

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

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



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**Chief Fire Officer and Chief Executive**  
Jason Thelwell

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To: Members of Buckinghamshire and Milton Keynes Fire Authority

6 February 2023

**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 at **MILTON KEYNES CITY COUNCIL, CIVIC OFFICES, 1 SAXON GATE EAST, CENTRAL MILTON KEYNES, MK9 3EJ** on **WEDNESDAY 15 FEBRUARY 2023 at 11.00 AM** when the business set out overleaf will be transacted.

Yours faithfully

Graham Britten  
Director of Legal and Governance

**Health and Safety:**

There will be limited facilities for members of the public to observe the meeting in person. A recording of the meeting will be available after the meeting.

Chairman: Councillor Rouse

Councillors: Adoh, Bagge, Carroll, Chapple OBE, Christensen, Darlington, Exon, Hall, Hopkins, Hussain, Lambert, Mahendran, McLean, Stuchbury, Waite, Walsh



**MAKING YOU SAFER**



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

The Authority supports the principles of openness and transparency. To enable members of the press and public to see or hear the meeting this meeting will be recorded. Please visit:

<https://www.youtube.com/channel/UCWmIXPWAscxl3vIiv7bh1Q>

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

## **Adjournment and Rights to Speak – Public**

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

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

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

- (a) speak for no more than four minutes,
- (b) should only speak once unless the Chairman agrees otherwise.

The Chairman should resume the Meeting as soon as possible, with the agreement of the other Members present. Adjournments do not form part of the Meeting.

## **Rights to Speak - Members**

A Member of the constituent Councils who is not a Member of the Authority may attend Meetings of the Authority or its Committees to make a statement on behalf of the Member's constituents in the case of any item under discussion which directly affects the Member's division, with the prior consent of the Chairman of the Meeting which will not be unreasonably withheld. The Member's statement will not last longer than four minutes. Such attendance will be facilitated if requests are made to [enquiries@bucksfire.gov.uk](mailto:enquiries@bucksfire.gov.uk) at least two clear working days before the meeting. Statements can be read out on behalf of the Member by the Director of Legal and Governance, or the Member may request a 'team's meeting invitation to join the meeting at the specified agenda item.

## **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 (as above). 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*, 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.
  - (i) the Capital Strategy
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. New Member of Authority and Appointments to Committee**

To welcome the new Member from Milton Keynes City Council and to appoint to a Committee in accordance with the Group Leader's wishes.

(a) To appoint Councillor Shanika Mahendran onto the Overview and Audit Committee.

(b) To appoint Councillor Emily Darlington onto the Executive Committee.

#### **3. Minutes**

To approve, and sign as a correct record the Minutes of the meeting of the Fire Authority held on 7 December 2022. **(Pages 9 - 28)**

#### **4. Matters Arising from the Previous Meeting**

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

#### **5. 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.

#### **6. Chairman's Announcements**

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

#### **7. Petitions**

To receive petitions under Standing Order SOA6.

#### **8. Questions**

To receive questions in accordance with Standing Order SOA7.

## 9. Recommendations from Committees:

The recommendations below are recommendations from officers to the Executive Committee. Revisions by the Executive Committee, if any, will follow.

### Executive Committee – 8 February 2023.

#### (a) The Prudential Code, Prudential Indicators and Minimum Revenue Provision

“It is recommended that:

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

The report considered by the Executive Committee is attached at item 9(a)  
**(Pages 29 - 38)**

#### (b) Medium Term Financial Plan (MTFP)

“It is recommended that:

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

The report considered by the Executive Committee is attached at item 9(b)  
**(Pages 39 - 54)**

#### (c) Members’ Allowances

“1. That a Scheme for Members’ Allowances for 2023/24 (Appendix C) be adopted with either

- a) 0% increase in allowances; or
- b) 2% increase in allowances; or
- c) 5% increase in allowances.

2. That a Scheme for Members’ Allowances for 2023/24 be adopted with an increase based on indexation not aligned to the NJC employers’ Grey Book pay offer or award.”

The report considered by the Executive Committee is attached at item 9(c)  
**(Pages 55 - 110)**

**10. Pay Policy Principles and Statement 2023/24**

To consider item 10 **(Pages 111 - 130)**

**11. Treasury Management Strategy 2023/24**

To consider item 11 **(Pages 131 - 146)**

**12. Buckinghamshire & Milton Keynes Fire Authority (BMKFA) Apprenticeship Programme Update**

To consider item 12 **(Pages 147 - 156)**

**13. The Charter for Families Bereaved through Public Tragedy**

To consider item 13 **(Pages 157 - 160)**

**14. Date of Next Meeting**

To note that the next meeting of the Fire Authority will be held on Wednesday 14<sup>th</sup> June (Annual Meeting) 2023 at 11am.

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



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

### **ROLE DESCRIPTION**

#### **LEAD MEMBERS**

1. To take a lead role in providing support and constructive challenge to senior officers in the development of strategies and plans and contributing towards the strategic direction of the Authority, within the Authority's overall policy objectives.
2. To act as a 'sounding board' for senior officers on issues within the portfolio, and be supportive in dealing with any problems at a strategic level.
3. To review, in conjunction with senior officers, the service within the portfolio.
4. To keep abreast of related developments and policies at national, regional and local level.
5. To take the lead in reporting to the Authority, one of its committees, or panels on issues within the portfolio.
6. To attend the Overview and Audit Committee, at its request, in connection with any issues associated with the portfolio which is the subject of scrutiny.
7. To act as a spokesperson for the Authority on issues within the portfolio.
8. To represent the Authority on bodies, at events and at conferences related to the portfolio, as appointed by the Executive Committee and to feedback to the Authority any issues of relevance / importance.

(Approved 8 June 2007)

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# Buckinghamshire & Milton Keynes Fire Authority

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MINUTES OF THE MEETING OF THE BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY HELD ON WEDNESDAY 7 DECEMBER 2022 AT 11 AM.

**Present:** Councillors Adoh, Carroll, Chapple OBE, Christensen, Darlington (part), Exon, Hall, Hopkins (Vice Chairman), Hussain, Lambert (part), Marland, Rouse (Chairman), Stuchbury and Walsh

**Officers:** J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), A Stunell (Head of Human Resources), C Bell (Head of Protection, Assurance and Development), S Tuffley (Head of Prevention, Response and Resilience), A Carter (Head of Technology, Transformation and PMO), P Mould (Area Commander), S Gowanlock (Corporate Planning Manager), D Cadwell (Health and Safety Advisor), S Hawkins (Group Commander Community and Business Policy), C Newman (Data Intelligence Team Manager) R Smith (Procurement Manager), K Nellist (Democratic Services Officer) and M Hemming (Director of Finance and Assets)

**Apologies:** Councillors Bagge and Waite

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

<https://www.youtube.com/channel/UCWmIXPWAscxpL3vliv7bh1Q>

## **FA32 MINUTES**

RESOLVED –

That the Minutes of the meeting of the Fire Authority held on 12 October 2022, be approved and signed by the Chairman as a correct record.

## **FA33 MATTERS ARISING FROM THE PREVIOUS MINUTES**

FA26 - The Director of Legal and Governance advised that a Member had asked if there was any promotional material that could be made available to Members of the Authority to raise awareness of the risks of various heating materials during the winter months and had been advised that the

information had been circulated to the Member who had requested it.

FA27 – The Director of Legal and Governance advised that where the Authority approved the Safety Centre Funding Agreement, the Chairman had requested a visit be organised for Members of the Authority after the February Fire Authority Meeting which was being held in Milton Keynes Council Chambers. An invitation had been sent to Members and additional information would be provided nearer the time.

FA28 – The Director of Legal and Governance advised that a Member had raised concerns about the condition of High Wycombe fire station and he understood that the Deputy Director of Finance and Assets and the Lead Member for Finance and Assets, Information Security and IT visited the station yesterday and the Lead Member would give an update.

The Lead Member for Finance and Assets, Information Security and IT advised Members that it was a very productive visit, they undertook a full tour of every room in the station. There was already in place prior to the question being raised at the last meeting, a plan to significantly improve the facilities. The majority of the improvements would be completed by March 2023 and he would return at the end of March to make sure the improvements had been completed on time.

(Councillor Darlington joined the meeting)

**FA34 DISCLOSURE OF INTERESTS**

None.

**FA35 CHAIRMAN'S ANNOUNCEMENTS**

The Chairman announced that the Chairman's Announcements below had already been circulated, but he wanted to firstly congratulate the Members from Milton Keynes on receiving their letters patent, and also draw attention to the item on the independent review of culture at London Fire Brigade. As he was sure all Members would agree, it was a difficult report to read, with some quite shocking accounts. In the Chairman's Announcements it set out the steps the Chairman had asked the Chief Fire Officer and senior management team to take, to enable Members of the Authority to gain assurance that there were not

Lead  
Member for  
Finance and  
Assets,  
Information  
Security and  
IT

similar issues with the culture in Buckinghamshire and Milton Keynes.

The Chief Fire Officer echoed what the Chairman had said about not being complacent about our own culture. Members of staff were being encouraged to come forward if they had any complaints or thoughts about the process. The Service already held staff surveys, but these would be increased in the coming years, if a budget bid was successful. The ED&I group would be looking at the recommendations in the report and working through the implications. There was also a Leadership day to talk to managers in the service about the report and the next steps. The day after the report was released, the Chief Fire Officer produced a VLOG which had gone out to all members of staff.

### **Knife Angel**

The National Monument Against Violence and Aggression will be in Milton Keynes from 3 December 2022 to 7 January 2023 and the Safety Centre is one of the three major partners involved in the thirty days of action, starting with the opening ceremony. Staff and volunteers from the Safety Centre will be delivering a wide-reaching program of knife crime education to coincide with the Knife Angel being in Milton Keynes before it moves on to Slough in the New Year.

### **Annual Service of Remembrance**

Buckinghamshire Fire and Rescue Service's Ceremonial team, and colleagues from Oxfordshire Fire and Rescue Service recently travelled to the Belgium town of Ypres for the annual service of Remembrance. Each year on Armistice Day, a large parade is held through the town, where military personnel, cadet forces, and fire services from the UK all join to remember those lost during the First World War, and subsequent conflicts. Closer to home, many staff represented the Service at Remembrance events held in our towns and villages, and in the City of Milton Keynes. Group Commander Shaun Cunningham also represented BFRS at the Cenotaph in London, where the Remembrance Sunday commemorations were led for the first time by our new King.

### **Letter Patent MK**

On 15 August 2022, the Crown Office announced that the Queen had ordained by letters patent that the (then)

Borough of Milton Keynes should have city status. On 18 October 2022, members of the senior management team attended the Civic Offices of Milton Keynes to witness the Lord Lieutenant issuing the Mayor with their official City Status, which was a fantastic and historic moment for the people of Milton Keynes.

### **Chief Fire Officer**

The Chief Fire Officer attended the Asian Fire Services Association conference (AFSA) and took part in a round table about the future of diversity and inclusion in the Service.

The conference also received an excellent presentation from Dylan Bettles-Hill (BFRS Business Fire Safety Inspector) entitled 'Transitioning at Work', who has been asked to present at a number of fire and rescue services following his excellent presentation.

The Chief Fire Officer represented the Service at Thames Valley Police (TVP) for the White Ribbon event where the mission was to prevent violence against women and girls by addressing its root causes. He also pledged that BFRS would sign up and work through the accreditation process.

### **Operational Recruitment**

The Workforce Planning Group meet on a monthly basis to progress plans for our operational recruitment:

**Wholetime Firefighters** - The latest Wholetime interviews have been completed; they are being assessed as to who will progress to the next stage for the March 2023 course. The aim is to recruit eighteen Wholetime Firefighters, of which three are in the 'pool' from the last recruitment intake.

We've secured an additional six candidates onto a January 2023 course at the Fire Service College. All six places have been offered and accepted. The final employment checks, medical and kit fittings are being completed.

**Transferee Firefighters** - The six external transferees that were recruited from the June 2022 recruitment intake, have all now been cleared to commence in role. They will be joining the Service on 5 December 2022 for their three-week conversion course with Training School, before being placed at Stations.

### **Armed Forces Cadets**

Last week we held the penultimate cadet event for this year at Aylesbury Fire Station. We were joined by Councillor

Shade Adoh and Kate Lole, the Regional Employer Engagement Director for SERFCA (South East Reserve Forces' & Cadets Association). The session was a huge success and both have expressed interest in attending again next year. We recently had confirmation that the programme will be rolled out in High Wycombe commencing in the spring of 2023. GC Shaun Cunningham and AC Simon Tuffley also represented the Service at the Lord Lieutenant's Annual Cadet Awards Ceremony at the Oculus on 1 November.

### **Safety Centre**

On Thursday 24 November, BFRS staff and the Vice Chairman attended the Safety Centre in the City of Milton Keynes to hear about the vital work to empower children and young people with early knife crime intervention education. Our continued investment in the Safety Centre will support not only fire safety education but also wider safety education. I look forward to visiting the Safety Centre with Members in the new year.

### **Independent Culture Review of London Fire Brigade**

In November 2022, the Independent Culture Review of London Fire Brigade was published, following work led by Nazir Afzal OBE. The report highlighted examples of shocking incidents that had been reported to the review, and a number of failures to ensure the culture was free from discrimination, unfairness and inequality. It made for very difficult reading for everyone connected with fire and rescue services and who cares passionately about the role they play in protecting our communities.

Following publication of the report, the Chief Fire Officer and Chairman immediately discussed the report and its findings, with an unequivocal shared view that we must not hold any complacency about the culture in Buckinghamshire Fire and Rescue Service. The Chairman has asked the Chief Fire Officer to lead work to enable Members of the Authority to obtain the necessary assurance that our own culture is one that is free from discrimination, unfairness and inequality and to be clear on the steps to be taken where that is shown not to be. This will include assessing BFRS's own position against the 23 recommendations included in the LFB report. This work has commenced and there will be regular updates to the Chairman, Vice-Chairman and Group Leaders, as well as a detailed update to the next meeting of

the Executive Committee and subsequent Full Authority meeting.

### **Chairman's Activities**

As well as the activities already listed, since the last Authority meeting the Chairman has continued to visit fire stations across the service, and in November attended a session with the Newport Pagnell boat team with Ben Everitt MP.

The Chairman has been involved in engaging with all Buckinghamshire and Milton Keynes MP's on the issue of sustainable funding for the Service. Alongside this, the Chairman has engaged with the National Employers on the pay negotiations for Grey and Gold Book staff. The Chairman held his second meeting since taking post with local FBU representatives, along with the Chief Fire Officer, in November.

On 31 October 2022, the Chairman attended a national meeting of Fire Authority Chairs and Chief Fire Officers hosted by HMICFRS where a number of topics were covered including future inspection regime.

The Chairman laid a wreath on behalf of the Service at the Remembrance Day service in Chalfont St Giles.

The Chairman attended the two day LGA Fire Leadership Essentials Course in November. This course was free to all Fire Authority Members and was highly recommended to support our collective work in scrutinising the work of the Service.

### **Carol Service**

The Annual Christmas Carol Service was taking place at St Mary's Church, Aylesbury, on Thursday 8 December 2022 at 7.30pm. The service will be followed by festive refreshments. It would be good to see as many Members as possible.

A Member congratulated the firefighters at the Blue Light Hub for making the White Ribbon promise and also the Chief Fire Officer and asked whether the Fire Authority, as part of its commitment to end violence and aggression towards women and girls and make a safer environment, could become White Ribbon UK Accredited, as part of the efforts of dealing with some of the cultural elements that the Chairman and Chief Fire Officer had been speaking about.

The Chief Fire Officer agreed and had attended the White Ribbon Accreditation for Thames Valley Police. In terms of the next steps, he had spoken to the Police and Crime Commissioner as he was Chair of the Thames Valley Collaboration Steering Group and suggested that he shares the learnings from their accreditation process with all three of the Thames Valley fire and rescue services; and that the Chief Fire Officer would ensure that it was raised at the next meeting of the Thames Valley Collaboration Steering Group

**FA36 MANCHESTER AREAN INQUIRY PUBLICATION VERBAL UPDATE**

The Deputy Chief Fire Officer advised that Members would be aware of the tragic events that occurred on the 22 May 2017 when an attack took place at the Manchester Arena. A suicide bomber detonated his device in a publicly assessable area, adjacent to the arena bowl, as a concert by the singer Ariana Grande came to an end. The bomb killed 22 people who had attended the concert, or were waiting outside for those who had, and injured many more.

Following these tragic events, an independent public inquiry was established by the Home Secretary, on 22 October 2019, to investigate the deaths of the victims of the Arena attack. This was chaired by The Honourable Sir John Saunders.

The Deputy Chief Fire Officer advised Members that Volume 2 of the public inquiry report was published on 3 November 2022 and covered the emergency response element. Volume 1 covered Security for the Arena which was published previously in June 2021.

A number of recommendations had been made following the issues around the emergency response on the night. Many of the Volume 2 recommendations were in respect of national learning for police, ambulance, fire services and wider partners to consider, and to be considered by a number of bodies including the National Fire Chiefs Council (NFCC), National Police Chiefs Council (NPCC), Association of Ambulance Chief Executives (AACE), His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), National Operational Learning (NOL) and Joint Operational Learning (JOL) and wider partners.

There were also specific recommendations made in respect of Greater Manchester Fire and Rescue Service and

Northwest Fire Control as well as for Local Resilience Forums.

Any national learning would feed back through the National Operations Committee and via the Local Resilience Forums structure of which the Service was embedded at all levels, and was well sighted and involved from both a strategic and operational perspective in respect of any national on more local changes.

