
Agenda

RSN Rural Fire & Rescue Group Meeting

Hosted: Online via Zoom
Date: Friday, 1st October 2021
Time: 2:00 pm – 3:00pm

We will circulate an email with Zoom joining instructions in advance to those who confirm their attendance.

1. **Attendance & Apologies**
2. **Notes from the previous Rural Fire meeting.** (Attachment 1)
Held on 12th of January 2019 to consider any relevant updates and approve the minutes.
3. **Presentation by Adrian Jenkins, Founder & Chief Analyst, [Pixel Financial Management](#).**
(Attachment 2)
4. **General Discussion about the Operation and Future Work of and on behalf of the RSN Rural Fire & Rescue Group**
5. **Any Other Business**
The next RSN Rural Fire & Rescue Group meeting will be in set early in 2022.

Providing a voice for rural communities and service providers

MINUTES OF A MEETING OF THE RSN RURAL FIRE AND RESCUE GROUP HELD AT THE LGA FIRE CONFERENCE IN BRIGHTON ON WEDNESDAY 13TH MARCH AT THE HILTON METROPLE HOTEL

Present:-

Councillor John Barnes - East Sussex Fire and Rescue Service

Duncan Savage - East Sussex Fire and Rescue Service

Councillor Eric Carter - Shropshire and Wrekin Fire and Rescue Authority

Councillor Roger Phillips - Hereford and Worcester Fire and Rescue Service

Martin Rehorn - Hereford and Worcester Fire and Rescue Service

Graham Biggs, Chief Executive, Rural Services Network

David Inman, Corporate Director, Rural Services Network.

Apologies:-

Matthew Warren – Cambridge Fire and Rescue Service

Stuart Errington - County Durham & Darlington Fire and Rescue Service

Cllr Janet Willis – Cumbria Fire and Rescue Service

Andrew Brodie - North Yorkshire Fire and Rescue Service

Simon Furlong & Cllr Judith Heathcoat – Oxfordshire Fire and Rescue Service

(1) FINANCIAL MATTERS.

Graham Biggs took the meeting through the document that had been drawn up by Pixel Ltd on behalf of the group and which had been submitted, following consultation with Members, to M.HC.L.G. in response to their consultation process with regard to the new allocation system around the redistribution of business rates. .

Whilst some of the most rural forces had received a welcome amount of Rural Services Delivery Grant for 2019/20 the point was made that even in for these Services this was only a token payment against a far higher cost of service delivery in rural areas and that the additional cost impacted on the operational efficiency of some 30 forces and only five forces had received any compensatory payment at all.

Graham took the meeting through the situation occurring over the following year. It was vital that the group continued to press their case very hard during a period when further consultation would take place and indicative figures relating to a new system would begin to emerge. It was essential that all the c thirty forces which were affected backed the RSN work during this vital period. It was agreed that these Forces should be approached.

The meeting fully supported the action that had been taken and the proposals put forward.

(2) RURAL VULNERABILITY

The meeting received the RSN Vulnerability Statement for 2019.

The RSN Corporate Director David Inman took members through the current situation in relation to this topic.

In rural areas some 25% of the population was aged over 65. (17% in England in urban areas). Over the coming years this would become one third of the rural population as younger people were tending to leave the areas. Whilst many people were healthy the number of 85 years olds was also increasing markedly and clearly this statistical backdrop showed that the number of vulnerable people would also be increasing at a faster rate than in other areas. It was vital that consideration was given to this very worrying situation.

It was felt that rural Fire and Rescue Services and their Authorities had a very clear role to play in the search for integrated approaches and systems. Because of their operation Services sent, where invited, officers to people's homes to encourage fire safety systems. Officers were in uniform and were trusted. They were in a good position to make some assessment as to whether people should be registering on the Priority Services Register and possibly encouraging them to do so.

It was felt that utility companies should be able to work with Fire & Rescue Services when people registered to be on the utility services Priority Services Register

Cross service discussions were essential here and rurally based Fire and Rescue Services and Authorities had a really important role to play. The importance of this group continuing was stressed.

(3) GROUP COUNCILLOR CHAIR.

It was felt that an approach through the Fire Authorities was the way that support for the Group could be tested. To do that a Councillor Chair was necessary. It was agreed that discussion would take place with Councillor John Barnes on the position.

