

FIRE AND RESCUE SERVICE MATTERS

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LOCAL GOVERNMENT FINANCE SETTLEMENT FIRE AND RESCUE SERVICE SLASHED AGAIN

Earlier this year, the Westminster government announced swingeing cuts to fire and rescue services across England in its final local government finance settlement.

Department for Communities and Local Government (DCLG) confirmed cuts of over 20% for central funding allocated to fire and rescue authorities in England over the next five years. This comes on top of similar central funding cuts implemented since 2010. This has been highlighted in the recent National Audit Office report on the financial sustainability of the fire and rescue service.

For England as a whole, fire and rescue service funding from Westminster will be cut from £1.09bn in 2015-16 to £864m in 2019-20. The main source of funding for the service is the revenue support grant. This will be cut by almost half over the next five years. Some money will be clawed back by the 'baseline funding level' but not enough to compensate for the reduction in the revenue support grant.

Central funding to local government in general will be massively reduced, which means that councils will have less room to compensate for these losses. It would be unrealistic to expect locally-raised revenue – such as that from council tax and business rates – to be adequate compensation.

Fire figures for county fire authorities in England are ascribed by DCLG, but these may change because spending decisions are made locally. In these cases, central government funding goes to councils as a lump sum instead of a ring fenced amount specifically for fire. These councils then decide how much goes to their fire authorities or fire boards. A similar process will be used in the devolved administrations in Scotland, Wales and Northern Ireland.

HARDEST HIT BRIGADES

The hardest hit brigades over the next five years are Surrey, West Sussex, Oxfordshire, Hertfordshire and Warwickshire. Surrey fire and rescue service faces a whopping 53% cut in central funding over the next five years. The hardest hit region is the South East of England, with a 35% cut. Southern England and the East of England face 25% cuts over the next five years.

GOVERNANCE

The fire and rescue service in England currently has four different types of governance structure: combined fire authorities, metropolitan fire authorities, county councils with fire responsibility and the Greater London Authority (GLA).

Over the next five years, county councils face the worst cuts (31%), followed by combined fire authorities (23%), then metropolitan fire authorities (17%) and the GLA (15%). The latter, however, depend most heavily on central funding. In addition, fire authorities face the threat of takeover by police and crime commissioners.

These figures come from DCLG. They do not include revenue raised locally. DCLG assumes that reductions in central funding will be made up locally, leaving so called 'core spending power' almost unchanged. This is unrealistic. The figures do not include the transition grants provided to some of the local authorities that are most affected by reductions in the revenue support grant. The transition grant is not ring fenced, therefore any money allocated to county councils do not have to spend it on fire. DCLG also excludes 'transformation' and 'innovation' funding for collaborative projects.

SETTLEMENT FUNDING ASSESSMENT 2015-16 TO 2019-20

Fire and rescue authority	Adjusted 2015-16 settlement Funding Assessment (for fire, £)	2019-20 Settlement Funding Assessment (for fire, £)	Change 2015-16 to 2019-20 (£)	Change 2015-16 to 2019-20 (%)
Avon	20,061,896	15,847,673	-4,214,223	-21%
Bedfordshire	11,157,024	8,364,499	-2,792,525	-25%
Berkshire	13,327,664	10,095,064	-3,232,600	-24.3%
Buckinghamshire	10,023,259	7,387,558	-2,635,701	-26.3%
Cambridgeshire	11,635,485	8,813,450	-2,822,035	-24.3%
Cheshire	17,436,917	13,315,185	-4,121,732	-23.6%
Cleveland	17,200,033	14,523,525	-2,676,508	-15.6%
Cornwall	14,479,273	11,357,937	-3,121,336	-21.6%
Cumbria	10,710,318	8,284,638	-2,425,680	-22.6%
Derbyshire	16,763,567	13,077,567	-3,686,000	-22%
Devon and Somerset	29,341,119	22,079,712	-7,261,407	-24.7%
Dorset and Wiltshire	19,426,250	14,159,570	-5,266,680	-27.1%
Durham	13,282,810	10,485,881	-2,796,929	-21.1%
East Sussex	14,560,763	10,853,530	-3,707,233	-25.5%
Essex	31,739,479	24,714,556	-7,024,923	-22.1%
London	246,189,815	208,426,771	-37,763,044	-15.3%
Gloucestershire	7,834,267	5,725,043	-2,109,224	-26.9%
Greater Manchester	59,801,878	50,016,238	-9,785,640	-16.4%
Hampshire	28,020,304	21,657,322	-6,362,982	-22.7%
Hereford and Worcester	10,696,801	7,674,582	-3,022,219	-28.3%
Hertfordshire	18,837,253	12,271,176	-6,566,077	-34.9%
Humberside	24,176,036	19,893,836	-4,282,200	-17.7%
Isle of Wight	3,449,644	2,716,465	-733,179	-21.3%
Kent	27,887,691	21,094,228	-6,793,463	-24.4%
Lancashire	29,442,255	23,933,041	-5,509,214	-18.7%
Leicestershire	16,562,238	13,179,459	-3,382,779	-20.4%
Lincolnshire	12,275,146	9,658,066	-2,617,080	-21.3%
Merseyside	37,004,421	30,963,113	-6,041,308	-16.3%
Norfolk	15,161,356	11,835,789	-3,325,567	-21.9%
North Yorkshire	11,524,256	8,600,890	-2,923,366	-25.4%
Northamptonshire	10,112,004	7,583,607	-2,528,397	-25%
Northumberland	6,895,950	5,403,004	-1,492,946	-21.6%
Nottinghamshire	20,186,719	16,088,653	-4,098,066	-20.3%
Oxfordshire	9,621,962	6,090,480	-3,531,482	36.7%
Shropshire	7,229,228	5,181,489	-2,047,739	-28.3%
South Yorkshire	28,808,235	23,816,290	-4,991,945	-17.3%
Staffordshire	18,202,316	14,210,765	-3,991,551	-21.9%
Suffolk	10,595,708	8,017,814	-2,577,894	-24.3%
Surrey	21,716,424	10,103,874	-11,612,550	-53.5%
Tyne and Wear	29,053,883	24,208,076	-4,845,807	-16.7%
Warwickshire	8,003,304	5,479,879	-2,523,425	-31.5%
West Midlands	61,943,468	52,299,327	-9,644,141	-15.6%
West Sussex	11,307,671	7,106,919	-4,200,752	-37.1%
West Yorkshire	45,849,532	37,862,629	-7,986,903	-17.4%
England (total)	1,089,535,622	864,459,170	-225,076,452	-20.7%

Sources: DCLG, Settlement funding assessment calculation model: local government finance settlement 2016 to 2017, 18 December 2015; DCLG, Key information for local authorities: final local government finance settlement 2016 to 2017, 8 February 2016.
<https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2016-to-2017>