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To
Sir Michael Lyons BA MSc
Lyons Inquiry into Local Government
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Our ref

Your ref

Dear Sir Michael,

Submission to the Lyons Enquiry

My Authority welcomes the opportunity to make a submission to your enquiry. We have also been encouraged by the regular updates you have provided on your progress to date – a very welcome innovation. Although, the scope of your enquiry, and the wider remit of the anticipated local government White Paper, will perhaps only touch briefly on the fire and rescue service, we feel strongly that as a precepting local authority there is a contribution we can make. Fire and Rescue Authorities are being seen in many areas as an increasingly responsive, influential and productive partner at a local level.

The future shape of local government that is emerging through your inquiry together with the predicted contents of the White Paper pose some challenges for the Fire Service. At present fire services are managed either through county councils, or by single-purpose combined fire authorities [CFAs], with members appointed by the constituent local authorities, but not directly elected. CFAs are legislatively required to fulfil almost all the obligations of a local authority, comply with the best value and CPA regimes, and precept directly on council tax payers. However, their capacity to deliver in areas such as community engagement and leadership is limited, although FRAs can influence through active membership of local authority partnerships.

It is interesting that your research identified that around 60% of the population believe that the fire service should be run to centrally set standards or actually is run centrally. This is probably due in part to the indirect democratic element of the service's governance, but also to the fact that people regard it primarily as an 'insurance' or preventive service. This limits the options for funding compared with elective or consumable services, where people recognise a direction relationship between their use of a service and its cost.



www.kent.fire-uk.org

Chief Executive & Chief Fire Officer
Charlie Hendry QFSM BA(Hons) MSc

In this context, there are some key issues we would like to bring to your attention:

Increasing switch of central funding to partnerships and regional or composite bodies

Government departments are making increasing use of partnership vehicles such as LSPs, LAAs and Improvement Partnerships to distribute central grant funding. As the fire service is a minority partner in most instances, though an active one, it would be helpful to establish some kind of a floor level to this process to ensure basic emergency service provision, while using the partnership funding streams to finance community safety work. This safety net already effectively exists for the Police, through the ring-fencing of Home Office funding, while fire falls within the general remit of the DCLG and regional offices.

Increasing separation between control of funding and representation

A related issue is the composition of the bodies which control these funding streams. The fire service does not have automatic membership of all of them, because of its relatively small size, and sometimes struggles to maintain a footing on the executive boards. The service is excluded from the executive management arrangements now general in local government, and this can make it difficult to engage in this kind of organisation. It is also not admitted to, for example, the regional assemblies which are increasingly accountable for strategic planning functions, because of the problems of proportional representation caused by drawing its elected members from other representative bodies. These governance issues become more critical the more the balance of funding moves in this direction.

Potential use of targets [eg PSA] to direct funding

While the service is familiar with the application of targets, there are considerable problems with the use of the national PSA targets as a mechanism to direct funding. At a national level they are often aspirational, with little relationship to cost. The most difficult aspect, however, is the way in which the national targets are passed on to bodies at the local level, with little or no reference to local data or performance trends. This is a particular issue for the fire service, where much of the local data is below the level of statistical significance, such as fire deaths, which is one of the current national PSA targets. For example, additional funding was allocated to fire authorities three or four years ago on the basis of the incidence of fire deaths per head of population. This led to a substantial grant going to the Isle of Wight because it had two deaths in the baseline year, the only authority south of the Midlands to receive anything. Other problems arise through the application of the national targets across the board, particularly for authorities which have already achieved outstanding improvements in a particular area, if funding is contingent on further improvement.

Potential use of other taxes to diversify council tax base

A possibility that has been raised through the inquiry is the introduction of other taxes to smooth the impact of council tax. Examples include environmental taxes on litter and waste. While this could be helpful in principle it is important that the whole impact of such taxes is taken into account, as

changes in the tax burden could lead to, for example, increases in fly tipping as a form of tax evasion, or other changes in behaviour. Previous changes in local authority policies on charging for waste have had effects of this kind. The impact of economic change can of course also be positive: a side effect of rising steel prices has been a reduction in the number of abandoned vehicles and therefore of car fires.

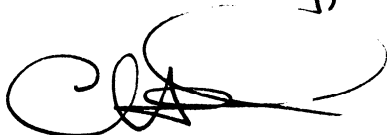
The fire service in the context of 'place shaping'

A number of areas, particularly in the south of England are facing large-scale urban development of a sort not seen since the building of the New Towns. The Kent & Medway Structure Plan, for example, provides for 116,000 new homes in the area over the next fifteen years, and local authorities are under pressure from government to permit more in response to demand from builders. In relation to fire service provision, these are not simply additional development adjacent to existing towns, but are in some cases separate new communities.

The capital costs of any new infrastructure for the service cannot be financed from the additional council tax which will eventually arise from the additional households, and, while projects could be financed through, for example, PFI schemes, a much more attractive option would be to build housing which does not catch fire, obviating the need for new fire stations altogether. This has been achieved abroad for whole new communities, through the installation of fire suppression systems. Although the government has resisted this concept in the UK, even for higher risk social housing, it is worth reconsidering within the reconfiguration of the council tax system as a whole, as an area where some investment could reduce future financial demands on households for public service funding.

Regrettably, experience suggests that it is unlikely that the fire and rescue service will feature prominently in the thinking and debate around the White Paper and the review of local government finance. Nevertheless, much of what we have achieved, particularly here in Kent, has been through increasingly effective partnership arrangements at both upper and lower tier levels, and whatever the future shape of local government we will look to build on that success.

If there is anything further we can help with or if you would like to explore any of these issues in more detail, we would be delighted to do so.

Yours sincerely,


C D Hendry
Chief Executive & Chief Fire Officer