

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



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

Chief Fire Officer and Chief Executive
Jason Thelwell

To: The Members of the Executive Committee

**MEMBERS OF THE PRESS
AND PUBLIC**

Please note the content of
Page 2 of this Agenda Pack

30 January 2022

Dear Councillor

Your attendance is requested at a meeting of the **EXECUTIVE COMMITTEE** of the **BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in **MEETING ROOM 1, BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE HEADQUARTERS, STOCKLAKE, AYLESBURY, BUCKS, HP20 1BD** on **WEDNESDAY 8 FEBRUARY 2023 at 10.00 AM** when the business set out overleaf will be transacted.

Yours faithfully

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

Graham Britten
Director of Legal and Governance

Health and Safety:

There will be limited facilities for members of the public to observe the meeting in person. A recording of the meeting will be available after the meeting, at the web address provided overleaf.

Chairman: Councillor Rouse

Councillors: Christensen, Darlington, Hall, Hopkins, Lambert, McLean and Walsh



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Recording of the meeting

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 recorded. Please visit:

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

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 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 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 'teams' 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 Executive Committee held on 16 November 2022 (Item 2) **(Pages 7 - 16)**

3. Matters Arising from the Previous Meeting

The Chairman to invite officers to provide verbal updates on any actions noted in the Minutes from the previous meeting.

4. 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.

5. Questions

To receive questions in accordance with Standing Order SOA7.

6. Budget Monitoring Report April 2022 - December 2022

To consider Item 6 **(Pages 17 - 30)**

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

To consider Item 7 **(Pages 31 - 40)**

8. Medium Term Financial Plan (MTFP) 2023/24 to 2027/28

To consider Item 8 **(Pages 41 - 56)**

9. Response to the Provisional Local Government Finance Settlement 2023-24: Consultation

To consider Item 9 **(Pages 57 - 104)**

10. Members' Allowances

To consider Item 10 (**Pages 105 - 160**)

11. Exclusion of Public and Press

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 report contains information relating to any individual; and Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report 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. Industrial Action Update

To consider Item 12 (**Pages 161 - 174**)

13. Date of next meeting

To note that the next meeting of the Executive Committee will be held on Wednesday 22 March 2023 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

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Buckinghamshire & Milton Keynes Fire Authority

Minutes of the Meeting of the EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 16 NOVEMBER 2022 at 10.00 AM.

Present: Councillors Hopkins, Lambert, McLean and Rouse (Chairman) 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), A Carter (Head of Technology, Transformation and PMO), S Tuffley (Head of Prevention, Response and Resilience), A Stunell (Head of Human Resources), K Nellist (Democratic Services Officer) and C Newman (Data Intelligence Team Manager)

Remotely: C Bell (Head of Protection, Assurance and Development)

Apologies: Councillors Christensen, Hall and Marland

The Chairman advised the Committee that the meeting was being recorded and would be uploaded on to the Authority's YouTube channel after the meeting.

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

EX21 MINUTES

RESOLVED -

That the Minutes of the Special meeting of the Executive Committee held on Friday 7 October 2022, be approved, and signed by the Chairman as a correct record.

EX22 MATTERS ARISING FROM THE PREVIOUS MINUTES

EX15(b) The Head of Protection, Assurance and Development gave Members a brief update on the Summer Pressures report presented at the last meeting. The staff survey was still under way. The Local Resilience Forum debrief had not concluded yet, but once concluded, would form part of a broader, more comprehensive report that would be brought to the Authority next year.

The Head of Protection, Assurance and Development also advised Members there was a question posed at the meeting around sharing information around the causation of the two major incidents. These incidents would be the subject of some form of challenge and investigation and insurance actions, and it would not be proper for the Authority to share information until all those matters had been fully concluded and resolved by all interested parties.

A Member asked if there were any interim lessons learned that could be implemented before the report was published.

The Head of Protection, Assurance and Development advised that although the debrief had not yet concluded, some of the equipment being carried on appliances for rehydration, i.e. using electrolytes had already been implemented. The provision of welfare at incidents was being reviewed and the Service had accelerated the roll out of respirators (half masks) for firefighters (not breathing apparatus). Other areas around communications and support were being looked at. These would be progressed in due course when all information was available.

EX23 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

EX24 BUDGET MONITORING REPORT APRIL 2022 – SEPTEMBER 2022

The Deputy Director of Finance and Assets advised Members that the report sets out the Authority's revenue and capital spending position as at 30 September 2022, together with the projected outturn position for the financial year. The Authority was currently projecting an overall underspend of £847k, an increase of £713k compared to Quarter 1. The key events that had resulted in the increase in underspend were the announcement of the energy price cap for non-domestic customers, this had reduced the forecast spend for the year on gas and electricity by £400k. The Authority was previously forecasting utilities to cost in the region of £1.2m prior to the energy price cap being announced. The price cap was only for six months but was likely to stay in place for vulnerable industries beyond this point.

The Authority had also seen a sharp increase in investment returns from treasury activities. At the start of the financial year, the projected return was £30k with the base rate being under 1%. The recent increases in the Bank of England base

rate had increased the forecast income from treasury management investments to £250k. The remainder of the increase was predominantly due to higher operational leavers than originally forecast, as well as some new support staff vacancies.

The Deputy Director of Finance and Assets advised Members that with regard to the Capital Section, key property works related to refurbishments works on several stations across the estate. Fire appliance and equipment predominantly related to the purchase of red fleet appliances and associated equipment. The current forecasts assumed a 2% pay award and as Members would be aware, the 5% offer was rejected by the Fire Brigades Union. Every additional 1% pay award would cost the Authority in the region of around £200k and therefore a significant amount of the current underspend would need to be utilised to cover the pay awards.

The Chairman asked about the progress towards the establishment figures for Wholetime firefighters currently showing 288 for the end of March 2023, and what action was being taken to get it back on track.

The Head of Human Resources advised Members that the Workforce Planning Group were meeting on a monthly basis. There were 18 firefighter recruits due to join the Service in March 2023. The Service was continuing on the trajectory aiming for 300 wholetime firefighters. Also, looking forward, another 18 firefighter recruits would be joining the Service in October 2023.

The Deputy Chief Fire Officer advised Members that there had been some issues around the transferees. There were a number of transferees who had applied to join the Service, but looking at the skills gap analysis, some did not meet the standard required. This put pressure on getting the training scheduled with the Service's trainers and the Fire Service College. As a result, there were six transferees that would be joining an open firefighter development programme at the Fire Service College in January 2023. These six were not on the plan. Officers had also looked at the graph being extended out for another year. This would mean the numbers would be met in October 2023.

The Chairman asked if Members could see the longer term profile of the Wholetime Establishment Road Map in future reports and was advised that it would be included in the next report.

Deputy
Director of
Finance and
Assets

The Chairman asked if the next Budget Monitoring update could include the impacts of some of the scenarios at year end.

The Chairman asked regarding the in-year growth bids, was there an update on progress of the Digital Marketing and ICT apprentices, and also the cost of the stands and marketing material seemed high, was they going through a competitive procurement process.

The Head of Technology, Transformation and PMO advised that in terms of the Digital Marketing Apprentice, the person was now in position. With regard to the ICT Apprentice, there were only three people that were due to come for interview, and only one turned up and they unfortunately were not successful. This role had now been advertised again.

The Head of Human Resources advised Members that in terms of recruitment, they had been working really hard with the Marketing Communications Team and had got quotes for stands that would be taken out for recruitment, apprenticeship shows etc. A suitable stand had not been found as yet, as it needed to be light enough to carry and transport easily.

The Deputy Director of Finance and Assets advised Members that everything purchased had to meet the procurement rules before it would get approved from the Finance system.

A Member asked how many ex police officers had been employed or had come forward to apply and did they need the same training as other recruits.

The Head of Human Resources would come back to Members on the numbers who had applied but advised they would need to undertake exactly the same training as all recruits.

A Member asked if Members could be sent a briefing note following the budget statement due the following day.

The Deputy Director of Finance and Assets would ensure all Members received this by the end of the week.

RESOLVED –

That the provisional outturn forecast for the Authority as of 30 September 2022 be noted.

EX25 PERFORMANCE MANAGEMENT – Q2 2022/23

The Head of Technology, Transformation and PMO advised Members that there had been one new measure added in the response section, which was there was now site specific risk information (SSRI) high-risk sites completion rate and the

Deputy
Director of
Finance and
Assets

Head of
Human
Resources

Deputy
Director of
Finance and
Assets

following work in progress measure had been populated. In the public value sector, percentage of compliance and standing orders relating to contracts. All other work in progress measures would be populated by the end of the financial year.

The Data Intelligence Team Manager firstly apologised to Members that in the printed copy, some of the 'monitoring measures' did not show on the report but could be seen on the soft copy. Also, there was an individual page in front of Members, to correct an error on the printed copy, that was now updated.

The Data Intelligence Team Manger advised Members that the Key Performance Measures report helps the Service understand how it was performing. It also enabled certain measures to be highlighted to Members and staff. Based on feedback from quarter one, an additional page had been added which reflected on the previous quarters highlighted measures. Reading the summary pages, Members might feel that there were many measures showing outcomes not in line with expectations and targets. It was worth remembering, that during this reporting period, the Service experienced two heat waves that saw extreme demand.

The Data Intelligence Team Manager advised Members that there was only one highlight measure in Q2 – Public Impact: Average attendance time to all incidents. This identified how the Service's average attendance time to all incidents had increased from being within three seconds on previous years in Q1 to being 36 seconds slower than the previous years. The above was a common theme across a number of measures, most of which would be covered within the Summer Pressures final report.

A Member asked regarding the people measures and the high response rate through the summer fires, and the difficulty of recruiting On Call firefighters, which was also reflected within the HMICFRS report. Had the Service moved further forward with this, in the narrative it doesn't mention these stations, that while they were operational they were not always crewed. Would this change the figures?

The Head of Prevention, Response and Resilience advised that On Call recruitment had been a challenge for a number of years, and there was a focus on recruitment for On Call Stations, but there was limited success in terms of daily availability. Early data coming out of the heat wave in the Summer indicated that resilience was very effective and there

were a lot of additional appliances on the run during the heatwave. It could be done, but it was getting the resilience guaranteed.

A Member asked regarding the Compliments, Complaints and Concerns, there were four complaints and one compliment for September, was there any narrative to it.

The Director of Legal and Governance would provide the detail. The annual report had just been presented to the Overview and Audit Committee last week. There was a very robust procedure for complaints and every one was investigated, not all were upheld.

The Chairman asked if the trend against previous years could also be included and an extraction of the upheld measure as well.

A Member asked why appraisal completion and completion of mandatory learning packages was low. If it was mandatory, why was it not being completed.

The Head of Technology, Transformation and PMO advised Members in the absence of the Head of Protection, Assurance and Development, that appraisal completion continued to be monitored and championed, but she would ask him to provide Members with more details in terms of completion of appraisals.

The Head of Prevention, Response and Resilience advised that the system previously updated Managers and staff with what was outstanding, but it had stopped sending reminders. This was being worked on and hopefully Members would see an increase in appraisals undertaken in future reports.

The Chairman asked that in the next report could Officers provide more detail on the actions being taken on appraisal completion and completion of mandatory learning packages.

The Chairman asked about confidence around the fire and wellness visits improving in Q3 and Q4 and what the outcome would look like against the measures in the report.

The Head of Prevention, Response and Resilience advised that there had been a lot of recruitment within the Prevention Team this year and there was also an onboarding process of training which took around six months, so there was some delay in getting the output required. With the rewritten Prevention Strategy and the Prevention Improvement Plan which was now making good progress. The coordination across stations to increase the amount of fire and wellness visits they were

Director of
Legal and
Governance

Head of
Technology,
Transformation
and PMO

Head of
Technology,
Transformation
and PMO and
Head of
Protection
Assurance and
Development

undertaking was working really well. It was hoped that the numbers would be increased by the end of this financial year.

The Chairman asked around the Internal Audit overdue audit actions which seemed to be on a worsening trend and how it was getting back on track.

The Director of Finance and Assets advised that there were a number of outstanding actions which were monitored by the Overview and Audit Committee. This report does not go into detail as to what was high, medium or low priority. There were a lot of actions listed separately but would be resolved by one action. For example, the Procurement Strategy to be presented at the Fire Authority meeting in December, would take off six of those actions.

The Chairman felt it would be helpful to have the carbon emissions and recycling measures in place and it would be helpful to have a target date.

The Chairman advised that officers were sharing the highlighted measures with Members, largely those measures that were of concern or impact, but it would also give Members assurance to see those measures that were going really well because the Service should also celebrate success.

The Director of Finance and Assets advised Members that with regard to the carbon emissions and recycling measures within the Climate Action Plan, there were a number of actions for each financial year. One of the actions for this current financial year was to look at baseline of carbon emissions. The target date was the end of this financial year and would be the baseline going forward.

RESOLVED –

That the BFRS Performance for Q2 2022/23 is noted.

All Officers left the meeting apart from the Chief Fire Officer, Head of Human Resources and the Democratic Services Officer.

EX26 SENIOR MANAGEMENT TEAM REMUNERATION AND PERFORMANCE REVIEW, AND ANNUAL REPORT ON EMPLOYEE BONUS SCHEME

The Head of Human Resources advised Members that this was the annual Senior Management Team Remuneration and Performance Review and Annual Report on Employee Bonus Scheme. The executive summary showed the posts covered, contracts, cost of providing services, background and context to

Head of
Technology,
Transformation
and PMO and
Director of
Finance and
Assets

Director of
Finance and
Assets

pay and remuneration, the national context, legislation, pay and gender pay and the financial position, budget monitoring, HMICFRS recommendations and the Council tax precept.

The Senior Management Team do not play a part in the pay review process. Previously they had not seen the report due to its confidentiality. The Senior Management Team had seen this report after it was sent to Members, as it was not now deemed exempt.

The Head of Human Resources advised Members that Appendix 1 Comparative Data of Fire Authorities Council Tax Precept 2021/2022 (source Council Tax Requirement Forms) showed that the Authority had one of the lowest Council Tax Precepts. Appendix 2 showed the Senior Management Team performance and achievements, for example achieving the Armed Forces Covenant, high level external qualifications, EDI performance and reduction in business rates. Appendix 3 was the Equality Impact Assessment which showed neutral impacts for the Senior Management Team and employees.

The Chief Fire Officer advised Members that this report had been formulated while he was out of the Service. Members would know the history that over a number of years, the Authority decided to award bonuses and then in his tenure, he had tried to move away from that system. Over the last few years, in conjunction with the previous Lead Member, it didn't seem right or proper to be awarding bonuses with the difficult financial restraints. The current policy had remained in place, and the Authority had chosen not to award bonuses which was the right decision. Moving forward, however, on this paper, there was a recommendation to say do we actually want to remove the bonus scheme in its entirety and bring a further proposal back to the Authority.

The Chairman advised that this was the first year he had seen the report and its bonus scheme. He felt that as there wasn't a set of measures and clear outcomes, it would be incredibly demotivating for officers to know something exists, but to not know until the end of the year whether they achieved it or not. Also, one of the issues was the Authority does not budget for this bonus scheme. There was also a need to draw attention to the great job that officers had done in delivering over the year, and the performance output should not be missed.

A Member welcomed the recommendations but felt that one of the recommendations should be removing it as a policy completely.

The Head of Human Resources asked Members if they were meaning just the Senior Management Team or were they including the employee bonus, because the employee bonus forms part of the Pay Policy, which would be presented to the Fire Authority meeting in February.

A Member asked regarding the employee bonus scheme, was there an opportunity to invite firefighters to undertake things they were not currently doing like eLearning and appraisals to get a bonus.

The Head of Human Resources advised that undertaking eLearning and appraisals was part of the job. The way the bonus scheme was set out in the Pay Policy was an application process for managers to apply when someone/or group had gone over and above what they should be doing as part of their role. The last time this took place was back in 2018. Once submitted, all the applications go forward to a SMT panel to look at and decide if, and at what level, they were awarded.

RESOLVED –

1. That performance related pay and bonus payments are not paid to the Senior Management Team in the current financial year.
2. That Performance related pay and bonus payments are reviewed in the next financial year.
3. That the Head of Human Resources be tasked to review the SMT remuneration methodology and employee bonus scheme in consultation with the Chairman and Chief Fire Officer.

EX27 DATE OF NEXT MEETING

The Committee noted that the date of the next Executive Committee meeting would be held on Wednesday 8 February 2023 at 10.00am in Meeting Room 1.

THE CHAIRMAN CLOSED THE MEETING AT 10:55

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Executive Committee, 8 February 2023

Report title: Budget Monitoring Report April 2022 – December 2022

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming, Director of Finance and Assets

Author and contact: Asif Hussain, ahussain@bucksfire.gov.uk, 01296 744421

Action: Noting

Recommendations:

That the provisional outturn forecast for the Authority as of 31 December 2022 be noted.

Executive summary:

The report in Appendix A sets out the Authority's revenue and capital spending position as of 31 December 2022, together with the projected outturn position for the financial year.

The budget of £33.480m compared to the forecast outturn of £33.223m gives a forecast yearend underspend of £0.257m. Furthermore, the level of funding is showing a favourable variance of £0.418m which has resulted in an overall net underspend of £0.674m against our expenditure budget.

Financial implications: As set out in the main body of the report.

Risk management: Management of our financial resources is a key risk to the Authority and the performance reports to Committee inform Members of the main financial risks facing the Authority in year.

Legal implications: None.

Privacy and security implications: None.

Duty to collaborate: None.

Health and safety implications: None.

Environmental implications: None.

Equality, diversity, and inclusion implications: None.

Consultation and communication: None.

Background papers:

Medium Term Financial Plan 2022/23 to 2026/27, Fire Authority Meeting 9 February 2022

<https://bucksfire.gov.uk/documents/2022/02/fa-item-9b-16022022.pdf/>

Appendix	Title	Protective Marking
A	Appendix A – Budget Monitoring Report April – December 2022	None

1. Revenue Forecasts by Service Area

Table 1 shows the budget and actual expenditure for each Directorate as at the end of December 2022. The budget of £33.480m compared to the forecast outturn of £33.223m gives a forecast yearend underspend of £0.257m. Furthermore, the level of funding is showing a favourable variance of £0.418m which has resulted in an overall net underspend of £0.674m against our expenditure budget.

The Fire Authority received precept flexibility to raise the Precept by £5. This resulted in additional precept funding of £1.1m compared to what we would have received if the precept increase was only restricted to 2%. The additional precept has been utilised to increase our operational establishment by twenty firefighters which will take the overall operational establishment to 300. With a number of retirees and leavers, it is unlikely that the Service will be able to reach its full establishment within this financial year. Therefore, this will result in underspends with employee costs which have been reallocated to one-off projects (Table 3) that have been approved by the Business Transformation Board. These include software and equipment upgrades, two fixed term apprenticeships within Marketing and ICT, and improve recruitment materials.

A pay offer of 5% has been made to the relevant representative bodies of which the Fire Authority had only budgeted 2%. While a 5% pay award can be absorbed this year, it is because of the recent non-domestic energy support announcement and assumes no further financial pressures emerging. However, without additional funding through either grant funding and/or precept flexibility in the forthcoming Local Government Finance settlement, the Service would not be on a sustainable footing in future year. The current forecasts assume only a 2% pay award but for illustrative purposes, we have included an additional table showing what impact a 5%, 7% and 10% offer would have on our outturn position and on our Medium-Term Financial Plan (MTFP).

The funding forecast for the current financial year includes £0.138m residual balance of Protection funding received in 2020/21 as well as additional Protection funding of £0.098m received during 2021/22 and £0.172m received during the current financial year totalling £0.408m. This forecast is based on anticipated expenditure or to be committed by March 2023 as per the conditions of the grant. Firelink funding has reduced this year by £0.063m and will continue to reduce by 20% over the next five years. We are also seeing additional funding of £71k in precepts as this figure was revised and increased by Buckinghamshire Council after the Fire Authority had set the annual budget.

On 12 December 2022, the Government published the local government finance policy statement 2023-24 to 2024-25, which sets out the intentions for the local government finance settlement for the next two years. The provisional settlement was announced on 19 December 2022, which detailed the funding allocations that have been incorporated into our MTFP. Final confirmation of the settlement is expected in February 2023. The key changes are that the referendum limit has increased to £5 and the settlement funding assessment will increase in line with September 2022 CPI which was 10.1%.

