



## COMBINED FIRE AUTHORITY

23 SEPTEMBER 2019

## THE SPENDING ROUND 2019

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### REPORT OF TREASURER

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#### PURPOSE OF THE REPORT

- a) To inform members of the outcome of the Spending Round for 2019 and possible implications for the Authority.

#### BACKGROUND

2. On Wednesday 04 September the government announced the high-level outcomes of the Spending Round for 2019. The Spending Round sets out the government's spending plans for 2020-21 at departmental level. It will be later in the year before individual fire and rescue authorities are provided with their spending allocations.
3. The Spending Round is for a single year (2020-21) and this makes longer planning more challenging. Normally spending reviews are for a minimum of two years and in 2015, the last comprehensive spending review was for a four-year period. The government have committed to a full multi-year settlement in 2020.

#### DETAILS OF THE SPENDING ROUND

4. The settlement funding assessment, which consists of the local share of business rates and Revenue Support Grant will increase by inflation.
5. The Home Office received a settlement of £12.9bn for 2020/21 representing 6.1% real terms increase on 2019/20. Decisions on funding for fire and rescue services, from the Home Office, will be made as part of the allocations process that will now follow the Spending Round. This will include consideration of the fire pensions grant, National Resilience grants, the Emergency Services Network (ESN) and other Home Office fire funding streams.
6. The Ministry for Housing, Communities and Local Government (MHCLG) are also providing £10 million a year of additional funding to help local authorities improve their inspection capabilities and to support the work of the protection board. The protection board is chaired by the National Fire Chiefs Council and was established as part of the Building Safety Programme following the Grenfell Tower disaster.
7. The Authority has also been lobbying for greater freedoms in relation to council tax precepts. This will be subject to a consultation which is expected to be launched shortly.
8. There has been no indication that the position relating to capital funding will change.

## **IMPLICATIONS FOR THE AUTHORITY**

9. Overall the Spending Round is being viewed with cautious optimism by the fire and rescue service sector. The sector was expecting funding cuts to continue over the medium term and whilst it is too early to understand the financial implications at a local level, an inflationary increase in funding would offer a better than predicted settlement for the authority.
10. Funding allocations for each fire and rescue service will be published as part of the provisional Local Government Settlement later this year. It will only be at this stage that we will have certainty on the settlement figures for 2020-21. We are unlikely to have longer term certainty around funding until the end of 2020.

## **RECOMMENDATIONS**

10. Members are requested to:
  - a) **note** the outcome of the Spending Round for 2019 and possible implications for the Authority.

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