

## **Provisional Settlement Consultation Response**

### **Question 1: Do you agree with the government's proposals for the Settlement Funding Assessment, including payment of Revenue Support Grant and the basis of calculation of tariffs and top ups, in 2025-26?**

Yes. However, if the government does not amend its approach to minimum funding to at least protect grant funding in real terms, then Fire and Rescue Authorities (FRAs) should receive additional Settlement Funding Assessment to compensate.

### **Question 2: Do you agree with the government's proposals to roll grants into the local government finance settlement in 2025-26?**

Yes. The simplification of funding is a positive step however it is imperative that the quantum is protected in real terms and not subject to cuts in the future.

### **Question 3: Do you agree with the proposed package of council tax referendum principles for 2025-26?**

The £5 principle is strongly welcomed. It would be helpful if the Government were to set out its intentions regarding the future of council tax referendum principles, confirming that it also intends to maintain the £5 flexibility for FRA's in 2026-27 and 2027-28. Looking ahead, the presumption of maximum council tax use by authorities must end. Ideally, this would end immediately, and the Government would not assume maximum council tax flexibility usage in its Core Spending Power calculations. The consultation document states, "It is for individual authorities to determine whether to use the flexibilities, taking into consideration the pressures many households are facing," and the Policy Statement asserts that the principles "are not a cap, nor do they force councils to set taxes at the threshold level. The decisions on the level to set, or whether to hold a referendum to go beyond the referendum principle, sit squarely with local authorities." While theoretically true, these statements do not reflect reality. Regarding "they are not a cap," the cost of a council tax referendum is significant, and especially given the cost-of-living crisis, taxpayers are very unlikely to vote to pay more tax. Concerning "nor do they force councils to set taxes at the threshold level," while true, this becomes particularly challenging when grant funding is cut due to the Government's presumption of full flexibility usage. This system must end. Council tax should be properly devolved, not de facto set by central government. However, by assuming that all FRAs will utilise the £5 flexibility (and thus cutting grant funding), the Government has essentially centralised this decision-making process.

### **Question 4: Do you agree with the government's proposals to introduce the Recovery Grant for 2025-26?**

No. The government has provided no justification for why fire and rescue authorities were excluded from the Recovery Grant. The Provisional Settlement cuts grant funding to all standalone FRAs therefore it seems that FRAs are paying for part of the Recovery Grant package. High taxbase FRAs significantly benefit from the £5 principle, while low taxbase

FRA's such as this Authority were initially reassured by the introduction of a new Recovery Grant aimed at those with lower taxbases.

**Question 5: Do you agree with the Government's proposals on funding for social care as part of the local government finance settlement in 2024-25?**

Increased adult social care funding should not be delivered at the expense of FRA's budgets. Given that the Provisional Settlement cuts grant funding to all standalone FRA's, it is not clear that FRA's have avoided paying for part of the total social care package.

**Question 6: Do you agree with the government's proposal to allocate £250 million in a new Children's Social Care Prevention Grant to invest in family help?**

Increased children's social care funding and prevention must not be delivered at the expense of FRA's budgets. Given that the Provisional Settlement cuts grant funding to all standalone FRA's, it is not clear that FRA's have avoided paying for part of the total social care package.

**Question 7: Do you agree with the government's proposals for New Homes Bonus in 2025-26?**

No comment

**Question 8: Do you agree with the government's proposals to repurpose grants in order to target funding where it is needed most in 2025/26?**

The Authority cannot support these proposals, as they disproportionately impact fire and rescue services. While the move to a more simplified funding system for FRA's is welcome, the proposed cuts in government grants must be reversed. The removal of the Minimum Funding Guarantee represents a significant cut to government grant funding for fire and rescue services. Standalone Fire and Rescue Authorities (FRA's) constitute less than 3% of Core Spending Power but received 10% of the total Funding Guarantee grant in 2024-25. It appears that the Government has overlooked the effects of its proposals on FRA's. Whether through the reintroduction of the Funding Guarantee or other means, the Government should ensure that grant funding to FRA's is, at a minimum, protected in cash terms.

In addition, modelling indicates a likely significant disparity between the police and fire services regarding the increased National Insurance Contributions (NICs) compensation levels. The increase in cost for this Authority is in excess of £400,000 and the modelling of the distribution of the compensation grant suggests that there will be a significant shortfall in funding. The government must provide a justification for this disparity, and if the government cannot justify this disparity, NICs compensation for FRA's should be adjusted to align with that of the police.

**Question 9: Do you have any comments on the impact of the proposals outlined in this consultation document on persons who share a protected characteristic?**

One of the most significant demands on the public sector is an ageing population; for FRA's this is highlighted by the stark differences in fire-related deaths for different ages. Despite

the populations of people in England aged 24 or under and those aged 55 or over being similar, over 55s are more than seven times more likely to be die because of a fire (see ONS MYEs and FIRE0503 Home Office data). The previous government's 2021 Health and Social Care White Paper indicated the intent for more people in care to be able to live in their own homes and live as independently as possible. The intent behind this aim to ease pressure on the health and social care system is admirable, however, it will in turn generate greater risk from fire for people living at home in premises which may not be designed or adapted to suit their needs. Consequently, FRSs will need to undertake more home fire safety checks, and the number of dwellings occupied by people who are less likely to be able to put out a fire will increase, thus resulting in an increased risk to the occupants as well as firefighters. Whilst firefighters are being upskilled to undertake low level fire safety checks, firefighter numbers have declined 25% in the last 12 years and incident numbers are climbing after a period of decline. As operational pressures grow, this will reduce FRSs' ability to maintain the focus on prevention and protection activities, unless they are suitably funded.

**Question 10: Do you agree with the government's proposal to not extend the IFRS 9 statutory override beyond its current end date of 31 March 2025?**

No Comment