



Home Office

Rt Hon Mike Penning MP
Minister for Policing, Fire,
Criminal Justice and Victims

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www.gov.uk/home-office

24 May, 2016

Dear Fire Authority Chair,

Fire and Rescue Authorities' Efficiency Plans

As announced last year, the Government is offering single purpose Fire and Rescue Authorities firm four-year funding allocations to 2019-20 in return for robust and transparent efficiency plans. This will provide funding certainty and stability to enable more proactive planning of service delivery and to support strategic collaboration with local partners.

I am offering flexibility to Fire and Rescue Authorities on the format of your efficiency plans, but it is important that they should be locally-owned and published in a way which allows for transparency and progress to be scrutinised by local people.

I have set out some requirements for applying to accept this offer in the attached annex. It remains open to any Fire and Rescue Authority not to apply, and to continue to work on the basis of year-by-year funding allocations.

If you wish to take up the offer of a firm four-year funding allocation to 2019-20 please email Firefunding@homeoffice.gsi.gov.uk by **5pm on Friday 14 October 2016** and include a link to your published efficiency plan. Please be aware that we reserve the right to publish such plans to enable greater transparency if needed. We will of course inform you if we intend to do so.

To assist us with the easy identification of key information on forecast income and savings, a simple template will be provided shortly which should be completed and returned to my officials. For further enquiries please contact harsha.thaker1@homeoffice.gsi.gov.uk in the Fire Strategy and Reform Unit.

I look forward to hearing from you if you would like to take up the offer.

Rt Hon Mike Penning MP

Annex

Conditions of the multi-year settlement

The Home Office will offer any Fire and Rescue Authority a four-year funding settlement to 2019-20, in return for a robust, transparent and locally owned efficiency plan.

Each efficiency plan should:-

- be published and easily accessible to the public on the fire and rescue authority's website, clearly stating what it contains;
- include the full 4 year period to 2019-20, and be open and transparent about the benefits the plan will bring to both the fire and rescue authority and the local community;
- demonstrate the level of cashable and non-cashable savings you expect to achieve through the Spending Review period, the timetable for delivery, and key risks and mitigation strategies;
- include the approach to increasing collaboration, including with the police and local public sector partners and in relation to procurement;
- demonstrate how more flexible working practices will be achieved, including more effective utilisation of retained firefighters;
- include a commitment to the publication of transparent performance information;
- include a clear strategy for the use of reserves; and
- include a commitment to publishing annual reports on the progress of the efficiency plan alongside the fire and rescue authority's statutory assurance statement, enabling local people to scrutinise progress.

Efficiency plans do not need to be a separate document. They can be combined with Medium Term Financial Strategies or the strategy set out in the guidance (<https://www.gov.uk/government/publications/guidance-on-flexible-use-of-capital-receipts>) on how you intend to make the most of capital receipt flexibilities if appropriate.

The Government is making a clear commitment to provide minimum allocations for each year of the Spending Review period, should authorities choose to accept this offer.

We reserve the right to publish efficiency plans.

Process for applying for the offer

Interest in accepting this offer will only be considered if a link to a published efficiency plan is received by 5pm Friday 14th October. We will provide confirmation of the offer shortly after the deadline.

Process for those who do not take up the offer

Those Fire and Rescue Authorities that choose not to accept the offer will be subject to the existing yearly process for determining the local government finance settlement. Allocations could be subject to additional reductions dependant on the fiscal climate and the need to make further savings to reduce the deficit.