

The Chairman's Announcements had been circulated in advance. In addition the Chairman announced that he, along with the Deputy Chief Fire Officer had recently met the Chief Executive of the Fire Service College and the Divisional Board Director from Capita and had been assured that they were pressing on with their improvements at the College and had spent £15m to date. Sadly, the college had not had the support from other fire and rescue services, but they were pleased with the joint working with Buckinghamshire Fire and Rescue Service which should give Members reassurance that the Service's training was externally accredited.

FA26 VACANCY FOR THE OFFICE OF VICE-CHAIRMAN

It being proposed by the Chairman and seconded by Councillor Wilson it was:

RESOLVED –

That a Vice-Chairman not be elected to the vacancy.

FA27 COMMITTEE APPOINTMENTS: EXECUTIVE COMMITTEE

RESOLVED –

That Councillor Peter McDonald be appointed to the Executive Committee.

FA28 LEAD MEMBER RESPONSIBILITIES

It being proposed by the Chairman and seconded by Councillor Reed, it was:

RESOLVED –

That Councillor Peter McDonald be appointed as Lead Member for Finance, IT, Procurement and Control.

FA29 RECOMMENDATIONS FROM COMMITTEES:

EXECUTIVE COMMITTEE – 23 NOVEMBER 2016

Members' Allowances

RESOLVED –

That the Scheme for Members' Allowances for 2017/18 be adopted.

FA30 ANNUAL AUDIT LETTER

The Chairman of the Overview and Audit Committee advised Members that the appointed auditor was required to issue an annual audit letter to the Authority following completion of their audit procedures for the year. An unqualified opinion was issued on the Authority's financial statements and the auditors concluded that the Authority had put in place proper arrangements to secure value for money in the use of its resources. Members should also note that there was a reduction of £10k in the audit fee paid for 2015/16 compared to 2014/15 and this was down to less risk and less hours being applied to the audit.

The Deputy Director of Finance and Assets advised Members that this detailed report summarised the key audit findings. There was an 'unqualified' audit opinion and in this context unqualified was very good and meant the auditors hadn't found any significant problems. The auditors found there were good arrangements for secure value for money for the Authority and they also acknowledged the Governance Statement was

consistent with their knowledge of the issues facing the Authority at present.

The Deputy Director of Finance and Assets advised Members that from the 2017/18 financial year, the deadline for preparing the Authority's financial statements would move to 31 May from 30 June. In addition, the deadline for completing the statutory audit would move to 31 July from 30 September. In 2015/16 the Authority met the timelines for having audited statements by the end of July 2016 which was a great achievement and reflects very well on the work of the finance team and wider support services. Also, in July 2016 an internal audit report 'Core Financial Controls' went to the Overview and Audit Committee and for the third consecutive year was given 'substantial assurance', which shows the Authority manages its day to day financial data extremely well.

The Deputy Director of Finance advised Members that the Chairman had mentioned earlier about the importance of external verification in relation to training, it was also important in relation to finances and taking this audit report and the other audit reports mentioned together, it demonstrated and gave Members reassurance that finances are planned, controlled and reported to the highest standard possible.

RESOLVED –

That the Annual Audit Letter for the year ended 31 March 2016 be approved for publication.

FA31

ANNUAL HEALTH, SAFETY AND WELLBEING REPORT

The Lead Member for Health and Safety and Corporate Risk advised Members that it had been a really excellent year for the Authority in terms of its health and safety performance.

The Health and Safety Manager updated Members on the Royal Society for the Prevention of Accidents (RoSPA) Audit outcomes. The audit process looked at the Authority's policies and procedures and more importantly the practical implementation of them across the Service. The Service as a whole was complimented on the continued development of the health and safety management system which was reflected in the excellent score achieved. In the report there were eighteen recommendations to follow up. Eight were identified as high priority and ten as medium priority. These recommendations had been given a RAG status for completion. Of the eighteen recommendations, six were now complete with the remainder progressing well. The lead auditor revisited the Service in November and was pleased to see that good progress was being made on all of the action points from the audit.

The Health and Safety Manager advised Members that with regard to national statistics, Members would see in the report this service was the best performing in its family group. There was an increase in the injury rate of 0.39% despite a reduction in

actual injuries. In 2014/15 the Service had thirty-one injuries to firefighters and 2015/16 it had twenty-seven injuries to firefighters. The reason for the increase was that the Service now had fewer employees. In 2014/15 there were 609 and in 2015/16 there were 528. There was an increase in acts of violence against fire fighters from zero in 2014/15 to one in 2015/16. There was also an increase in RIDDOR reportable incidents to the Health and Safety Executive (HSE) from two to three.

The Health and Safety Manager advised Members that near miss incidents were shown as red and there was a decrease in the number of near miss reports for that year. There were two ways of looking at this. It may mean there were less near misses occurring, which was a positive as it shows the Service was getting safer. Or, was it that there should be more near miss reports than accidents which was currently not the case. Following a programme of training in reporting of near misses, the Authority would be able to report next year an increase in near miss reporting and a reduction in accidents which was what it strived for.

The Health and Safety Manager also advised Members about the well-being of its employees. As 'People' was one of its strategic aims, the focus had been on improving the well-being of staff. Considerable progress had been made in identifying and implementing ways to achieve this, including participation in the Global Corporate Challenge, signing up the Authority to the MIND Blue light pledge and subsequent instruction of Blue Light Champions within the Service. The Service had actually improved the way it responded when staff were suffering from stress, with stress audits, counselling through the occupational health provider, return to work risk assessments, and creation of wellness action plans. Working with Human Resources (HR) on ways to prevent and protect staff from stress, The Health and Safety Manager would be able to report on progress in next year's report.

The Health and Safety Manager thanked the Lead Member for Health and Safety and Corporate Risk for his continued support throughout the year.

A Member asked if all Services were nationally audited and was advised that no they were not, but this would change when the new inspection regime was brought in by the Home Office.

RESOLVED –

That the performance of the Service in terms of Health, Safety and Wellbeing be noted.

FA32

FIRE REFORM – COLLABORATIVE WORKING UPDATE

The Lead Member for Human Resources and Equality and Diversity advised Members that this report provided an update

on collaborative working, primarily within the Thames Valley. Also included was the Authority's contribution on a range of national and regional collaborative programmes which support the Authority's reform agenda and in time will enhance the Thames Valley collaborative outcomes.

The Lead Member for Human Resources and Equality and Diversity advised Members that the best example of the Authority's collaboration was the Thames Valley Fire Control Service, where there was a joint Control Room with Royal Berkshire Fire and Rescue Service and Oxfordshire Fire and Rescue Service. This was working increasingly well and the Lead Member encouraged Members to go and visit the Control Room.

The Lead Member for Human Resources and Equality and Diversity advised Members that a Memorandum of Understanding was signed by the three Thames Valley Fire Services in June 2015. Significant progress had been made since then and it was good to welcome to the meeting Julie Pickford who was the new Programme Manager for the Thames Valley. This appointment showed how serious all three Services were in moving forward with collaborating to provide a better and higher level of service for residents, whilst still ensuring this Service got best value for money.

The Lead Member for Human Resources and Equality and Diversity also advised Members that an increasing number of fire and rescue services had expressed an interest in the Authority's approach to building on the workforce reform agenda to move to local terms and conditions of employment.

The Director of People and Organisational Development advised Members that the success of the joint Fire Control had also identified a whole range of further opportunities in terms of operational policy and ways of working for the three services and the significant focus of the Thames Valley Collaboration was in that area.

The Director of People and Organisational Development advised Members of a significant event that took place on 28 November 2016 when the three Service's senior management teams, together with a lead member from each Service and Councillor Reed attended on the Authority's behalf, met and reviewed progress and identified future collaboration priorities. The three Services also agreed the next steps and priorities for the ensuing two years and how to turn them into tangible outcomes and benefits.

The Director of People and Organisational Development reassured Members that any plans the Authority signed up to, to enhance collaboration, would also enhance delivery of the Corporate and Public Safety Plans and not detract from it.

A Member asked if collaboration in Northamptonshire and Bedfordshire could be looked at as well as the Thames Valley as they shared close borders with Milton Keynes and was advised

that the Chief Fire Officer had regular meeting with his counterpart at Bedfordshire Fire and Rescue Service.

A Member asked if the Authority was looking at further collaboration with the Police and was advised that the Authority had regular meetings with the Police to look at opportunities for co-location. The Chief Fire Officer also said that collaboration with the Police in terms of property and estates had worked very well and there were further opportunities in the short to medium term to focus on fire-fire collaboration which would increase resilience, quality and possibly realise efficiencies.

(Councillor Clarke OBE left the meeting)

RESOLVED –

1. That the Thames Valley Fire and Rescue Services collaborative achievements to date, set out in Annex A be noted;
2. that the range of national and regional examples of collaborative working, set out in Annex B, be noted.

FA33

LEADING THE WAY WITH INNOVATIVE E-LEARNING

Members received a presentation from the Organisational Development Manager and the Training Design Technician on two awards that the Authority had recently won in October 2016 at Learning Pool Live. Paul Whidborne, Training Design Technician had won Learning Pool Superstar for his work driving collaboration between services, setting up a joint development area and sharing best practice. The Organisational Development Team had won a second award for Most Innovative eLearning.

The main points of the presentation were as follows:

- Buckinghamshire was the first fire and rescue service to combine both its training records and learning management system into a single system, giving 2:1 efficiencies and the first true blended training record (Core Training Record (CTR));
- all the products within Heat (eLearning package) had been developed for user needs. One major win was to solve group eLearning for staff, especially on-call crews who don't necessarily have time to complete modules individually. This, and the CTR, had sparked a lot of interest nationally and had led to twenty other fire and rescue services coming to Buckinghamshire to look at this product;
- Buckinghamshire was the only fire and rescue service to be nominated for a national eLearning Award. Not only nominated, but to win two years in a row, against some major competition;
- through collaboration, BMKFA had been leading the way nationally on how eLearning should be produced and also had been leading the way with Cambridgeshire Fire and Rescue Service on making collaboration solutions available

for other fire and rescue services through the development of shared development systems;

- the nomination was presented as an E-Learning package;
- the submission was sent to the Judging Panel with their own login and password in order for them to complete the eLearning.
- the result of excelling in eLearning had earned the team a seat at the table for a national eLearning model. The team would sit on the Chief Fire Officers Association (CFOA) working group to secure the future of eLearning and collaborative working across all fire services in the country.

A Member asked if it would be possible for Members to see the eLearning package and this was agreed and a login and password would be provided to Members.

FA34

DATE OF NEXT MEETING

The Authority noted that the next meeting of the Fire Authority was to be held on Wednesday 15 February 2016 at 11.00am

THE CHAIRMAN CLOSED THE MEETING AT 12.20PM

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Buckinghamshire & Milton Keynes Fire Authority



MEETING	Executive Committee
DATE OF MEETING	8 February 2017
OFFICER	Graham Britten, Director of Legal and Governance
LEAD MEMBER	Councillor Adrian Busby, Chairman of the Authority Councillor David Watson, Chairman of the Overview and Audit Committee
SUBJECT OF THE REPORT	Size of the Authority and its Code of Conduct Complaints Procedure
EXECUTIVE SUMMARY	<p>At its AGM on 8 June 2016, a discussion was held on membership of the Authority. It was requested that a review of the number of Members on the Fire Authority be reported to its February 2017 meeting with recommendations, taking into account a potential seat for the Police and Crime Commissioner ('PCC').</p> <p>The purpose of the report is to put forward options for the Executive Committee to make recommendations from its preferred option(s) to the Authority.</p> <p>If a change in size is preferred the Executive Committee should recommend the size to the Authority. If the change is a reduction in size, the co-option of members and the number of co-opted members should be considered for recommendation to the Authority.</p> <p>Primarily to enable a reduction in the size of the Authority, but also irrespective of that decision, the report recommends revising the Authority's arrangements for determining complaints against Members to facilitate both speedier resolution and the more effective use of resources.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>That the Authority be recommended to resolve that:</p> <ol style="list-style-type: none"> 1. The Authority remains a size of 17 members. <p>OR</p> <ol style="list-style-type: none"> 1. With effect commencing 2017/18 the Authority be increased to a size of between 18 and 25 Members. <p>OR</p> <ol style="list-style-type: none"> 1. With effect commencing 2017/18 the Authority be reduced to a size of between 9 and 16

	<p>Members, and if fewer than 13 Members:</p> <ol style="list-style-type: none">a. the Executive Committee not be constituted; andb. the Overview and Audit Committee be constituted to comprise those Members who are not Lead Members together with 1 to 3 non-voting Co-opted Member(s). <p>2. In the event of recommendations 1(a) to (b) being approved, the Director of Legal and Governance be authorised to:</p> <ol style="list-style-type: none">a. advertise for suitable appointable candidates to be co-opted onto the Overview and Audit Committee and to agree a process for selection in consultation with the Chairman of the Overview and Audit Committee in advance of the Authority's 2017 AGM; andb. prepare any necessary amendments arising from the resolutions set out under 1(a) to (b) to the Authority's constitutional documents for approval at the Authority's 2017 AGM. <p>3. The Procedure for the handling of allegations under the Code of Conduct for Councillors and Co-opted Members (Annex C) be adopted.</p> <p>4. It be noted that the Policing and Crime Bill will require the Authority at a future meeting:</p> <ol style="list-style-type: none">a. if a request is received from the Thames Valley Police and Crime Commissioner to attend, speak and vote at Authority meetings as if a Member of the Authority, to:<ol style="list-style-type: none">i. consider the request, andii. give reasons for their decision to agree to or refuse the request.b. to revise its Code of Conduct Complaints Procedure if the Thames Valley Police Crime Commissioner were to become a Member of the Authority. <p>5. In the event of a change in size to the Authority being approved, the Director of Legal and Governance be authorised to write to the Chief Executives of Buckinghamshire County and Milton Keynes councils of the change in membership in order that that their councils can appoint councillors on the basis of the respective electorates as at 1 December 2016 according to the Office for National Statistics as published in February 2017.</p>
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<p>RISK MANAGEMENT</p>	<p>None of the options present a risk to the operational delivery of the Authority’s services to the public nor a risk of non-compliance with regulatory requirements.</p> <p>One of the key findings of the Adrian Thomas Review was that “Fire authorities should keep the number and level of commitment of fire authority elected members under review. The right number may differ by authority but should be large enough to allow scrutiny without becoming burdensome on operational delivery”.</p> <p>Comparisons to the sizes of membership of other combined fire and rescue authorities are set out elsewhere in the report. The sizes of the metropolitan fire and rescue authorities, and LFEPA, are as follows:</p> <p>South Yorkshire – 12</p> <p>Tyne and Wear – 16</p> <p>London Fire and Emergency Planning Authority – 17*</p> <p>Merseyside – 18</p> <p>West Yorkshire – 22</p> <p>West Midlands – 27</p> <p>Greater Manchester – 30</p> <p>In addition there are 15 county fire and rescue authorities which are integrated within individual councils under the control of an executive member typically with responsibility for other public protection services.</p> <p>*The Policing and Crime Bill legislates for the abolition of LFEPA with responsibility transferring under the Deputy Mayor for Fire for London.</p>																						
<p>FINANCIAL IMPLICATIONS</p>	<p>The costs of allowances and expenses paid to Members over the last 10 years are set out below:</p> <table border="1" data-bbox="628 1543 1094 2018"> <thead> <tr> <th>Year</th> <th>Amount (000s)</th> </tr> </thead> <tbody> <tr> <td>2015/16</td> <td>£63</td> </tr> <tr> <td>2014/15</td> <td>£72</td> </tr> <tr> <td>2013/14</td> <td>£61</td> </tr> <tr> <td>2012/13</td> <td>£61</td> </tr> <tr> <td>2011/12</td> <td>£65</td> </tr> <tr> <td>2010/11</td> <td>£72</td> </tr> <tr> <td>2009/10</td> <td>£71</td> </tr> <tr> <td>2008/09</td> <td>£51</td> </tr> <tr> <td>2007/08</td> <td>£39</td> </tr> <tr> <td>2006/07</td> <td>£40</td> </tr> </tbody> </table> <p>If the membership were reduced, there would be a reduction in basic allowances in total paid to non-Lead Members.</p>	Year	Amount (000s)	2015/16	£63	2014/15	£72	2013/14	£61	2012/13	£61	2011/12	£65	2010/11	£72	2009/10	£71	2008/09	£51	2007/08	£39	2006/07	£40
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	<p>Further comparative analysis of allowances and sizes of the other combined fire and rescue authorities that was undertaken on behalf of Hampshire Fire and Rescue Authority is attached at Annex A (used with permission). The median is 20 members; the mean is 20 members. Further analysis conducted by Hampshire Fire and Rescue Authority based on 14/15 data is attached at Annex B (used with permission).</p> <p>Whilst there have been no co-opted members since the dissolution of the Standards Committee in 2011/12, Authority's Members' Scheme of Allowances retains provisions for the payment of a basic allowance to co-opted members. The Co-optee Allowance for 17/18 is £303 per annum. There would be additional costs in recruitment and in providing training for the role.</p>
<p>LEGAL IMPLICATIONS</p>	<p>Size of the Authority</p> <p>Under the Buckinghamshire Fire Services (Combination Scheme) Order 1996 ('the Combination Scheme') Part III paragraphs 11 and 12 subject to a maximum membership of 25, each constituent authority is required, so far as is practicable, to appoint such number of representatives to be members of the Authority as is proportionate to the number of local government electors in its area in relation to the number of such electors on the other constituent authority's area. The Combination Scheme mandates that the minimum quorum of a meeting of the full Authority is one third with at least one Member from each constituent council.</p> <p>Part IV paragraph 20 of the Combination Scheme applies section 102 of the Local Government Act 1972 to the effect that the Authority may co-opt persons who are not members of the Authority onto its committees, other than a committee for regulating and controlling its finances, as non-voting members of the committee.</p> <p>Code of Conduct Complaints Procedure</p> <p>Section 28 of the Localism Act 2011 requires that, in the event that written allegations are made that one of its Members or Co-opted Members has failed to comply with its Code of Conduct, the Authority must have in place arrangements under which these can be investigated, and under which a decision about the written allegations can be made; whether to take action if there is found to be a failure to comply with the Code of Conduct; and what action to take.</p> <p>The Localism Act 2011 from 1 April 2012 abolished the model code of conduct for local authorities in England, in favour of a new regime that requires local authorities to formulate and adopt a Code of Conduct locally. The requirement for local authorities in</p>

