

BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY
BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE

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

Jason Thelwell

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

10 October 2016

MEMBERS OF THE PRESS
AND PUBLIC

Please note the content of
Page 2 of this Agenda Pack

Dear Councillor

Your attendance is requested at a meeting of the **BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in Meeting Room 1, Fire and Rescue Headquarters, Stocklake, Aylesbury on **WEDNESDAY 19 OCTOBER 2015 at 11.00 am** when the business set out overleaf will be transacted.

Yours faithfully

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

Graham Britten
Director of Legal and Governance

Chairman: Councillor Busby
Councillors Brunning, Carroll, Clarke OBE, Exon, Glover, Gomm, Huxley, Lambert,
Mallen, Marland, Reed, Schofield, Teesdale, Watson and Wilson



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Recording of the Meeting

The Authority supports the principles of openness and transparency. It allows filming, recording and taking photographs at its meetings that are open to the public. Requests to take photographs or undertake audio or visual recordings either by members of the public or by the media should wherever possible be made to enquiries@bucksfire.gov.uk at least two working days before the meeting.

The Authority also allows the use of social networking websites and blogging to communicate with people about what is happening, as it happens.

Adjournment and Rights to Speak – Public

The Authority may, when members of the public are present, adjourn a Meeting to hear the views of the public on a particular agenda item. The proposal to adjourn must be moved by a Member, seconded and agreed by a majority of the Members present and voting.

Prior to inviting the public to speak, the Chairman should advise that they:

- (a) raise their hands to indicate their wish to speak at the invitation of the Chairman,
- (b) speak for no more than four minutes,
- (c) should only speak once unless the Chairman agrees otherwise.

The Chairman should resume the Meeting as soon as possible, with the agreement of the other Members present.

Adjournments do not form part of the Meeting and should be confined to times when the views of the public need to be heard.

Rights to Speak - Members

A Member of the constituent Councils who is not a Member of the Authority may attend Meetings of the Authority or its Committees to make a statement on behalf of the Member's constituents in the case of any item under discussion which directly affects the Member's division, with the prior consent of the Chairman of the Meeting which will not be unreasonably withheld. The Member's statement will not last longer than four minutes.

Petitions

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

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

Questions

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

COMBINED FIRE AUTHORITY - TERMS OF REFERENCE

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

AGENDA

Item No:

1. Apologies

2. Minutes

To approve, and sign as a correct record the Minutes of the meeting of the Fire Authority held on 8 June 2016 (Item 2) **(Pages 7 - 18)**

3. Disclosure of Interests

Members to declare any disclosable pecuniary interests they may have in any matter being considered which are not entered onto the Authority's Register, and officers to disclose any interests they may have in any contract to be considered.

4. Chairman's Announcements

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

5. Petitions

To receive petitions under Standing Order SOA6.

6. Questions

To receive questions in accordance with Standing Order SOA7.

7. Recommendations from Committees

Overview and Audit Committee – 14 September 2016

(a) Appointment of External Auditors

"That the Authority be recommended to approve for the Authority to join a 'sector led body' arrangement".

The report considered by the Overview and Audit Committee is attached at Item 7(a) **(Pages 19 - 22)**

(b) Independent Persons

"That the Authority be recommended to appoint:

1. John Jones, Vasco Fernandes, Chris Ensor and Maureen Briggs as Independent Persons for a period commencing on *19 October 2016* and terminating at Midnight on 31 October 2020; and
2. Chris Fogden as an Independent Person for a period commencing on 1 July 2017 and terminating at midnight on 31 October 2020".

The report considered by the Overview and Audit Committee, which contains the un-amended officer's recommendation 1, is attached at Item 7(b) **(Pages 23 - 26)**

8. 2017-18 Local Government Finance Settlement: Technical Consultant

To consider Item 8 (**Pages 27 - 58**)

9. Exclusion of Press and Public

To consider excluding the public and press representatives from the meeting by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the annex to the report contains information relating to the financial or business affairs of the Authority; and on these grounds it is considered the need to keep information exempt outweighs the public interest in disclosing the information, so that the meeting may consider the following matter:

10. Blue Light Hub for Milton Keynes

To consider Item 10 (**Pages 59 - 78**)

11. Date of Next Meeting

To note that the next meeting of the Fire Authority will be held on Wednesday 14 December 2016 at 11.00am.

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

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Minutes of the meeting of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 8 JUNE 2016 at 11.00 am

Present Councillors Busby (Chairman), Carroll, Clarke OBE (part), Dransfield, Glover, Gomm, Huxley, Lambert, Mallen, Marland (part), Reed, Schofield, Teesdale (part), Watson (part) and Wilson

Officers: J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), L Swift (Director of People and Organisational Development) D Sutherland (Director of Finance and Assets), N Boustred (Head of Service Delivery), P Holland (Head of Service Transformation), D Melia (Group Commander Policy and Resilience), G Taylor (Group Commander Service Delivery South), S Wells (Group Commander Training, Learning and Development), S Tuffley (Station Commander Buckingham and Co-Responding), M Ridder (Employee Relations Manager), A Burch (Crew Commander), P Henderson (Crew Commander), K Nellist (Democratic Services Officer), G Porter (Communications Officer) and A McCallum (Executive Assistant to Chief Fire Officer)

Apologies: Councillors Brunning and Exon

FA01 ELECTION OF CHAIRMAN

(Councillor Dransfield presiding)

It was proposed and seconded that Councillor Busby be re-elected Chairman of the Fire Authority for 2016/17.

RESOLVED –

That Councillor Busby be re-elected Chairman of the Authority for 2016/17.

(Councillor Busby in the Chair)

FA02 APPOINTMENT OF VICE-CHAIRMAN

It was moved and seconded that Councillor Dransfield be appointed Vice-Chairman of the Fire Authority for 2016/17.

RESOLVED –

That Councillor Dransfield be appointed Vice-Chairman of the Authority for 2016/17.

FA03 MINUTES

RESOLVED –

That the Minutes of the meeting of the Fire Authority held on 10 February 2016, be approved and signed by the Chairman as a correct record.

FA04 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed the new Members Councillors David Carroll and Jean Teesdale from Buckinghamshire County Council (and Councillor Denise Brunning from Milton Keynes Council) to the Authority.

The Chairman's Announcements had been circulated in advance.

FA05 MEMBERSHIP OF THE AUTHORITY

The Authority noted that the following Members had been appointed by the Constituent Authorities to serve on the Fire Authority for 2016/17:

Buckinghamshire County Council (12)

Councillors Busby, Carroll, Clarke, Glover, Gomm, Huxley, Lambert, Mallen, Reed, Schofield, Teesdale and Watson

Milton Keynes Council (5)

Councillors Brunning, Dransfield, Exon, Marland and Wilson

A discussion was held on membership of the Authority and it was requested that a review of the number of Members on the Fire Authority be reported to the Fire Authority meeting February 2017 with recommendations and taking into account a potential seat for the Police and Crime Commissioner.

FA06 COMMITTEE MATTERS

- (a) Local Government and Housing Act 1989 and Local Government (Committees and Political Groups) Regulations 1990

The Authority noted that the allocation of seats on the Authority was:

(i) Conservative Group:	11 seats	(64.7059%)
(ii) Liberal Democrat Group:	2 seats	(11.7647%)
(iii) Labour Group:	2 seats	(11.7647%)
(iv) UK Independence Party	1 seat	(5.8823%)
(v) Independent Group	1 seat	(5.8823%)

- (b) Committee Matters – Committee Appointments

RESOLVED -

That the following Committees be appointed and seats allocated, as follows:

- (a) Executive Committee (8 members):
 - (i) Conservatives – 5 seats
 - (ii) Liberal Democrats – 1 seat
 - (iii) Labour – 1 seat

- (iv) Ungrouped Member – 1 seat
- (b) Overview and Audit Committee (9 members):
 - (i) Conservatives – 6 seats
 - (ii) Liberal Democrats – 1 seat
 - (iii) Labour – 1 seat
 - (iv) Ungrouped Member – 1 seat
- 2. That the following Members be appointed to the Executive Committee:

Councillors Busby, Carroll, Dransfield, Gomm, Lambert, Marland, Reed, Schofield
- 3. That the following Members be appointed to the Overview and Audit Committee:

Councillors Brunning, Clarke, Exon, Glover, Huxley, Mallen, Teesdale, Watson and Wilson

FA07

CALENDAR OF MEETINGS

The Authority considered possible dates for its meetings and meetings of its committees during 2016/17.

RESOLVED -

1. That meetings of the Authority be held on Wednesday 19 October 2016, 14 December 2016, Wednesday 15 February 2017 and Wednesday 7 June 2017, all at 11 a.m.
2. That meetings of the Executive Committee be held on Wednesday 13 July 2016, Wednesday 21 September 2016, Wednesday 23 November 2016, Wednesday 8 February 2017, Wednesday 15 March 2017 and Wednesday 10 May 2017, all at 10 a.m.
3. That meetings of the Overview and Audit Committee be held on Wednesday 27 July 2016, Wednesday 14 September 2016, Wednesday 7 December 2016 and Wednesday 8 March 2017, all at 10 a.m.

FA08

APPOINTMENT OF REPRESENTATIVES TO OUTSIDE BODIES

The Authority considered the appointment of representatives to outside bodies:

RESOLVED -

1. That Councillor Busby be appointed as the Authority's representative to the Local Government Association Annual Conference.
2. That Councillor Busby be appointed as the Authority's representative (and Councillor Dransfield as the Standing

Deputy) to the Local Government Association Fire Commission.

3. That Councillor Busby be appointed as the Authority's representative to the Local Government Association Annual Fire Conference.
4. That Councillor Busby be appointed as the Authority's representative to the Combined Fire Authorities Conference.
5. That Councillors Dransfield and Reed be appointed as the Authority's representatives on the Thames Valley Fire Control Service – Joint Committee.
6. That Councillors Busby and Clarke OBE be nominated as substitute members on the Thames Valley Fire Control Service – Joint Committee.

FA09

LEAD MEMBER RESPONSIBILITIES

The Authority considered the allocation of Lead Member responsibilities.

RESOLVED –

That Members be appointed as Lead Members for 2016/17 as follows:

Responsibility	Lead Member
Community Protection	Councillor Carroll
Human Resources, Equality and Diversity	Councillor Reed
Finance, IT, Procurement and Control	Councillor Dransfield
Health and Safety, Corporate Risk	Councillor Schofield
Property and Resource Management	Councillor Gomm

FA10

RECOMMENDATIONS FROM COMMITTEES

Executive Committee – 11 May 2016

The Authority received a presentation from officers about the Strategic Training and Development Partnership on the recommendation of Executive Committee.

Strategic Training and Development Partnership

Members were advised that the innovative approach towards the delivery of operational training, in partnership with the Fire Service College, had not only proven to be financially intelligent, but also enabled the operational competencies of all front-line supervisory commanders and firefighters to be realistically challenged, whilst at the same time, being subject to independent assessment and scrutiny.

Members noted that although originally introduced as a 'pilot' in May 2015, the Strategic Training and Delivery Partnership had already realised notable benefits, not only in terms of the training outcomes, but also towards the continual enhancement of the Authority's professional reputation, with the Authority's employees delivering what was essentially Fire Service College courses, to both national and international delegates.

Members also noted that from the period 1 October 2015 to 30 April 2016, a total of 232 operational staff had attended the validation exercises, during which 230 staff were assessed in respect of their Breathing Apparatus competencies, with all but 3 operational staff attaining the required standards. These 3 staff were subsequently provided with development plans and support, enabling them to all successfully complete their respective re-assessments. In addition to Breathing Apparatus, 84 supervisory commanders underwent Incident Command System (Level 1) assessments, with all demonstrating the required level of competence.

The Lead Member for Human Resources and Equality and Diversity advised Members that the original reason for using the Fire Service College was not financial, but to provide the best quality training for all the Authority's operational staff and this was indeed the case. This training had given the Authority's operational staff the opportunity to train in a safe environment in a way that would not usually be possible.

In response to a Member's question the Authority was advised that at the Fire Service College, there were many different scenarios: an airplane, train, helicopter, high-rise building, shops etc., and this scheme gives the Authority's firefighters the best possible facilities for its firefighters to train for the whole spectrum of types of emergency.

A Member asked whether, if more fire and rescue services used it, this would impact on availability; and was advised that the college facilities were so extensive that many services could use them simultaneously if they wished.

Members noted the resolutions already agreed at the Executive Committee meeting on 11 May 2016.

FA11

EQUALITY AND DIVERSITY (E&D) OBJECTIVES 2016-20, PUBLIC SECTOR EQUALITY DUTY AND REVIEW OF 2012-15 OBJECTIVES

The Lead Member for Human and Resources and Equality Diversity advised Members that it was a comprehensive report and sets out how the Authority would comply with the Public Sector Equality Duty (PSED); set the Authority's four yearly objectives; and update on progress since 2012.

The Director of People and Organisational Development advised

Members that the Authority had always taken its commitment to equality diversity and inclusion seriously, and had a declared aim as part of the Authority's Core Values that it values equality and diversity within the service and the community. It was four years since the Authority last presented an outline plan and strategy around equality and diversity, and it was a statutory requirement that it was completed every four years. The difference this year was that it had integrated the equality and diversity of its employees with the equality and diversity work it carries out in the community, so there was one holistic view.