The Deputy Chief Fire Officer advised Members that there was an existing National Co-ordination and Advisory Framework for the Fire Service in England that supports fire and rescue services in dealing with major incidents. Within this framework, there were a number of National Resilience capabilities forged to deal with large scale incidents termed as 'new dimensions' incidents, for example Urban Search and Rescue (USAR) which was hosted here in Buckinghamshire, High Volume Pumping, Mass Decontamination and Detection Identification & Monitoring of Hazmat. In addition to these, Marauding Terrorist Attack (MTA) capabilities were located strategically across the country within fire and rescue services to support a national response to these types of events.

Whilst the Service does not host a specialist MTA response capability here in Buckinghamshire, all its responders had guidance and training on MTA at the appropriate level and were aligned across the Thames Valley, fully in compliance with the current Joint Operating Principles.

The Service had already identified and closed a number of gaps identified by Lord Kerslake's earlier report into the MEN Arena attack. The learning from this report fed into the Operational Assurance Improvement Plan as per normal practice, and in the same way the learning from the Grenfell Tower inquiry did.

The TVLRF executive was also sighted on the findings and were coordinating activity through the delivery and training, exercising and operational learning groups and via the Joint Emergency Services Interoperability Principal Leads.

A Member asked if there would be advice given to commercial and large venues across Buckinghamshire and Milton Keynes.

The Deputy Chief Fire Officer advised that Volume 1 published back in 2021 made recommendations for the



people who run Arenas and other big events. Those organisations should have taken the recommendations on board and implemented them. Also, when the Service was risk assessing those venues, those recommendations form part of that risk assessment.

### **FA37 RECOMMENDATIONS FROM COMMITTEES**

#### **OVERVIEW AND AUDIT COMMITTEE – 9 NOVEMBER 2022**

#### **PROCUREMENT STRATEGY 2022-2026 AND REVIEW OF STANDING ORDERS RELATING TO CONTRACTS**

The Procurement Manager advised Members that these two documents had been reviewed jointly as they fed into one another for the procurement activities across the Service. The existing Procurement Strategy expired in 2020, and the new strategy was deferred whilst awaiting the outcome of Brexit and subsequent changes to UK legislation relating to Public Procurement, which had further delays, and also some impact from the pandemic. Work had continued in the interim period, but there was a lapse between the last strategy and this one. The Strategy aligns to the National Fire Chiefs Council (NFCC) Procurement Strategy which included a self- assessment that was carried out against the strategy. There were three key themes in the strategy, leadership, commercial practice and delivering local benefits. The Service assessed itself against those and set targets to be achieved throughout the duration of this strategy.

The Procurement Manager advised Members that one of the areas the Service was keen to focus on was the local benefits, social value and sustainability. The Service was proud of the fact that currently 58% of contracts were with SMEs, and the Service would like to continue to support and improve on it, and this strategy should support that.

During the Overview and Audit Committee meeting, a question was raised around which social value model was going to be used. The Service would be using the government social value model, which was published a while ago, and had five key themes running through it. The themes were there to be used optionally, however, the Service preferred to use it in its procurement where possible and where it was relevant.

The Procurement Manager advised that this strategy would be reviewed in 2025, but it may be sooner as the Service was

waiting for the latest UK Procurement Bill to go through Parliament, and there may come changes out of it that would need to update the strategy.

The Procurement Manager advised that the second document supports the strategy and was the review of Standing Orders Relating to Contracts. The main change to this document was the change from the current lowest threshold of £10k to take it up to £25k to align with the Service's collaborative partners, who already had a threshold of £25k. This would enable the Service to undertake more collaborative work, more efficiently if aligned with the same thresholds. The Service was also aligning with the latest government transparency requirements, which required all contracts to be published at a value of £25k and above. Training was being rolled out to staff involved in all areas of procurement activities to ensure lower value procurement activities were carried out compliantly. Also, Contract Management and Supplier Relationship Management training packages were to be provided for those officers responsible for the ongoing performance of established contracts.

A Member asked for more information on social value as in the report it said it was not considered important.

The Procurement Manager advised that was when the assessment was carried out several years ago. This strategy was for the Authority to develop and improve and to achieve the target of 'Mature.' The Procurement Manager advised that the Overview and Audit Committee could receive updates in respect of social value progress

Procurement  
Manager

A Member asked about the challenge around SMEs. It was great the Authority was promoting more working with SMEs, but they cannot always compete with larger organisations. How does the Authority balance promoting more work with SMEs against the duty to obtain best value and lower costs which were often afforded by larger suppliers.

The Procurement Manager advised that when looking at procurement, officers would look at which market was the best fit and what were the different options. The Authority's spend was not huge compared to larger organisations, and when looking at tenders, they were often divided up and awarded in smaller contracts to smaller businesses.

When there were standard contracts, there would be no benefit in using a smaller organisation. When working with

larger companies, the Authority would use the Public Sector Framework and still get benefits, so it would depend on what was being procured.

RESOLVED: -

That the Authority be recommended to approve

1. The Procurement Strategy 2022-2026 (Appendix 1)
2. The Standing Orders Relating to Contracts as amended (Appendix 2)

### **FA38 2025-2030 SERVICE PLANNING**

The Chairman advised that this report outlined the process and timescales for developing the next set of Service plans that would succeed the existing Public Safety and Corporate Plans.

The Corporate Planning Manager advised Members that the current Service Plans, comprising of the five-year Public Safety and Corporate Plans, run out at the end of March 2025. Although that was a long way off, in planning cycle terms it was not, particularly in light of the feedback from His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) in relation to the current Public Safety Plan and also with the advent of the new Fire Standard for Community Risk Management Planning, together with an underpinning range of new risk analysis and management methodologies that were emerging. The analysis of these indicated that future planning would be a more data and resource intensive process than was previously the case. This meant the Authority needed to get the planning process underway if it was to be in a position to go live with new plans with effect from April 2025. Appendix 1 showed an outline process and timeline for production of the new plans which would cover the period 2025-2030. These would comprise of the Community Risk Management Plan (CRMP), to align with the Fire Standard, and follow on Corporate Plan.

The Corporate Planning Manager advised Members that alongside the analytical and modelling work, there would be a public consultation process. The approach to this would be based on the 'Gunning Principles' which set out the key legal and good practice requirements for proper consultation which state they should "be conducted at a formative stage, before decisions are taken; allow sufficient time for people to participate and respond; provide stakeholders with

sufficient background information to allow them to consider the issues and any proposals intelligently and critically; and, be properly taken into consideration before decisions are finally taken”.

To meet these requirements, the consultation would be conducted in two stages. The first ‘listening and engagement’ stage would be designed to explore public and other stakeholder perceptions of risk in the community, expectations of the Service and some of the potential ways that it might approach meeting the challenges that would be faced. The outcomes of this would be used to inform the development of the new CRMP which would then be subject to a full 12 week public consultation before being presented to the Authority along with the outcomes of the consultation and any recommended changes to the CRMP.

A Member asked whether, whilst the plan would run from 2025-2030, the evidential information would be looking further out than five years and also as the Authority was only two years into its current five year plan, how did the Authority ensure officers didn’t lose focus on the current one.

The Corporate Planning Manager advised that officers do look further out, the national framework plan was a minimum of a three year period, but the Authority opts for a refresh every five years, given the scale and pace of changes associated with some of the large infrastructure projects such as HS2, and all the new housing developments in the local plans.

The Chief Fire Officer assured Members that what was in the current plan was being monitored and would be delivered.

RESOLVED –

1. That successor plan to the 2020-2025 Public Safety Plan, be known as the ‘2025-2025 Community Risk Management Plan’.
2. That the provisional timescale for preparation of the 2025-2030 Community Risk Management and Corporate Plan’s be approved.
3. That any changes to the sequencing and timing of the 2025-2030 planning process be delegated to the Executive Committee for approval.

Councillor Stuchbury requested that his abstention be recorded in the Minutes.

### **FA39 HEALTH AND SAFETY STRATEGY 2023-2027**

The Health and Safety Adviser informed Members that this strategy set out the strategic health and safety objectives for the next four years and focused on how leadership was key in setting out the direction to improve health and safety and physical mental wellbeing in the workplace. This strategy sat alongside the wellbeing strategy and aligned with the Authority's Public Safety Plan. The mission statement was leading the way to a healthier and safer workforce. There were five strategic objectives: positive and effective leadership; drive improvement in health and safety performance; lead the way in reducing work related ill health, with a specific focus on mental health and stress; lead the way in protecting the environment and continue to drive a positive and effective health, safety and wellbeing culture.

This strategy was the foundation on which the Service could build on providing direction to all employees and relevant stakeholders on how it would improve health, safety and wellbeing, including culture, over the next four years.

A Member asked why mental health was not in the strategy.

The Head of Protection, Assurance and Development advised Members that mental health was part of the Wellbeing Strategy which covered those specific areas.

The Chairman noted that all areas of the Equality Impact Assessment were neutral, and he would like to have a better understanding of the approach that led to that outcome. The Chairman also wanted assurance that the Health and Safety Strategy environment was tracking any disproportionate impacts on certain types of protective characteristics.

The Health and Safety Adviser informed that the reasoning behind all aspects of protective characteristics was considered, and determined it was broadly neutral as this strategy should maintain a positive health and safety culture. The data used for analysis, did not target any particular protected characteristics.

RESOLVED –

That the Health and Safety Strategy 2023-2027 be approved.

### **FA40 HEALTH, SAFETY AND WELLBEING ANNUAL REPORT 2021/22**

The Health and Safety Advisor informed Members that the report this year focused on the key projects that had been ongoing during the financial year, such as the Breathing Apparatus (BA) replacement project and the new health and safety recording system. It also focused on employee wellbeing, contaminants update, and detailed the recovery from the Covid-19 pandemic, whilst maintaining business as usual. The report also covered performance and the safety statistics for the year 2021/22, identifying there had been a decrease in the number of personal injury safety events. However, there had been no change in the number of equipment damage events, and an increase of 15.8% in the number of vehicle damage safety events. The new system currently only reports near misses and safety events; however, it was hoped there was capacity to make hazard reporting easier and more accessible for everyone.

A Member asked if the mental health of operational staff was being properly considered.

The Head of Protection, Assurance and Development assured Members that the mental wellbeing of all staff, not just operational staff was of utmost importance and a priority.

A Member asked that although overall numbers were down, the number of serious reportable offences had gone up by almost 100%. Did officers have the split between those incidents which were preventable by actions of a firefighter or those incidents that were preventable because it was a policy or process failure.

The Health and Safety Advisor responded that a report of underlying causes could be run and split down into any actions being taken by an individual or anything that the organisation would need to highlight to reduce injuries moving forward.

A Member asked about damage to vehicles, was it Authority vehicles, or was it damage done to other vehicles through bad parking etc.

The Health and Safety Advisor responded that vehicle damage related to any vehicle collision, either the Authority's own vehicles or damage to members of the public's vehicles, would be counted as reportable. Vehicle damage would also include anything that was picked up by officers on routine checks, or through means of driving where

Health and  
Safety  
Advisor

it was not though a collision but by other means that could not be determined and would be investigated.

A Members asked for more details around the three violent incidents, was this towards the Authority's officers.

The Health and Safety Advisor reported that it was acts of violence to members of staff, one example was fireworks being shot at a fire appliance.

The Chairman asked for some assurance on the underspend in the budget. Was it as a result of lack of engagement from staff for training, or were there not courses for the budget, as it was showing an underspend of just under £10k.

The Head of Protection, Assurance and Development advised that it was not because of lack of engagement, training was planned on previous trends of how many people would need to do certain courses. For example, it was planned for 8-12 candidates to undertake a NEBOSH general certificate and this year there was only two candidates that required it. Because of this, the course was cancelled, and training would be sourced by other means for the two members of staff who needed it.

The Chairman requested that future analysis incorporated data on protected characteristics

The Lead Member for Health and Safety and Corporate Risk thanked Members for all their questions and advised these would be discussed at the Health, Safety and Wellbeing meeting next week.

(Councillor Lambert left the meeting)

RESOLVED –

That Members note the health, safety and wellbeing performance as detailed in the Health, Safety and Wellbeing Annual Report for 2021/22.

#### **FA41 BUILDING RISK REVIEW AND PROTECTION UPDATE**

The Group Commander Community and Business Policy advised Members that this report was an update of the Building Risk Review and some of the Protection work being undertaken and the self-assessment against the Protection Fire Standards. The Building Risk Review was completed at the end of last year and concentrated nationally on high risk residential buildings. The review was completed ahead of schedule, and work continued to take place on these

Health and  
Safety  
Advisor

buildings as business as usual. This would continue and incorporate the Fire Safety (England) Regulations 2022.

The Group Commander Community and Business Policy advised Members that the Service continued to deliver the Protection Uplift Programme, utilising the associated grant funding to deliver improvements in fire safety and training, improved software and wider support for business engagement, including an additional role of a Business Engagement Officer. Other spending had contributed to the improvement in the Premises Risk Management System to improve the communication and coordination of Site Specific Risk Information, Prevention activity and Protection audits to improve the way the Service could make its staff and communities safer.

The Group Commander Community and Business Policy advised that the Service aimed to fully comply with the competency framework and was aligning with the Competency Framework for Fire Safety Regulators, which recommended that all fire safety inspectors, working on high risk premises, should be third party validated.

The Group Commander Community and Business Policy advised Members that the Fire Standards Board had been set up to oversee the identification, organisation, development, and maintenance of professional standards for fire and rescue services in England. The Board had since launched the Protection Fire Standard which could be seen at Appendix 1. The Service had undertaken the self-assessment which could be seen at Appendix 2. Members should note that question two around equality impact assessments had now been removed, as it was considered this was ongoing and part of what was undertaken on a daily basis and part of any audit process.

Members would also be aware that there were a number of legislative changes to fire Safety including the Fire Safety Act, The Fire Safety (England) Regulations and the Building Safety Act which officers had been working on to incorporate into the Protection function.

(Councillor Lambert re-joined the meeting)

The Chairman asked if it would be possible for Members to have a briefing session to take them through the Building Safety Act to understand what the implications were for the Authority.

The Group  
Commander  
Community  
and Business  
Policy



The Group Commander Community and Business Policy would provide a presentation at the next Fire Authority meeting.

A Member asked in terms of building risk, if the FBU would be balloting on strike action, what contingency plans would be in place to cover high rise building and whether the government had offered appliances to cover those high risk buildings in the event of strike action.

The Chief Fire Officer advised that the Fire Brigades Union had informed the Authority of its intention to ballot for strike action and plans were going ahead to put in contingency arrangements to provide an emergency response. The latest position was that fire and rescue services were in negotiation and discussion with the government in terms of whether or not the military would be involved in providing that response. The Service had also gone out to members of the public to engage in terms of defensive firefighting. The Service would provide the appliances and training, a plan would be brought to Members, once it was finalised in terms of what emergency response the Service could provide. The issue of high rise buildings was a national issue and was something that would be put on public record if it got to that position.

RESOLVED –

That the Building Risk Review, Protection Update, and Fire Standard Protection Self-assessment be noted.

#### **FA42 PERFORMANCE MANAGEMENT Q2 2022/23**

The Head of Technology, Transformation and PMO advised Members that this report was presented at the Executive Committee on 16 November 2022 and showed the Performance for Q2 across a range of measures. For Q2 one new measure had been added in the response section and that was the Site Specific Risk Information High Risk Site Completion. In the Public value section, percentage compliance with standing orders relating to contracts, work in progress measure data had now been populated. All other work in progress measures should be populated by the end of the financial year.

The Head of Technology, Transformation and PMO advised that at the Executive Committee meeting there were a couple of measures highlighted by Members that she would like to provide an update on. The first was Appraisal

Completion. Since April 2022 when the end of year submissions for 2021/22 and objective setting for 2022/23 became due, reminders had been sent to managers to prompt them to complete any overdue appraisals. These prompts had each time resulted in an increased return of overdue performance and development packs.

The Organisational Development (OD) team were now undertaking engagement sessions with employees to understand the barriers to appraisal completion. Alongside understanding the barriers, they would also use the opportunity to discuss career development, talent management, succession planning and leadership development.

The Head of Technology, Transformation and PMO advised that with regard to Mandatory Elearning, the OD team continued to remind staff and managers of the elearning modules that were mandatory, utilising different communication channels.

The Head of Technology, Transformation and PMO advised that with regard to Complaints, of the 14 complaints, only one had been upheld. The highest number of complaints related to damage to property (6), and these included damage to trees and hedges.

The Data Intelligence Team Manager advised that the Key Performance Measure report helped officers to understand how the Service was performing. It also enabled officers to highlight certain measures to Members and staff.

Based on feedback from quarter one, an additional page had been added which reflected on the previous quarters highlighted measures. Reading the summary pages, it might feel that there were many measures showing outcomes not in line with expectations and targets, but it's worth noting that during this reporting period, the Service experienced two heat waves that saw extreme demand on it and the sector. With this in mind, only one measure was highlighted in Q2 - Average attendance time to all incidents. The Service's average attendance time to all incidents had increased from being within three seconds of previous year in Q1 to being 36 seconds slower than the previous year. The above was a common theme across several measures, most of which would be covered within the summer pressures final report.

A Member asked in relation to the fire and wellness visits and the HMICFRS Inspection report, as the Service was behind in meeting its target (1800 visits should have been completed by September, and 732 had been undertaken), was it the right target and right approach.

