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National Fire
Chiefs Council

The professional voice of the
UK Fire & Rescue Service

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Dear Roger

The 2018-19 Local Government Finance Settlement: Technical Consultation Paper

This letter represents the response from the National Fire Chiefs Council (NFCC) Finance Coordination Committee to the Technical Consultation on the 2018-19 Local Government Finance Settlement. The Committee also refers the Department to individual responses from fire and rescue authorities.

The National Fire Chiefs Council (NFCC) came into effect in April 2017 and is comprised of all Chief Fire Officers from England, Wales, Scotland and Northern Ireland. The Finance Coordination Committee is a sub group of senior fire and technical officers who represent the combined financial interests of the UK fire service. In some parts of the UK the funding of the fire service is a devolved function. Therefore, this response represents the views of the English fire and rescue authorities only.

Whilst the fire service is currently funded by the business rates retention scheme, the Committee is only responding to the specific questions relating to the referendum principles. The NFCC are asking for additional council tax flexibility for the fire and rescue service along the lines of that offered to shire districts or police and crime commissioners. That is £5 or 2% whichever is the greater for fire and rescue services. Our members believe that accountability should rest with the authority or, in some cases, the directly elected PCC or Mayor. In addition, our members would like to make some points regarding the pressures on their budgets.

Funding Reductions

Unlike the police service, the fire service has not been offered protection through recent austerity. Since 2010 the funding from the Department for Communities and Local Government to stand-alone fire and rescue services (FRS) has been cut by over a third. According to CIPFA statistics; between March 2010 and 2016 the total number of whole time firefighter posts in England fell by 19.5%. Over the same period the total number of retained firefighters fell by 12.1%. The number of fire safety audits carried out reduced by 25% whilst the number of hours spent on safety checks fell by over a quarter (26%).

Over these years' average response times increased from 8.2 minutes to 8.8 minutes. All of the available research highlights the relationship between response times and survivability. And, whilst most Fire and Rescue Services have integral Prevention, Protection and Response Strategies within their Integrated Risk Management Plans, which contribute to local response standards, this increase in response times cannot be ignored.

The fire and rescue service has reformed and driven efficiencies whilst attempting to maintain its core emergency response function within an acceptable risk profile. However, the NFCC are concerned that the funding reductions of recent years are unsustainable. Whilst the number of primary fires fell in the early 2000s; in 2012 the year-on-year reductions began to slow and, since 2013 the number of primary fires has plateaued and is now beginning to increase.

Stand-alone FRS in England forecast net current expenditure in 2017-18 is approximately £1.26bn. This spending is generated from both central governments grant funding and council tax. Whilst the government funding has been cut the service has been unable to raise sufficient revenue through the local precept due to the introduction of a "referendum threshold". A 2% council tax increase still represents a real terms cut in funding for the FRS.

Whilst Authorities have the ability to undertake a referendum if a council tax increase of more than 2% is proposed, the cost of a referendum for a fire service is disproportionate to the potential additional income. This is therefore a more difficult option for fire and rescue services which carries additional financial risks, which we believe is an unintended consequence of a government policy designed to control 'excessive' increases in council tax.

Increasing Demand

The fire and rescue service funding is not based on demand but on measures of risk and resilience (NAO report: Impact of funding reductions on the fire and rescue service). 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 and Rescue Service plays a key role in protecting the Critical National Infrastructure. We have recently seen a number of major incidents across the UK which have placed an increased demand on all emergency services, and with the current threat planning assumptions it is unlikely that this demand will decrease for the foreseeable future.

The public inquiry into the Grenfell tragedy earlier this year is ongoing but the service remains concerned that without investment in the UK FRS the number of local, regional and national incidents will increase and subsequently put the safety of communities at an increased risk. In the days following the Grenfell fire the Government announced a review of the current building regulations and the NFCC anticipates that this is highly likely to impact on demand. Indeed, the amount of additional advice, audit, inspection, reassurance and enforcement that is already taking place is significant and expected to continue for many months, possibly years. This additional work in support of the Governments response to Grenfell is already causing many services to divert already reduced resource away from other areas of risk and in some cases use financial reserves to meet demand.

On 4 July 2017, the Fire Service Minister, Nick Hurd, spoke at the annual fire safety conference and reflected on the Grenfell tragedy. In his speech he said that it was crucial that the public are reassured about the safety of the buildings that they reside in and that it is imperative to increase public confidence in the management of the risk of fire.

Mr Hurd outlined the vital role that the FRS will play in that reassurance role; including increased safety checks and enforcement action where fire risks are found to be unacceptable. As highlighted by the statistics above, the number of these inspections has fallen dramatically in recent years; mirroring the funding available to the service. An increased demand for fire safety inspections in the future will require investment, without which further cuts to fire service budgets will lead to a degradation of services. Since 2010-11 there has been a 28% reduction in

the number of specialist Fire Protection Officers. Predictably, there has also been a 25% reduction in the number of fire safety audits carried out.

Resourcing Challenges

Whilst this consultation only applies to English FRS our members across the UK are reporting that they have reached an irreducible number of whole-time and on-call firefighters that are required to maintain the existing level of service and many are now recruiting firefighters for the first time in a number of years. We still do not know the full impact of the 2015 pension regulations on staff retention however it is anticipated that turnover of staff will continue to increase adding an additional burden on core funding.