	<p>England to have standards committees was also abolished, in favour of “independent persons” who have a consultative role as part of their local standards arrangement: section 28(7).</p> <p>The power of local authorities to suspend members was revoked from 7 June 2012. Thus, in England, a councillor cannot be disqualified unless he or she is (i) in the paid employment of the authority; (ii) convicted of any offence and sentenced to imprisonment for at least three months; or (iii) convicted of an offence of deliberately withholding or misrepresenting a disclosable pecuniary interest and thereafter made the subject of a disqualification order of up to 5 years by the magistrates’ court.</p> <p>Sanctions for breaches of the Code of Conduct are now limited to (for example) a formal finding that the member has breached the code, formal censure, press or other appropriate publicity, a requirement to undergo relevant training, and removal from committee roles or from outside appointments.</p> <p>Thames Valley Police and Crime Commissioner (‘PCC’)</p> <p>The Policing and Crime Bill will require the Authority, if a request is made by the Thames Valley PCC to attend, vote, and speak at an Authority meeting, to (a) consider the request, (b) give reasons for their decision to agree to or refuse the request, and(c) publish those reasons. If the request is agreed, the legislation deems the Thames Valley PCC to be Member of the Authority and to be bound by the Authority’s Code of Conduct.</p> <p>If the PCC were to become a member of the Authority, the Policing and Crime Bill amends the Localism Act 2011 so that the Authority must include in its Code of Conduct Procedure arrangements for allegations against the PCC to be referred to the Thames Valley Police and Crime Panel and for dealing with any resulting report made to the Authority by that Panel.</p>
<p>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</p>	<p>The proposals have taken into account practices in place in other fire and rescue authorities.</p>
<p>HEALTH AND SAFETY</p>	<p>None arising from the recommendations. There would be an induction procedure for co-opted members.</p>
<p>EQUALITY AND DIVERSITY</p>	<p>Members appointed as councillors onto the Authority are not determined by the Authority. The only criterion is that they have been duly elected as eligible candidates to their respective councils.</p> <p>Any method adopted to recruit candidates to be co-opted onto the Authority will be designed to be consistent with the Authority’s Equality & Diversity</p>

	Objectives 2016 – 2020									
USE OF RESOURCES	On the basis of the respective electorates as at 1 December 2015 (<i>Office for National Statistics, 24 February 2016</i>) for Buckinghamshire County Council and Milton Keynes Council 375,790:179,328 the ratio of 67.7:32.3 provides the following allocations:									
	Reduction in the size of membership from 17									
	Members	9	10	11	12	13	14	15	16	17
	BCC	6	7	7	8	9	9	10	11	12
	MKC	3	3	4	4	4	5	5	5	5
	Increase in the size of membership									
	Members	17	18	19	20	21	22	23	24	25
	BCC	12	12	13	14	14	15	16	16	17
	MKC	5	6	6	6	7	7	7	8	8
	<p>The Authority meets four times a year. One of its committees, the Executive Committee, meets six times a year. Its other committee, the Overview and Audit Committee, has tended to meet for three of its scheduled four meetings a year.</p> <p>Options:</p> <p>Reduction in size with the abolition of Executive Committee. Overview and Audit Committee enhanced with co-opted membership.</p> <p>One option contemplates decisions that would previously have been dealt under the Executive Committee's terms of reference becoming instead decisions for the Authority. The timetable of meetings would likely result in no more than nine Authority meetings (the two February budget meetings being elided) in its first year of operation.</p> <p>Whilst the Home Office has stated that it will use provisions of the Fire and Rescue Services Act 2004 and the Policing and Crime Bill to introduce a national independent inspectorate for fire and rescue services, combined fire and rescue authorities will still not be required to have scrutiny committees of the type found in principal councils. The use of co-opted members on the Authority's Overview and Audit Committee should be conducive to strengthened local governance and accountability of the Authority.</p> <p>Code of Conduct</p> <p>The proposed revised Code of Conduct Complaints procedure (Annex C) dispenses with the need to constitute and populate two subcommittees each of three members as required under current process in order to determine complaints and appeals. The current procedure therefore requires a pool of six</p>									

	<p>members and subcommittee meetings to be timetabled when they can be available to attend, together with officers in attendance. The proposed procedure is based on the procedure adopted by London Fire and Emergency Planning Authority which has been in place since the Localism Act 2011 permitted locally determined arrangements. The Flowchart (Annex D) illustrates the procedure.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>There have been 17 Members on the Authority since its inception in 1997. At the request of the, then, Chairman the membership was increased to 21 in June 2008. This reverted to 17 in June 2010. Archived minutes show that the Vice Chairman being a Member from Milton Keynes Council dates back to June 2000.</p> <p>Section 21 of the Fire and Rescue Services Act 2004 requires the Secretary of State to prepare a 'National Framework' for fire and rescue authorities and for the Authority to have regard to an extant National Framework in carrying out their functions.</p> <p>The current national framework, first published 11 July 2012 mandates at paragraphs 2.4 and 2.5 respectively that <i>"The fire and rescue authority must hold their Chief Fire Officer/Chief Executive to account for the delivery of the fire and rescue service."</i> and <i>"Fire and rescue authorities must have arrangements in place to ensure that their decisions are open to scrutiny."</i></p> <p>The National Audit Office in 2015 commented in relation to its report 'Financial sustainability of fire and rescue services' that: <i>"Unlike in other emergency services there is no external inspection of fire and rescue authorities. DCLG now relies on local scrutiny – from local councillors, the public, and fire chiefs themselves – to safeguard service standards and value for money. Councillors can however lack technical independent support, while a lack of standardised data on response standards makes it hard for people to compare the performance of their local fire authority with others"</i>.</p> <p>On 10 February 2016 the parliamentary Public Accounts Committee published its report, 'Financial sustainability of fire and rescue services'. One of its conclusions was that, <i>"The strength of local governance and accountability is variable, posing risks for the local maintenance of value for money and service standards."</i> Its summary stated that <i>"There are weaknesses in the local scrutiny by fire authorities which raise concerns about their operational performance and safeguarding value for money; this is more serious because of the lack of an external inspectorate, unlike in other emergency services. Weaknesses in the local system of oversight also led</i></p>

	<p><i>to gaps in the Department’s statutory assurance to Parliament that all authorities are maintaining both required performance standards and value for money.”</i></p> <p>The independent review of conditions of service, ‘the Adrian Thomas Review’, was commissioned in August 2014 by the Department for Communities and Local Government (DCLG).</p> <p>Adrian Thomas visited Buckinghamshire and Milton Keynes Fire Authority (BMKFA) as part of his research. The report was completed in 2015 however it was not published until 3 November 2016.</p> <p>The Executive Committee of the Authority considered its findings at its meeting on 23 November 2016. The report made a total of 45 ‘key findings’ broken down into 5 main themes:</p> <ul style="list-style-type: none"> • The working environment • Documented conditions of service • Industrial relations • Retained Duty System • Management of fire and rescue services <p>Under ‘Management of the Fire and Rescue Service’ Thomas posed rhetorically <i>“The question is, is there value added benefit from an average of between 15 and 20 elected councillors in any one fire and rescue service providing political oversight and local accountability or can political decisions and this level of oversight actually work against reform and efficiency?”</i> His report’s key finding 30 was as follows: <i>“Fire authorities should keep the number and level of commitment of fire authority elected members under review. The right number may differ by authority but should be large enough to allow scrutiny without becoming burdensome on operational delivery”</i></p> <p><u>Fire and rescue national framework for England, July 2012, Department for Communities and Local Government</u></p> <p><u>National Audit Office Financial sustainability of fire and rescue services 23 November 2015</u></p> <p><u>House of Commons Committee of Public Accounts Financial sustainability of fire and rescue services 10 February 2016</u></p> <p><u>Independent review of conditions of service for fire and rescue staff in England</u></p>
<p>APPENDICES</p>	<p>Annex A – Comparative analysis of allowances and sizes of other Combined Fire Authorities (HFRS)</p> <p>Annex B – Further analysis of 2014/15 data (HFRS)</p> <p>Annex C - The Procedure for the handling of allegations under the Code of Conduct for Councillors</p>

	and Co-opted Members Annex D – Complaints Procedure Flow Chart
TIME REQUIRED	20 minutes.
REPORT ORIGINATOR AND CONTACT	Graham Britten, Director of Legal and Governance gbritten@bucksfire.gov.uk 01296 744441

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Annex A

Combined Authority	No of Members	No of Committees (exc full Authority)	Population ¹
Avon	25	5	807,313
Bedfordshire	12	1	462,902
Royal Berkshire	20	2	624,805
Buckinghamshire	17	2	555,118
Cambridgeshire	17	2	591,293
Cheshire	23	3	784,787
Cleveland	16	3	398,971
Derbyshire	16	3	767,060
Devon & Somerset	26	6	1,259,023
Dorset and Wiltshire	30	6	1,077,231
Durham	21	5	456,201
East Sussex	18	6	582,293
Essex	25	4	1,299,775
Hampshire	25 ² (10)	4	1,303,626
Hereford & Worcester	25	4	573,147
Humberside	22	1	676,367
Kent	25	2	1,067,917
Lancashire	25	5	1,066,343
Leicestershire	17	2	761,714
North Yorkshire	16	2	597,504
Nottinghamshire	18	8	790,674
Shropshire	17	3	353,837
Staffordshire	21	6	826,454

Information correct at 17.11.16

¹ i.e. registered electorate (Data source: ONS Electoral statistics 2015)

² With a resolution passed on 7 September 2016 to reduce to "10 Councillors plus PCC" wef its Annual Meeting in 2017

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Annex B

Combined FRA's									
Fire Authority	Population	No of Members	No of Councils	No of Members per Council	No of population per Member	Members allowances paid 2014/15	Cost per Member	Cost per head of population	
						£	£	£	£
Avon	1,092,800	25	4	6.25	43,712	49,000	1960.00	0.04	
Bedfordshire	633,900	12	3	4.00	52,825	68,000	5666.67	0.11	
Berkshire	878,400	25	6	4.17	35,136	75,000	3000.00	0.09	
Buckinghamshire	771,800	17	2	8.50	45,400	72,000	4235.29	0.09	
Cambridgeshire	820,500	17	2	8.50	48,265	92,450	5438.24	0.11	
Cheshire	1,034,800	23	4	5.75	44,991	142,286	6186.35	0.14	
Cleveland	559,700	23	4	5.75	24,335	74,943	3258.39	0.13	
Derbyshire	1,027,600	16	2	8.00	64,225	91,000	5687.50	0.09	
Devon and Somerset	1,687,500	24	4	6.00	70,313	140,636	5859.83	0.08	
Dorset	754,400	15	3	5.00	50,293	67,438	4495.87	0.09	
Durham	621,400	25	2	12.50	24,856	61,000	2440.00	0.10	
East Sussex	812,500	18	2	9.00	45,139	79,000	4388.89	0.10	
Essex	1,753,000	25	3	8.33	70,120	152,296	6091.84	0.09	
Hampshire	1,787,300	25	3	8.33	71,492	138,000	5520.00	0.08	
Hereford & Worcester	758,300	25	2	12.50	30,332	53,117	2124.68	0.07	
Humberside	922,200	22	4	5.50	41,918	120,097	5458.95	0.13	
Kent	1,764,600	25	2	12.50	70,584	94,722	3788.88	0.05	
Lancashire	1,468,900	25	3	8.33	58,756	118,201	4728.04	0.08	
Leicestershire	1,033,000	17	3	5.67	60,765	67,620	3977.65	0.07	
North Yorkshire	805,100	16	2	8.00	50,319	72,809	4550.56	0.09	
Nottinghamshire	1,107,000	18	2	9.00	61,500	110,000	6111.11	0.10	
Shropshire	477,100	25	2	12.50	19,084	74,241	2969.64	0.16	
Staffordshire	1,107,200	21	2	10.50	52,724	131,794	6275.90	0.12	
Wiltshire	693,600	13	2	6.50	53,354	57,761	4443.15	0.08	
	24,372,600	497			49,039				

Notes: Data taken from Websites - Members allowances as published or in the FRA statement of accounts - includes travel
Population taken from CIPFA Stats 2014 (provisional)

Sorted by expenses paid									
Fire Authority	Population	No of Members	No of Councils	No of Members per Council	No of population per Member	Members allowances paid 2014/15	Cost per Member	Cost per head of population	
Avon	1,092,800	25	4	6.25	43,712	49,000	1960.00	0.04	
Hereford & Worcester	758,300	25	2	12.50	30,332	53,117	2124.68	0.07	
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Cleveland	559,700	23	4	5.75	24,335	74,943	3258.39	0.13	
Berkshire	878,400	25	6	4.17	35,136	75,000	3000.00	0.09	
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Hampshire	1,787,300	25	3	8.33	71,492	138,000	5520.00	0.08	
Devon and Somerset	1,687,500	24	4	6.00	70,313	140,636	5859.83	0.08	
Cheshire	1,034,800	23	4	5.75	44,991	142,286	6186.35	0.14	
Essex	1,753,000	25	3	8.33	70,120	152,296	6091.84	0.09	

Sorted by cost per Member									
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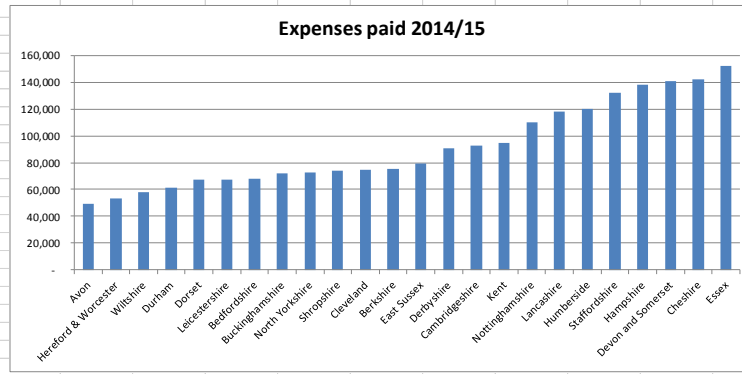
Annex B

