



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: 21 June 2023

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

Funding Challenges

We write to outline our concerns regarding the current funding challenges that we face as a Service.

We welcome the slight increase in grant funding County Durham and Darlington Fire and Rescue Service (CDDFRS) received and the council tax precept flexibility provided for 2023-24. After careful consideration the Combined Fire Authority (CFA) agreed to increase council tax by £5 to minimise the level of cuts to front line services. However, even after considering these welcomed increases the CFA was faced with a shortfall in funding of £821,000 from April 2023, as a direct result of high inflation, high fuel and energy costs and an unfunded pay award for firefighters for 2022-23 and 2023-24.

Following challenging budget settlements for fire over recent years, the service has removed posts, collaborated with others where appropriate, invested in technology, removed waste and duplication, restructured every department and reduced spend. In order to mitigate the funding shortfall for 2023-24 the CFA, following consultation, has agreed to reduce the operational establishment, thus reducing the number of firefighters available to serve our communities in order to balance the budget.

We note the opportunity outlined in the Local Government Settlement for CFAs to increase precept for 2024-25 by 2.99% and 1.99% thereafter. To provide some context a 1% increase in precept provides CDDFRS with an additional £198,000 due to a low council tax base with the vast majority of properties being within council tax bands A & B. Conversely a 1% increase in pay costs CDDFRS £250,000. In previous correspondence between ourselves you refer to the levels of reserves held within Fire and Rescue Services. CDDFRS has the second lowest level of reserves of any English FRS. A general reserve of £1.605M is held as 5% of the service's operating budget, whilst the earmarked reserves at 31-3-2023 were £3.902M and are forecast to reduce to £1.201M by 31-3-2027. Therefore, unlike some FRS, CDDFRS is unable to use reserves to support a shortfall in the revenue budget.

Notwithstanding the fact that CDDFRS is a highly productive, efficient and well-run service with a track record of delivering change against a reducing budget, without further financial support it is inevitable that further reductions to the operational establishment will be necessary, directly leading to a reduction in fire cover, increasing the risk to our communities.

As we have previously outlined to you, CDDFRS is an efficient and effective FRS; the HMICFRS report from Jan 2023 highlights that the service is graded as good across all 3 pillars with 10 out of the 11 diagnostics viewed as good. Our operational staff are highly productive delivering almost four times the amount of fire safety audits and twice as many Home Fire Safety Checks compared to the English average. Furthermore, our fire engines' operational activity is above the English average and when we are required to attend an incident, for example to a fire within a home, we respond faster than the English average and faster than any other predominantly rural FRS in England.

While inflation remains stubbornly high this impacts the costs of the goods we buy and the energy and fuel required to operate vehicles and heat buildings, along with higher wage demands from staff. Therefore we strongly believe that a further increase in government grant and the flexibility for increasing precept to at least 5% or £5 is necessary to avoid the further degradation of CDDFRS. To support this notion, we believe that evidence to identify and support business cases for additional money are currently available, for example the levels of reserves held, the productivity of Whole-Time staff and the HMICFRS reports, which identify and grade services against efficiency and effectiveness, could all assist in decision making.

We would also recommend that capital funding for investment in buildings, new technology, environmentally friendly vehicles and collaboration should be made available to FRS since, being removed in 2014-2015, CDDFRS' funding is approximately £1.3M per year less due to this change. Consequently, to fund items such as fire engines, estates improvements and the essential ICT systems we need to run our Control operations, we are forced to borrow money which in turn is impacted by the increase in interest rates.

In conclusion we have outlined that our ability to raise funding from our local council taxpayers is currently limited for 2024-25 to 2.99%. In addition the demographics within County Durham and Darlington mean that almost 80% of properties in our Service area are in council tax band A or B and as outlined, an increase of 1% on council tax locally raises £198,000 whilst a 1% increase in a pay award costs £250,000. Without additional support from government this is not sustainable, and we recognise that our funding model, of which two thirds relies on council tax, places a disproportionate burden on communities during a cost-of-living crisis. The level of reserves held by other Authorities is not relevant to our funding position and using such data related to the whole sector means that a more equitable approach cannot be achieved.

We would therefore urge you to consider the provision of funding for CDDFRS with a view to increasing the amount available to correct the perceived injustice of the current framework.

We hope that the information set out above illustrates our concerns and as always, we warmly extend an offer for you and your officials to visit staff within CDDFRS to discuss matters further.

Thank you for your continued support.

Yours sincerely,



Cllr John Shuttleworth
**Chair of County Durham and Darlington
Combined Fire Authority**
Copy to Emma Lawrence



Steve Helps
Chief Fire Officer