Table 1a - Revenue Summary

Directorate	Total Budget £	Actual Year to Date £	Forecast Outturn £	Projected Year End Variance £
Corporate Core	1,469,340	883,771	1,059,408	-409,932
Finance & Assets	6,410,790	5,146,104	6,537,400	126,610
Human Resources	527,880	378,775	522,836	-5,044
Delivery, Corp. Dev. Planning	22,899,490	16,049,890	22,936,678	37,188
Statutory Acc. & Contingency	2,172,500	192,624	2,167,000	-5,500
Total Expenditure	33,480,000	22,651,164	33,223,322	-256,678
Total Funding	-33,480,000	-26,151,058	-33,897,649	-417,649
Net Position	0	-3,499,895	-674,327	-674,327

Table 1b - Forecast Outturn Scenarios

Pay Award	Additional Cost £	Revised Net Position £	Commentary £
5%	570,000	-104,327	Underspend
7%	950,000	275,673	Overspend
10%	1,520,000	845,673	Overspend

For our current MTFP assumptions, we have assumed a 5% pay award for 2022/23. For every additional 1% pay award above 5%, it will cost the Authority circa £1.00m over the MTFP.

Variances by Directorate

Corporate Core £0.410m under– The underspend of £0.064m within Legal & Governance relates to staffing costs being less than budgeted and £0.346m within Corporate Management relates to staffing costs being less than budgeted, but primarily due to additional interest returns on treasury management activities. With the Bank of England raising the interest rates to 3% (as of November 2022), it has resulted in higher investment returns than we had originally projected. The forecast has changed from £0.030m at the start of the financial year to a more updated forecast return on investment of £0.282m.

Finance & Assets £0.126m over – The overspend is attributable to additional increases in gas and electricity costs. Following the government announcement that support would be provided to households and businesses with their utility bills, we have revised down our forecast for utilities. Previously we were projecting a cost in the region of £1.2m which has reduced to £0.8m following the latest government intervention to reduce the cost of utilities

Delivery, Corporate Development & Planning £0.037m over – There is a minor overspend of £0.037m in the directorate. However, included within the forecasts are the projected costs of £0.408m relating to the protection grant. If we were to report this separately, there would be an underspend of £0.371m within this directorate. This underspend is primarily due to operational establishment being less than budgeted. This is a direct result of retirements, a number of transfers of operational staff to neighboring fire services, and the establishment budget being increased by twenty whole-time posts. Cohort 6 included thirteen new recruits into service at the beginning of June. Recruitment for Cohort 7 welcomed seventeen new recruits in October. Furthermore, we have also run a transferee recruitment drive which has resulted in nine successful applicants joining the service in September and further six in December. In addition to this, there are several recruitment and engagement initiatives being carried out throughout the year to engage with underrepresented groups to promote the Fire Service. Partially offsetting this underspend, we are continuing to see increased costs in Bank cover whereby operational staff are providing additional cover to ensure our operational capability due to annual leave cover, vacancies, and absences.

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 December 2022.

Subjective	Salary (Including Training costs)	Allowances	NI	Pension	Total
	£	£	£	£	£
Wholetime	-60,645	-65,050	-111,054	-358,845	-595,594
On-Call	-34,602	-206,032	30,974	-53,322	-262,982
Support	-279,978	-1,240	-52,225	-83,174	-416,617
Technicians	-32,870	0	-4,743	-5,360	-42,973
Sessional	12,550	-1,165	-358	0	11,027
Agency	81,440	0	0	0	81,440
Bank Cover	311,180	0	147,331	0	458,511
Grand Total	-2,925	-273,487	9,925	-500,701	-767,188

Wholetime – Following the additional precept flexibility, the Authority was able to increase the precept by £5 for 2022/23. This resulted in additional funding of £1.1m and will be utilised to increase our operational establishment by 20 to an overall establishment of 300. Due to leavers and retirees, it is expected that we will be working below establishment levels with a view to reach our full establishment over the next 2-3 recruitment cycles as illustrated in section 4.

On Call – Underspends predominantly seen within allowances which is based on activity/training in year.

Support Staff – There are a few vacant posts that the service has struggled to recruit to due to the current recruitment market. This has improved since last year and the expectation is that most of these positions will be filled by the end of the financial year.

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

Bank Cover – Operational staff provide additional cover to our wholetime establishment due to vacancies, annual leave and sickness

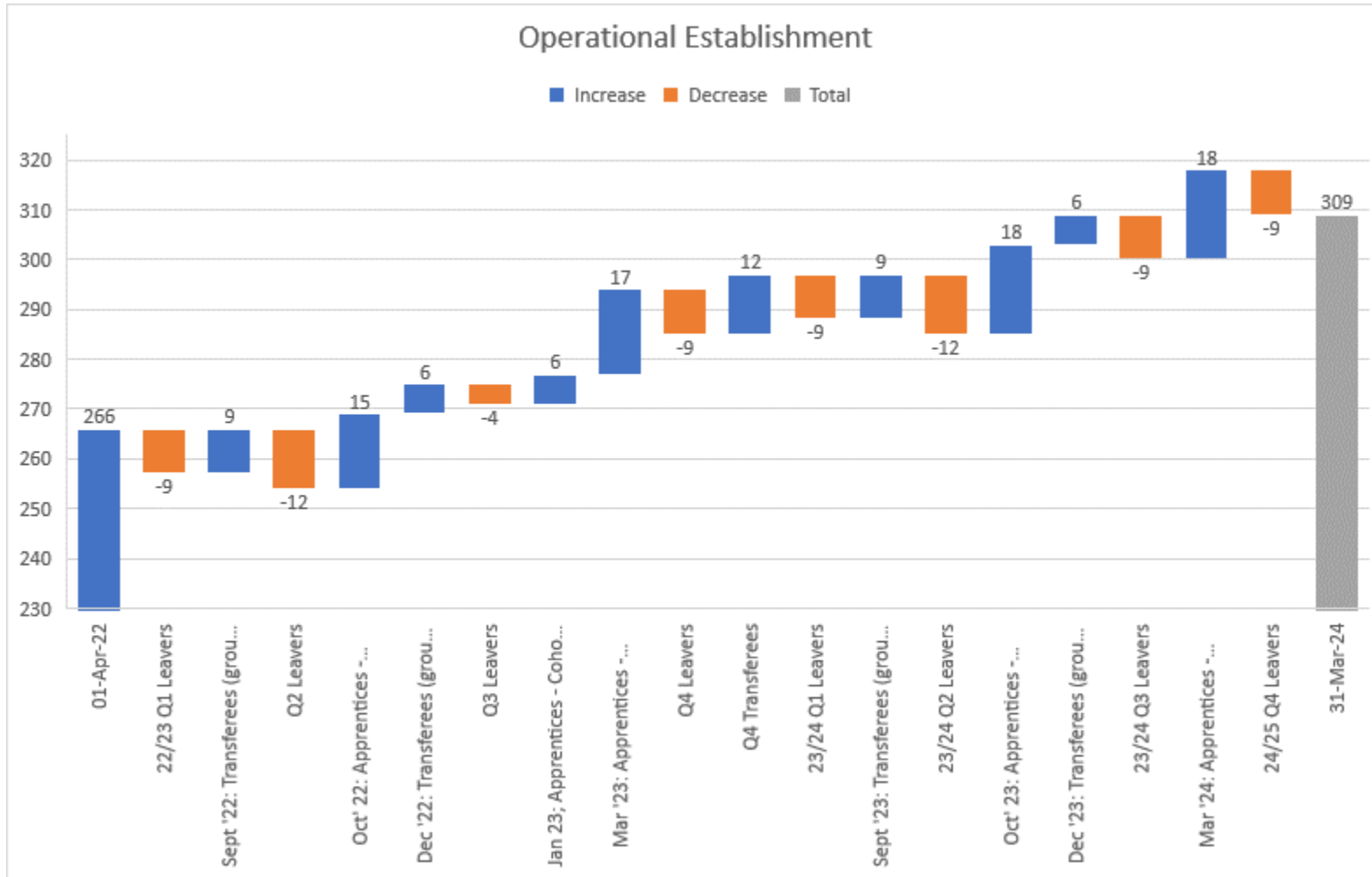
3. Table 3 - In Year Growth Bids

The total bids approved total £212k and are for one-off projects only.

Project	Detail	Total Bid £	Q3 Update
Premises Risk Management System (PRMS) Hardware update	Replace the tablets used for PRMS.	8,000	Tablet orders received and being utilised by the relevant departments.
Recruitment	Increase Recruitment tools available including stands and marketing material. Modification of confined space training.	21,000	Recruitment stands – research and quotes undertaken, HR and Communications team to finalise content on stand and website before we proceed with purchase. Recruitment event branded materials have been purchased and now considering options for filming recruitment content for the website. Events Marketing Materials – Orders placed for marketing materials. Modification of confined space training work completed.
Marketing & Communications equipment and licensing	To increase licensing for digital marketing tools, provide a marketing budget and upgrade hardware.	55,000	Orders have been placed for hardware and software. Some of this relates to ICT equipment and licence upgrades.
Digital Marketing Apprentice	Employ Digital Marketing Apprentice - 2 years fixed term.	61,000	This role has been recruited to and the individual is in post.
Improvement of Health and Wellbeing Facilities at Aylesbury Fire Station/ SHQ.	To provide equipment in the refresh of the Aylesbury gym.	17,000	The gym refurbishment work is complete.
ICT Apprentice	Employ ICT Apprentice - 2 years fixed term.	50,000	Initial interviews took place in October with no successful applicants. The role was re-advertised with interviews due in January.
Grand Total		212,000	

4. Wholetime Establishment Roadmap

The following graph illustrates the wholetime operational establishment as at 1 April 2022 through to 31 March 2024 taking into consideration projected retirees, leavers, transfers and recruitment of apprentices.



5. Funding

Table 5 details the budget and forecast outturn for each category of funding.

Funding	Total Budget	Actual Year to Date	Provisional Year End Variance	Projected Year End Variance
	£	£	£	£
Government Funding	-3,615,800	-2,886,409	-3,615,800	0
Specific Grants	-1,465,000	-1,355,225	-1,811,431	-346,431
NNDR	-3,574,700	-3,567,972	-3,574,700	0
Top-up / Pooling Receipts	-1,843,500	-1,106,112	-1,843,500	0
Precept	-22,981,000	-17,235,340	-23,052,218	-71,218
Grand Total	-33,480,000	-26,151,058	-33,897,649	-417,649

The funding forecast includes £0.138m residual balance of Protection funding received in 2020/21 as well as additional Protection funding of £0.098m received during 2021/22 and £0.172m received during the current financial year totalling £0.408m. This is forecast to be spent or committed by March 2023 as per the conditions of the grant. Firelink funding has reduced this year by £0.063m and will continue to reduce by 20% over the next five years. We are also seeing additional funding of £71k in precepts as this figure was revised and increased by Buckinghamshire Unitary Council after the Fire Authority had set the annual budget.

6. Capital

Capital Monitoring

The capital programme for 2022/23 is £3.940m, including £1.514m from 2021/22 carry forward capital projects.

Project Name	Original Budget 2022/23 £	Carry Forwards 2021/22 £	Revised Budget 2022/23 £	Actuals Year to Date £	Slippage £	Provisional Outturn £	Projected Year End Variance £
Property	500,000	150,000	650,000	130,676	12,000	588,000	-50,000
Property Review	0	0	0	120,320	0	133,000	133,000
Total Property Portfolio	500,000	150,000	650,000	250,996	12,000	721,000	83,000
Hydraulic Equipment	65,000	10,000	75,000	56,085	18,895	56,105	0
Operational Equipment	90,000	19,000	109,000	117,476	0	117,476	8,476
Operational Red Fleet Vehicles	500,000	818,000	1,318,000	651,462	408,984	900,540	-8,476
BA and Associated Equipment	950,000	0	950,000	498,401	0	750,000	-200,000
Fireground Radios	115,000	0	115,000	0	0	115,000	0
Total Fire Appliances & Equipment	1,720,000	847,000	2,567,000	1,323,425	427,879	1,939,121	-200,000
ICT	206,000	516,500	722,500	58,558	110,000	612,500	0
Total Support	206,000	516,500	722,500	58,558	110,000	612,500	0
Grand Total	2,426,000	1,513,500	3,939,500	1,632,979	549,879	3,272,621	-117,000

Capital Funding

The capital programme will be funded as follows:

Funding	Balance at 1 April 2022 £000	Estimated Transfers (in) £000	Estimates Transfers Out £000	Estimate Balance at 31 March 2023 £000
Revenue Contribution to Capital	-3,886	-2,290*	3,249	-2,927
Other Capital Contributions	0	-24	24	0
Total Capital Funding	-3,886	-2,314	3,273	-2,927

* We are currently projecting the underspend of £0.674m to be transferred to the capital reserve, however subject to the 5% pay offer being accepted, we anticipate the in-year underspend to reduce significantly (as illustrated in table 1b) to cover the additional pay offer that we had not budgeted for. We have currently forecast 2% in our outturn and every additional 1% above this will increase our forecast expenditure for 2022/23 by circa £0.190m.

Property Portfolio

Property has a capital budget of £0.650m for 2022/23, which includes carry forward budget from 2021/22 of £0.150m. The capital funds will be utilised to carry out planned capital projects as agreed at Business Transformation Board. There have been changes in the property capital plan during 2022-23 with several capital works rearranged between 2022/23 and 2023/24. In addition, there are several unscheduled emergency capital works that will need to be completed in 2022/23. The capital works included refurbishments to a handful of drill towers, emergency capital works on several sites, various works driven from the condition surveys conducted during 2022/23 and various other capital works on several stations across the estate. The carry forward budget of £0.150m relates to planned capital investments that will now be completed during 2022/23. Works to date include charging points at Marlow Fire Station, installation of windows at SHQ, upgrade to USAR rig follow completion of residual works, refurbishments, and professional fees for drill tower works. With the changes to the property plan during 2022/23 resulting in less drill tower works has resulted in a £0.050m saving.

The West Ashland build is now complete, and the final account have been agreed. The projected capital spend of £0.133m relates to the retention fees on the project are still to be paid and includes costs for professional fees. The Authority will also 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 £2.567m for 2022/23, which includes carry forward budget from 2021/22 of £0.847m. 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. In addition to this, the funds will be utilised for the replacement of breathing apparatus (BA) and fireground radios. The new BA and fireground radios contract is due to commence in 2023/24.

The carry forward budget of £0.847m relates to delays in the delivery of the three fire appliances and equipment which were due to be delivered in 2021/22. The delivery of the 2022/23 fire appliances is now expected to be 2023/24, with the first stage payments due towards the end of 2022/23. However, this depends on the availability of chassis and other appliance parts. The cost of chassis and other appliance parts are likely to increase for future years and indicative figures from the supplier has resulted in a projected slippage of £0.409m.

The 2022/23 actual year to date relates to the expenditure on the 2021/22 fire appliances, fire hoses and other operational equipment. The £0.200m underspend on BA and Associated Equipment relates to identified savings achieved. The saving was achieved following a collaboration between the three Thames Valley Fire Services which resulted in a competitive procurement process and allowed the three services to align their BA equipment and achieve efficiencies in the capital purchase costs.

Support

ICT has a capital budget of £0.723m for 2022/23, which includes carry forward budget from 2021/22 of £0.517m. This budget will be utilised for the purchase of ICT hardware equipment, as per the ICT replacement strategy. There has been a change in the ICT capital plan for 2022/23 with the replacement of On-Call MDTs being the only additional ICT capital works being completed during 2022/23. Following the changes to the plan, a slippage of £0.110m has been identified for the replacement of servers and replacement of station end turnout systems that will now be completed during 2023/24. The carry forward budget of £0.517m mainly relates to the replacement of Wide Area Network (WAN) & Local Area Network (LAN) across all Buckinghamshire and Milton Keynes estates, this capital project has been delivered during 2022 calendar year, although we are still awaiting final invoices from the supplier.

7. 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)*	-1,924	-52	-1,976
Earmarked Reserves (Capital)	-3,886	959	-2,927
Total Reserves	-7,310	907	-6,403

* This figure includes £0.689m, which represents this Authority's share of the joint control room renewals fund (which is held by Oxfordshire)

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Executive Committee, 8 February 2023

Report title: The Prudential Code, Prudential Indicators and Minimum Revenue Provision

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming, Director of Finance & Assets

Author and contact: Marcus Hussey mhussey@bucksfire.gov.uk

Action: Decision.

Recommendations: That the recommendations below be approved for submission to the Authority:

It is recommended that:

1. the Prudential Indicators for 2023/24 be approved.
2. the Minimum Revenue Provision policy statement be approved.

Executive summary:

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).

The Authority has already made sufficient revenue provision to cover the repayment of its gross borrowing. Historically, due to prohibitive penalties the early repayment of this borrowing has not been an option. However due to the rise in interest rates over the last 12 months, it may be more feasible to repay some of our gross borrowing. Officers are authorised to make early repayments within the prudential limits where, having consulted with the treasury advisors, there is an opportunity to do this on advantageous terms. The Authority has no plans for additional borrowing in the foreseeable future, according to the current MTFP.

It is recommended that the Authorised Limit for 2023/24 continues to be set at £2m higher than the Operational Limit to allow for the effective management of cashflow.

Financial implications:

The decision on the prudential indicators sets out the financial limits within which the Authority will operate in future years.

The minimum revenue provision is a statutory charge against the General Fund, estimated at £47k for 2023/24 (no change from 2022/23).

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.

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.

Risk management:

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.

Minimum revenue provision is a statutory charge to the General Fund, which ensures that an Authority has sufficient cash balances to repay borrowing upon maturity, reducing the refinancing risk.

There are no direct staffing implications.

Legal implications:

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.

Privacy and security implications:

No direct impact.

Duty to collaborate:

No direct impact.

Health and safety implications:

No direct impact.

Environmental implications:

No direct impact.

Equality, diversity, and inclusion implications:

No direct impact.

Consultation and communication:

No direct impact.

Background papers:

Realignment of Reserve Balances to Facilitate the Medium Term Financial Plan, Executive Committee, 18 November 2015, agenda item 6:

https://bucksfire.gov.uk/documents/2020/03/181115_exec_committee_papers.pdf/

Appendix	Title	Protective Marking
1	Prudential Indicators	
2	Summary Table of Prudential Indicators	
3	Minimum Revenue Provision Policy Statement	

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Appendix 1 – 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 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Ratio of financing costs to net revenue stream	0.98%	0.15%	0.18%	0.04%	0.04%

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.

Gross borrowing at the start of 2021/22 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 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Gross borrowing (£000)	6,797	6,797	6,177	5,177	5,177
Capital financing requirement (£000)	1,543	1,496	1,449	1,402	1,355

3.0 Indicators for Capital Expenditure

3.1 Capital Expenditure

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

Indicator	Actual 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Capital expenditure (£000)	1,331	3,273	2,787	1,011	1,199

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 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 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Capital financing requirement (underlying need to borrow for a capital purpose) (£000)	1,543	1,496	1,449	1,402	1,355

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 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Authorised limit for borrowing (£000)	8,797	8,797	8,177	7,177	7,177
Authorised limit for other long-term liabilities (£000)	1,543	1,496	1,449	1,402	1,355
Authorised limit for external debt (£000)	10,340	10,293	9,626	8,579	8,532

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 2022 was **£8.340m**.