The Employee Relations Manager gave Members a brief presentation and advised that the purpose of the report was to set the Authority's four yearly objectives for 2016-2020; comply with the public sector equality duty; present the workforce diversity data in the form of charts and tables; review the 2012-15 objectives; and to set out measures needed to meet the objectives.

Members were advised that:

- the equality and diversity objective was designed to underpin the people strategy; to deliver the public safety plan; and to meet the requirements of the equality duty in the exercise of its functions.
- the Authority aimed to be an employer of choice, attracting, recruiting, retaining and developing staff from diverse backgrounds, to reflect the communities it serves. It would also provide a more diverse range of services to better protect the communities it served. The employment offer would be inclusive and embrace flexibility to support improved diversity representation across the service and the culture would engage and value diversity and difference to enhance its service offering to the public.
- the Authority employs 538 people. Operational employees make up 78% of the entire workforce and it was important to note that there was a low turnover of whole time firefighters, mainly as a result of pension arrangements. There had been a whole time firefighter recruitment freeze and a decline in the overall numbers of operational staff employed and as a result of this, there had been limited opportunities to recruit; therefore it has been historically difficult to change the composition of the workforce in terms of diversity in order to better reflect the communities served. The last recruitment for whole time operational firefighters was in 2009.

A Member asked that if the Authority was going to promote more Black and Minority Ethnic (BME) employees how would this be achieved and was advised that it would be achieved through engaging with community groups through prevention and protection work and the recruitment the Authority was currently undertaking for On Call/Part Time Firefighters and

apprenticeships over the next three years. The under-represented groups would be high-lighted and the Authority would welcome applications and would focus on applications from those groups.

A Member asked if a whistleblowing procedure was in place and was advised that it was; and was advised that the Authority had written to every employee advising them of this policy when it was updated a year ago. There was also an external body that employees can use anonymously as well as through the monitoring officer.

A Member also asked how health and fitness of employees was monitored and was advised that there were various tests that were undertaken annually and the Authority had recently updated its fitness procedure and invested in updating fitness facilities on fire stations. The Authority also focused on mental health and wellbeing and was signed up with MIND in terms of mental health awareness and there was 24/7 support for issues such as stress, welfare, financial debt, relationship issues etc.

A Member asked how the new Government legislation regarding targets for apprenticeships would affect the Authority and was advised that with the current apprenticeship programme for the next three years (assuming that the Authority takes the numbers of apprenticeships currently planned) plus a small number of support staff apprenticeships, the Authority would hit its targets.

A Member stated it was widely known that the fire service nationally had the worst equality and diversity record for percentage of workforce due in most part to most fire and rescue services not recruiting for many years and was advised that , for this reason, the report was very open in stating that the Authority didn't have full data to know what a realistic target would be and the trend data would be captured this year by using the first apprenticeship recruitment to see what it could do in reaching out to the whole community.

RESOLVED –

1. that the contents of the report at Annex A, and Appendices 2, 3 and 4 be noted;
2. that the new 2016-2020 E&D objectives set out at Appendix 1 be approved and published;
3. that the progress against objectives be monitored annually by update reports to the Authority.

FA12

HEALTH AND SAFETY FIREFIGHTER INJURIES FAMILY GROUP PERFORMANCE COMPARISONS 2013/14 AND 2014/15

The Lead Member for Health and Safety and Corporate Risk introduced the report and advised Members that following the

presentation of the Annual Health and Safety Report at the Fire Authority meeting in December 2015 a request was made by a Member for performance comparisons between Buckinghamshire Fire and Rescue Service and fire services of a similar size and demographic.

The Head of Service Transformation advised Members that the statistical information was provided from returns to the Department of Communities and Local Government at the end of May each year for the previous year. In future, the statistics would now be reported into the Home Office in the same way.

Members were advised that although the increase in injuries at fires figure was very low, the Authority was not complacent, and although only cuts and grazes had occurred at operational incidents, they would be investigated to find out the underlying cause and an intervention put in place. Members could be assured that the Authority had a very good safety record.

Members were also advised that there had been a positive decrease in vehicle accidents. Time and effort had been invested into training and a new procedure for staff to follow and line managers would ensure their staff followed those procedures.

RESOLVED –

That the report be noted.

FA13

THAMES VALLEY CARDIAC ARREST RESPONSE PILOT

The Head of Service Delivery introduced the report and explained to Members that this was part of the way the Authority was starting to diversify its activities and look at different ways to help and save lives in the community. This pilot scheme was now being progressed and extending co-responding to the deployment of defibrillators to confirmed cardiac incidents.

Members received a presentation from the Station Commander Buckingham and Co-Responding regarding developing the Co-Responder partnership with South Central Ambulance Service (SCAS).

Members were advised that an opportunity had been identified to take a collaborative approach and assist in a new way with existing equipment and skills to make the residents of Buckinghamshire and Milton Keynes safer. The pilot provided a timely and proportionate response to incidents in line with corporate objectives. The Resuscitation Council Guidelines 2015 state that a community response was the way forward. Victims of cardiac arrest had a 50-70% chance of survival if defibrillated in 3-5 minutes of collapse. Currently only 2% of victims in the UK are defibrillated before arrival of the ambulance. This pilot aims to improve those statistics and was another example of improving the community response to medical emergencies.

Members were advised that following an online survey which 118 staff responded to, the following was noted:-

- 82% of staff agreed that there should be a trial to assist SCAS when attending cardiac arrest incidents;
- 82% of staff would volunteer to take part in such a trial;
- 81% of crews agreed that they had the required basic skills to make an intervention at a cardiac arrest incident before the arrival of an ambulance;
- 87% of respondents agreed that the Authority's appliances carry the basic essential equipment required to make an intervention at a cardiac arrest incident before the arrival of an ambulance.

Members were advised that looking forward, the following could be expected this year:

- A new Memorandum of Understanding with SCAS would include cardiac arrest;
- A service-wide response to the most serious incidents that SCAS face - with existing skills and equipment our staff would respond to confirmed cardiac arrests on a voluntary basis. This would make the people of Buckinghamshire and Milton Keynes safer;
- Expansion of co-responder schemes across Buckinghamshire and Milton Keynes - Stations including Newport Pagnell and Gerrards Cross had put themselves forward to become co-responder stations. Watches in High Wycombe and Aylesbury had also expressed an interest;
- Improved mobilisation to co-responder incidents - the Authority was looking to make improvements to the way co-responders were mobilised. SCAS were centralising the co-responder mobilising desks and the Authority was proposing to place equipment in Thames Valley Fire Control to speed up call handling and mobilisation to cardiac arrest incidents;
- Enhanced and standardised equipment - the Thames Valley fire and rescue services would work with SCAS to have standardised and interchangeable equipment on all appliances.
- The Immediate Emergency Care qualification - the ambitious plan was to train all fire and rescue employees to IEC standard. The five day course covers co-response, trauma care, first aid at work and much more. This would bring an assumed level of competence across the region when paramedics work with firefighters, ultimately with better patient outcomes.

The Chief Fire Officer advised Members that defibrillators were on the majority of accessible fire stations and on all our fire engines. The expansion into the co-responder and medical emergency role wasn't just about response and emergency response, it was about that wider public safety, public protection wider public education role the Authority can have in the community.

RESOLVED –

That the report be noted.

(Councillor Clarke OBE left the meeting)

FA14

INCIDENT REVIEW OLNEY AND STONY STRATFORD 1 MAY 2016

The presentation given to Members by the Group Commander, Service Delivery South, gave an overview of the two noteworthy incidents that occurred simultaneously in Olney and Stony Stratford on the afternoon of 1 May 2016.

Members were informed that the incident at Olney began around 1pm and was a fire that started in the courtyard of an old inn and hotel and rapidly spread, causing damage to the first and second floors, and roof of the premises. Members were also informed that at around 3pm, whilst still dealing with the incident at Olney, the Service received another call to a fire in Stony Stratford that had started in commercial premises and which caused significant damage to the whole building including an adjoining property. The Group Commander, who attended both incidents, reported to Members on the challenges faced by the attending crews and how the two incidents were professionally and effectively dealt with.

During the presentation, the Head of Service Delivery explained how the Authority managed its resources on a day to day basis to ensure that appropriate fire cover was maintained and was available throughout the county to meet its risk demand profile. Members were also informed as to how Thames Valley Fire Control Service and the Resource Management Team managed the operational resource demands during these two simultaneous incidents.

The presentation concluded with Members being shown aerial footage of the premises at Stony Stratford post incident. The footage, utilised at Stony Stratford to support the fire investigation was captured by the Service's drone, which had subsequently been mobilised to an incident at the request of Bedfordshire Fire and Rescue Service.

RESOLVED –

That the presentation be noted.

(Councillors Teesdale and Watson left the meeting)

FA15**JUNIOR FIREFIT PRESENTATION**

The Head of Service Delivery introduced Crew Commander Adam Burch from Blue Watch High Wycombe who would give a brief presentation on an initiative at High Wycombe Fire Station, which emphasised where the service was not only engaging with the community, but making a real difference working with partners.

The Lead Member for Human Resources and Equality and Diversity advised Members that he was invited to go to Cressex School, High Wycombe to see this particular project and the impact it had on the children was very significant. The work that the Authority's employees do in the community with children was extremely beneficial.

Crew Commander Burch explained to Members that the new project being piloted at High Wycombe Fire Station was aimed at 11-14 year olds who don't participate in physical activity and who were not achieving the standards they should at school and how the Authority can integrate some key fire safety messages while delivering a good educational package. It was a six week course with topics such as life of a firefighter, diet and nutrition, health and wellbeing, hoax calls and arson, community fire safety and how to maintain a healthy life style.

The course aimed to transform the lives of young people who currently do not actively participate in physical education and aimed to trigger changes in behaviour, improving confidence and self-esteem. Ultimately its aim was to develop young people's understanding of the importance of living a healthier and more active lifestyle, using the role of a firefighter as inspiration and incorporating the delivery of key fire safety messages.

Members were advised that the objectives were to build a more active, inclusive and healthier Community; create a safer community through important educational messages and improved social interaction; inspire and raise aspirations by enabling continued participation and supporting physical, educational and personal development.

Moving forward there was additional Sportivate funding for two new courses; access to LEAP's Coaching Fund; training and mentoring support; discounted development seminars and lectures and an introduction to additional funding streams for future projects. To ensure the project remains sustainable the Authority was looking into improving cost efficiency and building partnerships with local businesses.

(Councillor Marland left the meeting)

FA16**FALLS PREVENTION PRESENTATION**

The Head of Service Delivery introduced Crew Commander Paul Henderson from Red Watch Broughton Fire Station who would carry on the theme of community engagement. Members were

aware of the home fire risk checks, these were now being developed, along with Age UK and NHS Milton Keynes, to look at the subject of falls prevention alongside fire prevention. As Members would appreciate, a lot of the target groups visited to prevent fires, would come under this group as well.

Crew Commander Henderson advised Members that the Authority had entered into a relationship with NHS Milton Keynes and Age UK and statistics from the Age UK website show that up to 1 in 3 people over 65 suffer a fall in the UK each year (3.4 million people); falls cost the NHS an estimated £4.6m a day (£1.7b a year); it was a major cause of injury/death in the over 70's; and accounts for over 50% of hospital admissions for accidental injuries in over 70's.

It was important to the Authority as it already worked to reduce a person's risk from fire and there was a direct link between falls and an individual's independence, reduced mobility, fitness, which often lead to increased risk of fire and fire death. Age UK and MK Falls would refer to the service individuals to receive home fire risk checks, and the service would identify individuals who could potentially benefit from the Falls Prevention Service, and refer them back to Age UK and MK Falls.

Wholetime crews from Milton Keynes East Stations (Broughton and Newport Pagnell) had received training. The Training was station based and delivered by MK Falls and focused on the risk factors for falls. This would enable crews to identify the appropriate people and make referrals. The new referral process commenced in January 2016 and once this initial phase had been established, any lessons learned would be incorporated and the scheme would be expanded and 'rolled out' across Buckinghamshire and Milton Keynes.