The Head of Prevention, Response and Resilience advised that unfortunately the fire and wellness visits were not at the target they should be. The team had been through a significant restructure since the HMICFRS report, and a significant amount of recruitment into the central team had taken place. There was also the Prevention Improvement Plan with 60 recommendations the team were working through. The onboarding of the new team would take four to six months. The foundations were in place, so although not yet on target, by April the team would be achieving the 300 target for this year. The long term focus over the next five years was to bring the Service up to the National average without sacrificing targeting.

The Chairman asked about false alarms in the home and non-domestic false alarms. Whilst tracking a green level overall, when added the aggregate false alarms together it was quite a high number, was it giving cause for concern. Was there anything in the trends and what proactive action could the Service take particularly to drive down non-domestic alarms.

The Data Intelligence Team Manager advised there was currently a review ongoing for non-domestic false alarms. In the past, the Service did look at aggregate numbers, but repeat offenders and how it could get those numbers down.

The Group Commander Community and Business Policy advised that as part of any process, the Protection team were informed of all non-domestic false alarms, if there were any more than three in three months, the team would go out and audit the premises and give them guidance.

RESOLVED –

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

#### **FA43 DATE OF NEXT MEETING**

To note that the next meeting of the Fire Authority will be held on Wednesday 15 February 2023 at 11am, at Milton Keynes Council Chamber.

THE CHAIRMAN CLOSED THE MEETING AT 12.35 PM.

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Executive Committee, 8 February 2023

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

**Lead Member:** Councillor Matthew Walsh

**Report sponsor:** Mark Hemming, Director of Finance & Assets

**Author and contact:** Marcus Hussey [mhussey@bucksfire.gov.uk](mailto:mhussey@bucksfire.gov.uk)

**Action:** Decision.

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

It is recommended that:

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

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## **Executive summary:**

This report is being presented as the Prudential Indicators (Appendices A and B) and Minimum Revenue Provision policy statement (Appendix C) are required to be approved by the Fire Authority and to support the Medium-Term Financial Plan (MTFP).

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

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

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## **Financial implications:**

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

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

The impact of the Prudential Code will allow the Authority to make informed choices between revenue and capital financing of procured services, to encourage invest to save schemes and will only allow capital investment to proceed where the Authority can fund projects within prudential limits.

Making sufficient minimum revenue provision ensures that when borrowing matures, cash is available to make the repayment. This ensures that the Authority does not need to borrow additional money to repay existing loans.

### **Risk management:**

The Prudential Code was established to ensure that capital investment plans are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. The indicators presented here demonstrate that the current plans for capital investment meet these criteria and present an acceptable level of risk to the Authority.

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

There are no direct staffing implications.

### **Legal implications:**

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, SI 2003/3146 make provision for capital finance and accounts under the Local Government Act 2003 requiring the authority to have regard to the 'Prudential Code for Capital Finance in Local Authorities' when determining, under the Local Government 2003 Act, how much money it can afford to borrow; and require the Authority to determine for the current financial year an amount of minimum revenue provision which it considers to be prudent.

### **Privacy and security implications:**

No direct impact.

### **Duty to collaborate:**

No direct impact.

### **Health and safety implications:**

No direct impact.

### **Environmental implications:**

No direct impact.

### **Equality, diversity, and inclusion implications:**

No direct impact.

**Consultation and communication:**

No direct impact.

**Background papers:**

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

[https://bucksfire.gov.uk/documents/2020/03/181115\\_exec\\_committee\\_papers.pdf/](https://bucksfire.gov.uk/documents/2020/03/181115_exec_committee_papers.pdf/)

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

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## Appendix 1 – Prudential Indicators

### 1.0 Indicators for Affordability

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

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

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

### 2.0 Indicators for Prudence

#### 2.1 Gross borrowing and the Capital Financing Requirement

The table below shows gross borrowing and the capital financing requirement (CFR). The Authority should ensure that gross borrowing does not, except in the short term, exceed the CFR. However, due to the reallocation of reserves to reduce the CFR (excluding finance lease) to zero (see Provenance Section & Background Papers) gross borrowing will exceed CFR for the medium to long-term. This situation will exist until borrowing is repaid.

Gross borrowing at the start of 2021/22 financial year was £6.797m. The figures shown below indicate the maximum level of borrowing during the year (i.e. repayments will reduce the limit for the following year):

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

### 3.0 Indicators for Capital Expenditure

#### 3.1 Capital Expenditure

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

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

#### 3.2 Capital Financing Requirement (CFR)

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

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

#### **4.0 Indicators for External Debt**

##### **4.1 Authorised Limit**

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

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

##### **4.2 Operational Boundary**

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

The actual external debt for the year ending 31 March 2022 was **£8.340m**.

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

#### **5.0 Indicators for Treasury Management**

##### **5.1 Adoption of CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectorial Guidance Notes**

The aim is to ensure that treasury management is led by a clear and integrated forward treasury management strategy, and a recognition of the pre-existing structure of the Authority's borrowing and investment portfolios.

##### **5.2 Upper limit on fixed interest rate exposures**

This indicator shows the Authority's upper limit of the net exposure to fixed interest rates. Currently all borrowing is at a fixed rate of interest:

Indicator	Actual 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Upper limit on fixed interest rate exposures	100%	100%	100%	100%	100%

##### **5.3 Upper limit on variable interest rate exposures**

This indicator shows the Authority's upper limit of the net exposure to variable interest rates:

Indicator	Actual 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Upper limit on variable interest rate exposures	20%	20%	20%	20%	20%

#### 5.4 Maturity structure of fixed rate borrowing

This shows the repayment profile of fixed rate borrowing. All loans are repayable on maturity:

Indicator	Actual 2021/22		Estimate 2022/23		Estimate 2023/24		Estimate 2024/25		Estimate 2025/26	
	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit
<b>Maturity structure of fixed rate borrowings</b>										
Under 12 months	0%	9%	0%	16%	0%	0%	0%	0%	0%	0%
12 months and within 24 months	0%	15%	0%	0%	0%	0%	0%	0%	0%	0%
24 months and within five years	0%	0%	0%	16%	0%	19%	0%	19%	0%	19%
five years and within 10 years	0%	24%	0%	22%	0%	27%	0%	27%	0%	27%
10 years and within 20 years	0%	11%	0%	0%	0%	0%	0%	0%	0%	0%
20 years and within 30 years	0%	0%	0%	36%	0%	42%	0%	42%	0%	42%
30 years and within 40 years	0%	41%	0%	10%	0%	12%	0%	12%	0%	12%
40 years and above	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

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

Indicator	Actual 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26
Total principal sums invested for periods longer than 364 days (£000)	0.00	0.00	0.00	0.00	0.00

#### 5.6 Credit Risk

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

**Appendix 2 – Summary Table of Prudential Indicators**

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

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

The actual external debt for the year ending 31 March 2022 was £8.340m. The projected external debt for the year ending 31 March 2023 is £8.293m (both figures include the finance lease liability).

The following indicators are not shown above:

- 5.1 – the Authority has adopted CIPFA’s Treasury Management Code for 2021/22
- 5.4 – details of the maturity structure of fixed rate borrowing
- 5.6 – narrative regarding credit risk

### **Appendix 3 – Minimum Revenue Provision (MRP) Policy Statement**

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

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

(a) CFR Method

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

(b) Asset Life Method

Since 1 April 2008, where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be determined by reference to the life of the asset, based on an equal instalment method. This amount is projected to be nil for 2023/24.

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

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

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# Buckinghamshire & Milton Keynes Fire Authority

**Meeting and date:** Executive Committee 8 February 2023

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

**Lead Member:** Councillor Matthew Walsh

**Report sponsor:** Mark Hemming

**Author and contact:** Asif Hussain, [ahussain@bucksfire.gov.uk](mailto:ahussain@bucksfire.gov.uk), 01296 744421

**Action:** Decision

## **Recommendations:**

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

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

## **Executive summary:**

The main report (Annex A) presents the proposed revenue and capital Medium Term Financial Plan (MTFP) for the financial years 2023/24 to 2027/28. The MTFP is closely linked to the Financial Strategy which is the link between the organisation's long-term service objectives and its financial capacity. Buckinghamshire Fire and Rescue Service (BFRS) long-term service objectives are set out in the Public Safety Plan (PSP) and Corporate Plan.

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

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

Revenue Support grant will increase in line with Consumer Price Index (CPI) whilst the Firelink grant will reduce by 20% and the pension grant funding will continue on a flat-cash basis. Local authorities will be compensated for the freeze in the Small Business Rates

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

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

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

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

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

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

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

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

It should also be noted that the figures for council tax and business rates are provisional. The statutory deadline for the billing authorities to provide this information to the Authority is 31 January 2023. Any changes to the figures will be presented in a revised Appendix 1 at the meeting.

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



Appendix 3 provides further detail on the level of council tax chargeable for each band if the Authority accepts the recommendation to increase the band D by £5.

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

**Risk management:** Management of our Financial resources is a key risk to the Authority. By projecting forward and monitoring our financial plans, we are in a better position to avoid and mitigate the risk of adverse financial consequences.

**Legal implications:** The Local Government Act 2003 gives the responsible finance officer, namely the Chief Finance Officer of the Combined Fire Authority under s112 of the Local Government Finance Act 1988, the responsibility to report to Members of the Authority on their assessment of the robustness of the estimates used within the budget and on the adequacy of reserves.

Members must have regard to the report of the Chief Finance Officer in respect of the above and the highlighted associated risks before considering the recommendations as set out in the report.

**Privacy and security implications:** No direct impact.

**Duty to collaborate:** No direct impact.

**Health and safety implications:** No direct impact.

**Environmental implications:** No direct impact.

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

**Consultation and communication:** None.

**Background papers:**

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

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

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

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

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

### **1. Introduction**

- 1.1. The purpose of this report is to present the proposed revenue and capital Medium Term Financial Plan (MTFP) 2023/24 to 2027/28.
- 1.2. The MTFP is closely linked to the Financial Strategy which is the link between the organisation's long-term service objectives and its financial capacity. BFRS long-term service objectives are set out in the Public Safety Plan (PSP) and Corporate Plan. The PSP sets out our strategic approach to the management of risk in the communities we serve. The Corporate Plan sets out how we intend to equip and develop our organisation and its people to meet the challenges that we face. The MTFP details the resources available to facilitate these plans.
- 1.3. As part of the Fire Authority's Terms of Reference and MTFP, the Authority reviews and sets a balanced budget each year in line with corporate priorities. The MTFP is expressed as a detailed annual budget for the first year, with outline indicative budgets for the following four years.
- 1.4. Under Section 25 of the Local Government Act 2003 the Chief Finance Officer (as S.112 Chief Finance Officer of the Local Government Finance Act 1988) is required to report to Members on:
  - The robustness of the estimates made for the purposes of the calculations of the budget
  - The adequacy of the proposed financial reserves
- 1.5. The Local Government Act 2003 requires that Members have regard to the report in making their decisions (see section 8).
- 1.6. Section 42A of the Local Government Finance Act 1992 also requires the Authority to have regard to the level of reserves for meeting estimated future expenditure when calculating the net budget requirement.

### **2. Local Government Finance Settlement 2023 to 2024**

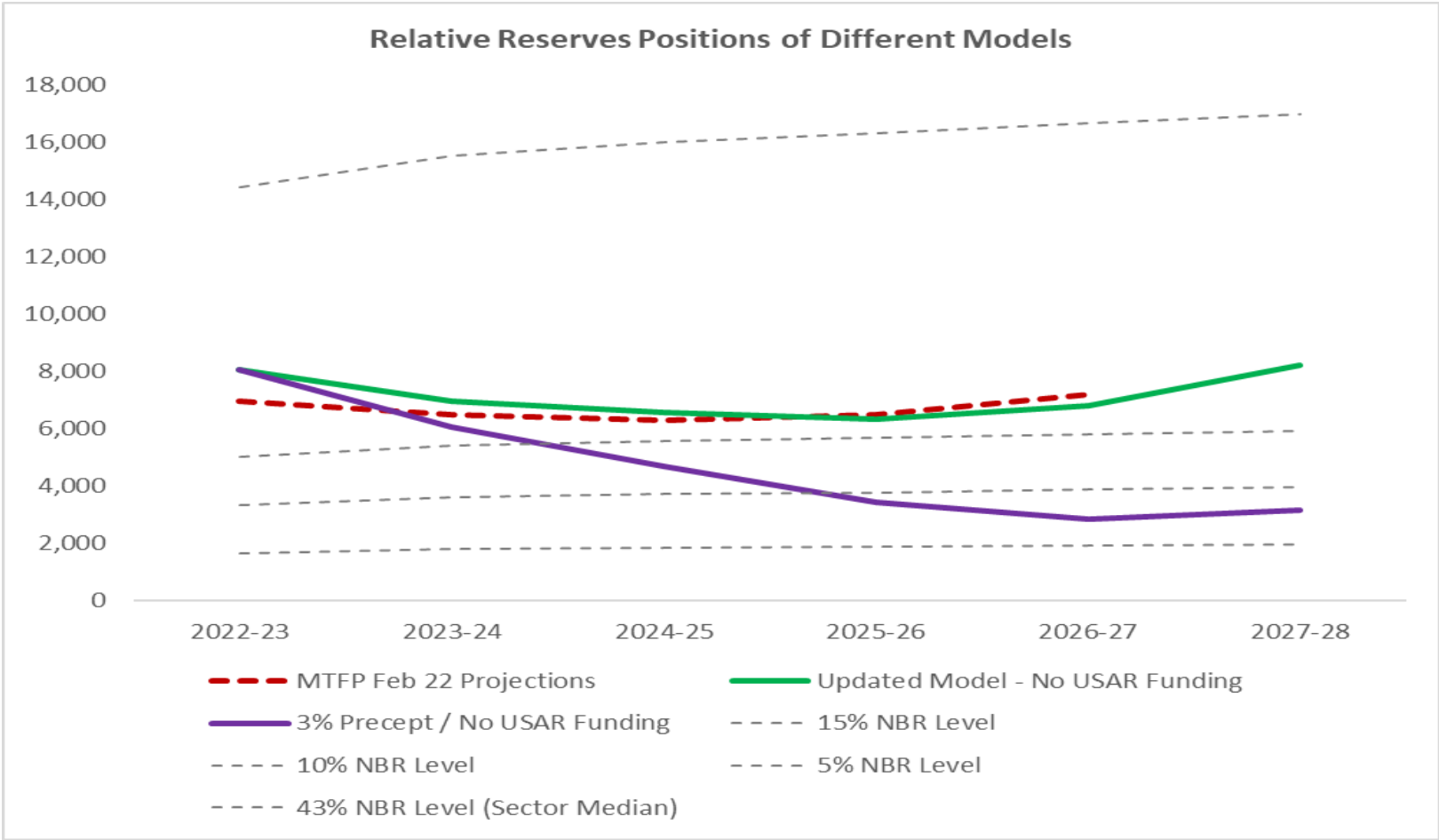
- 2.1. The Revenue support grant will increase in line with the change in the Consumer Price Index (CPI) between September 2021 and September 2022. Business rates multiplier will be frozen, but services will be compensated the difference between the freeze and the increase expected in line with CPI.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

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

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

### **3. Council Tax and Business Rates**

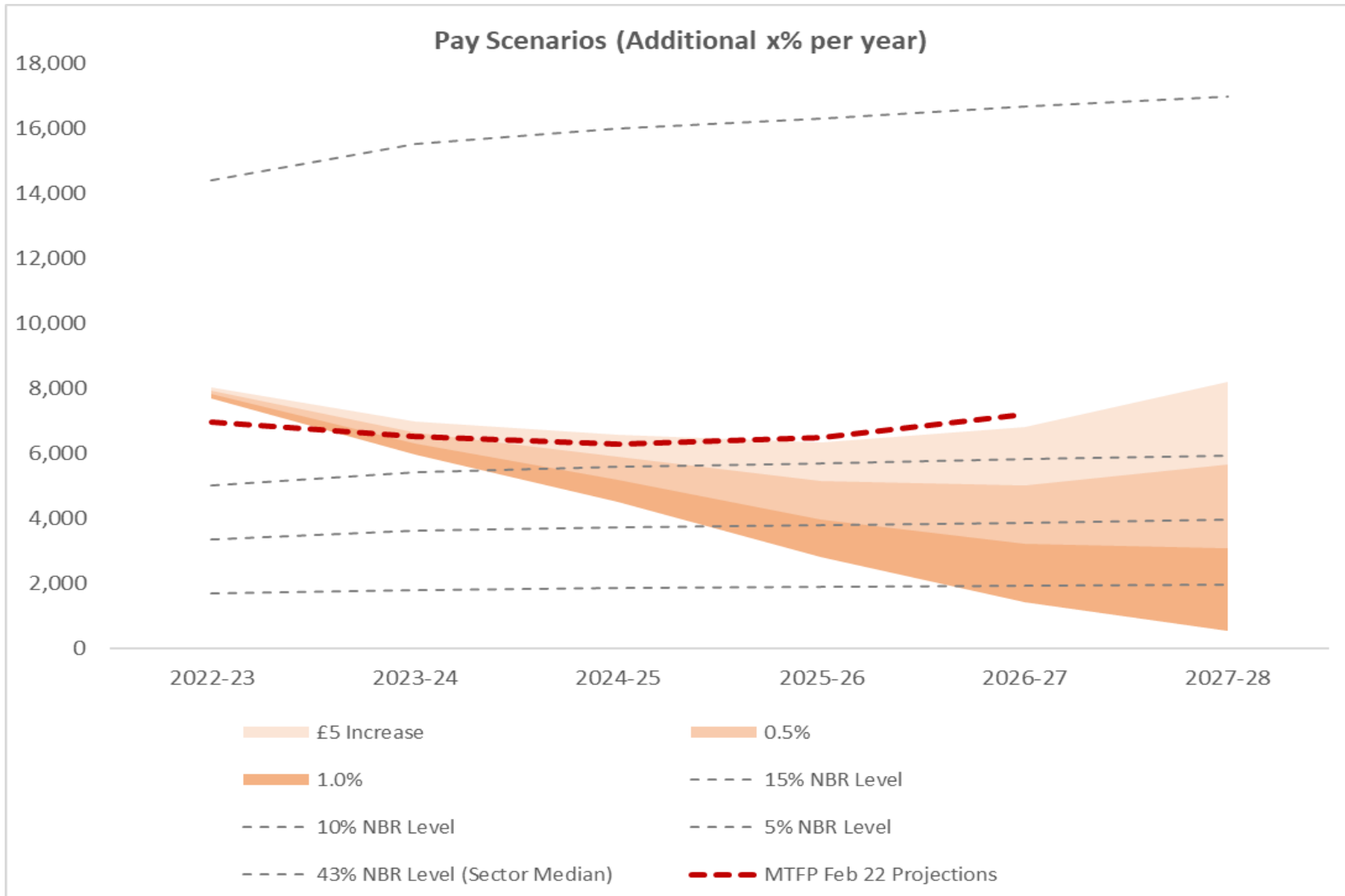
- 3.1. In publicly declaring core spending power figures, the Government has clearly set an expectation that local authorities will continue to increase council tax every year by the maximum amount permissible.
- 3.2. The difference between a £5 increase in the precept and a 3% precept increase for 2023/24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



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

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

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



- 4.6. Areas where budgets have changed significantly from previous years have been subject to a series of challenges by Officers and Members. Risks which have been identified are to be covered from the reserves.
- 4.7. The detailed costings are based on the updated budget requirement including the annual uplift assumptions below:

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

## 5. Capital

- 5.1. The revenue impact of the capital programme has been factored into the base revenue budget requirement. This includes an annual revenue contribution to capital (RCCO), details of which are shown in Appendix 1.
- 5.2. The table at Appendix 2 details the approved capital programme for 2022/23, the estimated provisional outturn position and any proposed slippage to the programme. Any slippage is then added to the new budget requests for 2023/24 to give a total capital budget requirement of £2.8m for 2023/24.
- 5.3. The Authority should also take cognisance of the prudential indicators when approving the capital programme (submitted as a separate paper at this meeting).