Indicator	Actual 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Operational boundary for borrowing (£000)	6,797	6,797	6,177	5,177	5,177
Operational boundary for other long-term liabilities (£000)	1,543	1,496	1,449	1,402	1,355
Operational boundary for external debt (£000)	8,340	8,293	7,626	6,579	6,532

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 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
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 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
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 2021/22		Estimate 2022/23		Estimate 2023/24		Estimate 2024/25		Estimate 2025/26	
	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit
Maturity structure of fixed rate borrowings										
Under 12 months	0%	9%	0%	16%	0%	0%	0%	0%	0%	0%
12 months and within 24 months	0%	15%	0%	0%	0%	0%	0%	0%	0%	0%
24 months and within five years	0%	0%	0%	16%	0%	19%	0%	19%	0%	19%
five years and within 10 years	0%	24%	0%	22%	0%	27%	0%	27%	0%	27%
10 years and within 20 years	0%	11%	0%	0%	0%	0%	0%	0%	0%	0%
20 years and within 30 years	0%	0%	0%	36%	0%	42%	0%	42%	0%	42%
30 years and within 40 years	0%	41%	0%	10%	0%	12%	0%	12%	0%	12%
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 it 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 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Total principal sums invested for periods longer than 364 days (£000)	0.00	0.00	0.00	0.00	0.00

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 2 – Summary Table of Prudential Indicators

For reference, the following table summarises the key indicators detailed in Appendix 1 in a single table:

	Indicator	Actual 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Indicators for Affordability						
1.1	Ratio of financing costs to net revenue stream	0.98%	0.15%	0.18%	0.04%	0.04%
1.2	The incremental impact of capital investment decisions on the council tax	0.00	0.00	0.00	0.00	0.00
Indicators for Prudence						
2.1	Gross borrowing (£000)	6,797	6,797	6,177	5,177	5,177
Indicators for Capital Expenditure						
3.1	Capital expenditure (£000)	1,331	3,273	2,787	1,011	1,199
3.2	Capital financing requirement (underlying need to borrow for a capital purpose) (£000)	1,543	1,496	1,449	1,402	1,355
Indicators for External Debt						
4.1	Authorised limit for external debt (£000)	10,340	10,293	9,626	8,579	8,532
4.2	Operational boundary for external debt (£000)	8,340	8,293	7,626	6,579	6,532
Indicators for Treasury Management						
5.2	Upper limit on fixed interest rate exposures	100%	100%	100%	100%	100%
5.3	Upper limit on variable interest rate exposures	20%	20%	20%	20%	20%
5.5	Total principal sums invested for periods longer than 364 days (£000)	0.00	0.00	0.00	0.00	0.00

The actual external debt for the year ending 31 March 2022 was £8.340m. The projected external debt for the year ending 31 March 2023 is £8.293m (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 2021/22
- 5.4 – details of the maturity structure of fixed rate borrowing
- 5.6 – narrative regarding credit risk

Appendix 3 – 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 2023/24.

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

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

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Executive Committee 8 February 2023

Report title: Medium Term Financial Plan (MTFP) 2023/24 to 2027/28

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming

Author and contact: Asif Hussain, ahussain@bucksfire.gov.uk, 01296 744421

Action: Decision

Recommendations:

That the recommendations below be approved for submission to the Authority:

1. It is recommended that:
 - (a) the report and Statement of the Chief Finance Officer (see section 8 of Annex A) be noted.
 - (b) a Council Tax precept of £77.16 for a band D equivalent property (equal to an increase of 10p per week) and the revenue budget as set out in Appendix 1 be approved.
 - (c) the capital programme as set out in Appendix 2 be approved.

Executive summary:

The main report (Annex A) presents the proposed revenue and capital Medium Term Financial Plan (MTFP) for the financial years 2023/24 to 2027/28. 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. Buckinghamshire Fire and Rescue Service (BFRS) long-term service objectives are set out in the Public Safety Plan (PSP) and Corporate Plan.

On 12 December 2022, the Government published the local government finance policy statement 2023-24 to 2024-25, which sets out the intentions for the local government finance settlement for the next two years. The provisional settlement was announced on 19 December 2022, which detailed the funding allocations that have been incorporated into our MTFP. Final confirmation of the settlement is expected in February 2023.

There has been a significant change in the Council tax precept flexibility for Fire and Rescue Authorities (FRAs). The referendum threshold has increased from 2% to 3% throughout the MTFP. Furthermore, the government proposes additional precept flexibility to FRAs to increase their precept by up to £5 for 2023/24 only without the need to hold a referendum. This additional flexibility is welcomed and will help fund towards the increased inflationary pressures we have seen in particular the rising cost of utilities.

Revenue Support grant will increase in line with Consumer Price Index (CPI) whilst the Firelink grant will reduce by 20% and the pension grant funding will continue on a flat-cash

basis. Local authorities will be compensated for the freeze in the Small Business Rates Multiplier in 2023/24, seeing the sum of Baseline Funding Levels (BFLs) and an increase in compensation grant for under indexation of the Small Business Rates Multiplier rise in line with CPI.

The Service was verbally notified in January 2023 that the grant funding for the Urban Search and Rescue (USAR) capability hosted at Aylesbury will end on 31 March 2024. This will reduce the amount of fire specific grant funding from 2024/25 onward by a further £817k per annum, meaning no fire specific grant funding will be from 2026/27 onward. This very recent development has been reflected in the figures shown in Appendix 1. With the support of the local MPs, the Fire Authority will be challenging this decision to reinstate the funding for USAR to ensure we still have this capability beyond 2023/24.

Key assumptions are detailed in Section 4 of Annex A and are based on information received to date.

The Department for Levelling Up, Housing and Communities (DLUHC) had previously committed to carry out a review of the distribution of formulas and a reset of accumulated business rates growth but have now confirmed that these will not be implemented in this Spending Review period.

The Services grant which is a unringfenced grant will continue to be distributed to all tiers of the government, however it has reduced from £822m to £464m. The distribution methodology will remain the same and the reduction relates to the government's decision to reverse the National Insurance increases. The funding is in recognition of the range of vital services delivered by all tiers of the government across the country. This grant will be unringfenced with local authorities best placed to understand local priorities. Provisional figures published 19 December 2022 show that Buckinghamshire Fire and Rescue Service will receive £0.199m, which has been reflected in our projections under the heading Services Grant. The longer-term future of this grant remains uncertain so the current assumption is that this grant will remain in place for 2023/24 only.

Council tax collection funds have been improving since the start of the pandemic where they were adversely impacted, and we saw the tax base reduce. Last year we saw the council tax base increase by 2.19% and we have seen another year of continued growth averaging at 2.15%.

This year the budget setting process involved the Lead Members who were provided with the detailed budget and assumptions. The budget setting process was scrutinised by Officers and Lead Members to ensure only proposals which added value for money and in line with our Corporate Plan and PSP priorities were approved.

The revenue budget for 2023/24 and indicative figures for future years are shown in Appendix 1.

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 2023. Any changes to the figures will be presented in a revised Appendix 1 at the meeting.

Appendix 2 shows the latest summary of the capital programme for 2022/23 and approved schemes for the following years.

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 by £5.

Financial implications: All financial implications are shown in the main body of the report.

Risk management: 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.

Legal implications: 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.

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.

Privacy and security implications: No direct impact.

Duty to collaborate: No direct impact.

Health and safety implications: No direct impact.

Environmental implications: No direct impact.

Equality, diversity, and inclusion implications: No direct impact.

Consultation and communication: None.

Background papers:

Medium Term Financial Plan (MTFP) 2022/23 to 2026/27 and Revised Appendices, Fire Authority, 16 February 2022:

<https://bucksfire.gov.uk/documents/2022/02/fa-item-9b-16022022.pdf/>

<https://bucksfire.gov.uk/documents/2022/09/fa-160222-item-9b-revised-appendices-1-and-2.pdf/>

Appendix	Title	Protective Marking
Annex A	Medium Term Financial Plan 2023/24 to 2027/28	None
Appendix 1-4	Appendix 1 – MTFP Budget Model and Reserves Position Appendix 2 – Capital Programme Summary Appendix 3 – Council Tax Rates Appendix 4 – Risk Assessment of the Adequacy of General Reserves	

Annex A – Medium Term Financial Plan (MTFP) 2023/24 to 2027/28

1. Introduction

- 1.1. The purpose of this report is to present the proposed revenue and capital Medium Term Financial Plan (MTFP) 2023/24 to 2027/28.
- 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 2023 to 2024

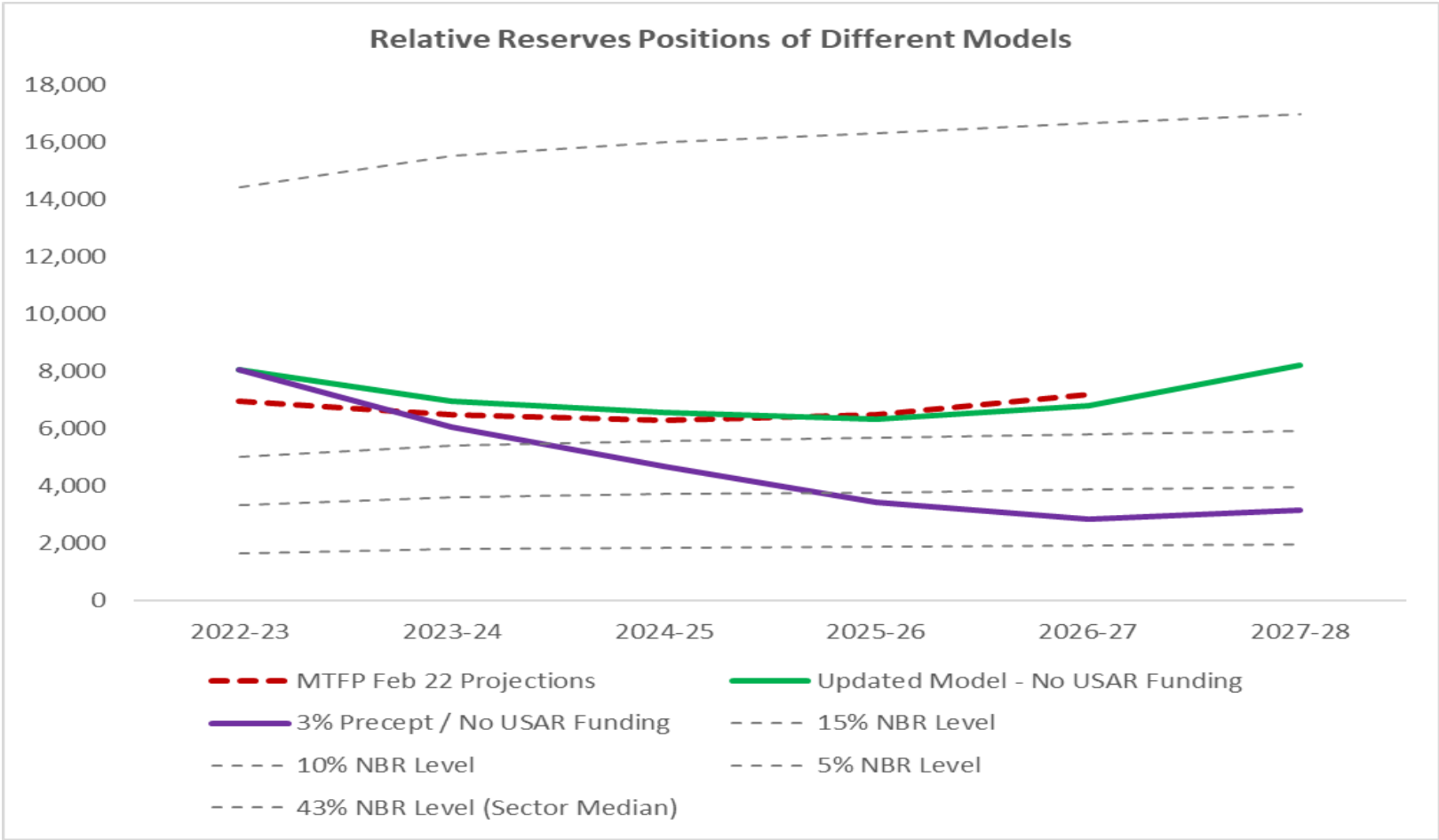
- 2.1. The Revenue support grant will increase in line with the change in the Consumer Price Index (CPI) between September 2021 and September 2022. Business rates multiplier will be frozen, but services will be compensated the difference between the freeze and the increase expected in line with CPI. The Department for Levelling Up, Housing and Communities (DLUHC) had previously committed to carry out a review of the distribution of formulas and a reset of accumulated business rates growth but have now confirmed that these will not be implemented in this Spending Review period.
- 2.2. The Services grant which is a unringfenced grant will continue to be distributed to all tiers of the government, however it has reduced from £822m to £464m. The distribution methodology will remain the same and the reduction relates to the government's decision to reverse the National Insurance increases. The funding is in recognition of the range of vital services delivered by all tiers of the government across the country. This grant will be unringfenced with local authorities best placed to understand local priorities. Indicative figures published 19 December 2022 show that Buckinghamshire Fire and Rescue Service will receive £0.199m, which has been reflected in our projections under the heading Services Grant. The

longer-term future of this grant remains uncertain so the current assumption is that this grant will remain in place for 2023/24 only.

- 2.3. As part of this year's announcement, the Government published headline changes in core spending power between 2022/23 and 2023/24 for every authority. The headline change published for Buckinghamshire Fire and Rescue Service was an increase of 5.2%.
- 2.4. This is based on the assumption that the Authority will increase its Band D council tax in 2023/24 by 3% (the decision to increase the referendum threshold to £5 was made too late to reflect in the published figures) and the council tax base will increase will be in line with 2018 to 2022 averages.
- 2.5. However, changes in core spending power are expressed in cash-terms. The annual rate of inflation as of November 2022 was 10.7% (CPI) or 14% (RPI). A cash-terms increase of 5.2% in this economic context represents a real-terms decrease in core spending power.
- 2.6. If the two assumptions noted in paragraph 2.4 are updated to reflect the actual increase in the council tax base, and to include the recommendation to increase the Band D council tax by £5, the cash-terms increase in core spending power would be 8.8%. Taking into account the inflation rates noted in paragraph 2.5, this would still represent a real-terms decrease in core spending power.

3. Council Tax and Business Rates

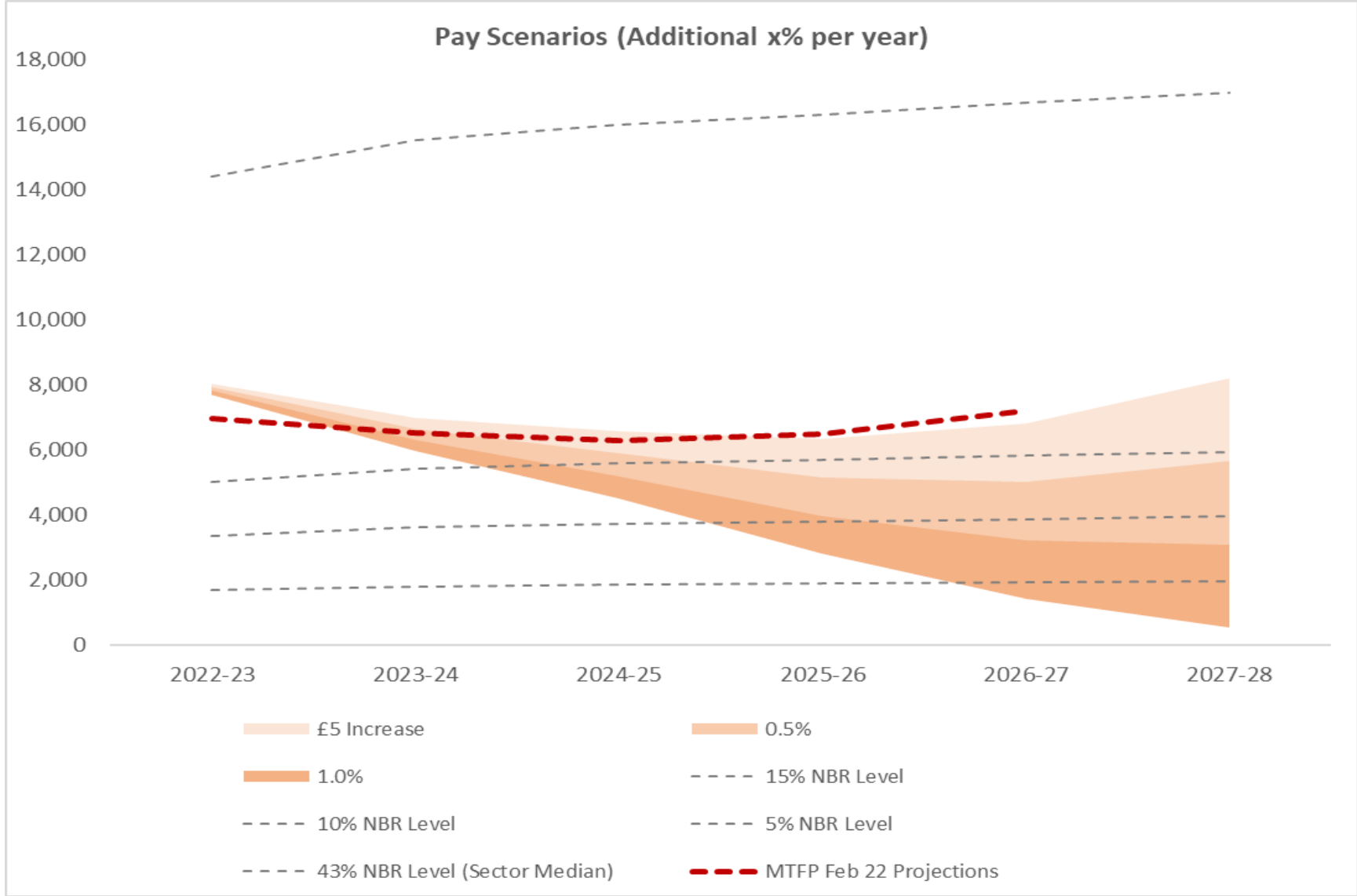
- 3.1. In publicly declaring core spending power figures, the Government has clearly set an expectation that local authorities will continue to increase council tax every year by the maximum amount permissible.
- 3.2. The difference between a £5 increase in the precept and a 3% precept increase for 2023/24 is just over £0.918m for the year. This is approximately equivalent to the cost of employing twenty wholetime firefighters.
- 3.3. The chart below illustrates the different reserves positions at the end of the MTFP depending on the precept approval for 2023/24.



- 3.4. The Council tax was increased by 1.99% in 2021/22 and by £5 (7.44% increase) in 2022/23.
- 3.5. There has been a significant change in the Council tax precept flexibility for Fire and Rescue Authorities (FRAs). The referendum threshold has increased from 2% to 3% throughout the MTFP. Furthermore, the government proposes additional precept flexibility to FRAs to increase their precept by up to £5 for 2023/24 only without the need to hold a referendum. This additional flexibility is welcomed and will help fund towards the increased inflationary pressures we have seen in particular the rising cost of utilities.
- 3.6. The Authority currently sets a band D equivalent precept of £72.16 per annum (approx. £1.38 per week). This is significantly below the national average and one of the lowest precepts of any combined fire authority.
- 3.7. Council tax chargeable for each band should the Authority resolve to increase the band D by £5 is shown in Appendix 3.

4. Risk Factors in Budget Assumptions

- 4.1. The budget proposed for 2023/24 at Appendix 1 has been compiled by looking in detail at current spending and future plans.
- 4.2. This year the budget setting process involved the Lead Members who were provided with the detailed budget and assumptions. The budget setting process was scrutinised by Officers and Members to ensure only proposals which added value for money and in line with our Corporate Plan and Public Safety Plan priorities were approved.
- 4.3. Included within the budget is the increase in revenue contribution to the Thames Valley Fire Control Service (TVFCS) which is a joint control room operated by the three Thames Valley FRS. Buckinghamshire FRS contribution towards the revenue expenditure for the TVFCS has increased by £44k per annum (£874k for 2023/24) which has been included in the MTFP.
- 4.4. The Service was verbally notified in January 2023 that the grant funding for the Urban Search and Rescue (USAR) capability hosted at Aylesbury will end on 31 March 2024. This will reduce the amount of fire specific grant funding from 2024/25 onward by a further £817k per annum, meaning no fire specific grant funding will be from 2026/27 onward. This very recent development has been reflected in the figures shown in Appendix 1. With the support of the local MPs, the Fire Authority will be challenging this decision to reinstate the funding for USAR to ensure we still have this capability beyond 2023/24.
- 4.5. Uncertainty continues to persist regarding the level of inflation that the Service will be subject to over the coming years. Given that almost three-quarters of the budget relates to direct employee costs, pay inflation has a hugely significant impact on the Services budget. The chart below illustrates the potential impact on total reserves level if the pay award was higher than the assumptions used by the amounts shown in each year of the MTFP.