THE CHAIRMAN CLOSED THE MEETING AT 2.00PM

Buckinghamshire & Milton Keynes Fire Authority



MEETING	Overview and Audit Committee
DATE OF MEETING	14 September 2016
OFFICER	Mark Hemming, Deputy Director of Finance and Assets
LEAD MEMBER	Councillor Andy Dransfield
SUBJECT OF THE REPORT	Appointment of External Auditors
EXECUTIVE SUMMARY	<p>The current audit contracts were novated from the Audit Commission to Public Sector Audit Appointments Limited (PSAA) on 1 April 2015. The contracts were due to expire following conclusion of the audits of 2016/17 accounts, but could be extended for a period of up to three years by PSAA, subject to DCLG amendment of the transitional provisions to extend the period in which the statutory functions are delegated to PSAA.</p> <p>In October 2015, the Secretary of State confirmed that the transitional provisions would be amended to allow an extension of the contracts for a period of one year for audits of principal local government bodies only. The new framework for principal local government bodies will commence with the 2018/19 audits.</p> <p>Once the transitional arrangements end and the new arrangements set out in the Act are in place, there are three options available to local public bodies for appointing an auditor. These are to:</p> <ol style="list-style-type: none"> 1. undertake an individual auditor procurement and appointment exercise; 2. undertake a joint audit procurement and appointing exercise with other bodies, those in the same locality for example; or 3. join a 'sector led body' arrangement where specified appointing person status has been achieved under the relevant Regulations. <p>All the above options require a local auditor to be appointed not later than 31 December in the financial year preceding the financial year of the accounts to be audited. So for the audit of the accounts of the 2018/19 financial year, there must be a local auditor appointed by 31 December 2017.</p> <p>In July 2016, the Secretary of State for Communities</p>

	<p>and Local Government confirmed that PSAA has been specified as an appointing person under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. This means that PSAA will make auditor appointments to relevant principal local government bodies (including police and fire bodies) that choose to opt into the national appointment arrangements for audits of the accounts from 2018/19.</p> <p>The date by which principal local government bodies will need to opt into the appointing person arrangement is not yet finalised, but PSAA expect invitations to opt in will be issued before December 2016.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that the Authority be recommended to:</p> <ol style="list-style-type: none"> 1. Approve for the Authority to join a 'sector led body' arrangement.
RISK MANAGEMENT	No direct impact.
FINANCIAL IMPLICATIONS	<p>The new audit fees will not be known until the procurement exercise is complete. It is anticipated that a 'sector led body' will provide the lowest fees for the Authority. This is because as a smaller authority, we will be able to gain from the economies of scale that a larger group of authorities would benefit from.</p> <p>Joining a 'sector led body' would also remove the need for the Authority to complete its own procurement exercise, which is costly in terms of the resources required to complete it.</p>
LEGAL IMPLICATIONS	<p>The new arrangements for the audit and accountability of local public bodies are set out in the Local Audit and Accountability Act 2014.</p> <p>The following Regulations have been issued under the Act:</p> <ul style="list-style-type: none"> • The Accounts and Audit Regulations 2015 • The Local Audit (Appointing Person) Regulations 2015 <p>The decision to opt into a 'sector led body' requires the approval of the full Authority.</p>
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	Of the three options presented in the Executive Summary, a 'sector led body' will ensure collaboration with the largest number of public sector bodies.
HEALTH AND SAFETY	No direct impact.

EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	Any changes to the scale of fees will be factored into the medium term financial plan.
PROVENANCE SECTION & BACKGROUND PAPERS	None.
APPENDICES	None.
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Mark Hemming mhemming@bucksfire.gov.uk 01296 744687

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 September 2016
OFFICER	Graham Britten, Director of Legal & Governance
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	Independent Persons
EXECUTIVE SUMMARY	<p>This report recommends the appointment of Independent Persons by the Authority following the recruitment process undertaken on its, and Milton Keynes Council's and Central Bedfordshire Council's behalf, by Luton Borough Council.</p> <p>Five applicants (all of whom were IPs from the pool first appointed in 2012) are recommended.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that the Authority be recommended to appoint:</p> <ol style="list-style-type: none"> 1. John Jones, Vasco Fernandes, Chris Ensor and Maureen Briggs as Independent Persons for a period commencing on 20 October 2016 and terminating at midnight on 31 October 2020; and 2. Chris Fogden as an Independent Person for a period commencing on 1 July 2017 and terminating at midnight on 31 October 2020.
RISK MANAGEMENT	<p>Whilst the Authority has yet to require the services of an Independent Person (IP) the recommendations achieve compliance with the Localism Act 2011 which requires the Authority to have in place arrangements for the determination of complaints against its Members which must include the appointment by the Authority of at least one IP.</p> <p>An IP's views are to be sought and taken into account by the Authority before it makes its decision on an allegation that it has decided to investigate; and an IP's views may be sought by the Authority in relation to the allegation but also by a Member who is the subject of an allegation.</p> <p>Due to the dual role of an IP of adviser to both the Authority and a Member, the Authority would need to appoint at least two IPs to avoid a conflict of interests. The pool of IPs provides resilience in the event of</p>

	unavailability (including resignations) during the next four years.
FINANCIAL IMPLICATIONS	<p>The costs incurred in the recruitment process (advertising, short listing, and interviewing) were borne by Luton Borough Council.</p> <p>As with the arrangement in place since 2012 the applicants have been offered and accepted a retainer of £300 per annum, with a sum of £50 (together with reimbursement of travel and subsistence expenses) in the event that they are called upon to assist one of the authorities. The cost of the £300 retainer for each of the five IPs in the panel is to be defrayed equally among the Authority, Milton Keynes Council, Central Bedfordshire Council and Luton Borough Council, with an annual contribution from the Authority being £375.</p>
LEGAL IMPLICATIONS	<p>Since the introduction of section 28 of the Localism Act 2011, the Authority has been required to have in place at least one IP (a) whose views are to be sought, and taken into account, by the Authority before it makes its decision on an allegation of a breach of its Code of Conduct that it has decided to investigate, and (b) whose views may be sought (i) by the Authority and (ii) by a Member, or Co-opted Member, of the Authority if that person's behaviour is the subject of an allegation.</p> <p>A person may not be appointed as an IP unless (i) the vacancy has been advertised, (ii) the person has submitted an application to fill the vacancy to the authority, and (iii) the person's appointment has been approved by the meeting of the full Authority.</p> <p>No person can be appointed as an IP if he or she has been a Member or co-opted Member of the Authority within the five years preceding the date of the appointment.</p>
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	The recommendation endorses and renews the collaboration adopted by the Authority in 2012 when it entered into a shared panel arrangement with the councils of Milton Keynes, Central Bedfordshire, Luton Borough, and with Bedfordshire and Luton Combined Fire Authority. Bedfordshire and Luton Combined Fire Authority declined to renew the arrangement.
HEALTH AND SAFETY	No issues arising.
EQUALITY AND DIVERSITY	Recruitment was undertaken by Luton Borough Council and in compliance with its policies and its obligations as a public body under equalities legislation and with the criteria for independent persons which are set out in the Localism Act 2011.
USE OF RESOURCES	Luton Borough Council advertised for applicants in

	<p>June with a closing date of 24 June 2016. Following interviews conducted on 6 and 8 of July 2016, five applicants (all of whom were IPs from the pool first appointed in 2012) were considered appointable: John Jones, Vasco Fernandes, Chris Ensor, Chris Fogden and Maureen Briggs. Other members from the former pool (Alexandra di Stefano and John McKay) did not apply on this occasion.</p> <p>A reminder of the IPs' backgrounds are attached at Annex A.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>At its meeting on 27 September 2012 the Authority resolved that the following individuals be appointed as Independent Persons for a period of 4 years:-</p> <p>(a) Maureen Briggs (b) Christopher Ensor (c) Vasco Fernandes (d) John Jones (e) Michael Collins Jones (f) Martin Leppert (g) Timothy Mainwaring (h) John Mackay.</p> <p>Applying exemptions provided by the Localism Act 2011 (Commencement No. 6 and Transitional, Savings and Transitory Provisions) (Amendment) Order 2012 it resolved that the following former co-opted independent members on its Standards Committee be appointed Independent Persons for a period terminating at midnight on 30 June 2013: (a) Mr Christopher Fogden and (b) Dr Alexandra di Stefano.</p> <p>All of the above individuals were members of a panel selected on the Authority's behalf by Milton Keynes Council (in conjunction with Bedford Borough, Central Bedfordshire, Luton Borough, and Bedfordshire and Luton Combined Fire Authority). Bedford Borough engaged two other IPs directly outside of the shared panel.</p> <p>When the Authority dissolved its Standards Committee in 2012 it resolved that the Terms of Reference of the Overview and Audit Committee be amended to include oversight of the Authority's duty to maintain and promote high standards of conduct by its Members.</p> <p>Report to Buckinghamshire & Milton Keynes Fire Authority 18 April 2012</p> <p>Report to Buckinghamshire & Milton Keynes Fire Authority 27 September 2012</p>
<p>APPENDICES</p>	<p>Annex A: Pen profiles of the Independent Persons</p>
<p>TIME REQUIRED</p>	<p>10 minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Graham Britten gbritten@bucksfire.gov.uk 01296 744441</p>

Pen profiles of the Independent Persons

Maureen Briggs: Lives in Bedford area. Career in public sector and business. Previous experience as independent member of the standards committees of North Kesteven District Council and Luton Borough Council.

Christopher Ensor: Lives in Bedford area. Career in the Army and BP. Previous experience as independent member and chair of Bedford Borough Council standards committee.

Dr Vasco Fernandes: Lives in Milton Keynes. Career in medicine as Consultant Physician. New to standards issues in local government but has experience of complaints process for medical practitioners.

Christopher Fogden: Lives in Milton Keynes. Career in National Air Traffic Services as a Senior Air Traffic Engineer. Magistrate and previous experience as an independent member of Milton Keynes and Bucks Fire Authority standards committees.

John Jones: Lives in Bedford. Career in the printing industry. Chairman of the Valuation Panel for England, Magistrate and previously chairman of the standards committees for Luton Borough Council and Bedfordshire Police.



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Fire Authority
DATE OF MEETING	19 October 2016
OFFICER	Mark Hemming, Deputy Director of Finance and Assets
LEAD MEMBER	Councillor Adrian Busby
SUBJECT OF THE REPORT	2017-18 Local Government Finance Settlement: Technical Consultation
EXECUTIVE SUMMARY	<p>The Consultation seeks views on two key areas of the local government finance settlement</p> <ol style="list-style-type: none"> i. the distribution of central resources ii. changes to local resources. <p>The distribution of central resources section reaffirms the Government's commitment to the multi-year settlement deal and seeks views on what other additional grants should be considered for inclusion in the offer. The current offer includes only the Revenue Support Grant, business rates top-up payments, Rural Services Delivery Grant and the Transition Grant. Our proposed response to the consultation will ask the Government to consider including the Fire Revenue Grant in this offer. The paper also seeks views on the distribution of the Better Care Fund. This is not applicable to the Authority so no response will be offered in that respect.</p> <p>The changes to local resources section covers council tax referendum principles, adjustments for business rates revaluations, adjustments for 100% business rates retention and transfers of funding. The last three of these are technical adjustments that seem reasonable and will have minimal impact on the Authority, so no response will be offered to those questions.</p> <p>The section on council tax referendum principles covers both the principles to be applied to principal local authorities and also seeks views on the potential to extend the principles to some parish and town councils. We propose to only respond to the principles in relation to principal authorities, as this is the area directly relevant to this Authority.</p> <p>The Consultation proposes that principal authorities will only be allowed to increase council tax by less than 2% with the following exceptions:</p> <ul style="list-style-type: none"> • Authorities with responsibility for adult social

	<p>care can continue to raise an additional 2% precept</p> <ul style="list-style-type: none"> • Shire district councils will be allowed increases of less than 2% or up to and including £5, whichever is higher • Police and Crime Commissioners (PCCs) in the lowest quartile will be allowed increases of less than 2% or up to and including £5, whichever is higher. <p>There is currently no exception within the Consultation that would allow fire and rescue authorities to raise council tax by more than 1.99%. The proposed response asks the Government to grant the same freedom to fire and rescue authorities that it has done to PCCs i.e. an increase of up to and including £5 for the fire and rescue authorities in the lowest quartile.</p>
ACTION	Decision.
RECOMMENDATIONS	That the proposed response to the consultation be approved.
RISK MANAGEMENT	No direct impact.
FINANCIAL IMPLICATIONS	<p>In 2016/17 BMKFA had the lowest precept of any non-metropolitan combined fire and rescue authority. The band D equivalent charge is £59.70. The total council tax receivable for 2016/17 (excluding prior year's surpluses) is £17.4m.</p> <p>The current medium-term financial plan assumes that council tax will be increased by 1.99% every year. For 2017/18 (and assuming growth in the tax base of 2%) this would result in total council tax receipts of £18.1m.</p> <p>If the band D equivalent was increase by £5 for 2017/18 (again assuming growth in the tax base of 2%) the total council tax receipts would be £19.2m.</p> <p>This would provide the Authority with an additional £1.1m compared to the current MTFP assumptions for 2017/18.</p>
LEGAL IMPLICATIONS	None arising from the recommendation.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.

USE OF RESOURCES	See Financial Implications.
PROVENANCE SECTION & BACKGROUND PAPERS	None.
APPENDICES	Appendix A – The 2017-18 Local Government Finance Settlement: Technical Consultation Paper Appendix B - Proposed Response to the Consultation
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Mark Hemming mhemming@bucksfire.gov.uk 01296 744687

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Department for
Communities and
Local Government

The 2017/18 Local Government Finance Settlement

Technical Consultation Paper



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Scope of the consultation

Topic of this consultation:	This consultation covers proposals for the local government finance settlement for 2017/18.
Scope of this consultation:	This consultation seeks views on proposals for the local government finance settlement for 2017/18, in particular from representatives of local government
Geographical scope:	These proposals relate to England only.
Impact Assessment:	Since the Government does not envisage that the proposals within this consultation document will have an impact on business, no impact assessment has been produced.

Basic Information

To:	The consultation will be of particular interest to local authorities, and representative bodies for local authorities.
Body/bodies responsible for the consultation:	Local Government Finance Directorate within the Department for Communities and Local Government.
Duration:	This consultation will last for 6 weeks from 15 September 2016 to 5pm, 28 October 2016.
Enquiries:	For any enquiries about the consultation please contact James Livingston James.Livingston@communities.gsi.gov.uk or 0303 444 2075
How to respond:	Please respond by completing an online survey at: https://www.surveymonkey.co.uk/r/583WBQL Alternatively, you can respond to the questions in this consultation by email to: LGFConsultation@communities.gsi.gov.uk If you are responding in writing, please make it clear which questions you are responding to. Written responses should be sent to: James Livingston Department for Communities and Local Government 2nd floor, Fry Building 2 Marsham Street London SW1P 4DF

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

About this consultation

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

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

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

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

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

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

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

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

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

1. Summary of proposals

1.1 Summary

1.1.1 This chapter provides an overview of the wider reforms of local government finance which will help provide context to the proposals for the 2017/18 settlement:

- it provides background information regarding the ongoing reforms to business rates retention and
- it outlines the key themes that the Government is proposing for the 2017/18 local government finance settlement.

