

# Chapter 5

## Fire and Rescue

### The current system

1. The main determinants of the existing Fire and Rescue Relative Needs Formula are the resident population and fire safety. Cost adjustments are made to reflect coastline, deprivation and the number of upper tier Control of Major Accident Hazards (COMAH) sites and the differences in the costs of provision between areas (measured by the Area Cost Adjustment).
2. The current formula for 2007-08 is given below.

#### ***Basic amount***

<b>FIRE &amp; RESCUE BASIC AMOUNT</b>	1.5064
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#### ***Top-ups***

<b>FIRE &amp; RESCUE COASTLINE TOP- UP</b>	0.7010 <i>multiplied by</i> <b>COASTLINE</b>
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<b>FIRE &amp; RESCUE DEPRIVATION TOP-UP</b>	0.2106 <i>multiplied by</i> <b>RISK INDEX 1</b>
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<b>HIGH RISK TOP-UP</b>	27,635.1078 <i>multiplied by</i> <b>COMAH SITES</b>
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<b>PROPERTY AND SOCIETAL RISK TOP-UP</b>	<b>PROPERTY AND SOCIETAL RISK</b>
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<b>COMMUNITY FIRE SAFETY TOP-UP</b>	<b>COMMUNITY FIRE SAFETY</b>
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The full formula used to calculate the *Fire and Rescue* element is:

<b>Fire and Rescue</b>	
(a)	<b>PROJECTED POPULATION IN 2007</b> multiplied by the result of: <b>FIRE AND RESCUE BASIC AMOUNT</b> ; plus <b>FIRE AND RESCUE COASTLINE TOP-UP</b> ; plus <b>FIRE AND RESCUE DEPRIVATION TOP-UP</b> ; plus <b>HIGH RISK TOP-UP</b> ; plus <b>PROPERTY AND SOCIETAL RISK TOP-UP</b> ; plus <b>COMMUNITY FIRE SAFETY TOP-UP</b> ;
(b)	The result of (a) is multiplied by <b>AREA COST ADJUSTMENT FOR FIRE AND RESCUE</b> ;
(c)	The result of (b) is then multiplied by the scaling factor given in Annex F for the Fire and Rescue service block.
(d)	The result of (c) is then divided by 10,000,000,000.

### **Changes to the formula**

3. There is one proposed change to the relative needs formula for fire and rescue, as detailed below.

#### *Updating the regression expenditure base*

4. The current Fire and Rescue relative needs formula is based on regression against past expenditure. This is used to determine the coefficients for the basic amount, and the coastline, deprivation and fire risk top-ups.

5. The regressions are currently based against the average net current expenditure less pensions expenditure over the period 1998-99, 1999-2000, and 2000-01.

6. Option FIR1 is to update the regression expenditure base with the latest available data. We have taken the average net current expenditure less income from special grants for 2003-04 to 2005-06 on a pre-FRS17 basis less the average of pensions expenditure for 2004-05 to 2005-06. This reflects the latest data available.

7. The exemplification of FIR1 is based on the following formula. It should be noted that for the exemplification, the level of the floor had to be reduced to 1.8%.

#### ***Basic amount***

<b>FIRE &amp; RESCUE</b>	2.2969
<b>BASIC AMOUNT</b>	

## **Top-ups**

<b>FIRE &amp; RESCUE COASTLINE TOP- UP</b>	1.5117 <i>multiplied by</i> <b>COASTLINE</b>
<b>FIRE &amp; RESCUE DEPRIVATION TOP-UP</b>	0.1543 <i>multiplied by</i> <b>RISK INDEX 1</b>
<b>HIGH RISK TOP-UP</b>	26,465.7396 <i>multiplied by</i> <b>COMAH SITES</b>
<b>PROPERTY AND SOCIAL RISK TOP-UP</b>	<b>PROPERTY AND SOCIETAL RISK</b>
<b>COMMUNITY FIRE SAFETY TOP-UP</b>	<b>COMMUNITY FIRE SAFETY</b>

## **Exemplifications**

8. Exemplifications for the options detailed above are available on the Communities and Local Government website via this link  
<http://www.local.communities.gov.uk/finance/0809/grant/sumcons/fir.xls>

## **Questions**

**Question 10:** Do you agree that the expenditure data used to determine the coefficients should be updated (FIR1)?