Whole-time firefighters provide cover to most urban areas whilst rural areas are more reliant on on-call or part-time firefighters. With on-call firefighters tending to only stay in the role for between 4 and 6 years, this presents a huge challenge for the service that needs to plan for higher than previous turnover and the associated costs of recruitment. Our members estimate that it costs approximately £7,000¹ to fully train, equip and enrol an on-call firefighter. With the majority of services detailing a turnover of between 7% and 10%, this would equate to an annual expenditure of approximately £7.3 million per year, just to maintain the number of personnel at current levels.

The NFCC believe that investment in retention and recruitment strategies would attract more applicants, help to retain them for longer as well as attracting a more diverse workforce.

A number of FRSs have tried to ensure levels of competence as well as expand the role of firefighters for more service delivery options. However, these all have a direct cost. Every additional hour of an on-call firefighter costs £13.53 – this means that for a FRS with 300 on-call personnel, one additional hour a week of training costs in excess of £0.2m plus on-costs per year.

Fire Safety & Operational Resilience

As highlighted earlier, there is a strong link between response times and survivability underpinned by academic research, but that is not the only factor of an effective response. The weight of the response is equally important.

The Grenfell Tower incident served as a very stark example of the impact of a significant fire. In headline terms Grenfell was a 40 pump fire. This however only reflects the number of conventional fire appliances in attendance at the incident.

What is not captured is the number of special appliances and Officers in attendance, all of which are essential to maintaining safe systems of work and providing an effective response capability. What is also not captured is the impact of maintaining 40 pumps over a protracted period of time. A 20 pump rolling relief results in 60 pumps being deployed at any given time.

The Home Office have asked fire colleagues what the response to a Grenfell-type incident would look like during nationwide industrial action. The reality is that if Grenfell had 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.

¹ This figure is variable depending on the FRS approach. One example quotes the cost of training a Fire Fighter apprentice at £17K

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.

Question 9: Do you have views on council tax referendum principles for 2018-19 for principal local authorities?

Question 10: Do you have views on whether additional flexibilities are required for particular categories of authority? What evidence is available to support this specific flexibility?

The NFCC are asking for additional council tax flexibility for the fire and rescue service along the lines of that offered to shire districts or police and crime commissioners. Our members believe that accountability should rest with the authority or, in some cases, the directly elected PCC or Mayor.

In 2017-18 the stand-alone FRS precept ranged from £57.14 to £97.65. The lowest shire district precept in 2017-18 is £80.46 whilst the lowest police precept is £98.33; both of which will be offered additional flexibility in 2018-19. 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 or the police and crime commissioners. That is £5 or 2% whichever is the greater for fire and rescue services.

The fire element of the average local authority council tax band D bill in stand-alone FRS areas is worth just 5% of the total bill. Even allowing stand-alone FRS to increase their precept by £5 would only increase average local authority council tax band D bills by approximately 0.5%.

We have already outlined the pressures being faced by the service and the likelihood that these demands will increase as a result of the Grenfell Tower fire. 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.

The Technical Consultation paper states that the DCLG will soon be publishing fire and rescue Assumed Notional Amounts (ANAs) – the NFCC suggests that these can be used to allow fire and rescue services which are part of larger local authorities to increase their precepts in line with more flexible principles, above the set limits, thus allowing further investment in those fire and rescue services.

Summary

Funding cuts since 2010 have seen a reduction in the number of firefighters and fire safety audits whilst the response times have been increasing. The fire service is not funded based on demand but on risk and resilience. Whilst the number of primary fires fell in the early 2000s, numbers are now beginning to increase and the FRS are concerned that levels of risk and national resilience are close to unacceptable levels.

This response has outlined the specific pressures that the service is currently under, including the potential for further pressures as a result of ongoing reviews of the building regulations and specifically fire safety procedures. The Grenfell Tower tragedy was a stark reminder of the dangers posed by fires, the importance of fire safety and of national resilience. Similarly, to the rest of the public sector, the FRS are also dealing with pressures of general and wage inflation, increases to national insurance contributions and the demands caused by an aging population; 21% of fires occurring in a home are in those where the residents are aged 65 or over. We are seeing an increase in many societal issues, such as drink and drugs, social housing issues leading to homelessness and new risks such as 'beds in sheds', these all impact on the demand of the fire and rescue service.

The NFCC are calling for additional council tax flexibility for the fire and rescue service – both for stand-alone FRS and those within larger local authority organisations. This will help the service maintain a risk-based service that can respond to new threats and provide local and national resilience in its prevention, protection and response functions.

The Fire and Rescue Service are keen to work alongside the DCLG and colleagues in the Home Office to review the fire and rescue funding formula but whilst the distribution is important the sufficiency of funding nationally is also critical.

The NFCC would welcome the opportunity for further dialogue with ministers to ensure the service provided to the UK matches the expectations of both local communities and the government.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Philip Hales', written in a cursive style.

Philip Hales
Chair of NFCC Finance Coordination Committee
National Fire Chiefs Council