- 4.6. 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.
- 4.7. The detailed costings are based on the updated budget requirement including the annual uplift assumptions below:

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Pay inflation	5%	4%	2%	2%	2%	2%
Council tax increase	7.44%	6.94%	2.99%	2.99%	2.99%	2.99%
Council tax base	2.19%	2.15%	1.6%	1.6%	1.6%	1.6%
Settlement Funding Assessment	2.55%	10.1%	4%	2%	2%	2%

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 2022/23, the estimated provisional outturn position and any proposed slippage to the programme. Any slippage is then added to the new budget requests for 2023/24 to give a total capital budget requirement of £2.8m for 2023/24.
- 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>). Given the significant uncertainty that persists around inflation and other subsequent events that have occurred, the level of the General Fund for 2023/24 has been reassessed. The updated calculation of the risk assessed amount can be seen in Appendix 4.

7.2. The latest forecast balances and reserves at year-end 2022/23 are:

- General Fund Balance - £1.5m
- Earmarked Reserves - £1.3m*
- Capital Reserves - £5.2m

* 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, subject to approval of recommendation 1(b), there is sufficient capacity in the reserves to cope with the financial risks the Authority faces for 2023/24 and future years and that the methodology applied provides the necessary assurance to the Authority about the robustness of the estimates used in constructing the budget.

Appendix 1 – MTFP Model

The model below is based on the assumptions detailed in Sections 3 and 4 and all 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 2023. Any changes to these figures will be presented in a revised Appendix 1 at the meeting.

Revenue Expenditure	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Base Budget	0	33,480	36,055	37,172	37,878	38,720
Pay Adjustment	0	924	509	519	529	540
Inflation Adjustment	0	0	626	285	196	200
Corporate Core	1,586	-419	-45	0	0	0
Statutory Accounting & Contingency	643	-367	0	0	0	0
Delivery, Corporate Development & Planning	22,592	1,472	417	197	17	17
People & Organisational Development	522	10	0	0	0	0
Finance & Assets	6,521	846	-165	-20	0	0
RCCO Adjustment	1,616	109	-225	-275	100	0
Transfers to/(from) Reserves	0	0	0	0	0	0
Net Budget Requirement	33,480	36,055	37,172	37,878	38,720	39,477
Council Tax	-22,759	-24,859	-26,009	-27,214	-28,474	-29,791
Council Tax (Surplus)/Deficit	-222	-190	0	0	0	0
Council Tax Support Grant	0	0	0	0	0	0
Services Grant	-355	-199	0	0	0	0
Settlement Funding Assessment	-7,826	-8,610	-8,948	-9,132	-9,316	-9,500
Amount above Baseline	0	0	0	0	0	0
Fire Specific Grants	-1,110	-989	-115	-57	0	0
Pension Grant Funding	-1,208	-1,208	-1,208	-1,208	-1,208	-1,208
(Use of)/Contribution to Reserves	0	0	-892	-267	278	1,022
Total Funding	-33,480	-36,055	-37,172	-37,878	-38,720	-39,477

Appendix 1a – Reserves Position

Reserves Position	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
General Fund Balance	-1,500	-1,625	-1,625	-1,625	-1,625	-1,625
Other Earmarked Reserves (excluding Control Room Res.)	-1,287	-1,162	-270	-3	-281	-1,303
Earmarked Capital Reserves	-5,253	-4,191	-4,680	-4,706	-4,894	-5,270
Total	-8,040	-6,978	-6,575	-6,334	-6,800	-8,198

Appendix 2 – Capital Programme

The table below summarises the capital programme from 2021/22 through to 2026/27 and is based on the revenue contribution to capital levels shown in Appendix 1:

Capital Programme	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Property – Condition Survey and Adaptations	500	639	701	469	407	219
Property – Transformation (Unit 7)		500				
Operational Equipment	1,180	155	155	155	155	155
Operational Fleet Vehicles	500	537	750	750	750	750
ICT	206	156	155	75	75	75
Slippage (Approved at July 2022 Exec)	1,514	-	-	-	-	-
Current Year Slippage Forecast	-550	550	-	-	-	-
Forecast Underspend	-117	-	-	-	-	-
Total Expenditure	3,273	2,787	1,011	1,199	1,137	949
Funding b/fwd	-3,886	-5,253	-4,191	-4,680	-4,706	-4,894
In Year Funding	-4,640	-1,725	-1,500	-1,225	-1,325	-1,325
Funding (Available)/Deficit	-5,253	-4,191	-4,680	-4,706	-4,894	-5,270

Appendix 3 – Council Tax Rates

If the band D equivalent council tax were increased by £5 for 2022/23, 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	£0.99	£4.29	£51.44
B	7/9	£1.15	£5.00	£60.01
C	8/9	£1.32	£5.72	£68.59
D	9/9	£1.48	£6.43	£77.16
E	11/9	£1.81	£7.86	£94.31
F	13/9	£2.14	£9.29	£111.45
G	15/9	£2.47	£10.72	£128.60
H	18/9	£2.96	£12.86	£154.32

This would represent an annual increase of £3.33 per annum on a band A, £5 per annum on a band D and £10 per annum on a band H property.

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

Bands	Per Week (£)	Per Month (£)	Per Year (£)
A	0.06	0.28	3.34
B	0.08	0.33	3.88
C	0.09	0.37	4.44
D	0.09	0.41	5.00
E	0.12	0.51	6.12
F	0.14	0.61	7.22
G	0.16	0.69	8.34
H	0.19	0.84	10.00

Appendix 4 – Risk Assessment of the Adequacy of General Reserves

The table below shows the calculation of the amount required to be held in the General Fund:

Budget Assumptions	Financial standing and management assessment/impact	Comments	Amount Required £000
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates etc.). Rises in the prices of some commodities, e.g. fuel, highlight the relevance of using a number of inflation rates in the budget and financial strategy, and considering whether general reserves are adequate to deal with unexpected increases. Volatility in the financial markets also points to the need to consider investment and borrowing risks and their impact on income.	Significant uncertainty persists regarding the level of inflation (both pay and non-pay). Amount required to be held in general reserve estimated as circa 1% of net budget requirement	700
Estimates of the level and timing of capital receipts	The authority's track record in budget and financial management including the robustness of the medium-term plans. Authorities will also need to take into account changes in the property market and adjust estimates and assumptions for reserves accordingly.	This amount is based on 5% of the total estimated capital receipts within the capital programme	150
The treatment of demand led pressures	The authority's capacity to manage in-year budget pressures, and its strategy for managing both demand and service delivery in the longer term.	An amount has been set aside to help fund any recommendations that may come from the Grenfell Tower inquiry or the McCloud/Sargeant judgement (previous amount was £200k)	100
The treatment of planned efficiency savings/productivity gains	The strength of the financial information and reporting arrangements. The authority should also be in a position to activate contingency plans should the reporting arrangements identify that planned savings or gains will either not be achieved or be delayed.	A key future efficiency within the Medium-Term Financial Plan is the property saving associated with consolidating our current property portfolio. This is the amount required if planned savings are delayed by one year.	165

Budget Assumptions	Financial standing and management assessment/impact	Comments	Amount Required £000
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	The authority's virement and end of year procedures in relation to budget under/overspends at authority and department/directorate level. Risk management measures in relation to partnerships, including consideration of risk allocation. Contract provisions designed to safeguard the authority's position in the event of problems arising from outsourcing arrangements.	This amount is based on circa 15% of the total estimated expenditure on the capital programme for 2023/24. There is a specific risk in relation to vehicles and potential increases in import tariffs.	400
The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions	The adequacy of the authority's insurance arrangements to cover major unforeseen risks. When considering insurance cover, the structure of the cover as well as the overall level of risk should be taken into account. Risk assessments should be used when balancing the levels of insurance premiums and reserves.	The insurance excess is set at £5,000 for the majority of claims. There is a risk that there may be a large number of high value claims. This value assumes ten claims over £5,000 in any one year.	50
The general financial climate to which the authority is subject	External factors, such as future funding levels expected to be included in Spending Reviews and expected referenda principles and limits, will influence an authority's ability to replenish reserves once they have been used. Any plans for using reserves will need to consider the need and ability of the authority to replenish the reserves, and the risks to which the authority will be exposed whilst replenishing the reserves.	The Firelink grant is forecast to reduce by 20% each year. This amount represents 20% of the initial funding received to mitigate the risk of funding decreases being accelerated, which could depend on the progress of the ESMCP project. USAR grant funding risk has now materialised so no longer held within general reserve.	60
Total Required			1,625



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Executive Committee, 8 February 2023

Report title: Response to The Provisional Local Government Finance Settlement
2023-24: Consultation

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming, Director of Finance and Assets

Author and contact: Mark Hemming - mhemming@bucksfire.gov.uk

Action: Noting

Recommendations: That the response to the consultation be noted.

Executive summary:

The Consultation was published on 19 December 2022, with a deadline for responses of 16 January 2023. 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 Committee.

The Consultation sought views on a number of areas, including the distribution of Revenue Support Grant, council tax referendum principles and proposals for the Services Grant in 2023/24. The most pertinent area of the Consultation for the Service is Question 3, regarding council tax referendum principles. Section 3.2 of the Consultation notes that there is a “£5 referendum principle on Band D bills for all fire and rescue authorities” (in 2022/23 this principle was limited to the 8 lowest-charging fire and rescue authorities, which included this Authority). The response submitted to the Consultation noted that this was particularly welcome.

The Consultation also sought views on other areas not directly relevant to the Service, so a response of “not relevant” or “no further comments” was submitted in relation to those questions.

Financial implications: The financial implications of the provisional settlement have been factored into the medium-term financial plan, which is also being presented to the Executive Committee on 8 February 2023.

Risk management: No direct impact.

Legal implications: 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.

Privacy and security implications: No direct impact.

Duty to collaborate: No direct impact.

Health and safety implications: No direct impact.

Environmental implications: No direct impact.

Equality, diversity, and inclusion implications: No direct impact.

Consultation and communication: No direct impact.

Background papers: None

Appendix	Title	Protective Marking
1	Provisional local government finance settlement 2023 to 2024_ consultation - GOV.UK	None
2	Response to the Consultation	None

[Home](#) > [Regional and local government](#) > [Local government spending](#)
> [Provisional local government finance settlement 2023 to 2024: consultation](#)

[Department for Levelling Up,
Housing & Communities](#)

Closed consultation

Provisional local government finance settlement 2023 to 2024: consultation

Published 19 December 2022

Applies to England

Contents

Scope of the consultation

Basic information

About this consultation

1. Summary of proposals
2. Distribution of the Settlement Funding Assessment
3. Council tax
4. Funding Guarantee
5. Distribution of Adults and Children's Social Care Resources
6. Other Grants – New Homes Bonus, Rural Services Delivery Grant and Services Grant
7. Impacts of these proposals

Annex A: Personal data



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This publication is available at <https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2023-to-2024-consultation/provisional-local-government-finance-settlement-2023-to-2024-consultation>

Scope of the consultation

Topic of this consultation:

This consultation seeks views on the proposals for the local government finance settlement for 2023/24.

Scope of this consultation:

This consultation seeks views on proposals for the local government finance settlement for 2023/24, 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.^[footnote 1]

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 2023/24.^[footnote 2]

On 12 December government published a [policy statement covering the 2023/24 local government finance settlement and elements of the 2024/25 local government finance settlement](https://www.gov.uk/government/publications/local-government-finance-policy-statement-2023-24-to-2024-25) (<https://www.gov.uk/government/publications/local-government-finance-policy-statement-2023-24-to-2024-25>). Further details on our proposals for 2024/25 will be consulted on next year, with this consultation solely confirming proposals for 2023/24.

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

Body/bodies responsible for the consultation:

Local Government Finance Directorate within the Department for Levelling Up, Housing and Communities

Duration:

This consultation will last for 4 weeks from 19 December 2022 to 16 January 2023.

Enquiries:

For any enquiries about the consultation please contact:
lgfsettlement@levellingup.gov.uk.

How to respond:

We strongly request you respond through the following [online form](https://consult.levellingup.gov.uk/local-government-finance/provisionallocalgovernmentfinancesettlement-2324) (<https://consult.levellingup.gov.uk/local-government-finance/provisionallocalgovernmentfinancesettlement-2324>).

If you are unable to use the online form, you can email your response to the questions found in [Annex B](#) of this consultation document to lgfsettlement@levellingup.gov.uk.

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

- your name
- your position (if applicable)
- the name of organisation (if applicable)
- an address (including postcode)
- an email address
- a contact telephone number

About this consultation

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

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

Information provided in response to this consultation may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Environmental Information Regulations 2004 and UK data protection legislation). In certain circumstances this may therefore include personal data when required by law.

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 information access regimes 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 Department for Levelling Up, Housing and Communities will at all times process your personal data in accordance with UK data protection legislation 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 below.

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](https://www.gov.uk/government/organisations/department-for-levelling-up-housing-and-communities/about/complaints-procedure) (<https://www.gov.uk/government/organisations/department-for-levelling-up-housing-and-communities/about/complaints-procedure>).

1. Summary of proposals

1.1 Introduction

1.1.1 This consultation paper sets out the government's proposals for the 2023/2024 local government finance settlement.

1.1.2 This chapter provides a summary of the proposals contained within the 2023/24 provisional local government finance settlement.

1.2 Context and overall approach

1.2.1 At the Autumn statement, on 17 November 2022, the government announced significant further resources for local government to deliver core services.

1.2.2 This means, for 2023/24, we are making available an increase in Core Spending Power of 9% or almost £5 billion on 2022/23. Total Core Spending Power provided through the local government finance settlement for 2023/24 will be £59.5 billion. The

government will set the core referendum limit for increases in council tax to 3% per year for 2023/24. In addition, councils with social care responsibilities will be able to increase the adult social care precept by up to 2% per year.

1.2.3. On 12 December, the government published a [policy statement covering our intentions for the local government finance settlement in 2023/24](https://www.gov.uk/government/publications/local-government-finance-policy-statement-2023-24-to-2024-25) (<https://www.gov.uk/government/publications/local-government-finance-policy-statement-2023-24-to-2024-25>), and this consultation document builds on that statement. We recognise that certainty is important for budget setting, and the policy statement also included our intentions for parts of the 2024/25 local government finance settlement.

1.2.4. The proposals in this document focus on stability. We propose to increase Revenue Support Grant in line with the Consumer Price Index (CPI), there will be a new round of New Homes Bonus payments, and new funding for social care announced at the Autumn Statement will go through established distribution methodologies like those used for the Social Care Grant and improved Better Care Fund. In recognition of inflationary pressures, we will repurpose the Lower Tier Services Grant to create a new one-off Funding Guarantee to ensure that all authorities will see at least a 3% increase in their Core Spending Power before any decision they make about organisational efficiencies, use of reserves, and council tax levels. This is a strong settlement for local government which provides local authorities the resources that they need to provide valued services to their communities.

1.2.5 In the longer-term, our ambitions for levelling up the country require us to assess our commitments to update local government funding. The government had previously committed to carry out a Review of Relative Needs and Resources and a reset of accumulated business rates growth. Whilst we can confirm that these will not be implemented in this Spending Review period, the government remains committed to improving the local government finance landscape in the next Parliament.

1.2.6 The Levelling Up White Paper committed to deliver a more transparent simplified grants system that reduces the number of competitive bidding pots and removes

restrictive ringfences. As part of this ambition, this year's settlement consolidates four grants to deliver a more transparent, simple, and accountable approach for grants and also commits to producing a plan for further streamlining the funding landscape this year.

1.3 Summary of proposals included in the 2023/24 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 2023/24.

- Before rolling in grants we propose a uniform percentage increase in Revenue Support Grant (RSG) allocations from 2022/23, based on the change in the CPI between September 2021 and September 2022. We will also continue to eliminate so-called 'negative RSG' and roll in the Family Annexe Council Tax Discount grant, Local Council Tax Support Administration Subsidy (LCTS) grant, and additional funding for food safety and standards enforcement (Natasha's Law) grants. We are also rolling the Independent Living Fund grant into the Social Care Grant.
- Local authorities will be compensated for the freeze in the Small Business Rates Multiplier in 2023/24, seeing the sum of Baseline Funding Levels (BFLs) and an increase in compensation grant for underindexation of the Small Business Rates Multiplier rise in line with the CPI measure of inflation rather than the Retail Price Index (RPI). [\[footnote 3\]](#)

1.3.2 Chapter 3 – Council Tax: this chapter details the government's intentions for council tax referendum principles in 2023/24.

- Protecting local taxpayers from excessive increases in council tax, by setting the referendum threshold at 3% per year from April 2023 for shire counties, unitary

authorities, London boroughs, and the Greater London Authority, without a local referendum. Councils can set higher increases if they wish, via consent of a local referendum.

- In addition, local authorities with social care responsibilities will be able to set an adult social care precept of up to 2% per year without a referendum.
- A bespoke council tax referendum principle of up to 3% or £5, whichever is higher, for shire districts.
- A bespoke additional council tax flexibility of up to £20 on Band D bills for the Greater London Authority, as requested by the Mayor of London. [\[footnote 4\]](#)
- Setting no council tax referendum principles for mayoral combined authorities (MCAs).
- Setting no council tax referendum principles for town and parish councils.
- A £5 referendum principle on Band D bills for all fire and rescue authorities. A £15 referendum principle on Band D bills for police authorities and police and crime commissioners.
- It is for individual authorities to determine whether to use the flexibilities detailed above.

1.3.3 Chapter 4 – Funding Guarantee.

- We will repurpose the Lower Tier Services Grant from previous years and a proportion of expired New Homes Bonus legacy payments to create a new one-off Funding Guarantee. This guarantee will ensure all councils will see at least a 3% increase in their Core Spending Power before any decision they make about organisational efficiencies, use of reserves, and council tax.

1.3.4 Chapter 5 – Distribution of Adults and Children’s Social Care resources: this chapter sets out the government’s proposals for making specific funding available for social care services.

- The government proposes that the Social Care Grant will increase to £3.852 billion in 2023/24, an increase of £1.345 billion from 2022/23 before accounting for the rolling in of the Independent Living Fund. This includes £1.265 billion from delaying adult social care (ASC) charging reform until October 2025. The majority of this funding will be allocated using our ASC Relative Needs Formula, while £80 million will be used to equalise the variation in yield from the ASC precept. A further £80 million in equalisation will be paid from elsewhere in the settlement.
- The improved Better Care Fund (iBCF) will retain the same distribution and quantum as in 2022/23.
- The £400 million in ASC grant funding announced at the Autumn Statement will be combined with the existing £162 million of Fair Cost of Care and Market Sustainability funding and will be paid out using the existing ASC Relative Needs Formula.
- £300 million of additional funding will be allocated to local authorities from the £600 million of new discharge funding announced at the Autumn Statement. This grant funding will be paid out using the existing iBCF grant shares and will be required to be pooled as part of the Better Care Fund.

1.3.5 Chapter 6 – Other Grants: this chapter explains the government’s proposals for the New Homes Bonus (NHB), Rural Services Delivery Grant (RSDG) and the Services Grant.

- A new round of NHB payments in 2023/24, which will, as with last year, not attract new legacy payments. NHB allocations for 2023/24 will continue to be paid for in the usual way. There will be no changes to the calculation process except the expiration of legacy payments.
- Rural Services Delivery Grant will remain unchanged.
- The Services Grant will continue with no change to distribution methodology. The Services Grant will be reduced to pay for other parts of the Settlement and will be worth £464 million in 2023/24. In addition to the £464 million, government has held a small proportion of the Services Grant back as contingency to cover unexpected movements.

1.3.6 Chapter 7 – 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. Separately it refers to a draft policy impact statement published alongside this consultation.

1.4 Additional information

1.4.1 An online survey link and return address for responses to this consultation, along with a full list of consultation questions, is included in [Annex B](#). A glossary of technical terms can be found in [Annex C](#).

1.5 Allocations for proposals

1.5.1 The supporting tables accompanying this consultation show the allocations for the proposals for individual local authorities. These proposals represent the government’s intentions, and the figures are based on 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 local government finance settlement may lead to changes to individual local authority allocations. The government encourages local authorities to check their individual allocations. We strongly encourage local authorities contact the Department with any concerns over the accuracy of their individual allocations.

