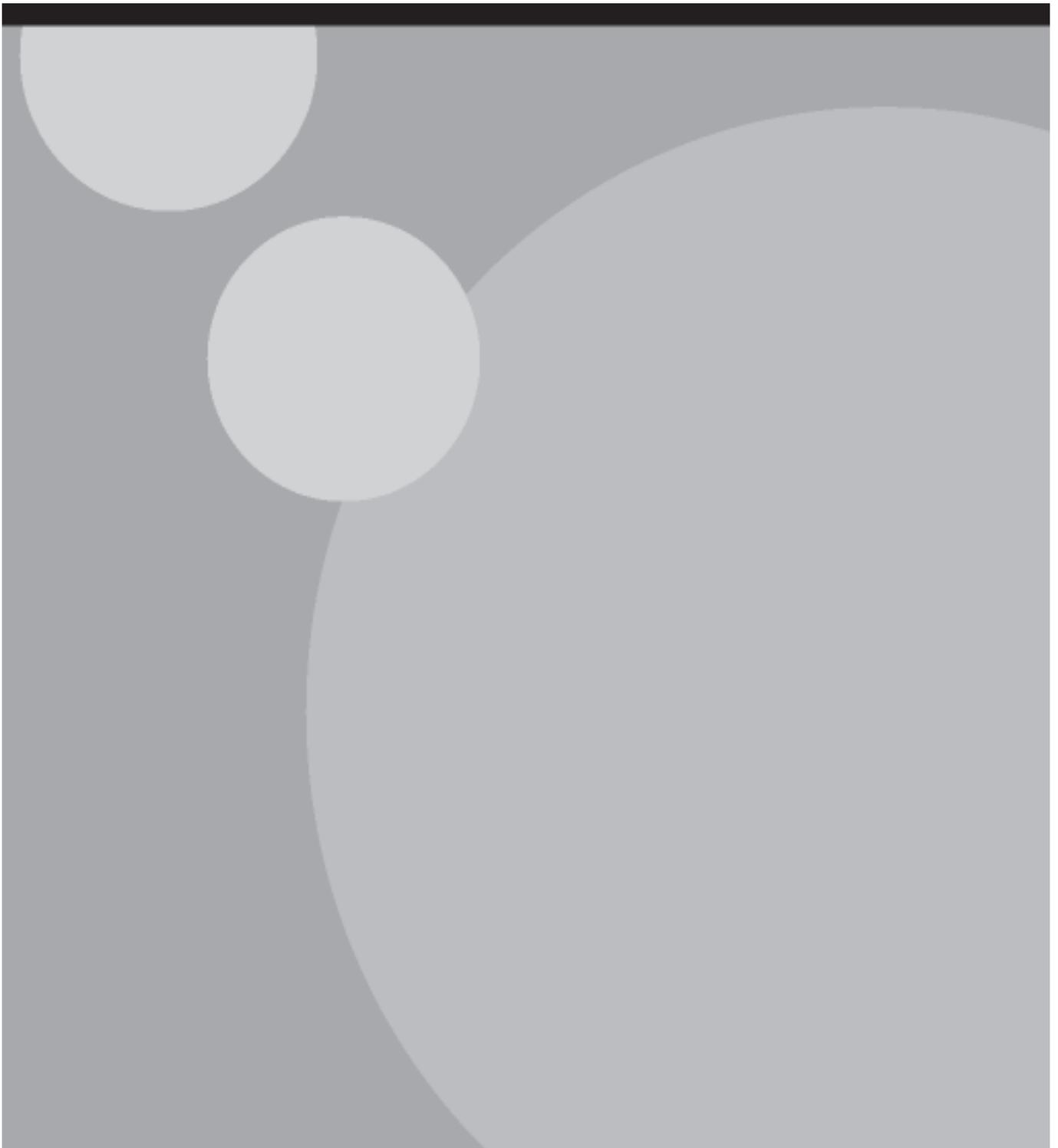




Spending Review 2010: Equality Impact Assessment

Changing formula grant funding for Fire and Rescue Authorities



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DCLG Equality Impact Assessment - Initial Screening Form

1. Name of the current or proposed new or changed, policy, strategy, procedure, project or service being assessed:

Changing formula grant funding for single purpose Fire and Rescue Authorities over the first two years of the Spending Review period, resulting in a funding change of -5.8% in 2010-11 and a further -0.7% in 2012-13.

2. Person and team responsible for completing the Equality Impact Assessment:

Mark Dunn, Operational and Social Research Team, Research and Statistics Division, Fire and Resilience Directorate.

3. What is the main aim or purpose of the current or proposed new or changed, policy, strategy, procedure, project or service and what are the intended outcomes?

