

## Consultation response pro-forma

Provisional Local Government Finance Settlement 2021-22

If you are responding to this consultation by email or in writing, please reply using this questionnaire pro-forma, which should be read alongside the consultation document.

You should save the pro-forma on your own device, from which you can complete the survey at your own pace and submit when you are ready.

There are 9 questions. You do not have to answer every question should you not wish to.

Should you wish to attach further evidence or supporting information, you may attach and send this with the pro-forma.

Please **email responses to:**

[LGSettlement@communities.gov.uk](mailto:LGSettlement@communities.gov.uk)

Alternatively, **written responses should be sent to:**

Local Government Finance Settlement Team  
Ministry of Housing, Communities and Local Government  
2nd floor, Fry Building  
2 Marsham Street  
London  
SW1P 4DF

Your opinions are valuable to us. Thank you for taking the time to read the consultation document and respond.

### Your Details (Required details are marked with an asterisk (\*))

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**Are the views Expressed on this form an official response from a:**

London Borough

Metropolitan District

Unitary Authority

Shire County

Shire District

Fire and Rescue Authority

Greater London Authority

Combined Authority

Parish or Town Council

Local Authority Association or Special Interest Group

Other Local Authority Grouping

Local Authority Officer

Local Authority Councillor

Member of Parliament

Other Representative Group

Business

Business Organisation

Valuation Organisation

Voluntary Organisation

Member of the Public

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## Question 1

**Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2021-22?**

Yes

No

No comment

### **Additional comments**

The Covid-19 pandemic has led to an unprecedented level of financial uncertainty. We welcome the emergency funding which the sector has received to date, however, given the likely ongoing impacts we support the government's intention to maximise certainty within the settlement and therefore supports the proposed RSG methodology.

The government's proposed approach regarding negative RSG seems consistent with the push for greater stability and certainty as stated above.

## Question 2

***Do you agree with the proposed package of council tax referendum principles for 2021-22?***

Yes

No

No comment

### **Additional comments**

The headline increase of 4.5% in core spending power is misleading. In truth almost all of this increase is due to less strict council tax referendum principles for social care providing authorities. The NFCC estimates that the increase for standalone FRAs is 2.7% (after accounting for the transfer of Isle of Wight fire and rescue responsibilities). Again, very little of this is an actual funding increase but an expectation of increased local taxation. Furthermore, the headline increase in CSP is reliant on overly optimistic taxbase and collection rates assumptions (see below).

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## Council Tax Precept

Due to the continued pressures (see above) and the Core Spending Power assumption that the maximum council tax will be taken, many FRAs will be forced to raise their precepts by the maximum referendum-free amount. This will have the effect of diverging the range of council tax precepts which taxpayers pay. At one end of the scale, this is unfair because taxpayers are paying comparatively even more for services; at the other end of the scale this is unfair because FRAs cannot raise as much revenue from council tax. This system cannot be allowed to continue ad infinitum and of course this is not unique to FRAs.

What is more unique to FRAs is the fact that council tax precepts are very small compared to total bills. This therefore represents an opportunity for central government to allow significant improvements to FRAs budgets with insignificant effect to taxpayers' bills. We reiterate the call for a simple £5 limit for fire and rescue precepts (including for LAs with fire and rescue responsibility); it is asked that the government relooks at the scope for achieving a more sustainable fire and rescue service at very limited additional cost to the taxpayer.

## Tax base

Unlike the Home Office's Police Grant Settlement, the LGF Settlement uses council tax bases based on the average of the annual growth between 2016-17 and 2020-21 instead of the OBR's -0.2% forecast for tax base growth. It is disappointing that therefore a large part (maybe even all) of the £670m LCTS grant has been offset by the use of the higher taxbase.

## Collection Rates and Local Taxation Income Guarantee

The 75% guarantee on council tax and business rates is very welcome however we note that falls in collection rates have been excluded from the guarantee. Given that the guarantee is 75% and not 100%, including collection rates in the guarantee would present no perverse incentive and we consider that a significant reduction in collection rates (which are relatively stable) would be a reflection of the effects of Covid-19.

If collection rates are significantly affected, then the effectiveness of the income guarantee could be significantly reduced.

## **Investment in Fire Protection**

The following text was included in the NFCC response to the 2020-21 LGF Settlement Technical and Provisional Settlement consultations which is supported by DSFRA. We believe that it is of primary importance that we continue to highlight the situation regarding protection activity as this is clearly an issue that needs to be prioritised going forward.

*The Hackitt enquiry and HMICFRS have highlighted the significant reduction in the number of fire safety audits in recent years. Across England in 2010-11 there were 84,575 fire safety audits, which by 2018-19 had decreased to 49,327. Whilst the proportion of audits resulting in a satisfactory rating has improved from 56% to 67% it is unknown whether this is the result of improving fire safety or fewer audits. Clearly there is a need to invest in fire protection activity to increase activity in this area and outcomes for businesses and high-risk properties.*

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*Due to local Integrated Risk Management Planning the way in which Fire and Rescue Services deliver their fire protection activity can vary, with a mixture of delivery by firefighter crews and specialised business safety officers. Cost per audit will also vary as a result, with estimations being between £580 and £1,150 per completed audit. As an illustration, just returning to 2010-11 activity levels requires an additional 35,248 audits, which would equate to an additional investment in excess of £30m. According to Home Office statistics, between 2010 and 2018 there was a reduction in FTE firefighters of 22%; in 2010 there were approximately 42,000 firefighters whilst in 2018 there were 32,000. As a result, the ability for Fire and Rescue Services to deliver business safety activity using firefighter crews has diminished.*