Sorted by no of Members								
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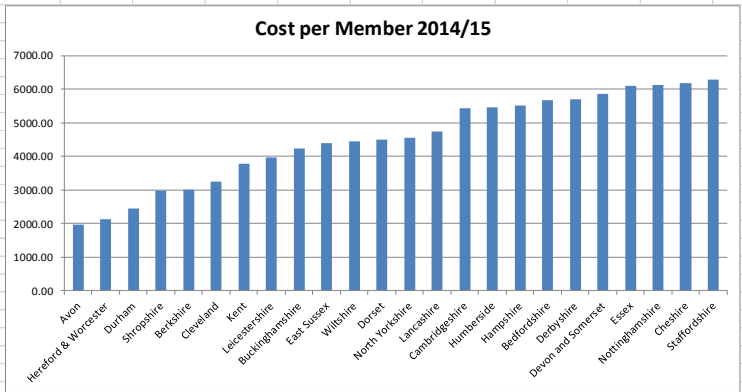
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Annex B

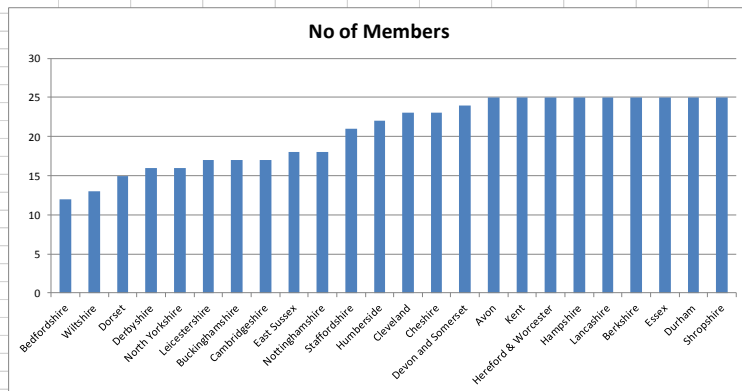
Avon	49,000
Hereford & Worcester	53,117
Wiltshire	57,761
Durham	61,000
Dorset	67,438
Leicestershire	67,620
Bedfordshire	68,000
Buckinghamshire	72,000
North Yorkshire	72,809
Shropshire	74,241
Cleveland	74,943
Berkshire	75,000
East Sussex	79,000
Derbyshire	91,000
Cambridgeshire	92,450
Kent	94,722
Nottinghamshire	110,000
Lancashire	118,201
Humberside	120,097
Staffordshire	131,794
Hampshire	138,000
Devon and Somerset	140,636
Cheshire	142,286
Essex	152,296



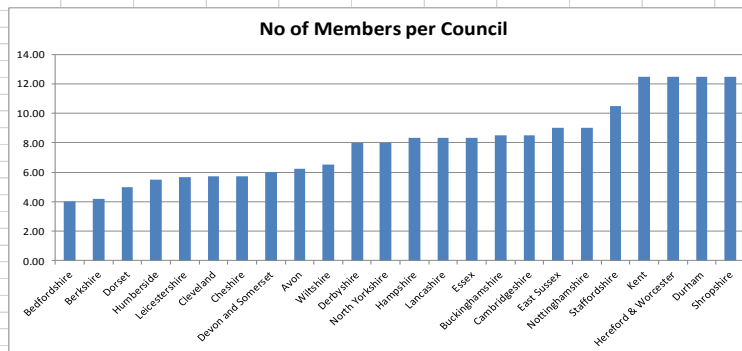
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Hereford & Worcester	2124.68
Durham	2440.00
Shropshire	2969.64
Berkshire	3000.00
Cleveland	3258.39
Kent	3788.88
Leicestershire	3977.65
Buckinghamshire	4235.29
East Sussex	4388.89
Wiltshire	4443.15
Dorset	4495.87
North Yorkshire	4550.56
Lancashire	4728.04
Cambridgeshire	5438.24
Humberside	5458.95
Hampshire	5520.00
Bedfordshire	5666.67
Derbyshire	5687.50
Devon and Somerset	5859.83
Essex	6091.84
Nottinghamshire	6111.11
Cheshire	6186.35
Staffordshire	6275.90



Bedfordshire	12
Wiltshire	13
Dorset	15
Derbyshire	16
North Yorkshire	16
Leicestershire	17
Buckinghamshire	17
Cambridgeshire	17
East Sussex	18
Nottinghamshire	18
Staffordshire	21
Humberside	22
Cleveland	23
Cheshire	23
Devon and Somerset	24
Avon	25
Kent	25
Hereford & Worcester	25
Hampshire	25
Lancashire	25
Berkshire	25
Essex	25
Durham	25
Shropshire	25



Bedfordshire	4.00
Berkshire	4.17
Dorset	5.00
Humberside	5.50
Leicestershire	5.67
Cleveland	5.75
Cheshire	5.75
Devon and Somerset	6.00
Avon	6.25
Wiltshire	6.50
Derbyshire	8.00
North Yorkshire	8.00
Hampshire	8.33
Lancashire	8.33
Essex	8.33
Buckinghamshire	8.50
Cambridgeshire	8.50
East Sussex	9.00
Nottinghamshire	9.00
Staffordshire	10.50
Kent	12.50
Hereford & Worcester	12.50
Durham	12.50
Shropshire	12.50



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Procedure for the handling of allegations under the Code of Conduct against Members of the Buckinghamshire and Milton Keynes Fire Authority (“the Authority”)

Introduction

This procedure applies to complaints about alleged breaches of the Code of Conduct by Members of the Buckinghamshire and Milton Keynes Fire Authority, pursuant to section 28 of the Localism Act 2011.

For the purposes of this procedure the person who makes the complaint is described as “the Complainant” and the person about whom the complaint is made is “the Member”. In this procedure “Member” includes “Co-opted Member”.

Summary of how the procedure works

Stage 1 - Making a complaint

In order to make a complaint you must send your complaint in writing to the Monitoring Officer (see paragraph 1.1 below for details of how to do this and where to send your complaint).

Stage 2 - Assessment of your complaint

If informal resolution is not possible the Monitoring Officer will assess the complaint and decide whether to investigate the allegations contained in it. If the Monitoring Officer decides that the complaint should be investigated, he/she will undertake a process (details of which are set out below) to determine whether or not the complaint is upheld. If the complaint is not to be investigated the Monitoring Officer will write to you to explain why. In some cases the Monitoring Officer may consider informal resolution of your complaint is appropriate.

Stage 3 - Investigation of the complaint

If the Monitoring Officer does investigate your complaint the final summary investigation report and finding will be published on the Authority’s website. In cases where the Monitoring Officer upholds your complaint he/she can apply no formal sanction other than to provide an opinion on the conduct of the Member concerned as compared to the expectations of the Code of Conduct.

There are no appeal mechanisms within this procedure. Should you be dissatisfied with the Monitoring Officer’s decisions and/or actions at any point, you may complain to the Local Government Ombudsman or to the courts.

STAGE 1 - HOW TO COMPLAIN ABOUT MEMBER CONDUCT AND WHAT YOU AND THE MEMBER ARE TOLD AFTER YOU HAVE MADE A COMPLAINT

1.1 How to complain

- 1.1.1. If you want to complain that a Member of the Authority has breached the Authority's Code of Conduct you must make your complaint in writing.
- 1.1.2 You can do this by completing a complaint form. A complaint form can be obtained from the Authority's website or by emailing enquiries@bucksfire.gov.uk or by calling 01296 XXXXXX. The complaint form explains what information you should include in the form.
- 1.1.3 You are not, however, required to use the complaint form, and can make your complaint by writing to: The Monitoring Officer, Buckinghamshire and Milton Keynes Fire Authority, Brigade HQ, Stocklake, Aylesbury, Bucks, HP20 1BD or The Monitoring Officer via enquiries@bucksfire.gov.uk.
- 1.1.4 If you do not use the complaint form and write to the Monitoring Officer instead you should clearly set out the following information in your letter:
- The name of the Member you believe has breached the Code of Conduct;
 - What the Member has done that you believe breaches the Code of Conduct, and which paragraphs of the Code you believe they have breached. (If you are complaining about more than one Member you should clearly explain what each individual person has done that you believe breaches the Code of Conduct);
 - You should be specific, wherever possible, about exactly what you are alleging the Member said or did;
 - You should provide the dates of the alleged incidents wherever possible. If you cannot provide exact dates it is important to give a general timeframe;
 - You should confirm whether there were any witnesses to the alleged conduct and provide their names and contact details if possible;
 - You should provide any relevant background information;
 - You should say what action you think would be appropriate to resolve your complaint;
 - You should say whether you would like your identity and the details of your complaint to be kept from the Member(s) you are complaining about and, if so, explain why. Any such request will be taken into account but your anonymity cannot be guaranteed.

1.2. What happens once you submit a complaint?

- 1.2.1 All complaints about Member conduct will be dealt with by the Authority's Monitoring Officer.
- 1.2.2 If the Monitoring Officer is unsure whether you are actually making a complaint, or any details of your complaint, (s) he will contact you to clarify.

1.3. What you and the Member are told next

1.3.1 If the Monitoring Officer is clear that you are making a complaint that a Member of the Authority has breached the Authority's Code of Conduct, where the Monitoring Officer considers it appropriate, s/he will try to resolve your complaint informally (see Stage 2 below).

1.3.2 If informal resolution is not appropriate or is unsuccessful the Monitoring Officer will:

- (i) write to you to acknowledge that (s)he has received your formal complaint and to inform you that the Member you are complaining about will usually be provided with your identity, unless you write back within 5 working days asking for this not to happen; and
- (ii) unless there are good reasons not to, write to the Member you are complaining about:
 - (a) stating that a formal complaint has been made against them;
 - (b) providing them with your name (unless you have asked that this information is not provided and/or the Monitoring Officer considers there are good reasons not to provide it);
 - (c) stating the relevant paragraphs of the Code you believe the Member has breached; and
 - (d) stating that the complaint will be considered by the Monitoring

STAGE 2 – ASSESSMENT

2.1 Assessing your complaint and making a decision

- 2.1.1 The Monitoring Officer will assess all complaints on a case by case basis and, in doing this, will also take into account relevant guidance and professional advice and may seek the views of the Independent Person (see paragraphs 3.1.2 and 3.2 below).
- 2.1.2 The Monitoring Officer will also take into account any relevant criteria and factors.
- 2.1.3 In the absence of formal sanctions available to the Monitoring Officer to apply in the event of a breach of the Code the Authority expects this complaints procedure to be proportionate to the issues raised and the expected outcomes. The Monitoring Officer will therefore take into account the wider public interest and the cost to the public purse of undertaking any investigation into alleged breaches of the Code. Complaints are, therefore, only likely to be taken forward for investigation where the allegations are reasonably considered to be serious matters.
- 2.1.4 After reviewing your complaint, the Monitoring Officer will do one of the following:
- (a) decide that no action should be taken on your complaint (and inform you of this decision and the related reasons); or
 - (b) decide to investigate your complaint (and inform you of this decision and the related reasons); or
 - (c) decide that informal resolution is appropriate.

2.2 How are you told about the Monitoring Officer's decision?

- 2.2.1 Within 5 working days of making a decision, the Monitoring Officer will provide you and the Member you are complaining about with a written document, containing his/her decision. This is called a "Decision Notice."

2.3 What information will the Decision Notice contain?

- 2.3.1 This will be prepared having regard to any professional advice and the information it contains will depend upon what information the Monitoring Officer decides should be provided. Normally, however, the Decision Notice will:
- contain your name and a written summary of your complaint;
 - contain the Monitoring Officer's decision;
 - record the main points the Monitoring Officer considered, the conclusion and the reasons.
- 2.3.2 The Monitoring Officer will first consider whether providing these or any details is in the public interest or would undermine a person's ability to investigate your complaint (as this may be necessary at a later stage).

2.3.3 If there has been no finding against the Member, the Decision Notice will not contain the name of the Member.

2.4. Decision Notices are made public

2.4.1 After the Decision Notice has been sent to you and the Member you are complaining about, the Authority will publish the Decision Notice on its website.

2.5. A decision of 'no action' and your right to ask for a review of that decision

2.5.1 The Monitoring Officer's decision is final. Where the Monitoring Officer has decided that no action should be taken on your complaint, there is no right to ask for a review of the decision. In these circumstances, your recourse is to complain to the Local Government Ombudsman (10th Floor, Millbank Tower, Millbank, London, SW1P 4QP, Tel: 020 7217 4620).

2.6 What is informal resolution?

2.6.1 Where the Monitoring Officer decides that it would be appropriate to seek informal resolution, s/he will contact you to find out if your complaint can be resolved immediately, without recourse to formal investigation.

2.6.2 Unless there are good reasons not to, the Monitoring Officer will normally advise the Member at this stage that a complaint has been received and provide the Member with such details as the Monitoring Officer considers appropriate.

2.6.3 There will be a whole range of actions that may be appropriate to try and resolve your complaint informally. Some examples are: the Monitoring Officer having a discussion with the Member you have complained about; arranging for the Member to do something which you have asked them to do; arranging a discussion between you and the Member; obtaining an apology from a Member.

2.6.4 It is important, therefore, that you tell us in your complaint what action you think would be appropriate to resolve your complaint.

STAGE 3 - INVESTIGATION FOLLOWING ASSESSMENT

3.1 Monitoring Officer decides to investigate your complaint

- 3.1.1 Where the Monitoring Officer decides that a complaint should be investigated further, s/he may ask you, the Member, any witnesses and any other relevant people to provide them with detailed information or explanations, possibly by way of an interview.
- 3.1.2 The Monitoring Officer may arrange for the investigation to be carried out on her or his behalf by another person. In determining the complaint the Monitoring Officer will seek and take into account the views of at least one Independent Person appointed by the Authority for such purposes. The Monitoring Officer may take into account the views of an Independent Person on any other matter concerning the investigation.
- 3.1.3 Information obtained in conducting the investigation will only be released to third parties where this will allow your complaint to be dealt with properly.
- 3.1.4 In addition to taking into account the views of the Independent Person, the Monitoring Officer will, when seeking to reach a finding on the complaint, take into account relevant guidance and professional advice.

3.2 The role of the Independent Person

- 3.2.1 The role of the independent Person, under section 28(7) Localism Act 2011, is:
- To give views, which must be taken into account by the Monitoring Officer before s/he makes a decision on an investigation s/he has decided to investigate;
 - Give views, if requested by the Monitoring Officer, on any other allegation;
 - To give views to a Member if that person's behaviour is the subject of an allegation.
- 3.2.2 What happens when your complaint is investigated and the investigation is completed?
- 3.2.3 Once the investigation is completed, the Monitoring Officer will:
- (i) find that the Member has failed to comply with the Authority's Code of Conduct ("a finding of failure"); OR find that the Member has not failed to comply with the Authority's Code of Conduct ("a finding of no failure");
 - (ii) prepare a written summary report of the investigation which contains a statement of the finding;
 - (iii) send a copy of the report to you and the Member as soon as is reasonably practicable after making the decision; and

- (iv) publish a summary report and finding on the Authority's web site. The name of the Member will only be published where there is a finding of failure on the part of the Member.

