LONDON FIRE BRIGADE

LFC-26-099

LFC Budget Submission 2027-28

Report to:	**Date:**
Investment & Finance Board	03 November 2026
Commissioners Board	11 November 2026
Fire Board	01 December 2026
Audit Committee	02 December 2026
London Fire Commissioner	

Report by:
David O'Sullivan – Head of Strategic Finance

Report classification:
For decision

For publication

Values met
Service
Integrity
Teamwork
Equity
Courage
Learning

I agree the recommended decision below.

Jonathan Smith
London Fire Commissioner

Date **This decision was remotely signed on 20 November 2026**

PART ONE -
Non-confidential facts and advice to the decision-maker

Executive Summary

The Mayor has written to the London Fire Commissioner (LFC) to consult the LFC before preparing his draft Component Budget for the LFC for 2027-28. The Mayor is proposing to provide funding of £591.3 million for the LFC in that year.

This report sets out the LFC's Budget Submission to the Mayor that will meet that financial requirement. This LFC budget submission to the Mayor is required by 23 November 2026 in line with the Mayor's Budget Guidance issued on 30 June 2026.

Due to cuts made in the early to mid-2010s, real terms resourcing for the London Fire Brigade (LFB) has not kept pace with growing risks and demands over time. The LFB continues to ensure it is productively using available resources, evidenced by significant efficiency savings delivered in recent years and benchmarking with other Fire & Rescue Services in England and with relevant global comparators. In the context of an increasingly challenging risk environment and financial pressures, including the significant adverse impacts of the Iran War (impacting on fuel costs and other inflation, pay and borrowing costs) and operational demands due to extreme hot weather, this report presents the LFB's potential financing requirement in 2027-28 based on current planned investments, savings and economic assumptions. The current forecast budget gap for 2027-28 is £17.9m, which will need to be balanced by the time of the final budget in March 2027.

With support from the Mayor, the LFC has requested additional support from central government in three areas: an annual ongoing central government grant of £9–10m, indexed to inflation, reflecting London's status as the capital and its heightened exposure to terrorism and hostile state activity; financial support for the costs of extra overtime this year to deal with the weather-related demands in London and supporting fire services nationally; and, in anticipation of weather conditions next summer, LFB also needs to accelerate plans to invest in specialist lightweight PPE for frontline firefighters suitable for wildfire response.

On 23 October 2026, the Prime Minister announced[1] funding for PPE suitable for wildfires for the fire sector; further details, including the LFB allocation, are awaited. The Ministry of Housing, Communities & Local Government (MHCLG) has also recently confirmed the launch of their Wildfire Fund 2026, with an overall funding pot of £5 million, to support fire and rescue services with specified exceptional additional costs incurred in responding to eligible wildfires in England during 2026. The LFC is continuing to make the case to government for funding relating to national security and welcomes the support from the London Assembly's Fire Committee[2] who wrote to Ministers on 27 October 2026.

The LFC is committed to protecting frontline delivery and regulatory capabilities to ensure the Brigade remains trusted to serve and protect London at a time of unprecedented risks, but this requires appropriate funding. The final March 2027-28 Budget Report will consider factors including the allocation of any additional central government support, the Local Government Finance Settlement and potentially revised funding allocations from the GLA if funding assumptions change such as the overall Council Tax base and for Business Rates. It will also reflect the financial impact of the revaluation of the Firefighters' Pensions Scheme, which remains uncertain at the time of producing this budget submission.

[1] Military planes and helicopters to fight wildfires from the sky - GOV.UK
[2] Fire Committee letter to the Secretary of State for Housing, Communities and Local Government | London City Hall

Recommended decisions

For the London Fire Commissioner

That the London Fire Commissioner approves:

1. The Budget Submission for 2027-28 to the Mayor that includes:

a. A draft Medium-Term Financial Strategy (MTFS) covering the period to 2029-30 at Appendix 2

b. Savings of £4.7m million in 2027-28, as set out in paragraph 4.31 and appendices 3 and 4.

c. Departmental Investment proposals of £9.0 million in 2027-28 as set out in Appendix 5.

d. A draft 20-year Capital Strategy together with a detailed four-year capital plan at Appendix 8.

e. A draft Reserves Strategy at Appendix 9.

f. A draft covering letter at Appendix 12 for consultation with the Fire Committee.