## 6. Scrutiny and Challenge Process

- 6.1. All budget changes have been determined based on a series of challenge panels held by officers and then Members during the MTFP process.

## 7. Adequacy of Reserves

- 7.1. The Reserves Strategy is now incorporated within our Financial Strategy which was approved by the Fire Authority at its meeting on 9 December 2020 (<https://bucksfire.gov.uk/documents/2020/11/item-7c-fire-authority-9-december-2020.pdf>). Given the significant uncertainty that persists around inflation and other subsequent events that have occurred, the level of the General Fund for 2023/24 has been reassessed. The updated calculation of the risk assessed amount can be seen in Appendix 4.

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

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

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

## **8. Statement of the Chief Finance Officer**

- 8.1. The purpose of this statement is to comply with the requirements of the Local Government Act 2003 whereby the Chief Finance Officer, in the Fire Authority's case the Director of Finance and Assets and Chief Finance Officer, must report on:
- The robustness of the estimates made for the purposes of the calculations of the budget and;
  - The adequacy of the proposed financial reserves;
  - In recommending the budget to the Authority, Members must have regard to this report when making decisions in connection with which it is made.
- 8.2. Given the level of the General Fund Balance and earmarked reserves available, the prudent approach to the budget setting process for the next financial year and the controls for budget management, it is my conclusion as Chief Finance Officer for the Authority that, subject to approval of recommendation 1(b), there is sufficient capacity in the reserves to cope with the financial risks the Authority faces for 2023/24 and future years and that the methodology applied provides the necessary assurance to the Authority about the robustness of the estimates used in constructing the budget.



## Appendix 1 – MTFP Model

The model below is based on the assumptions detailed in Sections 3 and 4 and all significant budget movements have been subjected to Officer and Member scrutiny as noted in Section 6.1. The statutory deadline for the billing authorities to provide Council Tax and business rates information to the Authority is 31 January 2023. Any changes to these figures will be presented in a revised Appendix 1 at the meeting.

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

## Appendix 1a – Reserves Position

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

## Appendix 2 – Capital Programme

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

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

### Appendix 3 – Council Tax Rates

If the band D equivalent council tax were increased by £5 for 2022/23, the following rates would apply to properties in each band:

Bands	Proportion of Band D Charge	Per Week (£)	Per Month (£)	Per Year (£)
A	6/9	£0.99	£4.29	£51.44
B	7/9	£1.15	£5.00	£60.01
C	8/9	£1.32	£5.72	£68.59
D	9/9	£1.48	£6.43	£77.16
E	11/9	£1.81	£7.86	£94.31
F	13/9	£2.14	£9.29	£111.45
G	15/9	£2.47	£10.72	£128.60
H	18/9	£2.96	£12.86	£154.32

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

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

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

## Appendix 4 – Risk Assessment of the Adequacy of General Reserves

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

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

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



# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Executive Committee, 8 February 2023

**Report title:** Members' Allowances

**Lead Member:** Councillor Simon Rouse, Chairman

**Report sponsor:** Graham Britten, Director of Legal and Governance

**Author and contact:** Katie Nellist [knellist@bucksfire.gov.uk](mailto:knellist@bucksfire.gov.uk)

**Action:** Decision

**Recommendations:**

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

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

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**Executive summary:** The Authority is required to adopt a Scheme of Members' Allowances before 1 April each year and, in so doing, have due regard to the recommendations of the Independent Remuneration Panels (IRP) of the constituent authorities when considering its own Scheme of Members' Allowances and confirm that it has done so when it gives public notice of the Scheme of Allowances.

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

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

The Authority agreed at its meeting on 14 December 2011 that the index linking for the period 2012/13 to 2014/15 – for basic and special responsibility (and co-optee) allowances – be the pay award for the Authority’s staff on National Joint Council (NJC) for Local Authorities’ Fire and Rescue Services, Scheme of Conditions of Service (Grey Book). The application of this index linking had been endorsed annually by the Authority since 2014/15 until 2021/22.

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

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

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

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

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

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

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

“20. The scales for all allowances are maxima and there is no obligation on any Member to claim any or all of the allowances.

21. A Member shall give notice in writing to the Chief Finance Officer that he/she elects to forego any part of his/her entitlement to an allowance under the scheme.”

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



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

Costs will be incurred in publishing a notice that the Authority has made a Scheme of Members' Allowances in a newspaper circulating in its area. The cost is estimated to be in the region of £800 (*£745.20 last year*).

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

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

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

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

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

**Environmental implications:** No issues arising from the recommendations.

**Equality, diversity, and inclusion implications:** The Authority's Scheme of Members' Allowances does not include any element for meeting costs incurred by a Member who has to arrange care in order to carry out their function as a Member of the Fire Authority.

The Local Authorities (Members' Allowances) (England) Regulations 2003 exclude the Authority from including such a provision in its Scheme. However, with the exception of co-opted members, all Members are appointed by either Buckinghamshire Council or Milton Keynes City Council and are entitled to claim "dependent carers' allowances" from their appointing authority. There are currently no co-opted members on the Authority.

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

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

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



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

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November 2021

## CONTENTS

<b>1.</b>	<b>INTRODUCTION AND BACKGROUND .....</b>	<b>2</b>
<b>2.</b>	<b>CURRENT SCHEME .....</b>	<b>2</b>
<b>3.</b>	<b>PRINCIPLES UNDERPINNING OUR REVIEW .....</b>	<b>3</b>
3.1	THE PUBLIC SERVICE PRINCIPLE.....	3
3.2	THE FAIR REMUNERATION PRINCIPLE.....	3
<b>4.</b>	<b>CONSIDERATIONS AND RECOMMENDATIONS .....</b>	<b>4</b>
4.1	BASIC ALLOWANCE.....	4
4.2	SPECIAL RESPONSIBILITY ALLOWANCES (SRAs).....	7
4.3	CO-OPTEEES’/ INDEPENDENT PERSONS ALLOWANCE .....	122
	TRAVELLING AND SUBSISTENCE ALLOWANCE .....	122
4.5	DEPENDANTS’ CARERS’ ALLOWANCE .....	123
4.6	PARENTAL LEAVE .....	133
4.7	INDEXING OF ALLOWANCES.....	145
4.8	REVOCATION OF CURRENT SCHEME OF ALLOWANCES / IMPLEMENTATION OF NEW SCHEME .....	145
<b>5.</b>	<b>OUR INVESTIGATION .....</b>	<b>156</b>
5.1	BACKGROUND .....	156
5.2	COUNCILLORS’ VIEWS ON THE LEVEL OF ALLOWANCES.....	15
<b>6.</b>	<b>APPROVED COUNCILLOR DUTIES .....</b>	<b>156</b>

<b>Appendix 1</b>	Basic Allowance/Special Responsibility Allowances/Co-optees’ Allowance/Dependants’ Carers’ Allowance / Mayoral Allowances – Summary of Recommendations	16
<b>Appendix 2</b>	IRP Review of Councillor Allowances Responses to the Questionnaire 2021	Available on request
<b>Appendix 3</b>	Comparative data of allowances paid to councillors of the other unitary councils (South East Employers, Members Allowances Survey 2020)	
<b>Appendix 4</b>	Comparative data of allowances from the Milton Keynes Family Group of Councils	

## **1. INTRODUCTION AND BACKGROUND**

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

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

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

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

## **2. CURRENT SCHEME**

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

### 3. PRINCIPLES UNDERPINNING OUR REVIEW

#### 3.1 The Public Service Principle

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

#### 3.2 The Fair Remuneration Principle

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

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

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

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

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

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

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

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

## 4. CONSIDERATIONS AND RECOMMENDATIONS

### 4.1 Basic Allowance

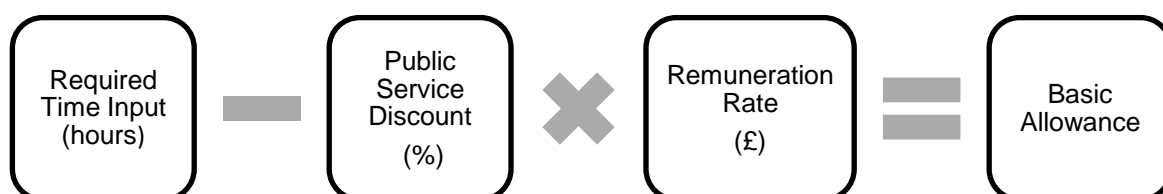
4.1.1 A Council’s scheme of allowances must include provision for a basic allowance, payable at an equal flat rate to all councillors. The guidance on arriving at the basic allowance states, “Having established what local councillors do, and the hours which are devoted to these tasks the local authorities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

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

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

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

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



4.1.5 Each of the variables is explained below.

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

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

### Required Time Input

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

### Public Service Discount (PSD)

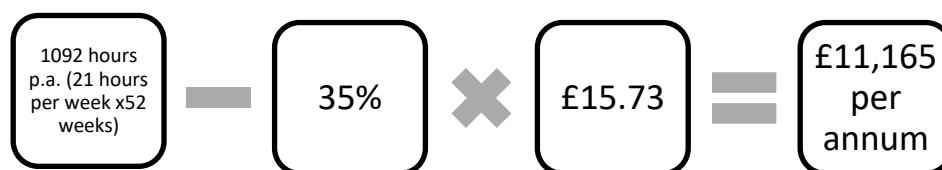
- 4.1.8 From the information analysed, we found councillors espoused a high sense of public duty. Given the weight of evidence presented to us concerning, among other factors, the levels of responsibility, the varied nature of the role, the need for learning and development, and the increasing accessibility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

### Remuneration Rate

- 4.1.9 After establishing the expected time input to be remunerated, we considered a remuneration rate. We came to a judgement about the rate at which the councillors ought to be remunerated for the work they do.
- 4.1.10 To help identify an hourly rate for calculating allowances, we utilised relevant statistics about the local labour market published by the Office for National Statistics. We selected the average (median), full-time gross<sup>6</sup> wage per hour for the Milton Keynes Council area £15.73<sup>7</sup> per hour.

### Calculating the basic allowance

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



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

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<sup>5</sup> The summary responses to the questionnaires are available on request.

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

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



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

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

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

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

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

## 4.2 Special Responsibility Allowances (SRAs)

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

### One SRA Only Rule

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

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

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

### The Maximum Number of SRA's Payable

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

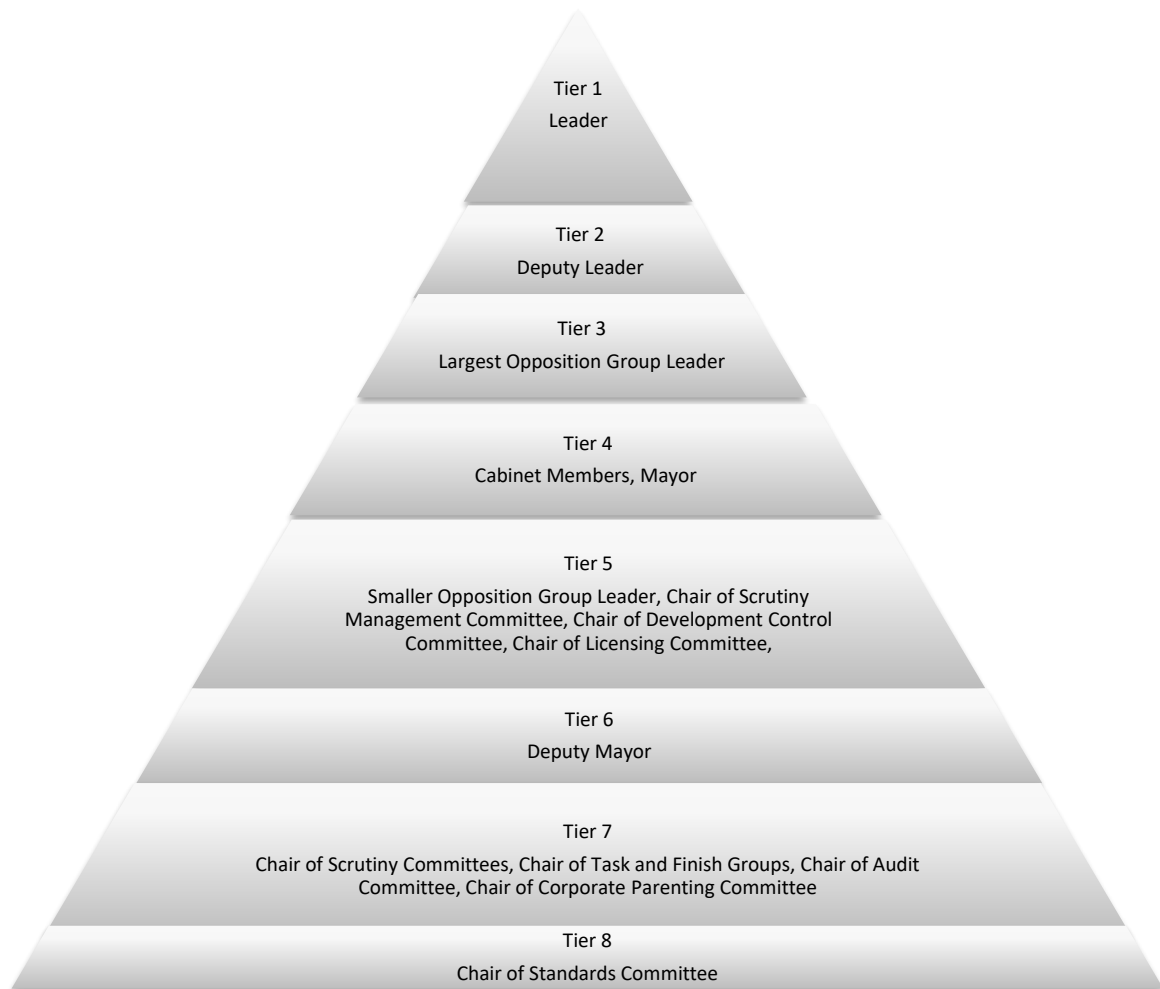
**WE THEREFORE RECOMMEND that the Council should adhere to a maximum number of SRA's payable at any one time that does not exceed 50% of Council Members (28 Members).**

### Calculating SRAs

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

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

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



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

#### Leader (Tier One)

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

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

#### Deputy Leader (Tier Two)

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

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

#### Main Opposition Group Leader (Tier Three)

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

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

#### Cabinet Members and Mayor (Tier Four)

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

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

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

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

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

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

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

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

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

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

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

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

Deputy Mayor (Tier Six)

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

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

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

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

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

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

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

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

Chair of Standards Committee (Tier Eight)

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

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

### **4.3 Co-optees'/ Independent Persons Allowance**

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

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

### **4.4 Travelling and Subsistence Allowance**

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

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

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

### **4.5 Child and Dependant Carers' Allowance**

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

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

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

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

## **4.6 Parental Leave**

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



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

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

## **4.7 Indexing of Allowances**

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

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

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

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

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

## **5. OUR INVESTIGATION**

### **5.1 Background**

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

### **5.2 Councillors' views on the level of allowances**

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

## **6. APPROVED COUNCILLOR DUTIES**

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

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

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

## Appendix 1: Summary of Panel's Recommendations

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

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

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

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

**1. Background**

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

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

Hazel Bentall  
Nigel Palmer  
Dr Bill Reid  
Mark Tosh

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

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

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

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

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

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

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

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

## **2. Buckinghamshire Council**

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

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

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

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

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

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

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

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

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

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

2.10 The Panel was provided with the following evidence:

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

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

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

2.13 The Panel was supported by:

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

**(a) Be set at £13,000 per annum**

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

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

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

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

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

5.3 The Panel acknowledges that the role of the Cabinet Member was significantly more than committee chairman and the emerging governance structure indicates that they would be making individual key decisions. An SRA for Cabinet Members is therefore recommended at the level shown in paragraph 5.16.