2. Distribution of the Settlement Funding Assessment

2.1 Introduction

2.1.1 This chapter outlines the government's proposals for distributing the Settlement Funding Assessment (SFA) in 2023/24, which is comprised of Revenue Support Grant (RSG) and Baseline Funding Levels (BFLs).

2.2 Business Rates Retention

2.2.1 When the Business Rates Retention system was introduced in 2013/14, the Government committed that BFLs and Business Rates Baselines (BRBs), which are used to determine tariffs and top-ups, would be fixed in real terms until the system was reset, but with adjustments in response to business rates revaluations.

2.2.2 The next business rates revaluation will take effect from 1 April 2023, with the concurrent transferral of relevant properties from local lists to the central list. Unmitigated, these would lead to changes in the amount of business rates income collected and retained under the Business Rates Retention system.

2.2.3 The government has confirmed that it intends to adjust each local authority's top-up or tariff to ensure that as far as practicable a local authority's retained income from business rates is no more, or less, than it would have been had the revaluation not taken place. It has also confirmed that it will compensate authorities for their losses from the transferral of properties to the central list.^[footnote 5]

2.2.4 The government has developed and consulted [\[footnote 6\]](#) on a methodology to make these adjustments for the 2023 revaluation. This revaluation adjustment methodology updates the 2017 methodology to better remove the impact of the revaluation on local authority income. The updated methodology will also be used to compensate local authorities for properties transferring to the central list. A summary of responses and the government response has been published alongside this document. The government intends to proceed with its proposals, with the initial adjustment to tariffs and top-ups in 2023/24; subsequent adjustments will be made in 2024/25 and 2025/26, once updated data is available - further detail can be found in the consultation.⁷ A calculator has been provided alongside this consultation for local authorities to see how the adjustment to their tariff or top-up for 2023/24 has been calculated.

2.2.5 The Small Business Rates Multiplier has been frozen for 2023/24 at 49.9p. The government will compensate local authorities for the reduction in income resulting from this decision. From 2023/24 we will align this level of compensation with the default link, established by government policy in 2018/19, between the Small Business Rates Multiplier and the standard Consumer Price Index (CPI) measure rather than the Retail Price Index (RPI). This inflationary uplift will be paid in part through underindexation grant, and in part from the increase in Baseline Funding Levels. [\[footnote 7\]](#)

2.2.6 2022/23 BFLs included the elimination of so-called 'negative RSG' and as such this will continue in 2023/24. This is consistent with the government's previous commitment, made during the implementation of the Business Rate Retention system in 2013/14, that local authorities' retained business rates baselines would be fixed in real terms until the business rates system was reset. [\[footnote 8\]](#)

2.2.7 All current 100% Business Rates Retention areas will continue in 2023/24. The Greater London Authority will also continue to benefit from increased levels of Business Rates Retention in 2023/24. During this time the government will review the role of such arrangements as a source of income for areas and its impact on local

economic growth, and as part of deeper devolution commitments as set out in the Levelling Up White Paper.

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 2022/23. Instead, the government proposes to increase 2022/23 RSG levels in line with the September 2021 to September 2022 change in the Consumer Price Index (CPI). This is before accounting for rolled in grants.

2.4 Simplifying the funding landscape – rolling in grants

2.4.1 The government committed to providing local government with a simplified grants system in the Levelling Up White Paper which assured to deliver a more transparent, simple and accountable approach to streamlining the funding landscape. For the grants we propose to consolidate into the local government finance settlement this year, in order to ensure the policy objective is not lost, we have chosen to retain their distribution with the current distribution formula. For some grants, the variance in distribution using the SFA formula and the current formula is significantly different. We still expect local authorities to deliver the services the grants were paying for.

2.4.2 For 2023/2024 we propose to consolidate three grants into the Revenue Support Grant, the Family Annexe Council Tax Discount grant (£7.4 million), Local Council Tax Support Administration Subsidy grant (£69 million) and additional funding for food safety and standards enforcement (Natasha's Law, £1.5 million). In addition, a fourth grant, the Independent Living Fund (£161 million), is being rolled into the Social Care

grant. The total value of consolidated grants is £239 million. We have restated historic Core Spending Power (CSP) where applicable for rolled in grants to avoid overstating CSP increases.

Question 1: Do you agree with the government's proposed methodology for the distribution of Revenue Support Grant in 2023/24?

Question 2: Do you agree with the government's proposals to roll grants into the local government finance settlement in 2023/24?

3. Council tax

3.1 Council tax

3.1.1 The government's manifesto commits to continuing to protect local taxpayers from excessive council tax increases, and it is for the House of Commons to set an annual threshold at which a council tax referendum is triggered. This proposed package of referendum principles strikes a fair balance. The council tax referendum provisions are not a cap, nor do they force councils to set taxes at the threshold level.

3.2 Council tax referendum principles

3.2.1 The government proposes the following package of referendum principles for 2023/24 which will be subject to the approval of the House of Commons alongside the final local government finance settlement:

- Protecting local taxpayers from excessive increases in council tax, by setting the referendum threshold at 3% per year from April 2023 for shire counties, unitary authorities, London boroughs, and the Greater London Authority, without a local referendum. Councils can set higher increases if they wish, via consent of a local referendum.
- In addition, local authorities with social care responsibilities will be able to set an adult social care precept of up to 2% per year without a referendum.
- A bespoke council tax referendum principle of up to 3% or £5, whichever is higher, for shire districts.
- A bespoke additional council tax flexibility of up to £20 on Band D bills for the Greater London Authority, as requested by the Mayor of London^[footnote 9].
- Setting no council tax referendum principles for mayoral combined authorities (MCAs).
- Setting no council tax referendum principles for town and parish councils.
- A £5 referendum principle on Band D bills for all fire and rescue authorities. A £15 referendum principle on Band D bills for police authorities and police and crime commissioners.

3.2.2 It is for individual authorities to determine whether to use the flexibilities detailed above.

3.3 Referendum principles for police and fire authorities

3.3.1 The published Core Spending Power figures include assumed council tax flexibilities of 3% for fire authorities, 2% for the Greater London Authority (GLA), and

£10 for police authorities and police and crime commissioners. The Government announced, on 12 December, it intends to provide flexibilities of £5 for standalone fire and rescue authorities, a 3% core principle plus an additional £20 flexibility for the non-police element of the Greater London Authority precept, and £15 for police authorities and police and crime commissioners including the GLA and the West Yorkshire and Greater Manchester Mayors. The [provisional police funding settlement \(https://questions-statements.parliament.uk/written-statements/detail/2022-12-14/hcws443\)](https://questions-statements.parliament.uk/written-statements/detail/2022-12-14/hcws443), which was laid before Parliament on 14 December, includes the £15 flexibility for police authorities and police and crime commissioners (PCC). Following consideration of responses to this consultation, the final flexibilities will form part of the allocations for which we will seek the approval of the House of Commons.

3.4 Council tax referendum principles for mayoral combined authorities

3.4.1 Devolution has led to the creation of nine mayoral combined authorities (MCAs) with powers such as transport and planning. To date, the government has not set referendum principles for MCAs, except where the Mayor exercises police and crime commissioner functions, in which case the PCC principle has been applied to the resulting precept. This has been in the expectation that mayors would charge a level of council tax that is affordable and proportionate to their needs.

3.4.2 The government proposes to continue this approach in 2023/24. In line with the referendum principle for police and crime commissioners, we propose to set a £15 threshold for the PCC component of the Greater Manchester and West Yorkshire Combined Authorities' precepts.

3.5 Council tax referendum principles for town and parish councils

3.5.1 The government has not previously set referendum principles for town and parish councils. This approach was contingent on town and parish councils taking all available steps to mitigate the need for council tax increases and the Government seeing clear evidence of restraint.

Question 3: Do you agree with the proposed package of council tax referendum principles for 2023/24?

4. Funding Guarantee

4.1 Funding Guarantee

4.1.1 In recognition of inflationary pressures, we will repurpose the Lower Tier Services Grant from previous years and a proportion of the expired New Homes Bonus legacy payments to create a new one-off Funding Guarantee. This new guarantee will ensure that all councils will see at least a 3% increase in their Core Spending Power before any decisions about organisational efficiencies, use of reserves or council tax levels. The government has published provisional allocations from the new Funding Guarantee alongside the provisional local government finance settlement.

4.1.2 For eligible authorities, the value of the guarantee will be the difference between a 3% increase in their 2022/23 Core Spending Power adjusted for actual council tax take-up and base growth, and their actual increase in Core Spending Power before any increases to council tax levels. The increase in Core Spending Power used for this calculation excludes any newly rolled-in grants but include growth in the council tax base as calculated in the normal way, increases in Baseline Funding Levels and growth in compensation for under-indexing the multiplier. [Annex D](#) below gives a worked example of how the guarantee is calculated.

Question 4: Do you agree with the government's proposals for a new Funding Guarantee?

5. Distribution of Adults and Children's Social Care Resources

5.1 Social Care

5.1.1 The Autumn Statement confirmed that the government will make available up to £2.8 billion in 2023/24 in England to help support adult social care and discharge. Local authorities can make use of around £2 billion in additional grant for social care (both adults' and children's) through the settlement for 2023/24 compared to 2022/23. This includes increasing the Social Care Grant by £1.345 billion before accounting for the rolling in of the Independent Living Fund; £400 million in new adult social care grant funding; and local authorities' £300 million share of the £600 million of additional funding to facilitate reduced delays in discharges from hospital.

5.1.2 We expect councils to use the additional funding available for social care – more than a real terms increase in funding dedicated for social care – to go beyond meeting inflationary pressures, including those experienced in 2022/23, and to deliver tangible improvements in adult social care services. These improvements should address discharge delays, social care waiting times, low fee rates, and workforce pressures.

5.2 Social Care Grant

5.2.1 The government proposes to increase allocations of the Social Care Grant to £3.852 billion in 2023/24. This is an increase of £1.345 billion compared to 2022/23 before accounting for the rolling in of the Independent Living Fund. As with the current grant, the Social Care Grant can be used on either adults' or children's social care services.

5.2.2 The majority of this funding (£1.265 billion) is the result of savings from delaying the rollout of adult social care charging reform. We have listened to the concerns of local government by making the difficult decision to delay these important reforms and are making the funding available to local authorities to help meet the current pressures in social care.

5.2.3 Government intends to use £160 million of the total increase (£1.345 billion before accounting for the rolling in of the Independent Living Fund) to maintain the equalisation component of the Social Care Grant against the ASC precept. This will partly be funded from delays to Adult Social Care reform announced at the Autumn Statement, together with an additional £80 million which is being added from elsewhere in the local government finance settlement and makes up part of the equalisation funding. The remaining increase will be distributed using our ASC Relative Needs Formula.

5.2.4 The Government proposes that the Social Care Grant will be ringfenced for adults' and children's social care. More details will be set out in due course.

5.3 Improved Better Care Fund

5.3.1 For 2023/24, the government proposes that the improved Better Care Fund (iBCF) will retain the same distribution and quantum as in 2022/23.

5.3.2 The grant will continue to be required to be pooled as part of the Better Care Fund.

5.4 Discharge Funding

5.4.1 The Autumn Statement announced £600 million of new grant funding for 2023/24 to ensure those people who need to draw on social care when they are discharged from hospital can leave as soon as possible, freeing up hospital beds for those who most need them. Local authorities will receive £300 million of this funding. This funding will be required to be pooled as part of the Better Care Fund.

5.4.2 The government proposes that this funding will be distributed using the existing iBCF grant shares given that it must be pooled into the BCF.

5.4.3 The government will set out further details on the conditions of this funding in due course.

5.5 Adult Social Care Market Sustainability and Improvement Funding

5.5.1 The government proposes to maintain the current levels of Fair Cost of Care funding for local authorities for 2023/24 at £162 million. This is to continue to support the progress local authorities and providers have already made this year on fees and cost of care exercises. It also reflects that elements of the ASC reform programme have been delayed for two years (until October 2025), as well as feedback that underpayment is only one issue facing the sector.

5.5.2 As announced at the Autumn Statement, in 2023/24 there will be an additional £400 million available for local authorities for adult social care. The government expects this new grant funding will enable local authorities to make tangible improvements to adult social care and, in particular, to address discharge delays, social care waiting times, low fee rates, workforce pressures, and to promote technological innovation in the sector. This will be combined with the existing £162 million in Fair Cost of Care funding to reflect the shared goal of improving market sustainability.

5.5.3 The government proposes to distribute this funding using the existing ASC Relative Needs Formula.

5.5.4 There will be reporting requirements placed on the Adult Social Care Market Sustainability and Improvement Funding regarding performance and use of funding to support improvement against the objectives. The government will provide further details on reporting in due course.

Question 5: Do you agree with the government's proposals on funding for social care as part of the local government finance settlement in 2023/24?

6. Other Grants – New Homes Bonus, Rural Services Delivery Grant and Services Grant

6.1 New Homes Bonus

6.1.1 The New Homes Bonus (NHB) 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 Revenue Support Grant.

6.1.2 The government proposes to maintain the current approach to the NHB payments in 2023/24.

6.1.3 The government is not intending to change the calculation process for the NHB for 2023/24. The NHB 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.

6.1.4 New legacy commitments ceased to be made in allocations from 2020/21, and the government confirmed in February 2021 that it did not intend to reintroduce the concept of legacy payments. These 2023/24 payments will not attract new legacy commitments on those allocations.

6.1.5 As in previous years, the allocations for 2023/24 will be funded through a top slice of the Revenue Support Grant. We expect this will be £291 million, although this may change for the final local government finance settlement.

6.1.6 We also recognise the need to help councils plan and we will therefore set out the future position of New Homes Bonus ahead of the 2024/25 local government finance settlement.

Question 6: Do you agree with the government's proposals for New Homes Bonus in 2023/24?

6.2 Rural Services Delivery Grant

6.2.1 The government proposes to roll forward the 2022/23 allocations of the £85 million Rural Service Delivery Grant for 2023/24.

Question 7: Do you agree with the government's proposals for Rural Services Delivery Grant in 2023/24?

6.3 Services Grant

6.3.1 The government proposes that in 2023/24 the Services Grant will continue and will be distributed by the Settlement Funding Assessment. Our proposal is for no change to methodology, but the amount will be reduced to £464 million. This is in part because there will no longer be an increase in National Insurance Contributions, therefore the government proposes not to compensate local government for these contributions from 2023/24. In addition, some funding will go to increase the funding

for the Supporting Families programme and to pay for other parts of the settlement such as increasing Revenue Support Grant.

6.3.2 In addition to the £464 million, government has held a small proportion of the Services Grant back as contingency to cover unexpected movements. The government will review whether this contingency is necessary for the final local government finance settlement, and any contingency left unused at that point will go back into the Services Grant.

Question 8: Do you agree with the government's proposals for Services Grant in 2023/24?

7. Impacts of these proposals

7.1 Draft Policy Impact Statement

7.1.1 [A draft policy impact statement](#)

<https://www.gov.uk/government/publications/provisional-local-government-finance-settlement-2023-to-2024-draft-policy-impact-statement>) assessing the impact of the 2023/24 local government finance settlement has been published alongside this consultation document.

7.2 Public Sector Equality Duty

7.2.1 Public bodies have a duty under the Equality Act 2010 to consider the needs of people who share particular protected characteristics. We would be grateful for views on the impact of the proposals on the three aims under this duty to:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a particular protected characteristic and people who do not share it.
- Foster good relations between people who share a particular protected characteristic and people who do not share it.

Question 9: Do you have any comments on the impact of the proposals for the 2023/24 settlement outlined in this consultation document on the aims outlined above? Please provide evidence to support your comments.

Annex A: Personal data

The following is to explain your rights and give you the information you are be entitled to under UK data protection legislation.

Note that this section only refers to personal data (your name, contact details and any other information that relates to you or another identified or identifiable individual personally) not the content otherwise of your response to the consultation.

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

The Department for Levelling Up, Housing and Communities (DLUHC) is the data controller. The Data Protection Officer can be contacted at dataprotection@levellingup.gov.uk or by writing to the following address:

Data Protection Officer
Department for Levelling Up, Housing and Communities
Fry Building
2 Marsham Street
London
SW1P 4DF

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, DLUHC 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.

The collection of your personal data is lawful under article 6(1)(e) of the UK General Data Protection Regulation as it is necessary for the performance by DLUHC of a task in the public interest/in the exercise of official authority vested in the data controller. Section 8(d) of the Data Protection Act 2018 states that this will include processing of personal data that is necessary for the exercise of a function of the Crown, a Minister of the Crown or a government department i.e. in this case a consultation.

4. With whom we will be sharing your personal data

Other Government Departments including:

1. Attorney General's Office
2. Cabinet Office
3. Department for Business, Energy and Industrial Strategy
4. Department for Digital, Culture, Media and Sport
5. Department for Education
6. Department for Environment, Food and Rural Affairs
7. Department for International Trade
8. Department for Transport
9. Department for Work and Pensions
10. Department of Health and Social Care
11. Foreign, Commonwealth and Development Office
12. His Majesty's Treasury
13. Home Office

14. Ministry of Defence
15. Ministry of Justice
16. Northern Ireland Office
17. Office of the Advocate General for Scotland
18. Office of the Leader of the House of Commons
19. Office of the Leader of the House of Lords
20. Scotland Office UK
21. Export Finance
22. Wales Office

DLUHC may appoint a 'data processor', acting on behalf of the department and under our instruction, to help analyse the responses to this consultation. Where we do, we will ensure that the processing of your personal data remains in strict accordance with the requirements of the data protection legislation.

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, restriction, objection

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 your data corrected if it is incorrect or incomplete
- d. to object to our use of your personal data in certain circumstances
- e. 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/> (<https://ico.org.uk/>), or telephone 0303 123 1113.

Please contact us at the following address if you wish to exercise the rights listed above, except the right to lodge a complaint with the ICO:
dataprotection@levellingup.gov.uk or

Knowledge and Information Access Team
Department for Levelling Up, Housing and Communities
Fry Building
2 Marsham Street
London
SW1P 4DF

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

We use a third-party system, Citizen Space, to collect consultation responses. In the first instance your personal data will be stored on their secure UK-based server. Your personal data will be transferred to our secure government IT system as soon as possible, and it will be stored there for two years before it is deleted.

Annex B: Address details and list of consultation questions

We request responses through the following [online form](https://consult.levellingup.gov.uk/local-government-finance/provisionallocalgovernmentfinancesettlement-2324) (<https://consult.levellingup.gov.uk/local-government-finance/provisionallocalgovernmentfinancesettlement-2324>).

If the survey link is inoperable, written responses may be sent by email or post to: lgfsettlement@levellingup.gov.uk

or

Local Government Finance Settlement Team
Department for Levelling Up, Housing and Communities

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 postcode)
- an email address
- a contact telephone number

Question 1: Do you agree with the government's proposed methodology for the distribution of Revenue Support Grant in 2023/24?

Question 2: Do you agree with the government's proposals to roll grants into the local government finance settlement in 2023/24?

Question 3: Do you agree with the proposed package of council tax referendum principles for 2023/24?

Question 4: Do you agree with the government's proposals for a new Funding Guarantee?

Question 5: Do you agree with the government's proposals on funding for social care as part of the local government finance settlement in 2023/24?

Question 6: Do you agree with the government's proposals for New Homes Bonus in 2023/24?

Question 7: Do you agree with the government's proposals for Rural Services Delivery Grant in 2023/24?

Question 8: Do you agree with the government's proposals for Services Grant in 2023/24?

Question 9: Do you have any comments on the impact of the proposals for the 2023/24 settlement outlined in this consultation document on the aims outlined above? Please provide evidence to support your comments.

Annex C: 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 retained business rates income.

Business Rates Baseline (BRB)

An authority's BRB determined on an individual basis at the outset of the Business Rates Retention system. 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 (outside of increased Business Rates Retention areas) has retained, as a whole, 50% of its business rates which is distributed across local government.

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; 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 of the Adult Social Care precept

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.

Estimated Business Rates Aggregate

The total business rates forecast at the outset of the Business Rate Retention system to be collected by all billing authorities in England in 2013-14, used to calculate baseline funding levels and business rates baselines in 2013-14.