1 Introduction and background

1.1 LFB protects and serves more than nine million Londoners over 607 square miles in one of the world's most diverse cities, where more than 300 languages are spoken and in the region of 1.2 million disabled people live. Over the last year, LFB received over 260,000 calls and attended over 148,000 incidents, around a quarter of all calls to fire and rescue services nationally and tackled around 16,000 fires. London is a major high-rise city, with more than 8,000 high-rise buildings, around 65% of all those in England. London also has over 500 'high-risk' sites including government buildings, critical infrastructure, Control of Major Accident Hazard sites and finance hubs.

1.2 Following the tragic fire at Grenfell Tower in 2017, LFB went through a period of transformation to better serve our communities, and to earn the right to be trusted to serve and protect London. The November 2024 report by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) clearly set out LFB's trajectory of improvement and at the time of writing this report the LFB is undergoing another inspection. LFB was also the first organisation to complete all recommendations directed towards it by Phase One of the Grenfell Tower Inquiry (GTI) and has subsequently completed all the actions required of it in response to the GTI Phase 2 recommendations. This improvement demonstrates that investment in the LFB delivers significant positive results, for the benefit of the public.

1.3 The risk environment that London Fire Brigade is operating within now is unprecedented in terms of the varied nature of threats. This includes:

- Built environment – we still have over 1,600 buildings with a changed evacuation strategy due to building safety issues and that doesn't account for all the other types of buildings we are responsible for.

- Terrorism and geo-political impacts – which are specifically associated with the heightened risk of London's status as the capital of the UK and as a global city, and which has only increased since the conflict in the Middle East began (evidenced by incidents in North-West London for example). The LFC has made the case to government that it is untenable for LFB to continue to absorb substantial costs without receiving a specific grant allocation that reflects the additional responsibility on the Brigade for servicing a unique operating environment in London.

- Climate Change – the frequency and scale is increasing, including wildfires. LFB experienced one of the busiest summers in its history, with firefighters attending more than 55,000 incidents and Control Officers taking around 100,000 emergency calls between May and August 2026. Average daily call volumes in August 2026 were 49 per cent higher than in the previous three years.

- Technology – The pace of technological change is remarkable and comes with challenges of understanding how we adapt to promote the safe use of innovative technology, whether that is e-bikes, e-cars, or battery storage systems. Additionally, all organisations are facing rapidly evolving risk related to cyber security and Artificial Intelligence (AI).

1.4 This all points to the fact that firefighting today is an extraordinarily complex and multi-faceted role and therefore continued investment is required to manage these risks, including in operational training and appropriate equipment.

