

Brandon Lewis MP
Parliamentary Under Secretary of State
Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU

21 November 2012

Dear Brandon

I am writing to you in advance of the Autumn Statement to raise the concerns of the Local Government Association's Fire Services Management Committee about the proposed levels of funding for the fire sector. I also want to highlight changes which, although marginal in total public finance terms, if implemented could have a large positive impact on fire authorities and the communities they serve.

In the period from 2000 to 2010 fire service funding did not keep pace with many other public services. Yet, in the 2010 Comprehensive Spending Review it was one of the public services, along with local government, that faced the severest reductions in government funding.

For fire authorities, other than counties, the 2010 CSR reductions have been backloaded and this has been welcomed. However, it also means that the risk implications of the full force of the funding reductions have not yet been tested. Even with the efficiencies that have been implemented, or are planned, fire authorities are still projecting a funding gap of over £80 million.

Early in the new financial year we believe that it will be important to engage with you in a substantial piece of work to understand the implications of recent funding decisions in order to inform future government decisions on funding the fire service.

Other factors are compounding the funding issues that fire authorities are facing. These are: the effective cap on council tax increases, as they affect fire authorities; the implications of the localisation of council tax benefit; and the lack of transparency in county fire service funding.

The cap on council tax increases, where proposed increases above 2% must be ratified by referendum, present particular difficulties for fire authorities. There are two issues. Firstly a 2% increase in council tax represents a relatively small amount of income for fire authorities and actually a small monetary amount for individual tax payers. The second issue is that referenda are expensive. CFA has estimated that to increase council tax amongst all precepting fire authorities by just 5% would cost an estimated £41 million in

referenda costs and yet would raise just £38 million in extra income. We urge you to consider how government can vary the referendum limit for fire authorities.

Fire authorities are potentially going to be affected by the localisation of Council Tax Benefit (CTB) schemes. Depending on how local authorities construct their schemes to account for the overall reduction of 10% for CTB, there could be less funding available for services including fire. It is not clear that fire authorities were intended to be impacted in this way and the government must consider how it can mitigate the effects of this development on the fire sector.

I know that some authorities are considering merger as one way of dealing with the severity of the funding reductions. Fire authorities have faced unnecessary barriers in their attempts to merge and we would like to see these removed. These include a lack of transparency in funding for county run services and requirements to equalise council tax precepts. The removal of the latter requirement would give fire authorities greater local discretion.

The funding situation, in combination with the impact of a cap on council tax increases and the reduction in the overall level of council tax benefit present a substantial challenge to fire authorities. I hope that you are able to consider providing some relief through the implementation of the relatively small changes outlined above.

I am happy to meet with you to discuss these issues if you would find that helpful.

Yours sincerely

A handwritten signature in black ink that reads "Kay Hammond". The signature is written in a cursive, flowing style.

Cllr Kay Hammond
Chairman, LGA Fire Services Management Committee