



TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No 6

FIRE AUTHORITY MEETING: 20 NOVEMBER 2023

SUBJECT: FIRE FUNDING SETTLEMENT FOR 2024/25 - LETTER

JOINT REPORT OF THE CHIEF FIRE OFFICER / CHIEF EXECUTIVE (CLERK TO THE AUTHORITY) AND THE FINANCE DIRECTOR

1. Introduction

- 1.1 This brief report updates Members on correspondence the Authority has sent to the government in respect of lobbying for an improved Finance Settlement for 2024/25 for both this Authority and the wider Fire and Rescue Service.

2. Background

- 2.1 The government issued its Spending Review (2022/23 to 2023/24) in the Autumn of 2021 (before the war in the Ukraine, and the Cost of Living Crisis that saw inflation reach double figures at one stage). The continued impact of these factors has seen local authorities struggle to meet the higher costs of escalating inflation and the cost of pay awards significantly exceeding budget provision over the last two financial years. Against this backdrop and the fact the Authority like others in the fire sector are continuing to be challenged to ensure that their budgets are resilient and sustainable over the medium term agreed to lobby the government before they issued their Autumn Budget and Public Sector Finance Settlements in order to request improved funding and retain financial flexibility for the fire service.
- 2.2 All FRA's were encouraged by the NFCC to write to the government to lobby for inflation proofed funding and to seek retention of the financial flexibilities for the fire service. The Letter was written and agreed by the Chair of the Authority and the Chief Fire Officer on behalf of the Authority. It is hoped that this revised approach of not only the NFCC lobbying government but every other FRA also lobbying the government will be a much more effective strategy.

3. Correspondence

- 3.1 In response to the NFCC request and to add more weight to the potential plight of the fire service and the Authority over the Medium Term it was considered important to provide government with an up to date position of the



finances of the service (potentially looking at a £2.9m budget gap to 2026/27) and that an improved grant settlement is necessary to address the financial concerns not only of Tyne and Wear FRA but across the whole fire service sector.

The letter drafted was sent to various key government officials to set out our concerns and the actions by government that would help improve the financial outlook of the fire service to then enable it to better protect the communities it serves. The letter is attached at Appendix A for information.

4. Risk Management

- 4.1 Although it is difficult to quantify the risk at this stage, it is regarded as potentially high depending upon the levels of funding and the degree of flexibility that the government provides in next year's (24/25) financial Settlement. This rating has been ascertained despite the very pragmatic approach taken by the Authority to its financial planning over the medium term, (in its current Medium Term Financial Strategy (MTFS)), where key funding risks have been identified and mitigated as far as possible at this stage. The position however is fluid and continues to be regularly monitored and a few key decisions by government could improve the financial outlook for the Authority considerably.

5. Financial Implications

- 5.1 The financial implications are set out in letter sent to government at Appendix A of the report.

6. Equality and Fairness Implications

- 6.1 There are no equality and fairness implications in respect of this report.

7. Health and Safety Implications

- 7.1 There are no health and safety implications in respect of this report.

8. Recommendations

- 8.1 Members are requested to note the Letter sent to government and comment as appropriate.