Factors driving expenditure on fire services in rural areas

1. It is still possible – albeit unlikely – that the Fire Relative Needs Formula (RNF) will be updated as part of the Fair Funding Review (FFR) in 2022-23. Not only is the FFR now looking very likely to be delayed but there have been no substantive proposals to make changes to the Fire RNF. However, it is always sensible to be prepared. Ministers might consider proposals at the last minute, and there is always next year. There is also the prospect of the Home Office developing a new formula outside of the local government funding system.
2. As a result, we have been asked to review the current Fire RNF from the point of view of rural authorities. We have then outlined the factors that rural authorities should be asking for in a revised Fire RNF. This could form part of either an offensive or defensive lobbying strategy.

Current relative needs formula

3. The current relative needs formula (RNF) has been in place since 2013-14, although some elements date back before then. It is based on an amount per head of population, top-ups for density, coastline and sparsity, and then two factors for fire risk. There is a specific fire Area Cost Adjustment (ACA).

PROJECTED POPULATION	Latest population projections will be used, likely 2021-based projections
BASIC AMOUNT	Amount to be determined in FFR
COASTLINE TOP-UP	Length of coastline (at low water) divided by population. NFCC estimates coastline top-up accounts for 1% of funding formula.
POPULATION DENSITY TOP-UP	Hectares for each Output Area (OA) divided by population
POPULATION SPARSITY TOP-UP	Hectares for each Output Area (OA) with fewer than 0.5 per hectare divided by population. Analysis by the NFCC suggests that the sparsity indicator distributes only 1% of funding within the Fire RNF.
DEPRIVATION TOP-UP	Working-age adults with no qualifications, working age population not in employment, income support claimants, and standardised mortality ratio for under-75s
HIGH RISK TOP-UP	Control of Major Accident Hazards (COMAH) sites, number of top tier sites
PROPERTY AND SOCIETAL RISK TOP-UP	Estimated by secretary of state, using data on buildings data from VOA, and “property and societal risk frequency for other buildings information from the 2006 Fire Services Emergency Cover (FSEC) Toolkit. NFCC estimates the top-up is worth 6.55% of funding.
COMMUNITY FIRE SAFETY TOP-UP	Number of children aged between 5-11 and proportion of residents living in areas with greater need for fire education, estimated by secretary of state based on ACORN classification. NFCC estimates the top-up is worth 6.0% of funding.
AREA COST ADJUSTMENT FOR FIRE	

4. The values for the Basic Amount, and top-ups for density, deprivation and high-risk were determined based on regression against past spend. Regression against past spend assumes that all authorities had sufficient funding to provide the level of service needed. In reality, in rural areas, what was spent (and therefore the level and scope of services provided) was limited in large part by the government grant received. The remaining elements were based on ministerial judgement. The formula was last updated in 2008-10, and the sparsity top-up was only added in 2010.

5. The current Fire RNF generates funding per head in rural and urban areas that is relatively similar, albeit higher in urban areas than rural (Chart 1):

Average for “predominantly urban” authorities is 14% higher than for “predominantly rural” authorities (569 compared to 498 per head)¹

6. *Average for “predominantly urban” authorities is 18% higher than for “significant rural” authorities (569 compared to 481 per head)* “Predominantly rural” authorities do better than “significant rural” authorities because they have higher sparsity scores and, in particular, higher coastline scores. Table 2 provides further detail on the scores for each authority on the major indicators used within the Fire RNF:

- London has the highest RNF per head (665) but 5 out of the next 6 receive high RNF per head because of their large coastline (Cornwall, Isle of Wight, Northumberland, Humberside and Cumbria). Coastline is, as we can see, a very important indicator for these authorities, even if the overall amount distributed is not particularly large. Few of the fire authorities with extensive coastlines have below average RNF.
- COMAH sites are also important and are relatively limited in their distribution. Highest scores are in Cleveland (34), Humberside (32), Cheshire (27), London (19) and West Yorkshire (16). We assume the highest scores are for larger industrial and petrochemical plants.
- The risk index is strongly correlated with deprivation. The highest scores are in the metropolitan fire authorities and in London (which is similar to the rest of the local government formula). RNF per head is moderately correlated to the risk (deprivation) index (r-squared 0.37).
- Both the two other risk indexes appear to strongly favour the metropolitan areas and London in particular. (In fact, London is a huge outlier on both indexes.) The correlation between these two indexes and RNF per head is actually relatively weak because there are many non-urban authorities that do well from the other indicators (coastline, sparsity and the COMAH sites).

