

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

Director of Legal & Governance, Graham Britten  
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**Chief Fire Officer and Chief Executive**

Jason Thelwell

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To: The Members of the Executive Committee

1 February 2021

**MEMBERS OF THE PRESS  
AND PUBLIC**

**Please note the content of  
Page 2 of this Agenda Pack**

Dear Councillor

Your **remote** attendance is requested at a meeting of the **EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 **online** on **WEDNESDAY 10 FEBRUARY 2021 at 10.00 AM** when the business set out overleaf will be transacted.

Yours faithfully

Graham Britten  
Director of Legal and Governance

Chairman: Councillor Lesley Clarke OBE  
Councillors: Hall, Hopkins, Lambert, Marland, McCall, McLean and Walsh



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## **To observe the meeting as a member of the Press and Public**

The Authority supports the principles of openness and transparency. To enable members of the press and public to see or hear the meeting this meeting will be livestreamed. Please visit: <https://www.youtube.com/channel/UCWmIXPWAscxl3vIiv7bh1Q>

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 adjourn a Meeting to hear a member 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.

A request to speak on a specified agenda item should be submitted by email to [gbritten@bucksfire.gov.uk](mailto:gbritten@bucksfire.gov.uk) by 4pm on the Monday prior to the meeting. Please state if you would like the Director of Legal and Governance to read out the statement on your behalf, or if you would like to be sent a 'teams' meeting invitation to join the meeting at the specified agenda item.

If the meeting is then adjourned, prior to inviting a member of the public to speak, the Chairman should advise that they:

- (a) speak for no more than four minutes,
- (b) 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.

## **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. Such attendance will be facilitated if requests are made to [enquiries@bucksfire.gov.uk](mailto:enquiries@bucksfire.gov.uk) at least two clear working days before the meeting. Statements can be read out on behalf of the Member by the Director of Legal and Governance, or the Member may request a 'team's meeting invitation to join the meeting at the specified agenda item.

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

## **Questions**

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

## **EXECUTIVE COMMITTEE**

### **TERMS OF REFERENCE**

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

## **AGENDA**

### **Item No:**

#### **1. Apologies**

#### **2. Minutes**

To approve, and sign as a correct record, the Minutes of the meeting of the Committee held on 18 November 2020 (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. Questions**

To receive questions in accordance with Standing Order S0A7.

#### **4a. Christmas Floods - Verbal Update**

To receive a verbal update from the Chief Fire Officer.

#### **5. Budget Monitoring Report April - November 2020**

To consider Item 5 **(Pages 15 - 24)**

#### **6. The Prudential Code, Prudential Indicators and Minimum Revenue Provision**

To consider Item 6 **(Pages 25 - 34)**

#### **7. Medium Term Financial Plan (MTFP) 2021/22 to 2025/26**

To consider Item 7 **(Pages 35 - 52)**

#### **8. Response to the Provisional Local Government Finance Settlement 2021-22: Consultation Paper**

To consider Item 8 **(Pages 53 - 88)**

#### **9. Members' Allowances**

To consider Item 9 **(Pages 89 - 134)**

#### **10. Emergency Services Mobile Communications Programme (ESMCP)**

To consider Item 10 **(Pages 135 - 140)**

## **11. Exclusion of Press and Public**

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

## **12. Exempt Minutes**

To approve, and sign as a correct record, the Exempt Minutes of the meeting of the Committee held on 18 November 2020 (Item 12)

## **13. Date of next meeting**

To note that the next meeting of the Executive Committee will be held on Wednesday 24 March 2021 at 10 am.

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

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Minutes of the Meeting of the EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held remotely on WEDNESDAY 18 NOVEMBER 2020 at 11.00 AM.

**Present:** Councillors Clarke OBE (Chairman), Hall, Hopkins, Marland, McCall, McLean and Walsh

**Officers:** J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), M Hemming (Director of Finance and Assets), A Hussain (Deputy Director of Finance and Assets), L Taylor (Principal Accountant), Anne-Marie Carter (Head of Technology, Transformation and PMO), D Norris (Acting Deputy Chief Fire Officer), C Bell (Head of Protection and Assurance), M Crothers (Programme Manager) A Stunell (Head of Human Resources) S Bridglalsingh (Director of Law and Governance Milton Keynes Council) and K Nellist (Democratic Services Officer)

**Apologies:** Councillor Lambert

Live webcast broadcast:

<https://www.youtube.com/channel/UCWmIXPWAscxpL3vIiv7bh1Q>

The Director of Legal and Governance confirmed the webcast was live.

The Director of Legal and Governance welcomed Members to the November Meeting of the Executive Committee of the Buckinghamshire & Milton Keynes Fire Authority and confirmed that the meeting was being live streamed on the Buckinghamshire Fire & Rescue Service YouTube channel. Following the meeting, a recording would continue to be available on this channel and it was also being recorded, should there be any technical difficulties.

## **EX17 MINUTES**

RESOLVED –

That the Minutes of the meeting of the Executive Committee held on Wednesday 16 September 2020, be approved and signed by the Chairman as a correct record.

## **EX18 BUDGET MONITORING REPORT APRIL – SEPTEMBER 2020**

The Principal Accountant advised Members that the report set out the Authority's revenue and capital spending position as at 30 September 2020, together with the projected outturn position for the financial year. The current expenditure forecast of £31.901m, against a budget of £31.339m, resulted in an overspend of £562k. However, due to the additional funding of £836k received in year in relation to Covid and protection grants, the net overall underspend was £274k.

The Principal Accountant gave Members a summary of variances seen within each directorate:

- Corporate core was showing a £3k underspend which related to underspend in legal costs and consultations with the public, as well as courses and conference fees postponed due to Covid, offset by unachievable interest income on investments and additional audit fees not budgeted for;
- Finance and Assets was showing an overspend of £97k which predominantly related to West Ashland revenue costs which would be expected to be partially covered by charges to SCAS and TVP not currently reflected in the forecast. This was offset by underspend relating to vacant posts within the directorate that had now been filled or recruitment delayed due to Covid;
- Most of the underspend shown within People & Organisational Development was due to underspend seen within employee costs. In addition, the Authority was not expecting £13k Thames Valley collaboration costs during the current financial year;
- Delivery, Corporate Development & Planning was currently projecting a £30k overspend. This was predominantly due to Covid response costs of £476k which were reported within this directorate. In addition, £230k had been transferred to a Covid-19 reserve as approved by the Executive Committee in September. This was offset by underspend seen within wholetime and on-call direct employee costs. This was due to a number of wholetime posts not being at the top of pay scales and employees being in the 2015 pension schemes which would see a lower contribution rate than budgeted for in the 1992 scheme.
- Statutory accounting and contingency overspend of £500k related to additional revenue contribution to capital as approved by the Executive Committee in September.

The Principal Accountant advised Members that the level of funding was forecast to exceed the original budget by £835k. The majority of the additional funding, £606k was due to the Treasury making additional funds available to respond to the Covid-19 Pandemic. Furthermore, following the Grenfell Enquiry, the government had allocated funds specifically for the fire sector protection teams to carry out a review of all high-rise buildings and support initial improvements in local protection capability. This had resulted in additional in-year funding of £230k.

The Principal Accountant advised Members that most of the capital works related to West Ashland which was now in occupation by the fire service. The forecasted year-end variance



for property review of £2.686m was expected to be offset by additional capital receipts and contributions which would result in a net variance of around £1m against the forecast expenditure.

RESOLVED –

That the latest projected outturn forecast for the Authority as at 30 September 2020 be noted.

## **EX19**

### **CAPITAL STRATEGY**

The Deputy Director of Finance and Assets advised Members that the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities (2017), included a new requirement for local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions were taken in line with the Authority's objectives and take account of stewardship, value for money, prudence, sustainability and affordability.

The Deputy Director of Finance and Assets advised Members that this Strategy outlined the Authority's approach to capital investment ensuring it was in line with its corporate priorities and objectives set out in the Public Safety Plan. It provided a strategic overview of how capital expenditure; capital financing and treasury management activity contributed to the delivery of outcomes, as well as an overview of the management of risk and future financial sustainability. Progress against this strategy would be reviewed annually and updated accordingly.

A Member asked about credit risk and how the Authority monitored the risk of current suppliers becoming insolvent, especially due to the issues many were facing in relation to Covid and was advised that the Authority had access to Experian Business Services. This allowed officers to have a live monitoring tool to be able to see any critical changes to suppliers. As mentioned, with the current pandemic, it was even more critical that the Authority had an understanding of the financial stability of its suppliers in order to be able to meet its undertakings. Also, the procurement team had access to credit ratings, so before any contract or large value capital scheme went out to procurement, officers would be looking to utilize this information, before making an informed decision.

A Member asked a question regarding the £136k, Section 106 funding and which authority/authorities were providing it and for what reason and was advised that the funding was being received from Milton Keynes Council in relation to West Ashland. To date, the Authority had only received £4k but was expected to receive £132k this financial year.

Subject to certain typographical errors being corrected it was:

RESOLVED –

1. That the Capital Strategy be recommended to the Authority for approval.
2. The Authority add, in its Terms of Reference, determining the Capital Strategy as set out at Appendix C.

## **EX20**

### **FINANCIAL STRATEGY 2020-21 TO 2024-25**

The Director of Finance and Assets advised Members that the Financial Strategy was a new document and was the link between the organisation's long-term service objectives and its financial capacity. The Strategy also helped the organisation to consider the feasibility of different options in terms of affordability and financial sustainability. The Strategy outlined three key areas; where the organisation was now; where it would like to be and how it plans to get there. The Strategy drew information from a number of sources, including HMICFRS reports, internal and external audit reports, financial analysis and also the self-assessment which had been carried out and was in Appendix A to Annex 1. One of the key elements of this Strategy was a consideration of the potential scenarios the Authority may face, especially in relation to Covid and funding reductions.

One of the scenarios was a 'no change' scenario. This was the base point of where the Authority would be if nothing changed from last year's MTFP. A 'reasonable worse case' scenario would be if the Authority was to lose some specific funding, and there was a possible 'optimistic' scenario if the Authority achieved additional precept flexibility and council tax could be increased by £5, rather than the 2% current limit. Against each scenario there were some possible actions. These showed the consultation process the Authority undertook when considering the current Public Safety Plan.

Also, within the document was the Reserves Strategy. The key point to note was the Authority had potentially around £1.75m of earmarked reserves that could be repurposed should there be a funding reduction and the need to mitigate the impact of it over the short term, whilst considering the longer term solutions to meet the challenge going forward.

In summary, this document addressed some of the concerns raised by HMICFRS. Namely to ensure that the Authority had the capacity and capability to support the activity in its Public Safety Plan and that the Service used sound financial management to ensure all additional costs such as pensions liability were accounted for and that there was a contingency plan in place for these eventualities.

A Member asked regarding the action plan and what in the current year did the review of value for money by an external provider actually involve and was advised that the Authority was working with a company called Proving. Proving were working with Surrey Fire Service to provide a benchmarking tool, specifically for the fire service. To date, there were nine fire

services who had opted into the toolkit, and to producing a more comprehensive tool kit. In terms of plans moving forward, the Authority was looking to bring in Proving early next year to look at the model in a lot more detail and to ensure that there were consistent benchmarks across the fire sector.

A Member asked in 2021/22 the review of budget monitoring and performance reporting arrangements covered a large number of sections within the self-assessment and how would this develop and was advised that when completing the self-assessment, there was a very comprehensive budget monitoring report, and there was also other statistics and performance monitoring around operational standards, attendance times, availability etc. The balanced scorecard was presented annually, and it would be good to bring the performance and financial data together to give a better overall picture.

A Member asked a question about the insurance excesses set at £5k and assuming 10 claims a year over £5k, had it been based on the last five years' experience, and was that the average number of claims and was advised it was based on the worst case, and was probably slightly over prudent, but it was better to have slightly too much put aside than not enough in terms of insurance excess.

A Member asked that for 2024/25 there was a zero-based budget in preparation for the Public Safety Plan to reset any budgets that may have drifted over time. If the Authority was already doing a zero-based budget, should there be any drifting over time and was advised that the zero-based budget prepared for this year was a big exercise, stripping everything back and then building it up again. It was not something officers would do every single year because of the amount of work involved, but it may be something to look at in five years' time to make sure nothing was overlooked. Over five years it might change significantly, it was trying to get the right balance between incremental and zero-based budgeting.

A Member asked about interest rates being less than before how was the Authority going to be sure it was not over inflating what interest may be on any balances it holds and was advised that the Authority regularly presented the Treasury Management Strategy and over the last few years had been achieving really good returns. The base rate had reduced down to 0.1%, and having spoken to its investment specialist, realistically the Authority would only achieve around £30k, so the investment budget had been reduced down to £30k from £150k.

Subject to certain typographical errors being corrected it was:

RESOLVED –

That the Financial Strategy 2020-21 to 2024-25 be recommended to the Fire Authority for approval.

**EX21****EMERGENCY SERVICES MOBILE COMMUNICATIONS PROGRAMME (ESMCP)**

The Programme Manager advised Members that this was the latest update regarding the Emergency Services Mobile Communications Programme. The last briefing was delivered earlier this year.

Members were advised that there had been many references to the Full Business Case in the papers presented in the past. The latest version of the Full Business Case had been reviewed by the National Fire Chiefs Council Strategic Lead for Operational Communications and the Fire Customer Group on behalf of fire services nationally. A letter of response had been submitted to the Programme and this can be seen at Appendix A. This outlined the joint concerns of the fire sector.

The Programme Manager advised Members that four options were presented within the Business Case. The first two options had been largely dismissed within the document whilst the remaining two were based around an incremental delivery of the Emergency Services network. Since submitting this paper, the Service had received notification that Option 3b, with an airwave shutdown date in 2024, was no longer considered viable and that the next iteration of the Business Case was likely to be based on Option 3a which had an Airwave shutdown date in 2025. Officers had also learnt that delivery of the Prime product (this was the product that would provide access to the full functionality of ESN) had been moved from April to October 2021. As a result, the programme plan was now being re-baselined and this work would lead to a revised start date for the mass transition of emergency services.

The Programme Manager advised that on a regional note, that the requirement for a Regional Programme Manager within the South-Central region had been fulfilled through a contract with the company Mott Macdonald. This contract would come to an end in January 2021 and the decision had been taken by the three Thames Valley Services to use the grant funding to employ a full time Programme Manager to take on this role. A recruitment process had taken place and the successful candidate would take on the role early in the New Year.

Members could be assured that officers from this organisation continued to monitor the progress of the national programme and to engage with colleagues at a regional and national level to prepare for ESN.

RESOLVED –

That the report and Appendix A, the letter from the NFCC dated 20 October 2020 be noted.

**EX22****EXCLUSION OF PRESS AND PUBLIC**

It being moved, it was

RESOLVED –

That the Press and Public be excluded from the meeting by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972, as the reports, appendices and minutes contain information relating to any individual; and Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 as the reports, appendices and minutes contain information relating to the financial or business affairs of a person; and on these grounds it is considered, at this moment in time, that the need to keep information exempt outweighs the public interest in disclosing the information.

The Chairman advised viewers of the live webcast that the meeting would now go into private session to hear the report and discuss the recommendations.

The Deputy Director of Finance and Assets, Principal Accountant, Head of Technology, Transformation and PMO, Head of Protection and Assurance and the Programme Manager left the meeting.

## **EX23**

### **SALE OF GREAT HOLM FIRE STATION**

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

RESOLVED-

That in order to dispose of the land (1.63 acres) at Great Holm Fire Station (Title Number BM 173869):

1. the sale of the site through a competitive tendering process be approved;
2. the Chief Finance Officer be delegated authority in consultation with the Chairman and the Vice Chairman and the Group Leaders to agree a minimum reserve price in the region of that indicated in Annex C; and
3. the Chief Fire Officer be delegated authority to negotiate the terms and conditions of the contract of sale (including sale price) in consultation with the Chairman and Vice Chairman, to the preferred bidder and enter into any necessary agreements needed for its disposal.

## **EX24**

### **SALE OF SMALL PARCEL OF LAND AT OLNEY FIRE STATION**

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

**EX25 SENIOR MANAGEMENT TEAM REMUNERATION AND PERFORMANCE REVIEW, AND ANNUAL REPORT ON EMPLOYEE BONUS SCHEME**

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

**EX26 DIRECTOR OF FINANCE AND ASSETS (CHIEF FINANCE OFFICER) REMUNERATION**

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

**EX27 EXEMPT MINUTES**

RESOLVED –

That the Exempt Minutes of the meeting of the Executive Committee held on Wednesday 16 September 2020, be approved and signed by the Chairman as a correct record.

**EX28 DATE OF NEXT MEETING**

The Committee noted that the date of the next Executive Committee meeting would be held on Wednesday 10 February 2021 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 11.23 AM.



# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	10 February 2021
<b>OFFICER</b>	Mark Hemming, Director of Finance & Assets
<b>LEAD MEMBER</b>	Councillor David Hopkins
<b>SUBJECT OF THE REPORT</b>	<b>Budget Monitoring Report April – November 2020</b>
<b>EXECUTIVE SUMMARY</b>	<p>The report in Appendix A sets out the Authority's revenue and capital spending position as at 30 November 2020, together with the projected outturn position for the financial year.</p> <p>The Authority is projecting a net underspend of £0.489m against a net revenue budget of £31.339m.</p>
<b>ACTION</b>	Noting.
<b>RECOMMENDATION</b>	That the latest projected outturn forecast for the Authority as at 30 November 2020 be noted.
<b>RISK MANAGEMENT</b>	Management of our financial resources is a key risk to the Authority and the performance reports to Committee inform Members of the main financial risks facing the Authority in year.
<b>FINANCIAL IMPLICATIONS</b>	As set out in the main body of the report.
<b>LEGAL IMPLICATIONS</b>	None.
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	None.
<b>HEALTH AND SAFETY</b>	None.
<b>EQUALITY AND DIVERSITY</b>	None.
<b>USE OF RESOURCES</b>	As set out in the main body of the report.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p><b>Background</b></p> <p>Medium Term Financial Plan 2020/21 to 2024/25, Fire Authority Meeting 12 February 2020 (see pages 61-80):</p>

	<a href="https://bucksfire.gov.uk/documents/2020/03/120220_item7c_medium_term_financial_plan.pdf/">https://bucksfire.gov.uk/documents/2020/03/120220_item7c_medium_term_financial_plan.pdf/</a>
<b>APPENDICES</b>	Appendix A – Budget Monitoring Report April – November 2020
<b>TIME REQUIRED</b>	10 Minutes
<b>REPORT ORIGINATOR AND CONTACT</b>	Asif Hussain <a href="mailto:ahussain@bucksfire.gov.uk">ahussain@bucksfire.gov.uk</a> 01296 744421



**Appendix A****1. Revenue Forecasts by Service Area**

Table 1 shows the budget and actual expenditure for each Directorate as at the end of November 2020. The budget of £31.339m compared to the forecast outturn of £31.698m gives a forecast yearend overspend of £0.358m. Furthermore, the level of funding is showing a favourable variance of £0.847m which has resulted in an overall net underspend of £0.489m.

The above projections include a transfer of £0.500m to revenue contributions to capital and £0.230m to a COVID reserve, which were approved by the Executive Committee in September.

An additional £0.847m of funding has been allocated to the Authority during the year, which relates to COVID-19 funding (£0.606m), protection funding (£0.230m) and additional Airwave funding (£0.011m).

**Table 1**

<b>Directorate</b>	<b>Total Budget £</b>	<b>Actual Year to Date £</b>	<b>Forecast Outturn £</b>	<b>Projected Year End Variance £</b>
Corporate Core	1,501,090	902,942	1,484,668	-16,422
Finance & Assets	6,282,722	4,118,127	6,330,880	48,158
People & Organisation Dev.	542,610	307,048	473,337	-69,273
Delivery, Corp. Dev. Planning	21,402,480	13,671,790	21,298,861	-103,619
Statutory Acc. & Contingency	1,610,510	661,127	2,110,210	499,700
<b>Total Expenditure</b>	<b>31,339,412</b>	<b>19,661,034</b>	<b>31,697,956</b>	<b>358,544</b>
<b>Total Funding</b>	<b>-31,339,412</b>	<b>-21,758,376</b>	<b>-32,186,738</b>	<b>-847,326</b>
<b>Net Position</b>	<b>0</b>	<b>-2,097,342</b>	<b>-488,782</b>	<b>-488,782</b>

## Variance by Directorate

**Corporate Core £0.016m under**– The underspend of £0.046m within Legal & Governance predominantly relates to projected underspend in legal costs and consultation with public (in relation to public safety plan). This is offset by overspends of £0.030m within Corporate Management relating to unachievable interest on investments as well as additional audit fees not budgeted for; there are also underspends seen under Corporate Management courses and conference fees which have been postponed due to COVID-19.