5.4 The Panel understands that the Deputy Leader's workload would be different to that of a Cabinet Member since they would be required to deputise for the Leader. A Deputy Leader may also have responsibility for their own portfolio and individual decision making as well as also deputising for the Leader. Up to two Deputy Leaders may be appointed. The Leader would determine how cabinet roles would be allocated. The Panel therefore agreed to recommend that the SRA for Deputy Leader would depend according to the number of Deputy Leaders appointed and whether or not they had a portfolio. An SRA for Deputy Leader is therefore recommended at the level shown in paragraph 5.16.

5.5 The Panel noted that there could be up to 9 Deputy Cabinet Members and they had specific responsibilities set out in the draft Constitution. This included supporting and assisting Cabinet Members for example by deputising for Cabinet Members. This would involve frequently being in the office, attending meetings and briefings. They may for example be required to attend scrutiny committees to answer questions on policy and decisions made. In practice they would also likely take on a proportion of a Cabinet member's workload and would be involved in stakeholder engagement. Decisions delegated to a Corporate Director would also be made in consultation with a Deputy Cabinet Member, in the absence of a Cabinet Member. The Panel agreed that an SRA for Deputy Cabinet Members was appropriate to reflect the associated duties and responsibility. The Panel recommended the SRA as shown in paragraph 5.16.

5.6 The Panel understands that the civic role of Chairman of the Buckinghamshire Council would be significant and will have important links to other partner organisations. The Chairman will have an important role in managing and presiding over regular Council meetings to ensure that Councillors who are not Cabinet Members or Committee Chairman are able to hold office holders to account. Whilst the Panel are not in favour of paying SRAs to vice chairmen in general, the Vice-Chairman of Council is an exception, as, in addition to deputising for the Chairman at meetings of the Council, they will also fulfil a civic role. It is further recognised that each sovereign Council's Chairmen currently attend a large number of events and the amalgamation of all 5 councils would likely lead to a significantly increased workload. The SRAs recommended for the Council Chairman and Council Vice-Chairman is therefore recommended at the level shown in paragraph 5.16.

5.7 The Panel used the emerging governance structure and Constitution to inform its considerations of other SRAs and understands that the roles would evolve.

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

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

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

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

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

- Audit and Governance Committee
- Standards and General Purposes Committee

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

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

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

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

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

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

5.17 The Panel further recommends that:

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

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

## **6. Travel Allowances**

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

6.2 The MAP approved amounts are currently:

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

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

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

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

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

## **7. Subsistence allowances**

7.1 Subsistence allowances includes the costs of:

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

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

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

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

## **8. Carers' allowance**

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

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

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

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

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

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

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

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

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

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



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

## **11. Emerging Governance Structure**

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

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

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

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

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

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

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

#### **Publishing Attendance Records**

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

#### **Member Statement of Activities**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**BUCKINGHAMSHIRE AND MILTON  
KEYNES FIRE AUTHORITY**

***MEMBERS' SCHEME OF ALLOWANCES  
2023/24***

# THE BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY

## MEMBERS' SCHEME OF ALLOWANCES

### Introduction

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

### Creation and Amendment of the Scheme

6. This scheme comes into effect on 1 April 2023.
7. For subsequent changes in basic allowances, special responsibility allowances and co-optees allowances, new rates will be payable from the date the amendment takes effect as set out either in this scheme or the Regulations.

8. The Fire Authority will be responsible for amending the scheme and in doing so will have regard to any recommendations to its constituent councils of the independent remuneration panels set up by them.

### **Basic Allowances**

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

### **Special Responsibility Allowances**

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

### **Approved Duties**

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

### **Co-optees Allowance**

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

### **Travelling and Subsistence Allowances**

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

### **Allowances are Maxima**

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

### **Social Functions and Occasions**

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

### **Conference Expenses**

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

### **Telephones**

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

### **Avoidance of Duplication**

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

### **Records of Payments**

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

### **Expense Claims**

30. All information requested for the expense claim must be provided, including the number of miles, the locations travelled from and to and the reason for travel. (It is always advisable for Members to make

contemporaneous notes in their diary to assist in the completion of claims).

31. Claims for expenses should only be made when actually incurred, i.e. rail/bus, taxis, hotel accommodation. Receipts must be provided.
32. Claims for the same expenses (mileage, travel and subsistence etc) must not be made from more than one body.
33. Payments for basic and special responsibility allowances will be paid monthly in arrears and travel and subsistence payments will be paid monthly in arrears on the submission of a claim through the HR and Payroll Portal.
34. No claim from a Member for traveling or subsistence allowances which is submitted more than three months after the costs were incurred and no later than the end of April for the preceding financial year will be entertained, except in exceptional circumstances and approved in writing by the Chief Finance Officer.

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## SCHEDULE 1

### SPECIAL RESPONSIBILITY ALLOWANCES FROM APRIL 2023

#### Special Responsibility Allowance per annum

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

\*If constituted by the Executive Committee

## **SCHEDULE 2**

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

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

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



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

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

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### **SCHEDULE 3**

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

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

- Members' surgeries
- Political activities

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## **SCHEDULE 4**

### **RATES OF ALLOWANCES**

From April 2023 the following rates of allowances will apply

#### **Basic Allowance:**

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

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

See Schedule 1

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

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

#### **Travel Allowances (in line with HMRC Mileage Allowance Payments)**

**(a) Car**

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

**(b) Motorcycle**

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

**(c) Bicycle**

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

**(d) Public Transport**

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

**Subsistence**

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

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 15 February 2023

**Report title:** Pay Policy Principles and Statement 2023/24

**Lead Member:** Councillor Gary Hall, Lead Member - People, Equality and Diversity and Assurance

**Report sponsor:** Mick Osborne; Chief Operating Officer / Deputy Chief Fire Officer

**Author and contact:** Faye Mansfield; HR Advisory and Development Manager

**Action:** Decision

**Recommendations:**

1. The Pay Policy Principles and Statement as set out in Appendix one, as the statutory Pay Policy Statement for 2023/24, is approved for publication
2. The Authority notes the Pay Multiple ratio continues to fall for the eleventh year running, with the eleventh-year period seeing the ratio improved by 34 per cent since 2012

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**Executive summary:**

The Authority is required to approve the Pay Policy Principles and Statement before the end of March immediately preceding the financial year to which it relates.

It is proposed the attached draft (Appendix one) be the Authority's revised Pay Policy Principles and Statement for 2023/24. It is based on the Authority's current approved Pay Policy Principles and Statement for 2022/23, save as amended by additional text underlined (underlined) and deleted text shown struck through (~~struck through~~).

It is pleasing to report that the Pay Multiples ratio of highest paid to lowest paid employee (as at December 2022) continues to fall for the eleventh year running. This eleventh-year period sees the ratio improved by 34 per cent since 2012.

The Pay Policy Principles and Statement will continue to support and enhance a range of employment opportunities. This will continue to be utilised on a voluntary basis across some roles and functions to offer a more resilient, enhanced and flexible resource, focused on meeting demand and offering the very best service to the public.

Within the last five Pay Policy Principles and Statement cover reports, a note was made to the introduction of a public sector exit payment cap termination payment for high earners.

Since the Restriction of Public Sector Exit Payment (Revocation) Regulations 2021 (the Revocation Regulations), the Government continues to discuss exit payments and the importance of delivering value for the taxpayer. HM Treasury released consultation on Public Sector Exit Payments during 2022, to seek views on proposed guidance and processes prescribing additional reporting requirements for two exit payment processes. The Government's intention is to allow for increased scrutiny and assurance of exit decisions to reduce the use of large exit payments in the public sector, thereby improving consistency and accountability of decision making. It is anticipated an exit payment cap or similar will be reintroduced in some form, and the Authority will await details of any Regulation changes and implementation dates.

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### **Financial implications:**

There are no direct financial implications arising from the Pay Policy Principles and Statement. Any financial impact of subsequent decisions will be factored into the Medium-Term Financial Planning process and scrutinised and challenged by Members. Any in-year impacts will be considered and reported through the budget monitoring process and any resource re-allocation will be subject to the usual virement approvals and limits as set out in the Financial Regulations.

### **Risk management:**

The Fire Authority is required to adopt and publish an annual Pay Policy Principles and Statement.

Developing and maintaining good employee morale is key to instilling loyalty and maintaining a productive workplace. By being fair, transparent and accountable in what employees are paid for and why, and being consistent, systematic and clear in applying reward practices for all employees, the Authority is living its values and showing best practices with its reward and recognition needs.

### **Legal implications:**

Section 38 of the Localism Act 2011 places a requirement on the Authority to prepare annually, a Statement setting out the Authority's policies on the remuneration of its Chief Officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers. Chief Officers are the most senior Officers of the Authority. Authorities are required to state the definition of lowest paid employees they have adopted in the Statement and explain the reasons for adopting that particular definition. The Statement may also set out the Authority's policies relating to other terms and conditions applying to its Senior Officers. In preparing this Statement, the Authority must have regard to any guidance issued or approved by the Secretary of State.

The 2023/24 Pay Policy Principles and Statement must be approved by the full Fire Authority before 31 March 2023. Approval cannot be delegated to any committee, sub-committee, or officers.



The Pay Policy Principles and Statement may be amended by the full Fire Authority during the financial year to which it applies.

Section 41 of the Localism Act 2011 requires the Authority to comply with its Pay Policy Principles and Statement for the relevant financial year when making a determination that relates to the remuneration, or other terms and conditions of a senior officer of the Authority.

The Pay Policy Principles and Statement must include the Authority's policies in relation to senior pay on:

- a) the level and elements of remuneration
- b) remuneration on recruitment
- c) increases and additions to remuneration
- d) the use of performance related pay
- e) the use of bonuses
- f) the approach to payment on their ceasing to be employed by the Authority, and
- g) the publication of and access to information relating to remuneration

The statutory guidance gives discretion as to whether the Authority wishes to mirror these headings in its Pay Policy Principles and Statement in respect of its other employees.

**Privacy and security implications:**

The purpose of the Pay Policy Principles and Statement is to provide transparency with regards to the Authority's approach to setting the pay of its employees.

**Duty to collaborate:**

All Authorities are required to have a Pay Policy Principles and Statement. At this time our Thames Valley partners have separate Statements, however an aligned approach may be appropriate in the future, particularly to support collaborative working, sharing of resources and working across boundaries.

**Health and safety implications:**

There are no health and safety implications arising from this report.

**Environmental implications:**

There are no environmental implications arising from this report.

**Equality, diversity, and inclusion implications**

An Equality Impact Assessment has been completed as part of the update. There are no identified adverse impacts on any protected characteristics.

Any pay decisions will be subject to the demands of equal pay processes.

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and approved by Parliament in 2016 and came into force in 2017. The obligation under the Regulations requires prescribed gender pay gap information to be published

within ‘the period of 12 months beginning with the data snapshot date’ (Regulation 2(2)). The snapshot data for public sector employers is 31 March each year.

The intention of the Regulation is to highlight differences in pay between male and female employees, therefore showing greater transparency within the workplace, and encourage employers to consider what more can be done to close any pay gaps. The Authority will continue to work on closing the Gender Pay Gap and a separate report will be presented to the Executive Committee in March 2023.

### **Consultation and communication**

Adoption of the annual Pay Policy Principles and Statement ensures statutory compliance. However, as the legislation permits in-year changes there is scope for the Authority to revisit certain elements to reflect the needs of the Service and any relevant reform outcomes from a national perspective.

Adherence to the Pay Policy Principles and Statement is controlled via strict establishment and pay change approval process controls and annual reporting. In addition, reports are submitted on key reward areas as appropriate.

Following approval of the Pay Policy Principles and Statement, communication will be via the normal policy publication and amendment process. This will include engagement with members of the Joint Consultation Forum.

### **Background papers:**

Report to Fire Authority held 16 February 2022; BMKFA Pay Policy Principles and Statement 2022/23:

<https://bucksfire.gov.uk/documents/2022/02/fa-item-11-16022022.pdf/>

The Localism Act 2011:

<http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

Openness and accountability in local pay: guidance. Published 2012:

<https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-guidance>

Openness and accountability in local pay: supplementary guidance. Published 2013:

<https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-supplementary-guidance>

<b>Appendix</b>	<b>Title</b>	<b>Protective Marking</b>
1	Pay Policy Principles and Statement 2023/24	



## **BMKFA Pay Policy Principles and Statement 2023/24**

### **1.0 Introduction**

The Pay Policy Statement (the 'Statement') sets out Buckinghamshire & Milton Keynes Fire Authority's (the Authority) approach to pay in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the Statement is to provide transparency with regards to the Authority's approach to setting the pay of its employees by identifying:

- the method by which salaries of all employees are determined
- the details and level of remuneration of its most senior employees, i.e. Chief Officers, as defined by the relevant legislation

Following approval of the Fire Authority, the Statement will be effective from 1 April 2023. It will be subject to an annual approval and in accordance with any new or proposed legislation to ensure it remains relevant and effective.

As detailed within the Authority's Reward and Recognition policy, and the Statement of Principles, the Authority aims to:

- Be fair, transparent and accountable in what employees are paid for and why, and to be consistent, systematic and clear in applying reward practices for all employees
- Adhere to affordability; ensuring all decisions on pay represents value for money for the taxpayer
- Reward and recognise employees for their knowledge, skills and contribution in the roles they are performing
- Adopt practices which will focus on enabling the recruitment, engagement and retention of the right calibre of people at all levels to deliver its corporate priorities
- Provide effective financial management of the total pay bill in order to inform all of its reward practices and approaches in making the most effective use of resources
- Have appropriate mechanisms in place to review terms and conditions of service
- Meet legislative requirements; ensuring remuneration practices comply with all legal obligations

### **2.0 Accountability and decision making**

Decisions on pay policies will be taken by elected members - those who are directly accountable to local communities. All democratically accountable



members will have input into how decisions on pay are made and there will be openness about the policies that determine those decisions.

The annual Statements and any amendments will be considered by a meeting of the Fire Authority and will not be delegated to any sub-committee. All decisions on pay and reward for Chief Officers must comply with the current Statement.

### **3.0 Transparency**

On an annual basis, the approved Statement will be published on the external website.

Although there is no requirement to use the Statement to publish specific numerical data on pay and reward, consideration will be given to how the information within the Statement fits with data on pay and reward published separately.

This includes data required to be published under the Local Government Transparency Code 2015 and Annual Statement of Accounts.

### **4.0 Legislation**

In applying the Statement, the Authority will work to eliminate any elements which may, directly or indirectly, discriminate unfairly on the grounds of sex, race, colour, nationality, ethnic or national origin, age, marital status, having dependents, sexual orientation, gender reassignment, religion or belief, trade union activity, disability or any other factors.

Part-time employees will receive the same pay and remuneration as full-time employees undertaking the same role on a pro-rata basis.

Under the Equality Act 2010, it is unlawful for an employer to discriminate between men and women in terms of their pay and conditions where they are in the same employment and are doing the same or similar work, work rated as equivalent, or work of equal value. Undertaking an equal pay audit demonstrates the Authority's commitment as an employer to remove unfair pay practices. The last equal pay audit was undertaken in 2020, and no areas of concern were identified as a result of this audit.

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 that came into effect in 2017 requires public sector organisations with 250 or more employees to carry out gender pay gap reporting. In accordance with the Regulations, the Authority is required to annually publish six pieces of prescribed data about the pay and bonuses of male and female workers



within the Authority. On an annual basis the Authority publishes a Gender Pay Gap report, containing information relating to pay inequalities in line with gender pay gap reporting requirements.

## 5.0 Responsibility and scale

The Authority is directly responsible for an establishment budget of ~~£23,314,200~~ **£24,639,067**, and for a budgeted establishment of ~~129.56~~ **126.69** full-time equivalent (FTEs) for Support Services employees, ~~280~~ **300** FTE Wholtime employees and ~~96.76~~ **96** FTE On-Call employees (details as at December ~~2021~~ **2022**).

## 6.0 Determining levels of pay

The Authority recognises its employees are a vital factor in the efficient and effective operation of the Service. In this respect the Authority is committed to ensuring employees are valued and rewarded for their contribution to the Authority.

The Authority is committed to establishing the right working arrangements and conditions of employment for all its employees, and understands the benefits of the employment package in promoting and encouraging employee engagement, which in turn improves organisational performance.

The Authority is committed to effectively supporting day to day service delivery, transforming the Authority into a value for money, outcome driven and high performing organisation through, amongst other interventions, appropriate reward and recognition mechanisms.

The Authority is committed to ensuring its reward and recognition practices are conducted in a fair, open and transparent manner that is effective, efficient and responsive, promoting good practice with all its reward and recognition needs.

## 7.0 Pay structure

The pay structure reflects the different roles, duties and responsibilities undertaken by employees within the Authority. This is reflected in pay differentials between different employee groups and between employees within the same employee group. The pay bands established are based on nationally applied role maps (Operational employees) or graded bands established through role profiles (Support Services employees).



## **Operational roles**

For the majority of Operational roles, appointments are offered under the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service (known as the Grey Book) and any other local terms and conditions, which the Authority may, from time to time, adopt in relation to the appointment, save where such provisions are amended by a contract of employment.