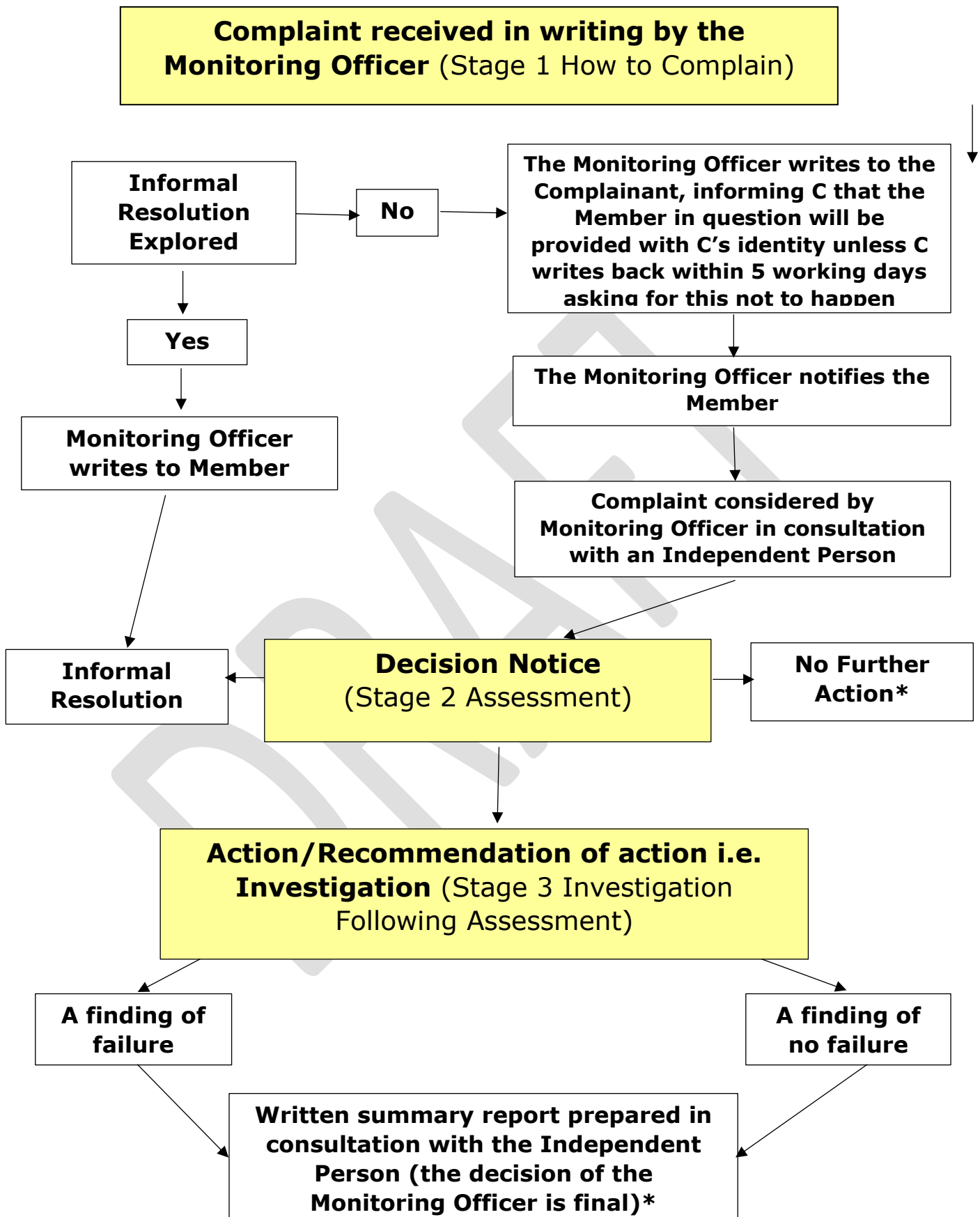
3.2.4 In cases where the Monitoring Officer upholds your complaint, s/he has no legal powers to apply formal sanctions other than to provide an opinion on the conduct of the Member as compared with the expectations of the Code of Conduct.

3.2.5 The decision of the Monitoring Officer is final. There is no entitlement to appeal against the Monitoring Officer's decision on a complaint. In these circumstances, you may be able to complain to the Local Government Ombudsman (10th Floor, Millbank Tower, Millbank, London, SW1P 4QP, Tel: 020 7217 4620).

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COMPLAINTS PROCEDURE FLOWCHART



* Subject to the jurisdiction of the Local Government Ombudsman

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Report considered by the Executive Committee – 8 February 2017

Buckinghamshire & Milton Keynes Fire Authority



MEETING	Executive Committee
DATE OF MEETING	8 February 2017
OFFICER	David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	The Prudential Code, Prudential Indicators and Minimum Revenue Provision
EXECUTIVE SUMMARY	<p>This report is being presented as the Prudential Indicators (Appendices A and B) and Minimum Revenue Provision policy statement (Appendix C) are required to be approved by the Fire Authority and to support the Medium Term Financial Plan (MTFP).</p> <p>A review of the Balance Sheet indicates that the Authority is currently in an over-borrowed position. Due to prohibitive penalties the early repayment of borrowing is not an option. The Authority has no plans for additional borrowing in the foreseeable future, according to the current MTFP.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>That the Executive Committee approve the recommendations below for submission to the Fire Authority.</p> <p>That the Authority be recommended to approve:</p> <ol style="list-style-type: none"> 1. the Prudential Indicators; and 2. the Minimum Revenue Provision policy statement
RISK MANAGEMENT	<p>The Prudential Code was established to ensure that capital investment plans are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. The indicators presented here demonstrate that the current plans for capital investment meet these criteria and present an acceptable level of risk to the Authority.</p> <p>Minimum revenue provision is a statutory charge to the General Fund, which ensures that an Authority has sufficient cash balances to repay borrowing upon maturity, reducing the refinancing risk.</p> <p>There are no direct staffing implications.</p>

<p>FINANCIAL IMPLICATIONS</p>	<p>The decision on the prudential indicators sets out the financial limits within which the Authority will operate in future years.</p> <p>The minimum revenue provision is a statutory charge against the General Fund, estimated at £47k for 2017/18 (no change from 2016/17).</p>
<p>LEGAL IMPLICATIONS</p>	<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>
<p>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</p>	<p>No direct impact.</p>
<p>HEALTH AND SAFETY</p>	<p>No direct impact.</p>
<p>EQUALITY AND DIVERSITY</p>	<p>No direct impact.</p>
<p>USE OF RESOURCES</p>	<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>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>Realignment of Reserve Balances to Facilitate the Medium Term Financial Plan, Executive Committee, 18 November 2015:</p> <p>http://bucksfire.gov.uk/files/7314/4612/0201/ITEM_6_.Reserve_Balances_Update_Post_Pre-Brief.pdf</p>
<p>APPENDICES</p>	<ul style="list-style-type: none"> • Appendix A – Prudential Indicators • Appendix B – Summary Table of Prudential Indicators • Appendix C – Minimum Revenue Provision Policy Statement

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

Appendix A – Prudential Indicators

1.0 Indicators for Affordability

1.1 The ratio of financing costs to net revenue stream

This indicator measures the percentage of the net revenue funding used to finance external debt. The spike in 2015/16 relates to the decision to reallocate reserves to reduce the capital financing requirement (excluding finance lease) to zero (see Provenance Section & Background Papers). As no future borrowing is planned it will remain consistently low from 2016/17 onwards:

Indicator	Actual 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Ratio of financing costs to net revenue stream	24.8%	1.0%	1.2%	1.2%	1.1%

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.

Indicator	Actual 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
The incremental impact of capital investment decisions on the council tax	-£0.92	£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 will reduce to £7.382m due to a loan repayment of £368k which matured in May 2016. 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 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Gross borrowing (£000)	8,265	7,750	7,382	7,382	6,797
Capital financing requirement (£000)	1,826	1,779	1,732	1,685	1,638

3.0 Indicators for Capital Expenditure

3.1 Capital Expenditure

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

Indicator	Actual 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Capital expenditure (£000)	2,363	4,173	13,580	1,228	1,228

3.2 Capital Financing Requirement (CFR)

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

Indicator	Actual 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Capital financing requirement (underlying need to borrow for a capital purpose) (£000)	1,826	1,779	1,732	1,685	1,638

4.0 Indicators for External Debt

4.1 Authorised Limit

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

Indicator	Actual 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Operational boundary for borrowing (£000)	8,265	7,750	7,382	7,382	6,797
Operational boundary for other long-term liabilities (£000)	1,826	1,779	1,732	1,685	1,638
Operational boundary for external debt (£000)	10,091	9,529	9,114	9,067	8,435

4.2 Operational Boundary

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

Indicator	Actual 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Operational boundary for borrowing (£000)	8,265	7,750	7,382	7,382	6,797
Operational boundary for other long-term liabilities (£000)	1,826	1,779	1,732	1,685	1,638
Operational boundary for external debt (£000)	10,091	9,529	9,114	9,067	8,435

The actual external debt for the year ending 31 March 2016 was **£9.529m**.

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 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
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	Actual 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	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 2015/16	Projected 2016/17		Estimate 2017/18		Estimate 2018/19		Estimate 2019/20	
	Actual Maturity	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit
Under 12 months	6%	0%	5%	0%	0%	0%	8%	0%	0%
12 months and within 24 months	4%	0%	0%	0%	8%	0%	0%	0%	0%
24 months and within five years	7%	0%	8%	0%	0%	0%	8%	0%	24%
five years and within 10 years	20%	0%	21%	0%	22%	0%	27%	0%	15%
10 years and within 20 years	29%	0%	31%	0%	32%	0%	19%	0%	20%
20 years and within 30 years	0%	0%	0%	0%	0%	0%	0%	0%	0%
30 years and within 40 years	26%	0%	35%	0%	38%	0%	38%	0%	41%
40 years and above	8%	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 may seek to invest for periods longer than 364 days with other Local Authorities. This will be kept under review in light of economic conditions and advice from treasury management advisors:

Indicator	Actual 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Total principal sums invested for periods longer than 364 days (£000)	0	0	2,000 (max)	2,000 (max)	2,000 (max)

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 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Indicators for Affordability						
1.1	Ratio of financing costs to net revenue stream	24.8%	1.0%	1.2%	1.2%	1.1%
1.2	The incremental impact of capital investment decisions on the council tax	-£0.92	£0.00	£0.00	£0.00	£0.00
Indicators for Prudence						
2.1	Gross borrowing (£000)	8,265	7,750	7,382	7,382	6,797
Indicators for Capital Expenditure						
3.1	Capital expenditure (£000)	2,363	4,173	13,580	1,228	1,228
3.2	Capital financing requirement (£000)	1,826	1,779	1,732	1,685	1,638
Indicators for External Debt						
4.1	Authorised limit for external debt (£000)	10,091	9,529	9,114	9,067	8,435
4.2	Operational boundary for external debt (£000)	10,091	9,529	9,114	9,067	8,435
Indicators for Treasury Management						
5.2	Upper limit on fixed interest rate exposures	100%	100%	100%	100%	100%
5.3	Upper limit on variable interest rate exposures	20%	20%	20%	20%	20%
5.5	Total principal sums invested for periods longer than 364 days (£000)	0	0	2,000 (max)	2,000 (max)	2,000 (max)

The actual external debt for the year ending 31 March 2016 was £9.529m. The projected external debt for the year ending 31 March 2017 is £9,114m (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 2016/17
- 5.4 – details of the maturity structure of fixed rate borrowing (see Appendix A)
- 5.6 – narrative regarding credit risk (see Appendix A)

Appendix C – Minimum Revenue Provision (MRP) Policy Statement

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

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

(a) CFR Method

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

(b) Asset Life Method

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

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

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

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	8 February 2017
OFFICER	David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	Medium Term Financial Plan (MTFP) 2017/18 to 2019/20
EXECUTIVE SUMMARY	<p>The main report (Annex A) presents the proposed revenue and capital Medium Term Financial Plan (MTFP) for the financial years 2017/18 to 2019/20.</p> <p>The provisional settlement was announced on 15 December 2016 and is included in the funding assumptions. Final confirmation is expected in February 2017.</p> <p>Key assumptions are detailed in section 4.5 of Annex A and are based on information received to date.</p> <p>Appendix 1 shows the base budget for 2016/17 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 the Chairman of the Authority, the Chairman of the Overview and Audit Committee and the Lead Members for Finance, Human Resources and Property and Resource Management at the challenge sessions held on 24 October 2016 and 12 January 2017.</p> <p>Appendix 2 shows the latest summary of the capital programme for 2017/18 and approved schemes for the following three 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 1.98%.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that the Authority be recommended to:</p> <ol style="list-style-type: none"> 1. Note and have due regard to the report and Statement of the Chief Finance Officer (see section 8 of Annex A). 2. Approve a Council Tax precept of £60.88 for a band D equivalent property (a 1.98% increase

	<p>from 2016/17 - equal to 2.3p per week) and the revenue budget as set out in Appendix 1.</p> <p>3. Approve the capital programme as set out in Appendix 2.</p>
RISK MANAGEMENT	<p>Management of our Financial resources is a key risk to the Authority. By projecting forward and monitoring our financial plans, we are in a better position to avoid and mitigate the risk of adverse financial consequences.</p>
FINANCIAL IMPLICATIONS	<p>All financial implications are shown in the main body of the report.</p>
LEGAL IMPLICATIONS	<p>The Local Government Act 2003 gives the responsible finance officer, namely the Chief Finance Officer of the Combined Fire Authority under s112 of the Local Government Finance Act 1988, the responsibility to report to Members of the Authority on their assessment of the robustness of the estimates used within the budget and on the adequacy of reserves.</p> <p>Members must take account of the advice of the Chief Finance Officer in respect of the above and the highlighted associated risks before considering the recommendations as set out in the report.</p>
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	<p>No direct impact.</p>
HEALTH AND SAFETY	<p>No direct impact.</p>
EQUALITY AND DIVERSITY	<p>No direct impact.</p>
USE OF RESOURCES	<p>The Medium Term Financial Plan, including capital and revenue budgets, identifies the financial resources required projected into the future based on the delivery of specific aims and objectives of the Authority as set out in the Public Safety Plan (PSP). Members, Senior Management Board and many staff have been involved in agreeing priorities and the budget setting process over the preceding months.</p>
PROVENANCE SECTION & BACKGROUND PAPERS	<p>Background</p> <p>Medium Term Financial Plan (MTFP) 2016/17 to 2019/20, Fire Authority, 3 February 2016: http://bucksfire.gov.uk/files/9214/5564/0122/ITEM_7_c_Medium_Term_Financial_Plan.compressed.pdf</p> <p>Four Year Settlement and Efficiency Plan, Executive Committee, 21 September 2016: http://bucksfire.gov.uk/files/3414/7333/8081/ITEM_6</p>

	_BMKFA Efficiency Plan Appendix.pdf
APPENDICES	Annex A – Medium Term Financial Plan 2017/18 to 2019/20 Appendix 1 – MTFP Budget Models Appendix 2 – Capital Programme Summary Appendix 3 – Council Tax Funding
TIME REQUIRED	30 minutes
REPORT ORIGINATOR AND CONTACT	Mark Hemming mhemming@bucksfire.gov.uk 01296 744687

Annex A – Medium Term Financial Plan (MTFP) 2017/18 to 2019/20

1. Introduction

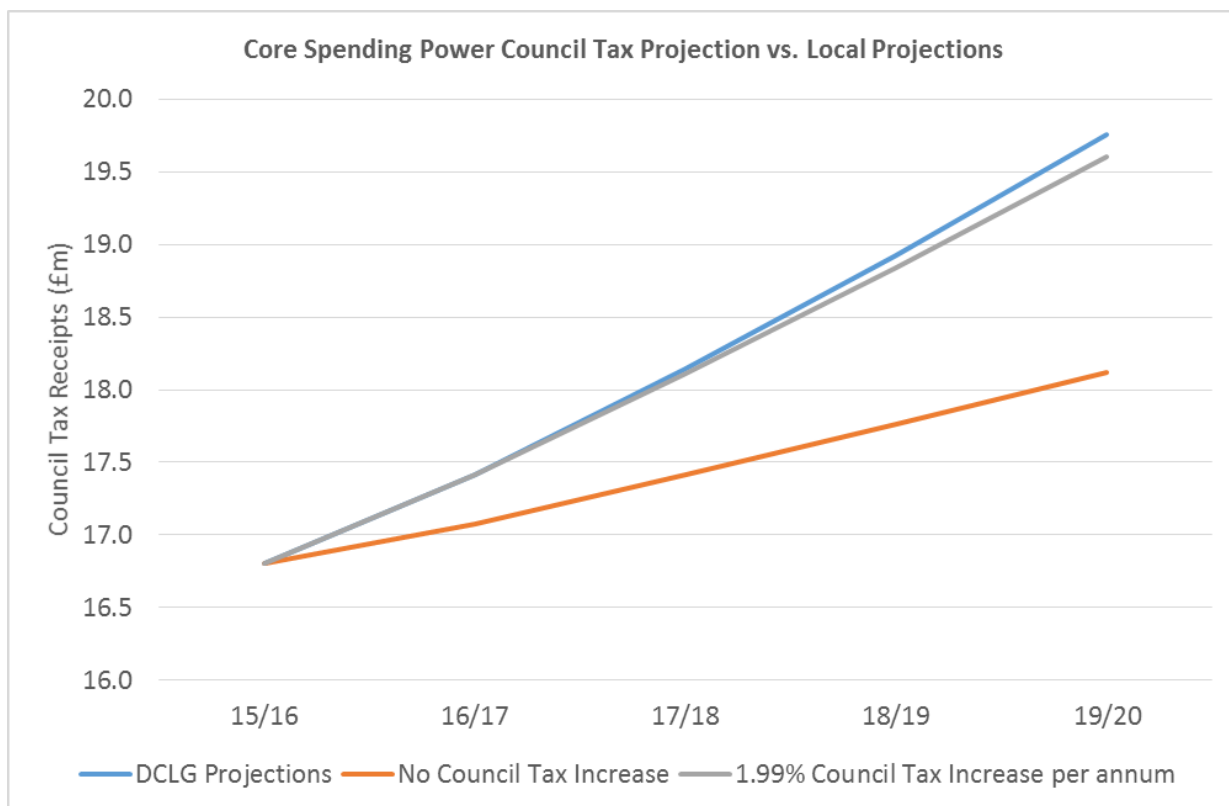
- 1.1. The purpose of this report is to present the proposed revenue and capital Medium Term Financial Plan (MTFP) 2017/18 to 2019/20.
- 1.2. The MTFP is closely linked to the Public Safety Plan (PSP) and Corporate Plan. The PSP sets out our strategic approach to the management of risk in the communities 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 2017 to 2018

