

Sarah Gawley Director Fire and Major Events Directorate Public Safety Group Home Office www.gov.uk/home-office

By email: Chief Fire Officers, Finance Directors and London Fire Commissioner

06 February 2024

#### RE: Home Office to Fire and Rescue Authorities – 2024/25 grant funding

This letter provides details and fire service allocations for Home Office grants to Fire and Rescue Authorities (FRAs) for financial year 2024/25. You will be aware that budgets for all Government Departments are extremely tight, and some difficult decisions have had to be made. However, our overarching principle has been to ensure consistency and stability in relation to grant funding, and as such all major grant streams will be continuing in 2024/25.

#### **Pensions Grants**

As you will be aware, we have been seeking to roll in the original £115m pensions grants into the Local Government Finance Settlement (LGFS) for many years. I am pleased to confirm that this amount has now been included in the Revenue Support Grant (RSG) within the Department for Levelling Up, Housing and Communities (DLUHC) LGFS for 2024/25. I hope this provides some assurance to you and helps with managing budgets going forward.

We have also successfully negotiated a further pensions grant of £85.3m from HM Treasury to mitigate the impact of increased employer pensions contributions from 2024/25. With c80% of FRA budgets spent on the workforce, this is a positive outcome that I hope will help alleviate some of the cost pressures facing FRAs. In addition, a one-off top-up payment of £6m will be provided to FRAs for admin costs, reducing the financial pressures services are facing to deliver these changes. This new grant will be distributed using the same methodology as the original pensions grant (an average of four years employer pensions contributions) but with updated data so it includes 2023/24 and 2024/25 forecasts as well as 2021/22 and 2022/23 actuals. The allocations can be found at **Annex A**.

The pension grant is only confirmed for one year so we will need to make the case for this funding to continue into the next Spending Review (SR), and if successful, we will seek to also roll-in this grant to RSG to secure it for the future. This grant is completely separate from the annual AME pensions grant which will continue to operate in the normal way.

#### **Protection Uplift Grant**

Turning now to the other grants, we have had to make the difficult decision to reduce the Protection Grant to £10m. As you are no doubt aware, budgets for Government Departments are challenging and the Fire Directorate has had to reduce our spending plans for next year. As the majority of our budget is made up of grants to FRAs, it was inevitable that we had to seek to reduce one or more of the grant streams. We have prioritised the pensions grant as this has a direct impact on the on-costs for each firefighter, and we

have also maintained the New Dimensions Grant as this funds national capabilities such as Urban Search & Rescue, High Volume Pumps and Marauding Terrorist Attacks

However, the Protection Grant has not been fully utilised by services, leading to a significant amount of reserves held by some Fire and Rescue Services. That in turn meant in 2023/24 we were unable to pay some FRAs their full grant allocation, in order to be compliant with HM Treasury guidance on Managing Public Money. However, we have sought to protect this grant stream as far as possible and have £10m available in 2024/25 which represents an ongoing commitment by the Home Office to bolster protection capability and capacity to manage risk in the built environment. We will, however, be reviewing the spending plans and the level of protection reserves held by FRAs next year. FRAs will only receive their allocation if the Department is assured that there are comprehensive plans in place to spend the monies and any associated reserves in increasing the capacity and capability of their protection teams.

We have also decided to maintain the current formula for the Protection Grant. We considered several options for different allocation methods, but these would have created significant percentage changes in allocations which would have had negative implications for a number of FRAs. In addition, as this is the final year of the SR, we concluded that stability and consistency was the determining factor in making this decision. As I have previously set out, we will need to try and secure the continuation of the Protection Grant in the next SR. If we are successful, we will fully review the allocation methodology and also consider whether this grant can also be rolled into RSG as part of the LGFS. Protection grant allocations for 2024/25 are set out in **Annex B.** If you have any questions on the Protection Uplift grant, please contact fireprotection@homeoffice.gov.uk

#### **Firelink Grant**

As set out in my previous letters, the Firelink grant will continue to be paid in 2024/25 but, as already notified, we will be continuing to reduce the level of the grant by 20 percent each year. As a result, the total grant paid will be £5.6m in 2024/25 with 2025/26 being the final year that a specific Firelink grant is paid. We will ensure that we reflect the increased costs to FRAs of delivering their services at the next SR, including costs such as the provision of a communications system. Allocations for each service are set out in **Annex D**.

FY	21/22	22/23	23/24	24/25	25/26	26/27
Grant amount	£13.9m	£11.2m	£8.4m	£5.6m	£2.7m	£0

#### **New Dimensions Grant**

The New Dimensions grant will continue to be paid to the relevant FRAs in financial year 2024/25. A total of approximately £17.9m will be allocated to the 44 FRAs. This grant takes account of the changes to Enhanced Logistics Support (ELS) take effect from April 2024 and which services will be aware of. Payments are made under Section 31 of the Local Government Act 2003. The allocations for this grant are set out in the table in **Annex C**. The grants will be paid in four quarterly amounts throughout the year.