Any National pay award is as agreed through the National Joint Council (NJC) and notified to Fire Authorities. The last pay award was agreed as one and a half per cent, effective 01 July 2021.

The pay framework was reviewed in 2003 following a rank-to-role exercise in line with National Guidance, with the grades for each role determined by a consistent job evaluation process. Where appropriate, National role maps are used to determine responsibilities and accountabilities within roles.

For Grey Book employees, rates of pay are set out in circulars issued by the NJC and entitlements are governed by Part B of the Grey Book. However, the Authority recognises new employees may be employed on terms and conditions outside of the Grey Book. This includes the operation of the 'Bank System'.

The Authority also recognises employees in existing Firefighter roles may want to agree rates of pay outside of the Grey Book for the protection of services and provision of enhanced resilience, including agreement to not participate in industrial action.

In addition, and in line with retention and succession planning, the Authority does agree enhanced remuneration outside of the Grey Book for specific roles, such as Area Commanders, Group Commanders and Station Commanders.

## **Support Services roles**

Appointments for Support Services roles are determined in accordance with local terms and conditions of Buckinghamshire & Milton Keynes Fire Authority Scheme of Conditions of Service for Support Services employees and any other local terms and conditions, which the Authority may, from time to time, adopt in relation to appointments, save where such provisions are amended by a contract of employment.

Any pay award is locally agreed by the Strategic Management Board (SMB). ~~In 2019 SMB agreed a six per cent pay award covering three years, and the last pay award represented the third year, effective 01 July 2021.~~ The last pay award was agreed as two per cent (interim award to be reviewed following agreement of the NJC pay settlement), effective 01 July 2022.



For Support Services employees, the pay structure takes the form of pay scales, which was reviewed in 2014 to two pay points; development and competent. This is with the exception of employees in post prior to September 2014, who retain three-point scales (until they move posts or are subject to regrading) and those employed within Fleet Management [and Driving Training Centre](#).

The grades for Support Services roles are determined using an analytical job evaluation process, that systematically ranks each role objectively and fairly. This job evaluation system (Korn Ferry (Hay) Methodology) is a recognised best practice non-discriminatory method of ranking roles against a pre-determined scale.

## **Senior Brigade Manager roles**

Appointments for [a limited number of Senior](#) Brigade Managers are offered under the National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services (known as the Gold Book) as adopted locally and as amended or supplemented by agreement between the Chief Fire Officer/Chief Executive and the employee, or in the case of the Chief Fire Officer/Chief Executive, or equivalent, between the Fire Authority and the employee. Employment is also subject to other terms and conditions of service as determined by the Authority from time to time.

### This group of Senior Managers consists of:

- [Chief Fire Officer/CE](#)
- [Chief Operating Officer/DCFO](#)
- [Director of Finance and Assets](#)
- [Director of Legal and Governance](#)
- [Head of Prevention, Response and Resilience](#)
- [Head of Protection, Assurance and Development](#)

Any National pay award is as agreed through the NJC and notified to Fire Authorities. The last pay award was agreed as one and a half per cent, effective 01 January 2021.

For Strategic Management Board (SMB) members, pay arrangements are locally determined and the level of pay fixed and designed to cover the full range and scope of the role.

There is a twin-track approach for determining levels of pay for Brigade Manager roles. At National level, the NJC annually reviews the level of pay increase applicable to these roles covered by the National Agreement. Any increases agreed by the NJC are communicated to Fire Authorities via circulars. All other decisions about pay and remuneration are taken by the Fire Authority, who will review salary levels on an annual basis.





## 8.0 Remuneration on Appointment

Remuneration will be based on the evaluated rate for the role, either nationally or locally set.

Base salary is one of a number of components of the employment package and by no means the only factor that influences the Authority's ability to recruit and retain employees.

New employees will usually be appointed to the minimum pay level for the relevant grade (trainee or development rate), unless relevant supporting experience can be identified and appropriately evidenced.

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

## 9.0 Pay Progression

For Operational roles, rates of pay are determined by the role the employee is undertaking, and whether the employee is in the 'Trainee', 'Development' or 'Competent' stage of that role. The time it will take an employee to demonstrate competence will depend on the specific requirements of the employee, accessibility to assessments and the opportunities available. Employees can move between roles through successfully completing a promotion assessment process.

For Support Services roles, progression through the pay grade will be based on evidenced performance, and at least six months in post, attaining training and qualifications associated with the role, and the maximum grade for the post not being exceeded. Progression may be withheld if performance is not to the required standard. Employees can move between roles through completing a promotion assessment process.

For SMB members, progression through the pay grade will be based on evidenced performance, and at least six months in post. ~~pay progression is performance based, with scope to increase the salary after completion of the annual SMB remuneration and performance review process.~~ Any increase or additions to remuneration will require approval of the appropriate committee of the Authority.





## 10. Other allowances and payments

**Allowances:** There are a number of allowances paid to employees, where specific circumstances require this and where it can be justified. These allowances are in accordance with National agreement or have been locally set in order to meet the demands of service delivery.

**Market rate supplement:** The Authority recognises the pay structure and job evaluation process does not normally consider factors such as market pay rates relating to specific roles or fluctuating demand for skills in the market place. Whilst the use of market rate supplements will not be the norm, there may be occasions where the Authority is unable to attract candidates to specific roles due to the fluctuations in the local labour market. In addition, existing employees may leave, citing the reason of being offered the 'market rate' for the role. When this occurs consideration may be given to awarding a market rate supplement in addition to the approved job evaluated grade for the role. Any payment will be time limited and reviewed annually.

**Expenses:** The Authority recognises employees may incur reasonable expenses whilst undertaking their role and will ensure employees are not financially disadvantaged or advantaged because of genuine business expenses. Unless a prior arrangement is in place, employees will be responsible for the payment of expenses incurred and will be reimbursed in accordance with the Authority's procedures relating to expenses.

**Car lease schemes:** Some employees participate in lease car arrangements, either as an essential car user, lease car user, or via a provided car scheme. The criteria are dependent on the requirements of the role or in accordance with terms and conditions of employment.

**Relocation expenses:** Upon appointment, where relocation expenses are incurred, the Authority may reimburse the individual in accordance with the Authority's Relocation Expenses Scheme. Members of the Fire Authority will determine the specific application in respect of a SMB appointment and SMB will determine the application of the scheme to all other appointments. The scheme is applied at the discretion of the Authority and normally only applies to external appointees.

**Additional Responsibility Allowance (ARA):** These payments are used to reward increased responsibilities and duties beyond the normal remit of the role for specific periods, for example to cover managed vacancies for short to medium term periods, enabling successful change management with minimal risk. These payments apply to employees on Grey Book terms and conditions.

**Honorarium payments:** These can be given to Support Services employees when they are asked to undertake part of the duties at a higher graded post or



duties outside the scope of their post, which is particularly onerous. Where the payment relates to an employee undertaking a proportion of the duties of a higher graded post, the calculation of the payment will normally link to the pay scale of the duties of the higher graded post being undertaken. For duties outside the scope of the employee's role, the amount of the payment will be determined by estimating the relative worth of the task in comparison to the employee's substantive grade. These payments are for Support Services employees.

An ARA or Honorarium payment requires approval via a business case.

For SMB members, any increase or additions to remuneration will require approval of the appropriate committee of the Authority.

**~~Performance payment/merit award~~ Bonus payments and performance related pay:** One-off ~~performance~~ bonus payments/merit awards may be considered linked to evidenced and scrutinised delivery of performance management objectives.

**Pension Schemes:** The Authority operates ~~two~~ five pension schemes:

- ~~• 1992 Firefighters Pension Scheme~~
- ~~• 2006 Firefighters Pension Scheme~~
- ~~• 2006 Retained Modified Pension Scheme~~
- 2015 Firefighters Pension Scheme
- 2014 Local Government Pension Scheme

Subject to meeting the qualifying conditions, employees have a right to belong to a pension scheme. All new employees will be automatically entered into the relevant occupational pension scheme as defined by their terms and conditions of employment. Qualifying employees will be automatically re-enrolled every three years during their employment if they have opted out of the scheme.

The Authority makes an employer contribution to the Firefighters Pension Scheme of ~~37.3 per cent of pensionable pay (1992 Scheme), 27.4 per cent of pensionable pay (2006 Scheme), 37.3 per cent of pensionable pay (2006 Retained Modified Scheme),~~ 28.8 per cent of pensionable pay (2015 Scheme), and 17.4 per cent of pensionable pay (LGPS Scheme).

The employee contributes of between ~~11 per cent and 17 per cent of pensionable pay (1992 Scheme), 8.5 per cent and 12.5 per cent of pensionable pay (2006 Scheme), 11 per cent and 17 per cent of pensionable pay (2006 Retained Modified Scheme),~~ 11 per cent and 14.5 per cent of pensionable pay (2015 Scheme) and 5.5 per cent and 12.5 per cent of pensionable pay (LGPS Scheme).

The Authority is obliged to publish its adopted pension discretions for the Firefighters' Pension Schemes and Local Government Pension Scheme, and the



Authority's current policies in respect of discretionary payments are detailed on the external [website](#).

## 11. Pay Multiple

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

The definition of lowest paid employees are those who are paid at rates maintained in line with the National Living Wage and the lowest rate will be that applicable for workers aged 23 and over.

As at December ~~2021~~ 2022:

- The lowest paid salary is £17,190 £18,328 (FTE)
- The highest paid salary is £153,717 (FTE)
- The median salary is £32,243 (FTE)

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

Pay multiple between the highest salary and lowest salary is ~~8.94:1~~ 8.39:1 (this essentially means the lowest salary goes into the highest salary ~~8.94~~ 8.39 times).

Pay multiple between the highest salary and median salary is 4.77:1 (this essentially means the median salary goes into the highest salary 4.77 times).

Year	Highest pay : Lowest pay	Highest pay : Median pay
<u>2023/24</u>	<u>8.39:1</u>	<u>4.77:1</u>
2022/23	8.94:1	4.77:1
2021/22	9:1	4.77:1
2020/21	9.37:1	4.77:1
2019/20	9.64:1	4.77:1
2018/19	9.86:1	4.77:1
2017/18	10.17:1	4.77:1
2016/17	10.71:1	4.72:1
2015/16	11.04:1	4.77:1
2014/15	11.5:1	4.87:1
2013/14	11.72:1	4.9:1
2012/13	12.7:1	5.0:1

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



## 12. Payment on termination of employment

There may be a number of circumstances where early retirement or voluntary redundancy payments may be paid to employees on ceasing to hold office. This can relate to individual circumstances, for example ill health, or can be the result of organisational change or in the interests of the efficiency of the Authority.

In the event of any redundancies, redundancy payments will be calculated in accordance with statutory requirements as modified by the Authority's agreed policies and in accordance with any extant statutory guidance.

The Authority does not make payments to senior staff members in addition to entitlements under its redundancy procedure who leave, other than to those who are leaving for the purposes of improved efficiency.

Where other severance payments are appropriate, such payments will be approved by the Director of Legal and Governance and the Director of Finance and Assets and will be subject to a settlement agreement and in accordance with any extant statutory guidance.

## 13. Re-employment and Pension Abatement

This applies where an individual retires from the Authority, draws their pension benefits and is subsequently re-employed into the same or other role within the Authority.

The Authority will consider re-employment of retired employees in accordance with the relevant pension scheme regulations and governance arrangements. There is no automatic right to be re-employed. The decision will be strictly based on organisational need and will normally follow an open and fair selection process.

The Fire and Rescue National Framework for England, published in May 2018, stated that Fire Authorities must not re-appoint principal fire officers (at Brigade Manager or Area Manager level or those with comparable responsibilities to those roles) after their retirement to their previous or similar role, save for in exceptional circumstances when such a decision is necessary in the interest of public safety. Any such appointment must be transparent, justifiable and time limited, with the reason for the decision published and the pension abated until the contract ends. Such a decision will be subject to prior approval at a meeting of the Fire Authority in open session.

Where an employee has taken their pension benefits (either as a former employee or employee from another public section organisation), and is then re-employed, an abatement check will be undertaken. Pension will be adjusted so



the combination of pension and new salary does not exceed the individual's salary at the time of their retirement.

There is no age limit on abatement and this continues for the full period of re-employment. When the re-employment ends, the pension will be reinstated to the full amount.

The Authority operates a flexible retirement process for employees in the Local Government Pension Scheme. This allows an employee to take their pension benefits and remain employed on reduced hours or at a lower grade without abatement of pension. This complies with the provisions of the Local Government Pension Scheme.

## **14. Employee ~~bonus~~ and merit award payment setting scheme and process**

**Introduction:** This section outlines the principles and process for determining whether or not employees will receive merit ~~bonus~~ payments and if so, sets out the process to determine the allocation of such payments. ~~Bonus~~ Payments will be one-off and paid only to reflect excellent performance; that is performance, which exceeds the standards and targets agreed with the employee during their annual appraisal process and prior to the start of the financial year, for which any performance scheme is introduced.

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

**Key Principles:** The following key principles underpin any ~~bonus~~ and/or performance related reward schemes:

The scheme is entirely discretionary and forms no part of the contract of employment

- The scheme sits in the context of the Authority's overall strategic and performance management processes, therefore targets and objectives included in any scheme will align with the corporate and ~~Public Safety Plan~~ objectives, via the "golden thread" process
- Payments will only be made where the employee's contribution not only reflects excellence but also clearly assists with achieving the Authority's strategic objectives
- It is intended to reward those who can demonstrate sustained, outstanding achievement or excellence in their role
- It is intended to recognise and reward, not only the exceeding of targets and standards, but also the acquisition of the necessary competencies and deployment of behaviours that reinforce the Authority's values and norms

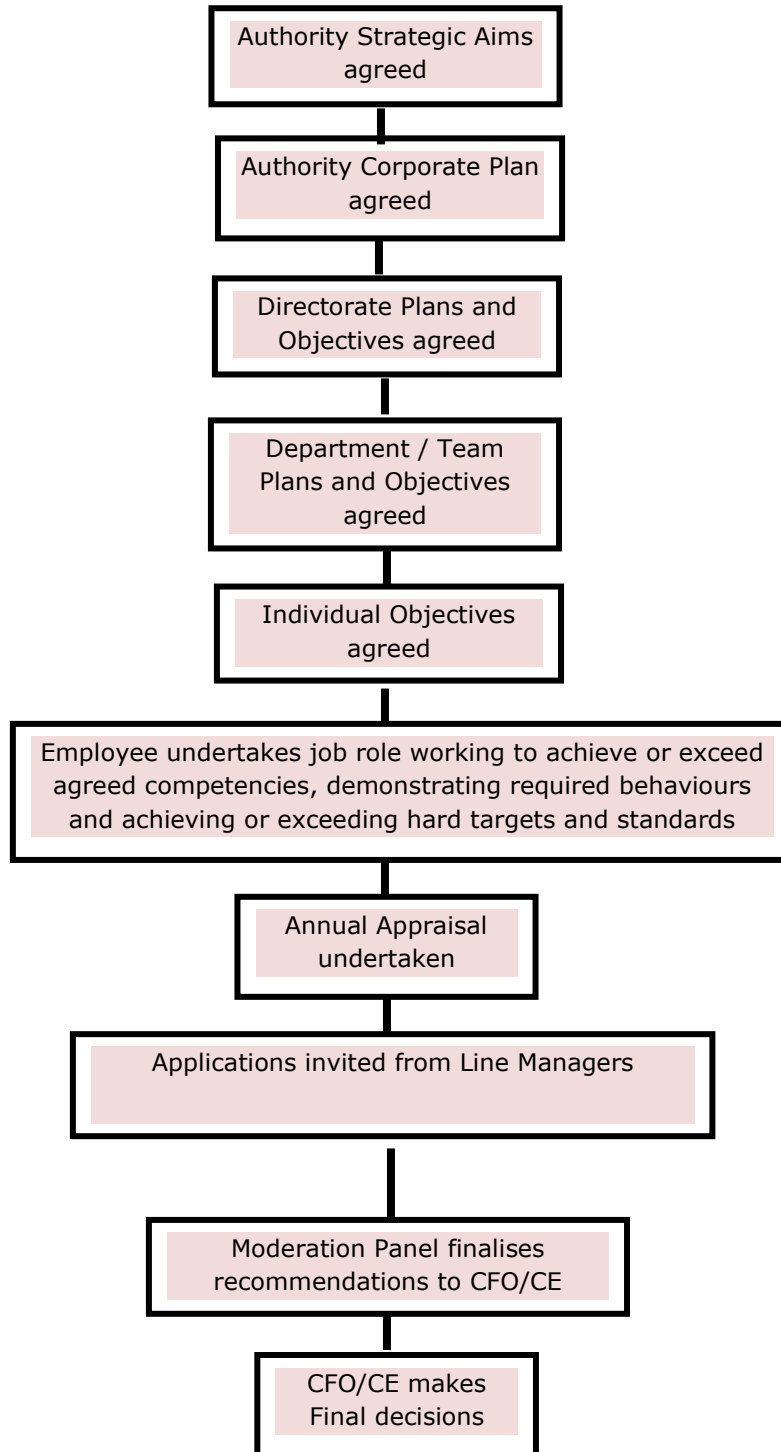


- The amount of money available to be paid ~~in bonus payments~~ to employees under the scheme will be determined as part of the annual budgeting process and any scheme will be self-funding
- All eligible candidates invited to participate in any scheme must have an agreed appraisal, including core and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



**BUCKINGHAMSHIRE & MILTON KEYNES FIRE  
AUTHORITY**

**Bonus and Merit Award Setting Scheme Process Flow  
Chart**







## 15. Equality Impact Assessment (EIA)

An Equality Impact Assessment should be included to identify any issues which may result in a group being disadvantaged by the process.

