

Cadeirydd yr Awdurdod Tân ac Achub
Pencadlys y Gwasanaeth Tân ac Achub
Ffordd Salesbury, Parc Busnes Llanelwy
Llanelwy, Sir Ddinbych LL17 0JJ
Ffôn: 01745 535250
www.gwas-tan@gogcymru.org.uk



Chair of the Fire and Rescue Authority
Fire and Rescue Service Headquarters
Ffordd Salesbury, St Asaph Business Park
St Asaph, Denbighshire LL17 0JJ
Telephone: 01745 535250
www.nwales-fireservice.org.uk

North Wales Fire and Rescue's Authority submission to the Independent Commission on Local Government Finance Wales

Although North Wales Fire and Rescue Authority may have an opinion as to the suitability of the current method of funding local government in Wales, we intend to confine our submission to the funding mechanism for Fire and Rescue Authorities within Wales.

As the Commission will be aware the system for funding Fire and Rescue Authorities in Wales is set out in the combination orders which amalgamated the eight former Fire and Rescue Authorities in Wales into three in 1996. The combination orders make provision relating to the constitution of each authority, and the appointment of its members. They also establish a fire brigade and a combined fire service fund for each combined area and provide for the administration of the authority's finances.

In the order 1995 No 3218 schedule part iv article 21 it sets out a simple methodology for the finding of Fire Services in each Authority area:

21.—(1) Each constituent authority shall, in respect of each financial year, pay into the combined fire service fund, in accordance with the provisions of this paragraph, a contribution equal to its appropriate proportion of the net expenses of the Authority in respect of that year.

*(2) The Authority shall, before 31st December in any year, submit to each constituent authority an estimate of its net exp***21.—(1) Each constituent authority shall, in respect of each financial year, pay into the combined fire service fund, in accordance with the provisions of this paragraph, a contribution equal to its appropriate proportion of the net expenses of the Authority in respect of that year.**

(2) The Authority shall, before 31st December in any year, submit to each constituent authority an estimate of its net expenses for the next financial year, and shall subsequently, before 15th February, give notice to each constituent authority of the amount of the contribution to be paid by that authority under this paragraph in the next financial year.

Although in the 1995 legislation there was no provision for Fire and Rescue Authorities to hold reserves there was the opportunity for an in year supplementary levy:

(6) The Authority may, after consultation with each constituent authority, revise the estimate referred to in sub-paragraph (2) at any time before the end of the financial year to which that estimate relates and shall, as soon as is practicable, give notice in writing to each constituent authority of the revised amount of the contribution to be paid by that authority under this paragraph.

This has only been invoked once by North Wales Fire and Rescue Authority in the first year of its existence. Conversely there has only been one year in which a cumulative underspend of £1million was returned to the constituent Authorities. To make this administrative burden unnecessary, the act was amended in 2009, (No 2849 (w.249) Article 2), to enable Fire and Rescue Authorities in Wales to hold reserves.

Apart from its clarity the other benefit from this funding mechanism is its consistency across all the Fire and Rescue Authorities in Wales. This has ensured the provision of high quality prevention, protection and response services across the whole Country. Unlike England which has five different governance models and funding mechanisms for FRAs:

In England—

- (a) a non-metropolitan county council is the fire and rescue authority for the county;
- (b) a non-metropolitan district council for an area for which there is no county council is the fire and rescue authority for the area;
- (c) the London Fire and Emergency Planning Authority is the fire and rescue authority for Greater London;
- (d) a metropolitan county fire and civil defence authority is the fire and rescue authority for the county;
- (e) the Council of the Isles of Scilly is the fire and rescue authority for the Isles of Scilly.

This has led to a wide variation in the provision of fire and rescue services. A postcode lottery has developed, which has seen the direct grant portion of the funding for the majority of, although not all FRAs significantly decrease. There is often reference made to making comparisons of costs with English FRAs as a starting point to identifying opportunities to make efficiency savings. We agree that there are examples of FRAs in parts of England operating more cheaply, but the reasons behind these sorts of comparisons are rarely found amongst the statistics on the number of incidents attended, and staff employed. In some parts of England fire and rescue services are provided as part of county council services, which inevitably changes the reported cost allocation, making them poor cost comparators for combined fire authorities that operate

as independent entities. Furthermore, we would not wish to introduce any changes that may be unsafe and unsustainable, simply implementing short term solutions that store up problems for the future. This kind of action inevitably goes against the spirit of the Wellbeing Goals.

The Welsh FRA's have an excellent record of actively seeking and implementing cost reductions. Taking into account the huge changes that the FRAs have overseen in recent years in terms of improving technical ability and skills, increasing governance activity and widening their remit, the overall cost has risen surprisingly slowly by comparison with other parts of the public sector. The fact that additional roles are being considered for the fire and rescue service should not detract from its record of past success. On the contrary, the success of its prevention work should be celebrated.

The FRAs in Wales appreciate that they have benefited from specific WG grants which have supported the successful work undertaken to reduce the number of fires and the resultant injuries and deaths. In 10 years there has been a 50% reduction in fires within Wales. This has not only reduced some costs for FRAs but also reduced demand and costs on the health service, and local authority services. The cost to the public purse of treating and caring for a family after a house fire far outweighs the cost of education and advice which prevents that fire in the first instance. However prevention work does have significant costs associated with this and in North Wales the decision was made in 2008 to cut 12 firefighter posts in order to move the funding into preventative work. If there is room for improvement in these specific grants it would be that they should be linked to outcomes rather than inputs and processes to allow for in year learning and innovation. There should also be a mechanism for rolling grant funding forward over a number of years so that any unavoidable delays do not cause underspends and put projects at risk.

There is an opinion that FRAs "determine their own budgets" without reference to their constituent councils. This seems to overlook the dual role played by fire authority members nominated from their county councils, and the discussions that take place with constituent local authorities prior to setting the FRA budget to determine what would be acceptable. This dialogue is assisted in North Wales because the independent Clerk to the Authority is the Chief Executive of one of the constituent county council and the Treasurer is a Corporate Director of another. There is also the opportunity to discuss budget issues at the North Wales Regional Leadership Board. In North Wales we have not sought to mirror the local government settlement but started early by freezing our budget from 2011-12 onwards, seeing the first increase in the levy for 5 years in 2015-16 (£114,000). During this period of time North Wales Fire and Rescue Authority has made changes which have reduced costs by over 10% and reduced staffing levels by 9% across all categories of employees; firefighters, officers, community safety and

support staff. This consultation process has worked well in North Wales for a number of years, and the implication that FRAs have been less than responsible about their funding requirements is simply not borne out by the size of their budgets.

Although the regular dialogue between NWFRA and the constituent local authorities prior to setting the FRA budget has worked well in the past we recognise that we are moving into a new era where wider dialogue and understanding of the FRAs extending role and community value linked to its budget will be necessary. This will be particularly important in the era of Public Service Boards which could see more pooling of resources within regions to achieve specific sustainable outcomes.