If you have any questions on the Fire and Rescue New Dimension grant, please contact Lydia Denson on email: <u>FrameFinanceTeam@Homeoffice.gov.uk</u>

#### **Grants Payment Schedule**

The payment schedule for the Pensions, Protection Uplift, New Dimensions and Firelink grants are set out in **Annex E**. This includes the total amount of the grant to be paid out, the months in which the payments will be made and what percentage will be paid at the specified point in time.

I understand that any reduction to grant funding is unwelcome, and it is not a decision I have taken lightly. I am also cognizant of the fact that some services had sought a change to the allocation methodology for the Protection Uplift grant. However, having considered all of the issues in the round and the overall budget available to Fire, I believe the decisions are the right ones as they will benefit the majority of FRAs in England. We have also continued to support the sector by securing both the pensions grant and the £6m for admin, as well as securing the new burdens funding for the Building Safety Regulator and supporting FRAs on other new burdens that originate from other Government Departments. The Local Government Settlement and DLUHCs most recent announcement provides an increase in total core spending power, which we estimate to be c5% for standalone FRAs. In addition to the specific grants set out in this letter, the Department continues to support Fire and Rescue with a grant to the National Fire Chiefs Council (NFCC), which is in the process of being agreed for 2024/25.

Our attention now turns to the next SR and securing the best available settlement for Fire, with a particular focus on the capital needs of your sector and my officials will be working closely with NFCC Finance on the best way to evidence those requirements.

The Local Government Association (LGA) and the NFCC have made a commitment that during the ongoing SR period (2021/22 - 2024/25), the Fire and Rescue sector will improve productivity of its wholetime firefighters by 3% and create 2% of non-pay efficiency savings. The Home Office are continuing to work with the LGA and NFCC to support the sector in the attainment of these targets, through the Fire Productivity and Efficiency Forum. To gather evidence on how services are progressing against the agreed targets, Home Office will be asking that FRSs draft and publish Productivity and Efficiency Plans covering the 2024/25 financial year. Revised guidance on the drafting of plans will be sent to services shortly.

I hope that you find the information helpful. I look forward to working with you next year. My officials will ensure this letter is shared on Workplace.

Yours sincerely,

Sarah Gawley

Director, Fire, Events and Central Management Directorate Public Safety Group, Home Office



### Annex A: Fire Pensions Grant allocations 2024/25

Fire Service	4/25 SCAPE rate contribution (£)	Admin Contribution (£)	Total Allocation (£)
Avon Combined Fire and Rescue Authority	1,754,149.84	123,344.55	1,877,494.40
Bedfordshire Combined Fire Authority	1,131,368.97	79,553.18	1,210,922.15
Buckinghamshire Combined Fire Authority	1,034,330.91	72,729.87	1,107,060.77
Cambridgeshire Combined Fire Authority	1,029,197.88	72,368.93	1,101,566.81
Cheshire Combined Fire Authority	1,622,533.75	114,089.85	1,736,623.60
Cleveland Combined Fire Authority	1,059,058.18	74,468.59	1,133,526.76
Cornwall Fire	1,032,983.17	72,635.10	1,105,618.26
Cumbria Fire	994,622.08	69,937.71	1,064,559.79
Derbyshire Combined Fire Authority	1,509,896.83	106,169.69	1,616,066.53
Devon and Somerset Combined Fire Authority	3,323,472.80	233,692.84	3,557,165.65
Dorset and Wiltshire Combined Fire Authority	1,978,458.50	139,117.01	2,117,575.51
Durham Combined Fire Authority	1,136,099.14	79,885.79	1,215,984.93
East Sussex Combined Fire Authority	1,363,194.18	95,854.17	1,459,048.35
Essex Combined Fire Authority	2,619,320.34	184,179.76	2,803,500.10
Gloucester Fire	820,368.00	57,684.88	878,052.88
Greater Manchester Combined Authority	4,768,650.74	335,311.77	5,103,962.51
Hampshire and IoW Fire Authority	2,686,756.91	188,921.62	2,875,678.53
Hereford & Worcester Combined Fire Authority	1,132,628.22	79,641.73	1,212,269.95
Hertfordshire Fire	1,622,430.09	114,082.57	1,736,512.65
Humberside Combined Fire Authority	1,712,763.98	120,434.47	1,833,198.46
Kent Combined Fire Authority	2,756,870.21	193,851.70	2,950,721.91
Lancashire Combined Fire Authority	2,500,656.30	175,835.80	2,676,492.10
Leicestershire Combined Fire Authority	1,365,481.93	96,015.03	1,461,496.96
Lincolnshire Fire	1,055,789.44	74,238.74	1,130,028.19
London Fire Authority	15,033,100.90	1,057,065.40	16,090,166.30
Merseyside Fire Authority	2,182,877.57	153,490.91	2,336,368.48
Norfolk Fire	1,262,398.80	88,766.66	1,351,165.46
North Yorkshire Combined Fire Authority	1,336,080.15	93,947.62	1,430,027.78
Northamptonshire Fire Authority	974,028.26	68,489.63	1,042,517.90
Northumberland Fire	628,492.98	44,193.02	672,686.01
Nottinghamshire Combined Fire Authority	1,659,178.91	116,666.59	1,775,845.51
Oxfordshire Fire	1,060,659.59	74,581.19	1,135,240.78
Royal Berkshire Fire Authority	1,235,820.48	86,897.78	1,322,718.26
Scilly Fire	24,747.92	1,740.17	26,488.10
Shropshire Combined Fire Authority	849,309.32	59,719.91	909,029.23
South Yorkshire Fire Authority	2,031,688.37	142,859.91	2,174,548.28
Staffordshire Combined Fire Authority	1,243,437.90	87,433.40	1,330,871.31
Suffolk Fire	853,915.87	60,043.83	913,959.70
Surrey Fire	1,625,454.29	114,295.21	1,739,749.51
Tyne and Wear Fire Authority	1,995,103.29	140,287.40	2,135,390.69
W Sussex Fire	1,324,123.89	93,106.91	1,417,230.79
Warwickshire Fire	900,934.21	63,349.96	964,284.17
West Midlands Fire Authority	4,181,207.19	294,005.18	4,475,212.37
West Yorkshire Fire Authority	2,915,614.71	205,013.95	3,120,628.67
Total	85,329,257.00	6,000,000.00	91,329,257.00