1.2 Background

1.2.1 The funding available to councils to deliver their core services for the rest of this Parliament is broadly flat, in cash terms. By then, local government will retain 100% of taxes raised locally. This will give local government additional business rates receipts of around £12.5bn to spend on local services. The system will have stronger incentives to boost growth, and areas that take bold decisions to boost growth will see the benefits. In order to ensure that the reforms are fiscally neutral, councils will gain new responsibilities, and some Whitehall grants will be phased out.

1.2.2 These reforms represent a unique opportunity to fundamentally change the role of local government and the way it is funded. The move towards self-sufficiency and away from dependence on central government is something that councils have been calling for over a number of decades. The historic 2016/17 local government finance settlement was a first step along this road. It offers those local authorities who are committed to reform far greater certainty over their future funding.

1.3 Summary of proposals

The distribution of central resources

2.1.1 This chapter outlines our proposals for distributing central resources in 2017/18 to build on the four year offer announced in the 2016/17 local government finance settlement. These proposals are intended to give councils that are committed to reform long term certainty, earlier in the year, over more sources of funding. In summary, it outlines:

- the Government's commitment to the multi-year settlement offer and seeks views on expanding this offer
- the proposed approach to distributing funding through the Improved Better Care Fund using a methodology that takes account of each council's capacity to raise resources through the adult social care precept.

Changes to local resources

2.1.2 This chapter outlines the Government's proposals for the 2017/18 local government finance settlement that have implications for the local resources collected by councils. In summary, it includes:

- the Government's proposals for the council tax referendum principles for 2017/18 which are:
 - a core principle of 2%. As in 2016/17, this would continue to apply to shire counties, unitary authorities, London boroughs, the Greater London Authority, fire authorities, and Police and Crime Commissioners except those whose Band D precept is in the lower quartile of that category
 - a continuation of the Adult Social Care precept of an additional 2%, for county councils, unitary authorities and London boroughs (including the Common Council of the City of London and the Council of the Isles of Scilly), subject to consideration of the use made of the Adult Social Care precept in the previous year
 - that shire district councils will be allowed increases of less than 2% or up to and including £5, whichever is higher
 - that Police and Crime Commissioners whose Band D precept is in the lowest quartile of that category will be allowed increases of less than 2% or up to and including £5, whichever is higher
 - that referendum principles are introduced for town and parish councils whose Band D precept is higher than that of the lowest charging district council for 2016/17 (£75.46), and which have a total precept for 2016/17 of at least £500,000, while taking account of transfers of responsibilities, and that consideration is given to the extension of referendums to all local precepting authorities.
- the proposed approach for adjusting business rates tariff and top ups to cancel out, as far as is practicable, the impact of the 2017 business rates revaluation on local authorities' income
- a proposed methodology for calculating the agreed changes in the local share of retained business rates and the level of tariff and top ups for local authorities piloting 100% business rates retention, designed to ensure that no authorities anywhere in the country are adversely affected by these pilots, and
- a mechanism which would allow places with a devolution deal to revisit the distribution of existing funding streams within their areas, if all affected councils agree.

2. The distribution of central resources

2.1 Summary

2.1.1 This chapter outlines our proposals for distributing central resources in 2017/18 to build on the multi-year settlement offer announced in the 2016/17 local government finance settlement. These proposals are intended to give councils that are committed to reform greater certainty, earlier in the year, over more sources of funding. In particular, the chapter outlines:

- the multi-year settlement offer and seeks views on expanding this offer
- the proposed approach to distributing funding through the Improved Better Care Fund, using a methodology that takes account of each council's capacity to raise resources through the adult social care precept.

2.2 The multi-year settlement offer

2.2.1 On 10 March, the Secretary of State for Communities and Local Government wrote to every local authority in England setting out the conditions for the offer of a multi-year settlement.¹ This made clear that the offer and the production of an efficiency plan should be as simple and straightforward as possible. It is important that plans cover the full four year period and are open and transparent about the benefits they will bring and show how greater certainty can create the necessary conditions for further savings.

2.2.2 The offer, as described in the Secretary of State's letter of 10 March, includes:

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

2.2.3 Plans should be locally owned and driven and as such we have not provided guidance or set out what they should contain. However councils should consider sector-led advice produced by the Local Government Association and CIPFA on what efficiency plans could include (<http://tinyurl.com/zqhpsy0>). Councils have until

¹ The letter confirmed that the Government will offer any council that wishes to take it up a four-year funding settlement to 2019-20. This includes:

- Common Council of the City of London
- London borough councils
- District Councils
- County Councils
- Council of the Isles of Scilly
- Greater London Authority
- Metropolitan County Fire and Rescue Authorities
- Combined Fire and Rescue Authorities.

14 October 2016 to accept the offer by sending an email or letter to MultiYearSettlements@communities.gsi.gov.uk with a link to their published efficiency plan. After the deadline for receipt, DCLG will respond to councils on the 4 year offer as soon as practicable.

- 2.2.4 We expect the take up for this offer to be high as it gives councils an excellent opportunity to increase the level of certainty they have regarding their financial position for the rest of this Parliament. Barring exceptional circumstances, and subject to the normal statutory consultation process for the local government finance settlement,² the Government intends to confirm the constituent elements of the multi-year offer for the remaining years of the Parliament for qualifying councils soon after 14 October. These amounts, together with any additional grants which might be part of the offer (see paragraph 2.2.6, below), would then be published as part of the 2017/18 provisional local government finance settlement in due course.
- 2.2.5 However, those councils that choose not to accept the offer will be subject to the existing annual process for determining the level of central funding that they will receive.
- 2.2.6 The Government would also like to consider expanding the current multi-year offer to give local councils who are committed to reform the opportunity for more security over more of their funding for the rest of this parliament. This could potentially be achieved by including more grants in the offer.

Question 1: What other, additional grants, beyond those set out in para 2.2.2, should the Government consider including in the multi-year offer?

2.3 Distribution of the improved Better Care Fund

- 2.3.1 The Spending Review 2015 announced the introduction of the improved Better Care Fund worth £105 million in 2017/18, £800 million in 2018/19 and £1.5 billion in 2019/20.
- 2.3.2 The Government set out its proposed approach to allocating the improved Better Care Fund allocations alongside the provisional Local Government Finance Settlement 2016/17 and committed to consult on the distribution of the fund in due course.
- 2.3.3 Having carefully considered its approach and the views received in response to the consultation on the settlement, the Government proposes to maintain the approach for 2017/18 set out in chapter 5 of the consultation on the provisional 2016/17 local government finance settlement published on 17 December 2015.³ This approach recognises that authorities have varying capacity to raise council tax, and will

² As prescribed in sections 78 and 78A of the Local Government Finance Act 1988.

³ Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/494385/Provisional_settlement_consultation_document.pdf

allocate the funding through a separate grant to local government, using a methodology which provides more funding to those authorities which benefit less from the adult social care council tax precept.

2.3.4 The proposed methodology for each financial year is as follows:

- i. We calculate the additional funding available to spend on adult social care at a national level, combining the 2% council tax flexibility for adult social care and the additional funding for the improved Better Care Fund.
- ii. We then calculate the share of that national amount which each authority with responsibility for social care would receive if it were distributed according to the 2013 adult social care relative needs formula.
- iii. We then calculate how much each authority with responsibility for social care could raise from the additional 2% council tax flexibility for adult social care.
- iv. The additional funding for the improved Better Care Fund is then allocated in such a way that, when combined with the money which could be raised from the council tax flexibility, each council would receive its share of the combined national amount as calculated in step (ii) above.
- v. These allocations are adjusted so that, where an authority could raise more from the additional council tax flexibility for social care than its share of the national amount calculated in step (ii), its allocation for the improved Better Care Fund is set to zero rather than a notional negative figure.
- vi. The remainder of the allocations are then reduced proportionately, so that the combined totals sum to the national total for additional funding available to spend on adult social care, as calculated in step (i).

2.3.5 The resulting illustrative proposed allocations of the improved Better Care Fund by local authority can be found at <https://www.gov.uk/government/publications/core-spending-power-final-local-government-finance-settlement-2016-to-2017>

Question 2: Do you agree with the proposed methodology for allocating funding for the improved Better Care Fund as outlined in paragraph 2.3.4?

3. Changes to local resources

3.1 Summary

3.1.1 This chapter outlines the Government's proposals for the 2017/18 local government finance settlement that have implications for the local resources collected by councils. These proposals include:

- provisional council tax Referendum principles for 2017/18
- the Government's approach to adjusting tariff and top ups to ensure as far as possible that local authorities have a predictable level of income regardless of the impact of the 2017 business rates revaluation
- a methodology for calculating the change in the local share and the level of tariff and top ups for local authorities piloting 100% business rates retention
- a mechanism through which funding could be transferred to a Combined Authority if all councils affected agree to the transfer.

3.2 Council tax referendum principles for local authorities

3.2.1 In the Spending Review, the Government announced a new adult social care precept worth 2% for authorities with responsibility for adult social care for the remainder of the Parliament. This new precept was in addition to a 'core' council tax referendum principle of 2% which would be reviewed annually. A range of flexibilities were offered to certain other categories of authority, with the remainder able to increase by up to the core 2% without triggering a local referendum. The Government is committed to keeping council tax low and, under the existing principles, the average Band D increase for 2016/17 was 3.1%, which means that council tax is still 9% lower in real terms than it was in 2009/10.

3.2.2 In order to balance the aim of keeping council tax low for local residents with the need for councils to raise sufficient funding to support local services, the Government is minded to propose referendum principles the same as those set in 2016/17, subject to the views of respondents to this consultation and consideration of the use made of the adult social care precept in 2016/17. This would mean:

- a core principle of 2%. This would continue to apply to shire counties, unitary authorities, London boroughs, the Greater London Authority, fire authorities, and Police and Crime Commissioners except those whose Band D precept is in the lower quartile of that category (see below)
- a continuation of the Adult Social Care precept of an additional 2%, for County Councils, unitary authorities and London boroughs (including the Common Council of the City of London and the Council of the Isles of Scilly), subject to consideration of the use made of the Adult Social Care precept in the previous year

- shire district councils will be allowed increases of less than 2% or up to and including £5, whichever is higher
- Police and Crime Commissioners in the lowest quartile will be allowed increases of less than 2% or up to and including £5, whichever is higher.

Question 3: Do you agree with the council tax referendum principles for 2017-18 proposed in paragraphs 3.2.1 to 3.2.2 for principal local authorities?

3.3 Council tax referendum principles for parish and town councils

3.3.1 Since the introduction of council tax referendums in 2012/13, no referendum principles have been set for local precepting authorities such as town and parish councils (“parishes”), although the Government has made it clear that we would keep this under review and take action if necessary.

3.3.2 We recognise the value of parishes and the greater role in service delivery that many are performing to deliver ambitious services for their residents. However, the increase in the average Band D council tax level of 6.1% set by parishes in 2016/17 is notably higher than those in the previous 5 years, as shown in Table 1 below:

Table 1: Average percentage increase in Band D council tax levels set by parishes

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Parishes	2.3%	3.9%	5.2%	4.3%	3.3%	6.1%

3.3.3 In light of this, the Government is minded to apply referendum principles to larger, higher-spending town and parish councils in 2017/18. There are around 8,800 precepting parishes in England, which vary widely in terms of resident population and precept charge. We believe there is a strong argument in favour of extending referendums to those larger parishes whose precept is equivalent in size to that of a district council.

3.3.4 We propose that referendum principles are introduced for local precepting authorities (town and parish councils) whose Band D precept is higher than that of the lowest charging district council for 2016/17 (£75.46), and which have a total precept for 2016/17 of at least £500,000 (subject to the next paragraph). These parishes would face the same referendum principles as shire districts: increases of less than 2% or up to and including £5 (whichever is higher) can be set without triggering a referendum. Based on these thresholds, the Government expects this new principle will affect around 120 of England’s 8,800 local precepting parishes.

3.3.5 In doing this, the Government wishes to ensure that parishes continue to have the flexibility to take on responsibilities from other tiers of local government without being unduly constrained by council tax referendum principles. It is therefore proposed that parishes will not be in the category to which the referendum principle

applies where there has been a transfer of responsibilities, and where three conditions are satisfied:

- i. the parish council and a principal council covering the area of the parish council have each resolved that a particular function carried out by the principal council in relation to the parish council's area in the financial year 2016-17 is to be carried out instead by the parish council in the financial year 2017-18
- ii. the parish council and the principal council have agreed the reasonable cost of the exercise of that particular function in the parish council's area by the parish council in the financial year 2017-18
- iii. that the agreed cost, if collected by way of the parish council precept, would take the parish council over the threshold of a 2% or £5 increase on the previous year.

3.3.6 A large proportion of parishes are modest in size – for example, around 4,000 parishes have precepts of £25 or less. However, the Government is aware that increases in these precepts continue to concern local tax payers and is therefore prepared to consider extending referendums to all parishes.

3.3.7 We recognise that issues of proportionality, practicality and cost could be raised by such a step, and would welcome views on this.