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 most 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 delivering 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 for that year.

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 government and typically covers the next three or four years.

Spending Round

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

Tariffs and top-ups

Calculated by comparing at the outset of the Business Rate Retention system 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 system, then indexed in line with the change in the small business rating multiplier.

Tariff authority

An authority with, at the outset of the system, 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 system, a lower individual authority Business Rates Baseline than its Baseline Funding Level, and which therefore receives a top-up.

Annex D: Worked example of Funding Guarantee

The new funding guarantee will ensure that all councils will see at least a 3% increase in their Core Spending Power before any decisions about organisational efficiencies, use of reserves or council tax levels. The below worked example sets out how the Funding Guarantee payment for a hypothetical council is calculated.

Council X had available £3.5 million in Core Spending Power in 2022/23, made up of £1 million in grant, £0.5 million through the Business Rates System and £2m in council tax.

In 2023/2024, Council X had a net increase in grant of £20,000, a £50,000 increase in funding from baseline funding levels and underindexation grant, and the 5-year average of council tax-base growth is £20,000.

Step 1 – Calculate minimum increase in Core Spending Power

- 2022/23 Core Spending Power defined as 2022/23 published Core Spending Power, updated for actual council tax take-up and tax base growth.
- £3.5 million x 3% = £105,000

Step 2 – Total increase in grants, funding received through Business Rates income in Core Spending Power and council tax income from growth in tax-base

- The total increase for Council X is £90,000 (£20,000 grant increase, £50,000 Business Rates Income in Core Spending Power, £20,000 council tax-base growth)

Step 3 – Compare Step 2 to Step 1 and compensate for the difference

- Council X has a total increase before any local decision about council tax levels of £90,000, which is £15,000 less than the minimum increase in Core Spending Power.
 - Council X will receive £15,000 in grant funding from the funding guarantee.
-

1. As required by section 78(5) of the Local Government Finance Act 1988.
2. As required by section 78A(3) of the Local Government Finance Act 1988 and paragraph 12 of Schedule 7B to the same Act.
3. To note, in response to the 2023 revaluation, the small business multiplier fell below 49.9p to offset increases in rateable value. This means that although the multiplier experienced by business is frozen at 49.9p, there is a difference between the post-revaluation multiplier and the 2022-23 value, requiring an uplift to BFLs. This uplift increases baseline funding levels, but does not give the full CPI increase, the rest of which is compensated via underindexation grant.
4. The published Core Spending Power figures include assumed council tax flexibilities of 3% for fire authorities, 2% for the GLA, and £10 for police and crime commissioners. Government has now announced, on 12 December, it intends to provide flexibilities of £5 for standalone fire and rescue authorities, a 3% core principle plus an additional £20 flexibility for the non-police element of the Greater London Authority precept, and £15 for police authorities and police and crime commissioners including the GLA and the West Yorkshire and Greater Manchester Mayors. The [provisional police funding settlement \(https://questions-statements.parliament.uk/written-statements/detail/2022-12-14/hcws443\)](https://questions-statements.parliament.uk/written-statements/detail/2022-12-14/hcws443), which was laid before Parliament on 14 December, includes the £15 flexibility for police authorities and police and crime commissioners.
5. [Business rates revaluation 2023: the central rating list - summary of responses and government response \(https://www.gov.uk/government/consultations/business-rates-revaluation-2023-the-central-rating-list/outcome/business-rates-revaluation-2023-the-central-rating-list-summary-of-responses-and-government-response\)](https://www.gov.uk/government/consultations/business-rates-revaluation-2023-the-central-rating-list/outcome/business-rates-revaluation-2023-the-central-rating-list-summary-of-responses-and-government-response).

6. [Technical adjustment to the Business Rates Retention system: Consultation](https://www.gov.uk/government/consultations/technical-adjustment-to-the-business-rates-retention-system-consultation) (<https://www.gov.uk/government/consultations/technical-adjustment-to-the-business-rates-retention-system-consultation>).
7. To note, in response to the 2023 revaluation, the small business multiplier fell below 49.9p to offset increases in rateable value. This means that although the multiplier experienced by business is frozen at 49.9p, there is a difference between the post-revaluation multiplier and the 2022-23 value, requiring an uplift to BFLs. This uplift increases baseline funding levels, but does not give the full CPI increase, the rest of which is compensated via underindexation grant.
8. Please refer to section 5.1 of the [2019-20 Local Government Finance Settlement Technical Consultation](https://www.gov.uk/government/consultations/local-government-finance-settlement-2019-to-2020-technical-consultation) (<https://www.gov.uk/government/consultations/local-government-finance-settlement-2019-to-2020-technical-consultation>) for an explanation of the issue of negative Revenue Support Grant.
9. The published Core Spending Power figures include assumed council tax flexibilities of 3% for fire authorities, 2% for the GLA, and £10 for police and crime commissioners. Government has now announced, on 12 December, it intends to provide flexibilities of £5 for standalone fire and rescue authorities, a 3% core principle plus an additional £20 flexibility for the non-police element of the Greater London Authority precept, and £15 for police authorities and police and crime commissioners including the GLA and the West Yorkshire and Greater Manchester Mayors. The [provisional police funding settlement](https://questions-statements.parliament.uk/written-statements/detail/2022-12-14/hcws443) (<https://questions-statements.parliament.uk/written-statements/detail/2022-12-14/hcws443>), which was laid before Parliament on 14 December, includes the £15 flexibility for police authorities and police and crime commissioners.

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Sent by Email to: LGFSettlement@levellingup.gov.uk

16 January 2023

Provisional Local Government Finance Settlement 2023 to 2024

Dear LGF Settlement Team,

This letter represents the response from Buckinghamshire & Milton Keynes Fire Authority to the Provisional 2023-24 Local Government Finance Settlement. The Authority also refers the DLUHC to the response from the National Fire Chiefs Council (NFCC).

SUMMARY

The Authority's response to the Provisional Settlement can be summarised as follows:

1. The Authority generally welcomes the proposals set out in the 2023-24 Provisional Settlement.
2. The Authority recognises the work of DLUHC and the Home Office in bringing in a Settlement that helps towards mitigating the inflationary pressures that the sector is facing.
3. The Authority particularly welcomes the extension of the £5 referendum principle on Band D bills to all English FRAs. As an Authority with low levels of reserves in relation to our peers and a strong focus on ongoing efficiency, we would welcome the continuation of this flexibility in future years. Specifically it will support our ability to invest in and transform the Service to meet the changing needs of our communities. Whilst final decisions are for future settlements, a statement of intention for future years council tax flexibilities (as given for local authorities) would aid financial planning
4. The Authority notes that using the Services Grant to pay for RSG increases is in effect a cut. It was understood that the Services Grant was being set aside for local government funding reforms, if this is not the case then it ought to be moved into Settlement Funding Assessment.
5. To aid financial planning the Authority would encourage a return to multi-year settlements as soon as practically possible.

RESPONSE TO CONSULTATION QUESTIONS

Question 1: Do you agree with the government's proposed methodology for the distribution of Revenue Support Grant in 2023/24?

The government has claimed to have protected RSG in real-terms, but this has been done through a reduction in Services Grant. It is of utmost importance that core funding is protected in real terms and this should be set out as a principle of local funding.

Question 2: Do you agree with the government's proposals to roll grants into the local government finance settlement in 2023/24?

The Authority generally is in favour of simplifying funding where practical and continues to call for the transfer of the Fire Pensions Grant into FRAs' baseline funding.

Question 3: Do you agree with the proposed package of council tax referendum principles for 2023/24?

The Authority strongly welcomes the extension of the £5 referendum principle on Band D bills to all English FRAs. As an Authority with low levels of reserves in relation to our peers and a strong focus on ongoing efficiency, we would welcome the continuation of this flexibility in future years. Specifically it will support our ability to invest in and transform the Service to meet the changing needs of our communities. Whilst final decisions are for future settlements, a statement of intention for future years council tax flexibilities (as given for local authorities) would aid financial planning

Question 4: Do you agree with the government's proposals for a new Funding Guarantee?

The 3% Funding Guarantee only affects a minority of fire and rescue services and changes the total funding for standalone FRAs by 0.03%. However, the Authority supports the principle of recognising that all local/fire and rescue authorities face inflationary pressures and therefore a percentage guarantee makes sense.

Question 5: Do you agree with the government's proposals on funding for social care as part of the local government finance settlement in 2023/24?

As a Combined Fire Authority, this is not relevant for us.

Question 6: Do you agree with the government's proposals for New Homes Bonus in 2023/24?

As a Combined Fire Authority, this is not relevant for us.

Question 7: Do you agree with the government's proposals for Rural Services Delivery Grant in 2023/24?

As a Combined Fire Authority that does not benefit from RSDG, this is not relevant for us.

Question 8: Do you agree with the government's proposals for Services Grant in 2023/24?

No. In the absence of an immediate and comprehensive review of needs and resources, Services Grant funding should be rolled into Settlement Funding Assessment. It was expected that this funding was to be used to aid transition to a new funding formula, but it has instead been used to pay for the real-terms protection of RSG. In its current form, the Services Grant represents settlement funding that cannot be relied on longer-term and increases uncertainty.

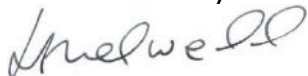
Question 9: Do you have any comments on the impact of the proposals for the 2023/24 settlement outlined in this consultation document on the aims outlined above? Please provide evidence to support your comments.

No further comments.

FINAL REMARKS

It is vitally important that the Sector's funding is protected in real terms and in that regard the Authority welcomes the Provisional Settlement announcement. The extension of the £5 referendum principle on Band D bills to all FRAs is most welcome. The Authority urges Government to ensure that the principle remains in place for future years and whilst we understand that final decisions are for future settlements, a statement of intention for future years council tax flexibilities (as given for local authorities in the LGF policy statement 2023-24 to 2024-25) would aid financial planning.

Yours sincerely



Jason Thelwell QFSM

Chief Fire Officer/Chief Executive

Buckinghamshire & Milton Keynes Fire Authority



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Executive Committee, 8 February 2023

Report title: Members' Allowances

Lead Member: Councillor Simon Rouse, Chairman

Report sponsor: Graham Britten, Director of Legal and Governance

Author and contact: Katie Nellist knellist@bucksfire.gov.uk

Action: Decision

Recommendations:

That the recommendations below be considered for submission to the Authority:

1. That a Scheme for Members' Allowances for 2023/24 (**Appendix C**) be adopted with either
 - a) 0% increase in allowances; or
 - b) 2% increase in allowances; or
 - c) 5% increase in allowances.
2. That a Scheme for Members' Allowances for 2023/24 be adopted with an increase based on indexation not aligned to the NJC employers' Grey Book pay offer or award.

Executive summary: 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 (IRP) 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.

The Independent Remuneration Panel of the scheme for Milton Keynes City Council undertook a review in November 2021 and this is attached at **Appendix A**. The Council's IRP was convened in November 2022 to make a further recommendation as to indexation for 2023/24. The adopted arrangements for annual indexation are based on the percentage award for officers in the preceding year. However, the 2022/23 pay settlement for officers was based on a flat rate, as opposed to a percentage rate. The recommendation of the Council's IRP was to uprate all allowances by 4.69%, this being the median officer increase for 2021/22. [Scheme of Councillors' Allowances 2023/24](#)

The Independent Remuneration Panel of the scheme for Buckinghamshire Council undertook a review in January 2020 and this is attached at **Appendix B**.

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 had been endorsed annually by the Authority since 2014/15 until 2021/22.

Although there had been a Grey Book 2% pay award effective from 1 July 2020, the Authority agreed in February 2021 to suspend the indexation for the year 2021/22, resulting in a 0% increase in Members’ allowances.

The NJC agreed an increase of 1.5% with effect from 1 July 2021 (NJC Circular 4/21, 28 June 2021) for the Authority’s staff on National Joint Council (NJC) for Local Authorities’ Fire and Rescue Services, Scheme of Conditions of Service (Grey Book).

At its meeting on 9 February 2022, the Executive Committee submitted two options to the Authority for the Scheme for Members’ Allowances for 2022/23 with either a) 0% increase in allowances; or b) 1.5% increase in allowances. At its meeting on 16 February 2022 the Authority resolved to adopt the latter.

A summary of the percentage increases to members’ allowances over the preceding five years is as follows:

2018/2019	1%
2019/2020	2%
2020/2021	2%
2021/2022	0%
2022/2023	1.5%

The draft Scheme of Allowances for 2023/24 is attached at **Appendix C** and shows three options: a 0% increase (suspending the indexation for the year 2023/24); and 2% or 5% increases in line with the respective NJC employers’ Grey Book pay offers.

Paragraphs 20 and 21 of the Scheme of Allowances provide that:

“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.”

Financial implications: The current budget for Members’ Allowances (Basic and Special Responsibility Allowances) is £66k, including National Insurance costs. The

existing budget would be sufficient to cover a 2% increase. However, in line with pay assumptions made for BFRS employees, the proposed budget provides for a 5% increase in April 2023, which would increase the budget for Members' Allowances to £69k. The pay assumption for the 2023/24 budget is 4%.

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 (*£745.20 last year*).

Risk management: The recommendation will have no adverse effect on the Authority's business.

Legal implications: The making or amendment of the Members' Scheme of Allowances is a function reserved to a meeting of the Authority. An amendment may be made by the Authority in year. Regulation 10(4) of Local Authorities (Members' Allowances) (England) Regulations 2003 provides that "A scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority and where the only change made to a scheme in any year is that effected by such annual adjustment in accordance with such index the scheme shall be deemed not to have been amended."

Privacy and security implications: No issues arising from the recommendations.

Duty to collaborate: The making of a scheme of allowances is the responsibility of each individual authority defined in the Local Authorities (Members' Allowances) (England) Regulations 2003. The methodology for doing so is prescribed exclusively by those regulations.

Health and safety implications: No issues arising from the recommendations.

Environmental implications: No issues arising from the recommendations.

Equality, diversity, and inclusion implications: 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.

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 City Council and are entitled to claim "dependent carers' allowances" from their appointing authority. There are currently no co-opted members on the Authority.

Consultation and communication: A notice that the Authority has made a Scheme of Members Allowances will be published in a local newspaper and the updated Scheme of Members' Allowances can also be inspected at Headquarters, during standard office hours. Copies of the Scheme may be purchased at a cost of £2.50 or downloaded for free at www.bucksfire.gov.uk

Background papers: [EMP CIRCULAR 2/22](#), [EMP CIRCULAR 3/22](#), [EMP CIRCULAR 4/22](#), [EMP CIRCULAR 5/22](#), [NJC Circular 4/21](#), [28 June 2021](#), [Executive Committee Minutes \(9 February 2022\)](#), [Fire Authority minutes \(16 February 2022\)](#)

Appendix	Title	Protective Marking
A	Milton Keynes City Council report of the Independent Panel of Members' Allowances November 2021	
B	Buckinghamshire Council report of the Independent Panel of Members' Allowances January 2020.	
C	Draft Scheme for Members' Allowances 2023/24.	



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**The report of the Independent Remuneration Panel  
appointed to review the allowances paid to Councillors  
of Milton Keynes Council**

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November 2021

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Appendix 3	Comparative data of allowances paid to councillors of the other unitary councils (South East Employers, Members Allowances Survey 2020)	
Appendix 4	Comparative data of allowances from the Milton Keynes Family Group of Councils	

1. INTRODUCTION AND BACKGROUND

- 1.1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations"), as amended, require all local authorities to appoint an independent remuneration panel (IRP) to advise on the terms and conditions of their scheme of councillors' allowances.
- 1.1.2 Milton Keynes Council formally appointed the following persons to undertake this process and make recommendations on its future scheme.

Stewart Bailey – Local resident and Managing Director, Virtual Viewing
Ruby Parmar- Local Resident and Former PWC Director
Mark Palmer – Development Director, South East Employers (Chair)
Clive Parker- Local Resident and former Local Government Officer, provided administrative support to the Panel

- 1.1.3 Our terms of reference were in accordance with the requirements of the 2003 Regulations, together with "Guidance on Consolidated Regulations for Local Authority Allowances" issued jointly by the former Office of the Deputy Prime Minister and the Inland Revenue (July 2003). Those requirements are to make recommendations to the Council as to:

- (a) the amount of basic allowance to be payable to all councillors.
 - (b) the level of allowances and whether allowances should be payable for:
 - (i) special responsibility allowances.
 - (ii) travelling and subsistence allowance.
 - (iii) dependants' carers' allowance.
 - (iv) parental leave and.
 - (v) co-optees' allowance.
- and the amount of such allowances.
- (c) whether payment of allowances may be backdated if the scheme is amended at any time to affect an allowance payable for the year in which the amendment is made.
 - (d) whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years before its application is reviewed.

2. CURRENT SCHEME

- 2.1.1 The last review of councillors' allowances was undertaken by the IRP for the Council in 2017.
- 2.1.2 The Scheme currently provides that all councillors are each entitled to a total basic allowance of £10,924 per annum, with effect from April 2021. In addition, some councillors receive special responsibility allowances for undertaking additional duties.
- 2.1.3 Councillors may also claim the cost of travel and subsistence expenses and for expenditure on the care of children or dependants whilst on approved duties.

3. PRINCIPLES UNDERPINNING OUR REVIEW

3.1 The Public Service Principle

- 3.1.1 This is the principle that an important part of being a councillor is the desire to serve the public and, therefore, not all of what a councillor does should be remunerated. Part of a councillor's time should be given voluntarily. The consolidated guidance notes the importance of this principle when arriving at the recommended basic allowance.¹ Moreover, we found that a public service concept or ethos was articulated and supported by all of the councillors we interviewed and in the responses to the questionnaire completed by councillors as part of our review.
- 3.1.2 To provide transparency and increase an understanding of the Panel's work, we will recommend the application of an explicit Public Service Discount (or PSD). Such a PSD is applied to the time input necessary to fulfil the role of a councillor. Further explanation of the PSD to be applied is given below in section 4.

3.2 The Fair Remuneration Principle

- 3.2.1 Alongside the belief that the role of the elected Councillor should, in part, be viewed as unpaid voluntary service, we advocate a principle of fair remuneration. The Panel in 2021 continues to subscribe to the view promoted by the independent Councillors' Commission:

Remuneration should not be an incentive for service as a councillor. Nor should lack of remuneration be a barrier. The basic allowance should encourage people from a wide range of backgrounds and with a wide range of skills to serve as local councillors. Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage as a result of doing so.²

- 3.2.2 We are keen to ensure that our recommended scheme of allowances provides reasonable financial compensation for councillors. Equally, the scheme should be fair, transparent, logical, simple, and seen as such.
- 3.2.3 Hence, we continue to acknowledge that:
- (i) allowances should apply to roles within the Council, not individual councillors.
 - (ii) allowances should represent reasonable *compensation* to councillors for expenses they incur and time they commit in relation to their role, not *payment* for their work; and
 - (iii) special responsibility allowances are used to recognise the *significant* additional responsibilities which attach to some roles, not merely the extra time required.
- 3.2.4 In making our recommendations, we have therefore sought to maintain a balance between:
- (i) the voluntary quality of a councillor's role.

¹ The former Office of Deputy Prime Minister – now the Department for Communities, Housing and Local Government, and Inland Revenue, *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraph 68.

² Rodney Brooke and Declan Hall, *Members' Remuneration: Models, Issues, Incentives and Barriers*. London: Communities and Local Government, 2007, p.3.

- (ii) the need for appropriate financial recognition for the expenses incurred and time spent by councillors in fulfilling their roles; and
- (iii) the overall need to ensure that the scheme of allowances is neither an incentive nor a barrier to service as a councillor.

3.2.5 The Panel also sought to ensure that the scheme of allowances is understandable in the way it is calculated. This includes ensuring the bandings and differentials of the allowances are as transparent as possible.

3.2.6 In making our recommendations, we wish to emphasise that any possible negative impact they may have is not intended and should not be interpreted as a reflection on any individual councillor’s performance in the role.