Tackling Britain's record deficit is the Coalition Government's top priority - the consequences of not acting could be serious. The scale of the deficit has required tough choices to be made about how taxpayers' money is allocated.

The Spending Review sets out how the Coalition Government will carry out Britain's unavoidable deficit reduction plan. This is an urgent priority to secure economic stability, at a time of continuing uncertainty in the global economy, and put Britain's public services and welfare system on a sustainable long term footing. As international bodies such as the International Monetary Fund and Organisation for Economic Cooperation and Development have noted, reducing the deficit is a necessary precondition for sustained economic growth. Failure to take action now would put the recovery at risk and place an unfair burden on future generations.

In order to tackle the budget deficit all Government departments are being required to work within a very tight fiscal settlement. Within this context, DCLG has sought to protect, as far as possible, funding for programmes which directly support vulnerable groups.

A recent letter sent by Fire Minister Bob Neill to Fire and Rescue Authorities sets out the settlement for the Fire and Rescue Service, announced as part of the Spending Review of 20 October 2010. The Fire and Rescue Service has been protected as a larger proportion of the overall change in funding from the Spending Review will fall to years three and four. This back-loading of the spending change will give Fire and Rescue Authorities time to adapt and to deliver efficiencies. It is for individual Fire and Rescue Authorities – not central government – to make local decisions on how to make savings but areas DCLG believe significant savings can be found by fire and rescue services include, for example:

- flexible staffing arrangements
- improved sickness management

- pay restraint and recruitment freezes
- shared services/back office functions
- improved procurement
- sharing Chief Fire Officers and other senior staff
- voluntary amalgamations.

As announced as part of the Local Government Finance Settlement, over the first two years of the Spending Review period formula grant funding for single purpose Fire and Rescue Authorities, which makes up roughly 50% of their overall spend, will change by -5.8% in 2010-11 and a further -0.7% in 2012-13.

DCLG believes that this is a fair settlement in challenging circumstances. Indeed the change in funding to fire and rescue services is significantly smaller than for other areas of Departmental spending, and attempts to minimise the impact of spending changes on front line services for vulnerable people.

4. What existing sources of evidence will you use to help you identify the likely impacts on different groups of people?

We are all, to a degree, at risk from suffering the effects of fire; however certain groups in our communities are more at risk than others. A number of research reports have been produced for DCLG on socio-demographic factors associated with higher fire risk, for example:

- Identification of risk measures for use in fire and rescue service funding formula (report to ODPM, 2005)
- Analysis of fire and rescue service performance and outcomes with reference to population socio-demographics (February 2007).

And regular statistical publications such as:

- UK Fire Statistics, DCLG (Annual Publication).

The work mentioned above indicates that the following groups have the highest rates of dwelling fires and dwelling fire injuries and so are at the highest risk:

- lone parent with dependent child(ren)
- never worked
- single adult household
- those population groups with high “index of multiple deprivation” scores (a set of different demographic factors which are amalgamated to make a single numeric score).

The annual UK fire statistics show that older age groups have a much higher death rate from fire and so are at much higher risk.

5. Are there gaps in evidence that make it difficult or impossible to form an opinion on how the existing or proposed policy, strategy, procedure, project or service does or might affect different groups of people? If so what are the gaps in the information and how and when do you plan to collect additional information?

Fire and Rescue Authority funding is a complex matter. Funding for the Service is split between locally raised council tax and DCLG central formula grant, in proportions which vary for each Fire and Rescue Authority.

The Spending Review has determined formula grant funding for single purpose Fire and Rescue Authorities will change by -5.8% in 2010-11 and a further -0.7% in 2012-13. As stated previously the distribution of core central government funding to the different local authorities (including Fire and Rescue Authorities) is determined by the formula grant distribution system. This "formula grant" calculation takes into account various factors including (in the case of Fire) levels of risk and population characteristics within the boundaries of Fire and Rescue Authorities. Central funding distributed via the formula grant can represent between 35% and 80% of an authority's funding. The remainder of Fire and Rescue Authority funding is from local council tax.

The funding given through the central formula grant is not ring-fenced and it is for local communities, through their elected representatives, to decide how they wish to spend their money providing that they meet their statutory responsibilities. This applies equally to Fire and Rescue Authorities, although small grants are also given for specific purposes.

Changes in the amount of funding given via the central formula grant will therefore impact on different fire and rescue services and their communities in different ways. Some communities may choose to mitigate the spending changes via other funding streams, while others may decide they have other priorities and choose not to. We have no way of knowing which route local communities will take.

The impact of the change in the total amount of funding to individual Fire and Rescue Authorities will not be fully identifiable as changes in the amount of grant an authority will receive will also be affected by updates to data, any changes in methodology and the level of floor damping set. Work on changes to the formula has recently been consulted upon. The provisional allocations for each authority are also subject to consultation. The final allocations will be announced in late January/early February.