Question 4: Do you agree that referendum principles should be extended to larger, higher-spending town and parish councils in 2017/18 as set out in paragraphs 3.3.3 to 3.3.4?

Question 5: Do you agree with the proposed approach to take account of the transfer of responsibilities to town and parish councils as outlined in paragraph 3.3.5?

Question 6: Do you agree with the suggestion that referendum principles may be extended to all local precepting authorities as set out in paragraph 3.3.6? If so what level of principle should be set?

Question 7: Do you have views on the practical implications of a possible extension of referendum principles to all local precepting authorities as set out in paragraph 3.3.7?

3.4 The business rates revaluation adjustment

3.4.1 The next business rates revaluation takes effect from 1 April 2017. Revaluation is a revenue neutral exercise so the total rates bill will stay the same at the England level in real terms, after allowing for appeals. At the local authority level, overall bills will increase or fall depending upon whether rateable values in that area have performed above or below the average for England, after allowing for appeals.

3.4.2 This creates change in the system outside the control of local authorities. When the Government introduced the 50% business rate retention scheme it signalled that it would adjust each authority's tariff or top up following a revaluation to ensure, as far as is practicable, that their retained income is the same after revaluation as immediately before. This will ensure that the growth incentive created by the rates retention scheme and the delivery of public services will not be weakened by losses of income outside the control of authorities. The following section describes how we will implement this commitment.

The adjustment for the revaluation

3.4.3 For a local authority, the measure of rates income in the rates retention scheme is its share of "non-domestic rating income" as defined in regulations and captured on the NNDR3 form. Therefore, the objective of the revaluation adjustment is to identify and isolate the amount by which non-domestic rating income in the authority will change purely due to the revaluation. Once identified, the relevant shares of these amounts can then be deducted or added to the tariffs or top ups to cancel out the impact of revaluation.

3.4.4 For example:

An authority sees its local share of non-domestic rating income grow due to revaluation from £100m to £122m. It has a £20m top up. With no adjustment, the £22m increase would feed through into extra revenue for the authority. To compensate we need to deduct £22m from the £20m top up giving a tariff of £2m.

3.4.5 In practice we do not believe it will be possible to directly measure the changes in non-domestic rating income arising from the revaluation alone. Instead we propose to estimate the change using a proxy (derived from gross rates payable). The proxy will be calculated by comparing the local authority's rateable value before and after the revaluation to quantify the impact the revaluation has on the tax base. This effect will then be applied to the authority's gross business rates income before the revaluation to produce a figure for the council's income post-revaluation. Subtracting this post-revaluation income figure from the pre-revaluation income and apportioning it according to the authority's share of business rates income under the scheme will produce the change that needs to be made to its tariff or top up in order to ensure that it has, as far as practicable, the same income after the revaluation as it had before.

3.4.6 We propose to make this adjustment in three stages: on a provisional basis in the 2017-18 settlement; on a final basis with a reconciliation in the 2018-19 settlement; and finally, by cancelling out the reconciliation in the 2019-20 settlement.

3.4.7 Annex A provides more detailed information about the calculations involved in the proposed methodology for the revaluation adjustment.

Appeals against the 2017 rating list

3.4.8 The adjustment for revaluation is for those impacts discernable at the time of the revaluation only (and captured in the rateable values on 31/3/17 and 1/4/17 as we look at them on that day). Changes to the revaluation which occur after 1 April

2017 by virtue of backdated amendments or appeals (including those backdated to 1/4/17) fall within the operation of the rates retention system in the normal way.

Question 8: Do you agree with the methodology for calculating the revaluation adjustment to business rates tariff and top-up payments as outlined in paragraphs 3.4.1 to 3.4.8?

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

- 3.5.1 At the 2015 Autumn Statement the Government committed to piloting approaches to 100% business rates retention in London, Manchester and Liverpool from 1 April 2017.
- 3.5.2 The Government also committed that the pilots' offer would be available to other areas with ratified devolution deals and that as part of the pilots, the "local share" of business rates could be increased from as early as 2017-18.
- 3.5.3 To ensure that an increase in the "local share" of business rates is fiscally neutral at the point of change, the Government and pilot areas are exploring:
- ending entitlement to certain grants and other funding streams
 - devolving additional responsibilities to pilot areas and
 - adjusting existing business rate tariffs and top ups.
- 3.5.4 The Government intends to use the pilots to test mechanisms for full rollout of the 100% retention scheme. Any cost to the system from elements of the pilots will not impact on non-pilot authorities.

Methodology for calculating the additional local share in pilot areas

- 3.5.5 The calculation of the value of an additional local share will be based on the pilot areas' Baseline Funding Levels and notional Business Rates Baselines (i.e. the 2013/14 Business Rates Baseline, uprated by subsequent changes to the small business rates multiplier). This will preserve the integrity of the existing scheme by ensuring that the value of the additional share is exclusive of any growth (or decline) in business rates achieved by pilot authorities since 2013-14.
- 3.5.6 For each pilot authority, the value of funding streams and the new responsibilities rolled in to the business rates retention system (hereinafter referred to as "Grant") will be added to the existing Baseline Funding Level to create a "new" Baseline Funding Level for the authority.
- 3.5.7 There are two different options on offer to pilot authorities in 2017-18. Either:
- a) the local percentage share of business rates is increased only by the value of the "Grant" rolled-in or

- b) the local percentage share of business rates is increased to 100% and, to the extent that the “Grant” rolled in is not equivalent to 100% of local business rates, tariffs and top ups are adjusted appropriately.

3.5.8 Under option a) above, the additional percentage share of business rates will be equal to:

Grant / notional Business Rates Baseline x existing % share of business rates

3.5.9 This additional percentage share will be added to the existing percentage share to give the percentage to be retained in 2017/18.

3.5.10 Under option b) above, the notional Business Rates Baseline of each authority will be adjusted to reflect the increase in the local share to 100%.⁴ The adjustment to the notional Business Rates Baseline is equal to:

Business Rates Baseline / existing % share of business rates x 100%

3.5.11 For option B, the difference between the new Baseline Funding Level and the new notional Business Rates Baseline will be the tariff or top up for 2017-18.

Calculation of Baseline Funding Levels and Tariffs and Top ups

3.5.12 Baseline Funding Level and business rate tariff and top up figures were set as part of the Local Government Finance Settlement in February 2016 using OBR estimates of the Retail Price Index (RPI) as a proxy for the changes in the small business rating multiplier. The actual multiplier for 2017-18 will be set once September 2016’s RPI is published. At the 2017-18 Settlement, Government will also update Baseline Funding Levels and tariffs/top ups for later years based on up-to-date estimates of RPI.

3.5.13 If it is necessary to make any agreed changes to amounts of Revenue Support Grant, the retained local share or tariffs and top ups for 2017-18, these will be made after the change in the small business rating multiplier are known. Whilst we will publish indicative figures for later years, it is the Government’s intention to recalculate the value of the local share (and the possible knock-on consequences for tariffs and top ups) for future Local Government Finance Settlements based on the actual change to the small business rating multiplier for those years.

Question 9: Do you agree that the methodology, as outlined in paragraphs 3.5.5 to 3.5.13, for calculating changes to the local share of business rates and tariff and top up payments is correct and does not adversely affect non-pilot areas?

3.6 Voluntary transfers of funding to Mayoral Combined Authorities

3.6.1 Devolution Deals have established the new duties that Mayoral Combined Authorities will be responsible for. There is the potential to adjust the calculation of

⁴ In most areas, the 100% will be split between different tiers of authority.

grant and business rates payments to reflect any changes in the way existing duties are carried out by authorities. These changes would only be made in areas where it is requested by the Mayoral Combined Authority and all authorities affected by any changes agreed to the proposals.

- 3.6.2 Before doing this, we would need all local authorities affected by the transfer of funding arrangements to agree to the process and to provide the numbers on which the calculations would be based.
- 3.6.3 If the funding is to be transferred in the form of grant, then it would be possible to decide on an authority by authority basis how much grant is to be paid to the Combined Authority instead of the authorities who currently receive funding. It would be up to the local authorities affected to agree how this should be done.
- 3.6.4 If the funding is to be transferred in the form of a share of business rates, then the same procedure as above would be followed, but an additional step would be required to convert the amount for each authority into a percentage of their business rates that would transfer to the combined authority and the shares of business rates would then need to be reflected in regulations. Section 3.5 outlines how this would be done.
- 3.6.5 If the funding is to be transferred in the form of council tax then it would be necessary to ensure any transfer did not in itself increase the burden on council tax payers. In order to affect the transfer the same Band D level would need to be transferred away from all the currently funded authorities. This could be achieved by dividing the total amount to be transferred to the Combined Authority by the total number of Band D equivalent properties within the currently funded authorities. Alternative Notional Amounts could then be used to reduce the currently funded authorities' baselines and create a new baseline for the Mayor; this would ensure that no local referendums would be triggered due to the transfer of funding. This could only be done if the service transferred was the responsibility of the Mayor rather than that of the combined authority.

Question 10: Are you considering a voluntary transfer of funding between the Combined Authority and constituent authorities?

Question 11: Do you have any comments on the impact of the proposals for the 2017-18 settlement outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

Annex A: 50% Business Rates Retention: Methodology for adjusting for the 2017 revaluation

- B.1. In order to ensure, as far as is practicable, the impact of the 2017 revaluation is neutralised in the rates retention scheme, DCLG propose to make the following adjustments to tariffs and top ups. This will be in addition to the normal inflation adjustments made to tariffs and top ups.
- B.2. Ideally, we would directly measure the change in non-domestic rating income between 31/3/17 and 1/4/17 (the 2 days either side of the revaluation). However:
- being the last day of the financial year and a Friday there could be many alterations on 31 March 2017 with retrospective effect (typically appeals credited on that day). The authority would, therefore, need to take a view as to how much of their provision they have released to fund those appeals and how much actually reduced non-domestic rates income for that day
 - we would need to consider whether changes to the provisions for the year should also be allocated to the income for the day and if so how
 - there will be other accounting adjustments in income which would need to be reflected for the day – such as bad debt.
- B.3. In practice we believe this would be too complicated and too sensitive to refunds, backdated alterations and subjective allocations of accounting adjustments. Instead the Government will use a proxy to measure the change in rates income due to the revaluation. We will then apply that proxy (as a factor) to the non-domestic rating income for 2016/17. That would then give an estimate of the change in in non-domestic rating income between 31/3/17 and 1/4/17.

Choice of a proxy for revaluation change

- B.4. As a proxy, we propose to adopt the change in gross rates payable before all reliefs and accounting adjustments between 31 March 2017 and 1 April 2017. Essentially, this is just the rateable value x small business multiplier for those 2 days.
- B.5. This proxy will not itself reflect changes in reliefs such as Small Business Rate Relief (SBRR). However, the proxy will be applied to non-domestic rating income which will already reflect the degree to which local income is affected by reliefs. So the adjustment will, by adopting non-domestic rating income, reflect the position of those authorities with a lot of SBRR.
- B.6. Where the proxy could be less accurate is where reliefs in a local area change due to the revaluation out of line with the proxy for all properties in the area. Many percentage awards of reliefs will not change due to the revaluation (e.g. charitable

relief) as their eligibility and percentage is not driven by rateable value - so for them the proxy should work as well as it does for any property. And some have little impact (e.g. the empty property relief lower threshold) and some reliefs are insignificant (rural rate relief).

B.7. In principle, there is more scope for the revaluation factor for small properties receiving SBRR to be different to all properties. However:

- it is not possible to say what that revaluation factor for SBRR properties would have been. The Government has made large changes to the eligibility of SBRR for 1 April 2017. Had the Government not done anything to SBRR we would in any case have adjusted the thresholds for the relief and the Small Business (SB) multiplier. In the absence of the need for that decision we cannot isolate the effect of the Budget change to SBRR from the revaluation change
- we believe the impact would still be marginal.

B.8. Therefore, we believe adopting a proxy based on the gross change in rateable value using the Small Business multipliers is a practical and proportionate method. However, we will keep this under review for the final adjustment in the 2018/19 settlement (see below). We will also separately pay section 31 for the SBRR changes in the 2016 Budget including the increase in the threshold for the SB multiplier and will consider that payment in the context of the revaluation adjustment.

Provisional and Final adjustments

B.9. We will not have actual 2016/17 non-domestic rates income or rateable values at 1 April 2017 in time for the 2017/18 settlement. Therefore, we propose to make the revaluation adjustment in 3 stages:

- provisional 2017/18 top ups and tariffs will be calculated in the autumn of 2016 based on forecasts. This will be based on NNDR3 non-domestic rates income for 2015/16 increased in line with inflation and rateable values for the 2010 and 2017 lists available at the draft list stage (30 September 2016)
- final 2017/18 top ups and tariffs will be calculated in the autumn of 2017. The 2018/19 settlement will then include a reconciliation of the 2017/18 adjustment
- in 2019/20 we will cancel the one off reconciliation adjustment for 2018/19.

Appeals and the multiplier

B.10. At the revaluation the Secretary of State is allowed, in setting the multiplier, to anticipate future appeals on both the old and new rating list. This has the effect of increasing the multiplier so in effect we over-collect in the early years of the rating list and then under-collect in later years as the appeals start to come through with retrospective effect.