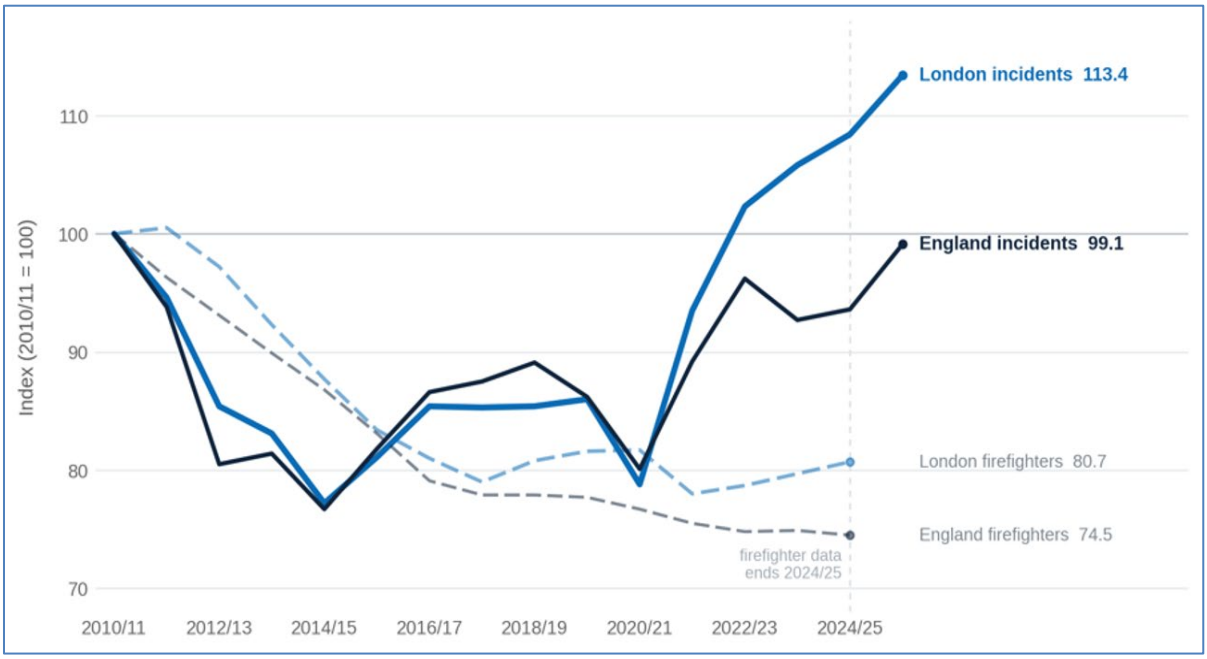
1.5 This is set against the context of a real term's reduction in the annual funding to the LFB in excess of £146 million when compared against funding in 2010 uplifted for inflation. This is despite the current Mayor providing support over and above indicative central government funding and is the result of cuts made in the early to mid-2010s.

2 Increasing Demand on the London Fire Brigade

2.1 In the 2010s, fire and rescue services (FRS) experienced a reduction in operational demand. This coincided with major funding reductions across the country. Between 2010-11 and 2024-25 the number of firefighters in England fell from 41,072 to 30,601 full-time equivalent, a reduction of 10,471 or 25.5 per cent. In London, firefighter numbers fell from 5,783 to 4,667 over the same period, a reduction of 19.3 per cent.

2.2 However, the fall in operational demand did not continue throughout the whole of the 2010s, and since 2020 there has been a reversal of this trend, with calls and incident numbers significantly increasing. London has seen a far greater rise in demand than the England average. Across England, this significant demand shift has not been matched with corresponding increases in resourcing or firefighter numbers. Figure 1 below shows that London's incident volumes have increased 13.4 per cent against the base level of 2010-11, which needs to be considered against the £146 million per annum reduction in funding over this period. While the figure for England is also on an upward trajectory, it remains marginally below where it started fifteen years ago.