- 2.1. This year's settlement announcement continued the important shifts 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 last year's announcement, the Government published headline changes in core spending power between 2015/16 and 2019/20 for every authority. The headline change for BMKFA for was an increase of 1.2%. As the Authority has accepted the four-year settlement offer, the figures and assumptions have not changed with this year's announcement.
- 2.3. However, this headline increase is based on two fundamental assumptions
 - That the average growth in council tax base between 2013-14 and 2015-16 will continue until 2019-20
 - That authorities will increase their Band D council tax in line with the forecast for inflation each year, which is an annual average increase of 1.75%
- 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.
- 3.2. The chart below shows the council tax receipts assumed for BMKFA in the Government’s core spending power figures versus the amounts receivable from a council tax freeze each year and a 1.99% increase each year:



- 3.3. The cumulative difference between a 1.99% annual increase and holding council tax at its current level over the four year period is £3.6m. 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% last year, 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, there is no change in the referendum threshold from previous years, which continues to be 2%.
- 3.7. The Authority currently sets a band D equivalent precept of £59.70 per annum (approx. £1.14 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 1.98% is shown in Appendix 3.
- 3.9. For the year 2017/18, 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 £164k 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 2017/18 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 USAR grant. Funding for 2016/17 was initially only confirmed for 6 months, before the remaining six month's funding was confirmed later in the year. The potential discontinuation of USAR funding is the biggest 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 2017/18 and the base adjusted. The savings figures include (amongst others) all reductions in staff numbers in line with the Public Safety Plan and workforce plan, savings from utilising the transformation funding relating to Milton Keynes and the reduction in the level of contingency. Other risks which have been identified are to be covered from the general reserves and the remaining contingency.
- 4.4. The forecast underspend for 2016/17 as at the end of November was £1.2m (including amounts already transferred to reserves during the year). The vast majority of this variation relates to operational staffing and contingency. Both of these budgets are being reduced significantly for 2017/18.

- 4.5. The detailed costings are based on the updated budget requirement including the annual uplift assumptions below:

	2016/17	2017/18	2018/19	2019/20
Pay inflation	1%	1%	1%	1%
RPI	0.8%	2%	3%	3%
CPI	1.75%	1.75%	1.75%	1.75%
Council tax base	1.6%	1.7%	2%	2%
Business tax base	0.75%	0.75%	0.75%	0.75%

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 2016/17, the estimated provisional outturn position and any proposed slippage to the programme. Any slippage is then added to the new budget requests for 2017/18 to give a total capital budget requirement of £8.5m for 2017/18.
- 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 the Chairman of the Authority, the Chairman of the Overview and Audit Committee and the Lead Members for Finance, Human Resources and Property and Resource Management during the MTFP process.

7. Adequacy of Reserves

- 7.1. A paper ensuring the adequacy of reserves to support the MTFP was approved by the Executive Committee at its meeting on 18 November 2015 (http://bucksfire.gov.uk/files/7314/4612/0201/ITEM_6_Reserve_Balances_Update_Post_Pre-Brief.pdf). There have been no subsequent events that require the level of the General Fund determined at that time to be adjusted at present
- 7.2. The forecast balances and reserves at year-end as per the budget monitoring report at the end of November 2016 are:
- General Fund Balance - £2.0m
 - Earmarked Reserves - £1.75m
 - Capital Reserves - £3.4m
- 7.3. The above figure assumes that the recommendation to transfer an additional amount of £200k to the Revenue Contribution to Capital Reserve is approved. No further transfers to or from reserves are required at this point in time.

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 2017/18 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 Section 4.5 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 very significant 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 notified at the meeting.

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Base Budget	27,499	28,827	28,323	28,173	27,799
Pay Adjustment	213	565	245	183	183
Inflation Adjustment	88	90	140	88	86
Savings	-1,096	-559	-2,184	-140	0
Growth	728	1,309	1,565	-560	560
Previous year savings & growth adjustments	-888	-824	24	55	0
Contingency	1,309	-669	-140	0	0
Revenue Contribution to Capital	887	-416	200	0	0
Net Budget Requirement	28,740	28,323	28,173	27,799	28,628
Govt Funding	-5,170	-4,507	-3,352	-2,630	-2,290
Business Rates	-5,158	-4,874	-4,949	-5,123	-5,314
Council Tax Receipts Surplus/Deficit	-329	-265	-276	0	0
Council Tax Freeze Grant (15/16) then NNDR Pooling	-182	-164	-164	0	0
Fire Specific Grants (USAR/Firelink)	-1,099	-1,099	-1,074	-1,074	-1,074
Council Tax Receipts	-16,802	-17,414	-18,054	-18,846	-19,607
Use of Reserves			-250		
Total Funding Available	-28,740	-28,323	-28,119	-27,673	-28,285
Shortfall for year	0	-0	55	127	343
Cumulative savings requirement	0	-0	54	181	524

Appendix 2 – Capital Programme

The table below summarises the capital programme from 2016/17 through to 2020/2021:

Capital Programme Summary	Approved Budget 2016/17 £000	Provisional Outturn 2016/17 £000	Slippage 2016/17 £000	New Budget Requests 2017/18 £000	Total Budget Requirement 2017/18 £000	New Budget Requests 2018/19 £000	New Budget Requests 2019/20 £000	New Budget Requests 2020/21 £000
Property	694	545	150	500	650	500	500	500
Property Review	140	0	140	0	140	0	0	0
Milton Keynes Review	11,785	825	10,960	0	10,960	0	0	0
Fire Appliances & Equipment	3,518	2,490	996	747	1,743	641	646	641
Support	314	314	0	87	87	87	87	87
Total Expenditure	16,451	4,173	12,246	1,334	13,580	1,228	1,233	1,228
Funding b/fwd		-9,209			-7,613	-335	-1,044	-1,748
In year funding		-2,577			-6,302	-1,937	-1,937	-1,937
Funding (Available) / Deficit		-7,613			-335	-1,044	-1,748	-2,457

Appendix 3 – Council Tax Rates

Although the projected headline increase in the model is 1.99%, the actual percentage increase (to two decimal places) would be 1.98% in 2017/18. This is due to the effect of rounding on small numbers.

If the band D equivalent council tax were increased by 1.98% for 2017/18, the following rates would apply to properties in each band:

Bands	Proportion of Band D Charge	Per Week (£)	Per Month (£)	Per Year (£)
A	6/9	0.78	3.38	40.59
B	7/9	0.91	3.95	47.35
C	8/9	1.04	4.51	54.12
D	9/9	1.17	5.07	60.88
E	11/9	1.43	6.20	74.41
F	13/9	1.69	7.33	87.94
G	15/9	1.95	8.46	101.47
H	18/9	2.34	10.15	121.76

This would represent an annual increase of 79p per annum on a band A, £1.18 per annum on a band D and £2.36 per annum on a band H property.

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Revised Appendix 1 – Updated MTFP Model

This table replaces the version of Appendix 1 originally published. It has been updated following confirmation from the billing authorities of amounts receivable from Council Tax and Business Rates (the statutory deadline for which was 31 January).

The substantive changes of note are:

- Business rates income for 2017/18 has been revised upwards from £4.949m to £5.123m (an increase of £174k). Future years' figures have been revised upwards in line with this increase
- The Pay adjustment figure has been increased by £13k following receipt of the local government pension scheme valuation report to allow for the slightly higher than expected increase in employer contributions
- The use of reserves figure has been reduced by £100k as a lower amount is now required to balance the budget

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Base Budget	27,499	28,827	28,323	28,186	27,812
Pay Adjustment	213	565	258	183	183
Inflation Adjustment	88	90	140	88	86
Savings	-1,096	-559	-2,184	-140	0
Growth	728	1,309	1,565	-560	560
Previous year savings & growth adjustments	-888	-824	24	55	0
Contingency	1,309	-669	-140	0	0
Revenue Contribution to Capital	887	-416	200	0	0
Net Budget Requirement	28,740	28,323	28,186	27,812	28,641
Govt Funding	-5,170	-4,507	-3,348	-2,633	-2,286
Business Rates	-5,158	-4,874	-5,123	-5,308	-5,511
Council Tax Receipts Surplus/Deficit	-329	-265	-276	0	0
Council Tax Freeze Grant (15/16) then NNDR Pooling	-182	-164	-164	0	0
Fire Specific Grants (USAR/Firelink)	-1,099	-1,099	-1,074	-1,074	-1,074
Council Tax Receipts	-16,802	-17,414	-18,051	-18,778	-19,536
Use of Reserves	0	0	-150	0	0
Total Funding Available	-28,740	-28,323	-28,186	-27,793	-28,407
Shortfall for year	0	0	0	19	234
Cumulative savings requirement	0	0	0	19	253

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Buckinghamshire & Milton Keynes Fire Authority



MEETING	Fire Authority
DATE OF MEETING	15 February 2017
OFFICER	David Sutherland, Director of Finance & Assets
LEAD MEMBER	Councillor Peter McDonald
SUBJECT OF THE REPORT	Treasury Management Strategy 2017/18
EXECUTIVE SUMMARY	<p>This report is being presented as the Fire 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. There are currently no significant changes to the proposed strategy for 2017/18.</p> <p>The Authority's professional treasury advisors (Capita) will be attending the Overview and Audit Committee meeting in March 2017. At this meeting they will provide an overview of the economic environment, the risks of current and potential investments and provide an opportunity for Members to discuss potential revisions to the strategy. If any changes are required a mid-year update will be recommended to the Authority for approval during 2017/18.</p>
ACTION	Decision.
RECOMMENDATIONS	It is recommended that the Authority be recommended to approve the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy for 2017/18.
RISK MANAGEMENT	<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.</p>

	There are no direct staffing implications.
FINANCIAL IMPLICATIONS	<p>The proposed budget for 2017/18 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 (Capita) 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>
LEGAL IMPLICATIONS	<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 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>
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	The projected income has been factored into the Medium Term Financial Plan.
PROVENANCE SECTION & BACKGROUND PAPERS	<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>APPENDICES</p>	<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>TIME REQUIRED</p>	<p>10 minutes</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Linda Blunt</p> <p>lblunt@bucksfire.gov.uk</p> <p>(01296) 744404</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 2016 comprised:

Borrowing

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

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

Investments

£25.080m Average Rate 1 April 2016 to 30 September 2016: 0.73%

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 2017/18, the Authority will continue with Capita as its external treasury management advisor. Capita's view of the prospects for interest rates can be seen in Appendix C.

Capita advise that the current benchmark rate of return on investments should be Base Rate (currently 0.25%), 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 would give an annual return of circa £50k on a balance of £20m (the total current projected return for 2016/17 is circa £150k). If the Annual Investment Strategy was to remain unchanged from 2016/17, and the Authority were to achieve an average rate of 0.25%, this would give an annual return of circa £50k on a balance of £20m.

However the average rate of return for 2014/15, 2015/16 and 2016/17 to date has been 0.69%, 0.76% and 0.67% respectively. Therefore the Authority projects that it should achieve the required average interest rate of 0.50% in order to meet the budget of £100k return on investments. The only caveat being that there is a downward risk on the level of return we 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 provide a realistic return 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

Due to the current level of penalties on the early repayment of borrowing, it is not expected that any debt will be restructured over the medium term.

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 Capita 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, Capita 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 Capita. 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 are used by the Authority to determine the suggested duration for investments. The Authority will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 3 months
- No colour not to be used

The Capita 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 equivalent) 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 Capita 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. 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. A list of the proposed counterparties is shown in Appendix B. Although Capita advise that investments can be placed with some of the counterparties for longer than 100 days, the Authority proposes to limit the duration of all non-UK investments to 100 days.

Counterparty Limits

As per the 2016/17 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.

The one exception to this limit in the 2016/17 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 0.15%). 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

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 10% will be held in aggregate in non-specified investments i.e. the Authority may invest funds with other Local Authorities for longer than 364 days – up to a maximum of five years as denoted by the yellow banding on the Capita creditworthiness policy detailed earlier in this paper. Local authorities are Government backed.

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 Capita as at 30 December 2016. Please note that all colours indicated refer to Capita's creditworthiness policy (see Appendix A):

UK Based Counterparties

<u>Country</u>	<u>Counterparty</u>	<u>Maximum Duration</u>
UK	Abbey National Treasury Services	Red - 6 mths
UK	Bank of Scotland	Red - 6 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	Red - 6 mths
UK	Santander UK PLC	Red - 6 mths
UK	Standard Chartered Bank	Green – 3 mths
UK	Sumitomo Mitsui Banking Corporation Europe Ltd	Red - 6 mths
UK	UBS Ltd	Red - 6 mths
UK	Coventry Building Society	Red - 6 mths
UK	Leeds Building Society	Red - 6 mths
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

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

Country	Counterparty	Maximum Duration (as rated by Capita)
Germany	Deutsche Bank AG	No colour - 0 mths
Germany	DZ BANK AG Deutsche Zentral-Genossenschaftsbank	Orange - 12 mths
Germany	Landesbank Berlin AG	Orange - 12 mths
Germany	Landesbank Hessen-Thuringen Girozentrale	Orange - 12 mths
Germany	Landwirtschaftliche Rentenbank	Purple - 24 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

As noted in Appendix A, the duration of all non-UK investments will be limited to 100 days, even where Capita advise that a longer duration is acceptable.

There are a number of other non-UK based counterparties that have not been included on the list, as either the rates offered are significantly lower than available elsewhere, or that the counterparty is unlikely to take deposits of the size the Authority would be able to offer.

Counterparties Rated 'No Colour' by Capita

As noted in Appendix A, sole reliance will not be placed on the use of Capita 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' by Capita. These are all now rated by Capita and appear on our Provisional Counterparty Listing above.

Appendix C – Prospects for Interest Rates

The following table gives the Capita central view:

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2016	0.25	1.60	2.90	2.70
Mar 2017	0.25	1.60	2.90	2.70
Jun 2017	0.25	1.60	2.90	2.70
Sep 2017	0.25	1.60	2.90	2.70
Dec 2017	0.25	1.60	3.00	2.80
Mar 2018	0.25	1.70	3.00	2.80
Jun 2018	0.25	1.70	3.00	2.80
Sep 2018	0.25	1.70	3.10	2.90
Dec 2018	0.25	1.80	3.10	2.90
Mar 2019	0.25	1.80	3.20	3.00
Jun 2019	0.50	1.90	3.20	3.00

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

The referendum vote for Brexit in June 2016 delivered an immediate shock fall in confidence indicators and business surveys at the beginning of August, which were interpreted as pointing to an impending sharp slowdown in the economy. However, the following monthly surveys in September showed an equally sharp recovery in confidence and business surveys so that it is generally expected that the economy will post positive growth numbers through the second half of 2016 and in 2017, albeit at a slower pace than in the first half of 2016.

The Monetary Policy Committee (MPC) meeting in August was dominated by consideration of the initial shock fall in business surveys and the expected sharp slowdown in growth. The result was a package of measures that included a cut in Bank Rate from 0.50% to 0.25%, a renewal of quantitative easing with £70bn made available for purchases of gilts and corporate bonds, and a £100bn tranche of cheap borrowing for banks to use to lend to businesses and individuals.

The Bank of England quarterly Inflation Report included an unchanged forecast for growth for 2016 of 2.0% but cut the forecast for 2017 from 2.3% to just 0.8% and the forecast for 2018 to 1.8%. However, some forecasters think that the Bank has been too pessimistic with its forecasts; since then, later statistics and the sharp recovery in business surveys have provided support for this view.