- B.11. Local government is responsible for accounting for appeals through their forecast of business rates income using proper accounting practice. Therefore they will make a provision at the start of the 2017 rating list to reflect all expected future appeals. To offset the effect of this provision we propose to remove from the revaluation adjustment the impact of future appeals. We will do this by calculating the revaluation adjustment using a notional small business multiplier for 2017/18 which has not been adjusted for appeals.
- B.12. This approach will give local authorities funds to deal with volatility and ensure retained rates income and spending does not fall from 1 April 2017 due to large new provisions for the revaluation.
- B.13. Having regard to the above, the following are the adjustments we propose to make to future settlements to implement the revaluation adjustment.

2017/18 Settlement

- B.14. For the 2017/18 settlement top ups and tariffs for the previous year will be adjusted for each local authority by the addition of the following amount (such that a negative outcome gives rise to a deduction):

$$J = C \left(1 - \frac{A}{B} \right) D$$

Where:

A	is total rateable value in all of the draft 2017 local rating lists covering the authority's area using the draft lists provided to Billing Authorities on 30 September 2016 multiplied by the adjusted provisional small business non-domestic rating multiplier for 2017/18. "Adjusted provisional small business non-domestic rating multiplier" is the provisional small business multiplier as included in the draft Local Government Finance Settlement but adjusted to an assumption that the effect of the alterations referred to in paragraph 5(6) & 5(7) of Schedule 7 to the Local Government Finance Act 1988 was to have no effect on rateable values or hereditaments.
B	is the total rateable value in all of the 2010 local rating lists covering the authority's area for 23 September 2016 and measured on that day multiplied by 0.484.
C	is the non-domestic rating income for the authority for 2015/16 (line 12 page 1 NNDR3) multiplied by 0.484/0.480
D	is the local share.

2018/19 Settlement

- B.15. For the 2018/19 settlement tariffs and top ups for the previous year will be adjusted for each local authority by the addition of the following 2 amounts (such that a negative outcome gives rise to a deduction):

Amount 1 (on-going adjustment)

$$G \left(1 - \frac{E}{F}\right) H$$

Amount 2 (reconciliation of 2017/18)

$$G \left(1 - \frac{E}{F}\right) H - J$$

Where:

E	is total rateable value in all of the 2017 local rating lists covering the authority's area for 1 April 2017 and measured on that day multiplied by the adjusted small business non-domestic rating multiplier for 2017/18. "Adjusted small business non-domestic rating multiplier" is the small business multiplier as included in the Local Government Finance Settlement but adjusted to an assumption that the effect of the alterations referred to in paragraph 5(6) & 5(7) of Schedule 7 to the Local Government Finance Act 1988 was to have no effect on rateable values or hereditaments.
F	is the total rateable value in all of the 2010 local rating lists covering the authority's area for 31 March 2017 and measured on that day multiplied by 0.484.
G	is the non-domestic rating income for the authority for 2016/17.
H	is the local share.
J	is the result of the formula above for the 2017/18 settlement for the authority.

2019/20 settlement

- B.16. Finally we will need an adjustment to the 2019/20 settlement to cancel the adjustment from the previous year's top up or tariff for the reconciliation of 2017/18 (thereby leaving in the top up or tariff the ongoing adjustment only). For the 2019/20 settlement top ups and tariffs for the previous year will be adjusted for each local authority by deducting the following amount:

Amount 2 in respect of 2018/19 x -1

Notes:

- i. We aim to provide certainty for local government by explaining this methodology now. However, DCLG will keep this methodology under review in order to allow scope for further adjustments to be made in 2018/19, for example to account for any significant issues of unfairness.

- ii. The tariffs and top ups will also need to be increased in line with inflation in the normal way each year. To achieve this we may, in practice, first strip out inflation from the revaluation adjustment. We may do this by adopted a “zero inflation” SB multiplier at A above.
- iii. The revaluation factor is calculated before SBRR and before the SB supplement (i.e. it is just based on the SB multiplier). We will separately pay section 31 for the SBRR changes in 2016/17 including the increase in the threshold for the SB multiplier. We will consider that payment in the context of the revaluation adjustment.
- iv. The 2010 and 2017 lists should match – i.e. have the same hereditaments with same physical attributes etc. The draft list provided to you for 30 September will be taken from the live list on 23 September – hence the use of that date. We believe this methodology will achieve this but we will continue to check that assumption.
- v. The adjustment to the multiplier for 2017/18 is to remove the impact of the appeals assumption from the multiplier. This will reduce the multiplier in the calculation which in turn will give local authorities a surplus to offset against future appeal.

Annex B: Summary of consultation questions

Question 1: What other, additional grants, beyond those set out in para 2.2.2, could the Government consider including in the multi-year offer?

Question 2: Do you agree with the proposed methodology for allocating funding for the improved Better Care Fund as outlined in paragraph 2.3.4?

Question 3: Do you agree with the council tax referendum principles for 2017-18 proposed in paragraphs 3.2.1 to 3.2.2 for principal local authorities?

Question 4: Do you agree that referendum principles should be extended to larger, higher-spending town and parish councils in 2017/18 as set out in paragraphs 3.3.3 to 3.3.4?

Question 5: Do you agree with the proposed approach to take account of the transfer of responsibilities to town and parish councils as outlined in paragraph 3.3.5?

Question 6: Do you have any comments on the suggestion that referendum principles may be extended to all local precepting authorities as set out in paragraph 3.3.6? If so what level of principle should be set?

Question 7: Do you have views on the practical implications of a possible extension of referendum principles to all local precepting authorities as set out in paragraph 3.3.7?

Question 8: Do you agree with the methodology for calculating the revaluation adjustment to business rates tariff and top-up payments as outlined in paragraphs 3.4.1 to 3.4.8?

Question 9: Do you agree that the methodology, as outlined in paragraphs 3.5.5 to 3.5.13, for calculating changes to the local share of business rates and tariff and top up payments is correct and does not adversely affect non-pilot areas?

Question 10: Are you contemplating a voluntary transfer of funding between the Combined Authority and constituent authorities?

Question 11: Do you have any comments on the impact of the proposals for the 2017-18 settlement outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

Annex C: Glossary of technical terms

Baseline funding level

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

Business rates baseline

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

Central share

The percentage share of locally collected business rates that is paid to central government by billing authorities. This is set at 50%. The *central share* is re-distributed to local government through grants including the *Revenue Support Grant*. This replaces the previous 'set-aside' policy.

Local government spending control total

The total amount of expenditure for Revenue Support Grant in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit (LG DEL) plus the local share of the Estimated Business Rates Aggregate that is allocated to the local government sector by Government for each year of a Spending Review. It does not include the resources identified in the 2013 Spending Round for social care and Troubled Families.

Local share

The percentage share of locally collected business rates that is retained by local government. This is set at 50%.

Revenue Support Grant

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

Safety net

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

Start-up funding assessment

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

Tariffs and top ups

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

Tariff authority

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

Top-up authority

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

Appendix B – Proposed Response to the Consultation

Question 1: What other, additional grants, beyond those set out in para 2.2.2, could the Government consider including in the multi-year offer?

We would urge the Government to consider including the Fire Revenue Grant within the multi-year offer. This grants represents a significant percentage of funding, especially for smaller fire and rescue authorities. Longer-term certainty would further aid planning and improve decision making.

Question 2: Do you agree with the proposed methodology for allocating funding for the improved Better Care Fund as outlined in paragraph 2.3.4?

No comment.

Question 3: Do you agree with the council tax referendum principles for 2017-18 proposed in paragraphs 3.2.1 to 3.2.2 for principal local authorities?

The Authority does not agree with the principles proposed for principal local authorities. The current principles allow for all shire districts and lower quartile Police and Crime Commissioners (PCCs) to raise council tax by up to £5. As noted on page 13 of the Consultation, the lowest charging district council for 2016/17 has a band D equivalent precept of £75.46. This is 26% higher than the band D equivalent for Buckinghamshire & Milton Keynes Fire Authority (BMKFA), which is currently only £59.70.

The Police and Crime Bill will place a statutory duty on fire and rescue authorities to collaborate with police. Whilst this should lead to longer term savings, there will inevitably be significant up-front costs. As the Consultation stands, lower quartile PCCs could cover these costs by increasing council tax above the 2% limit, but this same freedom does not currently extend to fire and rescue authorities, which seems inequitable.

BMKFA has shown considerable restraint with regards to council tax. When lower quartile fire and rescue authorities were given the freedom to increase council tax by up to £5 in 2013/14, BMKFA was the only authority not to take up that option and instead chose to freeze council tax. BMKFA also took the decision to reduce council tax by 1% in 2015/16.

In the spending review in 2015, Greg Clark MP said "This is an historic settlement for local government. It makes local councils fully responsible to local people for their financing – rather than central government – something that local government has been campaigning for over a number of decades." This freedom appears to have been extended to shire districts, PCCs and authorities with responsibility for adult social care. However, fire and rescue authorities still appear to be restricted in their ability to raise council tax locally. Referendums are prohibitively costly for combined fire and rescue authorities due to the area covered.

We therefore ask the Government to consider an addition to the final settlement, that states 'fire and rescue authorities in the lowest quartile will be allowed increases of less than 2% or up to and including £5, whichever is higher'.

Question 4: Do you agree that referendum principles should be extended to larger, higher-spending town and parish councils in 2017/18 as set out in paragraphs 3.3.3 to 3.3.4?

No comment.

Question 5: Do you agree with the proposed approach to take account of the transfer of responsibilities to town and parish councils as outlined in paragraph 3.3.5?

No comment.

Question 6: Do you have any comments on the suggestion that referendum principles may be extended to all local precepting authorities as set out in paragraph 3.3.6? If so what level of principle should be set?

No comment.

Question 7: Do you have views on the practical implications of a possible extension of referendum principles to all local precepting authorities as set out in paragraph 3.3.7?

No comment.

Question 8: Do you agree with the methodology for calculating the revaluation adjustment to business rates tariff and top-up payments as outlined in paragraphs 3.4.1 to 3.4.8?

No comment.

Question 9: Do you agree that the methodology, as outlined in paragraphs 3.5.5 to 3.5.13, for calculating changes to the local share of business rates and tariff and top up payments is correct and does not adversely affect non-pilot areas?

No comment.

Question 10: Are you contemplating a voluntary transfer of funding between the Combined Authority and constituent authorities?

No comment.

Question 11: Do you have any comments on the impact of the proposals for the 2017-18 settlement outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

No comment.



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Fire Authority
DATE OF MEETING	19 October 2016
OFFICER	Paul Holland, Head of Projects and Transformation David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor Phil Gomm
SUBJECT OF THE REPORT	Blue Light Hub for Milton Keynes
EXECUTIVE SUMMARY	<p>At its meeting of 10 February 2016 the Fire Authority resolved under minute FA 43:</p> <p>'That the resources from Great Holm and Bletchley are relocated and merged into the new 'blue light hub' facility with Thames Valley Police at West Ashland and the existing station premises vacated.</p> <p>The Service will continue to ensure that current response standards are met via its dynamic mobilising system, utilising the fire crews that are out in the community delivering vital life-saving community safety work, or when appropriate utilising standby points strategically located across Milton Keynes, ensuring our communities will always benefit from the quickest possible attendance in an emergency.'</p> <p>Since then work has continued to be undertaken by officers with a view to bringing back to the Fire Authority a range of costed options to be considered by Members with a view to reaching a decision on a favoured option upon which the procurement process may commence.</p> <p>The full detail is set out in Annex 2 of this report.</p>
ACTION	For decision.
RECOMMENDATIONS	<p>It is recommended that:</p> <ul style="list-style-type: none"> The construction of a complex comprising Ground, 1st and 2nd Floor at the West Ashland site, housing all 3 blue light services in line with the estimated costs and funding set out in Annex 2 (exempt from publication) be approved.