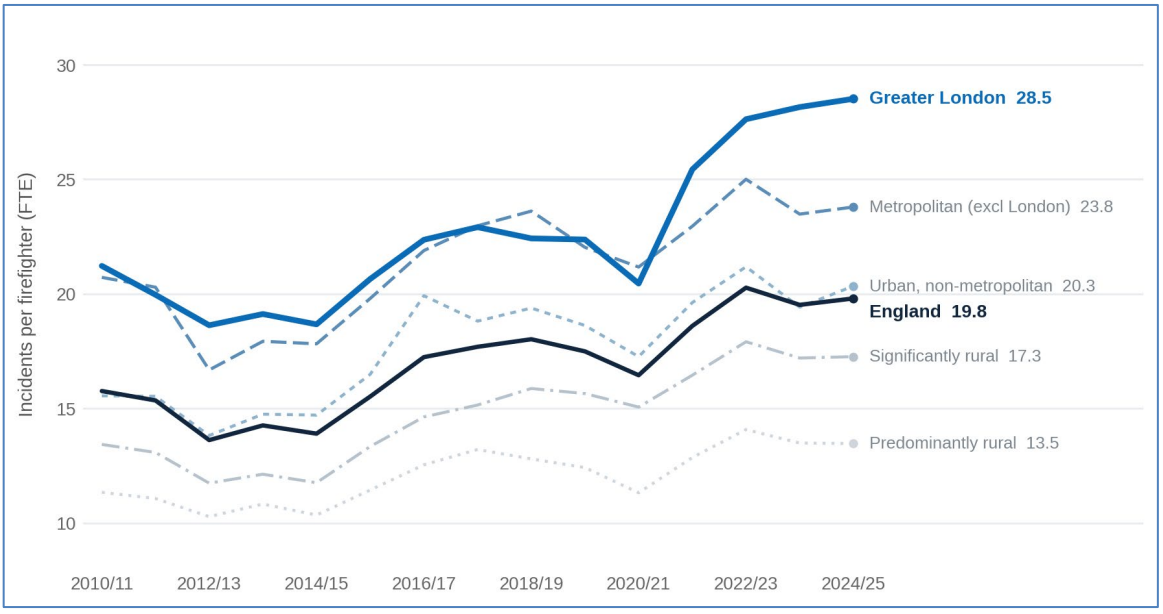
Figure 1: Change in incidents and firefighter numbers since 2010/11, indexed so that 2010/11 = 100 for each line. Incidents run to 2025/26; firefighter numbers are only published to 2024/25.



(Prepared from Home Office Fire Statistics and ONS population estimates)

2.3 Thanks to investment from the Mayor of London, London has reduced its establishment less than the rest of the country since 2010-11. However, London firefighters are still facing an increasing workload compared to the rest of the country due to extraordinary increases in demand in comparison to the rest of England.

Figure 2: Total incidents attended per firefighter, financial years 2010/11 to 2024/25 (FTE)



(Prepared from Home Office Fire Statistics and ONS population estimates)

2.4 Figure 2 above shows that LFB absorbs more operational demand per firefighter than almost any other fire and rescue service in England. London is second of the 44 English fire and rescue authorities for

incidents attended per firefighter, at 28.5 against 19.8 for England (so 44 per cent above the national average). Only Tyne and Wear is higher. The position has deteriorated sharply and recently. London's ratio rose from 20.4 to 28.5 between 2020-21 and 2024-25 — a 40 per cent increase in four years, against 20 per cent across England.

3 Budget Development Process

3.1 The Final LFC Budget report for 2026-27 set out a balanced budget after making sizeable savings of £6.2 million and receiving additional funding from the Mayor. The 2026-27 budget report then went on to set out a budget gap of £10.1 million in following year for 2027-28, in large part (£8.3 million) due to the fact that funding for the Modern Firefighting Programme was only confirmed for 2026-27 and was to be revisited for the 2027-28 budget as plans for Phase 2 of the programme were to be further developed. This report sets out current plans for the LFC budget for 2027-28, for submission to the Mayor.

3.2 The Mayor's Budget Guidance for 2027-28 for the Greater London Authority (GLA) and the functional bodies was issued on 30 June 2026. The Guidance sets out the Mayor's key policy priorities to be reflected in future years' budgets, the proposed funding levels he intends to provide for each functional body, the financial context and the planned timetable for budget preparation for the GLA Group.

3.3 In his Budget Guidance the Mayor has used indicative funding levels from retained business rates, council tax precept income and Group wide reserves to determine the total funding he plans to provide to each functional body, including the LFC, from the resources under his control.

3.4 The Mayor then set out funding totals for each functional body, which are all based on a prudent, but not worst-case, assessment of council tax and business rates income. This assessment assumes a 2 per cent increase in business rates in line with inflation, a 3 per cent increase in council tax precept and an increase in the council tax base of 1.15 per cent in 2027-28.