**Finance & Assets £0.048m over** – Most of the overspend is seen within West Ashland revenue costs which are expected to be recovered via services charges to other organisation's sharing the facilities which are currently not reflected in the forecast. This is offset by an underspend attributable to employee costs as a result of vacant positions throughout the directorate, which have either since been filled or where recruitment has been delayed due to COVID-19.

**People & Organisational Development (POD) £0.069m under** - The underspend is due to an employee being on maternity leave and the duties of the role will be shared within the existing team. Additionally, not all employees are taking part in the LGPS pension scheme which also contributes to the underspend. Furthermore, we are not expecting any Thames Valley collaboration costs during the current financial year which is contributing towards the underspend.

**Delivery, Corporate Development & Planning £0.104m under** – All costs relating to the COVID-19 response are included within this directorate which are currently projecting £0.845m (which includes a transfer of 0.230m into a Covid-19 reserve as approved by the Executive Committee in September) for the financial year. In addition to this, the whole-time establishment is currently projected to be over established by three by the end of the financial year. The additional resourcing will provide the resilience needed to the resourcing model if individuals were to retire sooner than expected following the outcome of the Sargeant remedy.

As a result of new recruits joining the organisation, a number of Wholetime posts are not at the top of the pay scale and these recruits have joined the 2015 pension scheme which has lower employer contributions than the 1992 pension scheme. This has resulted in an underspend within the pension budgets.

**Statutory Accounting and Contingency £0.500m over** – this variance is due to an additional revenue contribution to capital of £0.500m, which was approved by the Executive Committee in September.

## 2. Direct Employee Variances

**Table 2** shows the breakdown of all the favourable (-) and adverse (+) variances for each sub-heading within the direct employees subjective as at the end of November 2020.

Subjective	Salary (Including Training costs) £	Allowances £	NI £	Pension £	Total £
Wholetime	116,351	-33,854	109,009	-247,320	-55,814
On-Call	-28,873	-194,378	25,176	-50,299	-248,374
Support	-331,814	0	-39,291	-97,895	-469,000
Technicians	-15,902	0	-5,613	-3,597	-25,112
Sessional	-12,000	4,198	545	0	-7,257
Agency	114,258	0	0	0	114,258
<b>Grand Total</b>	<b>-157,980</b>	<b>-224,034</b>	<b>89,826</b>	<b>-399,111</b>	<b>-691,299</b>

**Wholetime** – Currently projecting an underspend of £0.056m predominantly within pensions, which relates to new recruits joining the 2015 scheme and replacing existing post holders who may have been on a 1992 scheme which have higher employer contributions. With the Sargeant remedy still to be finalised, there is uncertainty on the impact that this will have on employer pension contributions and therefore the current budget reflects a mix of establishment posts on the 1992 and 2015 pension schemes.

**On Call** – Underspends predominantly seen within allowances which is based on activity/training to date.

**Support Staff** – There is a forecast net underspend on support staff budgets across the directorates due to a delay in recruitment caused by the COVID-19 pandemic.

**Agency Staff** – Agency staff have been used to partly cover interim vacancies within support staff roles and this offsets the underspend on support staff.

### 3. COVID-19 Spend Analysis

**Table 3**

<b>Subjective</b>	<b>Actuals £</b>	<b>Forecast £</b>
Staffing Costs*	269,289	366,039
Protective Equipment	97,609	156,313
Other Costs	53,970	92,770
Loss of Income	7,265	7,265
<b>Total</b>	<b>428,133</b>	<b>622,387</b>

\* This figure includes £3k in actual costs which were incurred in March 2020 and therefore the total figure includes all COVID-19 related costs since the start of the Pandemic.

**Funding** - Central Government have allocated additional funding of £0.696m of which £0.090m was received in March 2020.

**Staffing Costs** – All additional employee costs (operational and support staff) incurred as a result of the Pandemic.

**Protective Equipment** – All costs in relation to the purchase of personal protective equipment (PPE) to ensure the safety of all employees and providing employees with the appropriate PPE in order to carry out their roles safely. This also includes cleaning materials to be used for all brigade sites by employees/visitors for sanitising and disinfecting areas before and after they are used.

**Other Costs** – Predominantly costs relating to IT upgrades to allow meetings to take place online and costs relating to signage put up on all sites in relation to COVID-19.

**Loss of Income** – Income we were unable to generate due to cancellation or restriction of certain activities due to COVID-19.

#### 4. Funding

**Table 4** details the budget and forecast outturn for each category of funding.

<b>Funding</b>	<b>Total Budget £</b>	<b>Actual Year to Date £</b>	<b>Forecast Outturn £</b>	<b>Projected Year End Variance £</b>
Government Funding	-3,531,360	-1,760,017	-3,531,360	0
Specific Grants	-1,106,440	-1,749,139	-1,953,766	-847,326
NNDR	-4,123,802	-3,123,443	-4,123,802	0
Top-up / Pooling Receipts	-1,844,000	-1,253,593	-1,844,000	0
Precept	-20,733,810	-13,872,184	-20,733,810	0
<b>Grand Total</b>	<b>-31,339,412</b>	<b>-21,758,376</b>	<b>-32,186,738</b>	<b>-847,326</b>

The level of funding is forecast to exceed the original budget by £0.835m. The majority of the additional funding (£0.606m) is due to the Treasury making additional funds available to respond to the COVID-19 Pandemic and £0.011m additional funding in relation to Airwave. Furthermore, following the Grenfell enquiry, Central Government have allocated funds specifically for the Fire Sector Protection teams to carry out a review of all high-rise buildings and support initial improvements in local protection capability. This has resulted in additional in-year funding of £0.230m. This funding is required to be spent by December 2021 and so any unspent balance at year-end will need to be transferred to a dedicated protection funding reserve.

We do not anticipate COVID-19 impacting the Precept/NNDR funding for 2020/21 and therefore have projected the funding to budget. However, as collection deficits are identified in the following financial year, it is very likely that this will result in a reduction in funding from 2021/22 in these areas due to the financial impact COVID-19 has had on businesses and council taxpayers. The Authority will be in a better position to understand the future financial implications when the provisional settlement is published in December.

## 5. Capital Monitoring

### Capital Forecast

The capital programme for 2020/21 £3.025m, including £1.809m worth of carry forward capital projects from 2019/20.

Project Name	Original Budget 2020/21 £	Carry Forwards 2019/20 £	Revised Budget 2020/21 £	Actual Year to Date £	Slippage £	Forecast Outturn £	Projected Year End Variance £
Property	500,000	217,698	717,698	255,123	60,000	355,698	-302,000
Property Review*	0	919,515	919,515	2,851,421	0	3,606,000	2,686,485
<b>Total Property Portfolio</b>	<b>500,000</b>	<b>1,137,213</b>	<b>1,637,213</b>	<b>3,106,544</b>	<b>60,000</b>	<b>3,961,698</b>	<b>2,384,485</b>
Hydraulic Equipment	51,000	11,635	62,635	0	0	62,635	0
Operational Equipment	90,000	35,000	125,000	0	0	125,000	0
Operational Red Fleet Vehicles	500,000	610,200	1,110,200	330,749	200,000	810,200	-100,000
Operational White Fleet Vehicles	0	14,801	14,801	14,801	0	14,801	0
<b>Total Fire Appliances &amp; Equipment</b>	<b>641,000</b>	<b>671,636</b>	<b>1,312,636</b>	<b>345,550</b>	<b>200,000</b>	<b>1,012,636</b>	<b>-100,000</b>
ICT	75,000	0	75,000	57,750	0	75,000	0
<b>Total Support</b>	<b>75,000</b>	<b>0</b>	<b>75,000</b>	<b>57,750</b>	<b>0</b>	<b>75,000</b>	<b>0</b>
<b>Grand Total</b>	<b>1,216,000</b>	<b>1,808,849</b>	<b>3,024,849</b>	<b>3,509,844</b>	<b>260,000</b>	<b>5,049,334</b>	<b>2,284,485</b>

\* The forecast year-end variance for Property Review (£2.686m) is expected to be offset by additional capital receipts and contributions which will result in a net variance of circa £1m against the forecast expenditure and risks previously reported to Committee.

### Capital Funding

The capital programme will be funded as follows:

Funding	Balance at 1 April 2020 £000	Estimated Transfers (in) £000	Estimates Transfers Out £000	Estimate Balance at 31 March 2021 £000
Revenue Contribution to Capital	-1,442	-1,815	2,370	-887
Other Capital Contributions	0	-2,679	2,679	0
<b>Total Capital Funding</b>	<b>-1,442</b>	<b>-4,494</b>	<b>5,049</b>	<b>-887</b>

## Property Portfolio

Property Portfolio has a capital budget of £1.637m for 2020/21, which includes carry-forward slippage from 2019/20 of £1.137m. The capital funds will be utilised to carry out planned capital investments and completion of West Ashland. A number of planned capital investments are delayed due to COVID-19 and will now be deferred until 2021/22. This results in forecast slippage of £0.060m, along with identified property capital saving of £0.302m.

The variance seen on West Ashland will be offset by additional anticipated capital receipts and contributions. The final account for West Ashland is currently in the process of being agreed. Due to the further delays, some of which are attributable to COVID-19, costs have increased further. The Authority will be looking to recover some of the increased costs from the professional design team.

## Fire Appliances & Equipment

Fire Appliances & Equipment has a capital budget of £1.313m for 2020/21, which includes carry forward slippage from 2019/20 of £0.672m. The majority of the capital funds will be utilised to purchase red fleet appliances and to purchase operational equipment for these appliances in line with the fleet strategy.

Due to COVID-19, there is a delay in the delivery of four appliances relating to 2019/20 (two appliances to be delivered in January 2021) and 2020/21 (two appliances to be delivered at the earliest May 2021), therefore a slippage of £0.200m has been forecast for the final appliance payments in 2021/22. Red fleet appliances are forecasting an underspend of £0.100m due to the collaboration and joint tendering with the neighboring Fire Authorities resulted in the costs of the appliances being lower than budgeted.

## Support

ICT has a capital budget of £0.075m for 2020/21, which will predominantly be utilised to purchase hardware, as per the ICT replacement strategy.

## 6. Reserves

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

Reserves	Balance at Start of year £000	Projected Movement £000	Balance at End of Year £000
General Fund	-1,500	0	-1,500
Earmarked Reserves (Revenue)*	-2,197	-623	-2,820
Earmarked Reserves (Capital)	-1,442	555	-887
<b>Total Reserves</b>	<b>-5,139</b>	<b>-68</b>	<b>-5,207</b>

\* This figure includes £0.588m, which represents this Authority's share of the joint control room renewals fund (which is held by Oxfordshire Fire and Rescue Service)

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# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	10 February 2021
<b>OFFICER</b>	Mark Hemming, Director of Finance & Assets.
<b>LEAD MEMBER</b>	Councillor David Hopkins
<b>SUBJECT OF THE REPORT</b>	<b>The Prudential Code, Prudential Indicators and Minimum Revenue Provision</b>
<b>EXECUTIVE SUMMARY</b>	<p>This report is being presented as the Prudential Indicators (Appendices A and B) and Minimum Revenue Provision policy statement (Appendix C) are required to be approved by the Fire Authority and to support the Medium-Term Financial Plan (MTFP).</p> <p>The Authority has already made sufficient revenue provision to cover the repayment of its gross borrowing. However, due to prohibitive penalties the early repayment of this borrowing is not currently an option. The Authority has no plans for additional borrowing in the foreseeable future, according to the current MTFP.</p> <p>It is recommended that the Authorised Limit for 2021-22 continues to be set at £2m higher than the Operational Limit to allow for the effective management of cashflow in relation to capital receipts from land sales.</p>
<b>ACTION</b>	Decision
<b>RECOMMENDATIONS</b>	<p>That the Executive Committee approve the recommendations below for submission to the Fire Authority.</p> <p>That the Authority be recommended to approve:</p> <ol style="list-style-type: none"> <li>1. the Prudential Indicators for 2021-22;</li> <li>2. the Minimum Revenue Provision policy statement.</li> </ol>
<b>RISK MANAGEMENT</b>	<p>The Prudential Code was established to ensure that capital investment plans are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. The indicators presented here demonstrate that the current plans for capital investment meet these criteria and present an acceptable level of risk to the Authority.</p> <p>Minimum revenue provision is a statutory charge to</p>

	<p>the General Fund, which ensures that an Authority has sufficient cash balances to repay borrowing upon maturity, reducing the refinancing risk.</p> <p>There are no direct staffing implications.</p>
<b>FINANCIAL IMPLICATIONS</b>	<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 2021/22 (no change from 2020/21).</p>
<b>LEGAL IMPLICATIONS</b>	<p>The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, SI 2003/3146 make provision for capital finance and accounts under the Local Government Act 2003 requiring the authority to have regard to the 'Prudential Code for Capital Finance in Local Authorities' when determining, under the Local Government 2003 Act, how much money it can afford to borrow; and require the Authority to determine for the current financial year an amount of minimum revenue provision which it considers to be prudent.</p>
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	<p>No direct impact.</p>
<b>HEALTH AND SAFETY</b>	<p>No direct impact.</p>
<b>EQUALITY AND DIVERSITY</b>	<p>No direct impact.</p>
<b>USE OF RESOURCES</b>	<p>The impact of the Prudential Code will allow the Authority to make informed choices between revenue and capital financing of procured services, to encourage invest to save schemes and will only allow capital investment to proceed where the Authority can fund projects within prudential limits.</p> <p>Making sufficient minimum revenue provision ensures that when borrowing matures, cash is available to make the repayment. This ensures that the Authority does not need to borrow additional money to repay existing loans.</p>
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p><b>Background</b></p> <p>Realignment of Reserve Balances to Facilitate the Medium Term Financial Plan, Executive Committee, 18 November 2015, agenda item 6:</p> <p><a href="https://bucksfire.gov.uk/documents/2020/03/181115_exec_committee_papers.pdf/">https://bucksfire.gov.uk/documents/2020/03/181115_exec_committee_papers.pdf/</a></p>

<b>APPENDICES</b>	Appendix A – Prudential Indicators Appendix B – Summary Table of Prudential Indicators Appendix C – Minimum Revenue Provision Policy Statement
<b>TIME REQUIRED</b>	10 minutes
<b>REPORT ORIGINATOR AND CONTACT</b>	Marcus Hussey <a href="mailto:mhussey@bucksfire.gov.uk">mhussey@bucksfire.gov.uk</a> 01296 744680

## **Appendix A – Prudential Indicators**

### **1.0 Indicators for Affordability**

#### **1.1 The ratio of financing costs to net revenue stream**

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

Indicator	Actual 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
Ratio of financing costs to net revenue stream	0.5%	0.8%	1.0%	1.0%	0.9%

### **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 at the start of 2019/20 financial year was £6.797m. 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 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
Gross borrowing (£000)	6,797	6,797	6,797	6,797	6,177
Capital financing requirement (£000)	1,637	1,590	1,543	1,496	1,449

### **3.0 Indicators for Capital Expenditure**

#### **3.1 Capital Expenditure**

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

Indicator	Actual 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
Capital expenditure (£000)	7,579	5,049	2,240	2,380	1,230

### 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 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
Capital financing requirement (underlying need to borrow for a capital purpose) (£000)	1,637	1,590	1,543	1,496	1,449

### 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 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
Authorised limit for borrowing (£000)	8,797	8,797	8,797	8,797	8,177
Authorised limit for other long-term liabilities (£000)	1,637	1,590	1,543	1,496	1,449
Authorised limit for external debt (£000)	10,434	10,387	10,340	10,293	9,626

#### 4.2 Operational Boundary

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

The actual external debt for the year ending 31 March 2020 was **£8.434m**.

Indicator	Actual 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
Operational boundary for borrowing (£000)	6,797	6,797	6,797	6,797	6,177
Operational boundary for other long-term liabilities (£000)	1,637	1,590	1,543	1,496	1,449
Operational boundary for external debt (£000)	8,434	8,387	8,340	8,293	7,626

### 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 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
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 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
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 2019/20		Estimate 2020/21		Estimate 2021/22		Estimate 2022/23		Estimate 2023/24	
Maturity structure of fixed rate borrowings	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit
Under 12 months	0%	0%	0%	0%	0%	9%	0%	24%	0%	16%
12 months and within 24 months	0%	0%	0%	9%	0%	15%	0%	0%	0%	0%
24 months and within five years	0%	24%	0%	15%	0%	0%	0%	15%	0%	16%
five years and within 10 years	0%	15%	0%	24%	0%	24%	0%	20%	0%	22%
10 years and within 20 years	0%	20%	0%	11%	0%	11%	0%	0%	0%	0%
20 years and within 30 years	0%	0%	0%	0%	0%	0%	0%	32%	0%	36%
30 years and within 40 years	0%	41%	0%	41%	0%	41%	0%	9%	0%	10%
40 years and above	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

## 5.5 Total principal sums invested for periods longer than 364 days

The purpose of this indicator is for the Authority to contain its exposure to the possibility of loss that might arise as a result of its having to seek early repayment or redemption of principal sums invested. The Authority currently has no investments over a period longer than 364 days.

Indicator	Actual 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
Total principal sums invested for periods longer than 364 days (£000)	4,000	4,000	4,000	4,000	4,000

## 5.6 Credit Risk

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

## Appendix B – Summary Table of Prudential Indicators

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

	Indicator	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
<b>Indicators for Affordability</b>						
1.1	Ratio of financing costs to net revenue stream	0.5%	0.8%	1.0%	1.0%	0.9%
1.2	The incremental impact of capital investment decisions on the council tax	£0.00	£0.00	£0.00	£0.00	£0.00
<b>Indicators for Prudence</b>						
2.1	Gross borrowing (£000)	6,797	6,797	6,797	6,797	6,177
<b>Indicators for Capital Expenditure</b>						
3.1	Capital expenditure (£000)	7,579	5,049	2,240	2,380	1,230
3.2	Capital financing requirement (£000)	1,637	1,590	1,543	1,496	1,449
<b>Indicators for External Debt</b>						
4.1	Authorised limit for external debt (£000)	10,434	10,387	10,340	10,293	9,626
4.2	Operational boundary for external debt (£000)	8,434	8,387	8,340	8,293	7,626
<b>Indicators for Treasury Management</b>						
5.2	Upper limit on fixed interest rate exposures	100%	100%	100%	100%	100%
5.3	Upper limit on variable interest rate exposures	20%	20%	20%	20%	20%
5.5	Total principal sums invested for periods longer than 364 days (£000)	4,000	4,000	4,000	4,000	4,000

The actual external debt for the year ending 31 March 2020 was £8.434m. The projected external debt for the year ending 31 March 2021 is £8.387m (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 2020/21
- 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 2021/22.

