

EAST SUSSEX FIRE AUTHORITY

Panel: Fire Authority

Date: 25 October 2019

Title of Report: Local Government Finance Settlement (LGFS) – Technical Consultation

By: Duncan Savage, Assistant Director Resources/Treasurer

Background Papers: N/A

Appendices: Appendix 1 – LGFS Technical Consultation
Appendix 2 – LGFS Technical Consultation – Draft Response

Implications

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	

PURPOSE OF REPORT To seek approval for the Authority's response to the Government's LGFS Technical Consultation

EXECUTIVE SUMMARY The Government has published its technical consultation on the LGFS for 2020/21 and is seeking comments by 31 October 2019.

A draft response has been prepared drawing on the draft sector response from the National Fire Chief's Council Finance Co-ordination Committee (NFCC FCC).

The main issue on which the Authority's view is sought is Q5 relating to the level of the Council Tax Referendum Threshold for 2020/21. The Government has proposed a 2% threshold which is lower than that set for the current year. The sector believes that the flexibility offered to shire district councils to raise council tax by 2% or £5, whichever is greater, should be extended to fire authorities. This is based on the need for the sector to invest in its services in response to both the incident at Grenfell Tower (and the expected outcomes from the

Hackitt Enquiry) and the findings of HMICFRS from its first round of inspections. The primary focus for this investment would be in Protection / Business Safety and the argument is set out in more detail in Appendix 2.

The table below sets out the financial impact of council tax rises with thresholds at 2%, 3% (which it has been suggested the Government may consider) and £5 in comparison to our current modelling of 1.94%.

Increase	Council Tax Band D £	Council Tax Income £'000	Additional income over 1.94% £'000
1.94%	95.49	28,049	0
1.99%	95.53	28,061	12
2.94%	96.42	28,322	273
2.99%	96.47	28,337	288
£5.00	98.67	28,982	933

An increase of £5 would increase the cost of the service by less than 10 pence per week to £1.90 for the average household (Band D). This is a relatively small proportion of the overall council tax bill for taxpayers in East Sussex and Brighton and Hove when charges made by county, unitary, district, parish and police authorities.

Members will be aware that the Authority has the fourth highest Council Tax Band D of all fire authorities at £93.67 behind Durham & Darlington (£103.50), Shropshire (£100.25) and Bedfordshire (£98.45).

RECOMMENDATION

The Authority is recommended to:

- a) Comment on and approve the response to the LGFS Technical Consultation; and
 - b) Delegate authority to the Treasurer to finalise the response in the light of any relevant changes to the NFCC response.
-