



National Fire Chiefs Council

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The 2019-20 Local Government Finance Settlement: Technical Consultation Paper

To the Local Government Finance Team,

This letter represents the response from the National Fire Chiefs Council (NFCC) Finance Coordination Committee to the Technical Consultation on the 2019-20 Local Government Finance Settlement. The Committee also refers the Department to responses from individual fire and rescue authorities.

Many of our members are working as part of a larger county or unitary authority and whilst those larger organisations will likely be responding to this consultation it is possible that pressures in fire and rescue services may be overshadowed by the well-publicised pressures in adults and children's social care. The NFCC would like to highlight that the fire and rescue services within these larger authorities will still be facing the same pressures as their stand-alone FRS colleagues.

Service Delivery Pressures

Whilst the numbers of incidences responded to by the Fire and Rescue Service (FRS) has fallen in recent years, the NFCC believes that this has now plateaued. Response times are increasing across the country and the likelihood of a fire resulting in a fatality has similarly risen.

According to Home Office statistics; the number of wholetime (FTE) firefighter posts fell by 23% between 2010 and 2017. Over the same period the total number of retained firefighters fell by 15%. This equates to a reduction in FTE firefighters of over a fifth in just 7 years.

The reality is that if a fire of the scale of Grenfell Tower occurred anywhere other than London in normal circumstances, let alone during a strike, it would be a significant challenge for any FRS to resource - even when drawing extensively on mutual assistance.

With the exception of the urban search and rescue capability, all other national resilience capabilities are drawn from normal FRS budgets. The reductions in firefighter numbers directly impact on the availability of personnel to support national resilience capabilities.

Over this same period average response times to primary fires have increased from 8.2 minutes to 8.7 minutes. All available research highlights the relationship between response times and survivability, which is borne out by the published data that shows that despite the number of fires falling the likelihood that a fire will result in a casualty and/or fatality has been increasing as response times have also increased.

The NFCC expects the demands on the fire service to increase further once the findings of the investigation into the Grenfell tragedy are fully disclosed. Indeed, the amount of additional advice, audit, inspection, reassurance and enforcement that is already taking place is significant and expected to continue for many years. This work can only be managed by diverting already reduced resources away from other areas of risk.

Employers Pensions Contributions

In addition to the above service pressures the Treasury has recently announced that changes to the discount rate will significantly increase the cost to the employer for firefighter pensions. Although exact estimates have not yet been produced, the additional cost to FRAs in England is likely to be in the order of tens of millions of pounds.

Funding Reductions

The fire and rescue service in England has seen its central funding cut by over a third since 2010 and has not been offered the same protection as the police service despite this evidence of increasing pressures.

The NFCC are concerned that the funding reductions of recent years are unsustainable. The FRS has reformed and driven efficiencies whilst attempting to maintain its core emergency response function within an acceptable risk profile. However, the NFCC believe that, whilst funding reductions have been managed to date, that the FRS is now at a tipping point where further funding cuts will pose an unacceptable risk to communities.

The fire service is currently working with the Home Office teams to show how FRS are making effective use of reserves to support their medium term financial plans; but using reserves will become unsustainable if the funding cuts continue.

Question 1: Do you agree that the Government should confirm the final year of the 4-year offer as set out in 2016-17?

The NFCC welcomes the certainty offered by a multi-year settlement and agrees that this should continue into its fourth year. However, this certainty of funding is about to come to an end as there are no indications regarding settlement intentions post 2020. Offering indicative settlements into the future facilitates more effective longer term financial planning – especially important when resources are stretched so thinly.

Question 2: Do you agree with the council tax referendum principles proposed by the Government for 2019-20?

Our members believe that accountability for local taxation should rest with the authority or, in some cases, the directly elected PCC or Mayor. The current draft referendum principles

for the fire and rescue service suggest a permissible increase in precept of 3%. The NFCC ask that this be increased to place the fire and rescue service on a similar footing to the shire districts and Police and Crime Commissioners with a 3% or fixed sum as an upper limit.

In 2018-19 the stand-alone FRS precept ranged from £58.84 to £100.53. The lowest shire district precept in 2018-19 is £85.46. The 2019-20 draft principles suggest that a £5 increase is permissible – equivalent to a 6% increase.

The lowest police precept is £110.33 in 2018-19; that force will be able to raise an additional £12 in 2019-20 – equivalent to an 11% increase. The NFCC suggest that, given the similar levels of precept, that the fire service be offered similar referendum principles to those given to the shire districts and the police and crime commissioners.

The fire element of the average local authority council tax band D bill is small. In stand-alone FRS areas the proportion ranges from 3.4% to 7.2%. Allowing stand-alone FRS to increase their precept by £5 would be equivalent to annual increases between 5% and 8.5% and would have a minimal effect on council tax bills. However, this additional freedom would net an estimated £40m in additional revenue compared to just a 3% increase. This additional, and crucially, ongoing funding could be used to address some of the pressures outlined above.

Summary

Funding cuts since 2010 have seen a reduction in the number of firefighters whilst the response times have been increasing. Whilst the number of primary fires fell in the early 2000s, numbers have now plateaued and the NFCC are concerned that levels of risk and national resilience are close to unacceptable levels.

In addition to those pressures that are specific to the FRS (outlined above) the fire service is also facing pressures like those in the wider public sector. Namely; wage inflation and the demands caused by an aging population; 42% of fire-related deaths occur in a home where the residents are aged over 65, despite making up just 19% of the population.

The NFCC are calling for additional council tax/precept flexibility of 3% or £5 whichever is the higher for the fire and rescue service. This will help the FRS maintain a risk-based service that can respond to new threats and provide local and national resilience in its prevention, protection and response functions.

Yours sincerely



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