The Inflation Report also included a sharp rise in the forecast for inflation to around 2.4% in 2018 and 2019. CPI had already started rising during 2016 as the falls in the price of oil and food twelve months ago fall out of the calculation during the year and, in addition, the post referendum 18% fall in the value of sterling on a trade weighted basis (as at late October), is likely to result in additional upward pressure on CPI. However, this further increase in inflationary pressures will take 2-3 years to gradually work its way through the economy so is unlikely to cause major concern to the MPC unless the increases are stronger than anticipated. The MPC is, therefore, on balance, expected to look through this one off upward blip in inflation from the

devaluation of sterling in order to support economic growth, especially if pay increases continue to remain subdued and therefore pose little danger of stoking core inflationary price pressures *arising from within* the UK economy. The Bank of England will most probably have to revise its inflation forecasts significantly higher in its 3rd November quarterly Inflation Report: this rise in inflation expectations has caused investors in gilts to demand a sharp rise in longer term gilt yields, which have already risen by around fifty basis points since mid-August. It should be noted that 27% of gilts are held by overseas investors who will have seen the value of their gilt investments fall by 18% as a result of the devaluation of sterling, (if their investments had not been currency hedged). In addition, the price of gilts has fallen further due to a reversal of the blip up in gilt prices in early August after further quantitative easing was announced - which initially drove yields down, (i.e. prices up). Another factor that is likely to dampen gilt investor sentiment will be a likely increase in the supply of gilts if the Chancellor slows down the pace of austerity and the pace of reduction in the budget deficit in the Autumn Statement - as he has already promised. However, if there was a more serious escalation of upward pressure on gilt yields, this could prompt the MPC to respond by embarking on even more quantitative easing, (purchases of gilts), to drive gilt yields back down.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Fire Authority
DATE OF MEETING	15 February 2017
OFFICER	Lynne Swift, Director People & Organisational Development
LEAD MEMBER	Councillor Roger Reed
SUBJECT OF THE REPORT	BMKFA Pay Policy Principles and Statement 2017/18
EXECUTIVE SUMMARY	<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 (Appendix 1) be the Authority's revised Pay Policy Principles and Statement for 2017/18. It is based on the Authority's current approved Pay Policy Principles and Statement for 2016/17, save as amended by additional text underlined (<u>underlined</u>) and deleted text shown struck through (struck through).</p> <p>The Pay Policy Principles and Statement has been revised and minor amendments made to section 17 'Pay Multiple', where the data has been updated to reflect the figures as at December 2016.</p> <p>Members will be aware of the ability to adopt terms and conditions outside of the Grey Book (see point 5 of the Appendix 1). This opportunity has been utilised this year 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>The independent review of conditions of service for Fire and Rescue staff in England undertaken by Adrian Thomas includes recommendations related to pay and these will always be fully considered when matters of pay arise.</p> <p>Within financial year 2017/18 there will be the introduction of the public sector exit payment cap of £95,000 which will apply to the Authority. At this point</p>

	<p>the final details of the Regulations and implementation date are awaited. It is anticipated that from April 2017 Regulations will also be introduced requiring the Authority to 'claw back' termination payments to departing employees who in the period of twelve months prior to the end of employment earned remuneration of £80,000 or more and return to any public sector body within twelve months of receipt of an exit payment.</p> <p>It should also be noted that the ratio between the highest paid and lowest paid employee continues to fall for the sixth year running.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that:</p> <ol style="list-style-type: none"> 1. The Pay Policy Principles and Statement at Appendix 1 be approved as the statutory Pay Policy Statement for 2017/18. 2. The requirement for an in-year review of the Pay Policy Principles and Statement with the introduction of the cap on public sector exit payments be noted.
RISK MANAGEMENT	The Fire Authority is required to adopt and publish a Pay Policy Principles and Statement annually.
FINANCIAL IMPLICATIONS	<p>There would 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>
LEGAL IMPLICATIONS	<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</p>

	<p>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 it 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 2017/18 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 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"> (a) the level and elements of remuneration (b) remuneration on recruitment (c) increases and additions to remuneration (d) the use of performance related pay (e) the use of bonuses (f) the approach to payment on their ceasing to be employed by the Authority, and (g) the publication of and access to information relating to remuneration. <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>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</p>	<p>All Authorities are required to have a Pay Policy Principles and Statement. At this time our Thames Valley partners have a separate Statement, however an aligned approach would be appropriate in the future, particularly to support collaborative working, sharing of resources and working across boundaries.</p>

	<p>This will be raised with the other Thames Valley Fire and Rescue Services with a view to progressing early in the collaboration programme, to enable operational alignment. We will be recommending they adopt a Pay Policy Principles and Statement aligned to ours as a way forward.</p>
<p>HEALTH AND SAFETY</p>	<p>No implications.</p>
<p>EQUALITY AND DIVERSITY</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 were approved by Parliament in 2016 and will come into force 31 March 2017. This will require local authorities and fire and rescue authorities to publish gender pay gap data every April using snapshot data. The intention 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.</p>
<p>USE OF RESOURCES</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 such as collaboration, recommendations from the independent review of conditions of service for Fire and Rescue staff in England undertaken by Adrian Thomas and the Enterprise Act 2016.</p> <p>Communication with stakeholders: Following approval of the Pay Policy Principles and Statement, communication will be via the normal policy publication and amendment process.</p> <p>Internal Controls: Adherence to the Pay Policy Principles and Statement is controlled via strict establishment and pay change approval process controls.</p>

<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>Report to the Executive Committee held 23 November 2016; Independent review of Conditions of Service for Fire and Rescue staff in England:</p> <p>http://bucksfire.gov.uk/files/1414/7879/2916/EXECUTIVE_COMMITTEE_AGENDA_231116_compressed.pdf</p> <p>Report to Fire Authority held 16 December 2015; BMKFA Pay Policy Principles and Statement 2016/17:</p> <p>http://bucksfire.gov.uk/files/5914/5528/0376/Fire_Authority_agenda_and_reports_161215.compressed.pdf</p> <p>Link to the Enterprise Act 2016:</p> <p>http://www.legislation.gov.uk/ukpga/2016/12/pdfs/ukpga_20160012_en.pdf</p> <p>Link to draft Public Sector Exit Payment Regulations 2016:</p> <p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/473606/Draft_public_sector_exit_cap_regs.pdf</p> <p>Link to Small Business, Enterprise and Employment Act 2015:</p> <p>http://www.legislation.gov.uk/ukpga/2015/26/pdfs/ukpga_20150026_en.pdf</p> <p>Link to the Government response to the consultation 'Closing the Gender Pay Gap' published February 2016:</p> <p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/500087/Government_response_-_Closing_the_Gender_Pay_Gap.pdf</p> <p>Link to The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017:</p> <p>http://www.legislation.gov.uk/ukdsi/2017/9780111153277</p>
<p>APPENDICES</p>	<p>Appendix 1: Draft Pay Policy Principles and Statement 2017/18</p> <p>Annex A: "Grey Book" pay rates from 1 July 2016</p> <p>Annex B: Support Services staff pay scales from 1 July 2016</p> <p>Annex C: Employee Bonus Payment Setting Scheme and Process</p>
<p>TIME REQUIRED</p>	<p>10 minutes.</p>

REPORT ORIGINATOR AND CONTACT	Faye Mansfield – HR Services & Development Manager fmansfield@bucksfire.gov.uk 01296 744623
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Information Asset Owner:

Director of People & Organisational Development

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Policy Note:

Pay Policy Principles and Statement 2017/18

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

Document History:

First issue: 15 February 2012

Version 2.0: 13 February 2013.

Version 3.0: 19 February 2014.

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

Version 4.0: 2015/16 Pay Policy Principles and Statement presented to a meeting of the full Fire Authority on 18 February 2015.

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

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

Version:	Version 6.0	Status of document:	Final
Author:	Director of People and OD	PIA:	Reviewed annually
Issue Date:	Before 1 April 2017	Review Date:	January 2018
File Name	Pay Policy Principles and Statement		

Policy Note:

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

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Issue Date:	Before 1 April 2017	Review Date:	January 2018
File Name	Pay Policy Principles and Statement		

BMKFA Pay Policy Principles and Statement

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

Principles

1. Accountability

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

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

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

2. Transparency

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

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

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

3. Fairness

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

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

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

Part 1 Pay Policy (all staff excluding SMB)

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

Level and elements of remuneration

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

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5. For Grey Book staff rates of pay are set out in circulars issued by the NJC and entitlements are governed by Part B of the Grey Book. However the Authority recognises that new employees may be employed on terms and conditions outside of the Grey Book. This includes the operation of the 'Bank System'. The Authority also recognises that employees in existing firefighter roles may want to agree rates of pay outside of the Grey Book for the protection of services and provision of enhanced resilience, including agreement to not participate in industrial action.
6. For other staff the pay structure takes the form of pay scales with spinal column points. Progression is based on evidenced performance and would normally occur on 1st April if the required criteria are met; at least six months in post, subject to performance and the maximum grade for the post not being exceeded. Incremental progression may be withheld if performance is not to the required standard.
7. Pay scales are inserted in the annexes:
 - Annex A:** Grey Book Pay rates from 1 July 2016
 - Annex B:** Support Services staff Pay scales from 1 July 2016
8. Some members of staff participate in lease car and private healthcare insurance arrangements.
9. The Authority reimburses mileage, travel expenses, subsistence and other expenses (e.g. overnight stays, meals and professional fees) when appropriate and in accordance with the Authority's procedures relating to expenses.

Remuneration on Recruitment

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

Increases and additions to remuneration

11. Additional Responsibility Allowance (ARA) payments ~~for Grey Book staff and occasional Honoraria for Support Services staff on local terms and conditions~~ are used to reward increased responsibilities and duties beyond the normal remit of the role for specific periods, for existing staff to cover managed

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vacancies for short to medium term periods, enabling successful change management with minimal risk.

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

Use of Performance related pay

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

Use of bonuses

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

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

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

Publication of and access to information relating to remuneration

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

Pay Multiple

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

For the financial year 2016/17/18, the definition of lowest paid staff are those staff we employ who are paid at rates that are maintained in line with the

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2017/18**

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: 10.17:1

Highest pay: median pay: 4.77:1

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

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

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Part 2 Pay Policy – Strategic Management Board (SMB)

SMB members pay arrangements are locally determined. Pay progression is performance based. There is no formal structure in place for pay progression, however there may be 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. covered by the National Joint Council for Brigade Managers of Fire and Rescue Services known as the “Gold Book”.

Level and elements of remuneration

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

Remuneration on Recruitment

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

Increases and additions to remuneration

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

Use of Performance related pay

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

Use of Bonuses

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

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

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

Dismissal with notice: Salary payment in line with contract

Redundancy: In accordance with Authority procedures

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

Redeployment: In accordance with prevailing Authority procedures

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

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

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

Publication of and access to information relating to remuneration

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

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ANNEX A

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

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

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

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ANNEX B

Support Services Staff pay scales effective 1 July 2016

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

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

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

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ANNEXE C

EMPLOYEE BONUS PAYMENT SETTING SCHEME AND PROCESS

Introduction

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

Eligibility

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

Key Principles

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

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

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

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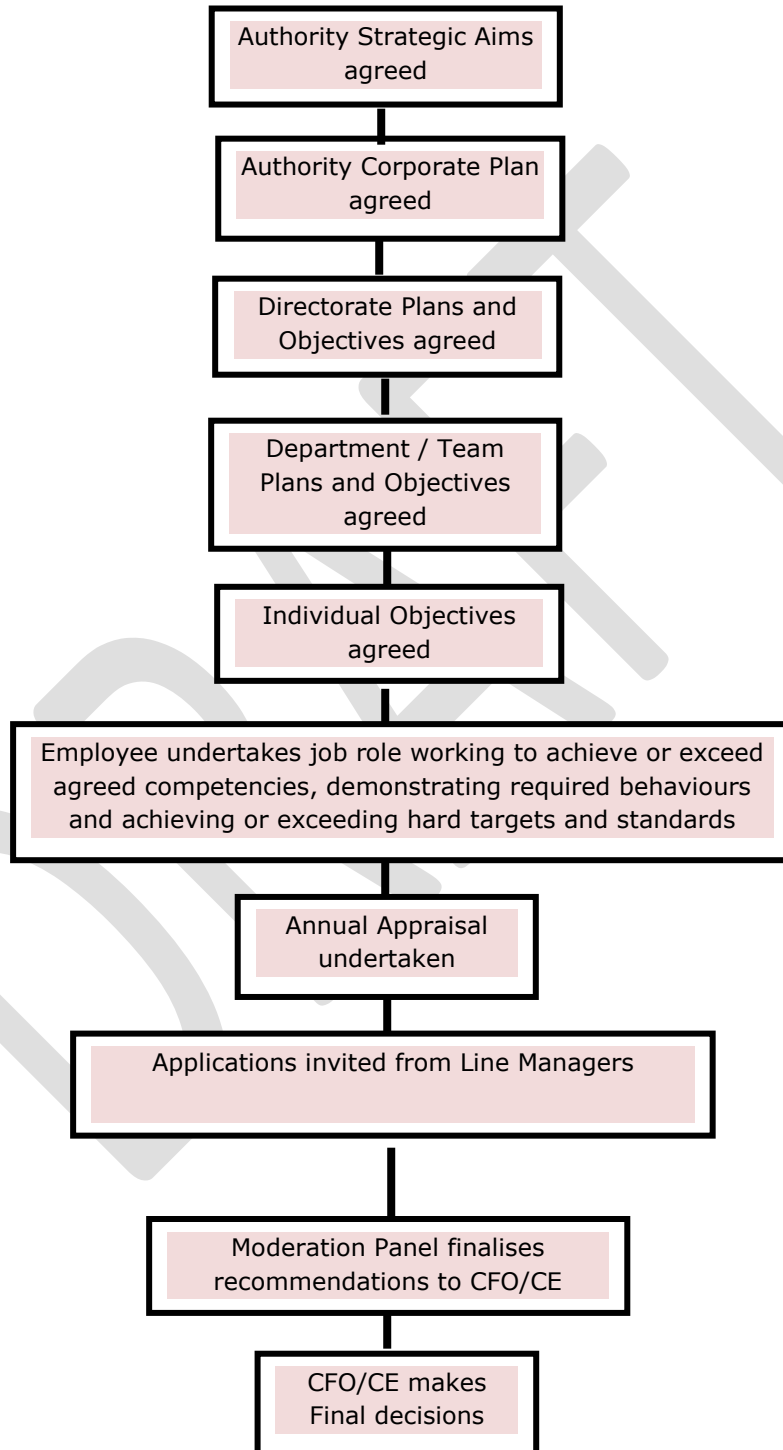


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**BUCKINGHAMSHIRE & MILTON KEYNES FIRE
 AUTHORITY**

Bonus Setting Scheme Process Flow Chart



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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Fire Authority
DATE OF MEETING	15 February 2017
OFFICER	Stuart Gowanlock, Corporate Planning Manager
LEAD MEMBER	Councillor Adrian Busby
SUBJECT OF THE REPORT	Buckinghamshire District Council Proposals for a Two Unitary Councils Structure
EXECUTIVE SUMMARY	<p>On 10 January 2017, the district councils published proposals for the creation of two new unitary councils to replace the existing county and four districts structure. The proposals were considered simultaneously by all four district councils at special meetings convened for this purpose on 16 January 2017 with a view to agreeing their submission to the Secretary of State for Communities and Local Government which they did.</p> <p>The proposal was prepared in response to an alternative case submitted to the Secretary of State on 27 September 2016 by Buckinghamshire County Council for a single unitary council to replace the existing structure. An initial assessment of the potential implications of this for the Authority was presented to Members at their meeting on 19 October 2016 (shown at Appendix 2).</p> <p>Fire Authority officers have carried out an initial assessment of the potential implications that may arise for the Authority in the event that the Secretary of State were to favour the district councils' two unitary proposal for implementation.</p> <p>The outcomes of this initial assessment are shown at Appendix 1.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that:</p> <ol style="list-style-type: none"> 1. the officers' initial assessment of the potential opportunities and risks to the Authority arising from the District Councils' proposal (Appendix 1) be noted; 2. the potential benefits of the proposal compared with the current two-tier structure of County and District councils be acknowledged and recognised.

