



Finance Committee

Committee update – June 2021

This briefing is designed to update the NFCC on discussions and some of the key work currently being undertaken within the Finance Coordination Committee.

Strategic County Representation on Committee

Given the potential white paper on governance reform, which may seek to extract fire from county services, the group will be seeking membership of a county Chief Fire Officer (to be accompanied by their service's finance lead) to the Finance Coordination Committee.

Preparation for Next Comprehensive Spending Review (CSR)

Work has commenced on updating the NFCC's submission for the upcoming spending review. This will be supplemented by data from the recently issued CSR survey.

Pay is a sensitive issue and the committee will work through the implications of the 1.5% pay offer in terms of an in-year pressure for many services who didn't budget for a pay award, and potential impact on the CSR.

The Senior Stakeholder Group has been reconstituted by the Home Office to help develop a consistent view from the sector on the main 'ask' within our CSR submission.

Covid-19 Funding and Costs

As of 31 March 2021, twelve services are facing a Covid funding shortfall totalling £5m (although some of those deficits are very small). Overall, the sector has a £9m surplus. Home Office will review in more detail those services that have spent more on Covid than they received in grants. The Home Office are not seeking to recover any unspent grants.

Reserves Survey

Services have been asked to complete the latest survey of current and forecast reserve levels, with a deadline for returns of 18 June 2021. Services are encouraged to forecast based on the centrally provided assumptions, or alternatively, specific where they have used their own local assumptions. This will further support work relating to the CSR.

Pensions Matters

LGA will be issuing further guidance regarding immediate detriment once Treasury has signed it off, as well as further legal advice.

LGA will also be issuing a survey gauging preparedness for remedy and are available to assist services complete this survey. The tools to assist collecting the data for remedy were launched last week. The new FPS member website was also launched on 20 May 2021.

The results of the latest valuation are expected this summer. These will impact on employer contributions from 1 April 2024.

Home Office have distributed £3m in grant funding to English FRS's to support additional pension administrative costs during 2020/21. This is of particular note to County FRS's who may not have been sighted on it. Mark Hemming (Bucks FRS) can provide specific detail if required.

NFCC Standard Charging

A charging model is being developed by the PPRU to standardise costs for fire protection activities. The Committee are supporting this work and will be testing out the concepts in a number of services.

Value for Money (VFM)

Proving Services have completed VFM surveys for seven services, with two more in the pipeline. The value of the work has been recognised by HMICFRS, the National Audit Office and Public Sector Audit Appointments (PSAA).

The Committee will look at encouraging other services to consider undertaking a survey, as well as investigating where this work can be joined up with Economic Cost of Fire work being undertaken within the NFCC.

ESMCP

The cost of ESMCP when compared to airwave (net of grant) may increase total costs for FRSs by £5m per year. It is currently not yet known how this will impact on individual services.

The full business case for ESMCP has been released and the switch off for Airwave is due 2026. There is a need to review local resources allocated to the project now the timeline has slipped. A major project review is due in June, which should hopefully inform the CSR request in relation to ESMCP.

John Buckley

Chair, NFCC Finance Coordination Committee