

**Home Office**

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Dear Chief Fire Officer

**PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2022/23**

Last week the Department for Levelling Up, Housing and Communities (DLUHC) published the Provisional Local Government Finance Settlement for 2022/23. I am writing to outline the proposals that are relevant for fire and rescue authorities (FRAs).

The package outlined by DLUHC will provide a firm foundation for funding throughout 2022/23 and ensure fire and rescue authorities have the resources they need to continue to deliver for the public. The Government is proposing a new one-off Services Grant of £822m that will be distributed through the existing Settlement Funding Assessment formula. This will include funding for the additional cost of national insurance contributions. The Government is also proposing to uplift the Revenue Support Grant in line with inflation and maintain the Rural Services Delivery Grant.

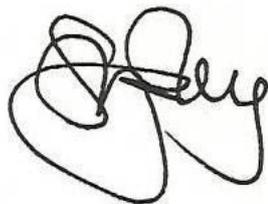
The Provisional Settlement also includes the proposed council tax referendum principles for 2022/23. The Government is proposing a 2% core referendum threshold and is consulting on proposals to allow the 8 FRAs with the lowest precept levels to increase council tax by £5 for one year only in 2022/3. This is to assist those FRAs in addressing immediate pressures and to maintain a sustainable income baseline for future years.

These proposals will mean an overall increase in Core Spending Power of 4.7% for standalone FRAs next year. Please note the proposed £5 precept flexibility is not included in this figure or DLUHC's published Core Spending Power figures. Following consideration of responses to the Settlement consultation, if the proposal is taken forward the flexibility will be included in the allocations for which DLUHC will seek the approval of the House of Commons at the Final Settlement.

The Department expects to be able to confirm Home Office grants to FRAs early next year around the time of the Final Local Government Finance Settlement.

Additionally, as set out in Lord Greenhalgh's letter of 14 December, the Home Office will be reimbursing direct costs to FRAs as a result of supporting the vaccine booster programme. Home Office officials are working with NFCC to agree a simple process for claiming those costs as I am keen to ensure financial considerations do not hamper or delay the FRS response to this national emergency.

The Department is very pleased with these proposals and we believe they represent a positive outcome for the sector. DLUHC's consultation on the Provisional Settlement is now open and I would encourage you to respond by the deadline of 13 January.

A handwritten signature in black ink, appearing to read 'Sarah Gawley', with a large, stylized initial 'S'.

**Sarah Gawley**

Interim Director of Fire, Events and Central Management  
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