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

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	10 February 2021
<b>OFFICER</b>	Mark Hemming, Director of Finance and Assets
<b>LEAD MEMBER</b>	Councillor David Hopkins
<b>SUBJECT OF THE REPORT</b>	<b>Medium Term Financial Plan (MTFP) 2021/22 to 2025/26</b>
<b>EXECUTIVE SUMMARY</b>	<p>The main report (Annex A) presents the proposed revenue and capital Medium Term Financial Plan (MTFP) for the financial years 2021/22 to 2025/26. The MTFP is closely linked to the Financial Strategy (approved December 2020) which is the link between the organisation's long-term service objectives and its financial capacity. BFRS long-term service objectives are set out in the Public Safety Plan (PSP) and Corporate Plan.</p> <p>The provisional settlement was announced on 17 December 2020 and is included in the funding assumptions. Final confirmation is expected in February 2021. Within the settlement it was announced that authorities without any specific council tax freedoms can increase Council Tax by up to 1.99% without the need for a referendum.</p> <p>Key assumptions are detailed in Section 4 of Annex A and are based on information received to date.</p> <p>Without sufficient time to undertake a full comprehensive spending review due to the Covid-19 Pandemic, the Government has effectively rolled-forward amounts within the settlement funding assessment for 2020/21 and increased these by the rate of inflation as at September 2020. The exception to this is the pension grant funding, which is a flat-cash settlement and expected to be included in future years' (2022/23 onwards) settlement funding assessment and subject to review as part of the anticipated three-year comprehensive spending review.</p> <p>An additional £670m unringfenced grant will be distributed to authorities in recognition of the increased costs of providing local council tax support following the Covid-19 Pandemic. Indicative figures published 18 December 2020 show that Buckinghamshire Fire and Rescue Service (BFRS) will receive £0.336m, which has been reflected in our projections under the heading Council Tax Support Grant.</p> <p>Council tax collection funds have been adversely</p>

	<p>impacted due to the impact of Covid and the increase in unemployment. As a direct consequence, the government have updated legislation to allow billing authorities and preceptors to phase the deficit over three years. In addition to this, the government will also fund 75% of irrecoverable collection fund losses due to Covid-19.</p> <p>It is anticipated that next year the Government will revert to a three-year comprehensive spending review whereby all funding will be subject to review.</p> <p>Uncertainty persists regarding pensions following the ruling in December 2018 that the transitional arrangements introduced for the firefighters' schemes in 2015 were discriminatory. At the employment tribunal hearing on 18 December 2019 it was ruled that the claimants, members of the 1992 and 2006 firefighters' pension schemes, are now entitled to be treated as if they have remained members of their original pension scheme. It is expected that this will increase the longer-term costs of the firefighters' schemes, although it is not yet possible to quantify the impact.</p> <p>This year officers reverted back to the incremental budgeting approach when developing the budget proposal for 2021/22. With the projected reductions in council tax base and business rates funding, budget setting process was scrutinised by Officers and Members to ensure only proposals which added value for money were approved.</p> <p>Even with the budgetary constraints this year's budget approach has identified some key opportunities:</p> <ul style="list-style-type: none"> <li>• Development of Leadership and Management Framework. The framework will improve the effectiveness of existing managers as well as provide development opportunities and pathways for future managers and leaders of the organisation.</li> <li>• Continue with the current establishment within Health &amp; Safety team (on a fixed term contract) who have supported the Service's response to the COVID-19 pandemic and the 'recovery' phase which has significantly increased workloads in terms of the implementation of the measures required to comply with Government guidance.</li> <li>• Upgrade to our ICT infrastructure.</li> </ul> <p>As well as opportunities, the MTFP projections have had to be revised following the comprehensive spending review announcement (CSR). As part of the one-year CSR, the Government announced Public sector pay increases to be paused (excluding NHS and those earning less than £24,000). Therefore, no pay award has been built into the 2021/22 budget for anyone earning more than £24,000.</p>
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	<p>The revenue budget for 2020/21 and indicative figures for future years are shown in Appendix 1.</p> <p>It should also be noted that the figures for council tax and business rates are provisional. The statutory deadline for the billing authorities to provide this information to the Authority is 31 January. Any changes to the figures will be presented in a revised Appendix 1 at the meeting.</p> <p>Appendix 2 shows the latest summary of the capital programme for 2020/21 and approved schemes for the following years.</p> <p>Appendix 3 provides further detail on the level of council tax chargeable for each band if the Authority accepts the recommendation to increase the band D equivalent amount by 1.99%.</p> <p>As well as the uncertainty regarding pensions noted above, there is also uncertainty regarding the upcoming Fair Funding Review, USAR funding and funding for Firelink/ESMCP.</p>
<b>ACTION</b>	Decision
<b>RECOMMENDATIONS</b>	<p>It is recommended that the Authority be recommended to:</p> <ol style="list-style-type: none"> <li>1(a) Note and have due regard to the report and Statement of the Chief Finance Officer (see section 8 of Annex A).</li> <li>1(b) Approve a Council Tax precept of £67.16 for a band D equivalent property (a 1.99% increase from 2020/21 - equal to 2.5p per week) and the revenue budget as set out in Appendix 1.</li> <li>1(c) Approve the capital programme as set out in Appendix 2.</li> <li>2 Not hold a referendum to increase Council Tax above the 2% threshold for 2021/22</li> <li>3 Note that a referendum may need to be considered for 2022/23 depending on the outcome of the Comprehensive Spending Review.</li> </ol>
<b>RISK MANAGEMENT</b>	<p>Management of our Financial resources is a key risk to the Authority. By projecting forward and monitoring our financial plans, we are in a better position to avoid and mitigate the risk of adverse financial consequences.</p> <p>Section 9 details the potential financial benefits and risks of holding a referendum to increase Council Tax above the 2% threshold.</p>
<b>FINANCIAL IMPLICATIONS</b>	All financial implications are shown in the main body of the report.

<p><b>LEGAL IMPLICATIONS</b></p>	<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 have regard to the report 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> <p>The Council Tax referendum scheme was introduced via the Localism Act 2011. The process for conducting referendums is contained within the Local Authority (Referendums Relating to Council Tax Increases) Regulations 2012 [2012/460] and the Local Authorities (Conduct of Referendums) (Council Tax Increases) (England) Regulations 2012 [2012/444].</p> <p>If the Authority were to set a council tax increase in excess of the relevant threshold, it must notify each of the two billing authorities to which it issues precepts. The notification must include a precept based on the substitute calculation which results in a basic amount of Council Tax which is not excessive. It must make the notification by 8 March in the financial year preceding that year. Those billing authorities will then be required to make arrangements to hold a referendum in relation to the Authority's relevant basic amount of council tax for the financial year on the first Thursday in May, the usual date for local elections (or such other date as is specified by order of the Secretary of State).</p> <p>A billing authority which holds a referendum on behalf of the Authority is able to recover its costs from the Authority. Furthermore, if the excessive amount is not approved by the referendum, the billing authority will need to set a new amount of council tax to take into account the Authority's substitute precept (a demand for payment of council tax based upon the Authority's substitute calculations). The billing authority will be able to recover its costs of setting a new amount of council tax from Authority. If the excessive relevant amount is approved by the referendum that amount continues to have effect for the year.</p> <p>Regulation 3 and Schedule 1 prescribe the question to be asked in the referendum. Voters are to be asked whether they approve of the percentage change in the relevant basic amount of council tax set by the authority for the financial year in question and are also informed of what the percentage change will be if the voters do not agree with the increase.</p> <p>Regulation 5(2) would require the Authority, as soon as is reasonably practicable and not fewer than 28</p>
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	<p>days before the date on which the referendum will be held, to publish in such a manner as it considers likely to bring to the attention of persons who live in the Authority's area, a notice which contains a statement including the following—</p> <p>a) that a referendum is required to be held on the authority's council tax increase for the relevant financial year;</p> <p>(b) that arrangements to hold the referendum will be made by relevant billing authorities which are to be specified in the notice;</p> <p>(c) of the date on which the referendum will be held;</p> <p>(d) of the question to be asked in the referendum;</p> <p>(e) that the referendum will be conducted in accordance with procedures similar to those used at local government elections;</p> <p>(f) of the referendum expenses limit that will apply in relation to the referendum and the number of local government electors by reference to which that limit has been calculated;</p> <p>(g) of the authority's relevant basic amount of council tax for the relevant financial year;</p> <p>(h) of the authority's relevant basic amount of council tax for the financial year preceding the relevant financial year;</p> <p>(i) of the percentage change in the authority's relevant basic amount of council tax from the preceding financial year to the relevant financial year expressed to one decimal place;</p> <p>(j) of what the amount calculated by the authority as its relevant basic amount of council tax for the relevant financial year would be if the authority's relevant basic amount of council tax is not approved; and</p> <p>(k) of what the percentage change in the authority's relevant basic amount of council tax from the preceding year to the relevant financial year expressed to one decimal place would be if the authority's relevant basic amount of council tax is not approved.</p> <p>Once this notice has been published (and triggered the period of campaigning), the Authority may publish an additional statement setting out the reasons for the excessive increase, and the likely consequences if its council tax increase is not approved. This statement will be subject to the campaign expenses limit for the referendum and published no later than 28 days before the poll.</p> <p>Regulation 10 places restrictions on the publication of other promotional material by or on behalf of the Authority for the entire period from the date of setting</p>
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	<p>the excessive amount and ends on the date of the referendum. This prohibits publication of any material which (a) provides general information about the referendum; (b) deals with any of the issues raised by the question to be asked in the referendum; or (c) puts any arguments for or against a particular answer to that question.</p> <p>Regulation 16 provides that the Authority must appoint a person to be Chief Counting Officer. This person will be responsible for drawing up a statement of the total number of votes cast in favour of each answer to the question asked in the referendums held by each billing authority and publishing the final result. This person will have a power of direction over counting officers in each area (the respective billing authorities' returning officers), including the power to order a recount.</p> <p>Regulation 12 prescribes a limit on referendum expenses. 'referendum expenses' means the expenses incurred by or on behalf of the Authority during the 'referendum period'. 'referendum period', means the period beginning with the publication made in accordance with Regulation 5 (2), mentioned above, and ending on the date of the referendum. The prescribed list of referendum expenses includes the following:</p> <ol style="list-style-type: none"> <li>1. Advertising of any nature (whatever the medium used). Expenses in respect of such advertising include agency fees, design costs and other costs in connection with preparing, producing, distributing or otherwise disseminating such advertising or anything incorporating such advertising and intended to be distributed for the purpose of disseminating it.</li> <li>2. Unsolicited material addressed to voters (whether addressed to them by name or intended for delivery to households within any particular area or areas). Expenses in respect of such material include design costs and other costs in connection with preparing, producing or distributing such material (including the cost of postage).</li> <li>3. Market research or canvassing conducted for the purposes of ascertaining voting intentions.</li> <li>4. The provision of any services or facilities in connection with press conferences or other dealings with the media.</li> <li>5. Transport (by any means) of persons to any place or places with a view to obtaining publicity in connection with a referendum campaign. Expenses in respect of the transport of such persons include the costs of hiring a particular means of transport for the whole or part of the referendum period.</li> <li>6. Rallies and other events, including public meetings</li> </ol>
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	<p>organised so as to obtain publicity in connection with a referendum campaign or for other purposes connected with a referendum campaign. Expenses in respect of such events include costs in connection with the attendance of persons at such events, the hire of premises for the purposes of such events or the provision of goods, services or facilities at them.</p> <p>The referendum expenses limit is the aggregate of £2,362 and the amount found by multiplying 5.9 pence the number of entries on the electoral rolls for the two billing authorities (587,087). The electorate for Buckinghamshire is 398,814 as at 2 March 2020 (Office for National Statistics, 05 January 2021). The electorate for Milton Keynes Council is 188,273 as at 2 March 2020 (Office for National Statistics, 05 January 2021).</p> <p>Where any referendum expenses are incurred in excess of the referendum expenses limit, a person who knew or ought reasonably to have known that that limit would be exceeded, or who, without reasonable excuse, authorises another person to exceed that limit, is guilty of an offence punishable by a fine or imprisonment (for a term not exceeding 12 months) or both.</p> <p>Section 52ZR of the Local Government Finance Act 1992 provides that if it appears to the Secretary of State that an authority will be unable to discharge its functions effectively or to meet its financial obligations unless it sets an increase in council tax which exceeds the principles, s/he has the discretion to direct that a referendum need not be held. (When promoting the Localism Bill in the House of Lords Earl Attlee stated, "This is a reserve power and the expectation is that this would be used only in exceptional circumstances, such as where the High Court has exercised its powers to appoint a receiver where an authority has failed to service its debt within a set time period" Hansard HL Deb 30 June 2011 c1971)</p>
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	No direct impact.
<b>HEALTH AND SAFETY</b>	No direct impact.
<b>EQUALITY AND DIVERSITY</b>	No direct impact.
<b>USE OF RESOURCES</b>	<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</p>

	have been involved in agreeing priorities and the budget setting process over the preceding months.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<b>Background</b> Medium Term Financial Plan (MTFP) 2020/21 to 2021/22 and Revised Appendices, Fire Authority, 12 February 2020: <a href="https://bucksfire.gov.uk/documents/2020/03/120220_item7c_medium_term_financial_plan.pdf/">https://bucksfire.gov.uk/documents/2020/03/120220_item7c_medium_term_financial_plan.pdf/</a> <a href="https://bucksfire.gov.uk/documents/2021/01/executive-committee-revised-appendix-1-and-2.pdf/">https://bucksfire.gov.uk/documents/2021/01/executive-committee-revised-appendix-1-and-2.pdf/</a>
<b>APPENDICES</b>	Annex A – Medium Term Financial Plan 2021/22 to 2025/26 Appendix 1 – MTFP Budget Model and Reserves Position Appendix 2 – Capital Programme Summary Appendix 3 – Council Tax Funding
<b>TIME REQUIRED</b>	20 minutes
<b>REPORT ORIGINATOR AND CONTACT</b>	Asif Hussain <a href="mailto:Ahussain@bucksfire.gov.uk">Ahussain@bucksfire.gov.uk</a> 01296 744421

## **Annex A – Medium Term Financial Plan (MTFP) 2021/22 to 2025/26**

### **1. Introduction**

- 1.1. The purpose of this report is to present the proposed revenue and capital Medium Term Financial Plan (MTFP) 2021/22 to 2025/26.
- 1.2. The MTFP is closely linked to the Financial Strategy which is the link between the organisation's long-term service objectives and its financial capacity. BFRS long-term service objectives are set out in 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.
- 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 four 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 2021 to 2022**

- 2.1. Without sufficient time to undertake a full comprehensive spending review due to the Covid-19 Pandemic, the Government has effectively rolled-forward amounts within the settlement funding assessment for 2020/21 and increased these by the rate of inflation. The exception to this is the pension grant funding, which is expected to be a flat-cash settlement.
- 2.2. The pension grant funding, which is a flat-cash settlement will be funded for 2021/22. It is expected to be included in future years (2022/23 onwards) settlement funding assessment and subject to review as part of the anticipated three-year comprehensive spending review.
- 2.3. As part of this year's announcement, the Government published headline changes in core spending power between 2020/21 and 2021/22 for every authority. The headline change for BMKFA was an increase of 2.9%.
- 2.4. However, this headline increase is based on two fundamental assumptions:
  - That the growth in council tax base between 2020/21 and 2021/22 will be 1.59% (actual decrease was 0.65%).

- That the Authority will increase its Band D council tax in 2021/22 by 1.99%, which is the maximum increase permissible without triggering a referendum.

### **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 continue to increase council tax every year by the maximum amount permissible.
- 3.2. The difference between a 1.99% increase in the precept and holding council tax at its current level for 2021/22 is just over £400k for the year. This is approximately equivalent to the cost of employing eight wholetime firefighters.
- 3.3. Council tax was increased by 2.98% in 2019/20 and by 1.99% in 2020/21.
- 3.4. Despite this Authority's correspondence with the Minister and the concerns noted by the inspectorate, no specific additional precept flexibility was afforded to fire and rescue authorities. Authorities with no specific additional flexibility may only increase their Band D equivalent by up to 2% without triggering a referendum (last year this figure was also 2%).
- 3.5. The Authority currently sets a band D equivalent precept of £65.85 per annum (approx. £1.27 per week). This is significantly below the national average (of £78.56) and is the second lowest precept of any non-metropolitan combined fire authority.
- 3.6. Council tax chargeable for each band should the Authority resolve to increase the band D equivalent amount by 1.99% is shown in Appendix 3.
- 3.7. It is not recommended to hold a referendum to increase Council tax above the threshold for 2021/22. However, this option may need to be considered for 2022/23, depending on the outcome of the Comprehensive Spending Review.

### **4. Risk Factors in Budget Assumptions**

- 4.1. The budget proposed for 2021/22 at Appendix 1 has been compiled by looking in detail at current spending and future plans.
- 4.2. This year officers reverted back to the incremental budgeting approach when developing the budget proposal for 2021/22. With the projected reductions in council tax base and business rates funding, the focus was to consider bids which were either invest to save or which needing approving due to contractual obligations.
- 4.3. Even with the budgetary constraints this year's budget approach has identified some key opportunities:
  - Development of Leadership and Management Framework. The framework will improve the effectiveness of existing managers as well as provide development opportunities and pathways for future managers and leaders of the organisation.
  - Continue with the current establishment within Health & Safety team who have supported the Service's response to the COVID-19 pandemic and the 'recovery' phase which has significantly increased workloads in terms of the implementation of the measures required to comply with Government guidance.
  - Upgrade to our ICT infrastructure.

- 4.4. At the time of writing the Authority had not yet received formal written notification of the continuation of the USAR grant for 2021/22, but it is expected imminently. However, the potential discontinuation of USAR funding in future years is a significant financial risk facing the Authority at present.
- 4.5. As well as opportunities, the MTFP projections have had to be revised following the comprehensive spending review announcement (CSR). As part of the one-year CSR, the Government announced Public sector pay increases to be paused (excluding NHS and those earning less than £24,000). Therefore, no pay award has been built into the 2021/22 budget for anyone earning more than £24,000.
- 4.6. Uncertainty persists regarding pensions following the ruling in December 2018 that the transitional arrangements introduced for the firefighters' schemes in 2015 were discriminatory. At the employment tribunal hearing on 18 December 2019 it was ruled that the claimants, members of the 1992 and 2006 firefighters' pension schemes, are now entitled to be treated as if they have remained members of their original pension scheme. It is expected that this will increase the longer-term costs of the firefighters' schemes, although it is not yet possible to quantify the impact.
- 4.7. Areas where budgets have changed significantly from previous years have been subject to a series of challenges by Officers and Members. Risks which have been identified are to be covered from the reserves.
- 4.8. The detailed costings are based on the updated budget requirement including the annual uplift assumptions below:

	2021/22	2022/23	2023/24	2024/25	2025/26
Pay inflation	0%	2%	2%	2%	2%
CPI	0.5%	0.5%	1%	1%	1%
Council tax increase	1.99%	1.99%	1.99%	1.99%	1.99%
Council tax base	-0.65%	1.0%	1.6%	1.6%	1.6%
Business tax base	-8%	0.5%	1%	1%	1%

## 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 (RCCO), details of which are shown in Appendix 1.
- 5.2. The table at Appendix 2 details the approved capital programme for 2020/21, the estimated provisional outturn position and any proposed slippage to the programme. Any slippage is then added to the new budget requests for 2021/22 to give a total capital budget requirement of £2.2m for 2021/22.
- 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 Members during the MTFP process.

## **7. Adequacy of Reserves**

- 7.1. The Reserves Strategy is now incorporated within our Financial Strategy which was approved by the Fire Authority at its meeting on 9 December 2020 (<https://bucksfire.gov.uk/documents/2020/11/item-7c-fire-authority-9-december-2020.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 latest forecast balances and reserves at year-end 2020/21 are:

- General Fund Balance - £1.5m
- Earmarked Reserves - £2.2m\*
- Capital Reserves - £0.9m

\* The earmarked reserves balance excludes the amount held by Oxfordshire County Council relating to the Thames Valley Fire Control Service.

## **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 have regard to this report when making decisions in connection with which it is made.

- 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 controls 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 2021/22 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.

## **9. Referendum Limit**

- 9.1. A local referendum must be held, and won, for an authority to increase council tax by more than the amount specified in the principles. An authority proposing to set an excessive council tax level is required to make substitute calculations which will take effect if the proposed 'excessive' amount of council tax is rejected in a referendum. The substitute council tax level must be below the amount which is considered excessive under the principles
- 9.2. The higher rate of council tax will be payable unless and until it is overturned by a 'no' vote in the referendum. In the event that a referendum rejects the increase, the billing authorities would be able to issue new bills, offer refunds at

the end of the year or allow credits against liability the following year, although individual council taxpayers would be entitled to a refund on demand.