4. CONSIDERATIONS AND RECOMMENDATIONS

4.1 Basic Allowance

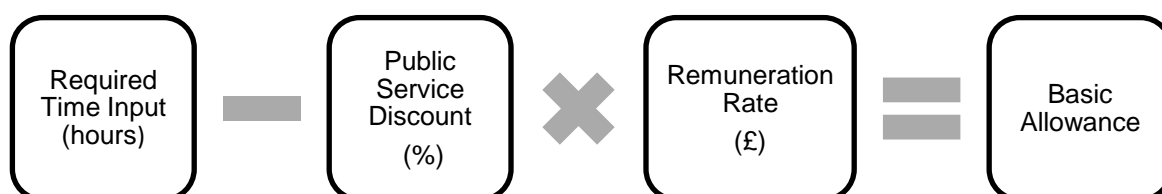
4.1.1 A Council’s scheme of allowances must include provision for a basic allowance, payable at an equal flat rate to all councillors. The guidance on arriving at the basic allowance states, “Having established what local councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the rate at which, and the number of hours for which, councillors ought to be remunerated.”³

4.1.2 In addition to the regular cycles of Council and committee meetings, a number of working groups involving councillors may operate. Many councillors are also appointed by the Council to a number of external organisations.

4.1.3 We recognise that councillors are responsible to their electorate as:

- Representatives of a particular ward.
- Community leaders.
- Decision makers for the whole Council area.
- Policy makers for future activities of the Council.
- Scrutineers and auditors of the work of the Council; and
- Regulators of planning, licensing and other matters required by Government.

4.1.4 The guidance identifies the issues and factors an IRP should have regard to when making a scheme of allowances.⁴ For the basic allowance we considered three variables in our calculation: the time required to execute the role effectively; the public service discount; and the rate for remuneration.



4.1.5 Each of the variables is explained below.

³ The former Office of Deputy Prime Minister – now the Department for Housing, Communities and Local Government, and Inland Revenue, *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraph 67.

⁴ The former Office of Deputy Prime Minister – now the Department for Communities and Local Government, and Inland Revenue, *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraphs 66-81.

Required Time Input

- 4.1.6 We ascertained the average number of hours necessary per week to undertake the role of a councillor (with no special responsibilities) from questionnaires and interviews with councillors and through reference to the relevant information. In addition, we considered further information about the number, range, and frequency of committee meetings.⁵
- 4.1.7 Discounting attendance at political meetings (which we judged to be centred upon internal political management), we find that the average time commitment required to execute the role of a councillor with no special responsibilities is 21 hours per week.

Public Service Discount (PSD)

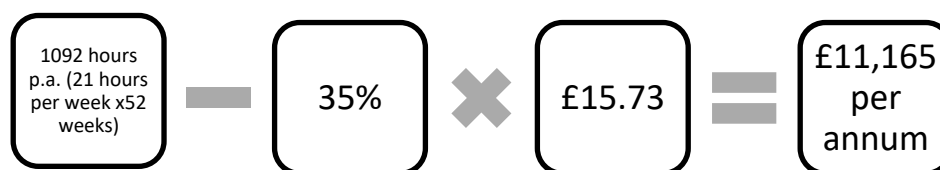
- 4.1.8 From the information analysed, we found councillors espoused a high sense of public duty. Given the weight of evidence presented to us concerning, among other factors, the levels of responsibility, the varied nature of the role, the need for learning and development, and the increasing accessibility and expectations of the public, we recommend a Public Service Discount of 35 per cent to the calculation of the basic allowance. This percentage sits within the mid-range of PSDs applied to basic allowances by councils in the region.

Remuneration Rate

- 4.1.9 After establishing the expected time input to be remunerated, we considered a remuneration rate. We came to a judgement about the rate at which the councillors ought to be remunerated for the work they do.
- 4.1.10 To help identify an hourly rate for calculating allowances, we utilised relevant statistics about the local labour market published by the Office for National Statistics. We selected the average (median), full-time gross⁶ wage per hour for the Milton Keynes Council area £15.73⁷ per hour.

Calculating the basic allowance

- 4.1.11 After determining the amount of time required each week to fulfil the role (21 hours), the level of PSD to be applied (35%) and the hourly rate to be used (£15.73), we calculated the basic allowance as follows:



- 4.1.12 The gross Basic Allowance before the PSD is applied is **£17,177.16**. Following the application of the PSD this leads to a basic allowance of **£11,165.15** per annum.
- 4.1.13 This amount is intended to recognise the overall contribution made by councillors, including their work on council bodies, and ward work and attendance on external bodies.

⁵ The summary responses to the questionnaires are available on request.

⁶ The basic allowance, special responsibility allowance, dependants' carers' allowance, and co-optees' allowance are taxable as employment income.

⁷ The Nomis official labour market statistics: Hourly Pay – Gross median (£) For full-time employee jobs by place of residence: UK December 2020.

4.1.14 We did also note the levels of basic allowance currently allocated by other unitary councils in the South East and part of the Milton Keynes family group of Councils, (see table below and Appendix 3 & 4).

Council	Unitary Councils: Basic Allowances (£) 2021 ⁸
Brighton and Hove City Council	13,360
Bedford Council	10,425
Bolton Council	11,644
Bracknell Forest Council	8,697
Buckinghamshire Council	13,000
Bury Council	8,947
Coventry City Council	14,490
Isle of Wight Council	8,001
Kirklees Council	14,002
Luton Council	7,500
Medway Council	10,733
Milton Keynes Council	10,924
Peterborough City Council	10,508
Portsmouth City Council	11,483
Reading Borough Council	8,447
Royal Borough of Windsor and Maidenhead	8,306
Slough Borough Council	7,779
Southampton City Council	13,057
Swindon Council	8,797
Telford Council	9,703
Thurrock Council	9,200
Trafford Council	6,940
Warrington Council	8,321
West Berkshire Council	7,697
Wokingham Borough Council	7,784

4.1.15 The Panel wished to ensure the level of basic allowance does not constitute a barrier to candidates from all sections of the community standing, or re-standing, for election as councillors. The Panel was of the view that the 2017 review had begun to make recommendations to ensure that the current basic was in accordance with the principle of fair remuneration and the 2020 review has further enhanced this approach through the introduction of a transparent and clear formula for calculating the Basic Allowance. Such a formula will also assist a future Panel in recommending a Basic Allowance

WE THEREFORE RECOMMEND that the Basic Allowance payable to all members of Milton Keynes Council be £11,165 per annum

⁸ Figures drawn from the South East Employers, Members' Allowances Survey 2021 (October 2021) and the Milton Keynes Council Family Group of Councils.

4.2 Special Responsibility Allowances (SRAs)

- 4.2.1 Special Responsibility Allowances are awarded to councillors who perform significant additional responsibilities over and above the roles and expenses covered by the basic allowance. These special responsibilities must be related to the discharge of the council's functions.
- 4.2.2 The 2003 Regulations do not limit the number of SRAs which may be paid, nor do they prohibit the payment of more than one SRA to any one councillor. They do require that an SRA be paid to at least one councillor who is not a member of the controlling group of the Council. As the guidance suggests, if the majority of councillors receive an SRA, the local electorate may rightly question the justification for this.⁹
- 4.2.3 We conclude from the evidence we have considered that the following offices bear *significant* additional responsibilities:
- Leader of the Council
 - Deputy Leader of the Council
 - Cabinet Members
 - Main Opposition Group Leader
 - Smaller Opposition Group Leader
 - Chair of Scrutiny Management Committee
 - Chairs of Scrutiny Committees
 - Chairs of Task and Finish Groups
 - Chair of Development Control Committee
 - Chair of Licensing Committee
 - Chair of Audit Committee
 - Chair of Standards Committee
 - Chair of a Corporate Parenting Committee
 - Mayor
 - Deputy Mayor
 - Co-Opted Members

One SRA Only Rule

- 4.2.4 To improve the transparency of the scheme of allowances, we feel that no councillor should be entitled to receive at any time more than **one SRA**. If a councillor can receive more than one SRA, then the public are unable to ascertain the actual level of remuneration for an individual councillor from a reading of the Scheme of Allowances.
- 4.2.5 Moreover, the One SRA Only Rule avoids the possible anomaly of the Leader receiving a lower allowance than another councillor. If two or more allowances are applicable to a councillor, then the higher-valued allowance would be received. The One SRA Only Rule is common practice for many councils. Our calculations for the SRAs are based on this principle, which should be highlighted:

WE THEREFORE RECOMMEND that that no councillor shall be entitled to receive at any time more than one Special Responsibility Allowance and that this One SRA Only Rule be adopted into the Scheme of Allowances.

⁹ The former Office of Deputy Prime Minister – now the Department for Housing Communities and Local Government, and Inland Revenue, *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraph 72.

The Maximum Number of SRA's Payable

4.2.6 In accordance with the 2006 Statutory Guidance (paragraph 72) the Panel is of the view that the Council should adhere to the principle that no more than 50% of Council Members (30) should receive an SRA at any one time.

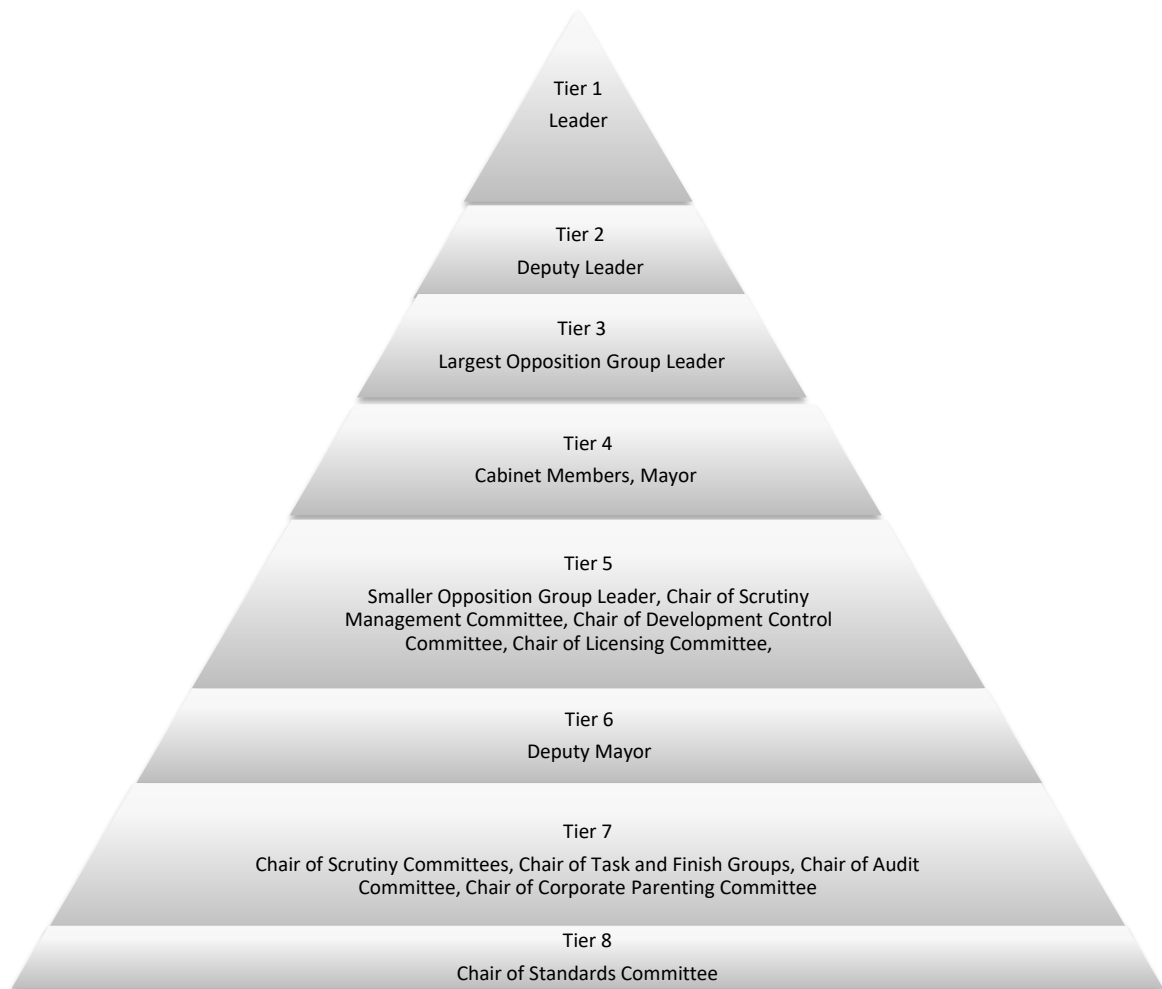
WE THEREFORE RECOMMEND that the Council should adhere to a maximum number of SRA's payable at any one time that does not exceed 50% of Council Members (28 Members).

Calculating SRAs

4.2.7 The Panel supported the criteria and formula for calculating the Leader of the Council allowance based on a multiplier of the Basic Allowance; this role carries the most significant additional responsibilities and is the most time consuming.

4.2.8 We applied a multiplier of the basic allowance to establish the Leader's SRA. Other SRAs are then valued downwards as a percentage of the Leader's allowance. This approach has the advantage that, when future adjustments to the SRAs are required, changing the Leader's SRA will have a proportionate and easily calculable effect on the other SRAs within the scheme.

We grouped together in Tiers those roles that we judged to have a similar level of responsibility. The outline result of this approach is illustrated in a pyramid of responsibility:



4.2.4 The rationale for these eight tiers of responsibility are discussed below.

Leader (Tier One)

- 4.2.9 The Council elects for a four-year term of office a Leader who is ultimately responsible for the discharge of all executive functions of the Council. The Leader is the principal policy maker and has personal authority to determine delegated powers to the rest of the Cabinet. The Leader is also responsible for the appointment (and dismissal) of members of the Cabinet and their respective areas of responsibility.
- 4.2.10 The multiplier we applied to calculate the Leader's SRA is 300% (3 x times) the basic allowance. If the recommended option of a basic allowance with a PSD of 35% is adopted, this results in a Leader's Allowance of £33,495.

WE RECOMMEND that the Leader of the Council should receive a Special Responsibility Allowance of 300% of the basic allowance, £33,495.

Deputy Leader (Tier Two)

- 4.2.11 The Deputy Leader usually acts on the Leader's behalf in their absence. From the information we gathered, we continue to consider this additional responsibility should be reflected in the level of allowance. Therefore, we recommend the Deputy Leader's SRA be set at 50% of the Leader's SRA. If our recommendations concerning the basic allowance and the Leader's SRA are adopted, this results in an allowance of £16,748.

WE RECOMMEND that the Deputy Leader receive a Special Responsibility Allowance of 50% of the Leader's Allowance, £16,748.

Main Opposition Group Leader (Tier Three)

- 4.2.12 From the evidence gathered, including questionnaire responses, face to face interviews and the Council's Role Profiles, we consider the Main Opposition Group Leader to be a significant role and the 2003 Regulations require that the Main Opposition Group Leader receive a Special Responsibility Allowance. The Leader of the Main Opposition Group has to both ensure democratic accountability and the holding to account of the administration but also manage and develop a Group of significant size.
- 4.2.13 Currently the Main Opposition Group Leader receives a Special Responsibility Allowance based on a per Group Member basis, currently £658 per Member. The Panel was of the view that the SRA for the Main Opposition Group Leader should be calculated on the same basis as the other SRA's, a percentage of the Leader's Allowance. Based on the size and complexity of the role the Panel is of the view that the Main Opposition Group Leader should receive an allowance of 45% of the Leader's Allowance, £15,073.

WE RECOMMEND that the Main Opposition Group Leader receive a Special Responsibility Allowance of 45% of the Leader, £15,073.

Cabinet Members and Mayor (Tier Four)

- 4.2.14 Cabinet Members appointed by the Leader of the Council have significant delegated decision-making responsibilities and currently the Cabinet Member Special Responsibility Allowances are based on a pool that is currently capped at a total of £68,666 for Cabinet Members excluding the Leader and Deputy Leader. The 'Pool' cap based on a current six Cabinet Members leads to an allowance of £9,809 per Cabinet Member. However, if the Leader was minded to introduce further Cabinet roles (Maximum of eight Cabinet Members) to respond to new and growing Local Government responsibilities then the 'Pool' cap will lead to the current Cabinet Members allowances been reduced.

4.2.15 The panel was of the view that the current 'Pool' approach to calculating the SRA's for Cabinet Members should be replaced with the same criteria as used for calculating the other SRA's namely a percentage of the Leader's Allowance. The Panel was of the view that this will provide the Leader with greater flexibility to appoint a Cabinet that is best able to respond to the current and future challenges. The panel is therefore of the view that the Special Responsibility Allowance for a Cabinet Member should be 35% of the Leader's Allowance, £11,723.

WE RECOMMEND that a Cabinet Member should receive an allowance of 35% of the Leaders Allowance, £11,723.

4.2.16 The role of Mayor is highly visible across the Council area and undertakes a high number of civic engagements that raise the profile of the Council. The current Mayoral Allowance is in line with that paid to Cabinet Members. The Panel was of the view that the Mayoral Allowance should continue to be at the same rate as a Cabinet Member. We therefore recommend that the role of Mayor continue to be recognised at Tier Four and receive an allowance of £11,723, 35% of the Leader's Allowance.

4.2.16 The Panel was also of the view that in line with all the other Special Responsibility Allowances the Allowance for both the Mayor and Deputy Mayor should be paid on a monthly basis rather than in two equal instalments in June and November.

WE RECOMMEND that the Mayor should continue to receive an allowance in line with the recommendation for a Cabinet Member, 35% of the Leader's allowance, £11,723. WE ALSO RECOMMEND that the allowance for the Mayor and Deputy Mayor should be paid on a monthly basis in line with all the other Special Responsibility Allowances rather than in two equal instalments.

Smaller Opposition Group Leader, Chair of Scrutiny Management Committee, Chair of Development Control Committee and Chair of Licensing Committee (Tier Five)

4.2.17 The Leaders of Smaller Opposition Groups continue to be a role of significant importance and the Panel was therefore of the view that the Leader of the Smaller Opposition Group should receive a Tier Five allowance, 25% of the Leader's Allowance, £8,374. In line with the recommendation made for the SRA for the Main Opposition Group Leader the Panel recommend that the allowance should now be expressed as a percentage of the Leader's Allowance rather than the current position of being based on the number of Members in each group (£658 per Group Member). However, the Panel were also of the view that in order to qualify for a Smaller Opposition Group Leader SRA, the Group size should comprise a minimum of 15% of the Council membership, which is currently 9 Councillors.

4.2.18 The Panel was of the view that Overview and Scrutiny continues to be a pivotal part of the Council's governance arrangements in ensuring internal and external accountability and holding the Cabinet to account. Statutory Guidance published by the then Department for Housing Communities and Local Government further strengthened the role and profile of overview and scrutiny, and this will be reflected in Milton Keynes Council. The Panel therefore recommends that the Chair of the Overview and Scrutiny Management Committee should receive a Tier Five allowance, 25% of the Leader's Allowance, £8,374.

4.2.19 The Development Control Committee continues to have a high impact across the Council area and has a high workload that includes regular site visits and a high number of meetings. The Panel therefore recommends that the Chair of the Development Control Committee should receive a Tier Five allowance, 25% of the Leader's Allowance, £8,374.

4.2.20 The Panel was made aware that the number and frequency of meetings of the Licensing and Regulatory Committee have reduced over the last year's. However, Special Responsibility Allowances are not based only on the frequency of meetings but also, on the complexity of the role. The Panel therefore recommends that the Special Responsibility Allowance for the Chair of the Licensing and Regulatory Committee should also be a Tier Five allowance, 25% of the Leader's Allowance, £8,374.

WE RECOMMEND that the Smaller Opposition Group Leader (subject to the size of the Group comprising 15% of the Council membership), the Chair of the Overview and Scrutiny Management Committee, Chair of the Development Control Committee and Chair of the Licensing Committee should all receive a Tier Five Allowance, 25% of the Leader's Allowance, £8,374.

Deputy Mayor (Tier Six)

4.2.21 The role of Deputy Mayor like that of the Mayor continues to be a high-profile role that has a significant impact across the Council area and a high workload based on the number and frequency of civic engagements. The Panel is of the view that the role of Deputy Mayor should continue to receive an allowance based on 50% of the Mayoral Allowance, £5,862.

WE RECOMMEND that the Deputy Mayor continues to receive a Tier Six Allowance, 50% of the recommended Mayoral Allowance, £5,862.

