



Clerk,
County Durham and Darlington
Fire and Rescue Authority,
County Hall,
Durham DH1 5UL

Safest People, Safest Places

This matter is being dealt with by: Cllr John Shuttleworth, CFO Steve Helps
Ext: 5555
Date: 17 January 2023

Rt Hon Chris Philp MP
Minister of State for Crime, Policing and Fire
2 Marsham Street
London
SW1P 4DF

Dear Minister,

Provisional Local Government Settlement

Thank you for your letter dated 09 January regarding next year's provisional settlement. The flexibility for standalone fire and rescue authorities to increase Band D council tax in 2023/24 by £5 is most welcome along with the increase in both revenue support grant and baseline funding level. However, despite the increase in government funding and an increase in council tax of £5, the Authority is still faced with a funding shortfall in 2023/24 of £0.750M.

Historically, the Authority received an equal amount of our funding from government and council tax. However, over time this has changed, with two thirds of our funding now being received from council tax. Reliance on council tax also brings with it challenges in an area such as ours where a significant number of the properties are in council tax Band A or Band B. A 1% increase in council tax raises an additional £190,000 for the Authority whereas in other areas 1% raises significantly more. To further illustrate the problem a 1% pay award costs the Authority over £250,000 per year and other inflationary pressures are adding significant costs to the Service.

Our revenue budget has reduced considerably over recent years, for example a government grant which supported capital projects such as replacing older fire engines or modernising our estate was removed in 2013, which reduced our annual budget by £500,000. Since austerity measures began in 2010 further cuts to the funding we receive through Government and the 2% council tax referendum limit has placed considerable pressure on our finances. We know we are facing further financial pressures in the future including increases in costs for the services we buy due to high inflation, the demand on our budget due to unfunded pay awards to staff, limited revenue from council tax due to the limit on precepting levels and significant increases to our energy and fuel bills.

We are continuing to explore opportunities for making savings elsewhere, this includes reducing spending on items other than pay, scrutinising every job vacancy which arises to ensure that the position is genuinely required and collaborating with other public services to save money when we buy services and equipment. We have also invested heavily in digital technology to modernise and automate paper-based processes, which has increased productivity and enabled us to become more efficient and, ultimately, saved money.

In the last three years we have:

- Restructured departments by redistributing tasks and removing posts.
- Reduced the number of senior managers we employ, by reviewing the Service Leadership Team, removing 2 senior posts, and restructuring the remaining team.
- Reviewed our support service functions, reducing our salary costs by offering Early Retirement, Voluntary Redundancy or where unavoidable, redundancies.
- Reduced our expenditure on areas other than staff pay through a comprehensive review of departmental spend.
- Saved money by buying equipment or sharing resources in collaboration with other FRS, these include sharing specialist vehicles and specialist posts.

The reality is that, with around three quarters of our budget spent on firefighter's salaries and given the extent of the savings we still need to achieve, the only realistic options left will involve changes to the way we provide our frontline service to the public.

County Durham and Darlington Fire and Rescue Service (CDDFRS) is one of the most productive fire and rescue services in the country, and we have some of the lowest levels of fires within the home or within business premises due to our proactive prevention and protection work. We recognise and work hard to ensure that CDDFRS remains the fastest 'Predominantly Rural' FRS in England to respond to life risk incidents. We are striving hard to protect this position and ensure our current fire engine provision is maintained, balancing resources against risk and demand with less staff and money.

In line with Government guidance, we hold limited financial reserves, the majority of which are earmarked for specific purposes such as the Emergency Services Mobile Communications Programme. On 31 March 2021, the Authority had the third lowest level of reserves of all standalone fire and rescue authorities. (2020/21 published statements of accounts). Our reserve strategy is robust, supporting limited investment to replace equipment and uneconomic buildings and practices however our low levels of reserves are not substantial enough to fund our revenue budget on an ongoing basis.

As a £5 council tax increase would prevent the loss of a further 20 firefighter posts we will be recommending to the Fire Authority that they agree to increase Band D council tax by £5 in 2023/24.

We hope that the information set out above provides the assurance you are seeking that the Authority is doing everything it can to secure efficiencies through sound financial management before increasing council tax.

Yours sincerely,



Cllr John Shuttleworth
**Chair of County Durham and Darlington
Combined Fire Authority**



Steve Helps
Chief Fire Officer