Annex B – Protection Grant allocations 2024/25

Fire Service	Protection Grant (£)
Avon Combined Fire and Rescue Authority	330,374.40
Bedfordshire Combined Fire Authority	132,983.61
Buckinghamshire Combined Fire Authority	148,315.99
Cambridgeshire Combined Fire Authority	141,869.83
Cheshire Combined Fire Authority	144,564.84
Cleveland Combined Fire Authority	90,591.93
Cornwall Fire & Isles of Scilly	100,862.08
Cumbria Fire	116,121.63
Derbyshire Combined Fire Authority	112,734.66
Devon and Somerset Combined Fire Authority	244,207.13
Dorset and Wiltshire Combined Fire Authority	226,252.58
Durham Combined Fire Authority	94,816.53
East Sussex Combined Fire Authority	294,793.07
Essex Combined Fire Authority	214,343.58
Gloucester Fire	116,522.23
Greater Manchester Combined Authority	194,713.75
Hampshire and IoW Fire Authority	257,718.56
Hereford & Worcester Combined Fire Authority	146,203.69
Hertfordshire Fire	132,837.93
Humberside Combined Fire Authority	142,416.12
Kent Combined Fire Authority	332,814.47
Lancashire Combined Fire Authority	237,833.81
Leicestershire Combined Fire Authority	219,260.14
Lincolnshire Fire	125,044.27
London Fire Authority	2,534,377.32
Merseyside Fire Authority	341,518.60
Norfolk Fire	161,973.10
North Yorkshire Combined Fire Authority	242,131.25
Northamptonshire Fire Authority	103,994.11
Northumberland Fire	75,259.55
Nottinghamshire Combined Fire Authority	128,285.56
Oxfordshire Fire	252,073.62
Royal Berkshire Fire Authority	108,327.97
Shropshire Combined Fire Authority	89,208.01
South Yorkshire Fire Authority	196,680.38
Staffordshire Combined Fire Authority	100,643.57
Suffolk Fire	117,141.36
Surrey Fire	172,534.60
Tyne and Wear Fire Authority	178,689.41
W Sussex Fire	139,393.34
Warwickshire Fire	151,338.77
West Midlands Fire Authority	297,852.26
West Yorkshire Fire Authority	310,380.39
TOTAL	10,000,000.00