3.5 Under the Greater London Authority Act 1999, the Mayor must consult the functional bodies before proposing a Component Budget for consultation. The Mayor has now written to the Deputy Mayor for Planning, Regeneration and the Fire Service (Appendix 1) to confirm the amounts as set out in his Budget Guidance, which are for proposed funding levels for 2027-28 of £591.3 million, 2028-29 of £619.0 million, and 2029-30 of £647.9 million.

3.6 This year's budget planning process took place in an incredibly challenging and uncertain public finance context, which is impacting the fire sector and GLA group. In particular, two major external events have added to resource pressures: the Iran War, impacting operational pressure, fuel costs, contract inflation, pay and borrowing costs; and extreme hot weather, impacting operational resources (primarily through overtime) and need to accelerate lightweight PPE ahead of next summer's hot weather.

3.7 There has been a strong focus on prioritising our finite resources towards areas of highest risk (taking into account the Community Risk Management Plan and the latest annual Assessment of Risk), operational demands and essential systems, and ensuring we continue our journey of improvement in our operations and culture.

3.8 LFB reviewed departmental investment of core services and savings proposals, and previous assumptions made in the Medium-Term Financial Strategy (MTFS). These proposals were reviewed at scrutiny meetings involving Directors and the Commissioner and consultation with the Deputy Mayor for Planning, Regeneration and the Fire Service.

3.9 There have been various constructive challenge sessions in the process culminating in two Commissioner Budget Scrutiny Meetings as part of the wider budget process. Given the overall financial challenges faced by LFB, the essential funding requirement for all programmes alongside business-as-usual functions were carefully considered and prioritised.

3.10 The MTFS (Appendix 2) shows the forecast estimates of income and expenditure for the next financial

year and the following two financial years to 2029-30. Budget deficits for those years are highlighted.

3.11 As set out in this budget submission, given the financial constraints, new investments have been kept to a minimum wherever possible (without compromising the safety of London) and further savings have been identified whilst protecting our frontline delivery and regulatory capabilities. Savings and investment proposals are set out in Appendices 3 to 7, respectively. There currently remains a budgetary gap that requires financing (additional income and/or savings) before the Mayor's final budget is agreed. This budget gap is predominantly as a result of external pressures - the impact of the Iran War on inflation and pay, extreme hot weather – as well as additional spend on training as outlined below.

3.12 The development of LFB's revenue budget and capital programme will continue during the Mayor's budget cycle, which concludes in February 2027. LFB will agree a final revenue budget and capital programme for 2027-28 in March 2027.

3.13 This report forms the proposed full draft Budget Submission to the Mayor, including the additional tables attached at Appendix 13. The Mayor has set a deadline to LFB of 23 November 2026 to provide the GLA group budget submission. If approved, this draft budget will form the basis for the LFB submission.

3.14 The Mayor has requested that LFC integrates its Capital Spending Plans and Revenue Budgets into one overall Budget Submission. To meet this requirement, the LFC's capital expenditure is set out in section 4 and Appendix 8. The Fire sector was unsuccessful in receiving any capital allocations in the government's last Spending Review. That means capital investment must be funded from borrowing. The conflict in the Middle East has led to increased costs and risks associated with this borrowing.

3.15 Under the Prudential Code of Practice, the LFC is required to formulate a longer-term Capital Strategy, and this is included at Appendix 8.

3.16 Table 1 below sets out a provisional timetable for the remainder of the budget process.

Table 1: Timetable for the remainder of the Budget Process

Date	Action / Deadline
23 November 2026	External publication of Consultation Budget 2027-28 and documents returned to GLA to incorporate into wider Mayoral Consultation Budget
2 December 2026	Budget & Performance Committee. Attendance by LFC, Deputy Mayor and Director of Corporate Services
February 2027	GLA Wide Mayoral Budget Consultation period ends, and GLA wide budget approved and published
By 31 March 2027	Final 2027-28 Budget to have LFC decision and externally published

4 Mayor's Consultation Letter / Budget Guidance

4.1 Each year the Mayor publishes a Budget Guidance document to set out the framework under which the GLA and the functional bodies, including LFB, are required to prepare their budgets for the next financial year.