(e.g. deprivation risk index). For those landlocked rural authorities, the RNF allocations per head are less good (e.g. Wiltshire, Shropshire, Hereford and Worcester, and Cambridgeshire).

¹ Note that these are not cash values but expressed in “RNF terms”.

7. Any changes in the fire formula will, of course, create winners and losers. In the formula overall, London is likely to be the most significant loser. It currently receives the most per head based on a formula that largely reflects the historic distribution of resources. Changes to the formula will reduce London's relative advantage, but it is not clear that there would be the political will to do so.
8. Rural fire authorities would collectively benefit from shift towards a more population-based methodology, in the same way as rural local authorities are likely to benefit from the introduction of the "flatter" foundation formula. The effects of both the sparsity and coastline top-ups would be reduced but overall rural authorities would gain. However, there would be a redistribution within the rural fire authorities group: those with large coastlines would lose, potentially considerably.

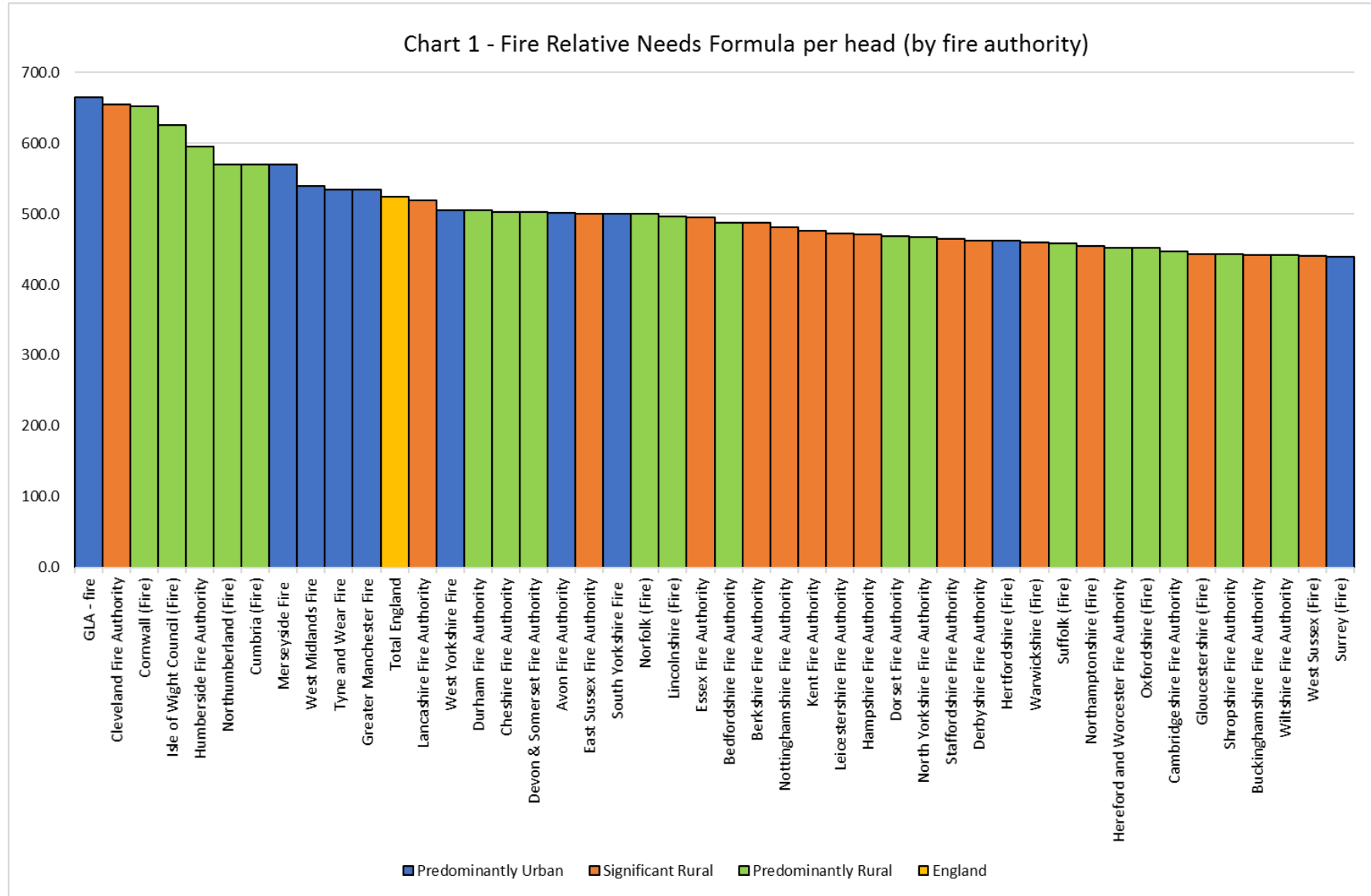


Table 2 – Elements within the Fire RNF

Local Authority	Class	Rural/ urban	RNF per head (non-cash)	Coastline	Risk Index	COMAH Sites	Property and Societal Risk	Community Fire Safety
GLA - fire	GLAFIR	Predominantly Urban	665.2	0	16.7	19.0	3180.1	7,684,743
Cleveland Fire Authority	SFIR	Significant Rural	655.1	61,000	15.7	34.0	209.9	508,808
Cornwall (Fire)	UNIFIR	Predominantly Rural	652.2	663,000	12.9	0.0	620.7	345,370
Isle of Wight Council (Fire)	UNIFIR	Predominantly Rural	625.8	134,000	11.3	0.0	110.6	86,473