- 9.3. Surrey County Council proposed to hold a referendum on a 15% increase in council tax for 2017-18, but later dropped the proposal. More recently, Warwick District Council recommended carrying out a vote in holding a referendum on the introduction of a 'climate action fund' precept, equivalent to a 34% increase on council tax in 2020-21. Due to the coronavirus restrictions, the planned referendum did not take place.
- 9.4. One referendum has taken place to date. The Bedfordshire Police and Crime Commissioner, Olly Martins, proposed a 15.8% increase in council tax for 2015-16 when the threshold was 2%. The poll was held on 7 May 2015. 91,086 voters (30.5%) supported the proposal, whilst 207,551 (69.5%) opposed it.
- 9.5. Schedule 1 of the Local Authorities (Conduct of Referendums) (Council Tax Increases) (England) Regulations 2012/444 prescribes the text of the question to be asked at a council tax referendum. Therefore the question asked of the voter by Bedfordshire's Police and Crime Commissioner was as follows:

*'Part of the council tax in your area goes to the Bedfordshire Police and Crime Commissioner.*

*For the financial year beginning on 1st April 2015 the Bedfordshire Police and Crime Commissioner has set an increase of fifteen point eight percent (15.8%) in the amount it charges.*

*If most voters choose 'yes', the increase will be 15.8%.*

*If most voters choose 'no', the increase will be 2.0% instead.*

*Do you want the Bedfordshire Police and Crime Commissioner to increase the amount it charges by 15.8%?'*

- 9.6. The one referendum held so far, by Bedfordshire's Police and Crime Commissioner coincided with the poll conducted for the parliamentary general election is estimated to have cost £600,000. The Bedfordshire PCC covers three unitary local authorities and a population of some 640,000. An impact assessment on the scheme, published by the Department for Communities and Local Government in January 2011, set out the estimated costs of other referendums including the elected regional assembly referendum in the North East, mayoral referendums and non-binding council tax referendums. *'A more recent estimate of costs comes from Tower Hamlets council, where estimates from the Chief Finance Officer suggest that "the cost of holding a stand-alone mayoral referendum is estimated at up to £250,000. If combined with the Council elections the additional cost is estimated at approximately £70,000."* A number of non-binding referendums on Council Tax have already been held, and can offer some guide to potential costs. *A referendum on Council Tax in Milton Keynes in 1999 cost around £70,000 – referendums in 2001 cost £150,000-200,000 in Croydon and £120,000 in Bristol. This is the most relevant and reliable data available as these are the only years where formal Council Tax referendums have been held by local authorities, none having been held since then'. The impact assessment concluded: 'it seems reasonable to estimate the range of costs of such referendums as £85,000 - £300,000. Actual costs will vary depending on the size of the authority and whether the*

*referendum is combined with a local election. For example, these figures do not apply to certain major precepting authorities such as police, fire & rescue authorities and the GLA which are typically larger than a principal local authority'. The paper also noted examples of rebilling costs for recently-capped authorities, such as £380,000 for Lincolnshire Police Authority in 2008/09 (£1.22 per household) and £626,000 for Surrey Police Authority in 2009/10 (£1.29 per household)<sup>1</sup>*

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<sup>1</sup> [Localism Bill: provision for referendums to veto excessive Council Tax increases Impact assessment](#)



## Appendix 1 – MTFP Model

The model below is based on the assumptions detailed in Sections 3 and 4 and all significant budget movements have been subjected to officer and Member scrutiny as noted in Section 6.1. The statutory deadline for the billing authorities to provide Council Tax and business rates information to the Authority is 31 January. Any changes to these figures will be presented in a revised Appendix 1 at the meeting.

Directorate	2020/21 Approved Budget £000	2020/21 Revised Budget £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Base Budget	0	0	31,339	32,277	32,511	32,576	33,488
Pay Adjustment	0	0	0	435	444	453	462
Inflation Adjustment	0	0	0	78	78	78	78
Corporate Core	1,349	1,495	110	0	-28	-45	0
Statutory Accounting	589	590	-293	0	0	0	0
Delivery, Corporate Development & Planning	21,513	21,377	545	-12	-12	0	0
People & Organisational Development	2,298	633	-104	0	0	0	0
Finance & Assets	4,264	5,929	212	40	-40	0	0
RCCO	1,315	1,315	469	-307	-377	426	374
Transfers to/(from) Reserves	11	0	0	0	0	0	0
<b>Net Budget Requirement</b>	<b>31,339</b>	<b>31,339</b>	<b>32,277</b>	<b>32,511</b>	<b>32,576</b>	<b>33,488</b>	<b>34,402</b>
Revenue Support Grant/ Business Rates	-8,291	-8,291	-7,998	-8,028	-8,103	-8,178	-8,253
Council Tax Receipts Surplus/Deficit	-274	-274	24	24	24	0	0
Council Tax Support Grant	0	0	-336	0	0	0	0
Fire Specific Grants	-1,106	-1,106	-1,126	-1,136	-1,146	-1,156	-1,166
Council Tax Receipts	-20,460	-20,460	-20,729	-21,351	-22,123	-22,924	-23,752
Pension Grant Funding	-1,208	-1,208	-1,208	-1,208	-1,208	-1,208	-1,208
Use of Reserves	0	0	-904	-812	-20	-22	-23
<b>Total Funding Available</b>	<b>-31,339</b>	<b>-31,339</b>	<b>-32,277</b>	<b>-32,511</b>	<b>-32,576</b>	<b>-33,488</b>	<b>-34,402</b>
Shortfall/(Surplus) for Year	0	0	0	0	0	0	0
Cumulative Savings Requirement	0	0	0	0	0	0	0

## Appendix 1b – Reserves Position

<b>Reserves Position</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
General Fund Balance	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500
Other Earmarked Reserves (excluding Control Room Res.)	-2,232	-1,180	-368	-348	-326	-303
Earmarked Capital Reserves	-887	-1,931	-1,028	-898	-944	-1,364
<b>Total</b>	<b>-4,619</b>	<b>-4,611</b>	<b>-2,896</b>	<b>-2,746</b>	<b>-2,770</b>	<b>-3,167</b>

## Appendix 2 – Capital Programme

The table below summarises the capital programme from 2020/21 through to 2025/26 and is based on the revenue contribution to capital levels shown in Appendix 1:

Capital Programme	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Property	500	500	500	500	500	500
Fire Appliances and Associated Equipment	500	750	750	500	750	750
Other Equipment	141	655	1055	155	155	155
ICT	75	75	75	75	75	75
Slippage (Approved in July 2019 Exec)	1,809					
Current Year Slippage Forecast	-260	260				
Forecast O/S	2,284					
<b>Total Expenditure</b>	<b>5,049</b>	<b>2,240</b>	<b>2,380</b>	<b>1,230</b>	<b>1,480</b>	<b>1,480</b>
Funding B/Fwd.	-1,442	-887	-1,931	-1,028	-898	-944
In Year Funding	-4,494	-3,284	-1,477	-1,100	-1,526	-1,900
<b>Funding (Available)/Deficit</b>	<b>-887</b>	<b>-1,931</b>	<b>-1,028</b>	<b>-898</b>	<b>-944</b>	<b>-1,364</b>

### Appendix 3 – Council Tax Rates

If the band D equivalent council tax were increased by 1.99% for 2020/21, 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	0.86	3.73	44.77
B	7/9	1.00	4.35	52.24
C	8/9	1.14	4.98	59.70
D	9/9	1.29	5.60	67.16
E	11/9	1.57	6.84	82.08
F	13/9	1.86	8.08	97.01
G	15/9	2.15	9.33	111.93
H	18/9	2.58	11.19	134.32

This would represent an annual increase of £0.87 per annum on a band A, £1.31 per annum on a band D and £2.62 per annum on a band H property.

The following table shows the increase in each band (rounded to the nearest pence).

Bands	Increase Per Week (£)	Increase Per Month (£)	Increase Per Year (£)
A	0.02	0.07	0.87
B	0.02	0.08	1.02
C	0.02	0.10	1.17
D	0.03	0.11	1.31
E	0.03	0.13	1.60
F	0.04	0.15	1.89
G	0.05	0.18	2.18
H	0.05	0.21	2.62



# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	10 February 2021
<b>OFFICER</b>	Mark Hemming, Director of Finance and Assets
<b>LEAD MEMBER</b>	Councillor David Hopkins
<b>SUBJECT OF THE REPORT</b>	<b>Response to The Provisional Local Government Finance Settlement 2021-22: Consultation paper</b>
<b>EXECUTIVE SUMMARY</b>	<p>The Consultation was published on 17 December 2020, with a deadline for responses of 16 January 2021. In accordance with the Scheme of Delegation to Officers, the response was discussed with the Chairman and Lead Member before submission. This paper details the content of the submission for the attention of the Authority.</p> <p>The response solely focuses on question 2, which seeks views on the council tax referendum principles for 2021-22. Despite representations made by this Service and the National Fire Chiefs Council in the lead up to the provisional settlement, no additional precept flexibility has been made available to fire and rescue authorities.</p> <p>The response to the Consultation also makes reference to our HMICFRS inspection report that notes serious concerns as to whether the Service has the resources it needs to meet its foreseeable risk, despite being highly efficient and having an innovative deployment model which, if better funded, would be a cost-effective way of keeping people safe.</p> <p>The Consultation also sought views on a number of other areas not directly relevant to the Authority, so a response of 'no comment' was submitted in relation to those questions.</p>
<b>ACTION</b>	Noting
<b>RECOMMENDATIONS</b>	That the response to the consultation be noted.
<b>RISK MANAGEMENT</b>	No direct impact.
<b>FINANCIAL IMPLICATIONS</b>	<p>In 2020/21 BMKFA had the second lowest precept of any non-metropolitan combined fire and rescue authority. The band D equivalent charge was £65.85. The total council tax receivable for 2020/21 (excluding prior years' surpluses) is £20.5m.</p> <p>The current draft medium-term financial plan</p>

	<p>assumes that council tax will be increased by 1.99% every year. For 2021/22 this would result in total council tax receipts of £20.7m.</p> <p>If the band D equivalent was increased by £5 for 2021/22 the total council tax receipts would be £21.9m.</p>
<b>LEGAL IMPLICATIONS</b>	The Chief Fire Officer may make a formal response on behalf of the Authority to a Government Consultation Paper provided that such a response is subsequently referred to the appropriate committee for their attention.
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	No direct impact.
<b>HEALTH AND SAFETY</b>	No direct impact.
<b>EQUALITY AND DIVERSITY</b>	No direct impact.
<b>USE OF RESOURCES</b>	See Financial implications.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<a href="https://bucksfire.gov.uk/documents/2020/03/scheme-of-delegation.pdf/">https://bucksfire.gov.uk/documents/2020/03/scheme-of-delegation.pdf/</a>
<b>APPENDICES</b>	<p>Appendix A – The Provisional Local Government Finance Settlement 2021-22: Consultation paper</p> <p>Appendix B – Response to the Consultation</p>
<b>TIME REQUIRED</b>	10 minutes
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Mark Hemming</p> <p><a href="mailto:mhemming@bucksfire.gov.uk">mhemming@bucksfire.gov.uk</a></p>



Ministry of Housing,  
Communities &  
Local Government

# The provisional local government finance settlement 2021-22

Consultation paper



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December 2020



# Contents

<b>Scope of the consultation</b>	<b>4</b>
<b>About this consultation</b>	<b>5</b>
<b>1. Summary of proposals</b>	<b>6</b>
<b>2. Distribution of Settlement Funding Assessment</b>	<b>9</b>
<b>3. Council tax</b>	<b>11</b>
<b>4. Distribution of Social Care Resources</b>	<b>13</b>
<b>5. New Homes Bonus</b>	<b>15</b>
<b>6. Lower Tier Services Grant</b>	<b>16</b>
<b>6. Rural Services Delivery Grant</b>	<b>17</b>
<b>7. Visible Lines</b>	<b>18</b>
<b>8. Equalities impacts of these proposals</b>	<b>19</b>
<b>Annex A: Privacy notice</b>	<b>20</b>
<b>Annex B: Address details &amp; list of consultation questions</b>	<b>22</b>
<b>Annex C: Social Care Grant equalisation methodology and provisional allocations</b>	<b>24</b>
<b>Annex D: Lower Tier Services Grant methodology and provisional allocations</b>	<b>25</b>
<b>Annex E: Glossary of technical terms</b>	<b>27</b>

# Scope of the consultation

Topic of this consultation:	This consultation covers proposals for the local government finance settlement for 2021-22.
Scope of this consultation:	<p>This consultation seeks views on proposal for the local government finance settlement for 2021-22, in particular from representatives of local government, before determining the final amount of Revenue Support Grant and its allocation to receiving authorities and the specified body.<sup>1</sup></p> <p>The consultation notifies representatives of local government of the general nature of the basis of distribution of Revenue Support Grant, and of the general nature of the basis of calculation of 'tariff' and 'top up' payments through this consultation document and accompanying documents, in particular the draft Local Government Finance Report for 2021-22.<sup>2</sup></p>
Geographical scope:	These proposals relate to England only.
Impact Assessment:	Since the Government does not envisage that the proposals within this consultation document will have an impact on business, no impact assessment has been produced.

## Basic Information

To:	The consultation will be of interest to local authorities and representative bodies for local authorities.
Body/bodies responsible for the consultation:	Local Government Finance Directorate within the Ministry of Housing, Communities and Local Government
Duration:	This consultation is open to submissions for 4 weeks from 17 December 2020 to 16 January 2021
Enquiries:	For any enquiries about the consultation please contact <a href="mailto:lgfsettlement@communities.gov.uk">lgfsettlement@communities.gov.uk</a>
How to respond:	<p>You can respond to the questions in this consultation via a pro-forma.</p> <p>Return address details and a list of consultation questions can be found in Annex B of this consultation document.</p> <p>Email details and an address for written responses can also be found in the pro-forma.</p>

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

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

# About this consultation

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

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

Information provided in response to this consultation, including personal data, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018 (DPA), the General Data Protection Regulation, and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, as a public authority, the Department is bound by the Freedom of Information Act and may therefore be obliged to disclose all or some of the information you provide. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Ministry of Housing, Communities and Local Government will process your personal data in accordance with the law and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. A full privacy notice is included at Annex A.

Individual responses will not be acknowledged unless specifically requested.

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

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact us via the [complaints procedure](#).

# 1. Summary of proposals

## 1.1 Introduction

1.1.1 This consultation paper sets out the Government's proposals for the 2021-22 local government finance settlement.

1.1.2 This chapter provides a summary of the proposals contained within the 2021-22 provisional settlement.

## 1.2 Spending Review 2020 and Future Reform

1.2.1 On 25 November 2020, the Government announced the outcome of Spending Review 2020. The Spending Review and settlement have been drawn up in unique circumstances. The Government's primary aim, in this challenging period, has been to continue to support councils in dealing with the immediate impacts of the pandemic, to promote recovery and renewal at local level, and support and maintain critical mainstream services.

1.2.2 At the national level our proposals result in an increase in Core Spending Power for local authorities in England of £2.2 billion, from £49.0 billion in 2020-21 to £51.2 billion in 2021-22. This is a cash increase of 4.5%. Within this, councils will have access to an additional £1 billion for social care next year which includes a £300 million increase in the Social Care Grant, and there will be a further round of New Home Bonus allocations.

1.2.3 Once the pandemic is over, we will continue to work with local government to understand the lasting impact it has had on both service demands and revenue raising. We will then revisit the priorities for reform of the local government finance system, taking account of wider work on the future of the business rates tax and on the Adult Social Care system. Final decisions will be taken in the context of next year's Spending Review. In the meantime, there will be no reset of accumulated business rates growth in 2021-22.

## 1.3 Summary of proposals included in the 2021-22 provisional settlement

1.3.1 Chapter 2 – Distribution of Settlement Funding Assessment (SFA) - this chapter outlines the Government's proposals for distributing core settlement resources in 2021-22:

- a uniform percentage increase in 2020-21 Revenue Support Grant (RSG) allocations, based on the change in the Consumer Price Index (CPI)
- a freeze in Baseline Funding Levels (BFLs) at 2020-21 levels, to match the freeze in the business rates multiplier
- an increase in section 31 grant for the under-indexation of the multiplier, to compensate for the freeze in the business rates multiplier
- eliminating so-called 'negative RSG', through the use of forgone business rates receipts.

1.3.2 Chapter 3 – Council Tax - this chapter details the Government's intentions for council tax referendum principles in 2021-22:

- a core council tax referendum principle of up to 2% for shire counties, unitary authorities, London boroughs, the Greater London Authority (GLA) and fire authorities
- a bespoke council tax referendum principle of up to 2% or £5, whichever is higher, for shire district councils
- an Adult Social Care (ASC) precept of 3% for authorities responsible for ASC, with the option to defer some or all of its use into 2022-23
- a referendum principle of £15 for police and crime commissioners
- setting no council tax referendum principles for Mayoral Combined Authorities (MCAs)
- setting no council tax referendum principles for parishes.

1.3.3 Chapter 4 – Distribution of Social Care resources - this chapter sets out the Government's proposals for making funding available for social care services:

- increasing the Social Care Grant for 2021-22 by £300 million, on top of last year's total of £1.41 billion
- distributing the new Social Care Grant resources using the ASC Relative Needs Formula (RNF), with £240 million used to equalise the variation in yield from the ASC council tax precept, at the same level of equalisation as last year
- maintaining the improved Better Care Fund (iBCF) funding at 2020-21 cash terms levels (£2.1 billion) with the distribution unchanged.

1.3.4 Chapter 5 – New Homes Bonus - this chapter explains the Government's proposals for the New Homes Bonus (NHB):

- a new round of NHB payments in 2021-22, which will not attract new legacy payments
- 2021-22 allocations will be paid for by a £622 million top-slice of RSG
- no changes to the calculation process from 2020-21
- all previously announced legacy payments will be honoured in 2021-22 allocations.

1.3.5 Chapter 6 – this chapter explains the Government's proposals for a new Lower Tier Services Grant:

- the grant will allocate £111 million to local authorities with responsibility for lower tier services. The distribution will be based on assessed relative needs
- alongside this, there will be a one-off minimum funding floor to ensure that no authority sees an annual reduction in Core Spending Power (CSP).

1.3.6 Chapter 7 - Rural Services Delivery Grant - this chapter explains how the most sparsely populated local authorities receive extra support to deliver services. The Government:

- proposes to increase Rural Service Delivery Grant (RSDG) by £4 million, taking the total to £85 million
- will distribute these resources using the same approach as last year.

1.3.7 Chapter 8 - Visible Lines:

- following the Spending Review, the Government plans not to publish Visible Lines for grants rolled into the settlement at previous Spending Reviews.

1.3.8 Chapter 9 – Equalities Impacts of these proposals - this chapter invites views and evidence on the impact that the Government’s proposals may have on persons who share a protected characteristic. It also refers to a draft assessment of the impact of the 2021-22 settlement on persons who share a protected characteristic.

## **1.4 Additional information**

1.4.1 A return address for responses to this consultation, along with a full list of consultation questions, is included in Annex B, and a glossary of technical terms can be found in Annex E.

## **1.5 Exemplifications of the proposals**

1.5.1 The supporting tables accompanying this consultation exemplify the proposals for individual local authorities. These proposals represent the Government’s intentions and the figures are presented on the basis of available information.

1.5.2 Data changes, new information or errors identified by either the department or local authorities between the publication of this consultation paper and the calculation of the final settlement may lead to changes to individual local authority exemplifications. The Government encourages local authorities to check their individual allocations.

## 2. Distribution of Settlement Funding Assessment

### 2.1 Introduction

2.1.1 This chapter outlines the Government's proposals for distributing Settlement Funding Assessment (SFA) in 2021-22, which is comprised of Revenue Support Grant (RSG) and Baseline Funding Levels (BFLs).

### 2.2 Business Rates Retention

2.2.1 From April 2013, local government has been funded in part through the business rates retention scheme, ensuring that local authorities have more control over the money they raise and are able to benefit directly from supporting local business growth.

2.2.2 When the scheme started in 2013-14, the Government committed that BFLs and Business Rates Baselines, which are used to determine tariffs and top-ups, would be fixed in real terms until the system was reset. The Government therefore proposes not to alter the existing mechanism for determining tariff and top-up payments in 2021-22.

2.2.3 At Spending Review 2020 the Government announced that it would freeze the business rates multiplier in 2021-22. In the local government finance settlement, BFLs and tariffs and top-ups will therefore remain unchanged. Local authorities will be compensated for the shortfall in income from freezing the multiplier, via the section 31 grant for under-indexation of the multiplier. The estimated increase in this grant will be reflected in Core Spending Power.

2.2.4 The Government plans to freeze BFLs for all authorities in 2021-22 at their 2020-21 levels. 2020-21 BFLs included the elimination of so-called 'negative RSG' and as such this will continue in 2021-22. This is consistent with the Government's previous commitment, made during the implementation of the business rate retention scheme in 2013-14, that authorities' retained business rates baselines would be fixed in real terms until the business rates system was reset.<sup>3</sup>

2.2.5 Local authorities in 100% business rates retention Devolution Deal areas and the GLA will continue to benefit from increased levels of business rates retention in 2021-22.