To complete the table, tick ✓ the likely impact. If an EIA action plan is necessary, this can be downloaded from the intranet.

Assessment of impact on groups in **bold** is a legal requirement. Assessment of impacts on groups in *italics* is not a legal requirement, however it will help to ensure that your activity does not have unintended consequences.

Protected characteristic	Positive	Negative	Neutral	Rationale for decision ( <i>use action plan if necessary</i> )
<b>Individuals of different ages</b>			✓	No specific impacts identified
<b>Disabled individuals</b>			✓	No specific impacts identified
<b>Individuals transitioning from one gender to another</b>			✓	No specific impacts identified
<b>Individuals who are married or in civil partnerships</b>			✓	No specific impacts identified
<b>Pregnancy, maternity and new parents</b>			✓	No specific impacts identified
<b>Individuals of different race</b>			✓	No specific impacts identified
<b>Individuals of different religions or beliefs</b>			✓	No specific impacts identified
<b>Individual's gender identity</b>			✓	Pay and gender addressed via the annual Gender Pay Gap Report
<b>Individual's sexual orientation</b>			✓	No specific impacts identified
<i>Individuals living in different family circumstances</i>			✓	No specific impacts identified
<i>Individuals in different social circumstances</i>			✓	No specific impacts identified
<i>Different employee groups</i>			✓	No specific impacts identified
<i>Other</i>				No specific impacts identified





## **Data Protection Impact Assessment (DPIA) screening questions**

If the document includes any personally identifiable information (PII) a Data Protection Impact Assessment (DPIA) will be required. This should be discussed with the Data Protection Officer and the DPIA file location referenced at this point in your document.

Where no PII is involved it should be stated at this point in your document.

The Data Protection Officer holds the master copies of all completed DPIA in N:Common/Information Assets/DPIAs.

The DPIA needs to be reviewed periodically to ensure that any PII is adequately considered.

The DPIA template and guidance can be found [here](#).

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 15 February 2023

**Report title:** Treasury Management Strategy 2023/24

**Lead Member:** Councillor Matthew Walsh

**Report sponsor:** Mark Hemming, Director of Finance & Assets

**Author and contact:** Marcus Hussey [mhussey@bucksfire.gov.uk](mailto:mhussey@bucksfire.gov.uk)

**Action:** Decision.

**Recommendations:** That the Authority approve the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy for 2023/24

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## **Executive summary:**

This report is being presented as the Fire Authority is required to approve the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy. These documents (Appendix 1) all support the Medium-Term Financial Plan.

The current strategy has been operating effectively and outperforming the benchmark targets. The Bank of England's Monetary Policy Committee has increased the interest base rate on nine consecutive occasions since December 2021. This has resulted in an increase in the level of returns from investments for the Authority. Therefore, the investment returns budget for 2023/24 will increase to £0.350m.

There is no significant change from the previous strategy. The Authority will continue to invest surplus funds in short-term deposits, maturing on a frequent basis, while ensuring the Authority is able to maintain adequate liquidity and meet short-term expenditure requirements.

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## **Financial implications:**

The proposed budget for 2022/23 is £0.350m. It is anticipated that the budget will be met. Detailed information is shown within Appendix 1.

## **Risk management:**

Making investments in the Authority's own name means that the Authority bears the risk of any counterparty failure. This risk will be managed in accordance with the strategy and with advice from external treasury management advisors.

The Director of Finance and Assets will act in accordance with the Authority's policy statement; treasury management practices and CIPFA's Standard of Professional Practice on Treasury Management.

The risk of counterparty failure is monitored on the directorate level risk register within Finance and Assets.

There are no direct staffing implications.

**Legal implications:**

The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Levelling Up, Housing and Communities Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice.

Under section 12 of the Local Government Act 2003 the Authority has the power to invest for "any purpose relevant to its functions" and "for the purposes of the prudent management of its financial affairs".

However, it must exercise its investment power in accordance with its fiduciary duty, analogous to that of a trustee, owed to those who contribute to the funds of the Authority.

**Privacy and security implications:**

No direct impact.

**Duty to collaborate:**

No direct impact.

**Health and safety implications:**

No direct impact.

**Environmental implications:**

In discussion with our treasury advisors, Officers have invested in sustainable investments and in 2022/23, the Authority had invested £2m in sustainable investments. Officers will continue to explore sustainable investments, which are sustainable deposits that allow customers to have their capital referenced against sustainable assets, whether existing now or in the future, as verified through the green and sustainable product framework on a net positive basis.

**Equality, diversity, and inclusion implications:**

No direct impact.

**Consultation and communication:**

No direct impact.

**Background papers:**

CIPFA Code of Practice for Treasury Management in the Public Services (CIPFA Code)

Department for Levelling Up, Housing and Communities Guidance on Local Government Investments (DLUHC Guidance)

<b>Appendix</b>	<b>Title</b>	<b>Protective Marking</b>
1	Treasury Management Policy Statement, Treasury Management Strategy Statement and Annual Investment Strategy	
2	Provisional Counterparty List	
3	Prospects for Interest Rates	
4	Credit Rating Definitions	

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## **Appendix 1 – Treasury Management Policy Statement, Treasury Management Strategy Statement and Annual Investment Strategy**

### **Treasury Management Policy Statement**

This Authority defines its treasury management activities as:

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

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

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

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

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

### **Treasury Management Strategy Statement**

#### **Current Portfolio Position**

The Authority's treasury portfolio position as at 31 December 2022 comprised:

#### **Borrowing**

Fixed Rate Funding: £6.177m, Average Rate: 4.64% and interest payable of £0.283m per annum.

The last repayment of a maturing loan was in May 2022, for a value of £0.620m. The next loan maturity is March 2024, for a value of £1.000m. The repayments do not directly affect the revenue budget, as they simply reflect the use of cash accumulated by setting aside the appropriate minimum revenue provision (MRP) to settle the outstanding liability

## Investments

Investment portfolio: £17.598m, Average Rate of interest: 01 April 2022 to 31 December 2022: 1.56%.

The investments have various terms and mature on a frequent basis to ensure the Authority can maintain sufficient liquidity and meet short term expenditure requirements. By 31 March 2023, the investments will be circa £13m, plus current account balances.

## **Prospects for Interest Rates**

Since the two unrepresented emergency interest rate cuts in March 2020 to a base rate record low of 0.10%. The Bank of England's Monetary Policy Committee (MPC) has voted to increase the interest base rate on nine consecutive occasions. The interest base rate as of 6 January 2023 was 3.50%. The Authority has been able to benefit from the interest base rate increases in both short-term investment deals and Money Market Funds. This has resulted in the Authority overachieving against the interest investment target set for 2022/23. There are still uncertainties on interest base rate, due to the persistent inflationary pressures, which could result in the MPC voting to increase the interest base rate for a sustainable return of the inflation to target.

Therefore, projected investment returns have been modelled on an average fund balance of £13.5m against an average rate return of 2.60% for 2023/24, equating to an interest investment target of £0.350m.

For 2023/24, the Authority will continue with Link Asset Services as its external treasury management advisor. Link's view of the prospects for interest rates can be seen in Appendix 3. Link advise that the current benchmark rate of return on investments should be interest base rate, which is currently 3.50%. However, the Authority will continue to set a benchmark rate of return of 2.00%. Based on this interest rate the Authority would achieve an annual return of circa £0.350m on an average portfolio of £13.5m. As at 31 December 2022, the total projected investment return for 2022/23 is in the region of £0.300m.

Since the treasury management function has been managed in-house from 1 April 2013, the Authority have over-achieved regularly against the investment returns budget. 2020/21 was the only year the Authority did not achieve its annual investment target, due to the Covid-19 Pandemic outbreak.

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

## **Borrowing Strategy**

The Authority's borrowing objectives are:

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



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

### **Investment Strategy**

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

### **Debt Rescheduling**

The potential for debt rescheduling is monitored in light of interest rate movements. Any rescheduling will be in accordance with the borrowing strategy. The reasons for rescheduling include:

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

Historically with low levels of interest rates, the level of penalties on the early repayment of borrowing has made it difficult to restructure debt effectively. However, with the significant rise in interest rates over the last 12 months, this makes it more viable to look at restructuring debt. It is recommended that Officers review this with our treasury advisors in 2023/24 and if the opportunity arises, further work be undertaken to investigate debt restructuring.

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

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

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

### **Investment Policy**

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

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support has had an

effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied have effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

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

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

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

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

### **Creditworthiness Policy**

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

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

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

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

The Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Authority use will be a short-term rating (Fitch or equivalents) of short-term rating F1, long term rating A-, viability rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use. Credit rating definitions can be seen in Appendix 4.

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

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

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

## Country Limits

In 2017/18, the Authority determined that it would not only use approved counterparties based within the United Kingdom but allowed any counterparty (UK or non-UK based) rated at least 'Green' by Link. Although no counterparty outside UK was used during 2022/23, these will remain on the lending list for 2023/24. The primary purpose of this is not to increase yield, but to provide additional diversity to the portfolio to effectively manage risk. Several non-UK banks are ranked higher than some of the UK banks on the Authority's current counterparty list. Therefore, the Authority proposes to limit the duration of all non-UK investment in line with Link's recommended limits. A list of the proposed counterparties is shown in Appendix 2.

## Counterparty Limits

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

The two exceptions to this limit in the AIS will continue to be Lloyds, where the maximum balance that can be invested will be a limit of £7.5 million. Of this £7.5 million, no more than £5 million will be invested in non-instant access (call) accounts.

The rationale for this is that Lloyds are the Authority's main banking provider. This means that:

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

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

## Investment Security

Investments are defined as being in one of two categories:

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

### **Investment Training**

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

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

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

### **Investment Liquidity**

In consultation with external treasury advisors, the Authority will review its balance sheet position, level of reserves and cash requirements in order to determine the length of time for which investments can be prudently committed. Investments will be placed at a range of maturities, including having money on-call in order to maintain adequate liquidity.

## Appendix 2 – Provisional Counterparty List

This list is based on information provided by Link as at 31 December 2022. Please note that all colours indicated refer to Link's creditworthiness policy (see Appendix 1):

### UK Based Counterparties

<b>UK Based Counterparties</b>	<b>Counterparty</b>	<b>(as rated by Link)</b>
UK	Bank of Scotland PLC (RFB)	Red - 6 mths
UK	Barclays Bank PLC (NRFB)	Red - 6 mths
UK	Barclays Bank UK PLC (RFB)	Red - 6 mths
UK	Close Brothers Ltd	Red - 6 mths
UK	Clydesdale Bank PLC	Green - 100 days
UK	Co-operative Bank PLC (The)	No colour - 0 mths
UK	Goldman Sachs International Bank	Red - 6 mths
UK	Handelsbanken Plc	Orange - 12 mths
UK	HSBC Bank PLC (NRFB)	Orange - 12 mths
UK	HSBC UK Bank Plc (RFB)	Orange - 12 mths
UK	Lloyds Bank Corporate Markets Plc (NRFB)	Red - 6 mths
UK	Lloyds Bank Plc (RFB)	Red - 6 mths
UK	National Bank Of Kuwait (International) PLC	Red - 6 mths
UK	NatWest Markets Plc (NRFB)	Red - 6 mths
UK	Santander Financial Services plc (NRFB)	Red - 6 mths
UK	Santander UK PLC	Red - 6 mths
UK	SMBC Bank International Plc	Red - 6 mths
UK	Standard Chartered Bank	Red - 6 mths
UK	Debt Management Office	Yellow - 60 mths
UK	Other Local Authorities	Yellow - 60 mths
UK	Royal Bank of Scotland Group	Blue - 12 mths
UK	National Westminster Bank	Blue - 12 mths

**\* This is the duration suggested by Link. As per the updated Creditworthiness Policy (see page 6) these will all be extended by six months, except for building societies rated 'Green', which will have a maximum duration of 12 months for up to £2m.**

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

Non-UK Based Counterparties

As noted in Appendix 1, the duration of all non-UK investments will be in line with Links' duration limits.

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

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

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

As noted in Appendix 1, sole reliance will not be placed on the use of Link ratings. The Authority will also use market data and market information, information on government support for banks and the credit ratings of that supporting government. The Authority added four building societies to its counterparty list in 2014/15, at which time they were all rated 'No Colour'. These are all now rated by Link and appear on our Provisional Counterparty Listing above. In 2018/19 the Authority increased the number of building societies in our counterparty list to ten. The top-ten building societies (by net assets) were added to the counterparty list. The duration of investment will continue to be limited to 365 days and the maximum amount invested with any building society at any point in time will not exceed £2 million.

<b><u>UK Based Counterparties</u></b>	<b><u>Country Counterparty</u></b>	<b><u>(as rated by Link)</u></b>
UK	Coventry Building Society	Red - 6 mths
UK	Cumberland Building Society	No colour - 0 mths
UK	Leeds Building Society	Green - 100 days
UK	Nationwide Building Society	Red - 6 mths
UK	Newcastle Building Society	No colour - 0 mths
UK	Nottingham Building Society	No colour - 0 mths
UK	Principality Building Society	No colour - 0 mths
UK	Skipton Building Society	Red - 6 mths
UK	West Bromwich Building Society	No colour - 0 mths
UK	Yorkshire Building Society	Green - 100 days



### Appendix 3 – Prospects for Interest Rates

The following table gives the Link central view as per 31 December 2022:

Interest Rate Forecasts								
Bank Rate	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Link	3.50%	4.25%	4.50%	4.50%	4.50%	4.00%	3.75%	3.50%
Cap Econ	3.50%	4.50%	4.50%	4.50%	4.50%	4.25%	4.00%	3.50%
<b>5Y PWLB RATE</b>								
Link	4.20%	4.20%	4.20%	4.10%	4.00%	3.90%	3.80%	3.60%
Cap Econ	4.10%	4.00%	3.80%	3.70%	3.50%	3.50%	3.40%	3.30%
<b>10Y PWLB RATE</b>								
Link	4.30%	4.40%	4.40%	4.30%	4.10%	4.00%	3.90%	3.80%
Cap Econ	4.10%	4.00%	3.80%	3.70%	3.60%	3.50%	3.40%	3.40%
<b>25Y PWLB RATE</b>								
Link	4.60%	4.60%	4.60%	4.50%	4.40%	4.20%	4.10%	4.00%
Cap Econ	4.60%	4.40%	4.20%	4.00%	3.80%	3.80%	3.70%	3.60%
<b>50Y PWLB RATE</b>								
Link	4.30%	4.30%	4.30%	4.20%	4.10%	3.90%	3.80%	3.70%
Cap Econ	4.20%	4.10%	4.00%	3.90%	3.80%	3.80%	3.70%	3.60%

## Appendix 4 – Credit Rating Definitions

Below are the rating definitions for each rating agency:

Fitch:

Short Term	Long Term	Rating Definition
F1	AAA, AA, A	Highest Credit Quality
F2	A, BBB	Good Credit Quality
F3	BBB	Fair Credit Quality
B	BB, B	Speculative Credit Quality
C	CCC, CC, C	High Default Risk
RD	RD	Restricted Default
D	D	Default

Moody's:

Short Term	Long Term	Rating Definition
P-1	Aaa, Aa, A	Superior ability to repay debt obligation
P-2	A, Baa	Strong ability to repay debt obligation
P-3	Baa	Acceptable ability to repay debt obligation
NP	Ba, B, Caa, Ca, C	do not fall within any prime rating

Standard & Poor's:

Short Term	Long Term	Rating Definition
A1	AAA, AA, A	Extremely Strong
A2	A, BBB	Satisfactory
A3	BBB	Adequate
B	BB, B	Vulnerable and has significant speculative characteristics.
C	CCC, CC, C	Vulnerable to non-payment
D	RD	Restricted Default
D	D	Default



# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 15 February 2023

**Report title:** Buckinghamshire & Milton Keynes Fire Authority (BMKFA)  
Apprenticeship Programme Update

**Lead Member:** Simon Rouse - Chairman

**Report sponsor:** Calum Bell – Head of Protection, Assurance & Development

**Author and contact:** Anna Collett - Organisational Development Manager

**Action:** Noting

**Recommendations:** It is recommended that the information contained within this update is noted.

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## **Executive summary:**

Year on year the Authority has continued to exceed the public sector target, introduced as part of the Government's apprenticeships Reform agenda, whereby organisations in England must meet a minimum of 2.3% apprenticeship new starts each year, based on employee headcount.

In July 2015 the Authority approved its apprenticeship programme with its first cohort of Firefighter Apprentices starting in 2016.

With current and previous apprentices now embedded across the Service, the Authority is proud of its progress in employing new apprentices and upskilling existing employees.

The Authority has fully utilised the funds available through the levy and has started to enter into co-investment funding arrangements with the Government. This means that the Authority pays 5% towards the cost of apprenticeship training and the Government pays the remaining 95%.

The Authority continues to look for ways to effectively utilise and improve its apprenticeship programme. Whether that be through different delivery models, collaboration with other emergency services or local businesses, or options to increase the funding available to invest in apprenticeships for staff.

## **Financial implications:**

Details of the Authority's contribution and use of the apprenticeship levy is contained within Appendix 1.

## **Risk management:**

Staff Availability is an identified corporate risk which is reviewed regularly by the Workforce Planning Group, Performance Monitoring and Strategic Management Boards.

Apprentice recruitment forms part of the Authority's succession planning process and contributes to the delivery of the Authority's People Strategy, by building capacity and capabilities agenda, supporting ongoing professionalisation of the Service and continuing to raise standards.

