

Fire Finance

Purpose of report

For information.

Summary

The paper provides a short update on the work of the sector on finance.

Recommendation

Members are asked to note the previous work of the NFCC and LGA and to endorse continuing to work together on lobbying for sustainable funding for the sector.

Actions

LGA/NFCC officers to continue to work together on fire finance.

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Fire Finance

Background

1. In August 2021 the Local Government Association (LGA) and National Fire Chiefs Council (NFCC) produced and submitted a joint submission on behalf of Fire and Rescue Authorities and Fire and Rescue Services to inform the 2021 Spending Review.
2. The last Spending Review covered the financial years 2022-23 through to 2024-25. However, services were only provided with the settlement figures for 2022-23 and future years settlement figures are yet to be determined. The LGA responded to the Local Government Finance Settlement for 2022-23 in February.

Issues

Spending Review Submission

3. The submission, to the Minister of State for Building Safety, Fire and Communities was a collaborative effort and presented a coherent and realistic proposal for sustainable funding of the fire and rescue sector over the spending review period covering a number of areas:
 - 3.1. The case for fire and rescue service funding, including plans for how to increase the efficiency and productivity of the sector
 - 3.2. The significant cost pressures facing the sector
 - 3.3. Sector improvement – including the delivery of building safety and the Fit for the Future programme.
4. As part of the Spending Review preparation for the 2021-22 financial year, services were asked to contribute towards the cost of the LGA/NFCC team. Not all this funding was utilised at the time, and as there was no dedicated resource used to update the submission to cover the 2022-23 financial year, a balance of approximately £100,000 remains. We do not anticipate requesting any further contributions from services either this year or next.
5. The remaining funding will be used to fund other one-off projects that support work around future spending reviews to support the sector to make a coherent case for sustainable and appropriate funding for the sector.

Efficiency and Productivity Forum

6. As a result of the work on efficiency and productivity in the Submission a new Efficiency and Productivity Forum has been created, alongside an associated working group. FSMC Lead Members sit on the Forum alongside representatives from the NFCC, the Association of Police and Crime Commissioners, the Home Office and HMICFRS.

7. The Forum is seeking to support greater efficiency and productivity in the fire and rescue sector in England by:
 - 7.1. improving the evidence base on efficiency and productivity improvements and monitoring future progress in achieving the 3 per cent productivity and 2 per cent efficiency target committed through SR21
 - 7.2. assessing the success of efficiency and productivity initiatives, including identifying what works and the barriers that exist
 - 7.3. proposing solutions and enablers to overcome any barriers
 - 7.4. sharing, or encourage sharing of, information on efficiency and productivity improvement work leading to improved estimates to inform future Spending Reviews.
8. A key output from the Forum will be improving the narrative on efficiency and productivity savings to inform future Spending Reviews, as well as providing numerical estimates for the scale of productivity and efficiency improvements.

Local Government Finance Settlement 2022-23

9. In February the LGA responded to the Local Government Finance Settlement. The key points on Fire and Rescue Authority funding can be found on our website: www.local.gov.uk/parliament/briefings-and-responses/final-local-government-finance-settlement-202223-house-commons-9. Whilst we welcomed the ability of the lowest 8 council tax FRAs to be able to raise their precept by £5 we felt it was disappointing that this, or increased flexibility, was not extended to other FRAs. In addition we raised issues around pensions costs and building safety.
10. The next Local Government Finance Settlement for 2023-24 provides an opportunity for further lobbying on the financial pressures facing the sector going forwards.

NFCC Finance Coordination Committee and LGA work

11. The NFCC Coordination Committee is currently undertaking work to quantifying the current pressures that the sector is under. These include inflation, as well as the cost of fuel and utilities. The Committee will be issuing a survey to all FRSs to quantify these pressures further. This will help to inform the lobbying of the sector going forwards.
12. The LGA is also currently engaged in work on understanding the pressures that the wider local government sector is under. It is expected that further information on this will be published at the LGA's Annual Conference at the end of June.
13. The LGA and NFCC will continue to work together to lobby the Home Office on the issues facing the fire and rescue sector as a result of cost pressures, including further

work around the next Local Government Finance Settlement and contributing to the Efficiency and Productivity Forum.

Implications for Wales

14. Fire and rescue related policy is a devolved matter.

Financial Implications

15. There are no financial implications.

Next steps

16. Members are asked to note the update and the work that we will undertake