New Dimension Funding for Fire and Rescue Authorities

 Issued by: Fay Sowerby  
 New Dimension Policy Advisor

Addressed to:  The Chair of the Fire and Rescue Authority  
The Chief Executive of the County Council  
The Clerk to the Fire and Rescue Authority  
The Clerk to the Combined Fire and Rescue Authority  
The Commissioner of the London Fire and Emergency Planning Authority  
The Chief Fire Officer  
Please forward to:  Treasurers  
 Directors of Finance

Summary

This circular provides information to fire and rescue authorities regarding the future mechanism for the provision of New Dimension funding.

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1.0 Background

1.1 Under Communities and Local Government's (CLG) New Dimension programme, the Department has procured a substantial amount of assets to enhance the Fire and Rescue Service's (FRS) ability to respond to disruptive events, including over 400 vehicles and associated equipment. Currently the Department own and manage this capability and pay many of the associated management costs either directly to suppliers or to Fire and Rescue Authorities (FRAs) through grants under section 31 of the Local Government Act 2003.

1.2 Ministers have always been clear that this new capability will be mainstreamed within the FRS. As in other functional areas, part of mainstreaming would be to put the continuing funding (including maintenance, crewing and training funding), on a secure long term basis within the Revenue Support Grant (RSG). This is in line with the wider Government policy, shared by the LGA, that funding for local government should be primarily through formula grant, providing authorities with more certainty over future funding.

2.0 Future Funding Approach

2.1 Over recent months we have explored the options for the transfer of New Dimension funding into the RSG. We raised the options, among other issues, at the consultation workshops we held in November and December 2006. We also discussed them with members of the Fire Finance Network (FFN) and at a meeting of the RSG Settlement Working Group on 4 June 2007, bringing together the LGA, local authority groups and central government officials. The consensus view is that the preference of the FRA community is not to transfer funding in to RSG at the present time.

2.2 Part of the FRA concern surrounds the current procurement under the Long Term Capability Management (LTCM) Project of a 16-year maintenance contract for the New Dimension equipment and vehicles. FRA preference is to wait until this contract has been awarded and embedded and full costs identified.

2.3 Given this, CLG has considered the views of FRAs and has agreed to continue with section 31 grants for New Dimension funding in the short term. This issue will be revisited in the next RSG formula review when there is a clear history of actual costs which the transfer can take into account.

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