



Official

Date:	23 November 2018	Item No.:
Title:	NFCC Spending Review 2019 update to FSMC	
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1 Summary

- 1.1 This paper is to update the FSMC on progress made by the NFCC in responding to the Governments 2019 Spending Review (SR 2019), it will be accompanied by a presentation at the FSMC meeting on the 23rd November.
- 1.2 The Home Office (HO) are in the process of preparing a submission to the Treasury in anticipation of the SR 2019.
- 1.3 The HO has asked the NFCC to support this work to enable them to put forwards evidence to support the future funding of the English FRS.

2 Decisions required

- 2.1 Feedback is sought from the FSMC on how the NFCC engages with the LGA over SR19.

3 Recommendations

- 3.1 The Finance Coordinating Committee (FinCC) continue to represent the NFCC in joint discussions with the HO.
- 3.2 The FSMC receive the draft submission to enable further commentary and engagement.

4 Background

- 4.1 The government published a joint Spending Review (SR15) and Autumn Statement on 25 November 2015. SR15 set out how £4 trillion of government money would be allocated over the following five years, up to 2020.
- 4.2 In the first ever Spring Statement in March 2018, The Chancellor Philip Hammond stated that the government will undertake a full review of departmental funding in 2019 (SR19). Whilst not confirmed it is expected that this review will take place after Brexit which is due to take place on 29th March 2019.
- 4.3 The Government has made several pledges to protect public sector funding in specific sectors and provide investment in areas such as health and housing including the Prime Minister's pledge of £20 billion worth of extra spending on the NHS by 2023. None of the protections or investments extend to Fire.
- 4.4 The reduction in Government Funding for all standalone Fire and Rescue Authorities since 2015/16 is anticipated to be approximately £135 million by the end of the current SR period (2019/2020). This is a cash reduction figure. The real term reduction is higher than this if issues

such as pay awards and inflation are considered. It should also be noted that between 2010 and 2019 core spending power in directly funded authorities reduced by almost 20% compared to the Consumer Price Index. Additionally, over the last decade the number of firefighters (FTE) employed by FRAs has declined by 23% - from 42,385 to 33,049. All staff, including support and control, reduced by a similar proportion (20%).

- 4.5 The HO has set out a plan to prepare for SR19 which includes all HO departments. The Minister has asked for reports to be prepared that he can present to the Treasury setting out the case for HO funding. Included in this wider plan the HO have engaged with the NFCC FinCC on the case for Fire funding and identified that the NFCC are a key stakeholder in the Fire Submission.
- 4.6 Kieran Timmins has been appointed by the NFCC to co-ordinate this work on behalf of the sector and the Somerset Technical Team are supporting through the analysis of data.
- 4.7 The report includes a narrative and four 'themed pillars', which are set out below. The nature of the subject matter within the pillars extends beyond purely 'finance issues' and requires wider input from the Sector.

4.8 The Four Themed Pillars

Demand and Risk

- Evidence the demand and risks relevant to the fire sector (the work we have been doing on this can form the main part of this evidence)
- Understanding the risk and the demand caused by different incident types (major events, climate change, terrorism)
- Propose how demand/risk can be reduced further (link to prevention agenda)

Efficiency and Productivity

- Provide the narrative on the story so far – what has been saved/improved since SR15?
- Where can fire and rescue become more efficient? (Includes procurement, workforce, providing better outcomes to the public, collaboration, shared services etc)
- How can fire become more productive? (Includes crewing patterns, better use of data to identify productivity improvements, changes to terms and conditions, improving processes and eliminating duplication)

Capabilities

- What is the vision for fire 2025 and what does fire need to deliver this? (includes, operational preparedness, workforce, training, equipment)
- How make the changes to deliver the fire 2025 vision? What investment (money & training) is required and what will be the improved outcomes?
- What capital investments need to be made and how will these be financed?
- Research and development

Funding models

- Fair funding review and new fire formula
- Decisions around top-slicing for any national capabilities/contingency funding

5 Progress

- 5.1 The HO have shared drafts of the fire papers with the NFCC.
- 5.2 Several discussions have taken place between the NFCC and the HO to develop the reports and provide feedback to the HO on the drafts. Work is ongoing to get these to a final draft position where they can be shared more widely.
- 5.3 The NFCC have considered that achieving a 'flat cash' position would be as good as we can get. This would still present a challenging position for the FRS as pay awards would have to be paid for from current resources.

- 5.4 The NFCC are also asking for additional flexibility on council tax (although this may be challenging given other pressures on overall council tax bill levels) and for the treasury to fund the increase in employers' contributions for the pensions deficit.
- 5.5 A full survey and a reserves survey have been carried out by the NFCC to collect data which will be used to evidence the Sectors concerns in its funding position.

6 Next Steps / Timeline

- 6.1 The NFCC are working with the HO to provide feedback on each paper as it is produced and shared with us.
- 6.2 It is intended to have initial drafting completed by the end of November and shared with NFCC and FSMC. Final draft by 6th December, to allow for any changes following HMICFRS publication of Tranche 1 reports. Final document signed off 20th December before Parliamentary recess.

7 Background Information

Spending Review 2015

<https://www.gov.uk/government/topical-events/autumn-statement-and-spending-review-2015>

Spending Review 2019

<https://www.civilserviceworld.com/articles/news/spring-statement-hammond-confirms-2019-spending-review-and-allocates-brexite-cash>