



FIRE BRIGADES UNION

BRIEFING

Local Government Settlement

Savage cuts planned

On 31 January 2011, the Department for Communities and Local Government (CLG) confirmed its **Local Government Settlement**, providing figures for the central grant allocated metropolitan and combined fire authorities in England.

Figures for county fire authorities in England, and for Scotland, Wales and Northern Ireland were not made available. In these cases, central government funding goes to governments or councils as a lump sum instead of a set amount for fire. These governments or councils then decide how much goes to their fire authorities or fire boards.

This is the first stage of the government's plans, announced in the Comprehensive Spending Review (20 October 2010), to cut the central grant to fire authorities by **25%** over four years.

The level of cuts planned for metropolitan and combined fire authorities in England over the next year, comparing 2010-11 with 2011-12, is set out in Table 1. The central point is that **these figures are very bad news – a 5.8% cut overall**. They show that the fire and rescue service has not been protected. In many cases, fire authorities face a cut in their central grant of over 9% in the next year.

Table 1: Fire service cuts by authority

Fire Authority	Formula Grant 2010-11 £m	Grant before damping 2011-12 £m	Formula Grant 2011-12 £m	Cut %
London	260.18	259.98	251.65	-3.3%
Greater Manchester	75.335	66.897	68.178	-9.5%
Merseyside	46.305	38.716	41.906	-9.5%
South Yorkshire	36.770	30.812	33.277	-9.5%
Tyne and Wear	35.570	28.706	32.191	-9.5%
West Midlands	80.813	67.873	73.136	-9.5%
West Yorkshire	57.490	52.310	52.214	-9.2%
Avon	24.879	22.554	22.541	-9.4%
Bedfordshire	11.386	11.176	10.880	-4.4%
Berkshire	15.423	15.206	14.782	-4.2%
Buckinghamshire	11.452	10.525	10.470	-8.6%
Cambridgeshire	14.443	12.324	13.071	-9.5%
Cheshire	18.621	19.603	18.669	0.3%
Cleveland	22.382	18.983	20.255	-9.5%
Derbyshire	19.674	18.139	18.026	-8.4%
Devon and Somerset	31.245	32.240	30.895	-1.1%
Dorset	11.001	11.360	10.883	-1.1%
Durham	14.529	13.005	13.149	-9.5%
East Sussex	14.673	14.120	13.834	-5.7%
Essex	32.371	33.867	32.315	-0.2%
Hampshire	29.266	30.796	29.332	0.2%
Hereford & Worcester	10.668	10.794	10.407	-2.4%
Humberside	27.174	26.157	25.626	-5.7%
Kent	29.596	29.257	28.417	-4.0%
Lancashire	32.608	32.150	31.254	-4.2%
Leicestershire	18.840	18.809	18.211	-3.3%
North Yorkshire	12.968	12.447	12.205	-5.9%
Nottinghamshire	25.010	21.144	22.634	-9.5%
Shropshire	8.268	6.847	7.482	-9.5%
Staffordshire	18.600	19.418	18.540	-0.3%
Wiltshire	9.587	9.334	9.110	-5.0%

Metropolitan authorities hit hard

One feature that stands out is the way metropolitan fire authorities have been hit hardest. Metropolitan fire authorities have been hit **twice as hard** as those in combined fire authorities.

Figure 1: Cuts compared

Fire authorities	2010-11 £m	2011-12 £m	% cut
Metropolitan	332.282	300.898	9.4
Combined	464.662	443.013	4.7

The metropolitan hit is even harder when overall fire authority income is considered. Fire authority income comes mainly from central government grant and from council tax. The balance between the two varies in each fire and rescue service. But the central grant tends to be highest in metropolitan brigades – as much as **two-thirds** from CLG. But in some authorities, around **one-third** comes from the central grant.

However there is not a straightforward rural/urban split, with some fire authorities with large rural areas suffering the same level of cuts as the metropolitans, while some more urban fire services received smaller cuts.

Formula grant

Central grant funding begins when CLG decides how much to spend on the fire and rescue service. For metropolitans, combined and London in 2010-11 it was £1,057m. For 2011-12, the Con-Dem government decided to spend **£995m**. The central grant is currently divided between individual fire and rescue services using a formula, which varies according to the numbers of people

covered by the authority and other fire safety criteria.

Each fire and rescue authority is then allocated a **basic amount** of grant, which is multiplied by the resident population. This is then topped-up by allowances for coastline, deprivation, high risk, property and societal risk and community fire safety. After further adjustments, a figure for the CLG grant is worked out.

The current risk index includes six main factors:

- proportion of claimants;
- proportion of households with no children;
- proportion renting;
- primary school absence rates; rooms per resident; and
- proportion of elderly people in certain types of accommodation.

Floor damping

Once each authority has its formula grant, the government then undertakes floor damping. This is not extra money (i.e. the £995m overall figure is the same this year). However it takes some money from some fire and rescue authorities and allocates it to others. CLG says this “insulates the most dependent places from sharper grant reductions they would otherwise have had”. But the overall picture is still cuts for most.