Humberside Fire Authority	SFIR	Predominantly Rural	595.1	212,000	12.9	32.0	413.3	772,726
Northumberland (Fire)	UNIFIR	Predominantly Rural	570.4	210,000	13.2	2.0	204.3	242,667
Cumbria (Fire)	SCFIR	Predominantly Rural	570.3	245,000	10.5	2.0	507.9	389,100
Merseyside Fire	FIR	Predominantly Urban	569.9	98,000	18.7	9.0	521.0	1,236,662
West Midlands Fire	FIR	Predominantly Urban	538.8	0	17.2	8.0	1169.7	2,495,850
Tyne and Wear Fire	FIR	Predominantly Urban	534.8	55,000	18.2	8.0	416.6	1,031,081
Greater Manchester Fire	FIR	Predominantly Urban	534.0	0	15.9	13.0	1114.2	2,319,830
Lancashire Fire Authority	SFIR	Significant Rural	519.1	73,000	12.1	7.0	792.5	1,237,321
West Yorkshire Fire	FIR	Predominantly Urban	505.4	0	13.7	16.0	943.3	1,912,386
Durham Fire Authority	SFIR	Predominantly Rural	505.1	20,000	14.4	3.0	270.0	532,200
Cheshire Fire Authority	SFIR	Predominantly Rural	502.7	0	9.6	27.0	426.0	710,095
Devon & Somerset Fire Authority	SFIR	Predominantly Rural	502.6	567,000	10.7	4.0	1123.6	1,159,418
Avon Fire Authority	SFIR	Predominantly Urban	501.5	91,000	12.6	9.0	465.5	724,561
East Sussex Fire Authority	SFIR	Significant Rural	500.6	105,000	12.7	1.0	400.5	526,717
South Yorkshire Fire	FIR	Predominantly Urban	500.6	0	15.3	8.0	506.2	1,082,428
Norfolk (Fire)	SCFIR	Predominantly Rural	500.3	204,000	13.2	7.0	553.4	552,301
Lincolnshire (Fire)	SCFIR	Predominantly Rural	495.7	194,000	9.8	5.0	352.9	448,819
Essex Fire Authority	SFIR	Significant Rural	494.8	280,000	11.3	13.0	676.8	1,182,498
Bedfordshire Fire Authority	SFIR	Predominantly Rural	487.7	0	11.2	1.0	227.5	447,053
Berkshire Fire Authority	SFIR	Significant Rural	486.9	0	9.3	3.0	313.5	558,309
Nottinghamshire Fire Authority	SFIR	Significant Rural	480.6	0	14.9	0.0	435.8	763,156