Because of the above uncertainties, for any fire authority, we cannot predict what spending changes they will make in response to the overall change in funding. Indeed, if spending changes are made, we cannot at this stage predict how these will affect the front line service. However, we have endeavoured to ensure that the Spending Review settlement has been set at a level that we believe, with the evidence available to us, is achievable predominantly through efficiency savings. We have also ensured that it is back-loaded, so that Fire and Rescue Authorities have the time to make any changes necessary to achieve savings such as voluntary amalgamations and flexible crewing deployments, without affecting the overall quality of service.

Much work has been done to understand those most at risk of fire and in need of the services of the Fire and Rescue Service. The risk factors are very complex and interrelated. Those groups most at risk do not fit neatly into the eight protected categories (disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex, sexual orientation and age) of the Equality Act. We have no fire related data on such aspects as sexual orientation, race, religion, gender re-assignment, pregnancy/maternity. However, we can say that there are some equality groups who are potentially most at risk from the impact of the funding changes for instance older people and the disabled, but fire incident data will continue to be analysed and reported centrally and will be used to check for any impact on these groups.

6. Having analysed the initial and additional sources of information including feedback from any consultation, is there any evidence that the policy, strategy, procedure, project or service has or is likely to have an adverse equality impact on, and/or that there are known or anticipated different needs or requirements, for any of these different groups of people?

The body of knowledge produced by DCLG from research reports and fire statistics show that the impact of fire in terms of numbers of fires, casualties and deaths, is greater among specific socio-demographic groups.

Of the DCLG defined equality target groups, those at a higher risk are known to be the elderly and the disabled.

However, as mentioned earlier, the nature of those most at risk is a complex combination of factors, with those with the highest rates of dwelling fire and dwelling fire injuries being groups such as: lone parents; those who have never worked; single adult households and population groups with high “multiple deprivation index” scores.

7. Is a full Equality Impact Assessment Required?
(If no, please explain why not)

Yes. It is conceivable that changes in funding for the Fire and Rescue Service could impact disproportionately on some sections of the community. However, because of uncertainties outlined above, we cannot predict the impact in advance. We should do a full assessment to try and quantify the impacts but this may not be possible.

DCLG Full Equality Impact Assessment

1. Which group(s) of people has been identified as being disadvantaged by your proposals? What are the equality impacts?

As part of the Spending Review 2010 the amount of formula grant funding for single purpose Fire and Rescue Authorities will change by -5.8% in 2010-11 and a further -0.7% in 2012-13. This, however, will be done in such a way that allows Fire and Rescue Authorities to retain the quality and breadth of services provided to communities as far as possible. We believe the level and profile of savings should be achievable without significant impact on frontline services.

Furthermore Fire and Rescue Authorities through their risk-based planning should ensure that the funding available will continue to be targeted according to risk.

As outlined in the initial screening, those groups most at risk do not fit neatly in to the eight protected categories (disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex, sexual orientation and age) of the Equality Act. It is conceivable that these groups could be at a higher risk of fire could be disproportionately affected, but we have no data to confirm this.

DCLG research indicates that the following groups have the highest rates of dwelling fires and dwelling fire injuries and so are at the highest risk:

- lone parent with dependent child(ren)
- never worked
- single adult household
- those with the highest Index of Multiple Deprivation scores.

The annual UK fire statistics show that older age groups have a much higher death rate from fire and so are at much higher risk.

2. In brief, what changes are you planning to make to your current or proposed new or changed policy, strategy, procedure, project or service to minimise or eliminate the adverse equality impacts?

As previously stated in the initial screening, we have endeavoured to ensure that funding agreed in the Spending Review has been set at a level that we believe, with the evidence available to us, is achievable predominantly through efficiency savings. We have also ensured that it is back-loaded, so that Fire and Rescue Authorities have the time to make any changes necessary to achieve savings such as voluntary amalgamations and flexible crewing deployments without affecting the overall quality of service.

As mentioned earlier, once the overall amount of central grant is determined, a “formula” is then used to determine its distribution. The “formula grant mechanism” does contain some mitigation for risk (and for risk groups) and floor damping. The funding formula is currently under a process of consultation, and may in the future contain further mitigation, which will finish early in the New

Year. As part of this we will continue to compile an equality impact assessment which we propose to publish alongside the outcome of the review.

