



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

Dear

Funding challenges

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

Following previous correspondence and face to face meetings, you will be aware that the funding position of County Durham and Darlington Fire and Rescue Service (CDDFRS) continues to be precarious and of concern. Following your support and successful lobbying of both the Rt Hon Chris Philp MP Minister of State for Crime, Policing and Fire and the Rt Hon Lee Rowley MP, Parliamentary Under Secretary of State in the Department for Levelling Up, Housing and Communities, the Fire and Rescue Sector received a slight uplift in grant funding and a one off precept flexibility of 5% for 2023-24, which after careful consideration the Combined Fire Authority (CFA) approved in February 2023. 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 CDDFRS 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 the Consultation which we shared with your office, has agreed to reduce the operational establishment, reducing the number of firefighters available to serve our communities to balance the budget.

Furthermore, 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, which is likely to result in future shortfalls in the service's budget when considering rising costs for the services we buy and the salary we pay our staff. To provide some context a 1% increase in precept provides CDDFRS with an additional £198,000, due to the low council tax base with most of the home being within band A & B. Conversely a 1% increase in pay costs CDDFRS £250,000.

In previous correspondence we have also provided you with details of the levels of reserves which the service holds. CDDFRS has the second lowest levels 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 as of 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.

The HMICFRS report from January 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 against the English average, furthermore our fire engines' operational activity is above the English average. 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.

With inflation remaining stubbornly high this impacts the costs of the goods we buy, the energy and fuel required to operate vehicles and to heat buildings along with higher wage demands from staff. Therefore we strongly believe that a further increase in government grant and the flexibility for CDDFRS increasing precept to at least 5% or £5 is necessary to avoid the further degradation of CDDFRS and we have already written to the Fire Minister outlining this position.

We are therefore asking once again for your support in lobbying officials in anticipation of the Local Government Settlement for 2024-25. To support this notion, we believe that evidence to identify and support business cases for additional money is 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, will assist in decision making.

Furthermore, we have also written to the Fire Minister asking for the reinstatement of capital funding to be made available to FRSs for investment in buildings, new technology, environmentally friendly vehicles and collaboration since, being removed in 2014-2015, CDDFRS' funding is approximately £1.3M per year less due to this change. Consequently, to afford items such as replacement fire engines, estates improvements and the essential ICT systems we need to run our Control operations, we are forced to borrow funds 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. 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 the CFA is limited and earmarked in the main for service improvements.

We therefore ask for your support in lobbying the Fire Minister, Home Office, Department for Levelling Up, Housing and Communities and the Treasury in support of an increase to CDDFRS' grant settlement, the flexibility to increase precept by £5 or 5% for years 2024-25 and 2025-26 and the reintroduction of funding to support capital investment within the service.

We hope that the information set out above illustrates our concerns and as always we welcome the opportunity to discuss these issues further with yourself and those within your office.

Thank you for your continued support.

Yours sincerely,





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

Steve Helps
Chief Fire Officer