4.2 The Mayor then issued a consultation letter to the Deputy Mayor on 9 November 2026. The purpose of this letter is to consult the Deputy Mayor and clarify the requirements for the LFC's budget submission before preparing a draft component budget for 2027-28. A copy of the letter can be found in Appendix 1.

4.3 In his consultation letter the Mayor has set out funding for the LFC of £591.3 million in 2027-28, which is in line with revenue funding totals as set out in his Budget Guidance issued on 30 June 2026 and represents an increase (in cash terms) of £17.7 million from the funding levels provided in 2026-27. The

letter sets out funding of £619.0 million in 2028-29, and of £647.9 million in 2029-30, which is also in line with the total in the Mayor's Budget Guidance.

5 Medium-Term Financial Plan

5.1 The final March 2026-27 Budget Report (LFC26-021) set out the agreed budget for the 2026-27 financial year and included two further years to support financial planning (2027-28 and 2028-29), as required by the Mayor in his Budget Guidance for that year. That report set out a balanced budget in 2026-27 based on assumptions at the time and a forecast budget gap of £10.1 million in 2027-28. The estimates have been kept under review taking account of financial performance during 2026-27, and an updated position is set out at Appendix 2.

5.2 The table below shows that based on the latest assumptions there remains an additional financing requirement of £17.9 million in 2027-28 which will need to be addressed before the budget is finalised by March 2027. It should be noted that the financing requirement of £17.9 million is being largely driving by exceptional pressures outside LFBs control, namely the 2026/27 national pay award, inflationary pressures including the impact of the Iran war, extreme hot weather and Modern Firefighting Programme spend.

5.3 In making the saving and investments proposals in Table 2 below, consideration has been given to the LFC's strategic objectives and Value for Money (VfM), including:

- The number of fire stations, appliances and firefighters are not reduced.
- There are no reductions in regulatory capabilities.
- Delivery of the Community Risk Management Plan (CRMP) and considering the annual Assessment of Risk.
- An adequate training offer to keep pace with the evolving risk environment in London.
- Appropriate investment continues to be made in improvement activity, including culture change.
- Resources are available to meet the recommendations arising from both the Grenfell Tower and Manchester Arena Inquiries and improvement plans from the HMICRFS inspections.
- Adequate investment in core infrastructure is maintained.
- Appropriate resources are set aside to deliver key strategies and priorities.
- Earmarked reserves will be maintained for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed at least annually.
- The General Fund balance will be maintained at a sustainable level.
- Opportunities for efficiencies and innovative and modern ways of working will be adopted as far as possible.

Table 2: Budget Position for the LFC

	2027-28 £'000	2028-29 £'000	2029-30 £'000
Net Expenditure – Opening Position	**10,800**	**(5,900)**	**(10,350)**
2026 Pay Award – 0.8% impact above budget	3,900	3,900	3,900
2027 Pay Award – further 1% assumption to 3%	3,910	4,800	4,800
Update to GLA Funding	(700)	(1,100)	(2,500)
2027-28 Changes to Existing Investments	(4,310)	(4,310)	(4,310)
2027-28 New Investments	8,954	8,550	9,227
2027-28 Changes to Existing Savings	1,500	1,500	1,500
2027-28 New Savings	(2,261)	(2,261)	(2,261)
2027-28 New Inflation	3,330	3,530	3,530
2027-28 New Central Adjustment	557	8,011	15,266
2027-28 Change to Existing Reserve Assumptions	(3,000)	0	0
2027-28 New General Fund Draw	(2,600)	0	0
2027-28 New Earmarked Reserve Draw	(1,500)	0	0
Top-Up General Fund in line with increased funding	0	1,000	1,000
Net Expenditure – November Budget Submission	**17,860**	**17,721**	**19,802**

5.4 Additional detail on the proposed savings, investments, and changes to inflation / central adjustments are set out in appendices 4, 5 and 6 respectively.