Fire and Rescue Authorities are required to carry out a robust risk assessment when planning their resource deployment as set out in the Fire and Rescue National Framework which should be consulted on locally as part of their Integrated Risk Management Plans. This should ensure that the funding available to each Fire and Rescue Authority will continue to be targeted according to risk. Equally, it may well be possible for them to mitigate the risk to frontline services by making efficiency savings elsewhere e.g. back office functions, shared services and voluntary amalgamation. Also behavioural change should help mitigate these risks, for example community fire safety messages at the local and national level should be even more targeted at these groups.

3. Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

As already mentioned individual Fire and Rescue Authorities are obliged to consult on their Integrated Risk Management Plans and therefore we expect appropriate consultation to take place at the more appropriate local level.

The mechanism for distributing the central grant is currently still subject to a consultation process which will not end until early in the New Year. It includes representative bodies from the sector, which as part of their broader remit, have an interest in equality issues.

4. Can the adverse impacts you identified during the initial screening be justified without making any adjustments to the existing or new policy, strategy, procedure, project or service? Please set out the basis on which you justify making no adjustments.

As set out in the initial screening, tackling Britain's record deficit is the Coalition Government's top priority - the consequences of not acting could be serious. The scale of the deficit has required tough choices to be made about how taxpayers' money is allocated.

The Spending Review sets out how the Coalition Government will carry out Britain's unavoidable deficit reduction plan. This is an urgent priority to secure economic stability, at a time of continuing uncertainty in the global economy, and important to put Britain's public services and welfare system on a sustainable long term footing. As international bodies such as the International Monetary Fund and Organisation for Economic Cooperation and Development have noted, reducing the deficit is a necessary precondition for sustained economic growth. Failure to take action now would put the recovery at risk and place an unfair burden on future generations.

In order to tackle the budget deficit all Government departments are being required to work within a very tight fiscal settlement. Within this context, DCLG

has sought to protect, as far as possible, funding for programmes which directly supports people. The change in funding to Fire and Rescue Services is a significantly smaller change than other areas of Departmental spending, and attempts to minimise the impact of spending changes on front line services. Over the first two years of the Spending Review period formula grant funding for single purpose Fire and Rescue Authorities, which makes up roughly 50% of their overall spend, will change by -5.8% in 2010-11 and a further -0.7% in 2012-13. A larger proportion of the overall change in funding will be back-loaded into years 3 and 4 so that Fire and Rescue Authorities will have time to make the necessary changes without affecting the quality and breadth of services they provide to their communities.

The actual impact of the change in spending will depend on forthcoming changes in the way the formula distributes the central grant, and are not yet known. An assessment of the distributional impact on the level of grant funding for each Fire and Rescue Authority will be made in the New Year once the forthcoming changes are known.

5. You are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please provide details of how you will monitor/evaluate or review your proposals and when the review will take place.

The UK fire statistics will continue to be collected and analysed by DCLG which will show trends in casualties and death rates for different groups. These statistics are published annually.

6. Sign off

Name of Person Signing Off the Full Equality Impact Assessment: Shona Dunn

Role: Director

Date: 17 November 2010

Full Equality Impact Assessment - Action Plan

| Actions taken or proposed | Rationale for the Action | Beneficiaries of the Action | Timing | Responsibility |
|---|--|--|--------|-----------------------------|
| Changes made: Changes that have been made to policy as a result of the Equality Impact Assessment. | | | | |
| None | | | | |
| Mitigation: For areas where a policy may have a differential impact on certain groups, what arrangements are in place or proposed to mitigate these effects? | | | | |
| Individual Fire and Rescue Authorities via their Integrated Risk Management Planning processes will target their resources according to risk | Requirement of the National Framework | Limited resources targeted at those most in risk | | Fire and Rescue Authorities |
| Justification: For areas where a policy may impact negatively (but not illegally) on certain groups but mitigation is not possible (e.g. an overriding societal driver) there needs to be a strategy for handling issues of unfairness. | | | | |
| None: the change in central formula grant given to the Fire and Rescue Service is not targeted at any particular group | The change is simply part of the Comprehensive Spending Review 2010 settlement | | | |
| Opportunities: Please state actions designed to maximise positive effects, i.e. opportunities identified for: promoting equality, good relations or knowledge about groups; increasing civic & democratic participation; or addressing inequalities. | | | | |
| None | | | | |

| Actions taken or proposed | Rationale for the Action | Beneficiaries of the Action | Timing | Responsibility |
|---|--|---|--|----------------|
| Monitor: how will you monitor the impact and effectiveness of the new policy? | | | | |
| DCLG's routine statistical collections can be monitored to assess if some groups are becoming more at risk of fire. | To monitor the effect of the grant change in terms of increasing fire risk | All groups at risk of fire/Fire and Rescue Services | Statistics are produced at regular intervals throughout the year | DCLG |
| Publish: give details of how the results of the EqIA will be published. | | | | |
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