For example Cambridgeshire had £14.4m for 2010-11 and would have got £12.3m next year with just the formula. But with the floor damping they will get £13.1m for 2011-12. This is still a 9.5% cut (it would have been 14.7%).

Factoring in council tax

Table 2 published by CLG, indicates the level of spending for metropolitan and combined fire authorities in England for 2011-12 compared with this year, once council tax is factored in.

CLG has provided some funding centrally to local authorities to **freeze council tax** this year. CLG's published figures assume that the council tax input to fire and rescue services will remain at the same level for next year (2011-12) and the year after (2012-13). However it is difficult to see how some local authorities will be able to stick to this commitment given the projected level of cuts to other services.

The first observation is that most individual fire and rescue service budgets are projected to be cut significantly in real terms over the next year when the central grant and council tax component are added together. These cuts are more than 5% in a number of cases.

Second, the cuts hit the metropolitan brigades hardest, with West Midlands suffering the highest cut at 5.64%. However even those fire authorities that receive small increases in revenue get less than the current rate of inflation.

Looking two years ahead

Table 3, published by CLG, contains figures for 2012-13. Although the overall level of cuts is projected to be less than 2011-12, they are still significant. Again, metropolitan fire authorities are generally hit hardest.

If the data is extended over the next two years, the overall level of cuts in the formula grant for many fire and rescue services reaches 12.5%. Metropolitan fire authorities are hard hit – but so too are some combined authorities.

Those fire authorities that experience fewer cuts or slight rises can take little comfort. If the government carries out its threat (made in the Comprehensive Spending Review) to backload the formula grant cuts, then these may receive the harshest settlements for 2013-14 and 2014-15.

As the author of the recent Fire Futures Role of the Fire & Rescue Service (Delivery Models) Report put it, proposed grant reductions of this magnitude over the next four years “will imperil their ability to carry out risk-based budgeting and implement their local Integrated Risk Management Plans (IRMPs), let alone play an effective part in the National Framework.

“When all the frills have been removed, every spare ounce of fat burned off, and every possible efficiency saving identified and implemented, there will remain only real cuts to the core service and a real increase in casualties and property loss.”

Significance

The FBU is clear that these cuts will wreck the fire and rescue service. They are not being made on the basis of needs or risk. They have decided arbitrarily to meet the government's forced-march deficit reduction target. The cuts will put the public and firefighters at risk. That's why the FBU will oppose cuts, with all industrial and political means available.

**Table 2: Metropolitan and combined fire authority budgets for 2011-12
(compared with 2010-11)**

Fire Authority	2010-11 Council Tax Require ment	Formula Grant 2010-11	'Revenue Spending Power' 2010-11	2010-11 Council Tax Require ment	Formula Grant 2011-12	Estimated 2011-12 'Revenue Spending Power'	Change in estimated 'revenue spending power' 2011-12	Change in estimated 'revenue spending power' 2011-12
	£m	£m	£m	£m	£m	£m	£m	%
West Midlands	38.208	80.813	119.021	38.208	73.136	112.303	-6.718	-5.64%
Greater Manchester	42.036	75.335	117.370	42.036	68.178	111.268	-6.102	-5.20%
Merseyside	27.247	46.305	73.552	27.247	41.906	69.833	-3.719	-5.06%
South Yorkshire	22.972	36.770	59.742	22.972	33.277	56.826	-2.916	-4.88%
West Yorkshire	35.421	57.490	92.911	35.421	52.214	88.526	-4.385	-4.72%
Tyne and Wear	23.749	35.570	59.319	23.749	32.191	56.536	-2.783	-4.69%
Cleveland	10.857	22.382	33.238	10.857	20.255	31.385	-1.854	-5.58%
Avon	22.097	24.879	46.976	22.097	22.541	45.196	-1.780	-3.79%
Nottinghamshire	23.100	25.010	48.110	23.100	22.634	46.315	-1.795	-3.73%
Cambridgeshire	15.815	14.443	30.259	15.815	13.071	29.287	-0.972	-3.21%
Durham	16.647	14.529	31.176	16.647	13.149	30.215	-0.961	-3.08%
Derbyshire	22.025	19.674	41.700	22.025	18.026	40.606	-1.093	-2.62%
Shropshire	13.323	8.268	21.590	13.323	7.482	21.142	-0.449	-2.08%
Humberside	22.287	27.174	49.462	22.287	25.626	48.473	-0.988	-2.00%
Buckinghamshire	17.384	11.452	28.835	17.384	10.470	28.292	-0.543	-1.88%
Lancashire	29.736	32.608	62.344	29.736	31.254	61.734	-0.610	-0.98%
North Yorkshire	18.523	12.968	31.491	18.523	12.205	31.194	-0.297	-0.94%
Leicestershire	16.855	18.840	35.695	16.855	18.211	35.491	-0.204	-0.57%
East Sussex	24.541	14.673	39.213	24.541	13.834	38.993	-0.220	-0.56%
Berkshire	18.429	15.423	33.852	18.429	14.782	33.675	-0.176	-0.52%
Wiltshire	15.517	9.587	25.104	15.517	9.110	25.018	-0.086	-0.34%
Bedfordshire	16.955	11.386	28.341	16.955	10.880	28.262	-0.079	-0.28%
Kent	42.854	29.596	72.450	42.854	28.417	72.351	-0.099	-0.14%
Hereford & Worcester	20.644	10.668	31.312	20.644	10.407	31.572	0.260	0.83%
Cheshire	24.853	18.621	43.709	24.853	18.669	44.144	0.436	1.00%
Devon and Somerset	43.705	31.245	74.950	43.705	30.895	75.698	0.748	1.00%
Dorset	17.799	11.001	28.800	17.799	10.883	29.130	0.330	1.15%
Staffordshire	24.129	18.600	42.728	24.129	18.540	43.274	0.545	1.28%
Essex	42.629	32.371	75.000	42.629	32.315	76.015	1.015	1.35%
Hampshire	38.649	29.266	67.915	38.649	29.332	68.954	1.039	1.53%