<p>RISK MANAGEMENT</p>	<p>Implications for Corporate Risk Assessments/Register status - Risks to the Authority's operations are considered at Appendix 1. These would primarily arise during the transition to a new council structure. These could be mitigated subject to the establishment of effective stakeholder engagement and collaboration arrangements during the transitional period.</p> <p>A further more detailed risk assessment would be carried out in the event that the Secretary of State grants approval to proceed with the implementation of the proposal and following finalisation of the transition programme plans.</p> <p>Staffing Implications - it is proposed that a lead officer be appointed to oversee the Authority's engagement with District Councils' transition programme should the proposal be approved to proceed. There may also be a need to reconfigure aspects of the organisation of the Authority's service delivery structure to align with the new council structures and any associated changes to frontline delivery of related council services.</p> <p>Privacy issues - None identified at this stage. However, the opportunities and risk assessment at Appendix 1 identifies potential opportunities to rationalise data sharing arrangements which could have data protection / privacy implications.</p>
<p>FINANCIAL IMPLICATIONS</p>	<p>No immediate financial liabilities accrue to the Authority from the proposal. However, opportunity costs may arise where it is necessary to divert resources away from other activities in order to mitigate any risks arising during the transition phase.</p>
<p>LEGAL IMPLICATIONS</p>	<p>Implementation of the proposal will require the Secretary of State to repeal the Buckinghamshire Fire Services (Combination Scheme) Order 1996 and replace it with a new combination scheme to reflect that membership of the Authority would be drawn from three unitary councils. The election cycles of the two new councils would be monitored to ensure there would be continuity of political appointments at each annual meeting of the Authority.</p> <p>A review of all existing contractual arrangements with the councils would be required to ensure all obligations transfer to the new legal entities simultaneously with their creation.</p>
<p>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</p>	<p>The Authority remains committed to a default position of collaboration with Thames Valley FRAs. However, implementation of a unitary structure for Buckinghamshire may generate new collaboration opportunities which would be subject to evaluation as</p>

	<p>they arise. Although BMKFA was not consulted or engaged by either BCC or the District Councils during the preparation of their respective proposals, Authority officers are also ready to contribute to the future transformation of local government service delivery within any new unitary structure by sharing their own experiences of organisational transformation which have enabled BMKFA to put itself onto a more financially stable footing without compromising frontline service delivery.</p>
<p>HEALTH AND SAFETY</p>	<p>No issues identified at this stage.</p>
<p>EQUALITY AND DIVERSITY</p>	<p>None identified at this stage. However, these would subject to further evaluation were the proposal approved for implementation.</p>
<p>USE OF RESOURCES</p>	<p>The arrangements for setting, reviewing and implementing strategic and operational objectives; Performance monitoring, including budget monitoring; achievement of strategic objectives and best value performance indicators;</p> <p>These will be considered if the proposal is approved for implementation in particular any implications for achievement of Authority objectives and impact on service delivery performance.</p> <p>Communication with stakeholders; In the event of the proposal proceeding to implementation a lead officer would be appointed to oversee engagement with the transition programme and to co-ordinate the Authority's interaction with this.</p> <p>The system of internal control; The lead officer will track the progress of the Transition Programme and report on this and any issues or implications arising for the Authority to the Strategic Management Board and Authority committees when required.</p> <p>The medium term financial strategy; At this stage it is not considered that the implementation of the proposal will have a material effect on the Authority's medium term financial planning. However this would be subject to further evaluation if the proposal is approved for implementation by the Secretary of State.</p> <p>The balance between spending and resources; No additional funding or additional expenditure requirements identified at this stage although opportunity costs may arise during the transition phase.</p> <p>The management of the asset base; Over the long term implementation of the proposal may generate premises rationalisation opportunities as</p>

	<p>discussed at Appendix 1.</p> <p>The arrangements to promote and ensure probity and propriety; No adverse implications identified at this stage.</p> <p>Environmental; These will be considered in the event that the proposal is approved for implementation.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>The background to the proposal is set out in Appendix 1.</p> <p><u>Papers</u></p> <p>Full details of the District Councils’ proposals and supporting Deloitte Strategic Options Case for modernising local government in Buckinghamshire are available from any of the District Council Websites e.g.</p> <p>https://www.wycombe.gov.uk/pages/About-the-council/Modernising-local-government/Modernising-local-government.aspx</p>
<p>APPENDICES</p>	<ol style="list-style-type: none"> 1. District Councils’ Proposals for Modernising Local Government in Buckinghamshire: Implications for BMKFA 2. A Unitary Council for Buckinghamshire: Implications for the Authority
<p>TIME REQUIRED</p>	<p>20 Minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Stuart Gowanlock, Corporate Planning Manager</p> <p>sgowanlock@bucksfire.gov.uk</p> <p>01296 744435</p>

District Councils' Proposals for Modernising Local Government in Buckinghamshire: Implications for BMKFA

Background

On 27 September 2016 Buckinghamshire County Council (BCC) submitted a proposal to the Secretary of State for Communities and Local Government for the abolition of the existing two tier structure of county and district councils and its replacement by a single unitary council to cover the whole of the existing area administered by BCC. An initial assessment of the potential implications of this for Buckinghamshire and Milton Keynes Fire Authority (BMKFA) was presented to Members for consideration at the Fire Authority meeting on 19 October 2016.

In May 2016 BCC's leader invited the four district councils to work with BCC to explore potential options for local government reorganisation including ones based on a district level unitary model. However, the district councils declined the invitation to take part in this and instead commissioned Deloitte to undertake a separate study on their behalf. At the time when officers were preparing their initial assessment of the potential implications of BCC's proposal for BMKFA, the Deloitte study was pending publication so it was not possible to include consideration of it, or any proposals arising out of it, within the scope of that assessment.

On 10 January 2017, the district councils published proposals, informed by the strategic options analysis undertaken by Deloitte and the outcome of a stakeholder engagement exercise, for the creation of two new unitary councils to replace the existing county and four districts structure. The proposals were considered simultaneously by all four district councils at special meetings convened for this purpose on 16 January 2017 with a view to agreeing their submission to the Secretary of State which they did.

The two new unitary areas proposed by the district councils comprise the creation of a 'North Unitary' in the area currently covered by Aylesbury Vale District Council and a 'South Unitary' which would combine the areas presently covered by Chiltern, South Bucks and Wycombe District Councils. Each unitary would consolidate and deliver services currently provided by the County and Districts within each of the two new council areas.

Basis of evaluation

The scope of this initial assessment is confined to identifying potential areas of risk and opportunity for BMKFA relative to the existing two tier local government structure. It does not therefore seek to compare the merits in general terms of the competing BCC and District Councils' proposals or seek to determine whether one offers superior stakeholder value over the other as this would be beyond the remit and competencies of the Authority. However, some comparisons will be drawn to illustrate the comparative effects on BMKFA's operations in so far as they can be determined or inferred from the proposals.

District Councils' Proposals for Modernising Local Government in Buckinghamshire: Implications for BMKFA

Implications for BMKFA

As with the BCC proposal, neither the Deloitte Strategic Options Case nor the District Councils' proposals identify any specific implications for the organisation or delivery of fire and rescue services within the county. Given that the scope of BMKFA operations already covers the whole of the area comprised by the proposed two unitary structure it is not envisaged that their creation would, of itself, require any fundamental change to the existing organisational and service delivery arrangements for fire and rescue services which could be accommodated by BMKFA in much its present form. However, there would be some changes to the composition and balance of the Authority's membership to reflect nominations from three more equally balanced bodies rather than the current two constituent councils (BCC and Milton Keynes Council). This would require the Secretary of State to repeal the Buckinghamshire Fire Services (Combination Scheme) Order 1996 and replace it with a new combination scheme.

Potential Benefits and Opportunities for BMKFA

Regardless of which proposal is favoured by the Secretary of State, we are of the view that the materials presented by the District Councils in support of their case set out and articulate very well the strategic context and challenges facing all public authorities serving Buckinghamshire. The range of economic, socio-demographic and 'good practice' information presented will also be of use in informing our own service planning and improvement processes.

We see the logic and potential benefits of reorganising local government on the basis of economic geography rather than historical political boundaries. This could benefit the local economy as a whole if it helps to catalyse a marginal increase in inward investment and business growth relative to the status quo potentially growing and improving the resilience of the local tax base at a time of anticipated further reductions to central government funding. However, we note that the proposed re-organisation of itself will not be sufficient either to meet the strategic challenges identified or to put local government finances in Buckinghamshire as a whole onto a sustainable basis for the future and achieving this will also depend on the success of other measures to transform service delivery and stimulate the local economy.

We also note the emphasis in the vision for the proposed new councils on improving community resilience through early intervention to promote the independence and capabilities of individuals. This aligns well with BMKFA's own approach in areas such as youth engagement (see figure 1) and there is therefore potential to build on these through enhanced collaboration.

As with the BCC proposal for a single unitary council, the reduction in the number of local council organisations would potentially provide:

- A simpler, clearer context for BMKFA to undertake its own planning;
- Opportunities for the streamlining of data sharing agreements;

District Councils' Proposals for Modernising Local Government in Buckinghamshire: Implications for BMKFA

- Simplification of local resilience arrangements via a reduction in number of 'category one' organisations;
- New premises opportunities from rationalisation of existing premises which could include new sites and opportunities to co-locate BMKFA functions with related functions in the new unitary council structures;
- New opportunities for sharing support systems and functions.

However, the extent of these may be less than could be the case with a move to a single unitary council organisation.

Under the BCC proposal our initial evaluation identified potential benefits arising from harmonisation of approaches to policy and decision making in areas such as licensing, planning, building control and regulation, and environmental health. A reduction in the number of authorities dealing with these areas to two (or three when Milton Keynes is taken into account) is likely to yield some benefits in terms of simplifying our operating environment though we anticipate that this would be less than would be the case with a move to single unitary authority for the areas currently served by the four district councils.

Potential Risks and Issues

As with the BCC proposal we are of the view that the greatest risks are likely to arise during the transition from the current state to the point where a new structure is fully integrated and established.

We note the District Councils' indicative implementation plan and view that the transition to a two unitary structure could be achieved to the same timescale envisaged by BCC for implementation of a single unitary structure.

Irrespective of whether or not the end state envisaged by the District Councils offers superior stakeholder value compared with the single unitary option proposed by BCC, an exercise which involves combining three existing district councils and dividing the services and functions currently delivered by BCC between two new council entities would seem to us to be a more challenging and risky enterprise compared with drawing the functions of the existing district councils up into a single unitary arrangement based on the existing County Council organisation and infrastructure when the relative sizes of the current organisations is considered.

This may accentuate some of risks that were identified as being associated with the transition to a single unitary structure such as:

- Potential disruption to service delivery as structures and processes are rationalised; and / or,
- Potential loss of key personnel leading to loss of contacts, expertise or local knowledge with the potential for adverse impacts on partner organisations.

However, the task of reconfiguring the Authority's service delivery structures and processes may be simpler than would be the case with the 19 local,

District Councils' Proposals for Modernising Local Government in Buckinghamshire: Implications for BMKFA

multi-agency, community hub / board structure envisaged under the BCC proposal.

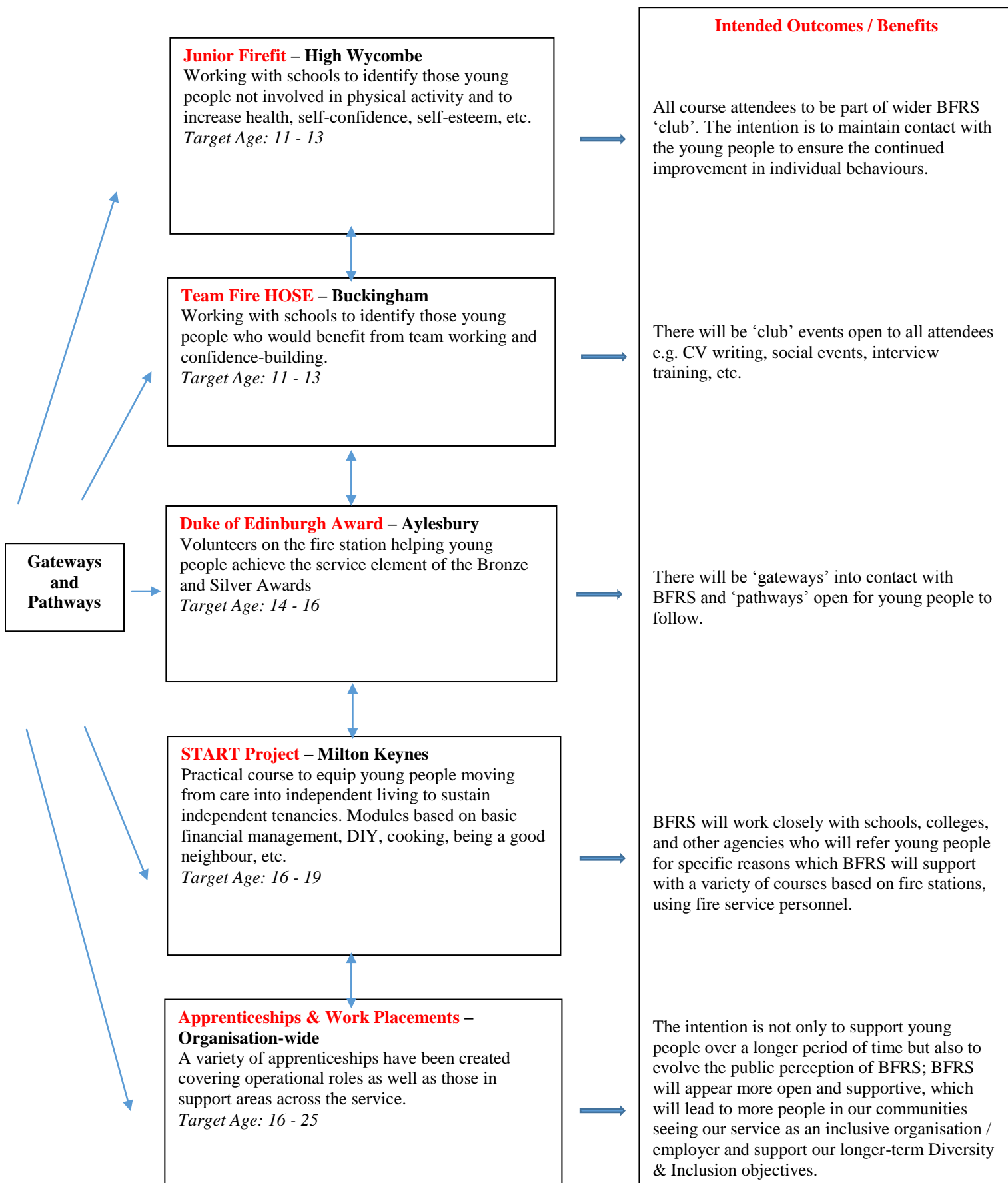
Finally there is a risk that our strategic planning context becomes more complex with, when Milton Keynes is included, a move to three strategic planning authorities compared with the current two. Alongside this, the move to a geo-economic approach to strategic planning for transportation and infrastructure development, whilst potentially beneficial in other respects, may lead, in the long run, to a neglect of north-south connectivity which already disadvantages the Authority by requiring it to maintain separate strategic service delivery capacity in the north (Milton Keynes), centre (Aylesbury) and south (High Wycombe) of the area that we serve to offset slow travel times across what in other respects is a relatively small geographical area.

Overall Assessment

Overall our view is that the greatest risks to BMKFA operations arises during the transition from the current state to the new two unitary structure. On balance we are of the view that a move to a two unitary council structure is likely to be a more complex and therefore risky enterprise from the point of view of maintaining service continuity than would be the case with a move to a single unitary arrangement based on the existing BCC organisation and infrastructure. Also there is less detail on the mechanisms that would be created and used to engage and collaborate with key stakeholders throughout the transition. However this is not to say that the end state reached would necessarily be inferior to a single unitary structure either in general terms or for BMKFA as a partner organisation. We are also of the view that, subject to the success of the follow on transformation programme, the proposal has the potential to deliver a more sustainable basis for the provision of local government services in relation to future strategic challenges than the current two tier county / district council structure.

