

23 January 2012

Item 8

FSMC update paper

Purpose of report

For information.

Summary

This report outlines issues of interest to the Committee not covered under the other items on the agenda.

Recommendation

Members to note the update.

Action

Officers to progress as appropriate.

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FSMC update paper

Fire Futures Forum

1. The Fire Futures Forum, established by CFOA, hosted its first seminar “Breaking the Cycle of Negativity” in October. CFOA are now hosting a second seminar on interoperability on 29 February at 10am at the Institute of Directors (IoD), 116 Pall Mall, London SW1Y 5ED. The LGA have received an invitation for a Member of Fire Commission to represent the organisation at the event. Please contact Helen Murray (helen.murray@local.gov.uk) if you would like to go.

Business rates retention – briefing

2. On 20 December 2011, LGA officers circulated a briefing on the issue of retained business rated for fire authorities to Fire Commission members. The briefing covers the essential elements of the Government’s proposals, the main LGA messages and points of implications for Fire and Rescue Authorities. Please refer to **Appendix A** for a copy of this briefing.

Community Right to Challenge – Fire and Rescue Authorities

3. The Community Right to Challenge in the Localism Act gives community and voluntary bodies, existing employee and parish councils the right to challenge to provide any local authority or fire and rescue service, other than services excluded by the Secretary of State in regulations.
4. DCLG are continuing to consult other government departments on the services that will be excluded but previous consultation documents and policy statements highlight that services that are required in existing legislation to be delivered by the authority will **not** be subject to the Community Right to Challenge. For FRAs this means that core activities to put out fires, undertake rescues from fires and respond to road accidents should be excluded from the Community Right to Challenge in forthcoming regulations. The Community Right to Challenge also cannot be used to take over any ‘functions’ of a fire authority, i.e. decision-making powers or duties.
5. Prevention Services carried out by FRAs however are likely to be within the scope of the Community Right to Challenge provisions. Authorities will have the opportunity to manage the flow of challenges to run these services by specifying periods when ‘Expressions of Interest’ will be accepted. Expressions of Interest received outside of these periods can then be rejected. It is also expected that other grounds for rejections will

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cover instances where an authority considers the body challenging to provide or assist in providing the service is not suitable, or has provided unsatisfactory, inadequate or inaccurate information. If a challenge is accepted, it will trigger a normal procurement exercise in which any provider can then participate.

6. The LGA in consultation with CFOA will be submitting comments on other exemptions that should be considered for Fire and Rescue Services.

Fire Conference March 2012: Resilience – protecting people and places

7. We have now taken around 100 bookings for the conference. Please click on the following link for more information on bookings, sponsorship, accommodation arrangements and venue details:
http://www.local.gov.uk/web/10161/events/-/journal_content/56/10161/16924/EVENT-TEMPLATE
8. The FSMC will meet from 4-6pm on Monday, 19 March at the Conference venue. Details will be provided nearer the time.

Executive Leadership Programme (ELP)

9. The LGA working with CFOA launched the National Leadership Programme in 2005. The Executive Leadership Programme was the flagship product and aimed to prepare the future leaders of the Fire & Rescue Service. Having been in place since 2006, over 120 senior leaders have been through the Programme, with a number having subsequently moved into the most senior roles in the Service.
10. Over the past 12 months, and working with Warwick University, the LGA and CFOA have been reviewing the existing programme to ensure it better prepares our future leaders for the more challenging times ahead. The programme as therefore been revised and it is anticipated that the new Programme will be in place by late summer 2012. The new programme contains a cross sector leadership exchange and revision of the gateway to access the programme with the intention to introduce an assessment centre for those applying for places on the programme.
11. Councillor Richard Hobbs and Des Prichard, OBE (East Sussex Fire and Rescue Service) will be hosting a breakfast fringe session on Wednesday, 21 March at the LGA Fire Conference on the ELP.

FiReControl

12. The deadline for business case submissions for grant allocations to DCLG closed on 4 November. DCLG are currently assessing the bids.

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Although an announcement had been planned this month, we understand DCLG is sending each FRA a summary of its proposal and the planned benefits for checking and review by close Friday 20 January. The introduction of this step in the process means the announcements will now be made towards the end of February. DCLG have confirmed they still intend to make grant payments by the end of March.

Red Tape Challenge

13. The housing and construction theme in the red tape challenge went live on 12 January and will not include the Fire Safety Order. Ministers take the view that the fire safety regulations offer importance public safety protection and are proportionate, putting responsibility for compliance where it belongs - with employers and buildings owners. The legislation has only recently been reviewed and consolidated, and feedback from the wider red tape challenge process indicates concerns are primarily around enforcement - notably the consistency, quality and proportionality of fire safety advice.

Retained business rates briefing for fire authorities



Briefing for Fire Authorities

Proposals for Business Rates Retention Consultation: Government Response

Introduction

The government published on 19 December 2011 its response to the consultation on proposals for business rate retention.