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<sup>3</sup> Please refer to section 5.1 of the 2019-20 Local Government Finance Settlement Technical Consultation for an explanation of the issue of negative Revenue Support Grant. The document is available here: <https://www.gov.uk/government/consultations/local-government-finance-settlement-2019-to-2020-technical-consultation>

## **2.3 Distribution of Revenue Support Grant**

2.3.1 In the interests of providing stability in local authority allocations, we are not proposing to change the distribution of RSG from that used in 2020-21. Instead the Government is proposing to increase 2020-21 RSG levels in line with the change in the Consumer Price Index (CPI).

2.3.2 Increasing RSG in line with inflation will mean that all authorities are treated on an equivalent basis - receiving an inflationary uplift across SFA and the under-indexation grant.

***Question 1: Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2021-22?***



## 3. Council tax

### 3.1 Council tax

3.1.1 The Government remains committed to striking a balance between giving local authorities the flexibility to determine their own level of council tax and ensuring local residents have the final say on excessive increases.

### 3.2 Council tax referendum principles

3.2.1 The Government proposes the following package of referendum principles for 2021-22:

- a core council tax referendum principle of up to 2% for shire counties, unitary authorities, London boroughs, the GLA general precept, and fire authorities
- an Adult Social Care (ASC) precept of 3% on top of the core principle for local authorities with responsibility for adult social care.
- shire district councils in two-tier areas will be allowed increases of up to 2% or £5, whichever is higher
- Police and Crime Commissioners (PCCs) (including the GLA charge for the Metropolitan Police and the PCC component of the Greater Manchester Combined Authority precept) will be allowed increases of £15.

3.2.2 In recognition that local authorities might not want to take up the ASC precept flexibility in full next year, some or all of this can be deferred for use in 2022-23. This means that an ASC authority could, for example, set a 2% increase for ASC in 2021-22 and a 1% increase for ASC in 2022-23, irrespective of other referendum principles that may apply in 2022-23.

3.2.3 In 2022-23, the Government intends to legislate through the Referendums Relating to Council Tax Increases (Principles) (England) Report for authorities who do defer. The mechanism will be similar to that used in 2019-20, where authorities had been able to use a 6% ASC precept over the three years from 2017-18 to 2019-20. Decisions on whether to defer or not are for councils, consistent with their responsibility for council tax levels.

### 3.3 Council tax referendum principles for Mayoral Combined Authorities

3.3.1 Devolution deals have led to the creation of eight Mayoral Combined Authorities (MCAs) with powers such as transport and planning.

3.3.2 The Government has not so far set a referendum principle for MCAs, on the expectation that mayors would exercise restraint and set a precept that was affordable and proportionate to their needs.

3.3.3 As in 2020-21, the Government proposes not to set a council tax referendum principle for MCAs in 2021-22. In line with the referendum principle for police and crime commissioners, we propose to set a £15 principle for the PCC component of the Greater Manchester Combined Authority.

### **3.5 Council tax referendum principles for town and parish councils**

3.5.1 In 2018-19, the Government announced that it did not intend to set referendum principles for town and parish councils for three years. This was contingent on the sector taking all available steps to mitigate the need for council tax increases and the Government seeing clear evidence of restraint in the increases set by the sector.

3.5.2 In 2020-21, the average Band D parish precept increased by 4.0%. This was the lowest percentage point increase in parish precept since 2012-13 but remains in excess of the rate of inflation.

3.5.3 In expectation that parish and town councils continue to show restraint when setting council tax precept levels, the Government proposes to continue with no referendum principles for town and parish councils in 2021-22. The Government will take careful account of the increases set by parishes in 2021-22 when reviewing the matter ahead of next year's settlement.

### **3.6 Council tax referendum principle for the Greater London Authority (GLA)**

3.6.1 The Mayor of London has already indicated that in order to fund Londoners' free travel concessions more generously than the English level, he may seek to raise the general element of the GLA's council tax precept. We await the Mayor's proposals on the GLA referendum principle, as part of the responses to this consultation.

***Question 2: Do you agree with the proposed package of council tax referendum principles for 2021-22?***

## 4. Distribution of Social Care Resources

### 4.1 Social Care

4.1.1 The Government is committed to addressing social care pressures. In 2020-21, the Government provided £1 billion in additional grant funding, and gave councils access to an extra £500 million raised through a 2% ASC council tax precept for local authorities with adult social care responsibilities.

4.1.2 This year the Government is proposing to make available an additional £1 billion for social care which includes a £300 million boost to the Social Care Grant, to a total of £1.71 billion. Local authorities with adult social care responsibilities will also be able to raise council tax by an additional 3% to help to support the most vulnerable.

4.1.3 The Government is also proposing to roll-forward the 2020-21 Social Care Grant of £1.41 billion and the 2020-21 improved Better Care Fund of £2.1 billion.

### 4.2 Social Care Grant

4.2.1 In the interests of stability, the Government proposes to roll-forward allocations of the £1.41 billion Social Care Grant from 2020-21, leaving these unchanged.<sup>4</sup>

4.2.2 The Government is proposing that the £300 million of additional grant will be distributed in two ways. Our proposal is to use £240 million as an equalisation component, holding the level of equalisation at the same level as in 2020-21, together with £60 million allocated directly through the existing ASC RNF.

4.2.3 Our equalisation methodology is a balanced approach which recognises that the distribution of resources generated through the ASC precept does not match the pattern of assessed need. The proposed methodology, which is the same as that used for this grant in 2020-21, means that all authorities will receive over 94% of the total RNF-based share of the resources which are available through the additional grant and the new ASC precept. An explanation of the methodology is in Annex C and a table of individual local authority allocations is [published separately](#).

4.2.4 The Government proposes that this grant will not be ringfenced, and conditions on reporting requirements will not be attached. In particular, it will be for local authorities to determine how much of it should be spent on adult social care and how much should be spent on children's social care.

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<sup>4</sup> Please refer to section 4.2 of the 2020-21 provisional Local Government Finance Settlement consultation for an explanation of the distribution of the Social Care Grant:  
<https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2020-to-2021-consultation>

***Question 3: Do you agree with the Government's proposals for the Social Care Grant in 2021-22?***

**4.2 improved Better Care Fund**

4.2.1 In the interests of stability, the Government proposes to continue existing iBCF funding at 2020-21 levels (£2.1 billion), with the distribution unchanged.

***Question 4: Do you agree with the Government's proposals for iBCF in 2021-22?***

# 5. New Homes Bonus

## 5.1 Background

5.1.1 The New Homes Bonus was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas by rewarding local authorities for net additional homes added to the council tax base. It is paid annually from a top-slice of RSG.

5.1.2 The Government has committed to reforming the NHB, and this year will be the final year under the current approach. We will publish shortly a consultation document on the future of the New Homes Bonus, including options for reform.

## 5.2 New Homes Bonus in 2021-22

5.2.1 The Government is proposing a new round of NHB payments (year 11 payments) in 2021-22. This will be the final set of allocations under the current approach, and the Government's proposal is that year 11 payments will not attract new legacy commitments in future years.

5.2.2 The allocations for 2021-22 will be funded through a £622 million top slice of RSG.

5.2.3 The Government is not intending to change the calculation process for year 11 payments, and the methodology will therefore be the same as in 2020-21. Year 11 payments will be calculated as units for reward above a payments baseline of 0.4%, multiplied by the average band D council tax payment, with an additional payment made for affordable homes. In two-tier areas, the annual payment will be split: 80% for shire districts and 20% for shire counties.

5.2.4 The Government intends to honour previously announced legacy payments in the 2021-22 allocations. This means paying legacy payments associated with year 8 (2018-19) and year 9 (2019-20).

***Question 5: Do you agree with the Government's proposals for New Homes Bonus in 2021-22?***

## 6. Lower Tier Services Grant

6.1.1 The Government is proposing a new un-ringfenced Lower Tier Services Grant in 2021-22, which will allocate £111 million to local authorities with responsibility for lower tier services (for example, homelessness, planning, recycling and refuse collection, and leisure services).

6.1.2 The proposed grant methodology is two-fold. £86 million of the grant will be allocated according to the 2013-14 Settlement Funding Assessment (SFA), through the lower tier element of SFA. This represents the best available relative needs assessment for the authorities concerned. A full methodology note is at Annex D below and a table of allocations is [published separately](#).

6.1.3 Alongside this, there will be a minimum funding floor to ensure that no authority sees an annual reduction in Core Spending Power and there is a nominal and real terms increase in CSP when comparing 2020-21 funding to 2021-22 proposed funding. The Government is clear that this funding is in response to the current exceptional circumstances and is a one-off. No local authority should take this funding floor as guaranteeing similar funding floors in future years, including in future finance reforms.

***Question 6: Do you agree with the Government's proposal for a new Lower Tier Services Grant, with a minimum funding floor so that no authority sees an annual reduction in Core Spending Power?***

## 6. Rural Services Delivery Grant

### 6.1 Rural Services Delivery Grant

6.1.1 The Government recognises additional cost pressures in rural areas. We are proposing to increase the Rural Services Delivery Grant (RSDG) by £4 million, taking the total to £85 million - the highest ever.

6.1.2 In 2020-21, allocations were distributed to the top quartile of local authorities on the basis of the 'super-sparsity' indicator, which ranks authorities by the proportion of the population which is scattered widely, using Census data and weighted towards the authorities with the sparsest populations.

6.1.3 We propose to continue to use the existing formula to distribute the allocations of RSDG for 2021-22.

***Question 7: Do you agree with the Government's proposals for Rural Services Delivery Grant in 2021-22?***

## 7. Visible Lines

### 7.1 Visible Lines

7.1.1 Visible Lines are a product that the Government has published alongside the settlement in recent years.<sup>5</sup> Visible Lines show a notional allocation for grants that were rolled into the settlement at previous Spending Reviews, most of them before 2016. These allocations are entirely notional as the core settlement is not ringfenced and they do not impact on the settlement distribution or represent an expectation from central government of local expenditure levels.

7.1.2 At each Spending Review it is standard procedure to remove Visible Lines, since a projection of grant profiles no longer exists. Therefore, we no longer intend to publish Visible Lines for the grants that were rolled in prior to 2016.

7.1.3 For future Spending Reviews, if forward profiles are available for grants rolled into the settlement, we will consider again whether to publish Visible Lines for the duration of that Spending Review.

***Question 8: Do you have any comments on the Government's plan not to publish Visible Lines?***

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<sup>5</sup> See Core spending power: visible lines of funding 2020 to 2021:  
<https://www.gov.uk/government/publications/core-spending-power-visible-lines-of-funding-2020-to-2021>



## 8. Equalities impacts of these proposals

### 8.1 Draft Equality Statement

8.1.1 A [draft equality assessment](#) of the impact of the 2021-22 local government finance settlement has been published alongside this consultation document.

***Question 9: Do you have any comments on the impact of the proposals for the 2021-22 settlement outlined in this consultation document on persons who share a protected characteristic, and on the draft equality statement published alongside the consultation document? Please provide evidence to support your comments.***

# Annex A: Privacy notice

## Personal data

The following is to explain your rights and give you the information you are be entitled to under the Data Protection Act 2018.

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

### 1. The identity of the data controller and contact details of our Data Protection Officer

The Ministry of Housing, Communities and Local Government (MHCLG) is the data controller. The Data Protection Officer can be contacted at [dataprotection@communities.gov.uk](mailto:dataprotection@communities.gov.uk)

### 2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

### 3. Our legal basis for processing your personal data

The Data Protection Act 2018 states that, as a government department, MHCLG may process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation. This consultation fulfils the mandatory statutory requirements to consult under sections 78(5), 78A(3) and paragraph of Schedule 7B of the Local Government Finance Act 1988.

### 4. With whom we will be sharing your personal data

Other Government Departments including:

- Attorney General's Office
- Cabinet Office
- Department for Business, Energy and Industrial Strategy
- Department for Digital, Culture, Media and Sport
- Department for Education Department for Environment
- Food and Rural Affairs
- Department for International Trade
- Department for Transport
- Department for Work and Pensions
- Department of Health and Social Care
- Foreign, Commonwealth and Development Office

- Her Majesty's Treasury
- Home Office
- Ministry of Defence
- Ministry of Justice
- Northern Ireland Office
- Office of the Advocate General for Scotland
- Office of the Leader of the House of Commons
- Office of the Leader of the House of Lords
- Scotland Office UK
- Export Finance
- Wales Office

**5. For how long we will keep your personal data, or criteria used to determine the retention period.**

Your personal data will be held for two years from the closure of the consultation.

**6. Your rights, e.g. access, rectification, erasure**

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right:

- a. to see what data we have about you
- b. to ask us to stop using your data, but keep it on record
- c. to ask to have all or some of your data deleted or corrected
- d. to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

**7. Your personal data will not be sent overseas**

**8. Your personal data will not be used for any automated decision making.**

**9. Your personal data will be stored in a secure government IT system.**

## Annex B: Address details & list of consultation questions

If the pro-forma link is inoperable, written responses may be sent by email or post to:

[LGfsettlement@communities.gov.uk](mailto:LGfsettlement@communities.gov.uk)

Or

Local Government Finance Settlement Team  
Ministry of Housing, Communities and Local Government  
2nd floor, Fry Building  
2 Marsham Street  
London  
SW1P 4DF

When replying to this consultation please confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:

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

***Question 1: Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2021-22?***

***Question 2: Do you agree with the proposed package of council tax referendum principles for 2021-22?***

***Question 3: Do you agree with the Government's proposals for the Social Care Grant in 2021-22?***

***Question 4: Do you agree with the Government's proposals for iBCF in 2021-22?***

***Question 5: Do you agree with the Government's proposals for New Homes Bonus in 2021-22?***

***Question 6: Do you agree with the Government's proposal for a new Lower Tier Services Grant, with a minimum funding floor so that no authority sees an annual reduction in Core Spending Power?***

***Question 7: Do you agree with the Government's proposals for Rural Services Delivery Grant in 2021-22?***

***Question 8: Do you have any comments on the Government's plan not to publish Visible Lines?***

***Question 9: Do you have any comments on the impact of the proposals for the 2021-22 settlement outlined in this consultation document on persons who share a protected characteristic, and on the draft equality statement published alongside the consultation document? Please provide evidence to support your comments.***

## Annex C: Social Care Grant equalisation methodology and provisional allocations

In the interests of stability, the Government proposes to roll-forward allocations of the £1.41 billion Social Care Grant from 2020-21, leaving these unchanged. This note explains the proposed methodology for allocation of the £300 million of additional funding in Social Care Grant in 2021-22.

The proposed equalisation methodology for Social Care Grant in 2021-22 is based on identifying the total potential new available resource for social care to be equalised.

This is the sum of the additional grant funding to be used for equalisation (in this case £240m) plus the total available increase in council tax precept income in that year as a result of the proposed 3% Adult Social Care council tax precept referendum principle (approximately £790 million). This total amount is then allocated between authorities on the basis of the Adult Social Care Relative Needs Formula.

The amount for each local authority is then reduced by its potential council tax precept income.

The resulting figure is then essentially that authority's share of the equalisation amount (£240 million).

For a small number of authorities, the precept income exceeds the needs share, and in these cases the equalisation component of the grant is set to zero and the authority concerned retains the potential council tax resources in excess of their calculated needs share.

This results in turn in a grant total for equalisation which exceeds £240 million; to reduce this to the required level, the grant payments for each authority are reduced, by amounts in proportion to the figure for each authority.

The Government has published a separate table of Social Care Grant allocations at: <https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2021-to-2022>.

The resulting shares of the £300 million are shown in the second column of the allocations table and are added to the other grant components to give the overall total. From this, all authorities receive over 94% of their RNF-based share of the total new resources.

# Annex D: Lower Tier Services Grant methodology and provisional allocations

The Government has published a separate table of Lower Tier Services Grant allocations at: <https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2021-to-2022>.

A more detailed explanation of the grant allocation methodology is provided below:

- a. The lower tier 2013/14 SFA grant component is calculated as follows:

$$\text{Lower Tier 13/14 SFA}_{21/22}^{LA} = \text{Lower Tier 13/14 SFA}_{21/22}^{England} \times$$

$$\text{Lower Tier shares of SFA}_{13/14}^{LA}$$

- b. The cash funding floor component is calculated as follows:

$$\text{Cash Funding Floor}_{21/22}^{LA} = \text{Max} ( \text{CSP}_{20/21}^{LA} - \text{CSP pre-floor}_{21/22}^{LA}, 0 )$$

- c. The lower tier services grant for each authority is then the sum of the two components:

$$\text{LTSG}_{21/22}^{LA} = \text{Lower Tier 13/14 SFA}_{21/22}^{LA} + \text{Cash Funding Floor}_{21/22}^{LA}$$

- d. The total grant required for the cash funding floor is determined by the sum of the amount required for each authority:

$$\text{Cash Funding Floor}_{21/22}^{England} = \sum_{LA} \text{Cash Funding Floor}_{21/22}^{LA}$$

- e. Set the quantum of the grant through the lower tier 2013/14 SFA grant component in a., so that the sum of that grant component plus the amount required for the funding floor is equal to £111 million. This results in c.£86 million through the former, with a funding floor of c.£25 million, equal to the total quantum available:

$$\begin{aligned} \text{s.t } \text{LTSG}_{21/22}^{England} &= \text{Lower Tier 13/14 SFA}_{21/22}^{England} + \text{Cash Funding Floor}_{21/22}^{England} = £111m \\ &= £86m + £25m = £111m \end{aligned}$$

Where:

*Lower Tier 13/14 SFA* is the lower tier 2013/14 SFA grant component within the Lower Tier Services Grant

*Lower Tier shares of  $SFA_{13/14}^{LA}$*  is the lower tier shares within 2013/14 SFA (sums to 1). These are derived from the adjusted 2013/14 SFA breakdown by funding tier published at the 2014/15 Local Government Finance Settlement

*CSP* is the Core Spending Power of an authority

*CSP pre-floor* is the Core Spending Power of an authority before the cash funding floor is applied but including *Lower Tier 13/14 SFA*

*Cash Funding Floor* is the cash funding floor grant component within the Lower Tier Services Grant

*LTSG* is the Lower Tier Services Grant comprised of the Lower tier shares of 13/14 SFA grant component and the Cash funding floor component



# Annex E: Glossary of technical terms

## **Baseline Funding Level**

The amount of an individual local authority's 2013-14 Settlement Funding Assessment provided through the local share of the Estimated Business Rates Aggregate.

## **Business Rates Baseline**

An authority's BRB determined on an individual basis at the outset of the business rates retention scheme. It is calculated by dividing the local share of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.

## **Business rates retention**

Business rates are a tax on non-domestic properties. Billing authorities have a responsibility to issue bills and collect rates in their areas. Since 2013-14, local government has retained 50% of its business rates – worth around £12.5 billion – which is distributed across the sector.

## **Core Spending Power**

A measure of the revenue funding available for local authority services. This includes council tax; business rates; Revenue Support Grant; New Homes Bonus; adult social care grants; and, other grants.

## **Council tax referendum principles**

These mark levels of council tax increases (either in percentage or cash terms) above which a local authority must hold a referendum which allows residents to approve or veto the increase. The comparison is made between the authority's average band D council tax level for the current financial year and the proposed average band D for the next financial year.

## **Devolution Deals**

Introduced in 2014, Devolution Deals are a bespoke arrangement tailored to certain local authorities. Devolution Deals give local government greater powers and more autonomy over budgeting.

## **Equalisation**

The process through which a proportion of Social Care Grant funding is used to take account of the impact of the distribution of the Adult Social Care council tax precept.

## **Local Government Departmental Expenditure Limit (LG DEL)**

The departmental budget derived from central Government resources for the purposes of local government.

## **New Homes Bonus**

The New Homes Bonus acts as an incentive to increase housing supply and spur growth. The level of funding for an area reflects additional housing supply in that area. Most authorities receive some form of New Homes Bonus funding from central Government.

## **Precept**

A council tax charge from local authorities which do not issue bills themselves. These include county councils, police and crime commissioners, fire and rescue authorities, the Greater London Authority, combined authority mayors, and town and parish councils. Billing authorities – usually shire district councils or unitary authorities – collect council tax on behalf of precepting authorities and pass the proceeds to them.

## **Revenue Support Grant**

Billing and major precepting authorities receive Revenue Support Grant from central Government in addition to their local share of Business Rates Aggregate.