<p>RISK MANAGEMENT</p>	<p>There are several inherent risks with a project of this type and size, however, all due diligence has been undertaken as far as is possible to mitigate such risks.</p> <p>The following are identified as the main risk areas with a note of how that risk has either been managed, or is intended to be managed.</p> <p>Finance – The proposals set out in the body of this report are designed to ensure that any of the possible build options are affordable to the Authority within its capital programme and will allow other vital investment to continue e.g. vehicles and equipment.</p> <p>Current estimates are based upon best professional advice and the build project will be subject to a formal Official Journal of the European Union (OJEU) tender procedure to ensure the best value for money outcome.</p> <p>If for any reason those tender returns prove to be in excess of the available approved budget, then Members will be asked to reconsider options in a further report.</p> <p>The project budget will be managed through a combination of our professional Quantity Surveyor (QS) advisors, Property Manager and Principal Accountant. The professional fee and build invoices will be certified as appropriate only through the QS and/or Property Manager. The budget will be monitored as part of regular monthly progress meetings to include any update and advice from the Principal Accountant on overall budget progress.</p> <p>The estimated build costs set out in Annex 2 of this report include an allowance for inflation as well as development risk. Further independent QS analysis has been undertaken and assurance provided that the project can be contained within the figures set out.</p> <p>The Authority and our professional advisors will also work with the successful contractor to seek out added value solutions that may be suggested i.e. solutions that provide the same outcomes and quality at lower cost. Any benefit would be shared with the contractor.</p> <p>Partners – There has been extensive consultation with both Thames Valley Police (TVP) and South Central Ambulance Service (SCAS) to ensure both viability and affordability of the proposal. Whilst there is good reason to be optimistic on the outcome, nevertheless both parties have their own governance procedures to adhere to and there is a risk that one or</p>
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	<p>both may yet determine this is not a scheme they wish to commit to. In the case of TVP this is a very low risk as they are joint signatories to the transformation funding bid.</p> <p>A verbal update on the respective formal positions of both parties will be provided to Members at the Authority meeting.</p> <p>Planning – there has been extensive consultation with Milton Keynes Council’s planners throughout the process and the planning application submitted at the end of July 2016 was compiled in a manner that sought to ensure approval at the first time of asking. The outcome is due to be determined by MK Council at its Development Control Committee meeting of 1 December 2016.</p> <p>Project Management</p> <p>A tiered Project Management structure has been established and incorporates the input from the HUB team together with the internal management structure. ‘The HUB’ are the Authority’s professional services partner for the proposed project.</p> <p>The Project Manager manages the Project Build control, weekly site meetings and the monthly contract meeting.</p> <p>A Property Group has been established, chaired by the Property Manager which meets at six weekly intervals and includes representatives from the internal project team and members of the HUB delivery team - this is immediately followed by an internal Project Board meeting chaired by the Head of Projects & Transformation.</p> <p>A project highlight report, incorporating relevant information from the HUB highlight report, is prepared by the Transformation Programme Manager, which is presented to the Project Board meeting for review and then subsequently presented to the next available Business Transformation Board meeting. The high level project plan and risk register are also reviewed at these meetings.</p> <p>Land issues</p> <p>All due diligence has been carried out through the Authority’s professional advisors to ensure that as far as is possible, there are no environmental, wildlife or other restrictive factors that will impinge upon the intended use of the land at West Ashland. An environmental report has been furnished as part of the planning application.</p> <p>No such survey has been carried out at the Authority’s existing sites at Great Holm and Bletchley, therefore,</p>
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	<p>potential sale proceeds could be at risk of reduction if any environmental, wildlife or other restrictive factors were to be identified.</p> <p>Should MKDP choose not to exercise its option to purchase the Bletchley site then approval will be sought for the land be sold in the open market.</p> <p>Contractor failure</p> <p>The essential work to minimise the possibility of contractor failure is through the Pre-Qualification Questionnaire (PQQ) process that all potential contractors must take part in. This process allows the Authority to set its key requirements of potential tenderers and will include the following essential criteria:</p> <ul style="list-style-type: none">• Pass an independent financial risk assessment• At least 3 examples of similar works with other Fire or Local Authorities• Examples of works of similar size and value• Must be relatively recent examples• Resilience – this must be part of a wider portfolio of similar ongoing current works <p>BIM</p> <p>BIM is an acronym for Building Information Modelling and its use is intended for this project. It describes the means by which everyone can understand a building through the use of a digital model, enabling those who interact with the building to optimise their actions, resulting in a greater whole life value for the asset.</p> <p>BIM brings together all of the information about every component of a building, in one place. It makes it possible for anyone to access that information for any purpose, e.g. to integrate different aspects of the design more effectively. In this way, the risk of mistakes or discrepancies is reduced, and abortive costs minimised.</p> <p>BIM data can be used to illustrate the entire building life-cycle, from inception and design to demolition and materials reuse. Spaces, systems, products and sequences can be shown in relative scale to each other and, in turn, relative to the entire project. And by signaling conflict detection BIM prevents errors creeping in at the various stages of development/construction.</p> <p>CDM Co-coordinator (Construction, Design and</p>
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	<p>Management)</p> <p>The Authority will appoint a CDM Co-ordinator to assist in fulfilling its obligations under the Construction (Design and Management) Regulations 2015. This is a protection for the Authority and assures functionality and safety, including safe construction and working practices.</p> <p>Clerk of Works</p> <p>A clerk of works will also be appointed. This role inspects the workmanship, quality and safety of work on a construction site and reports their findings to the client.</p> <p>This role is the Authority’s ‘eyes and ears’ on the ground on a daily basis, ensuring the contractor carries out all work as specified.</p>
<p>FINANCIAL IMPLICATIONS</p>	<p>The financial implications are an integral part of the information set out in Annex 2 and are, therefore, detailed in that section of the report.</p>
<p>LEGAL IMPLICATIONS</p>	<p>A contract for sale has been agreed between the Fire Authority and Milton Keynes Development Partnership (MKDP) for the purchase of the land formally known as West Ashland (North Site B) Thornbury, Milton Keynes.</p> <p>The agreed purchase price is £1.5m and is secured on a 5% deposit which was paid to MKDP upon exchange of contracts on 27 July 2016.</p> <p>A condition of the above contract is that the planning application for the site must be submitted within 4 months of the exchange date. The Authority has already complied with this condition.</p> <p>Completion will take place of 20 working days after a build contract is entered into for the construction of the development in accordance with the approved planning permission.</p> <p>As part of the agreement to purchase the land at West Ashland, the Authority has also entered into an option agreement with MKDP for the land and premises at Bletchley Fire Station.</p> <p>Procurement of the build project will be carried out in accordance with the Authority’s standing orders.</p>
<p>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</p>	<p>This proposal supports the MOU with Thames Valley Police to share facilities where it is mutually beneficial to do so. TVP were also an integral part of the original funding bid to DCLG. In addition all the blue light services in Thames Valley have signed up to closer working in order to collaborate to improve efficiency, effectiveness and public safety and it is pleasing to be</p>

	<p>able to include South Central Ambulance Service as a significant potential partner in the proposed blue light hub for Milton Keynes.</p>
<p>HEALTH AND SAFETY</p>	<p>The successful build contractor will be obliged to follow all proper and lawful practices in relation to Health and Safety.</p> <p>The Authority will seek to meet its obligations through the appointment of both a CDM Co-ordinator and Clerk of Works (see under Risk Management above), both of whom will have specific responsibilities to oversee and ensure proper practice and application of Health & Safety obligations on site for the duration of the contract.</p>
<p>EQUALITY AND DIVERSITY</p>	<p>The primary impacts upon equality and diversity issues were considered as part of the station merger proposals previously agreed by the Authority.</p> <p>For the build project under consideration, Equality and Diversity will form part of the terms and conditions of the contract and suppliers' policies will be evaluated along with details of their Social Value Act activities within the community.</p>
<p>USE OF RESOURCES</p>	<p>This report is brought to Members as part of the Property Strategy 2015-2018 agreed by the Authority in July 2015.</p> <p>Communication with stakeholders;</p> <p>A full stakeholder analysis has been completed and a communications strategy has been developed to enable regular and effective communications with key stakeholders to this project.</p> <p>MKDP</p> <p>The HUB lead on the communications with the Milton Keynes Development Partnership, this is in the form of regular meetings and written correspondence.</p> <p>Milton Keynes Council</p> <p>A full pre-planning application discussion has been completed with the planning department at Milton Keynes Council (MKC).</p> <p>Local Parishes</p> <p>Letters were sent out to all the parish councils in West MK as well as any that were in the immediate vicinity of the new facility, inviting them to the pre-engagement event at Simpson Village Hall on the 8 July 2016. In addition to this a presentation was made to Simpson and Ashland Parish Council by the architect and officers from BMKFA at their meeting on 4 July 2016.</p>

	<p>Firefighters Bletchley/Gt. Holm</p> <p>A Milton Keynes staff engagement forum has been meeting since July 2015. The plans have been shared with this forum and this has included the opportunity to provide feedback on the design. In addition to this an engagement session for all employees was held at Service Headquarters on the 29 January 2016.</p> <p>Thames Valley Police (TVP)</p> <p>Representatives from the TVP estates team attend the monthly project board meetings. In addition to this the Director of Finance and Assets meets with the TVP Estates Strategic Manager to discuss the financial arrangements to support their involvement.</p> <p>The Neighbourhood Policing Commander in Bletchley received a full briefing on the plans from the Head of Projects & Transformation on the 24 August 2016. This included a briefing to the neighbourhood policing team.</p> <p>South Central Ambulance Service (SCAS)</p> <p>SCAS are still in the process of getting sign off to their business case to be involved in this project. There are regular meetings between the SCAS Area Commander and the Head of Projects and Transformation. The design for the facility includes input from the estates department at SCAS and the feedback from the local SCAS personnel facilitated through their local commander. Correspondence was sent to SCAS inviting them to the 8 July 2016 engagement session in Simpson Village Hall and several SCAS employees attended to provide feedback.</p> <p>Representative Bodies</p> <p>All representative bodies receive project progress updates at the regular Joint Consultation Forum meetings. The FBU also attend the MK consultation forum as they represent the largest staff group impacted by the move to the new facility.</p> <p>Businesses located on the West Ashland estate</p> <p>Regular meetings have been held with Domino's Pizza who are the only current occupants of the estate at West Ashland. These meetings have enabled BMKFA to keep them informed of progress through informal engagement regarding the design, access and use of the new blue light hub facility.</p> <p>In February 2016 K&K Haulage Services were successful in an application for planning to build a haulage facility on the plot adjacent to the blue light hub on the southern border. The Hub have been working closely with K&K Haulage Services to create a joint drainage and landscaping plan for the two sites,</p>
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	<p>regular meetings continue to deliver this joined up approach.</p> <p>The system of internal control;</p> <p>A monthly briefing will be produced by the Project Manager for consideration by the project sponsors including the lead Member for Property and Resource Management. This will then be routed through both the Business Transformation Board and the Senior Management Board who will determine whether any matters need to be referred back to any committee of the Authority. The capital budget for the project will be monitored at regular intervals and reported to the Executive in line with the current arrangements. Matters pertaining to all other aspects of control are set out under Risk Management above.</p> <p>The medium term financial strategy;</p> <p>The revenue savings that were set out in the transformation funding bid for this scheme have been fully captured within the existing medium term financial strategy. The capital planning implications are set out in Annex 1, appendix 2. No income assumptions have been factored in as these remain speculative at this stage. The savings from an exit of Unit 7 are assumed in the MTFP.</p> <p>The balance between spending and resources;</p> <p>This is covered as an integral part of Annex 2</p> <p>Management of the asset base:</p> <p>Formal land valuations were undertaken in January 2016 by an externally appointed chartered surveyor on behalf of the Fire Authority. Those valuations have informed the funding expectations set out in Annex 2 which are at the lower end of expectations as a matter of financial prudence.</p> <p>As part of the negotiations to purchase the site at West Ashland, Milton Keynes Development Partnership have first option on the Bletchley Fire Station site. This option must be taken up within 80 working days of the Authority occupying the completed blue light hub. The value of the site will be determined by an independent chartered surveyor.</p> <p>Environmental;</p> <p>As part of the build concept the Authority will be seeking, as a minimum, to achieve a good BREEAM (Building Research Establishment Environmental Assessment Methodology) standard. BREEAM is the world’s leading sustainability assessment method for master planning projects, infrastructure and buildings. It addresses a number of lifecycle stages such as new construction, refurbishment and in-use. Significant</p>
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	<p>effort will be made to achieve an excellent standard which has the potential attract Section 106 funding up to a possible £135k. Discussions are in hand with Milton Keynes Council to enable this.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>Successful application to DCLG for Fire and Rescue Authority Transformation Funding 2015/16</p> <p>Min EX08: Property Strategy 2015-2018 – Executive 29/7/15</p> <p>Min FA43: Station merger consultation – feedback and recommendation – Fire Authority 10/2/2016 (See also Executive Summary)</p>
<p>APPENDICES</p>	<p>Annex 1 – Detailed Options Analysis, including:</p> <p>Appendix 1: Map of site location</p> <p>Appendix 2: Capital Programme Funding</p> <p>Annex 2 – Costs and Funding (Exempt from publication)</p>
<p>TIME REQUIRED</p>	<p>30 minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Paul Holland, Head of Projects and Transformation pholland@bucksfire.gov.uk 07765 016879</p> <p>David Sutherland, Director of Finance & Assets dsutherland@bucksfire.gov.uk 01296 744662 / 07961 062954</p>

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DETAILED OPTIONS ANALYSIS

1. Background

Following the decision of Members regarding Station Merger Consultation at the Full Authority meeting of 10 February 2016, arrangements were made to continue with the services of the Authority's professional advisors with a view to producing a fully costed scheme offering different options dependent upon factors such as affordability, scheme design, and the requirements of our blue light partners.

Since the original concept in collaboration with Thames Valley Police, the proposed options now include a design capable of providing a major facility for South Central Ambulance Service within Milton Keynes, allowing them to vacate their sites at both MK Hospital and Bletchley and relocate into one all-purpose site including Patient Transport Services at West Ashland.

There is also an option to build a 3 floor facility (ground, first and second floors) with a view to the second floor becoming an additional space allowing flexibility not only for the 3 blue light services, but for other public sector bodies seeking affordable growth space within Milton Keynes, or for community use. This has in itself generated some informal interest and there is confidence this will be a successful proposition. The submitted planning application includes the 2nd Floor option, however, that does not obligate the Authority to build it.

2. Land Purchase Position

The site chosen for the scheme is at West Ashland in Milton Keynes. The plot is triangular in shape, measures 3.12 acres and is bounded on 3 sides by Thornbury, Groveway and the Redmoor Roundabout/A5. (Postcode: MK6 4BB) See Appendix 1

The site is being sold to the Authority by Milton Keynes Development Partnership (MKDP) and the agreed purchase price for the plot is £1,500,000. Exchange of contracts took place on 29th July 2016 with the Authority placing a 5% deposit (£75,000) and the balance falling due within 20 days of determination of a successful planning permission outcome.

All due diligence in respect of the plot has been carried out and there are no known impediments or longer term issues that could prevent proper use of the land for the purpose intended.

