



Sent by Email to: LGFCorrespondence@levellingup.gov.uk

15 January 2024

Provisional Local Government Finance Settlement 2024 to 2025

Dear LGF Settlement Team,

This letter represents the response from Buckinghamshire & Milton Keynes Fire Authority (BFRS) to the Provisional 2024-25 Local Government Finance Settlement. The Authority also refers the DLUHC to the response from the National Fire Chiefs Council (NFCC).

SUMMARY

The Authority's response to the Provisional Settlement can be summarised as follows:

1. **The Authority is disappointed that the £5 council tax referendum principle has not been applied and strongly urges the Government to reconsider.** BFRS has one of the lowest Band D council tax precepts of any fire and rescue service and is therefore disproportionately disadvantaged by referendum thresholds being expressed in percentage terms. Our Band D charge of £77.16 is lower than the average parish council precept of £79.35, and yet parish councils are not subject to any referendum principles.
2. **The 84% reduction in Services Grant far exceeds FRAs' forecasts and means that settlement funding is reducing in real terms.** Using the Services Grant to pay for Revenue Support Grant (RSG) is a funding cut. It was understood that the Services Grant was being set aside for local government funding reforms. If this is not the case, then it ought to have been rolled into Settlement Funding Assessment and protected in real terms.
3. **31 FRAs hit the 3% Funding Guarantee threshold, compared to five in 2023-24.** This lower grant increase combines with a lower council tax limit, despite similar inflationary pressures.
4. **FRAs will see the lowest increase in core spending power (CSP) by class at just 4.6% without changes to the final settlement.**

RESPONSE TO CONSULTATION QUESTIONS

Question 1: Do you agree with the Government's proposed methodology for the distribution of the Revenue Support Grant in 2024-25?

No, the Government has claimed to have protected RSG in real terms, but this has been done through a reduction in Services Grant. It is of utmost importance that core funding is protected in real terms and this should be set out as a principle of local funding and should never be in doubt.

Question 2: Do you agree with the Government's proposals to roll grants into the local government finance settlement in 2024-25?

Yes, the Authority is glad to see that calls for the transfer of the Fire Pensions Grant into FRAs' baseline funding (thus reducing the associated uncertainty which existed) have been heard. This

(as well as settlement funding more generally) must be fully protected in real-terms as BFRS's forecast reserves would very quickly run out should this funding stream ever cease. Furthermore, for the same reason it is imperative that pension funding announced for 2024-25 is rolled in as part of next year's settlement.

Question 3: Do you agree with the proposed package of council tax referendum principles for 2024-25?

No, the 3% referendum principles alongside grant cuts mean that FRAs will be unable to meet inflationary pressures. For 2023-24, FRAs' council tax referendum principles were £5, a principle that should remain in place. Although settlement funding was increased by September CPI, council tax makes up the largest share of our funding and (excluding the one-off funding guarantee) our core spending power only increased 4.3% compared to the September CPI figure of 6.7%. This represents a significant real-terms cut in funding at a time when independent inspectors have already expressed concerns about how lean the Service is.

Question 4: Do you agree with the Government's proposals to maintain the Funding Guarantee for 2024-25?

The Authority supports the principle of recognising that all local authorities / FRAs face inflationary pressures and, therefore, a percentage guarantee makes sense. Given the cuts to other grants, the funding guarantee is a vital protection for the overwhelming majority of FRAs. However, it would not be required if the rest of the settlement was funded properly. This funding cannot however be relied upon beyond this year, making planning more difficult, especially in the absence of a multi-year settlement.

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?

As a Combined Fire Authority, this is not relevant for us.

Question 6: Do you agree with the Government's proposals for New Homes Bonus in 2024-25?

As a Combined Fire Authority, this is not relevant for us.

Question 7: Do you agree with the Government's proposals for Rural Services Delivery Grant in 2024-25?

As a Combined Fire Authority that does not benefit from RSDG, this is not relevant for us.

Question 8: Do you agree with the Government's proposals for Services Grant in 2024-25?

No, the 84% reduction in Services Grant far exceeds what we thought was an extremely prudent forecast of a 50% reduction and means that settlement funding is reducing in real terms. Using the Services Grant to pay for RSG increases is a funding cut. It was understood that the Services Grant was being set aside for local government funding reforms. If this is not the case, then it ought to have been rolled into Settlement Funding Assessment and protected in real terms. The proposed funding cut means that even utilising the maximum referendum-free council tax precepts will not be enough to even keep up with inflation.

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? Please provide evidence to support your comments.

No further comments.

FINAL REMARKS

BFRS has one of the lowest Band D council tax precepts of any fire and rescue service and is disproportionately disadvantaged by referendum thresholds being expressed in percentage terms.

Our Band D charge of £77.16 is lower than the average parish council precept of £79.35, and yet parish councils are not subject to any referendum principles.

Given how lean our current funding levels are it is vitally important that BFRS's funding is protected in real terms and in that regard the Authority is extremely concerned that the £5 council tax referendum principle has not been applied and strongly urges the Government to reconsider.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Louise Harrison'.

Louise Harrison
Chief Fire Officer/Chief Executive
Buckinghamshire & Milton Keynes Fire Authority