Chair of Scrutiny Committees, Chair of Task and Finish Groups, Chair of Audit Committee and Chair of a Corporate Parenting Committee (Tier Seven).

4.2.22 Like the Overview and Scrutiny Management Committee the Panel was of the view that the Scrutiny Committees had a highly important role in ensuring accountability, reviewing and developing policy; and this importance should be reflected in the allowance for the Chair of the Scrutiny Committees. The Panel was therefore of the view that the Chair of the Scrutiny Committees should receive a Tier Seven allowance, 15% of the Leader's Allowance, £5,024.

4.2.23 The Panel also recognised the importance of the Task and Finish Groups in undertaking in-depth reviews and investigations in respect of issues deemed of high importance by both councillors, partners and the public. The Panel is therefore of the view that the Chairs of the Task and Finish Groups should receive a pro rata (depending on the length of time the Group is in place) Tier Seven allowance, 15% of the Leader's Allowance, £5,024.

4.2.24 The Audit Committee was recognised as a high-profile committee that had a key role in terms of financial management and effective governance. The Panel was of the view that the Chair should continue to receive a Special Responsibility Allowance but that this allowance should be in line with roles such as Chair of a Scrutiny Committee. The Panel therefore recommends that the Chair of Audit Committee should receive a Tier Seven allowance, 15% of the Leader's Allowance, £5,024.

4.2.25 The Chair of the Corporate Parenting Panel does not currently receive a Special Responsibility Allowance despite the high workload and external impact of the role. The role of corporate parent is a key but often not well recognised role and currently the Panel is not recognised as a formal committee within the governance structure of the Council. During the interviews and within the responses to the questionnaire the important role of the Chair of the Corporate Parenting Panel was highlighted. Only few comparative Councils e.g., Peterborough City Council recognise the role of the Chair of a Corporate Panel/Committee through an allowance. However, the Panel was of the view that the role of Chair of the Corporate Parenting Panel should receive a Tier Seven Special Responsibility Allowance, 15% of the Leader's Allowance, £5,024.

WE RECOMMEND that the Chair of the Scrutiny Committees, Chair of the Task and Finish Groups, Chair of the Audit Committee and Chair of the Corporate Parenting Panel should receive a Tier Seven allowance, 15% of the Leader's Allowance, £5,024. In respect of the allowance for the Chair of the Task and Finish Groups the allowance will be on a pro-rata basis, depending on the length of time the Group is in place.

Chair of Standards Committee (Tier Eight)

- 4.2.26 The Panel recommends that the Chair of the Standards Committee receive a Tier Eight allowance, 10% of the Leader's Allowance, £3,340.

WE RECOMMEND that the Chair of the Standards Committee receive a Tier Eight allowance, 10% of the Leader's Allowance, £3,340.

4.3 Co-optees'/ Independent Persons Allowance

- 4.3.1 An IRP may recommend the payment and level of an allowance for those who serve on the committees or sub-committees of a Council but are not members of the Council. We recognise that in so doing, an element of the contribution made by the co-optees/Independent Persons should be voluntary. We therefore continue to recommend that co-optees of the Council are entitled to an allowance plus travel, subsistence and other expenses in accordance with the scheme applicable to councillors.

WE RECOMMEND that the Co-optees should continue to receive an allowance of £640 per annum. The role will also receive travel, subsistence and other expenses in accordance with the scheme applicable to councillors.

4.4 Travelling and Subsistence Allowance

- 4.4.1 A scheme of allowances may provide for any councillor to be paid for travelling and subsistence undertaken in connection with any of the duties specified in Regulation 8 of the 2003 Regulations (see paragraph 5.10). Similarly, such an allowance may also be paid to co-opted/Independent Persons of a committee or sub-committee of the Council in connection with any of those duties, provided that their expenses are not also being met by a third party.

WE RECOMMEND that travelling and subsistence allowance should be payable to councillors and co-optees in connection with any approved duties. The amount of travel and subsistence payable shall continue to be at the maximum levels payable to council staff in line with HM Revenue and Customs' rates. We propose no changes to the current travel and subsistence allowances.

WE FURTHER RECOMMEND that a travel allowance for electric vehicles should be introduced based on the HM Revenue and Customs' rate of 45p per mile. Finally, a bicycle allowance should also be approved, and both these new rates should be promoted to Councillors.

4.5 Child and Dependant Carers' Allowance

- 4.5.1 The child and dependant carers' allowance should ensure that potential candidates are not deterred from standing for election and should enable current councillors to continue despite any change in their personal circumstances. The current scheme awards reimbursement for Child Care at the rate of the National Living Wage and more specialist care is a rate of £10 per hour, the cost of a Milton Keynes Council Home Help Carer. The current scheme also limits any claim up to a maximum of five hours when undertaking Approved Councillor duties.

- 4.5.2 The Panel is of the view that the Child and Dependant Carers' Allowance should continue to be reimbursed at two rates for basic Childcare and more specialist care. With regards to childcare the Panel recommends that this should be linked to the Real Living Wage as recommended by the Living Wage Foundation, currently £9.50 per hour. This is a single rate that replaces the age-related criteria in the current scheme. With regard to more specialist care the Panel is of the view that this should be reimbursed at the actual cost incurred by the councillor upon production of receipts. In respect of specialist care provision medical evidence that this type of care provision is required should also be provided and approved by an appropriate officer of the Council. The panel further recommends that the five-hour maximum claim in any twenty-four-hour period is removed.

WE THEREFORE RECOMMEND that the Child and Dependant Carers' Allowance should be based on two rates childcare and specialist care. The childcare rate should be linked to the Real Living Wage as recommended by the Living Wage Foundation, currently £9.50 per hour (reviewed on an annual basis). Specialist care should and be based at cost upon production of receipts and in the case of specialist care a requirement of medical evidence that this type of care be required, the allowance should have no daily or monthly maximum claim when undertaking Approved Councillor Duties.

WE ALSO RECOMMEND that the Council should actively promote the allowance to prospective and new councillors both before and following an election. This may assist in supporting greater diversity of councillor representation.

4.6 Parental Leave

- 4.6.1 There is no uniform national policy to support councillors who require parental leave for maternity, paternity, or adoption leave. According to the Fawcett Society (Does Local Government Work for Women, 2018) a *'lack of maternity, paternity provision or support'* is a real barrier for women aged 18-44 to fulfil their role as a councillor.
- 4.6.2 We are of the view that support should be provided for parental leave although we do not wish to stipulate an exact policy/procedure. The Panel is aware that the Local Government Association (Labour Group) has developed a model policy that has been adopted by a growing number of councils across the southeast region.
- 4.6.3 There is no legal right to parental leave of any kind for people in elected public office. However, as a way of improving the diversity of Councillors, the Panel would recommend that the Members' Allowance Scheme should be amended to include provisions that clarify that:
- All Councillors shall continue to receive their Basic Allowance in full for a period up to six months in the case of absence from their Councillor duties due to leave relate to maternity, paternity, adoption shared parental leave or sickness absence
 - Councillors entitled to a Special Responsibility Allowance shall continue to receive their allowance in full for a period of six months, in the case of absence from their Councillor duties due to leave related to maternity, paternity, adoption, shared parental leave or sickness absence
 - Where for reasons connected with sickness, maternity leave, adoption leave, paternity leave or shared parental leave a Councillor is unable to attend a meeting of the Council for a period of six months, a dispensation by Council can be sought in accordance with Section 85 of the Local Government Act 1972

- If a replacement to cover the period of absence under these provisions is appointed by Council or the Leader (or in the case of a party group position the party group) the replacement shall be entitled to claim a Special Responsibility Allowance pro rata for the period over which the cover is provided.
 - If a Councillor stands down, or an election is held during the period when a Councillor is absent due to any of the above and the Councillor is not re-elected or decides not to stand down for re-election, their Basic Allowance any Special Responsibility Allowance will cease from the date they leave office.
- 4.6.4 The Panel is conscious that these provisions do not replicate the LGA policy, but that policy introduces elements that are more akin to employees which in terms of employment legislation does not include Councillors. We feel that our recommendations more simply and adequately reflect the situation relating to Councillors and clarify for them what they can expect. Councillors however may wish to further develop the above recommendations so that they reflect the LGA (Labour Group) policy.
- 4.6.5 The Panel was aware that in July 2019 a decision was taken on Parental Leave Policies for Councillors and that it was recommended that a cross party working group be established to create and agree a parental leave policy and the Panel supports this approach.
- 4.6.6 The Panel would also like to thank the representation undertaken by members of the Fawcett Society and the information and documents provided that assisted the Panel In its recommendations.

WE RECOMMEND that the approach outlined is adopted as a basis of a policy to support parental leave for councillors. Should a policy on Parental Leave for Councillors be approved it should be actively promoted to prospective and current Councillors alongside the Dependants' Carers Allowance. This should form part of a wider 'Be A Councillor' (LGA led initiative) programme led by the Council and supported by political groups; to enhance and further increase the diversity of councillor representation.

4.7 Indexing of Allowances

- 4.7.1 A scheme of allowances may make provision for an annual adjustment of allowances in line with a specified index. The present scheme makes provision for the basic allowance, the special responsibility allowances and Co-optees allowance to be adjusted annually at a rate of 2%. Increasingly, Councils are taking the approach that the increase should be in line with staff salaries. However, the negotiations relating to staff pay increases, often take well into the financial year in question.

WE RECOMMEND that the basic allowance, each of the SRAs and the Co-optees' Allowance be increased annually from April 2023 for a period of up to three years, in line with the percentage increase in staff salaries, from the previous financial year. After this period, the Scheme shall be reviewed again by an independent remuneration panel.

4.8 Revocation of current Scheme of Allowances / Implementation of new Scheme

- 4.8.1 The 2003 Regulations provide that a scheme of allowances may only be revoked with effect from the beginning of a financial year, and that this may only take effect on the basis that the authority makes a further scheme of allowances for the period beginning with the date of revocation.

WE THEREFORE RECOMMEND that the new scheme of allowances to be agreed by the Council be implemented with effect from the beginning of the 2022/23 municipal year, at which time the current scheme of allowances will be revoked.

5. OUR INVESTIGATION

5.1 Background

- 5.1.1 As part of this review, a questionnaire was issued to all councillors to support and inform the review. Responses were received from 14 of the 57 current councillors (25% response). The information obtained was helpful in informing our deliberations.
- 5.1.2 We interviewed ten current councillors using a structured questioning process. We also interviewed two members of the Fawcett Society. We are grateful to all our interviewees for their assistance.

5.2 Councillors' views on the level of allowances

- 5.2.1 A summary of the councillors' responses to the questionnaire are attached as Appendix 2.

6. APPROVED COUNCILLOR DUTIES

- 6.1.1 The Panel reviewed the recommended duties for which allowances should be payable and recommend that no changes be made.

WE THEREFORE RECOMMEND: That no changes are made to the Approved Duties as outlined in the Members' Allowance Scheme.

Mark Palmer (Chair of the Independent Remuneration Panel)
Development Director, South East Employers
November 2021

Appendix 1: Summary of Panel's Recommendations

Allowance	Current Amount for 2020-21	Number	Recommended Allowance (35% PSD)	Recommended Allowance Calculation
Basic (BA)				
Total Basic:	£10,924	57	£11,165	

Special Responsibility:				
Leader of the Council	£31,836	1	£33,495	300% of BA
Deputy Leader	£15,918	1	£16,748	50% of Leader's Allowance
Largest Opposition Group Leader	£658 per Group member	1	£15,073	45% of Leader's Allowance
Cabinet Members	£9,809	6	£11,723	35% of Leader's Allowance
Mayor	£11,672	1	£11,723	35% of Leader's Allowance
Chair of Licensing & Regulatory Committee	£8,489	1	£8,374	25% of Leader's Allowance
Chair of Development Control Committee	£8,489	1	£8,374	25% of Leader's Allowance
Chair of Scrutiny Management Committee	£7,959	1	£8,374	25% of Leader's Allowance
Smaller Opposition Group Leader	£658 per Group Member	1	£8,374	25% of Leader's Allowance
Chair of Scrutiny Committees	£4,776	6	£5,024	15% of Leader's Allowance
Chair of Task and Finish Groups	£4,776		£5,024 ¹	15% of Leader's Allowance
Chair of Audit Committee	£5,836	1	£5,024	15% of Leader's Allowance
Chair of Corporate Parenting Panel	No SRA	1	£5,024	15% of Leader's Allowance
Chair of Standards Committee	£3,183	1	£3,340	10% of Leader's Allowance
Deputy Mayor	£5,836	1	£5,862	50% of Mayor's Allowance
Co-opted Members	£640		£640	

1. Chair of Task and Finish Groups Special Responsibility Allowance to be paid on a pro-rata basis dependent on the length of time the Group is in place.

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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.

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

(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
2023/24***

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 2023.
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, i.e. 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.

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SCHEDULE 1

SPECIAL RESPONSIBILITY ALLOWANCES FROM APRIL 2023

Special Responsibility Allowance per annum

• Position	£ (No Increase)	£ (2% increase)	£ (5% increase)
• Chairman	12,899	13,157	13,544
• Vice-Chairman	4,323	4,409	4,539
• Chairman – Executive Committee	5,322	5,428	5,588
• Chairman – Overview and Audit Committee	3,486	3,556	3,660
• Chairman – Human Resources Sub-Committee*	1,745	1,780	1,832
• Group Leaders	3,870	3,947	4,064
• Lead Members	3,364	3,431	3,532

*If constituted by the Executive Committee

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.

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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 2023 the following rates of allowances will apply

Basic Allowance:

(No Increase)	(2% increase)	(5% increase)
£1,291 per annum	£1,317 per annum	£1,356 per annum

Special Responsibility Allowances:

See Schedule 1

Co-optees Allowance

(No Increase)	(2% increase)	(5% increase)
£323 per annum	£329 per annum	£339 per annum

Travel Allowances (in line with HMRC Mileage Allowance Payments)

(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.

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Pay Dispute 2022/ 23

What is Industrial Action?



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It can be:

Action Short of Strike (ASOS) - Work to rule – No voluntary overtime – Not undertaking activities that would normally be undertaken

Strike – Removal of labour (fully or partially)

Partial Performance:

If workers take industrial action, of either type, and refuse to carry out part of their contractual work, this is called 'partial performance'. If an employer refuses to accept partial performance, they must tell employees.

You do not have to pay employees who take industrial action.

Previous FBU Industrial Action - 1977



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The first ever national strike undertaken by firefighters, lasted nine weeks from November 1977 to January 1978



The FBU demanded a 30% pay rise to address the fact that Firefighters had been surviving on so little pay.

Previous FBU Industrial Action - 2002



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FBU demand a 39 percent increase in pay, which would have brought the average firefighter's wage to around £30,000.



Local authorities recommended a pay increase of 4%, whilst an independent review advised 11%. The FBU rejected both of these requesting nearly 40%.

It balloted its members for a strike in late 2002 and the industrial action began in November. It was the first nationwide firefighters' strike in the UK since 1977.

Pay Campaign Special No. 1 • May 2002

FBU **FIREFIGHTER**

Professionals get professional **pay...**
so we're demanding **£30K**

Y

Because we're **worth it!**

Pay parity means:
£30K for Emergency Fire Control Staff & Firefighters;
A £7,500 retainer, and £13.74 for every hour worked by Firefighters on the Retained duty system.

When did the FBU last strike - 2013



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Firefighters in England announce new industrial action, following a 78% mandate from FBU members

Members of Fire Brigades Union to strike, in long-running dispute with government over pensions

Pay consultation 2022: Unanimous rejection of 2% offer



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Speakers Include...

Fire Brigades Union
General Secretary
Matt Wrack

Southern Region
EC Member
Steve Wright

Bucks FBU
Brigade Secretary
Chris Wycherley

All Members Meeting
Buckinghamshire
11am
30th September 2022
Aylesbury Fire Station

And local officials attending
For updates on pay campaign etc.

"The Executive Council has met today (18 July 2022) to consider the results of discussions with FBU members on the employers' proposal for a 2% increase in pay

The result of this is that the Executive Council has voted unanimously to reject the 2% pay offer. The employers will now be informed of this.

Furthermore, the Executive Council has agreed that plans should be urgently prepared to develop our campaign for decent pay, including the need to prepare for strike action.

Therefore, at their meeting on 2 September the Executive Council decided that there is no other option than to now put in place preparations for a ballot of members for strike action to fight for fair pay."

Pay consultation 2022: FBU recommend rejection of 5% offer



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4 October 2022 fire service employers at the National Joint Council (NJC) made a revised pay offer of a 5% increase on all Grey Book rates of pay, including CPD, from 1 July 2022.

The FBU's executive council has recommended that the offer is rejected.

**FAIR PAY
OR FIRE
STRIKE**

ONLINE ALL MEMBERS BRIEFING
Tuesday 11 October
18:30-20:15



with Matt Wrack, FBU general secretary
Ian Murray, FBU president

Register at bit.ly/FairPayOrFireStrikeAMM

FBU Consultative Ballot 5% Revised Pay Offer



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**FAIR
PAY
OR
FIRE
STRIKE**



The FBU has received a revised pay offer of 5% from fire service employers. The Executive Council are recommending rejection. [Read why here.](#)



**VOTE TO
REJECT**

- The Executive Council recommends **that the revised pay offer is REJECTED** but this is a decision for our members to make.
- The Executive Council has agreed to commence a membership consultation on the revised proposals. This will consist of a period of consultation, briefings and meetings followed by a consultative ballot.
- A consultative ballot of FBU members on the offer will now take place.

Current Timeline



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Week Starting	14 November	21 November	28 November	5 December	30 January 2023	13 February 2023
Activity	Consultative ballot ends and result released.	FBU will register a Dispute with employers over pay.	One week notice to ballot for IA	Eight week strike ballot commences	Subject to ballot outcome, 14 days notice of intended IA	Earliest period for IA

The FBU stated, in an all members circular that:

- On 21 November, they will submit letters to employers setting out a trade dispute on the issue of pay.
- On 28 November, they will notify all employers of their intention to ballot members for strike action.
- On 5 December, the FBU intend to commence a seven-week postal ballot of all members, with a recommendation to vote in favour of strike action.
- On 30 January 2023, this ballot will close.
- Depending on the ballot result, 14 days' notice would be required of any planned strike dates.

London Fire Brigade (LFB) local pay offer:



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On 12 January 2023, London Fire Commissioner Andy Roe, wrote to Matt Wrack the FBU General Secretary, making a local pay offer for London Firefighters.

The pay offer made by LFB for 2022/23 and 2023/24 is set out below:

- Year 1 2022/23 - the offer is an increase of six per cent on basic pay, backdated to 1 July 2022
- Year 2 2023/24 - the offer is an additional increase of five per cent on basic pay from 1 July 2023

Discussions continue between London Fire Commissioner and the FBU, and this has shifted the first potential strike date back to **23 February 2023**.

Industrial Action: Strategic Principles and Objectives



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Industrial Action – Strategic Principles and Objectives:

BFRS SMB approved Industrial Action Strategic Principles and Objectives.

Key principles:

- Put the community at the heart of Business Continuity Planning
- Respect the rights, views, and perspectives of all our people by upholding the Authority's values
- Protect the spirit of collaboration and support to each other to maximise the safety of our people and communities
- Safeguard the high degree of pride and commitment from our people coming out of any dispute to protect the long-term improvement of the service

Industrial Action: Thames Valley Mobilising Strategy



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Working in partnership in the Joint Operational Control Centre the Thames Valley Fire and Rescue Services aim to:

- Provide initial support to deploy the nearest available assets to incidents where there is a credible and immediate risk to life. This would include, but not be limited to incidents such as Persons Reported Fires or where persons are trapped.
- Where incidents present non-life threatening risks, such as those to property, over the border support will be considered dynamically based on the risk and available resource at the time.
- Share information with other partners where it supports the delivery of improved service response and safety to the public and staff.
- Support where possible the crewing and deployment of specialist resources to maximise the capabilities across the Thames Valley.
- Work together to support the delivery of non-response based services to improve effective and efficient delivery across the Thames Valley. For example, protection, prevention and communications activities.

Industrial Action Planning



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- Call Handling and Mobilising
- Resourcing
- Incident Response
- Communications

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