The government has confirmed its intention to introduce business rate retention from 2013.

LGA Key messages

- The proposals that the government have published go some way to addressing local government's concerns about business rates relocalisation, but many detailed points remain unresolved.
- The design of the new arrangements now incorporates more safeguards to help authorities that raise relatively low amounts of business rates, and is likely to deliver a more even level of incentive for growth across the full range of local authorities.
- The 'set-aside' arrangements remain in place, but now return a proportion of business rates income fully to local government.
- Additionally, the proposed 10 per cent cut in the grant for council tax benefit (worth £500 million) means councils will be forced to make tough decisions about the services they provide if they don't want to raise council tax, particularly for those who are least able to pay. The tight timeframe for implementing this places an even greater burden on councils and we urge the Government to give councils the necessary time to do this in the most considered, flexible and cost-effective way possible.

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Key points for fire authorities

- Most significantly for fire authorities the government has decided that all fire authorities including single purpose fire authorities should be part of the scheme.
- All fire and rescue authorities will be funded through a percentage share of each district or borough council's billing authority business rates baselines (pre-tier split), subject to the tariffs and top ups required to bring them to their baseline funding level.
- The government's response recognises that single purpose fire and rescue authorities have fewer levers for growth. It proposes that the percentage share of billing authority business rates that single purpose fire and rescue authorities receive reflects this and provides them with a degree of protection within the scheme.
- *LGA view*
- *Fire authorities have been concerned about the potential for short to medium term funding disruption associated with being part of the scheme. The level of protection provided to fire authorities should mean that they receive as a minimum the level of funding that they would have received under a fixed grant system in the years to 2015.*

Proposed scheme design

The government has made a number of decisions on the design of the scheme.

Setting local and central shares

- In setting the share of business rates that is localised the government will have regard to the 2010 spending review.
- The government has committed to reviewing the scope for further simplification and alignment of funding between business rates collected by local authorities and the functions and services which they fund.
- The government will set out the percentage share of business rates that it is to be localised, together with the mix of functions and services to be funded through retained business rates, in the spring of 2012.
- The government retains the right to alter the localised share of business rates.

LGA view

- *Local Government will not have access to the full real terms growth in business rates in 2013-14 and 2014-15 through the mechanism of the 'set-aside' even though they will now use proportional shares rather*

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than a government forecast. The LGA will continue to call for local government to have full access to the growth from business rates.

- *The LGA and the Fire Service Management Committee argued strongly against the set-aside. The Government's proposals indicate that the set-aside will continue beyond 2015. There is little rationale for this, as the main justification for the set-aside was to ensure that the scheme functions within the spending control totals issued in 2010 and therefore works alongside the deficit reduction programme. Continuing the set aside beyond this point cannot be justified. It reduces the incentive to grow business rates and acts a form of central government control in a system which is designed to do the opposite. The set-aside is a tax on local authorities which the LGA opposes strongly.*

Establishing the Baseline

- In determining the business rate baseline the Government will use authorities' average rates over several years.
- Baseline funding levels will be based on 2012-13 formula grant (excluding the 2012-13 transition grant). Each local authority's baseline position will be arrived at by applying the process used to determine their 2012-13 formula grant allocation to the local government spending control totals for 2013-14, while updating all datasets and making some limited, technical updates to the formula.
- The government will determine an authority's baseline using numbers after floor damping.

LGA view

- *We note that the Government has made it clear how the 2012-13 grant process should be used to set the baseline and hope that the further consultation of detailed issues will make rapid progress.*
- *FSMC in its response wanted assurances that there is a mechanism within the scheme to ensure that any new responsibilities associated with national resilience are properly funded and that funding for national infrastructure is taken into account. We welcome the fact that the Government will continue to provide for new burdens through a new Revenue Support Grant.*

The Levy

- The scheme will have a proportionate levy which will allow an authority to retain growth in an equivalent proportion to its baseline revenue. The actual ratio will be set after discussions with local authorities.

LGA view

- *We are pleased the fact that the levy to recoup a share of 'disproportionate benefit' will be based on 'proportionate shares' – this is the option which the LGA urged the Government to explore.*

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Resets

- The system will be reset every 10 years.

LGA view

- *The supported resets triggered on the basis on evidence; there will be disappointment that the government suggests 10 year resets.*

The Safety Net'

- This will be available to any authority that sees its funding decrease by more than a set percentage below their baseline funding level.
- Baselines will be up-rated in line with RPI to determine whether the authority is eligible for support and ensure the protection from the safety net is in real terms. The Government will consult in 2012 on the specific level at which the trigger point for the safety net should be set.
- The levy and the safety net must be self-funding, though there is the possibility of it balancing out over a number of years rather than per financial year. Benefits may be accrued during growth years to mitigate for adverse changes in low growth years.
- In the event that there is levy income over and above the level needed to ensure long-term safety net funding, this will be redistributed back to local government following a government consultation.