3. Scheme Options

The site purchased is bigger than that which was originally envisaged when the joint transformation funding bid with Thames Valley Police was made back in May 2014. At that time no plot had been identified that suited both parties, though a number were under close scrutiny.

In the event only the site at West Ashland fitted all the criteria that both this Authority and TVP were looking for.

Given the size and excellent location of the site, this has enabled South Central Ambulance Service to also work in a collaborative partnership to create a blue light hub and therefore the following build options are now available:

Option 1
CONSTRUCTION OF A GROUND, 1 ST AND 2 ND FLOOR COMPLEX HOUSING ALL 3 BLUE LIGHT SERVICES
Option 2
CONSTRUCTION OF A GROUND, 1 ST AND 2 ND FLOOR COMPLEX HOUSING FIRE AND POLICE SERVICES ONLY (i.e. excluding SCAS wing)
Option 3
CONSTRUCTION OF A GROUND AND 1 ST FLOOR COMPLEX HOUSING FIRE AND POLICE SERVICES ONLY
Option 4
CONSTRUCTION OF A GROUND FLOOR COMPLEX HOUSING FIRE AND POLICE SERVICES ONLY i.e. broadly as original funding bid concept

Table 1

The reason for setting out 4 options is that Members are only bound by the need to include Thames Valley Police as the partner from the original funding bid, so in theory all 4 options remain open.

4. Costs

See Annex 2.

5. Funding

See Annex 2.

6. Savings

There are revenue savings for all 3 blue light services from the proposed project. As part of the original transformation bid, a 'high level' estimate of around £150k per annum of revenue savings was estimated for TVP. There is no reason to believe this will not be achieved.

For the Fire Authority, the original bid set out staff savings of £520k p.a. from a re-configuration of the crewing rota for all stations in MK, together with an estimated saving of £85k p.a. from running costs and annual repair and maintenance at both Great Holm and Bletchley stations, a total of £605k annual savings. As part of the preparation toward occupation of the new site, work is already in hand to reconfigure the MK crewing model to its optimum level. A pilot of a new optimised crewing model is currently being operated to support progress towards this.

The revenue savings set out above are captured within the current Authority medium term financial plan.

In addition to the above, the Authority set aside a sum of £940k in its capital programme to fund an alternative location to Unit 7 where there is a break clause in the lease at the end of 2017. Over the last 2 years a number of alternative proposals have been considered, but by re-configuring existing space and changing working practices, it is now felt that the staff and activity of Unit 7 can be absorbed broadly within Brigade HQ with any residual elements that cannot be accommodated being absorbed into the new site in MK.

As this will require a budget for some alterations at BHQ, £800k is proposed to be invested in the new site leaving a sum of £140k for BHQ alterations.

Given that position, it seems reasonable to include the savings that will be effected by moving out of Unit 7 as part of this proposal since the majority of the investment to allow that will now go to the new site as opposed to an alternative project. The total of lease and running costs for 2016/7 in Unit 7 are budgeted at £166k, all of which will be saved by this proposal.

There is some offset for utilities and business rates against expectations at the new site and table 2 below summarises the net savings expected overall.

Correspondence with the owners of Unit 7 (W E Black Ltd) has confirmed they are flexible on a decant date and such a change could therefore be arranged so as to be co-terminus with occupation of the new site in MK.

There has also been considerable capital investment at both Bletchley and Great Holm over the past 3 years, with a total of almost £130k having been expended, mainly on essential mechanical and electrical upgrades. Following the last full condition survey in 2013, Bletchley would be due to have an estimated spend of £186k in 2017 and 2018 for essential works and for Great Holm a sum of £52k in the same period. Such spend will obviously be minimised to only absolutely essential works, nevertheless this total of £238k is immediately saved by the proposed new build plus any new priorities that will arise from the next full condition survey due in 2018. For Great Holm alone that is expected to be a considerable sum as the building is really due a full refurbishment, something in the order of £200k would not be an unreasonable assessment at this stage. Therefore a total of circa £438k spend is avoided by the new site proposal.

Net Savings Summary

Estimated Revenue	£k
Salaries	520
Utilities	42
Lease Rental	77
R&M	20

Business rates	66
Annual Revenue total	725
One-off Capital	£k
Bletchley 17-18	186
Great Holm 17-18	52
Great Holm Refurbishment	200
Total	438

Table 2

7. Payback

Whilst payback for any scheme has its limitations, it is worth noting that payback for the Authority on the recommended proposal would be 8.7 years.

8. 2nd Floor

At the time of writing the typical range of price per square foot for commercial lets in Milton Keynes is broadly between £15 and £25. Proximity to the MK Centre and condition are major factors affecting price, as of course is demand.

At the present time there is generally more space available than there is demand and this has the effect of suppressing prices and it leaves vacant space across Milton Keynes. This situation may, of course, be completely different by the time the blue light hub is open for business in 2018.

The essential facts are that Floor 2 will incur an estimated marginal additional cost of £700k to build and will have a gross area of 7944 sq. ft. (It would obviously cost significantly more if it were to be added at a later stage). Notwithstanding there will be landlord expenses etc. a conservative gross rental of £112,500 (say 7500 sq. ft. x £15) is attainable. If, for the sake of argument there were landlord expenses at say £12,500 p.a. the return on investment would be over 14% p.a., with a 'payback' of 7 years.

The above information simply states the potential commercial value to the Authority, but what is really being built is an opportunity which could be for:

- Community use
- Commercial use
- Other public sector services use
- 'Growth' space for any of the blue light hub services
- A mix of any of the above

It is worth noting there have already been informal approaches regarding the use of floor 2 following the Authority decision in February 2016.

Members are, therefore, being asked to consider the addition of a second floor 'in the round' bearing in mind the above information, but are only being asked to approve the build of floor 2 and not its eventual use. This will allow officers to consider all possible opportunities in the period up to opening of the blue light hub, and to bring back costed proposals at a later stage.

9. Indicative lease periods for SCAS and TVP

Informal discussions with both SCAS and TVP indicate that in return for substantial capital investment on their part, both parties will be looking for long leases (or such other long term arrangement as may be agreed). Such terms are likely to be a minimum 25 years. A likely outcome may well be similar to the current arrangement that TVP have at Broughton Fire Station where an annual lease and service charge amount have been agreed over a 25 year period. For the West Ashland site the capital contribution would in effect replace a lease charge, leaving agreement to be reached on annual service charges. It is intended the latter should be on an open book basis with regular review, particularly in the early years of operation.

10. Common Services

It is also probable that as part of the service charges calculation the following common services will be brought into the equation:

- Restaurant
- Reception
- Meeting Areas / Breakout areas
- Training (Road layout)
- Car Parking

The manner in which a fair apportionment of such services will be allocated, or even how they will be provided to each service has yet to be discussed in detail though all parties remain open minded on the matter and officers have provided assurance this will be on an open book policy. It is accepted that one or two areas may prove challenging, i.e. the restaurant facility, and these will require timely and detailed attention to ensure an acceptable service delivery and fair apportionment of cost. Constant review and refinement of such services are likely to be a key feature of early years operations.

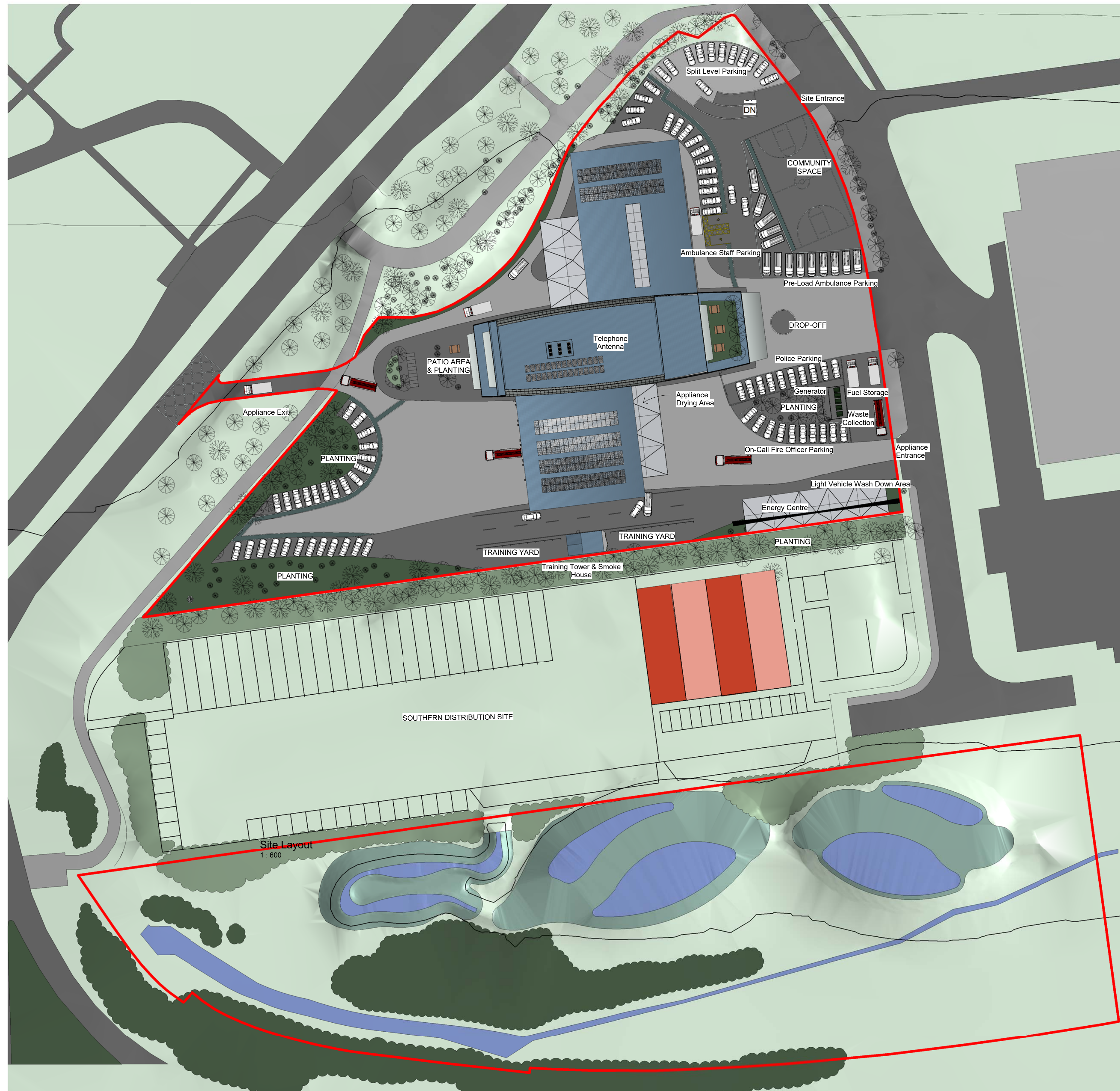
In the case of the restaurant facility, all efforts will be made to establish a commercial proposition, perhaps a franchise, which may or may not be subsidised by the 3 blue light services, though any such subsidy will be avoided if at all possible.

11. Fire Appliance Standby Points

We are working with a company called ORH Ltd, who provide risk and demand modelling expertise, in identifying the best locations for potential standby points in West Milton Keynes. A report detailing potential locations for standby points and associated costs will be brought to a future Fire Authority meeting.

12. Multi Use Games Area

This sports facility is included to support BMKFA and partners continuing work with young people and adults regarding improving health and wellbeing. The required £75k funding for this facility will be sought from section 106 money and a grant from Sport England.



Ground Floor Plan
1:200

Rev	Description	Date	By
AMENDMENT RECORD			
Stage:			COMMENT
Project ID:			14BMK012
Drawing Number:			AB 01
			Revision: 1

Project:	Blue Light Hub		
Project Manager:	Julian Castle		
Drawn:	Roger Hick	Date:	22/07/2016 10:08:02
Checked:	Julian Castle	Date:	22/07/2016 10:08:02
Approved For Issue:	Julian Castle	Date:	07/10/15

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The table below shows the latest iteration of the capital programme that forms part of the draft medium term financial plan for 2017/18. It should be noted that items marked with (*) are subject to formal approval by the Authority as part of the annual budget setting process. All other items were approved as part of the five-year programme at the Fire Authority meeting in February 2016.

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Finance and Assets					
Property Capital Expenditure *	500	500	500	500	500
Finance and Assets Total	500	500	500	500	500
Delivery, Corporate Development & Planning					
Red Fleet Replacement	500	500	500	500	-
Battery Powered Hydraulic Equipment	56	56	56	56	-
Other Operational Equipment	85	85	85	85	-
USAR Training Adaptations *	60	-	-	-	-
Digital Radios *	140	-	-	-	-
White Fleet Replacement *	16				
Total Delivery, Corporate Development & Planning	857	641	641	641	0
Knowledge and Information Systems					
Wireless Network	12	12	12	12	-
Rolling Replacement of ICT Hardware	75	75	75	75	-
Knowledge and Information Systems Total	87	87	87	87	0
Total Spend	1,444	1,228	1,228	1,228	500
Funding brought forward	-3,097	-3,590	-4,299	-5,008	-5,717
In year funding	-1,937	-1,937	-1,937	-1,937	-1,937
Funding (Available) / Deficit	-3,590	-4,299	-5,008	-5,717	-7,154

The projected funding available at the end of 2021/22 is £7.154m. It should be noted that this figure does not include any amounts for replacement of vehicles, equipment or IT in 2021/22 (as the five-year programmes for these end in the preceding year).

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