## **Rural Services Delivery Grant**

Funding provided in recognition of the possible additional costs of delivery services in sparsely populated areas.

## **Safety net**

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

## **Settlement Funding Assessment**

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

## **Small business non-domestic rating multiplier**

If your property in England has a rateable value below £51,000, your bill will be calculated using the small business multiplier, which is lower than the standard one. This is the case even if you do not get small business rate relief

## **Spending Review**

The Spending Review sets out the long-term spending limits for all Government departments, typically covers the next three or four years

### **Spending Round**

The Spending Round sets out the short-term spending limits for all Government departments, typically covers a full calendar year.

### **Tariffs and top-ups**

Calculated by comparing at the outset of the business rate retention scheme an individual authority's business rates baseline against its baseline funding level. Tariffs and top-ups are self-funding, fixed at the start of the scheme, then indexed in line with the change in the small business rating multiplier.

### **Tariff authority**

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

### **Top-up authority**

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

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Sent by email to: [LGFSettlement@communities.gsi.gov.uk](mailto:LGFSettlement@communities.gsi.gov.uk)

14 January 2021

## **The Provisional Local Government Finance Settlement 2021 to 2022: Consultation paper**

Dear LGF Settlement Team,

This letter represents the response from Buckinghamshire & Milton Keynes Fire Authority to the Provisional Local Government Finance Settlement: Consultation paper. The Authority continues to call for enhanced precept flexibility for FRAs equivalent to that offered to shire district councils, being £5 on a band D property.

### **Question 1: Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2021-22?**

No comment.

### **Question 2: Do you agree with the proposed package of council tax referendum principles for 2021-22?**

The Authority strongly disagrees with the decision not to provide a bespoke council tax principle for Fire and Rescue Authorities (FRAs). Our council tax base is forecast to decrease by 0.65% for 2021-22, when our medium-term financial plan had assumed growth of 1.6%. With an even higher reduction in business rates receipts forecast, and with identified spending pressures we are forecasting a deficit for 2021-22 of circa £900k.

Even before the impact of the pandemic, Her Majesty's Inspector of Constabulary and Fire & Rescue Services published that they had "serious concerns as to whether Buckinghamshire FRS has the resources it needs to meet its foreseeable risk. As a result of the financial position the service finds itself in, it doesn't have enough operational firefighters to resource its prevention and protection functions and crew the minimum number of fire engines it says it needs." (1, p.23).

Fire authorities should be able to increase their Band D by £5 without the need for a local referendum, equivalent to the flexibility offered to shire district councils, and equivalent in percentage terms to the flexibility offered to Police and Crime Commissioners (PCCs).

The average Band D for FRAs in 2020-21 was £78.56 and for PCCs was £222.90 (2). For 2021-22, PCCs "will be allowed increases of £15" (3, p.11) without the need to hold a referendum. This is equivalent to an average increase of 6.7%. If FRAs were to increase their Band D by £5, the average increase would only be 6.4%.

Buckinghamshire Fire and Rescue Authority set a Band D precept of £65.58 for 2020-21. This is lower than the average Band D for a parish council, which was £69.89 (5). Despite this, the average increase by parish councils was as high as 6.3% in 2017-18, and they remain free to set any increase they deem appropriate.

At our budget setting meeting in 2019 the Authority formally discussed the implications of holding a referendum to increase council tax above the threshold. However, given the forecast cost of £600k and the restrictive nature of the question prescribed in regulations, it was concluded this option is not feasible for our service.

The National Fire Chiefs Council response to this consultation and supporting letter to the Ministers proposes a simple £5 limit for fire and rescue precepts. That position is supported by this Service.

## References

1. HMICRS, December 2019. Fire & Rescue Service Effectiveness, efficiency and people 2018/19. An inspection of Buckinghamshire Fire and Rescue Service. Available at: <https://www.justiceinspectors.gov.uk/hmicfrs/wp-content/uploads/buckinghamshire-fire-and-rescue-service-report-2018-19.pdf> (Accessed 7 January 2021).
2. Ministry of Housing, Communities & Local Government. 25 March 2020 (updated 30 July 2020). Table 7: 2020-21 Council Tax (average Band D) and % change on 2019-20: individual local authorities (revised). Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/905431/Table\\_7\\_CTR\\_20-21\\_rev.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/905431/Table_7_CTR_20-21_rev.xlsx) (Accessed 7 January 2021).
3. Ministry of Housing, Communities & Local Government. December 2020. The provisional local government finance settlement 2021-22, Consultation paper. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/945484/Provisional\\_Settlement\\_2021-22\\_Consultation\\_Document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945484/Provisional_Settlement_2021-22_Consultation_Document.pdf) (Accessed 7 January 2021).
4. Ministry of Housing, Communities & Local Government. 25 March 2020 (updated 30 July 2020). Table 5: average Band D parish precept for England, 2016-17 to 2020-21 (revised). Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/889356/Table\\_5\\_CTR\\_20-21\\_rev.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/889356/Table_5_CTR_20-21_rev.xlsx) (Accessed 7 January 2021).

### **Question 3: Do you agree with the Government's proposals for the Social Care Grant in 2021-22?**

No comment.

### **Question 4: Do you agree with the Government's proposals for iBCF in 2021-22?**

No comment.

### **Question 5: Do you agree with the Government's proposals for New Homes Bonus in 2021-22?**

No comment.

### **Question 6: Do you agree with the Government's proposal for a new Lower Tier Services Grant, with a minimum funding floor so that no authority sees an annual reduction in Core Spending Power?**

No comment.

### **Question 7: Do you agree with the Government's proposals for Rural Services Delivery Grant in 2021-22?**

No comment.

**Question 8: Do you have any comments on the Government's plan not to publish Visible Lines?**

No comment.

**Question 9: Do you have any comments on the impact of the proposals for the 2021-22 settlement outlined in this consultation document on persons who share a protected characteristic, and on the draft equality statement published alongside the consultation document? Please provide evidence to support your comments.**

No comment.

Yours sincerely

**Jason Thelwell QFSM  
Chief Fire Officer/Chief Executive  
Buckinghamshire & Milton Keynes Fire Authority**

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# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	10 February 2021
<b>OFFICER</b>	Graham Britten, Director of Legal and Governance
<b>LEAD MEMBER</b>	Councillor Lesley Clarke OBE, Chairman
<b>SUBJECT OF THE REPORT</b>	<b>Members' Allowances</b>
<b>EXECUTIVE SUMMARY</b>	<p>The Authority is required to adopt a Scheme of Members' Allowances before 1 April each year and, in so doing, have due regard to the recommendations of the Independent Remuneration Panels of the constituent authorities when considering its own Scheme of Members' Allowances and confirm that it has done so when it gives public notice of the Scheme of Allowances.</p> <p>The Independent Remuneration Panel of the scheme for Milton Keynes Council undertook a review in January 2018 and this is attached at <b>Appendix A</b>.</p> <p>The Independent Remuneration Panel of the scheme for Buckinghamshire Council undertook a review in January 2020 and this is attached at <b>Appendix B</b>.</p> <p>The Authority agreed at its meeting on 14 December 2011 that the index linking for the period 2012/13 to 2014/15 – for basic and special responsibility (and co-optee) allowances – be the pay award for the Authority's staff on National Joint Council (NJC) for Local Authorities' Fire and Rescue Services, Scheme of Conditions of Service (Grey Book). The application of this index linking has been endorsed annually by the Authority since 2014/15.</p> <p>The NJC Circular NJC/5/20 of 4 September 2020 confirmed a 2% pay award effective from 1 July 2020.</p> <p>It is recommended that the Authority suspends this indexation for the year 2021/22.</p> <p>The draft Scheme of Allowances for 2021/22 based on a 0% increase is set out as <b>Appendix C</b>.</p>
<b>ACTION</b>	Decision.
<b>RECOMMENDATIONS</b>	That the Authority be recommended to adopt a Scheme for Members' Allowances for 2021/22 ( <b>Appendix C</b> ).

<b>RISK MANAGEMENT</b>	The recommendation will have no adverse effect on the Authority's business.
<b>FINANCIAL IMPLICATIONS</b>	<p>The current budget for Members' Allowances (Basic and Special Responsibility Allowances) is £72,780, including National Insurance.</p> <p>Costs will be incurred in publishing a notice that the Authority has made a Scheme of Members' Allowances in a newspaper circulating in its area. The cost is estimated to be in the region of £800 (<i>£788.40 last year</i>).</p>
<b>LEGAL IMPLICATIONS</b>	The making or amendment of the Members' Scheme of Allowances is a function reserved to a meeting of the Authority. An amendment may be made by the Authority in year. Regulation 10(4) of Local Authorities (Members' Allowances) (England) Regulations 2003 provides that "A scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority and where the only change made to a scheme in any year is that effected by such annual adjustment in accordance with such index the scheme shall be deemed not to have been amended."
<b>CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE</b>	The making of a scheme of allowances is the responsibility of each individual authority defined in the Local Authorities (Members' Allowances) (England) Regulations 2003. The methodology for doing so is prescribed exclusively by those regulations.
<b>HEALTH AND SAFETY</b>	Not applicable.
<b>EQUALITY AND DIVERSITY</b>	<p>The Authority's Scheme of Members' Allowances does not include any element for meeting costs incurred by a Member who has to arrange care in order to carry out their function as a Member of the Fire Authority.</p> <p>The Local Authorities (Members' Allowances) (England) Regulations 2003 exclude the Authority from including such a provision in its Scheme. However, with the exception of co-opted members, all Members are appointed by either Buckinghamshire Council or Milton Keynes Council and are entitled to claim "dependent carers' allowances" from their appointing authority. There are currently no co-opted members on the Authority.</p>
<b>USE OF RESOURCES</b>	The recommendation is consistent with the extant Scheme of Allowances.
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<a href="#">NJC/5/20</a> – NJC Circular 04/09/20

<b>APPENDICES</b>	<p>Appendix A: Milton Keynes Council report of the Independent Panel of Members' Allowances January 2018.</p> <p>Appendix B: Buckinghamshire Council report of the Independent Panel of Members' Allowances January 2020.</p> <p>Appendix C: Draft Scheme for Members' Allowances 2021/22.</p>
<b>TIME REQUIRED</b>	10 minutes.
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Katie Nellist</p> <p><a href="mailto:Knellist@bucksfire.gov.uk">Knellist@bucksfire.gov.uk</a></p> <p>01296 744633</p>

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

**An Independent Review of Members' Allowances**  
**January 2018**

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

## Executive Summary

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

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

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

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

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

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

## **Introduction**

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

## **The Panel**

- 2.1 In accordance with the Council's constitution, the current Panel was appointed following a recruitment process established by the Council. The Panel comprises the following members:

- Ms Ruby Parmar. Ruby is the Senior Partner at PricewaterhouseCoopers' Milton Keynes Office. Ruby also sits on the Board of Trustees of the Magic Bus India Foundation, a charity dedicated to providing children living in poverty the opportunity to shape their future.
- Ms Jan Flawn CBE. Jan is the founder and Chair of PJ Care, a leading Milton Keynes-based provider of specialist neurological care and neuro rehabilitation for people with progressive or acquired neurological conditions.
- Mr Stewart Bailey. Stewart is Managing Director of Virtual Viewing, a company specialising in computer generated work aimed at inspiring inward investment and interest in construction and design projects.

The Panel was assisted in their deliberations by Paul Hanson, Democratic Services Manager from the LGSS Northamptonshire office.

## **Terms of Reference for the Review**

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



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

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

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

## **The Evidence Considered**

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

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

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

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

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

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

## **The Panel's Conclusions and Recommendations**

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

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

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

### **The Basic Allowance**

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

### **Special Responsibility Allowances**

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

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

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

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

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

7.3.3 The Panel therefore recommend the following allowances:

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

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

### 7.4 Overview and Scrutiny Committees

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

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

7.4.2 The Panel recommends no changes to the existing allowances:

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

7.5 Other Committees

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

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

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

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

7.6 Opposition Group Leaders

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

#### 7.6.2 The Panel recommend the following allowances:

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

### 7.7 Civic Allowances

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

Mayor	£11,000
Deputy Mayor	£5,500

### 7.8 Indexation

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

### Other allowances and expenses

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

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

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

### **Other recommendations**

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

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

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**Buckinghamshire Council**  
**Report of the Independent Remuneration Panel**  
**9 January 2020**

**1. Background**

1.1 Buckinghamshire Council established an Independent Remuneration Panel (the Panel), in order to advise the Council on a scheme of allowances for councillors reflecting the governance arrangements and responsibilities introduced by the Local Government Act 2000.

1.2 This report has been prepared by the Panel for Buckinghamshire Council comprising of:

Hazel Bentall  
Nigel Palmer  
Dr Bill Reid  
Mark Tosh

1.3 The Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations) apply to local authorities including unitary, district and county councils.

1.4 The Regulations require a relevant authority to make a scheme providing for the payment of a basic allowance (BA) to each member of that authority. The BA must be the same for each member of the authority.

1.5 A relevant authority's scheme of allowances may also provide for the payment of special responsibility allowances (SRAs) to such members of the authority as have special or additional responsibilities. The specified categories of special or additional responsibilities which may be included in a scheme of allowances include:

- i) Acting as leader or deputy leader of a political group within the authority;
- ii) Acting as a member of an executive where the authority is operating executive arrangements within the meaning of part 2 of the Local Government Act 2000;
- iii) Presiding at meetings of a committee or sub-committee of the authority;
- iv) Representing the authority at meetings of or arranged by any other body;
- v) Acting as a member of a committee or sub-committee of the authority which meets with exceptional frequency or for exceptionally long periods;
- vi) Acting as the spokesman of a political group on a committee or sub-committee of the authority; and

- vii) Carrying out such other activities in relation to the discharge of the authority's functions as require of the member an amount of time and effort equal to or greater than would be required of him or her by any of the above mentioned activities.

1.6 SRAs need not be the same and may reflect the different expectations, time and effort involved in particular roles.

1.7 Member allowance schemes may also provide for the payment of a dependent carers' allowance and also for members' travelling and subsistence whilst acting in connection with their duties as a member of the authority.

1.8 Before a relevant authority may make or amend a scheme of allowances it must have regard to recommendations made in relation to the scheme by an independent remuneration panel.

## **2. Buckinghamshire Council**

2.1 Following the parliamentary approval of the Buckinghamshire (Structural Changes) Order 2019, Buckinghamshire Council will come into effect on 1 April 2020 and the current district councils of Aylesbury Vale, Chiltern, South Bucks and Wycombe and Buckinghamshire County Council will cease to exist.

2.2 Elections for the 147 seats on Buckinghamshire Council will be held on 7 May 2020.

2.3 For the period 1 April to 11 May 2020 (11 May 2020 being the date on which the 147 newly elected councillors take office) "the Interim Period", the 202 current members of the five sovereign councils mentioned above will continue as members of Buckinghamshire Council. As the current councils will no longer exist, their respective schemes of members' allowances will cease and allowances will no longer be payable, pursuant to the Regulations.

2.4 Therefore, in addition to making recommendations on a scheme of allowances for the new cohort of councillors to be elected in May, the Panel has also been asked to consider what approach should be taken to the provision of allowances during the Interim Period.

2.5 A scheme for the payment of a BA must be adopted by the Shadow Council for Buckinghamshire Council. It may also adopt a scheme for the payment of SRAs and other allowances. Members must have regard to the recommendations of the Panel in relation to a scheme of allowances before adopting any scheme. Therefore, councillors themselves acting as a relevant authority make the final decision about what allowances are to be available.

2.6 Regulation 20 (2) requires that an independent remuneration panel shall consist of at least three members none of whom:

- (a) Is also a member of an authority in respect of which it makes recommendations or is a member of a committee or sub-committee of such an authority; or
- (b) Is disqualified from being or becoming a member of an authority.

2.7 The four members of the Panel are individuals, none of whom are disqualified from being or becoming a member of a relevant authority.

2.8 The Panel has been asked to formulate recommendations for a scheme of members' allowances for Buckinghamshire Council for the Interim Period.

2.9 The Panel met on 12 November 2019 and 9 January 2020, and corresponded regularly throughout the process through electronic methods.

2.10 The Panel was provided with the following evidence:

- (i) relevant guidance and legislation (Allowances Regulations);
- (ii) benchmarking data of similar sized unitary authorities and current Buckinghamshire Councils' current allowances;
- (iii) information relating to the composition of Buckinghamshire Council;
- (iv) emerging governance structure for Buckinghamshire Council and anticipated roles of members, including the proposed structure and role of scrutiny within the new Council; and
- (v) a summary of the proposed committees included within the governance structure.

2.11 A questionnaire was sent to all of the Shadow Buckinghamshire Councillors seeking views on the average amount of time spent on council business, what level of BA may be appropriate for members of Buckinghamshire Council and other aspects relating to members' allowances. 46 responses were received, although not all respondents provided a response to all of the questions.

2.12 Members of the Shadow Executive provided a proposed scheme for the Panel to consider.

2.13 The Panel was supported by:

Sarah Ashmead, Deputy Chief Executive of Buckinghamshire Council  
Cath Whitehead, Head of Legal at Wycombe District Council and Deputy Monitoring Officer for the Shadow Buckinghamshire Council  
Mathew Bloxham, Democratic and Electoral Services Manager for Chiltern and South Bucks District Councils (C&SB)  
Leslie Ashton, Senior Democratic and Electoral Services Officer for C&SB  
Jack Pearce, Democratic and Electoral Services Officer for C&SB

2.14 The Panel recognises and acknowledges that the evidence provided is based upon emerging work in relation to the development of the Constitution and governance structure for Buckinghamshire Council and the best predictions of workloads and roles.

2.15 The Panel had regard to the extent to which the initial 202 members of Buckinghamshire Council may be engaged in the normal business of a relevant authority in the Interim Period and whether proposals for the scheme of allowances should differ in the Interim Period.

2.16 The Panel notes that the reorganisation of the five councils provides a unique opportunity to update the allowances.

### **3. Recommendations for Interim Period – 1 April to 11 May 2020**

3.1 The Panel was advised that there were not any full council meetings scheduled to take place during the interim period. A small number of committees may meet during the interim period in order to deal with any urgent matters, and the Shadow Executive Committee will continue to meet informally and make urgent decisions where required. It is also noted that the pre-election period will have begun prior to 1 April, which may also have an impact upon and limit decision-making activity of the new authority during the Interim Period.

3.2 The Panel noted that there will be an ongoing community representation role for all councillors during the Interim Period. It is further noted that councillors seeking election to the new council will likely be involved in election campaign activities during this period.

3.3 The Panel considers that continuing the payment of a BA in the Interim Period would be in recognition that all councillors will continue to perform their community representation role, whether or not they seek election to the new council.

3.4 The Panel noted that the Shadow Executive would continue to meet informally during the interim period and would very much still be playing a key role in the operation of the new Council, with Shadow Executive Members being responsible for their own specific portfolios.

3.5 Taking account of the anticipated responsibility of the Shadow Executive Committee during this interim period, the Panel considered an SRA should be payable to each member of the Executive, although agreed that the SRA should take into account that key decisions required by the Executive during this period should be minimal.

- 3.6 The Panel received representations from Members that substitute members of the Shadow Executive would also have a role in deputising and being involved in the transition activities being undertaken by the Shadow Executive. However, on the understanding that there will not be a significant number of meetings and members of the Executive would usually attend all meetings, it is felt that a separate SRA is not warranted.
- 3.7 The Panel noted that it would not be lawful to continue the existing Councils' allowances schemes as this would lead to different levels of BA being payable which was not permitted in the regulations.
- 3.8 The Panel recommends to pay a BA to all members of the Shadow Council for the Interim Period based on the representational role only and reflects that all 202 councillors would continue to serve residents taking into account the pre-election period regardless of whether councillors were seeking re-election.
- 3.9 The Panel would further recommend that in the event of meetings being called in the Interim Period, then councillors should be reimbursed for their travelling expenses and a carer's allowance, if required, which should be payable based on its recommendations for the post-Interim Period at paragraphs 6.4 and 8.3.