LGA view

- *We are pleased the fact that the levy to recoup a share of 'disproportionate benefit' will be based on 'proportionate shares' – this is the option which the LGA urged the Government to explore.*
- *We support the proposal for top-ups and tariffs to be indexed to RPI. The LGA's response to the LGRR consultation said that we saw the technical case for this.*

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Strategic governance arrangements discussion paper

**Strategic Governance Arrangements for
Fire and Rescue National Resilience**

**A discussion paper prepared by the Department for Communities and Local
Government and the Chief Fire Officers' Association**

Introduction

1. The draft Fire and Rescue National Framework sets out the roles of fire and rescue authorities and the Government to deliver national resilience. Fire and rescue authorities need to assess all reasonable fire and rescue related risks that could affect their communities (from local fires to terrorist attacks), and have the necessary arrangements in place to manage the majority of these risks, either through adjusting existing provision, more effective collaboration and partnership working, or building new capability.
2. The draft Framework also states that, occasionally, fire and rescue authorities will be required to respond to incidents of such scale and/or complexity that local resources may be insufficient, even when taking into account mutual aid agreements, pooling and reconfiguration of resources and collective action. These risks need to be planned for on a strategic, national basis. For the purposes of this paper, these risks will be referred to as national resilience risks.
3. The Government retains over-arching responsibility for ensuring we are resilient as a nation to national resilience risks, and the draft National Framework continues to recognise that national resilience is best planned for on the basis of local professional expertise and understanding of risk, supported by strong partnership arrangements.
4. In order to ensure continued resilience, fire and rescue authorities and the Government need to work in partnership to agree whether and/or how these national resilience risks should be addressed. The draft Framework states that **the Department for Communities and Local Government (DCLG) will ensure that appropriate, agreed strategic governance arrangements are in place to enable fire and rescue authorities to collectively engage with Government on national resilience issues.**
5. This paper sets out proposals on these strategic governance arrangements, and invites comments and views from partners on the following questions:

Q1: Do you agree with the purpose of the strategic governance arrangements?

Q2: Does the creation of a new Strategic Resilience Board seem sensible?

Q3: Are you happy with the proposed chair, secretariat arrangements and membership for the Strategic Resilience Board?

Q4: Do the delivery arrangements for the Strategic Resilience Board seem sensible?

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Q5: Do you have any other comments on the strategic governance arrangements?

Purpose of the strategic governance arrangements

6. The draft Framework sets out that the purpose of the strategic governance arrangements is to support discussions and decision making in relation to national resilience, in the context of fire and rescue authorities.
7. The strategic governance arrangements will provide a forum for fire and rescue authorities and fire professionals to engage with central Government to:
 - reach a **joint understanding** of national resilience risks and priorities, and current fire and rescue capability in relation to those risks, based on fire and rescue authorities' risk assessments, gap analyses and other relevant processes;
 - agree whether any new and/or emerging national resilience risks identified by central Government have a fire and rescue role;
 - identify any **capability gaps** and/or any redundant capability;
 - agree whether any capability gaps can be filled through **reconfiguration** of existing capability or **innovative solutions**;
 - if not, determine **whether and/or how to fill** any capability gaps;
 - provide **advice to Ministers** on fire and rescue national resilience capability and, where necessary, produce **costed options** for how new capability can be built, taking into consideration the likelihood/impact of the risk and funding pressures;
 - provide a **route for Government to commission** and fund new capability from fire and rescue authorities, if required and where agreed by Ministers;
 - provide a mechanism through which **fire and rescue authorities provide assurance** to Government that agreed capabilities are in place and fit-for-purpose; and
 - consider strategic **intraoperability** and **interoperability** issues, including issues identified through cross-Government work.
8. Final decisions on whether new capability is required will be for Ministers to take, informed by recommendations from the strategic governance arrangements.
9. **Diagram A** on page 5 illustrates the roles and responsibilities of the strategic governance arrangements, with central Government represented in blue on the left and fire and rescue authorities represented in red on the right. The strategic governance arrangements are represented by the circle in the centre; listed within the circle are the key roles of the arrangements. Some roles will be delivered jointly (e.g. determining whether and/or how to fill any capability gaps), others will be Government-led (e.g. commissioning new capability from fire and rescue authorities) or fire and rescue authority-led (e.g. delivering the new capability, where reasonable).
10. National resilience risks will be identified through a number of routes:
 - a) By central Government, through the National Risk Assessment process;
 - b) By fire and rescue authorities, through local risk assessment and gap analysis processes which have regard to the Community Risk Registers produced by Local Resilience Forums;
 - c) By CFOA operational response and capability leads; and/or
 - d) Through lessons learnt from incidents, exercises and training.
11. The strategic governance arrangements might discuss, for example: the fire and rescue role in international humanitarian assistance, new risks and emerging threats, and response to national flooding, nuclear and radiation incidents; etc.