District Councils' Proposals for Modernising Local Government in Buckinghamshire: Implications for BMKFA

Figure 1: BFRS Youth Engagement Framework & Intended Outcomes



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A Unitary Council for Buckinghamshire: implications for the Authority

Background

The current structure of local government in Buckinghamshire dates back to 1974 when the provisions of the Local Government Act 1972 came into force establishing a two tier system comprising of a county council and five district councils. This was subject to further modification in 1997 following implementation of recommendations made by the Banham Commission¹. This led to the formation of a unitary council for Milton Keynes district which took responsibility for services previously provided by Buckinghamshire County Council (BCC), leaving a county and four district councils structure in place for the remainder of Buckinghamshire. The change also resulted in the formation of Buckinghamshire and Milton Keynes Fire Authority (BMKFA)² to provide fire and rescue services across the two 'top tier' local government areas that were previously provided by BCC.

A number of factors are creating an impetus for further changes to the organisation of local government both locally and nationally. These include:

- Substantial and continuing reductions in central government grant funding for local government bodies as part of the Government's fiscal consolidation strategy to deal with the budget deficit that emerged in the wake of the 2008 banking crisis. This has led to the long term financial sustainability of two tier local government arrangements being questioned in the search for more efficient and economical ways of providing local public services;
- Increasing demand for local government services arising from demographic changes, in particular a growing and ageing population profile in many local government areas;
- The political and legislative impetus to devolve power from central to local government in England;
- The creation of new local government entities to facilitate the transfer of power from national to local government level and / or consolidate existing powers and services already held at local level e.g. Local Enterprise Partnerships (LEPs), Police and Crime Commissioners (PCCs), Combined Authorities;
- Recent devolution 'deals' already agreed between central government and new or existing local government bodies (e.g. the formation of new 'combined authorities' in metropolitan areas such as Greater Manchester and Merseyside).

The case for a unitary council for Buckinghamshire

A number of studies into the potential benefits of reorganising local government in Buckinghamshire have been produced in recent years. In September 2014

¹ Local Government Commission for England, chaired by John Banham

² Established by the Buckinghamshire Fire Services(Combination Scheme) Order 1996 which requires member appointments to BMKFA to be made from councillors from BCC and Milton Keynes Council <http://bucksfire.gov.uk/files/5414/0439/0308/CombinationSchemeOrder.pdf>

A Unitary Council for Buckinghamshire: implications for the Authority

'Bucks Business First' commissioned Ernst & Young to identify the potential savings that could arise from consolidating the existing district and county councils into either a single or multi-unitary model³. Aylesbury Vale District Council (AVDC) has also published a study, undertaken by LG Futures, making the case for a two unitary council model in place of the existing county and districts⁴.

In May 2016 Buckinghamshire County Council (BCC)'s Leader invited the four district councils to work with the County Council to explore and evaluate all potential options for local government reorganisation including ones based on a district level unitary model. However, the districts declined the invitation to participate and instead commissioned Deloitte to undertake a separate study on their own behalf - the outcome of which is pending publication. In the meantime BCC has published the findings of its own evaluation⁵ which favour the establishment of a single unitary authority for the county. The findings received the backing of BCC's Cabinet on 19 September 2016 who also agreed to write to the four district councils informing them of the Business Case and to seek a consensus from them on its conclusions. The case for a single unitary authority was also approved by the full council on 22 September 2016 and the Council Leader given authority to approve minor amendments to the document and submit the Business Case to the Secretary of State for Communities and Local Government for a decision.

Implications for BMKFA

BCC's study does not identify any specific implications for the organisation of fire and rescue services within the county and it is not envisaged that the creation of a unitary structure at either county or district level would, of themselves, necessitate any fundamental changes to the existing governance and organisational arrangements for fire and rescue services which could be accommodated by the Fire Authority in much its present form⁶.

However, the creation and transition to a new unitary structure would present potential opportunities and risks to the Authority in relation to its operations. These largely arise from changes to the organisation and delivery of related services currently provided at county or district level. The current configuration of council services is summarised overleaf.

³http://www.communityimpactbucks.org.uk/data/files/Strategic_Financial_Case_for_Local_Government_Reorganisation_in_Buckinghamshire_v1.0.pdf

⁴<http://democracy.aylesburyvaledc.gov.uk/documents/s4014/Aylesbury%20Vale%20-%20Unitary%20business%20case.pdf>

⁵<https://democracy.buckscc.gov.uk/documents/s85760/MLGBusinessCaseExecSummaryFINAL.pdf>

⁶ However, these could be triggered by changes elsewhere in the Thames Valley such as the potential formation of a unitary council for Oxfordshire at county or district level which could have implications for the governance and provision of fire and rescue services currently operated by the county council. These arrangements are currently the subject of debate within Oxfordshire with the County Council and district councils presenting differing visions for the future of local government within the county based on a unitary model at county or district level respectively: [Independent study of public service reform options](#), OCC, April 2016.

A Unitary Council for Buckinghamshire: implications for the Authority

Current Distribution of Service Responsibilities

Buckinghamshire County Council	District Councils
Adult Social Care	Leisure
Children's Services	Waste Collection
Highways and Transport Planning	Housing & Planning
Education (schools admission and transport, special educational needs)	Environmental Health
Emergency Planning	Emergency Planning
Libraries	Council Tax Collection
Waste Management	Street Cleaning
Public Health	Benefits Payments
Trading Standards	Homeless Support
Strategic Planning	Voter Registration

Current or potential areas for fire and rescue service collaboration

Although the BCC business case for consolidating all of these services within a single unitary structure does not identify many specific implications for services provided by BMKFA, it does consider potential benefits for a range of stakeholders including partner organisations as shown below.

- Less complex partnership working landscape, with aligned boundaries;
- Single local government authority to talk to;
- Efficiencies through collaboration at scale on a Buckinghamshire platform;
- Consistent set of messages from local government in Buckinghamshire about priorities;
- Single voice to represent Buckinghamshire's interests at national and regional levels⁷.

However, the BCC study does identify the advantages of a "single county-wide team for Emergency Planning, Resilience and Business Continuity with better links to the Fire and Rescue Service through one stronger partnership"⁸.

Whilst not consulted by BCC in advance of drafting its business case, BMKFA officers recognise these potential benefits and have also identified a number of

⁷ Modernising Local Government in Buckinghamshire: Business Case, September 2016, p.13

<https://www.buckscc.gov.uk/media/4340690/Draft-Business-Case.pdf>

⁸ Ibid. P.76

A Unitary Council for Buckinghamshire: implications for the Authority

other opportunities for more efficient and effective working which fall out of these. These are considered below and, at this early stage, are indicative rather than definitive of the sorts of opportunities and benefits that may arise in the event that approval is given to BCC to proceed with implementation of the proposals for a single county level unitary council.

Potential Benefits and Opportunities for BMKFA

- A single vision for Buckinghamshire that integrates strategic and local planning would provide the Authority with a clearer context in which to undertake its own strategic planning;
- Potential harmonisation of approaches to policy and decision making in areas such as licensing, planning, building control and regulation, and environmental health leading to a simpler and more predictable operating environment.
- The streamlining of data sharing arrangements with the potential to consolidate these into a single framework of agreements. This could:
 - improve our ability to identify and help vulnerable people falling within the scope of our prevention strategy through consolidation of data currently held by multiple agencies;
 - enable regulators to work together better potentially leading to efficiencies through sharing enforcing officers, training and implementation of legal interventions;
 - reduce the administrative ‘overhead’ associated with maintaining data sharing systems and processes enabling capacity and resources to be released to improve frontline service delivery.
- Potential organisational benefits for the Local Resilience Forum. The Thames Valley Local Resilience Forum is one of the most complex in terms of the number of “category 1 organisations”⁹ and a rationalisation of these numbers would potentially enable more efficient operation of this body. It would also streamline and improve consistency of response to events such as wide area flooding. In 2014 there were some issues between local authorities offering varying degrees of support to residents and conflicting messages.
- New premises opportunities arising from rationalisation of existing premises which could include new sites and / or opportunities to co-locate Authority functions with related functions in the new unitary council structure.
- New opportunities for sharing service support systems and functions where the Authority is able to benefit from economies of scale offered by a larger organisation.

⁹ Defined by the Civil Contingencies Act 2004 which makes “Category 1 organisations” (the emergency services, local authorities, NHS bodies) subject to the full set of civil protection duties

A Unitary Council for Buckinghamshire: implications for the Authority

Potential Risks and Issues

Most of the risks and issues are likely to arise during the period of transition from the current state to the point where the new structure is fully established and embedded (the outline implementation plan contained within the business case currently envisages that the phased integration of services would begin from May 2019). These are likely to include:

- Potential disruption to service delivery as structures and processes are rationalised potentially affecting partner organisations and members of the public;
- Potential loss of or diversion of key personnel leading to loss of contacts, expertise and / or local knowledge;
- The need to reconfigure Authority service delivery structures and processes to align with the new council's creating the potential for additional costs and discontinuity in service delivery e.g. to align with the proposed 19 local, multi-agency, Community 'Hub' / Board structure.

Overall Assessment

BCC's business case outlines a structure for governing, planning and managing the implementation of the transition to the proposed unitary structure. "*Strong collaboration with key stakeholders*" is identified as being "*critical throughout the programme, and the detail of these arrangements would be developed with key partners*". This includes the establishment of a 'Transition Programme Management Office'. Also the transition programme comprises a comprehensive range of 'work-strands' which includes 'External Communications & Stakeholder engagement'. These arrangements should provide for the effective mitigation of the risks identified above and our engagement with the programme would be informed by our own detailed risk assessment should the proposal be approved by the Secretary of State.

Our initial assessment of the potential opportunities and benefits arising from implementation of the proposal suggests that they are likely to outweigh the short term effects of any disruption to service delivery and cohesive working with Council functions during the transitional period.

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Buckinghamshire & Milton Keynes Fire Authority



MEETING	Fire Authority
DATE OF MEETING	15 February 2017
OFFICER	Neil Boustred, Head of Service Delivery
LEAD MEMBER	Councillor David Carroll
SUBJECT OF THE REPORT	Update on Sprinklers
EXECUTIVE SUMMARY	<p>At the recent Member's Workshop which was held on 16 November 2016, titled "Prevention, Protection and the Evolving Role of the Firefighter", there was discussion around how Buckinghamshire Fire and Rescue Service supports sprinkler installations and how the different types of suppression systems operate. It was agreed to capture this in an Information Paper and also to show some of the footage from a live demonstration that was carried out in 2014 at Chalfont St Peter.</p> <p>This report provides an overview of how the Service promotes the use of these systems and how this links to both the Prevention and Protection Strategies. It will also include some footage from the live demonstration that clearly highlights the effectiveness of sprinkler and suppression installations.</p> <p>There is clear evidence that sprinklers can be effective in stopping fire spreading and extinguishing those fires that have started. The Fire Service plays a key leadership role in promoting better understanding of the benefits of sprinklers as a core element of the Prevention and Protection Strategies aimed at reducing the impact of fire on people, property, the commercial sector and the environment in Buckinghamshire and Milton Keynes. In addition, sprinklers can be used by building designers to encourage innovative and sustainable architecture whilst maintaining the fire safety of occupants.</p> <p>Protection</p> <p>Although the Service encourages the use of sprinklers in all premises, it is appreciated that this cost must be balanced against the level of risk. The Strategies identify that sprinklers are one specific fire safety solution, but for most people, education, the use of smoke detectors, appropriate pre-planning and ongoing fire risk mitigation, will be sufficient to</p>

	<p>maintain personal safety from fire.</p> <p>Officers encourage the use of sprinklers on a risk-assessed basis, in those premises where there is a higher likelihood of fires starting, combined with an increased risk that occupants would not be able to escape unaided due to physical or mental impairment or due to a complex building layout.</p> <p>This Service has demonstrated its commitment to sprinkler installation by agreeing to use funding from Authority reserves to support other organisations to fit sprinklers into their premises where occupants are at significant risk of fire. The Authority will also install sprinklers into the new Emergency Services 'hub' at the West Ashlands site in Milton Keynes to demonstrate its belief in this approach of mitigating risk.</p> <p>This Service has also hosted two national sprinkler conferences, bringing together key organisations from across the sector. Feedback indicates that these were well-received and have helped place this organisation at the centre of progressing sprinkler discussions and activities.</p> <p>Prevention</p> <p>Aligned with the Prevention Strategy to improve the safety of people in their homes, the Service risk assesses domestic needs on an individual basis. For the majority of people, advice and smoke detectors are suitable and sufficient. When a person might not be able to respond to a smoke detector, there is a suite of other methods to improve safety. The Service uses a third-party installer to fit portable sprinkler units into those premises where a person is non-ambulant and due to their impairment and lifestyle are at higher risk from fire. To date, in those premises where a portable sprinkler has been installed within Bucks and Milton Keynes, there has not been a fire fatality or serious injury.</p> <p>Business Support</p> <p>Protection Officers use their influence to demonstrate support to businesses by explaining the benefits of sprinklers and other water suppression systems. Whilst primarily a life safety device, the commercial sector can see the benefit of property and stock protection as a means to safeguard their business continuity. In many older buildings, where it would be impractical or financially prohibitive, to comply with modern fire safety standards using a traditional approach, officers encourage the risk-assessed use of sprinkler systems or water mist systems. This flexibility has allowed businesses to continue trading and thrive, where a more rigid approach would not</p>
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	<p>permit this.</p> <p>Whilst, to date, the Authority has not been able to jointly fund sprinkler installations in higher risk premises, discussions are ongoing with owners of those premises where occupants are at a higher risk of fire.</p> <p>National Involvement</p> <p>Officers work closely with national bodies such as the British Automatic Sprinkler Association (of which BFRS is a member) and the Head of Service Development represents this Service on the Executive Committee of the National Fire Sprinkler Network. This allows officers to remain updated on progress and innovative means of water suppression technologies and ensures this Authority can influence strategic direction. This Service is also active in supporting research used to evidence the effectiveness of sprinklers. This organisation has previously hosted national sprinkler conferences and organised demonstrations to prove the effectiveness of sprinklers and to dispel some common myths and misunderstandings relating to sprinklers.</p>
ACTION	Information.
RECOMMENDATIONS	That Members note the content of this report.
RISK MANAGEMENT	<p>Without supporting and encouraging the installation of sprinklers into domestic and commercial premises, there is a risk that officers will not meet the declared Prevention and Protection Strategies.</p> <p>It is also incumbent upon officers to explain the important role of sprinklers to those responsible for the most at risk domestic and commercial premises to maintain and enhance public safety and economic growth.</p>
FINANCIAL IMPLICATIONS	Members agreed in October 2015 that up to £250,000 could be used from Authority reserves to support and promote the installation of sprinklers into the most at risk premises in Bucks and Milton Keynes. To date officers have not been able to achieve a jointly-funded sprinkler installation with a third party. However, discussions are ongoing. There are many myths and misinterpretations to overcome before potential partners can see the full benefit of this approach.
LEGAL IMPLICATIONS	There are no legal implications arising from this report.
CONSISTENCY WITH THE PRINCIPLES OF	Officers meet regularly with colleagues from Oxfordshire and Royal Berkshire Fire & Rescue Services and all support the installation of sprinklers

COLLABORATION	as part of their own strategies. This Authority is the only one of the Thames Valley partners to agree to use funds to support sprinkler installation. The intention is that once this is successful, the methods of best practice will be shared with the other two Fire & Rescue Services.
HEALTH AND SAFETY	There are no health and safety implications arising from this report.
EQUALITY AND DIVERSITY	There are no equality and diversity implications arising from this report.
USE OF RESOURCES	<p>Strategic Context</p> <p>The Prevention and Protection Strategies were approved by Buckinghamshire and Milton Keynes Fire Authority in 2014. Both these reference the support and promotion of sprinklers and suppression systems:</p> <p>Protection Strategy 2014/15 – 2019/20. “To promote the use of fire suppression systems, sprinklers and fixed installations in non-domestic properties to reduce the risk to life, property, the economy and environment from fire.”</p> <p>Prevention Strategy 2014/15 -2019/20. “Lobbying for greater use of sprinklers especially in social housing and high rise buildings.”</p>
PROVENANCE SECTION & BACKGROUND PAPERS	<p>Prevention Strategy 2014/15 to 2019/20 http://bucksfire.gov.uk/files/5014/0292/6321/PreventionStrategy201415.pdf</p> <p>Protection Strategy 2014/15 to 2019/20 http://bucksfire.gov.uk/files/4514/1803/5924/ITEM_14_Protection_Policy_Appendix_AB.pdf</p>
APPENDICES	None.
TIME REQUIRED	15 minutes.
REPORT ORIGINATOR AND CONTACT	<p>Richard Priest rpriest@bucksfire.gov.uk 01296 744480</p>