Local Authority	Class	Rural/ urban	RNF per head (non-cash)	Coastline	Risk Index	COMAH Sites	Property and Societal Risk	Community Fire Safety
Kent Fire Authority	SFIR	Significant Rural	476.6	183,000	11.2	6.0	707.9	1,263,267
Leicestershire Fire Authority	SFIR	Significant Rural	472.7	0	10.9	6.0	456.9	703,883
Hampshire Fire Authority	SFIR	Significant Rural	470.3	95,000	10.5	7.0	659.3	1,220,305
Dorset Fire Authority	SFIR	Predominantly Rural	468.2	173,000	10.6	2.0	412.7	438,101
North Yorkshire Fire Authority	SFIR	Predominantly Rural	467.6	109,000	8.5	2.0	566.0	494,674
Staffordshire Fire Authority	SFIR	Significant Rural	464.1	0	10.8	4.0	474.0	745,269
Derbyshire Fire Authority	SFIR	Significant Rural	461.8	0	11.4	8.0	489.7	688,746
Hertfordshire (Fire)	SCFIR	Predominantly Urban	461.6	0	10.3	3.0	407.5	772,150
Warwickshire (Fire)	SCFIR	Significant Rural	459.9	0	9.1	3.0	265.4	344,047
Suffolk (Fire)	SCFIR	Predominantly Rural	458.0	95,000	10.0	5.0	392.8	468,434
Northamptonshire (Fire)	SCFIR	Significant Rural	454.9	0	10.7	1.0	287.2	471,151
Hereford and Worcester Fire Authority	SFIR	Predominantly Rural	451.7	0	9.5	3.0	411.8	478,134
Oxfordshire (Fire)	SCFIR	Predominantly Rural	451.4	0	9.2	2.0	313.5	385,318
Cambridgeshire Fire Authority	SFIR	Predominantly Rural	446.5	0	11.0	5.0	325.1	466,552
Gloucestershire (Fire)	SCFIR	Significant Rural	443.4	0	10.3	0.0	349.4	359,601
Shropshire Fire Authority	SFIR	Predominantly Rural	443.2	0	11.8	0.0	259.4	298,089
Buckinghamshire Fire Authority	SFIR	Significant Rural	441.4	0	8.4	0.0	289.6	468,912
Wiltshire Fire Authority	SFIR	Predominantly Rural	441.2	0	9.5	4.0	299.4	418,785
West Sussex (Fire)	SCFIR	Significant Rural	440.9	79,000	8.6	1.0	323.1	530,923
Surrey (Fire)	SCFIR	Predominantly Urban	439.2	0	9.0	1.0	434.8	651,053

Proposals for changes to the fire formula

9. No work on updating or replacing the fire formula has been undertaken by the Home Office (who now “own” the fire formula). But a paper was presented to the working group by the National Fire Chiefs Council (NFCC). The paper did not give a “finished product” but outlined a broad approach to the fire formula and identified areas where more work is required.
10. The paper noted that the fire service “must not only respond to day-to-day demands” but must also “be prepared for major incidents; events that are rare but whose impact can be devastating”. Developing a formula based on past activity and spending patterns “does not represent the entire picture” and “an element of judgement” will be required to “account for these risks”.
11. These were the conclusions that the paper by the National Fire Chiefs Council reached:
 - Further modelling should be undertaken at a small area level. This methodology has been used for the adult and children’s social care formulas and it produces a very high-quality formula. It would be appropriate for modelling the day-to-day activities but not risk-based factors. This kind of research also takes a long time and it is almost certainly too late for a Fair Funding Review in 2022-23 (and possibly even for the year after).
 - Sparsity is a cost driver and a sparsity top-up should remain within a new formula, either as a separate top-up or within the Area Cost Adjustment (as it will in the rest of the local government formula). If sparsity funding does move to the ACA, then the value of “sparsity” within the fire formula could be reduced and, in the absence of any offsetting reductions in the other risk indexes, which are more favourable to urban areas, then rural fire authorities will see a reduction in their share of future funding.
 - Further research should be undertaken in the coastline top-up. The NFCC concurs that there should be a coastline top-up. Authorities with a coastline do not have neighbouring authorities on whom they can call for “mutual aid”, something which has become particularly acute since the withdrawal of Maritime and Coastguard Agency (MCA) funding in 2011. There is no publicly-available evidence to indicate whether a 2% share is correct. The risk depends on both the length of coastline and “the latent risk of an event occurring that would require mutual aid”.
 - Introduction of a specific index to reflect the growing proportion of incidents that are non-fire related (e.g. road traffic collisions). We do not know what such an index would look like or how it would distribute funding (possibly traffic flow or A-road length). But there is a suggestion that it might be weighted more towards rural areas than fire incidents (see below).