*In terms of business safety officers, at a salary including on costs of circa £45,000, an additional £47.8m of funding for the sector (i.e. a £5 increase in council tax instead of the 2% limit) could pay for the recruitment of a further 1,062 staff to deliver this vital improvement.*

### **Service Delivery Pressures**

The NFCC has continually highlighted service delivery pressures in previous settlement responses. The Home Office publishes response times annually and consistent data is available going back to 2009-10. In 2009 there were 41,953 full time equivalent firefighters and average response times to primary fires (potentially more serious fires that harm people or cause damage to property) were 8 minutes and 14 seconds in 2009-10. In 2018 the number of FTE firefighters had fallen to 32,245 (a 23% reduction); response times had risen to 8 minutes 58 seconds (an increase of 9%). Comparing FTE firefighters with response times between 2009 and 2018 shows a strong negative correlation ( $R^2=0.84$ ,  $p<0.001$ ) [see FIRE0101 and FIRE1101 Home Office data].

This serves to paint just part of the picture regarding the risk profile pressures facing the fire and rescue service. It is of course vital that the horrors of the Grenfell Tower tragedy are not forgotten and to note that reductions in firefighter numbers directly impact the availability of personnel to support national resilience capabilities. At present, if a fire of the scale of Grenfell Tower occurred anywhere other than London, it would be a significant challenge for any FRA to resource – even with mutual assistance. Regarding fire and rescue operations post-Grenfell, FRAs faced additional requirements for inspections in high rise properties, even before legislative change.

The sector needs to respond to the inspection process, with findings that whilst responding to emergencies is a strength, Fire Protection is a concern and often under resourced whilst the inconsistent capability to respond to national incidents is highlighted. Long-term investment is required to work together across the sector to deliver improved outcomes.

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In addition to those pressures that are specific to the FRS (outlined above) the fire service is also facing pressures like those in the wider public sector. One of the most significant demands on the public sector is an aging population; for FRAs this is highlighted by the stark differences in fire-related deaths for different ages. In 2019-20, 51% of fire-related death victims were aged over 65 and 22% were aged over 80. Whilst there were just three fire-related deaths for the 17 million people in England aged 24 or under, there were 152 for the 17 million people aged 55 or over, a death rate approximately 50 times higher; for residents over 80 the fire-related fatality rate was 95 times the fatality rate for under 25s [see ONS 2019 MYEs and FIRE0503 Home Office data].

### **Covid-19 Emergency Funding**

2020 has seen all public services respond to the Coronavirus pandemic. DSFRA is grateful to the government for the support with additional costs during the 2020-21 financial year however refer to comments given in response to Question 2 below.

It is welcome that additional funding will be kept under review however, we are forecasting that tranche 1 and 2 grant funding will soon be exhausted. Emergency funding must be sufficient for all FRAs to meet their pressures including ongoing support to communities for activity outside of FRA remit and the government is asked to ensure that the sector isn't overlooked.

### **Fire Pensions Grant**

We note that responsibility for the Fire Pensions Grant has been transferred to MHCLG with the intention of it being transferred into the baseline; and support the approach of transferring the grant into FRAs' baseline funding, removing the uncertainty which exists when such a significant portion of funding is not guaranteed beyond each year.

### **Multi-Year Settlements**

The focus that the government has clearly placed on stability and certainty within these proposals is welcome. In general, the proposals set out seem reasonable, however the sensible approaches to shire districts' and police and crime commissioners' referendum principles should also be extended to FRAs.

Although the MHCLG has clearly looked to maximise certainty for 2021-22, it is unfortunate that there is no such certainty from 2022-23 onwards. We understand the limitations placed on government due to Covid-19 and given the unprecedented levels of uncertainty it is understandable that the government has conducted a one-year SR and a roll-over provisional settlement. However, one-year settlements should not be the norm and a return to multi-year SRs and settlements is required from 2022-23.

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## Question 3

***Do you agree with the Government's proposals for the Social Care Grant in 2021-22?***

Yes

No

No comment

**Additional comments**

## Question 4

***Do you agree with the Government's proposals for iBCF in 2021-22?***

Yes

No

No comment

**Additional comments**

## Question 5

***Do you agree with the Government's proposals for New Homes Bonus in 2021-22?***

Yes

No

No comment

**Additional comments**

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### Question 6

***Do you agree with the Government's proposal for a new Lower Tier Services Grant, with a minimum funding floor so that no authority sees an annual reduction in Core Spending Power?***

Yes

No

No comment

### Additional comments

### Question 7

***Do you agree with the Government's proposals for Rural Services Delivery Grant in 2021-22?***

Yes

No

No comment

### Additional comments

DSFRA welcomes the proposed approach for RSDG in 2021-22 and request that pressures faced by rural services, which are particularly significant for FRAs due to the time-bound nature of response services, are considered in any further funding reviews.

### Question 8

***Do you have any comments on the Government's plan not to publish Visible Lines?***

Yes

No

No comment

### Additional comments



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## Question 9

***Do you have any comments on the impact of the proposals for the 2021-22 settlement outlined in this consultation document on persons who share a protected characteristic, and on the draft equality statement published alongside the consultation document? Please provide evidence to support your comments.***

Yes

No

No comment

### **Additional comments**

Fire and Rescue Services target their activity at the most vulnerable in society and therefore reducing resources is likely to have an impact on those needing additional support, such as elderly and disabled people.

### Summary

We reiterate a simple £5 limit for fire and rescue precepts (including for LAs with fire and rescue responsibility); it is asked that the government relooks at the scope for achieving a more sustainable fire and rescue service at limited cost to the taxpayer. If changes to the referendum principles are a non-starter then additional grant funding should be made for prevention and protection, as well as an increase in firefighters to help lower response times.