



26 June 2013

Dear Colleague

SPENDING ROUND 2015/16

You will have seen today that the Chancellor has announced the outcome of the one-year Spending Round for 2015/16.

Fire and rescue authorities deliver an incredibly important service for local communities and are playing their part, along with other parts of local government, in reducing the deficit. There have been tough messages for all with an overall reduction in government funding for local authorities of 10%.

Fire has been protected in previous years and I am pleased to say that we have been able to secure some further protection for fire in the form of a smaller overall funding reduction of 7.5%. From the 10% reduction that would otherwise be applied to fire and rescue authority funding,¹ a £30 million (2.5%) resource fund will be available on a bid-for basis through the local government settlement to encourage joint working between fire and rescue authorities, collaboration with other blue lights services, and help to meet up-front costs of service transformation. We expect spending power for fire and rescue authorities to fall less than the headline 7.5%, and we will publish that with the settlement in the autumn as usual.

In addition, a £45 million Fire Efficiency Incentive Fund will also be available for fire and rescue authorities to invest capital in ensuring that assets such as fire stations are appropriately located to ensure efficient and effective service delivery.

Funding will be made available for existing commitments for national resilience, including New Dimensions and PFI.

As Sir Ken Knight's independent review recently confirmed, accepting some fire and rescue authorities are already very lean, there is still scope for fire and rescue authorities to make a range of wider sensible savings, such as through better procurement; shared services, greater use of retained firefighters and increased collaboration with other emergency services or authorities, without impacting on service quality.

Sir Ken's review also stated that one of the ways greater efficiency can be achieved is through greater collaboration between the blue light emergency services: driving out efficiencies and providing more effective services that deliver for the tax payer. We will also consider suggestions from within the sector that Police and Crime Commissioners could take responsibility for the fire and rescue service (where this was locally driven), something Sir Ken Knight supported in his recently published independent review. The Government will respond fully to the Knight Review in autumn 2013.

Detailed allocations will only be made available on a provisional basis as part of the Settlement in the autumn term. As on previous occasions, there will be a full consultation on the settlement and I would encourage you to participate in this process.

In the meantime I know that you will continue to deliver efficiencies and trust that many of you will drive forward some of the innovative practices identified in Sir Ken Knight's independent review, *Facing the Future*.

Yours sincerely,



NEIL O'CONNOR
Director - Fire, Resilience and Emergencies

¹ Start-up funding – revenue support grant and business rates baseline funding.