- Large transport hubs (railways and airports) should be included in the risk index both in terms of major incidents and potential terrorist targets. We assume these would be added to the COMAH sites index.
12. The NFCC paper states that the current formula is largely based on expenditure-based regression (with the number of calls/ events being the dependent variable). This analysis has found a strong relationship between deprivation and expenditure/ incidents. The NFSS suggests that this approach might have underplayed the expenditure on prevention and risk.
13. More evidence is provided to support the continued inclusion of a “sparsity” top-up. Past studies have found that sparsity is negatively correlated with expenditure, but there is “strong qualitative evidence that there are additional costs associated with the provision of fire and rescue services in rural areas”. A more recent report by LG Futures (2014) found that there are higher unit costs in rural areas. Possible reasons for higher unit costs are:
- Differences in stations, appliances and staff. Higher number of each relative to the number of incidents, suggesting that there are diseconomies of scale in rural areas, that is, they incur the same fixed costs to provide the same emergency cover to all areas.
 - Differences in staffing structures. Lower employment costs per FTE because of greater reliance on retained fire fighters.
 - Differences in the types of incidents attended. Lower rate of fire incidents offset by a higher rate of traffic incidents resulting in only a very weak relationship between sparsity and incidents. Of the fire incidents that did occur, the proportion of primary incidents were higher in rural areas (47% compared to 36% in urban areas).
 - Differences in service levels. Response times were higher in rural areas.

Rural fire proposals

14. It was understood that there would be no change to the fire formula in next FFR. When the next FFR will take place is not known: it has been postponed from 2019-20 and is now looking unlikely in 2022-23. As a result, it is unclear whether there will still be a holding settlement in the next FFR, whenever this actually takes place, or whether more fundamental changes in the formula will be implemented. The proposals in this report focus on when fundamental reforms are next made by the Home Office.
15. Rural authorities could support two main changes in the fire funding formula. The first is to move away from the current dominance of regression against past expenditure, and move towards greater reliance on risk-based indicators. The second is, where possible, to broaden the risk-based approach to include non-fire activities. The current approach is still very much fire related. In a typical rural fire authority, call-outs are roughly split

into thirds for fires, road traffic incidents, and other types of call-out, such as water rescue or supporting other emergency services.

16. There is evidence that fire costs are greater in sparse fire authorities to deliver the same level of service: it costs rural authorities more to maintain the same basic level of response and minimum call standards. Hereford and Worcester Fire Authority has calculated that it would cost more than twice as much to deliver the same cover as is in place in the West Midlands. Currently, the both fire authorities have similar ratios of fire stations to population (about one fire station per 68,000 people) but, because of the lower population density, Hereford and Worcester has to mitigate the cost with a lower response standard and on-call provision. In its own response standard, Hereford and Worcester estimate that 90% of the instances where response times are not met is because of distance.
17. One approach that would reflect the higher costs of meeting national response standards would be to use travel time data. This approach has been adopted successfully in elsewhere in the local government funding formula. MHCLG has used travel times (from Google maps) to estimate the travel times required to deliver services within each local authority. A top-up based on travel times could replace both the sparsity/ density indicators and modify the coastline top-up.
18. Travel times would reflect the impact of a variety of geographic features. These would include, as examples, the number and distribution of river crossings, and the effect of lower mutual aid in authorities with large coastlines and large upland areas. Implicitly, this approach would also reflect the impact of congestion in urban areas when this is a factor in response times.
19. A good deal of work would need to be done grading the types of call, and comparing these against travel times. In Hereford and Worcester, responses are graded depending on the type of call-out, and the response that is required. Measurements could take into account how fast the response ought to have arrived. A risk approach could be taken to the indicator, taking into account how long it takes to get from hub towns to all domestic and commercial premises, but also to take into account travel times to higher-risk premises.
20. Overall, there are opportunities for rural authorities to make changes to the fire formula, and to increase their share of funding. Any move away from the current reliance on regression against past spending would increase the rural share – largely at the expense of London. Any move towards a population-based or risk-based approach would also help rural authorities. However, rural authorities are not homogenous. Some rural fire authorities benefit significantly from the current coastline top-up, and changes to the fire formula could result in a shift in funding from these authorities to those rural authorities with no coastline.



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