

Appendix B – Proposed Response to the Consultation

Question 1: Do you agree that the government should continue to maintain the certainty provided by the 4-year offer as set out in 2016-17 and accepted by more than 97% of local authorities?

The Authority agrees that the government should maintain the certainty provided by the four-year offer as set out in the 2016-17.

Question 2: Do you agree with the New Homes Bonus allocations mechanism set out above?

No comment.

Question 3: Do you agree that the approach should be based on data collected by the Planning Inspectorate? If you disagree, what other data could be used?

No comment.

Question 4: Do you agree with the proposed appeal/challenge procedure for the dataset collated by Planning Inspectorate? If you disagree, what alternative procedure should be put in place?

No comment.

Question 5: Are there alternative mechanisms that could be employed to reflect the quality of decision making on planning applications which should be put in place?

No comment.

Question 6: Which of the two mechanisms referenced above do you think would be more effective at ensuring the Bonus was focussed on those developments that the local authority has approved?

No comment.

Question 7: Do you think that that the same adjustments as elsewhere should apply in areas covered by National Park Authorities, the Broads Authority and development corporations?

No comment.

Question 8: Do you think that county councils should be included in the calculation of any adjustments to the New Homes Bonus allocations?

No comment.

Question 9: Do you have views on council tax referendum principles for 2018-19 for principal local authorities?

The Authority recommends that additional flexibilities are required for fire and rescue authorities (see Question 10 for further detail).

Question 10: Do you have views on whether additional flexibilities are required for particular categories of authority? What evidence is available to support this specific flexibility?

The Authority recommends that fire and rescue authorities should be allowed increases in council tax of less than 2% or up to and including £10, whichever is higher.

There are a number of pressures on the finances of fire and rescue authorities:

- Although there has been a long term downward trend in the number of incidents attended, there has been an increase in the last two years, largely driven by the increase in non-fire incidents.
- Between 2015-16 and 2016-17 the total incidents attended nationally increased by 6%. Underlying this figures was an increase in non-fire incidents of 14%. 2016-17 was the first year that FRSs attended more non-fire incidents than fires¹.
- Fire and rescue authorities also need to be resourced based on risk, not just demand. Recent terrorist incidents and large scale fires such as the Grenfell fire demonstrate that authorities need to be able to respond to a range of incidents. During the current year the UK national threat level has been raised to critical on two occasions to date². It is also likely that a number of recommendations will come from the Grenfell enquiry that will place additional financial burdens on fire and rescue authorities.
- There is a recruitment and retention issue with retained/on-call firefighters and additional resources are needed to help with this issue.
- The amount of Revenue Support Grant provided to fire and rescue authorities has decreased significantly since 2015-16. For Buckinghamshire & Milton Keynes Fire Authority (BMKFA) the decrease between 2015-16 and 2019-20 is 57%. Beyond 2019-20 the Authority has no certainty over the level of grant it will receive.
- The government produces an analysis of core spending power to measure the impact of funding reductions on authorities. However, these figures ignore the fact that capital grant funding previously provided to fire and rescue authorities was removed after 2014-15. The total amount provided to the sector in 2014-15 (and also 2013-14) was £70m. The amount relating to BMKFA was £1.2m per annum³. This equates to over 4% of BMKFA's budget and this amount now has to be found from revenue each year in order to provide essential property, fleet, equipment and IT infrastructure. This is not sustainable longer-term.
- The current level of inflation is creating increased pressure on budgets. As of August 2017, the Retail Price Index (RPI [All Items]) shows that prices have increased by 3.9% over the past twelve months⁴. This is almost double the 2% referendum limit.
- BMKFA has budgeted for pay awards of 1% per annum for the duration of the four-year settlement offer. However, the most recent offer to firefighters is 2% for 2017-18 and a further 3% in April 2018 (subject to funding being available). For BMKFA a 2% pay award costs almost exactly the same as a 2% council tax increase would generate, leaving no funding available to deal with

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/636456/fire-and-rescue-incident-1617-hosb1317-infographic.pdf

² <https://www.mi5.gov.uk/threat-levels>

³

<http://webarchive.nationalarchives.gov.uk/20140505105840/http://www.local.communities.gov.uk/finance/1314/capgrants/index.htm>

⁴ <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czbh/mm23>

any other cost pressures. The cumulative effect of the proposed pay award (i.e. 5%) would therefore require a 5% increase in council tax, even before other cost pressures are taken into account.

Although the 2% referendum limit is not a 'cap' the cost of holding a referendum is prohibitive for fire and rescue authorities. The one referendum held so far, by Bedfordshire's Police and Crime Commissioner, is estimated to have cost £600,000⁵. BMKFA would have to increase its band D equivalent council tax by over 3% just to cover the cost of a referendum.

A number of other authorities currently have significant additional flexibility not available to fire and rescue authorities⁶.