The Authority continues to utilise the apprenticeship programme as one of the ways to improve the diversity of the operational workforce.

#### **Legal implications:**

The Public Sector Apprenticeship Targets Regulations 2017 (SI 2017/513) (2017 Regulations) came into force on 31 March 2017 and required prescribed public bodies (such as the Authority) with 250 or more employees in England to have at least 2.3% apprenticeship starts each year, which could be aggregated over the four year period from 1 April 2017 to 31 March 2021.

The Public Sector Apprenticeship Targets (Amendment) Regulations 2021 (SI 2021/278) came into force on 1 April 2021. These Regulations amended the 2017 Regulations to provide that the same public sector apprenticeship target for specified public sector bodies (2.3% of their headcount, as new apprentice starts) would apply for a further year, beginning with 1 April 2021 and ending with 31 March 2022.

For the reporting periods ending on 31 March 2021, the Overview and Audit Committee received annual reports on how the Authority was performing against the public sector target; and received a draft annual return for approval before being published on the Authority's website.

The annual reporting met and exceeded the requirements of the statutory guidance. The Authority is no longer required to provide an annual return on these figures. The figures for the last 5 years are provided within Appendix 1.

#### **Privacy and security implications:**

The Authority is committed to protecting and respecting the privacy of individuals and the responsible handling of personal information. The Authority and any partners it works with, is under a legal duty both to process personal information in accordance with the General Data Protection Regulation (GDPR) and to respect the confidentiality of details held.

#### **Duty to collaborate:**

The Authority continues to work with its Thames Valley Fire Service partners to determine options for a collaborative approach to apprenticeship delivery. The Authority will continue to progress this and continues to learn from each Service's experience, share best practice, guidance and offer support.

Careers fairs have been attended with a collaborative approach being taken between The Authority and Thames Valley Police, at present these have included the National Apprenticeship show at the Milton Keynes arena.

The Organisational Development department are currently exploring potential funding options, including utilising local businesses unused levy funds – as detailed above. The team have reached out to local colleges within Buckinghamshire and Milton Keynes, who we deliver our apprenticeship programmes through, as well as other Fire Services, to determine if this would be a viable option for the Authority.

**Health and safety implications:**

Considered, none identified pertaining to this report.

**Environmental implications:**

Considered, none identified pertaining to this report.

**Equality, diversity, and inclusion implications:**

The recommendations contained within this report supports the delivery of the People Strategy and four of the pillars contained within it; Equality, Diversity & Inclusion, Organisational Development & Resourcing, Training, Learning & Development and Employee Engagement.

An Equalities Impact Assessment is reviewed/completed when there is any change to process or procedure related to the Authority's Apprenticeship Programme.

The Authority's Apprenticeship Programme has had a positive impact on, reducing the average age of our workforce, the investment in the local community via the postcode criteria in place during recruitment and increasing the diversity of employees.

In addition, increased support is in place from the Employee Development Officer for those employees who may have a learning disability and require reasonable adjustments to be made. Referrals to specialist organisations are also being made where needed.

The Authority endorsed the submission of a pledge and were the first Fire and Rescue Service to be accepted by the Apprenticeship Diversity Champions Network (ADCN) in February 2018. The Authority were given the opportunity to be quoted within the 2019 ADCN report, being asked to showcase as exemplars within this group and continue to be active members of this group.

During National Apprenticeship Week 2022, one of our Firefighter Apprentice's represented the Authority, on a telephone discussion with the Fire Minister. Following introductions, Lord Greenhalgh asked what they enjoyed about their apprenticeship, why they had joined and if they wanted to stay once competent. Our Firefighter presented himself professionally throughout, giving a great introduction and sharing his positive experience, the support he had received and his enjoyment of the job alongside his plans to progress his career.

Apprenticeships are available to all ages, not just school leavers or "younger" people. The Authority has utilised apprenticeships to support the development of existing staff.

**Consultation and communication:**

Regular communication is undertaken across Buckinghamshire Fire & Rescue Service, delivered via:

- Intranet articles
- Regular engagement with staff / face to face briefings
- Regular 1:1's and learner reviews conducted by the Employee Development Officer

**Background papers:**

Apprenticeship Programme – Annual Statutory Reporting 2018-2021:

- [DfE Apprenticeship Return 30 September 2021 \(bucksfire.gov.uk\)](https://bucksfire.gov.uk/documents/2020/03/dfe_apprenticeship_return_30_september_2021)
- [Appendix B - Data Publication and Apprenticeship Activity Return 30 September 2020.docx \(bucksfire.gov.uk\)](https://bucksfire.gov.uk/documents/2020/03/appendix_b_data_publication_and_apprenticeship_activity_return_30_september_2020.docx)
- <https://bucksfire.gov.uk/documents/2020/03/apprenticeship-activity-return-30-september-2019.pdf/>
- [https://bucksfire.gov.uk/documents/2020/03/das annual apprenticeship return 2018.pdf/](https://bucksfire.gov.uk/documents/2020/03/das_annual_apprenticeship_return_2018.pdf/)

Appendix	Title	Protective Marking
1	BMKFA Apprenticeship Programme Update	Official Sensitive

## **The Background and Current Position**

In July 2015 the Authority approved its apprenticeship programme with its first cohort of Firefighter Apprentices starting in 2016. Apprentice recruitment is now fully embedded as part of the Authority's workforce and succession planning process and contributes to the delivery of the Authority's People Strategy, by building capacity and capabilities agenda, supporting ongoing professionalisation of the Service and continuing to raise standards.

The Authority has been working hard to evolve and transform its apprenticeship proposition. As an organisation the Authority has moved away from the previous Apprenticeship Training Agency (ATA) delivery option and now directly employs all apprentices and appoints a training provider to deliver the skills and knowledge element, alongside workplace assessing and coaching.

In addition to this, the Authority has demonstrated its commitment to apprenticeships by investing in and appointing a dedicated Employee Development Officer to provide the necessary learning support to all its apprentices. The Employee Development Officer supports all staff within the Authority who are developing themselves whether this be through an apprenticeship, or an internal development programme linked to promotion.

With current and previous apprentices now embedded across support staff and operational roles, the Authority is proud of its progress in employing new apprentices and upskilling existing employees.

Over the last 5 years, our staff have been enrolled on a wide range of apprenticeships:

- Firefighter – level 3
- Business Administration – level 3 & 4
- ICT Helpdesk – level 3
- Digital Marketing – level 3
- Vehicle Technician – level 3
- Cyber Security Technologist – level 4
- Assistant Accountant – level 3
- Human Resources level 3 & 5
- Information Communication Technology – level 3
- Coaching Professional – level 5
- Marketing Manager – level 6
- Operations / Department Manager – level 5
- Senior Leaders Masters Degree – Level 7
- Fire Safety – Level 6

In January 2022, a paper was presented to the Strategic Management Board, analysing the delivery options available for the Authority's Firefighter apprenticeship programme.

The recommended option was the continuation of the acquisition training (Firefighter Delivery Programme – FFDP) to be delivered externally by a training provider (Capita) at the Fire Service College (FSC). This allows the Authority to work in partnership with a registered Training Provider to deliver the Firefighter apprenticeship programme. The Training Provider conducts learner reviews and monitors the progress of the apprentice to provide feedback and training to support the apprentice with off-the-job learning and the knowledge elements of the programme. The Training Provider holds the apprenticeship delivery contract, which is managed by the Education and Skills Funding Agency (ESFA).

The acquisition training is funded through the apprenticeship levy utilising the full funding band of £14,000 and there is a top up fee of £3,900 per learner, which the Authority pays directly to the Training Provider (costed based on current provision by FSC).

The recommended option is now fully embedded for delivery of the Authority's Firefighter apprenticeship programme.

### **Department for Education Apprenticeship Reform Programme**

In 2015 the Government set a national target of generating 3 million high quality apprenticeship starts in England and the Authority has been a leading force in promoting apprenticeships across the sector nationally and within the workplace.

The Apprenticeships Reform Programme was established in May 2015 and was scheduled to be delivered by the end of the financial year 2020/21 and was extended for a further year, beginning with 1 April 2021 and ending with 31 March 2022.

As part of the Government's apprenticeships Reform agenda, a public sector target was introduced whereby organisations in England must meet a minimum of 2.3% apprenticeship new starts each year, based on employee headcount.

To help ensure the public sector led the way in apprenticeship delivery, large public sector organisations were required to report against the public sector apprenticeship target.

For the reporting periods ending on 31 March 2021, the Overview and Audit Committee received annual reports on how the Authority was performing against the public sector target; and received a draft annual return for approval before being published on the Authority's website.

The annual reporting met and exceeded the requirements of the statutory guidance. The Authority is no longer required to provide an annual return on these figures.

The figures for the last 5 years are provided below.



Financial Year	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023*
<b>New Apprentice Starts</b>	14	42	4	21	16	19
<b>% New Apprentice Starts of Establishment</b>	3.1%	9.5%	0.9%**	4.4%	3.4%	3.8%

\* 2022-2023 numbers are subject to change with further planned recruitment campaigns for Firefighter apprentices and a Learning & Development Administrator apprentice in 2023. Although it is no longer a requirement, this showcases that the Authority has already exceeded the target of 2.3% apprentice starts for this period.

\*\* During 2019-2020 reporting period, we recruited Firefighter apprentices in March 2019 and April 2021 and therefore fell outside of the reporting cut off dates.

### The Apprenticeship Levy

The Apprenticeship Levy was introduced in April 2017 for all employers that have an annual PAYE bill of £3 million per annum and employ over 250 staff. The employer's payment is set at 0.5% of their annual payroll and includes a £14,000 annual allowance. The Government tops up The Authority's contributions by 10% making a total current allowance of approximately £78,241 (December 2022).

Summary of Levy payments made by the Authority:

Levy Payments	£ (Includes 10% Top Up)
2022/23	-44,613*
2021/22	-77,107
2020/21	-74,259
2019/20	-64,419
2018/19	-64,725
2017/18	-58,756
<b>Total</b>	<b>-383,879</b>

\* Payments made up to November 2022

The Authority draws down on this levy for those employees who are currently undertaking apprenticeships to assist with their own development and to also enhance the skills within the organisation.

Breakdown of Levy investment by apprentice type:

<b>Apprenticeship</b>	<b>£</b>
Firefighter	275,826
Other Apprentices	131,481
<b>Total</b>	<b>407,307</b>

The Authority has fully invested the funds available through the levy - £383,879 - and has now entered into co-investment funding arrangements with the Government. This means that the Authority pays 5% towards the cost of apprenticeship training and the Government pays the remaining 95%.

The tables below, detail the amount the Levy has been topped up by, by both the Authority and the Government through the co-investment funding arrangement:

<b>Authority Contributions</b>	<b>£</b>
2022/23	-1,171
<b>Total</b>	<b>-1,171</b>

<b>Government Contributions</b>	<b>£</b>
2022/23	-22,254
<b>Total</b>	<b>-22,254</b>

### **Alternative Funding Options**

Levy paying employers can transfer a percentage of their levy funds, which were declared for the previous tax year, to other employers. Employers receiving transferred funds will only be able to use them to pay for training and assessment for new apprenticeship starts.

The Organisational Development department are currently exploring other potential funding options, including utilising local businesses unused levy funds – as detailed above. The team have reached out to local colleges within Buckinghamshire and Milton Keynes, who we deliver our apprenticeship programmes through, as well as other Fire Services, to determine if this would be a viable option for the Authority.

**Next Steps**

The Authority continues to look for ways to effectively utilise and improve its apprenticeship programme. Whether that be through different delivery models, collaboration with other emergency services or local businesses, or options to increase the funding available to invest in apprenticeships for all staff.

The apprenticeship programme is fully embedded within the Authority's culture and ways of working. It enables new starters and enhances the Authority's strategy for the retention and upskilling of existing staff.

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 15 February 2023

**Report title:** The Charter for Families Bereaved through Public Tragedy

**Lead Member:** Councillor Simon Rouse, Chairman

**Report sponsor:** Jason Thelwell, Chief Fire Officer

**Author and contact:** Graham Britten, Director of Legal and Governance

[gbritten@bucksfire.gov.uk](mailto:gbritten@bucksfire.gov.uk)

**Action:** Decision

**Recommendations:** It is recommended that 'The Charter for Families Bereaved through Public Tragedy' be adopted and be attested by the signatures of the Chairman and the Chief Fire Officer.

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**Executive summary:** The purpose of this report is to ask that the Authority agree that it signs up to The Charter for Families Bereaved through Public Tragedy (included as the **Appendix** to this report).

Following the 2017 Manchester Arena bombing and preceding the establishment by the Home Secretary on 22 October 2019 of the Manchester Arena statutory public inquiry, [The Kerslake Report](#) was published on the 27 March 2018<sup>1</sup>. An interim 'progress report' providing an update on the work of the Review was published on [12 January 2018](#). This contained a recommendation from Lord Kerslake that public bodies adopt one of the 'points of learning' within '[The patronising disposition of unaccountable power](#)' report by the Right Reverend James Jones KBE<sup>2</sup> to sign up to a 'Charter for Families Bereaved through Public Tragedy'.

The Right Reverend Jones had been commissioned by Theresa May, as Home Secretary, following the conclusion of the Hillsborough inquests in 2016. The report identified 24 other 'points of learning' describing the changes that the Right Reverend Jones believed were necessary, following his experiences as chairman of the Hillsborough Independent Panel, including proper participation of bereaved families at inquests and the introduction of a duty of candour for police officers. Such a duty had already been introduced in the NHS by [Regulation 20 of the Health and](#)

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<sup>1</sup> After Lord Kerslake who chaired this non-statutory review commissioned by the Mayor of Greater Manchester Andy Burnham in the exercise of his function as the Police & Crime Commissioner of Greater Manchester.

<sup>2</sup> Subtitled 'A report to ensure the pain and suffering of the Hillsborough families is not repeated', published by the House of Commons on 1 November 2017.

[Social Care Act 2008 \(Regulated Activities\) Regulations 2014](#) , following Sir Robert Francis’ inquiry into Mid-Staffordshire NHS Foundation Trust published by the House of Commons on [6 February 2013](#) .

The, then, Chairman of the National Fire Chiefs Council (NFCC) signed the NFCC up to the Charter on [9 May 2018](#) .

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**Financial implications:** No direct impact.

**Risk management:** No direct impact. Many aspects of the six objectives of the Charter already align with the minimum standards of behaviour expected from employees of the Authority as set out in extant policies and procedures.

**Legal implications:** The Charter is a statement of intent that the Authority ‘will strive’ to comply with its six objectives. There have been attempts to introduce legislation to oblige public bodies and officials to make all of their dealings, with families and with official bodies, more transparent including a duty to assist the courts, official inquiries and investigations. This has previously been outlined in a Public Authority (Accountability) Bill, known colloquially as the “Hillsborough Law” after the Hillsborough Inquiry in April 2017, but this did not progress beyond a [second reading](#) in Parliament.

**Privacy and security implications:** No direct impact.

**Duty to collaborate:** The [Policing and Crime Act 2017](#) requires the Authority to consider opportunities for collaboration with the police and ambulance services. Adoption of the Charter would bring the Authority more aligned with its Thames Valley emergency responders. Both the [College of Policing](#) and the [National Police Chiefs’ Council](#) (on behalf of all 43 police forces in England and Wales) have signed up to the Charter. South Central Ambulance Service is a health service body which has a statutory ‘duty of candour’ under Regulation 20 (cited above).

**Health and safety implications:** No direct impact.

**Environmental implications:** No direct impact.

**Equality, diversity, and inclusion implications:** Adoption of the Charter is consistent with the Authority’s obligations under the [Public Sector Equality Duty](#) to have regard to the need to, i.a., advance equality of opportunity between people who share a protected characteristic and those who do not.

**Consultation and communication:** At a meeting on 30 November 2022 of the National Fire Chiefs Council (on which Buckinghamshire Fire and Rescue Service is represented) the NFCC Chairman recommended that fire and rescue services promote the charter and to sign up to it if they have not already done so.

If the Charter is adopted a copy of the signed and completed document will be promoted on the Authority’s website

Fire Authority – 15 February 2023 | Item 13 – The Charter for Families Bereaved through Public Tragedy

Local officials of the FBU have been consulted and are supportive of the recommendations in this report, and have agreed to add their endorsement onto the Authority’s website.

**Background papers:** None other than those accessible within the body of the report.

Appendix	Title	Protective Marking
1	The Charter	

In adopting this charter we commit to ensuring that **Buckinghamshire & Milton Keynes Fire Authority** learns the lessons of the Hillsborough disaster and its aftermath, so that the perspective of the bereaved families is not lost.

We commit to **Buckinghamshire & Milton Keynes Fire Authority** becoming an organisation which strives to:

1. In the event of a public tragedy, activate its emergency plan and deploy its resources to rescue victims, to support the bereaved and to protect the vulnerable.
2. Place the public interest above our own reputation.
3. Approach forms of public scrutiny – including public inquiries and inquests – with candour, in an open, honest and transparent way, making full disclosure of relevant documents, material and facts. Our objective is to assist the search for the truth. We accept that we should learn from the findings of external scrutiny and from past mistakes.
4. Avoid seeking to defend the indefensible or to dismiss or disparage those who may have suffered where we have fallen short.
5. Ensure all members of staff treat members of the public and each other with mutual respect and with courtesy. Where we fall short, we should apologise straightforwardly and genuinely.
6. Recognise that we are accountable and open to challenge. We will ensure that processes are in place to allow the public to hold us to account for the work we do and for the way in which we do it. We do not knowingly mislead the public or the media.

Signed

Etc

Chairman

Signed

Etc

Chief Fire Officer and Chief Executive