

**LANCASHIRE COMBINED FIRE AUTHORITY
RESOURCES COMMITTEE**

Meeting to be held on 21 March 2018

FAIR FUNDING REVIEW: A REVIEW OF RELATIVE NEEDS AND RESOURCES

Contact for further information:

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Executive Summary

The report sets out the response submitted to the consultation paper on a review of Government Funding for Local Authorities.

Recommendation

The Committee are asked to note the response submitted.

Information

As reported to the Authority in February the Government is currently consulting on a “Fair Funding Review”. The Authority agreed to delegate responsibility for agreeing a response to the Treasurer, in consultation with the Chairman and Chief Fire Officer.

As such the following response was agreed and submitted in line with the consultation deadline of 12 March 2018.

General Comments

We support the principles that the Government has set for the review, namely that the revised system should be:-

- Simple
- Transparent
- Contemporary
- Sustainable
- Robust
- Stable

Fire Specific Comments

Whilst not part of this consultation we would reiterate our position that the Fire and Rescue Service should not be part of the Business Rates Retention Scheme as we have very little, if any, influence on local economic growth.

We also feel that the system needs to recognise an Authority’s ability to raise council tax locally, reflecting that current council tax levels and taxbases differ widely between individual authorities. Furthermore we still believe that the council tax referendum principles need reviewing in respect of Fire and Rescue Services as the cost of holding a referendum is completely disproportionate to any benefit received. This is particularly relevant given that the same principles are not applied to Parish councils which in many cases have a higher precept than the Fire Service.

Whilst regression analysis is useful in comparing the outcome of any review with historic spending trends, we do not feel that historic spend is a good indicator of need, hence we do not support the view that the final formula must produce the most accurate reflection of historic spending patterns. We believe the final formula must provide a better reflection of the need to spend, as opposed to the historic level of spend.

Fire and rescue services formula

We concur that the cost of providing the fire service is a combination of many factors, and is driven by risk as opposed to demand. As such we believe any formula needs to focus on fewer key drivers of risk, of which the two largest are population and deprivation. Whilst other factors do influence risk/costs we believe these are far less important and if required should have a lower weighting in the formula.

We believe that whilst a greater number of factors may provide a marginally more accurate reflection of the cost of providing services the complexity that this adds to the formula does not justify their inclusion, and hence would support a radical rethink to remove some of the adjustments listed, such as Property and Societal Risk.

Financial Implications

None

Human Resource Implications

None

Equality and Diversity Implications

None

Environmental Impact

None

Business Risk Implications

Clearly the outcome of the consultation will have an impact on our level of funding received in future years, and as such it is a major risk to the Authority. However, until the outcome of the consultation is known it is impossible to be more specific.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact
Fair funding review: a review of relative needs and resources	December 2017	Keith Mattinson
Reason for inclusion in Part II, if appropriate:		