

## **Devon and Somerset Fire Merger**

1. This paper is for information only. It discusses how the Devon and Somerset Fire Merger may affect the 2007/08 Settlement.

### ***Background***

2. In June 2006 Devon and Somerset Fire and Rescue Authorities (FRAs) submitted a business case and draft schedule proposing a voluntary merger between the two Authorities to the Department of Communities and Local Government (DCLG). As part of the DCLG's consideration of that business case and draft schedule we are consulting all relevant parties in accordance with section 4 (5) of the Fire and Rescue Services Act 2004 on the revocation of the Devon FRA Combination Scheme.
3. Comments on the revocation of the Devon FRA Combination Scheme must be received by 17 October 2006. Ministers will then take a decision on the possible new combination; options include creating the full Devon and Somerset Fire Authority on 1 April 2007, or creating a shadow Devon and Somerset Fire Authority on 1 April 2007, with the full Authority coming into being on 1 April 2008, or whether the scheme should not go ahead at all.

### ***Effect on the 2007/08 Local Government Finance Settlement***

4. If Ministers decide to create a full Devon and Somerset Fire Authority on 1 April 2007, then the draft Combination Order will be laid in Parliament in late October. However there is a "praying period" of 40 days for a negative SI may be prayed against. This period will not have passed when we start consultation on the 2007/08 Local Government Finance Settlement. For this reason we will be issuing two consultation options – (i) of the merger goes ahead; and (ii) if the merger does not go ahead for 2007/08.
5. The second of these means that the draft Local Government Finance Report (England) 2007/08 will remain unchanged (except for corrections notified to the Department following consultation last year) from that issued at the time of the 2006/07 Settlement.
6. Under option (i), where the merger goes ahead, **only Devon Fire and Rescue Authority and Somerset County Council will be affected.** Basically we will calculate the distribution as if the merger had not gone ahead and will then transfer an amount from Somerset County Council, to be decided by them in consultation with the Devon Fire and Rescue Authority, to the new fire authority for the purpose of fire and rescue services in the Somerset area. A copy of the draft Local Government Finance Report can be found at Annex A.

***Effect on the 2008/09 Settlement***

7. We will then use the 2007/08 amounts as the basis for base position of the 2008/09 floor damping scheme. For the actual 2008/09 calculations, we will calculate formula grant before floor damping on the basis of the authorities in existence at that time i.e. an amount for Devon and Somerset Fire Authority will be calculated directly.

***Other Reorganisations***

8. It has been decided to employ a similar methodology for any reorganisations that occur in either year 2 or 3 of a three-year settlement period i.e. only those authorities which are reorganising will be affected.