**3.10 The Panel recommends that during the Interim Period:**

- (a) The rate of the basic allowance to be paid to members of Buckinghamshire Council shall be set at £360;**
- (b) An SRA of £600 be paid to Shadow Executive Members;**
- (c) Travel subsistence to be paid to members in line with the HMRC Mileage Allowance Payments for undertaking official business during the Interim Period;**
- (d) A dependant carers' allowance be paid to members as set out in paragraph 8.3**

**4. Recommendations for Buckinghamshire Council BA to come into effect on 11 May 2020**

- 4.1 The Panel carefully considered the benchmarking data provided, the representations put forward by members of the Shadow Executive and responses to the all member questionnaire.
- 4.2 Views of respondents to the questionnaire suggested a varied level of BA, ranging from remaining at the existing County Council rate to being brought in line with other unitary authorities. Many respondents felt that the BA should be performance based, something the Panel agrees with, however legislation

dictates that the BA must be the same for each such member of an authority and as such we are bound to recommending one BA. Respondents reported a wide ranging number of average hours spent per week on Council business. The working hours ranged from 6 to over 26 hours per week, with the majority reporting spending 16 to 20 hours per week on Council business, this could be explained in part by the wide range of roles performed by those councillors who returned the questionnaire. The majority expected that there would be an increase in the number of hours spent on council business in the new council. The reasons cited included that there would be an increased number of services which the new Council would provide. Other reasons cited included more time spent travelling, and fewer members. Several respondents commented that the expected time and workload would very much depend on the number of committees a Councillor was appointed to, and whether they held any positions with additional responsibility.

- 4.3 The Panel accepted that unitary council services would add significantly to councillors' workload. For example, District Councillors would not be experienced with complex services such as Adult and Children's services, whilst County Councillors may not be experienced with Local Planning and Licensing matters. The complexity of these services will add significantly to the workload of those councillors not used to dealing with strategic cross district services.
- 4.4 It was acknowledged that the BA should be set at a level that would attract people from a broad demographic to stand for election and make the role itself more attractive. This will be of further importance if the Council elects to hold meetings during daytime hours as candidates will want to know that they will be appropriately compensated for their loss of paid working time.
- 4.5 The Panel is aware that the BA is an allowance and not a salary and is offered in recognition of members' time and certain expenses incurred on Council business.
- 4.6 Within the sample of similar sized unitary authorities in the benchmarking data, the BA ranges from £10,500 to £14,472.
- 4.7 The Panel was advised that the electoral ratio figures for the new council state that the average electorate per councillor will be 1:3637 whereas currently it is 1:3102, 1:2302, 1:2402, 1:2958 and 1:10913 for Aylesbury Vale, Chiltern, South Bucks, Wycombe and Buckinghamshire County Council respectively. With the significant changes it would now seem that their existing allowances were not in keeping with unitary authorities.
- 4.8 The Panel is aware that the scheme can be set for a maximum period of four years and that the scheme may be linked to an index. The creation of the new Council makes the task of setting allowances a complex one. The Panel recognised that the Council was about to go through a period of significant change and therefore suggested that allowances be reviewed earlier than four

years. It was suggested that Councillors determine when the early review of allowances takes place, but this was likely to be around one to two years' time. After which a review of allowances could then be undertaken every four years to coincide with the election of new members. The Panel is aware that any proposed changes to an agreed scheme of allowances would be subject to the Council having regard to the recommendations of the Panel. If a review of allowances was not carried out after one year the Panel, having considered representations and data comparisons, recommended the annual indexation of allowances to the Consumer Price Index (CPI) or the locally agreed officers' pay award, whichever is lower.

**4.9 The Panel recommends that the rate of the basic allowance paid to members:**

**(a) Be set at £13,000 per annum**

**(b) That a review of allowances be undertaken by the Panel at a suitable time determined by councillors to check that the scheme continues to be suitable following a period of significant change for the Council. If a review is not undertaken within one year then the basic allowance is to be adjusted by an amount equivalent to the increase in the officers' annual pay award or by CPI, whichever is lower. As the maximum period a scheme may be linked to an index is four years the Panel must meet to review allowances no later than 2024.**

**5. Special Responsibility Allowances (SRAs)**

5.1 The Panel agreed that in principle a clear justified methodology for calculating SRAs was required. It was recommended that SRAs be based on a proportion of the BA. For example, a multiplier of the BA could be used according to the duties and responsibilities associated with each role. The multipliers for each SRA are shown in paragraph 5.16.

5.2 From the questionnaire responses and Shadow Executive representations, the Leader of the new Council would be expected to establish the priorities, behaviours and values for the Buckinghamshire Council for the forthcoming five years. There are currently five sovereign councils with different cultures and bringing them together into a new organisation will be a significant task. There is a significant responsibility to start the Council in the most positive way. Cabinet Members would need to share significant workloads in order to achieve the objectives of the new council. The Cabinet Members would be responsible for individual decision making within their portfolio. The roles of the Leader and Cabinet Member would likely increase in the foreseeable period, particularly in relation to those equivalent roles in the existing sovereign councils. It was noted that the SRA for the Leader proposed by the Shadow Executive had been based on the complexity of the role and took into account the methodology used by the County Council and Wycombe District Council's which was 3.5 x basic

allowance. An SRA for the Leader is therefore recommended at the level shown in paragraph 5.16.

- 5.3 The Panel acknowledges that the role of the Cabinet Member was significantly more than committee chairman and the emerging governance structure indicates that they would be making individual key decisions. An SRA for Cabinet Members is therefore recommended at the level shown in paragraph 5.16.
- 5.4 The Panel understands that the Deputy Leader's workload would be different to that of a Cabinet Member since they would be required to deputise for the Leader. A Deputy Leader may also have responsibility for their own portfolio and individual decision making as well as also deputising for the Leader. Up to two Deputy Leaders may be appointed. The Leader would determine how cabinet roles would be allocated. The Panel therefore agreed to recommend that the SRA for Deputy Leader would depend according to the number of Deputy Leaders appointed and whether or not they had a portfolio. An SRA for Deputy Leader is therefore recommended at the level shown in paragraph 5.16.
- 5.5 The Panel noted that there could be up to 9 Deputy Cabinet Members and they had specific responsibilities set out in the draft Constitution. This included supporting and assisting Cabinet Members for example by deputising for Cabinet Members. This would involve frequently being in the office, attending meetings and briefings. They may for example be required to attend scrutiny committees to answer questions on policy and decisions made. In practice they would also likely take on a proportion of a Cabinet member's workload and would be involved in stakeholder engagement. Decisions delegated to a Corporate Director would also be made in consultation with a Deputy Cabinet Member, in the absence of a Cabinet Member. The Panel agreed that an SRA for Deputy Cabinet Members was appropriate to reflect the associated duties and responsibility. The Panel recommended the SRA as shown in paragraph 5.16.
- 5.6 The Panel understands that the civic role of Chairman of the Buckinghamshire Council would be significant and will have important links to other partner organisations. The Chairman will have an important role in managing and presiding over regular Council meetings to ensure that Councillors who are not Cabinet Members or Committee Chairman are able to hold office holders to account. Whilst the Panel are not in favour of paying SRAs to vice chairmen in general, the Vice-Chairman of Council is an exception, as, in addition to deputising for the Chairman at meetings of the Council, they will also fulfil a civic role. It is further recognised that each sovereign Council's Chairmen currently attend a large number of events and the amalgamation of all 5 councils would likely lead to a significantly increased workload. The SRAs recommended for the Council Chairman and Council Vice-Chairman is therefore recommended at the level shown in paragraph 5.16.
- 5.7 The Panel used the emerging governance structure and Constitution to inform its considerations of other SRAs and understands that the roles would evolve.



The Panel understands that scrutiny is a valuable resource which requires investment and is vital in holding the executive to account. There would be six scrutiny committees each with their own range of service areas. Each one would have similar workloads and responsibilities. It was felt that the workload and responsibility of Scrutiny Committee Chairman would be similar to other Committee Chairman and therefore the respective SRAs should be similar as shown in paragraph 5.16.

5.8 The Panel felt that the Chairman of the Strategic Planning Committee and the five Area Planning Committee Chairmen would have particular responsibilities, require additional time commitment and were publicly high profile Committees. For example, Committee decisions could be significant, high profile, publicly sensitive and often contentious. The SRA recommended is shown in paragraph 5.16.

5.9 The Panel noted that there would be one Licensing Committee with two standing sub committees and in noting the roles and responsibilities therefore agreed to recommended an SRA as shown in paragraph 5.16

5.10 It was noted that although the Chairman of the Pension Fund Committee had specific responsibilities this role would be filled by a Cabinet Member who would receive their own SRA. Similarly, the Chairman of the Pay and Senior Appointments Committee would also be filled by a Cabinet Member who would receive their own SRA. The Panel therefore agreed that there be no SRA for the Chairman of the Pension Fund Committee and the Chairman of the Pay and Senior Appointments Committee.

5.11 After considering the Committee structure, the Committees' associated roles and responsibilities, as detailed in the draft Constitution, the Panel recommended that the Chairman of each of the following Committees each have the same SRA as shown in paragraph 5.16.

- Audit and Governance Committee
- Standards and General Purposes Committee

5.12 Most respondents to the questionnaire advocated that members should only be entitled to claim one SRA regardless of how many SRAs they are entitled to. This is a rule that is common amongst local authority member allowances schemes.

5.13 It was noted that there would be 16 Community Boards and there would be a review of the operation of them early in the new Council's life. It was recommended that an SRA for Chairman of each Community Boards was justified. The recommended level is shown in paragraph 5.16.

5.14 An update on the Community Governance Review was noted, and the SRA for the High Wycombe Town Committee Chairman would therefore remain as shown in paragraph 5.16

5.15 The Panel heard that the role of minority group leaders would be important for the management of the new council. For the purposes of the Regulations a group is more than one member, but there is no requirement for an SRA to be paid to any Group Leader. The Panel considered what number ought to constitute a group for the purposes of the awarding of an SRA and took into account the large size of council membership. The Panel considers that were an allowance to be split proportionally, any registered group's Leader should be entitled to a share to reflect their additional workload.

**5.16 The Panel recommends that the following special responsibility allowances be paid in recognition of the additional workload, levels of responsibility and accountability placed upon the following roles:**

- **Leader £45,500 (3.5 x BA)**
- **Deputy Leader £26,000 (2 x BA) if they hold a portfolio**
- **Deputy Leader £13,000 (1 x BA) if they do not hold a portfolio**
- **Cabinet Members £19,500 (1.5 x BA)**
- **Deputy Cabinet Members £6,500 (0.5 x BA)**
- **Chairman of the Council £13,000 (1 x BA)**
- **Vice-Chairman of the Council £6,500 (0.5 x BA)**
- **Chairman of Strategic Planning Committee £9,750 (0.75 x BA)**
- **Chairmen of Area Planning Committees £9,750 (0.75 x BA)**
- **Chairman of Licensing Committee £3,900 (0.3 x BA)**
- **Chairman of Audit and Governance Committee £7,800 (0.6 x BA)**
- **Chairmen of the Overview and Scrutiny Committees £7,800 (0.6 x BA)**
- **Chairman of Pension Fund Committee £ nil**
- **Chairman of Pay and Senior Appointments Committee £ nil**
- **Standards and General Purposes Committee £7,800 (0.6 x BA)**
- **Chairman of Community Boards £1,000**
- **Chairman of High Wycombe Town Committee £3,420 (if required)**
- **Group Leaders SRA £17,000 split proportionally dependent upon group size (e.g. Group Leader SRA = £17,000 divide by 147 x number of group members)**

**5.17 The Panel further recommends that:**

- a) **No SRAs be paid to Vice-Chairmen of Committees with the exception of the Vice-Chairman of Council**
- b) **Members may not receive more than one SRA**
- c) **That a review of allowances be undertaken by the Panel at a suitable time determined by councillors to check that the scheme is suitable following a period of significant change for the Council. If a review is not undertaken within one year then SRAs be adjusted by an amount**

**equivalent to the increase in the officers' annual pay award or by CPI, whichever is lower. As the maximum period a scheme may be linked to an index is four years the Panel must meet to review allowances no later than 2024.**

## **6. Travel Allowances**

6.1 The Panel notes that each of the relevant councils currently pays approved amounts under HMRC mileage allowance payments (MAPs). Anything payable above MAP approved amounts result in a taxable benefit to the claimant. The Panel further notes that to introduce taxable benefits into the travel allowances scheme would be a disproportionate bureaucratic burden on the authority.

6.2 The MAP approved amounts are currently:

- (a) Car – 45p per mile up to 10,000 and 25p per mile thereafter (including electrically powered);
- (b) Passenger payments – up to 5p per mile per passenger (up to a maximum of four) to be claimed only for passengers who would otherwise be eligible for travelling allowance;
- (c) Motorcycle – 24p per mile (including electrically powered);
- (d) Bicycle – 20p per mile (including electrically assisted e.g. ebike);
- (e) In relation to public transport (including rail and bus) – standard fare; and
- (f) Parking fees – actual cost

6.3 The Panel note and agree with Shadow Executive representations that sustainable methods of transport should be encouraged where possible, including use of electric/hybrid transportation.

**6.4 The Panel recommends the travel allowances be paid to members:**

**(a) In line with MAP for undertaking official business; and**

**(b) Travelling to the Buckinghamshire Council offices for meetings and official business.**

## **7. Subsistence allowances**

7.1 Subsistence allowances includes the costs of:

- (a) Accommodation (if a member is required to stay overnight); and
- (b) Meals and other 'subsistence' while travelling

7.2 The Panel wishes to emphasise that subsistence should be only claimable for undertaking official business outside of the new unitary council area.

**7.3 The Panel recommends the following subsistence allowances be paid to members in the case of an overnight stay away from the usual place of residence:**

- (i) Breakfast £6.50 (more than 4 hours away before 11am)**
- (ii) Lunch £9 (business journeys entailing working away from normal place of work between 12 and 2pm)**
- (iii) Dinner £11.50 (can be claimed when required to work outside of usual rostered requirements and away from normal place of work after 8.30pm)**

## **8. Carers' allowance**

8.1 The Panel reviewed the carers' allowance currently included in the sovereign councils' allowances schemes and acknowledges the importance of setting this at such a level so as to avoid deterring anyone seeking to become a councillor.

8.2 The Panel considered setting a ceiling, however understood that members would claim only where necessary and the monitoring officer could monitor this.

**8.3 The Panel recommends that a dependant carers' allowance (not payable to a member of the claimant's own household) be recompensed at:**

**(a) An hourly rate equivalent to 100% of the national living wage to be linked to changes at national level (£8.21 as at December 2019) for childcare**

**(b) An hourly rate of actual cost for adult/elderly/disabled dependent care, to be paid at the discretion of the Monitoring Officer**

## **9. Co-opted Members**

9.1 The Panel understands that Buckinghamshire Council will have co-opted members who are members of committees such as the Thames Valley Police and Crime Panel. The Panel recognises these are important roles, but as members shall be receiving a basic allowance, the Panel felt that a separate SRA is not warranted.

## **10. Foregoing and donating allowances**

10.1 The Panel recommends that members may, if they wish, forego all or any part of their entitlement to BA or any SRA by giving notice in writing to the Monitoring Officer of Buckinghamshire Council.

10.2 The Panel also supports any members who wish to donate any of their allowances through a 'Give as you earn' scheme.

- 10.3 **The Panel recommends that where a member ceases to be a member of Buckinghamshire Council, or ceases to occupy a role attracting an SRA, that the member only receives pro-rata payment for the period that they are entitled to receive an allowance. The authority may require that such part of any allowance as relates to any such period be repaid to the authority where an overpayment is made.**

## **11. Emerging Governance Structure**

- 11.1 The Panel received evidence that the governance structure would continue to evolve over time and that these would be matters for the Buckinghamshire Council and not the shadow council. Specifically, this would include how the culture of the new council would evolve.
- 11.2 The Panel has made its recommendations on the information made available to it as of January 2020 and recognises change will occur as the new Council evolves.
- 11.3 Given that change was likely during the formative years of the Council, the Panel recommends an early review of allowances is undertaken at a time considered appropriate by members. For example, after one or two years following the current review. If the early review takes place after one year then the Council could index link allowances to CPI or the officer's annual pay award, whichever is the lower. Following the early review, a scheme of allowances could then be index linked for up to four years to tie in with the election cycle for the new Council. It is further recognised that following a Boundary Commission review during the first 5 years of the Council, it is likely the number of members would reduce for the elections in 2025, at that point a further review would be necessary to establish how responsibilities would change.

## **12. Member Performance, Accountability and Transparency**

- 12.1 The Independent Remuneration Panel is mindful that a key objective behind the formation of the new unitary Buckinghamshire Council is to realise cost savings and reduce the overall financial burden on the residents of the County. The original unitary business case set a budget of £1,927,000 to cover Members' Allowances, however the Secretary of State's decision to set the number of members at 147 has substantially eroded the targeted savings of £635,000.
- 12.2 The scheme put forward by Members totalled £2,409,420. This provides a saving when compared to the current total of allowances paid by all existing councils. The Scheme recommended by the Panel totals £2,371,220. The actual amount will depend on how roles are actually filled.
- 12.3 The flat rate Basic Allowance scheme in operation allows Members to receive not inconsiderable remuneration by automatic right as they are permitted to receive allowances by simply being a Member. The only legal requirement is that a Member must attend a formal meeting of the Council not less than once every six months.
- 12.4 The Panel is keen to establish the principle of enhanced transparency and accountability for the payment and receipts of allowances by all Members of the Buckinghamshire Council. It is recognised that it is difficult to develop

meaningful performance measures and even more difficult to enforce any such measures but there should be a means to hold Members to account if they are not undertaking the duties that are reasonably expected of them. It may well be a reiterative process that takes time to become effective. The Panel proposes that its recommendations on the scope and levels of allowances should only be accepted as part of a wider package that includes taking up the accompanying recommendations on Member performance. The Panel does not accept that the Council can take up one without the other. It will also be a further means by which the Panel in the future can assess the effectiveness of Members.

- 12.5 The Panel considers that electors would expect that a Member should only be entitled to claim the full basic allowance, or where relevant special allowance, should that Member attend a minimum of, for example, between 50% and 60% of Full Council meetings, Committee meetings or Scrutiny meetings that they are appointed to over each financial year. The Panel recognises that such a measure could only be put into effect through a voluntary claw-back scheme.

### **Enhancing Performance, Accountability and Transparency**

- 12.6 The Panel is convinced of the need to ensure that its recommendations relating to levels of allowances are intrinsically linked to the Council adopting mechanisms to enhance Member performance, accountability and transparency. The mechanisms are presented below in a hierarchical fashion, increasing in severity as one goes down the list.

### **Publishing Attendance Records**

- 12.7 As part of the general statement of performance the Panel believes that remuneration should involve a degree of sharpened accountability by the publication in appropriate forums such as Council web pages, local libraries, and parish halls, etc, of Members' attendance records. The Panel understands that the Buckinghamshire Council does intend to publish attendance records on the website. The Panel recommends that the publication of attendances by Members should include provision for valid absences, such as attending constituent duties, illness and/or representing the Council externally.

### **Member Statement of Activities**

- 12.8 The Panel also recommends that Members have the opportunity to fill in a pro forma on a periodic basis to allow them to give an account of their activities outside the Council, including an analysis of case work that they undertake in their wards, as well as attendance at formal meetings. All Members are likely to have access to a laptop and the Council intranet, with their own webpage, accompanied by appropriate training. It is relatively simple for each Member to write and publish their activity statements on their web page. These activity statements could then be used by electors and other interested parties to

evaluate the performance of Members in areas of activity that cannot be captured by the publication of attendance records.

### **Member Role Profiles – a Compact with the Electorate**

12.9 The Panel recommends that the Council adopt Member Role Profiles. These Role Profiles should form the basis of a role and accountability statement, an increasingly common practice in many authorities. They should be utilised to make explicit the respective roles, duties, responsibilities and competencies expected from Members and post holders. They should contain minimum performance measures that Members are expected to reach such as: the scope and type of committees etc, that a Member is expected to be on, such as a Scrutiny Panel.

- The minimum number of meetings a Member is expected to attend, e.g. at least 50% or 60%?
- That they should be expected to attend an approved duty at least every 3 rather than 6 months so they cannot meet their attendance requirements by frontloading within an intensive period.
- That Members are expected to take part in an individual Training and Development programme with the aim of increasing their own personal skills and capacity. Through the extensive publicity of Members duties and expected inputs, other elected Members and the public can be informed on what is to be expected from being elected.

12.10 To give further effect to the role profiles, a Compact with the Electorate' could be developed which Members are asked to sign. Such compacts are ultimately difficult to enforce but it makes an explicit link between allowances received and a specific set of tasks and duties a Member is expected to undertake. Members cannot claim they did not know what they are expected to do and moreover it provides moral leverage for the rest of the Council to utilise.