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Structure

12. There is currently no existing governance arrangement or board that can deliver the purpose set out above. The existing Fire and Rescue National Resilience Board seldom considers strategic national resilience issues. Its focus is on ensuring existing national resilience capability (new dimension equipment and crews) is maintained and that assurance on this is provided back to Government.

A new Fire and Rescue Strategic Resilience Board

13. One way in which the governance arrangements could be structured is to establish a new strategic board to form a focal point for discussion between Government, fire professionals and fire and rescue authorities, and to deliver the purpose set out in paragraph 7. The board would be the key route through which central Government discusses national resilience with fire and rescue authorities. The board could be known as the Fire and Rescue Strategic Resilience Board.
14. It is proposed that the Board be chaired by the Director of Fire, Resilience and Emergencies in DCLG and for the secretariat to be provided by DCLG.
15. Other members of the Board could include:
 - CFOA, to represent the professional leadership of the FRS
 - LGA, to represent employers/authorities
 - Chief Fire and Rescue Adviser, to provide advice and expertise
 - Chair of the National Resilience Board, to provide the link to the delivery arm of the Strategic Resilience Board
 - Cabinet Office, to provide advice on wider resilience policy
 - The Devolved Administrations
 - Other Government Departments, on invitation, as necessary
 - Other chairs of relevant groups/boards, on invitation, as necessary

Delivery arrangements

16. The existing National Resilience Board would become the delivery arm of the Strategic Resilience Board. The Government, through the Strategic Resilience Board, would commission the National Resilience Board to deliver any new capabilities and to provide overall assurance on national resilience capability. The National Resilience Board would be supported by various technical and specialist groups, as per current arrangements. The National Resilience Board would report to the Strategic Resilience Board.
17. It is envisaged that the National Resilience Board and its supporting sub groups would be managed as per current arrangements.
18. Through the National Resilience Board and its supporting groups, fire and rescue authorities would develop a collective position on national resilience issues. This collective position and associated recommendations would then be brought to the Strategic Resilience Board by the Chair of the National Resilience Board.
19. In determining those national resilience issues that need to be considered by the Strategic Resilience Board, the National Resilience Board will draw on:

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- the National Risk Assessment and National Resilience Planning Assumptions;
- local Integrated Risk Management Plans;
- the Community Risk Registers produced by Local Resilience Forums;
- sector resilience plans for Critical National Infrastructure;
- the expertise of CFOA operational response and capability leads; and
- learning from national and international incidents, exercises and training.

20. If needed, fire and rescue authorities could establish other sub groups to manage contracts and to provide the assurance required by the Strategic Resilience Board.

Strategic governance arrangements for national resilience



DCLG and CFOA Cover letter



CFOA
Chief Fire Officers
Association

15 December 2011

Dear Colleague,

Strategic governance arrangements for fire and rescue national resilience

We are pleased to attach a discussion paper on the proposed strategic governance arrangements for fire and rescue national resilience. This paper is the outcome of joint working by DCLG and CFOA, and is supported by both organisations. The proposals contained in the paper build on the commitment in the Fire and Rescue National Framework consultation document, published earlier this week, to ensure that appropriate, agreed strategic governance arrangements are in place to enable fire and rescue authorities to collectively engage with Government on national resilience issues.

It is recognised that national resilience is best planned for on the basis of local professional expertise and understanding of risk, supported by strong partnership arrangements. The attached discussion paper sets out proposals for how Government and fire and rescue authorities could work in partnership to agree how national resilience risks should be addressed. It sets out the proposed purpose and structure of the strategic governance arrangements, and proposes the establishment of a new Fire and Rescue Strategic Resilience Board. The paper also suggests that the existing National Resilience Board should become the delivery arm of the Strategic Resilience Board.

We would welcome your comments on this discussion paper and, in particular, on the five specific questions raised in the paper. Please send your comments to Bethan.MacDonald@communities.gsi.gov.uk by **Friday 16 March 2012**. If there are other, related issues that you wish to comment on, please include these comments, too.

Your comments and observations will help to shape the work going forward. We intend to be able to advise you of the finalised arrangements by Spring 2012, and we intend to have the new arrangements in place by mid-2012.

If you need any further information or if you would like to discuss this further, please contact: Heidi Pearson, DCLG (heidi.pearson@communities.gsi.gov.uk; 030344 44384) or Bethan MacDonald, DCLG (bethan.macdonald@communities.gsi.gov.uk; 030344 42802).

We look forward to receiving your comments.

Yours sincerely,

Jane Cockerill
Deputy Director
National Resilience and Fire Programmes
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