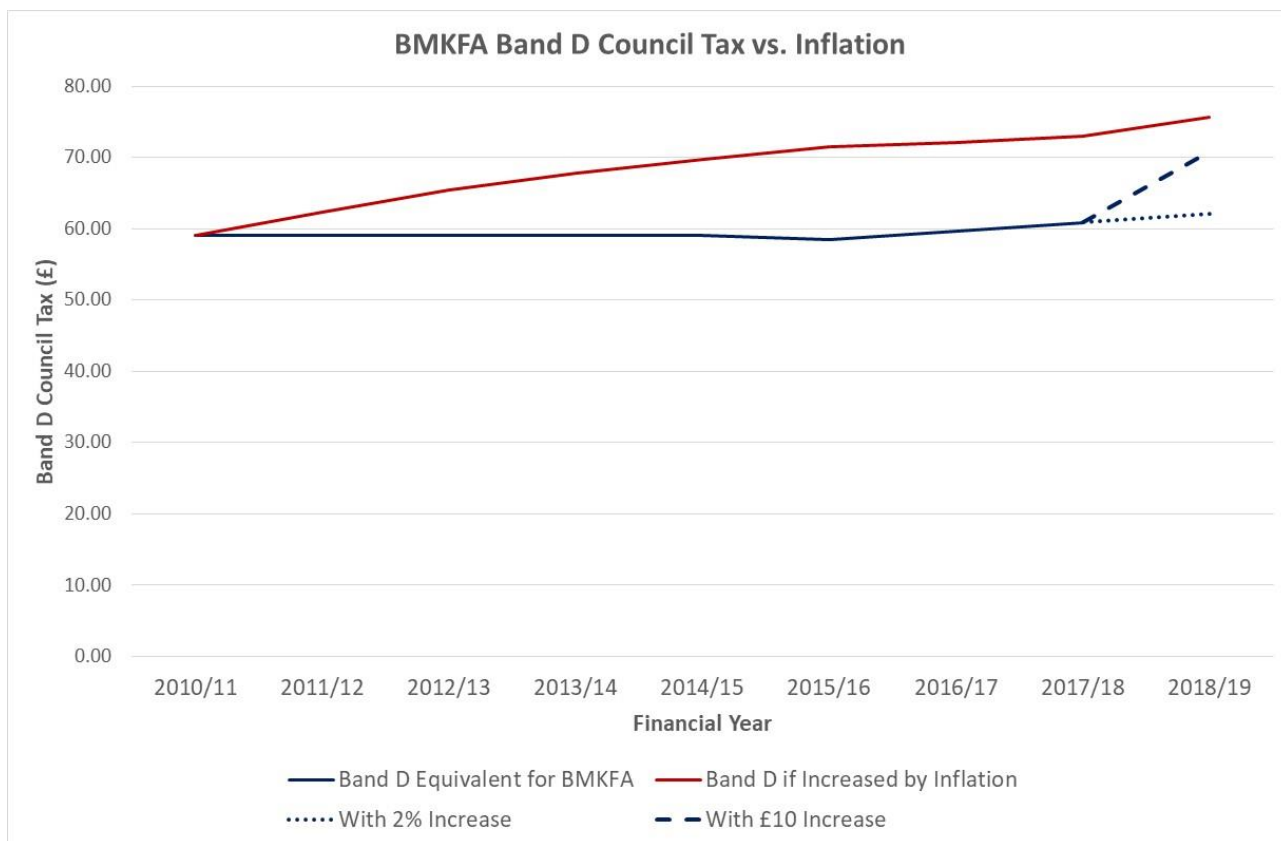
- All shire districts are able to raise council tax by less than 2% or up to and including £5, whichever is higher. Since 2010-11 shire districts have on average increased their band D equivalent by £10.33.
- Lower quartile PCCs are able to raise council tax by less than 2% or up to and including £5, whichever is higher. Since 2010-11 PCCs have on average increased their band D equivalent by £18.61.
- Authorities with social care responsibility are able to increase council tax by up to 6% between 2017-18 and 2019-20, in addition to increases allowed in previous years. This has resulted in an average band D equivalent increase of £31.77.
- Parish councils currently have no referendum limit. Since 2010-11, parish councils have on average increased their band D equivalent by £16.10, which is a 36% increase.

By way of comparison, fire and rescue authorities have increased their average band D equivalent over the same period by between £5.95 and £8.11 (depending on type of authority).

BMKFA has shown significant restraint regarding the level of council tax, increasing its band D equivalent by only £1.75 over the same period (an increase of approximately only 25p per year). Even if BMKFA was to increase council tax by £10 in 2018-19, the band D equivalent amount will still be significantly below the precept payable had it increased by the level of inflation each year:

⁵ <http://researchbriefings.files.parliament.uk/documents/SN05682/SN05682.pdf> (page 7)

⁶ All council tax statistics sourced from <https://www.gov.uk/government/collections/council-tax-statistics>



BMKFA also had the option to increase council tax by up to £5 in 2013-14 but showed significant restraint in not taking the option to do so at the time. It seems inequitable that this financial prudence means we are penalised in the future.

BMKFA has already achieved significant savings over a number of years without closing a single fire station or removing a single operational appliance. However, this situation cannot continue without additional funding.

Fire and rescue authorities generally make up a very small percentage of the overall council tax bill for the area. In Buckinghamshire and Milton Keynes it is less than 4% of the total bill. A £10 increase for a fire and rescue authority would be dwarfed by any increases to the county/unitary, district, police and even some parish precepts. BMKFA has a lower precept (£60.88) than the average precept for a parish council (£61.03).

Also, restricting rises in council tax to percentage terms disproportionately disadvantages those with smaller precepts. If BMKFA was to increase their precept by £10 we would still be below the average for a combined fire and rescue authority.

The cost to the tax payer of a £10 increase for fire and rescue authorities will be on average less than 20p per week. In Buckinghamshire and Milton Keynes, 47%⁷ of dwellings will pay even less than this.

This proposal has the support of local MPs.

⁷ Based on tax base data from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/587691/LA_Drop_down_-_revised_Jan.xlsx

Question 11: What factors should be taken into account in determining an Alternative Notional Amount for Combined Authority mayors?

[No comment.](#)

Question 12: Do you agree with the proposed approach to correcting the reduction in relevant county councils' income from the Adult Social Care precept?

[No comment.](#)

Question 13: Do you have any comments on the impact of the proposals for the 2018-19 settlement outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

[No comment.](#)