

## **The Spending Review**

### **Purpose**

For discussion.

### **Summary**

This paper provides an introduction to the overall LGA response to the invitation to submit written representations to HM Treasury on the Spending Review and a summary of the key points and recommendations in the joint LGA/CFOA submission covering the Fire and Rescue Service (FRS)

### **Recommendation**

Members are asked to note the submission and its recommendations.

### **Action**

Officers to progress as appropriate.

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## The Spending Review

### Background

1. The Chancellor of the Exchequer will be announcing the outcome of the Government's Spending Review 2015 on 25 November 2015. In July, in order to inform the decisions to be announced in the Spending Review, the Government published [A country that lives within its means](#), which set out the Government's priorities for the Review and how plans to deliver the overall £20 billion of consolidation will be developed. As part of the process representative bodies, interest groups and individuals were invited to submit written representations to HM Treasury by 4 September 2015.

### The LGA input

2. In response to this invitation, the LGA has delivered 5 submissions to the Treasury one of which is a joint submission with the Chief Fire Officers Association (CFOA) dedicated to the Fire and Rescue Service:
  - 2.1. [Spending Smarter: a Shared Commitment](#) - the overarching LGA submission, which sets out a broad range of proposals for the Government to consider as part of the Spending Review. These are aimed at streamlining public services, generating investment, and protecting social care and health - all while saving the public purse almost £2 billion a year by the end of the Parliament.
  - 2.2. *Missing the bus? Councils and the future of the bus in non-metropolitan areas* - proposes measures to help ensure that buses outside metropolitan areas continue to play a vital role in connecting people to essential services and prevent social isolation.
  - 2.3. *Adult social care, health and wellbeing: A shared Commitment* - a joint ADASS/LGA submission emphasising the needs to integrate social care and health, and for care and health systems to be locally led with a stronger emphasis on prevention and more personalised services.
  - 2.4. *Prevention and Shared Commitment: Making the case for a Prevention Transformation Fund* - seeks to identify and pull together key pieces of evidence about the cost effectiveness of prevention in order to develop the LGA's concept of a Prevention Transformation Fund.
  - 2.5. *A service for the Future: 670,000 opportunities to add value* - the joint LGA/CFOA submission.

### **A service for the Future: 670,000 opportunities to add value**

3. This joint LGA/CFOA submission with a joint foreword from Cllr Hilton and Peter Dartford, the then President of CFOA, sets out what the FRS has achieved over the past five years of austerity, emphasising the success of its prevention agenda and its programme of collaboration with both the other blue light services, councils' adults and children's services and public health teams and the wider NHS. It reminds government of the

added value of the 670,000 home visits FRSs make each year and the impact the service is having in its work with older people and disaffected youth.

4. It emphasises that the FRS needs to be funded on a risk basis, and that notwithstanding the dramatic reduction in fires and fire related incidents and deaths, funding it on the level of activity could leave it unable to address the risks faced by the service which remain unchanged. In particular the joint submission emphasises that in order to ensure resilience, funding for the service must be commensurate with risk identified in both the national risk assessment and local integrated risk management plans. While acknowledging that the FRS will have to absorb additional savings, along with the other blue light services and the wider local government community, the paper is clear that there is, at both local and national level, a minimum resource threshold, and therefore a minimum fixed cost, below which both public and firefighter safety is compromised. It makes absolutely clear that consideration of risk is essential and an integral part of resourcing decisions for the FRS.
5. The submission recommends that local FRAs are given the flexibility to have a mature debate with their communities about the balance between service levels and taxation. It points out that the current referendum mechanism does not work for FRAs because it is cost prohibitive, burdensome and a disproportionate control mechanism given the relatively low council tax precept levied.
6. Finally the submission makes the case for further transformation funding to help FRSs to continue to drive change, build on the significant efficiencies already delivered and to enable the FRS to do more. It also promotes the development of the workforce and the continuance of the effective sector led improvement programme.
7. In summary, the submission makes seven key recommendations:
  - 7.1. Fund to risk not demand
  - 7.2. Fund national resilience in addition to local requirements adequately
  - 7.3. Local decision-making on taxation
  - 7.4. Invest to support service transformation
  - 7.5. Support the FRS to do more
  - 7.6. Support national coordination and shared services
  - 7.7. Support workforce modernisation

### **Next steps**

8. Following the delivery of the submissions the LGA continues to lobby government ahead of the Spending Review announcement. The Chair of the Fire Services Management Committee has now written to the Fire Minister to highlight the key message from the submission that the FRS needs to be funded to risk not demand.
9. Members are asked to note the submission and its recommendations.

### **Financial Implications**

10. There are no financial implications arising from this report.