Source: <http://www.communities.gov.uk/documents/localgovernment/xls/1831488.xls>

Note: this table excludes specific grants

Total revenue spending power cut = -£34.457m

Total revenue spending power cut = -2.2%

**Table 3: Metropolitan and combined fire authority budgets for 2012-13
(compared with 2011-12)**

Fire Authority	2010-11 Council Tax Require ment	2011-12 Formula Grant	'Revenue Spending Power' 2011-12 ¹	2010-11 Council Tax Require ment	2012-13 Formula Grant	Estimated 2012-13 'Revenue Spending Power'	Change in estimated 'revenue spending power' 2012-13	Change in estimated 'revenue spending power' 2012-13
	£m	£m	£m	£m	£m	£m	£m	%
West Midlands	38.208	73.136	112.303	38.208	70.649	109.817	-2.487	-2.21%
Merseyside	27.247	41.906	69.833	27.247	40.481	68.408	-1.425	-2.04%
South Yorkshire	22.972	33.277	56.826	22.972	32.146	55.695	-1.131	-1.99%
Tyne and Wear	23.749	32.191	56.536	23.749	31.096	55.441	-1.094	-1.94%
Greater Manchester	42.036	68.178	111.268	42.036	66.024	109.115	-2.153	-1.94%
West Yorkshire	35.421	52.214	88.526	35.421	51.501	87.813	-0.713	-0.81%
Cleveland	10.857	20.255	31.385	10.857	19.567	30.696	-0.689	-2.19%
Nottinghamshire	23.100	22.634	46.315	23.100	21.864	45.545	-0.770	-1.66%
Cambridgeshire	15.815	13.071	29.287	15.815	12.627	28.842	-0.444	-1.52%
Shropshire	13.323	7.482	21.142	13.323	7.228	20.887	-0.254	-1.20%
Durham	16.647	13.149	30.215	16.647	12.851	29.917	-0.298	-0.99%
Avon	22.097	22.541	45.196	22.097	22.396	45.051	-0.145	-0.32%
Derbyshire	22.025	18.026	40.606	22.025	17.911	40.491	-0.115	-0.28%
Humberside	22.287	25.626	48.473	22.287	25.548	48.395	-0.078	-0.16%
Buckinghamshire	17.384	10.470	28.292	17.384	10.458	28.280	-0.012	-0.04%
East Sussex	24.541	13.834	38.993	24.541	13.885	39.044	0.051	0.13%
Lancashire	29.736	31.254	61.734	29.736	31.336	61.816	0.082	0.13%
North Yorkshire	18.523	12.205	31.194	18.523	12.296	31.285	0.091	0.29%
Bedfordshire	16.955	10.880	28.262	16.955	10.991	28.373	0.111	0.39%
Kent	42.854	28.417	72.351	42.854	28.724	72.658	0.307	0.42%
Wiltshire	15.517	9.110	25.018	15.517	9.231	25.139	0.121	0.48%
Berkshire	18.429	14.782	33.675	18.429	14.961	33.855	0.179	0.53%
Hereford & Worcester	20.644	10.407	31.572	20.644	10.585	31.749	0.178	0.56%
Leicestershire	16.855	18.211	35.491	16.855	18.441	35.721	0.230	0.65%
Dorset	17.799	10.883	29.130	17.799	11.092	29.339	0.209	0.72%
Devon and Somerset	43.705	30.895	75.698	43.705	31.485	76.289	0.591	0.78%
Staffordshire	24.129	18.540	43.274	24.129	18.900	43.633	0.360	0.83%
Cheshire	24.853	18.669	44.144	24.853	19.038	44.514	0.369	0.84%
Essex	42.629	32.315	76.015	42.629	33.103	76.803	0.788	1.04%
Hampshire	38.649	29.332	68.954	38.649	30.090	69.711	0.757	1.10%

Source: <http://www.communities.gov.uk/documents/localgovernment/xls/1831488.xls>

Note: this table excludes specific grants

Total revenue spending power cut = -£7.385m

Total revenue spending power cut = -0.49%