### **Allowance Claw-back Scheme**

12.11 Some authorities have a claw back scheme. For legal reasons it has to be adhered to on a 'voluntary' basis. Essentially this mechanism 'fines' a Member if they do not meet a target of attending a set percentage of meetings (often 50-60% or more). It is pointed out that in the few authorities where claw back has been adopted it is rarely invoked and appears to have limited value. Nonetheless, the Panel received evidence that the Council would appreciate having such a mechanism as part of the allowances' scheme even if it has to be



voluntary arrangement. Thus, the Panel recommends the Council adopt a claw back mechanism. As a voluntary process the claw back is probably best implemented through the group system. The Panel also recommends that the minimum standards the Council adopts for claw back to be activated should not be seen as a substitute for non-performance. Members should not be paying the claw back fine as way of circumventing their duties.

**12.12 The Panel recommends that the Council puts in place the following measures to enhance performance, accountability and transparency:**

- a) The publication of attendance records for Members at Full Council, Committee meetings and Scrutiny committees**
- b) Provision to Members of the opportunity to publish a periodic statement of activities**
- c) Adoption of role profiles for each Member in order to make clear both to the Members and electors what is expected of them**
- d) Introduction of an allowance claw-back scheme.**

### **13. Town and Parish Council allowances**

- 13.1 In addition to considering a scheme for Buckinghamshire Council, the Panel also considered recommendations to Town and Parish Councils across Buckinghamshire.
- 13.2 All Towns and Parishes were contacted by email in September 2019 and invited to submit representations and details of their respective schemes. 24 responses were received.
- 13.3 From the responses received it is evident that many Parish Councils pay no allowances and that the role of a Town or Parish Councillor is very much community based and time spent performing Parish Councillor duties was often viewed as voluntary. There is a wide range of towns and parishes across Buckinghamshire, with large town council's including Aylesbury, Buckingham and Chesham, amongst others through to small, rural, parishes who serve a relatively small electorate.
- 13.4 None of the responses indicate a need for any significant change to any respective scheme, although two respondents did make the panel aware that parishes would likely face increased pressures from services being devolved from Buckinghamshire Council.
- 13.5 The Panel believes that a sensible way to set a scheme would be to base recommended allowances around percentages of the unitary basic allowance which increases on the size of the electorate. This has been an approach used previously.
- 13.6 Towns and Parishes may choose to adopt recommendations for all members, or for the Chairman only. Where all members of a Parish receive a BA, the Chairman could receive a higher amount, up to twice that of the recommended basic allowance.
- 13.7 The Panel wishes to make clear that it is not recommending all towns and parishes pay an allowance to its members but recommends that those who do have regard to the panel's recommendations.
- 13.8 Further, the Panel recommends that Town and Parish Councils pay travel and subsistence allowances at the same rates as Buckinghamshire Council.

**13.9 (i) The Panel recommends that where Towns and Parishes choose to implement a scheme of allowances they have regard to the below table. Towns and Parishes may choose to adopt recommendations for all members, or for the Chairman only. Where all members of a Parish receive a BA, the Chairman could receiver an amount up to twice that of the recommended allowance.**

<b>Electorate</b>	<b>% of Unitary Basic (£13,000)</b>	<b>Amount per Councillor (£ (up to)</b>
<b>0-2500</b>	<b>1.5</b>	<b>£195</b>
<b>2501 - 5000</b>	<b>2.5</b>	<b>£325</b>
<b>5001 - 10000</b>	<b>3.5</b>	<b>£455</b>
<b>10001 - 15000</b>	<b>4.5</b>	<b>£585</b>
<b>15001 - 20000</b>	<b>5.5</b>	<b>£715</b>
<b>20001 - 25000</b>	<b>6.5</b>	<b>£845</b>
<b>25001 and above</b>	<b>9</b>	<b>£1,170</b>

**(ii) The Panel recommends that Towns and Parishes follow the Buckinghamshire Council scheme when setting travel and subsistence allowances.**

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**BUCKINGHAMSHIRE AND MILTON  
KEYNES FIRE AUTHORITY**

***MEMBERS' SCHEME OF ALLOWANCES  
2021/22***

# **THE BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY**

## **MEMBERS' SCHEME OF ALLOWANCES**

### **Introduction**

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

### **Creation and Amendment of the Scheme**

6. This scheme comes into effect on 1 April 2021.
7. For subsequent changes in basic allowances, special responsibility allowances and co-optees allowances, new rates will be payable from the date the amendment takes effect as set out either in this scheme or the Regulations.
8. The Fire Authority will be responsible for amending the scheme and in doing so will have regard to any recommendations to its constituent councils of the independent remuneration panels set up by them.

### **Basic Allowances**

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

### **Special Responsibility Allowances**

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

### **Approved Duties**

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

### **Co-optees Allowance**

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

## **Travelling and Subsistence Allowances**

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

## **Allowances are Maxima**

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

## **Social Functions and Occasions**

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

## **Conference Expenses**

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



## **Telephones**

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

## **Avoidance of Duplication**

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

## **Records of Payments**

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

## **Expense Claims**

30. All information requested for the expense claim must be provided, including the number of miles, the locations travelled from and to and the reason for travel. (It is always advisable for Members to make contemporaneous notes in their diary to assist in the completion of claims).
31. Claims for expenses should only be made when actually incurred, ie rail/bus, taxis, hotel accommodation. Receipts must be provided.
32. Claims for the same expenses (mileage, travel and subsistence etc) must not be made from more than one body.
33. Payments for basic and special responsibility allowances will be paid monthly in arrears and travel and subsistence payments will be paid monthly in arrears on the submission of a claim through the HR and Payroll Portal.
34. No claim from a Member for traveling or subsistence allowances which is submitted more than three months after the costs were incurred and no later than the end of April for the preceding financial year will be entertained, except in exceptional circumstances and approved in writing by the Chief Finance Officer.

## **SCHEDULE 1**

### **SPECIAL RESPONSIBILITY ALLOWANCES FROM APRIL 2021**

#### **Special Responsibility Allowance per annum**

• Position	£
• Chairman	12,708
• Vice-Chairman	4,259
• Chairman – Executive Committee	5,243
• Chairman – Overview and Audit Committee	3,434
• Chairman – Human Resources Sub-Committee	1,719
• Group Leaders	3,813
• Lead Members	3,314

## **SCHEDULE 2**

### **PAYMENT OF TRAVELLING AND SUBSISTENCE ALLOWANCES**

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

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

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

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

### **SCHEDULE 3**

#### **DUTIES EXCLUDED FROM THE ALLOWANCES SCHEME**

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

- Members' surgeries
- Political activities

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## **SCHEDULE 4**

### **RATES OF ALLOWANCES**

From April 2021 the following rates of allowances will apply

#### **Basic Allowance:**

£1,272 per annum

#### **Special Responsibility Allowances:**

See Schedule 1

#### **Co-optees Allowance**

£318 per annum

#### **Travel Allowances**

##### **(a) Car**

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

##### **(b) Motorcycle**

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

##### **(c) Bicycle**

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

##### **(d) Public Transport**

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

#### **Subsistence**

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



# Buckinghamshire & Milton Keynes Fire Authority

<b>MEETING</b>	Executive Committee
<b>DATE OF MEETING</b>	10 February 2021
<b>OFFICER</b>	Anne-Marie Carter, Head of ICT, Transformation and PMO
<b>LEAD MEMBER</b>	Councillor David Hopkins
<b>SUBJECT OF THE REPORT</b>	<b>Emergency Services Mobile Communications Programme (ESMCP)</b>
<b>EXECUTIVE SUMMARY</b>	<p>This paper provides Members with an update regarding the latest developments in the Emergency Services Mobile Communications Programme (ESMCP). The last briefing was provided to Members in November 2020.</p> <p>Members will recall that in previous information papers, reference has been made to the Full Business Case (FBC) and the consideration of four options to enable the delivery of the Emergency Services Network (ESN).</p> <p>The most likely of the four options being considered by the Programme as the preferred way forward is Option 3a (an Airwave shutdown date of June 2025).</p> <p>The development of this option and the previously announced delay to the Prime product of at least 6 months, means that publication of a revised version of the FBC will not happen until early 2021.</p> <p>Little progress has been reported to us regarding the FBC since the last report to Members, therefore this paper will concentrate on progress of the practical delivery on the Programme.</p>
<b>ACTION</b>	Noting.
<b>RECOMMENDATIONS</b>	Members are recommended to note the ESMCP update.
<b>RISK MANAGEMENT</b>	<p><b>National Plan</b> – Services have now had sight of the draft deployment planning tool developed by the Programme – this currently shows indicative transition dates for the South Central region starting in April 2022 for a period of 12 months. It is not clear whether the latest delay to the Programme delivery has been taken into account at this stage</p> <p><i>'The re-planning activity is targeted to conclude by the end of this year, resulting in the delivery of a realistic plan, with appropriate contingency, that will ensure delivery of an operationally safe solution. This plan will be the foundations for deployment and roll-out planning.'</i></p>

	<p><i>We will start that planning activity in early 2021.'</i> (Monthly ESN briefing note – 12th November 2020)</p> <p><b>DNSP</b> – the question of whether BFRS will require its own Direct Network Service Provider link to access ESN in order to manage devices has yet to be resolved. The Regional Programme Manager for the East Midlands region has volunteered to act as a national point of contact for all the User Organisations (UOs) that have similar issues as BFRS and will liaise with the technical representatives from the Programme to seek a way forward.</p> <p><b>Coverage</b> – The SC region now have a dedicated Coverage and Assurance lead provided from OFRS. This lead is working closely with the SE region and TV Police to form a collaborative approach to the delivery of the Assure 1.1 product.</p> <p>Assure 1.1 test devices have been provided to each UO – one fixed vehicle device (Automobile) and one handheld. The Thames Valley fire services have agreed to hand their Automobile devices to TVP to carry out road testing on our behalf.</p> <p>The handheld devices will be used to carry out testing of critical operation locations and any identified areas of concern, within each county.</p> <p>Training has been delivered regarding the operation of the handheld device and the portal that stores the data collected by all devices. Further training on the identification and reporting of Areas of Concern (AOCs) is planned for early in the New Year.</p> <p><b>Resilience</b> – The Programme are working with users to define requirements to define the resilience and black start options for ESN.</p> <p>Two large pieces of coverage work have just been released to User Organisations requesting our assistance in assuring resilience. The outcomes of these tasks will feed into the revised Full Business Case to be released in 2021. These tasks are in addition to the aforementioned Assure 1.1 workload.</p> <p><b>Products</b> – the latest progress reported by the Programme regarding product delivery:</p> <ul style="list-style-type: none"> <li>• <i>ESN Connect (Critical Bearer)</i> – the final phase of live testing with County Durham &amp; Darlington Fire Service is progressing well with a completion date due in December 2020.</li> <li>• <i>ESN Direct 2(Public Safety and Push to Talk Messaging)</i> – it is expected that all Direct 2 operational validation will be completed in early 2021.</li> <li>• <i>ESN Prime (Full suite of Public Safety Communication services)</i> – Prime Gate 3 was successfully achieved</li> </ul>
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	<p>on 06 November. An integrated delivery plan has been agreed between the Programme and suppliers – Prime now moves into the build and testing phases.</p> <ul style="list-style-type: none"> <li>• <i>Assure 1.1 (enables User Organisations to validate ESN coverage and performance)</i> – 1000 devices have now been deployed nationally within User Organisations. Assure 1.1 testing is now underway nationally with Areas of Concern (AoCs) being assessed and raised where appropriate.</li> </ul> <p><b>South Central Regional Programme Manager</b> – The Thames Valley services undertook a recruitment campaign for the Regional Programme Manager (RPM) role in October/November and offered the position to two candidates. Unfortunately, neither have decided to take up the offer, so a second campaign has been launched. The current RPM provided by consultancy firm Mott Macdonald will leave the post in January. The role will be shared by the Project Managers from the three services until March 2021.</p>
<b>FINANCIAL IMPLICATIONS</b>	<p>The latest version of the Local Transition Resource (LTR) funding model has been released by the Programme.</p> <p>As the Programme now falls under the direction of the Crime, Policing and Fire Group within the Home Office, it is not clear at this stage what the financial reporting lines will be with regard to LTR funding. Infrastructure funding will continue to be directed through the Fire Directorate via a business case.</p> <p>Mobilisation and transition dates still remain unclear as there remains movement within the deployment planning workstream. Information has been received stating that fire services will remain under the 'Prepare' stage of the plan until a full deployment plan is produced with FRSs sequenced. Existing funds are planned to be used for the next financial year. This again will have to be confirmed with the move in governance</p> <p>The Hampshire and Isle of Wight fire services move to the South West region has now been approved at Programme level. A request has been made to the SW Regional Programme Manager for an invoice for the outstanding agreed settlement amount to enable South Central to begin accounting for the TVFCS services only.</p>
<b>LEGAL IMPLICATIONS</b>	<p>Buckinghamshire Fire and Rescue Service have already signed up to the principles of the ESN. Officers will continue to monitor the progress of the Programme closely and will provide challenge to the process where it is felt necessary.</p>
<b>CONSISTENCY WITH THE PRINCIPLES OF</b>	<p>This Authority remains an active participant of the South Central Transition Delivery arrangements. The</p>

<b>THE DUTY TO COLLABORATE</b>	<p>governance and delivery models have now been established and Buckinghamshire Fire and Rescue Service officers are involved at each level. The principle has been adopted that information is shared across all three South Central services and where appropriate, joint responses to work requests are submitted.</p> <p>The South Central region is also working with the South East region and Thames Valley Police on activities such as the Coverage and Assurance work in order to achieve a consistent approach and effective use of the limited resources available.</p>
<b>HEALTH AND SAFETY</b>	There are no health and safety implications perceived at this time. There is constant review of this and any issues that may arise in the future will be referred.
<b>EQUALITY AND DIVERSITY</b>	There have been no equality and diversity implications identified to date. As the programme progresses, further information, and a confirmed plan become available, then an Integrated Impact Assessment will be completed.
<b>USE OF RESOURCES</b>	<p>As stated in previous updates to Members, the organisation's Programme Manager is the Project Manager for ESMCP delivery.</p> <p>The Head of ICT, Transformation and PMO is the Senior User for this Authority.</p>
<b>PROVENANCE SECTION &amp; BACKGROUND PAPERS</b>	<p><b>Background</b></p> <p>ESMCP is the programme, which will provide the next generation of mobile communications for emergency services and will replace the Airwave Tetra network introduced to fire services in 2009.</p> <p>The Programme is considered to be ground breaking and innovative and is designed to improve the integration of emergency services communications by taking advantage of 4G communications developments and by reducing costs to user organisations.</p> <p><b>Provenance</b></p> <p>ESMCP Update, Executive Committee November 2020</p>
<b>APPENDICES</b>	Appendix A: ESMCP Highlight Report – December 2020
<b>TIME REQUIRED</b>	10 minutes
<b>REPORT ORIGINATOR AND CONTACT</b>	<p>Marie Crothers – Programme Manager</p> <p><a href="mailto:mcrothers@bucksfire.gov.uk">mcrothers@bucksfire.gov.uk</a></p> <p>01296 744430 / 07765 001907</p>

# Emergency Services Mobile Communications Programme

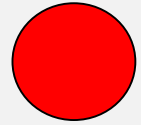
Appendix A

**Lead Member:**  
**Lead Officer:**  
**Project Manager:**  
**Business Sponsors:**

**Cllr Hopkins**  
**Anne-Marie Carter**  
**Marie Crothers**  
**DCFO Mick Osborne**

**Project Objectives:** The Emergency Services Mobile Communications Programme will provide a new communication system for the 3 emergency services and other public safety users. This system will be called the Emergency Services Network (ESN). It will replace the current Airwave radio network. BFRS forms part of the South Central Region to deliver this work and this highlight report will focus on the regional and local delivery into this programme but will also provide high level national updates

**Overall RAG**



Finance



Plan



**Risks & Issues**



Scope



Resources



## Summary – Period dated: July 2020 – Dec 2020

### Update

#### • **South Central Governance:**

- Formal request for Hants & IOW FRSs to move to the SW region now approved by the Programme
- Financial arrangements are being completed and work is now continuing as a Thames Valley region.
- Recruitment for SC Regional Programme Manager has been relaunched – hope to appoint in January 2021. Role being shared by the SC PMs until March 2021.

#### **Full Business Case:**

- Option 3a (with an Airwave shutdown date of June 2025) remains the most likely of the four options being considered to deliver ESN.
- Development of Option 3a and the previously announced delay to the Prime product of at least 6 months, means that publication of a revised version of the FBC will not happen until early 2021.

#### • **National Plan:**

- Services have now had sight of the draft deployment planning tool developed by the Programme
- Currently shows indicative transition dates for the South Central region starting in April 2022 for a period of 12 months.
- Not clear whether the latest delay to the Programme delivery has been taken into account.

#### • **DNSP:**

- Outstanding issue of whether BFRS will require its own DNSP link to access ESN in order to manage devices has yet to be resolved.
- The RPM for the East Midlands region has volunteered to act as a national point of contact for all the User Organisations that have similar issues as BFRS and will liaise with the technical representatives from the Programme to seek a way forward.

#### • **Coverage:**

- Dedicated Coverage and Assurance lead provided from OFRS for SC region. Working closely with the SE region and TV Police to form a collaborative approach to the delivery of the Assure 1.1 product.
- Assure 1.1 test devices have been provided to each UO – one fixed vehicle device (Automobile) and one handheld. The Thames Valley fire services have agreed to hand their Automobile devices to TVP to carry out road testing.
- Handheld devices will be used to carry out testing of critical operation locations and any identified areas of concern, within each county.
- Training delivered regarding the operation of the handheld device and the portal that stores the data collected by all devices. Further training on the identification of Areas of Concern (AOCs) is planned for early in the New Year.

#### • **Resilience:**

- The Programme are working with users to determine requirements to define the resilience and black start options for ESN.

## Summary – Period dated: July 2020 – Dec 2020 (cont)

- Two large pieces of coverage work have just been released to User Organisations requesting our assistance which will be resource heavy. The outcomes will feed into the revised FBC in the New Year. These tasks are in addition to the aforementioned Assure 1.1 workload.
- Products –**
- ESN Connect (Critical Bearer)* – final phase of live testing with CDDFRS progressing well with completion date due in December 2020
- ESN Direct 2* – expected that all Direct 2 operational validation will be completed in early 2021
- ESN Prime* – Prime Gate 3 achieved on 06 November. Integrated delivery plan agreed between Programme and suppliers – now moves into build and testing phase
- Assure 1.1* – 1000 devices now deployed nationally within User Organisations – Assure testing now underway with Areas of Concern being assessed and raised where appropriate.

## Priorities for Next Period: January – March 2021

- Review of Critical Operational Locations (COLs) to be undertaken by each User Organisation – planned for the New Year*
- SC collaborative approach to be agreed to deliver the Assure 1.1 workpackage and the additional resilience workloads including the prioritisation and completion of the handheld testing of COLs*
- Continue discussion with the East of England RPM to develop a solution to the ongoing DNSP issue*
- Secure the position of SC RPM*

## Key Decisions Required

None at this stage – for information only

Key Milestones	Forecast/ Actual
FBC review complete	Delayed
ESN Assure 1.1 – Gate 5 review	Complete
England Urban Coverage Complete (South Central)	Q4 20 (TBC)
ESN Prime Gate 3 achieved – Nov 2020	Complete
ESN Prime Gate 5	Oct 2021
<b>Local:</b> Continue dialogue with central team to resolve DNSP issue	Ongoing

Risk/ Issue	RAG	Description	Mitigating Action
ESMC P001	22	Delay in the implementation of ESMCP. Delay in the procurement process, legal challenge, deferred business case. Financial cost to Home Office and potential higher contract costs	Budget/costing issues fed into FCG and Programme
ESMC P016	22	If post transition costs are not provided UOs will not be able to accurately budget for the new service leading to financial pressures and reputational damage.	Raised to SC Programme Board and Fire Customer Group. Reps from SC region continually raise this as an issue with the Programme
ESMC P030	22	Extending Transition timescales will now clash with contract end dates and potential system refresh of mobilising systems	Being highlighted as an issue during the current Deployment Planning discussions

*There are currently 18 risks listed on the SC Risk Register – the top 3 are displayed here – the full register is available on request*