	New Dimensions
Fire Service	Grant (£)
Avon Combined Fire and Rescue Authority	897,605.19
Bedfordshire Combined Fire Authority	40,175.69
Buckinghamshire Combined Fire Authority	817,421.43
Cambridgeshire Combined Fire Authority	6,754.38
Cheshire Combined Fire Authority	6,754.38
Cleveland Combined Fire Authority	54,503.07
Cornwall Fire	27,430.07
Cumbria Fire	27,430.07
Derbyshire Combined Fire Authority	6,180.69
Devon and Somerset Combined Fire Authority	908,781.57
Dorset and Wiltshire Combined Fire Authority	7,328.07
Durham Combined Fire Authority	46,930.07
East Sussex Combined Fire Authority	33,930.07
Essex Combined Fire Authority	876,929.50
Gloucester Fire	56,828.07
Greater Manchester Combined Authority	106,938.14
Hampshire and IoW Fire Authority	940,869.88
Hereford & Worcester Combined Fire Authority	824,175.81
Hertfordshire Fire	56,254.38
Humberside Combined Fire Authority	67,183.76
Kent Combined Fire Authority	967,780.88
Lancashire Combined Fire Authority	824,175.81
Leicestershire Combined Fire Authority	850,675.12
Lincolnshire Fire	830,675.81
London Fire Authority	3,635,599.07
Merseyside Fire Authority	897,605.19
Norfolk Fire	851,351.50
North Yorkshire Combined Fire Authority	34,184.45
Northamptonshire Fire Authority	27,430.07
Northumberland Fire	6,754.38
Nottinghamshire Combined Fire Authority	26,828.07
Oxfordshire Fire	40,008.07
Royal Berkshire Fire Authority	33,930.07
Scilly Fire	11,487.00
Shropshire Combined Fire Authority	6,754.38
South Yorkshire Fire Authority	80,183.76
Staffordshire Combined Fire Authority	90,081.76
Suffolk Fire	21,249.38
Surrey Fire	40,581.76
Tyne and Wear Fire Authority	921,998.19
W Sussex Fire	20,647.38
Warwickshire Fire	26,856.38
West Midlands Fire Authority	897,605.19
West Yorkshire Fire Authority	947,605.19
TOTAL	17,902,453.15

# Annex C: Fire New Dimension Grant allocation in 2024/25

Fire Service	Firelink Grant (£)			
Avon Combined Fire and Rescue Authority	184,420.29			
Bedfordshire Combined Fire Authority	79,199.72			
Buckinghamshire Combined Fire Authority	115,234.47			
Cambridgeshire Combined Fire Authority	75,051.78			
Cheshire Combined Fire Authority	65,271.74			
Cleveland Combined Fire Authority	72,756.36			
Cornwall Fire	202,650.31			
Cumbria Fire	52,018.58			
Derbyshire Combined Fire Authority	83,426.52			
Devon and Somerset Combined Fire Authority	369,497.41			
Dorset and Wiltshire Combined Fire Authority	219,557.98			
Durham Combined Fire Authority	134,693.38			
East Sussex Combined Fire Authority	95,613.35			
Essex Combined Fire Authority	244,484.33			
Gloucester Fire	96,347.87			
Greater Manchester Combined Authority	93,760.45			
Hampshire and IoW Fire Authority	146,292.45			
Hereford & Worcester Combined Fire Authority	72,507.87			
Hertfordshire Fire	132,379.61			
Humberside Combined Fire Authority	48,071.48			
Kent Combined Fire Authority	236,769.11			
Lancashire Combined Fire Authority	99,927.65			
Leicestershire Combined Fire Authority	133,712.44			
Lincolnshire Fire	151,898.88			
London Fire Authority	402,417.59			
Merseyside Fire Authority	108,927.10			
Norfolk Fire	74,717.69			
North Yorkshire Combined Fire Authority	92,967.66			
Northamptonshire Fire Authority	119,807.27			
Northumberland Fire	76,131.24			
Nottinghamshire Combined Fire Authority	159,374.70			
Oxfordshire Fire	86,672.48			
Royal Berkshire Fire Authority	147,320.57			
Shropshire Combined Fire Authority	-			
South Yorkshire Fire Authority	88,556.93			
Staffordshire Combined Fire Authority	108,761.81			
Suffolk Fire	94,024.27			
Surrey Fire	171,276.86			
Tyne and Wear Fire Authority	103,595.06			
W Sussex Fire	175,163.34			
Warwickshire Fire	32,958.12			
West Midlands Fire Authority	115,353.43			
West Yorkshire Fire Authority	202,155.75			
TOTAL	5,565,725.93			

## Annex D – Firelink Grant allocations 2024/25

## Annex E - Grants Payment Schedule 2024/25

							Paym	ents (%)											
		Q1 24/25		Q2 24/25		Q3 24/25		Q4 24/25											
Grant	Amount	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar						
Pensions and admin	£91.3m			100															
Protection Uplift	£10.0m						50						50						
New Dimensions	£17.9m			25			25			25		25							
Firelink	£5.6m			25			25			25		25							