5.5 It should be noted that the additional investment of £9.0 million in 2027-28 includes £2.6 million for additional lightweight Personal Protective Equipment (PPE) reflecting the challenges faced by the LFB during the summer heatwaves. The investment also includes £3.3 million for new workwear, and £0.5 million for training PPE.

Staff Pay

5.6 National and local negotiations around pay, including through the National Joint Council (NJC) for operational staff, will be key determinants of the pay award. LFB has a standard planning assumption of 2 per cent for pay awards for all staff based on government targets for Consumer Price Index (CPI). However, due to the current high levels of inflation and the expectation of this persisting into next year (based on the October forecast from the Office for Budget Responsibility and Bank of England's Monetary Policy Report on 5 November 2026) this has been uplifted to 3 per cent in 2027-28, before falling back to 2 per cent in 2028-29 and 2029-30. Any increase or decrease on this position would see a corresponding risk or opportunity in the overall context of the budget position. Each 1 per cent change in pay is equivalent to around £4.8 million in annually recurring cost (full year) for all staff groups.

Consideration against the Assessment of Risk 2026

5.7 The LFB published its updated assessment of risk for 2026[3] Some of the principal insights identified through this year's multi-layered analysis includes the following, which inform the Brigade's approach to risk management, policies, plans, resourcing and training:

- The current geopolitical climate has heightened anxiety within some communities regarding malicious acts, including terrorism.
- The requirement to deliver rescue in a broader range of incidents may lead to increased demand.
- The rapid adoption of new fuels, technologies and modern construction methods continues to reshape risk in the built environment at a pace that often exceeds the speed of regulatory development and oversight.
- There remains a credible risk of resource depletion during prolonged extreme-weather events, such as extended periods of extreme heat or significant flooding.
- The Brigade's operating environment is inherently complex, and it is plausible that multiple major events could occur concurrently, for example, a protracted high-rise fire, extreme climate conditions, and a civil disturbance.
- Scenarios developed up to the planning horizon of 2030 indicate LFB may be required, within this timeframe, to deliver wider civil resilience, national resilience arrangements or support Home Defence.

5.8 In addition to providing a world class emergency response capability, our investment needs to fund an integrated, holistic approach to risk reduction. Our work to engage the public is vital if we are to secure and maintain their trust; without it, we are unable to educate and effect behavioural change. Our campaigning to improve regulation of the built environment and to highlight the risks associated with lithium-ion batteries is vital to informing public policy and has helped shape legislation during the current Parliament.

Economic and social value of Fire and Rescue Services

5.9 National research to quantify the impact of our work is maturing. A report by the National Fire Chiefs Council (NFCC) and Nottingham Trent University in 2023 assessed the "Economic and Social Value of UK Fire and Rescue Services", using data from 2018-19: Economic and Social Value of the UKFRS – NFCC. This includes the economic and social value of FRS responses to fire incidents, non-fire incidents and prevention and protection work.

5.10 The current net expenditure for the FRSs in the UK in 2018-19 was £2.55 billion (sourced from Annual Reports). Applying this to the 2018-19 benefit estimate calculated in the report of £14.88 billion, then an overall return of investment of 5.84:1 is estimated. That is, for every £1 that is invested in Fire & Rescue Services, economic and social benefits valued at £5.84 are returned.

Budget Process 2027-28 Core Themes

5.11 As discussed above, the budget process has focussed on arising pressures including from the Iran War and climate change. LFB also continues to look at opportunities for efficiencies and productivity improvements.

5.12 The investments required for 2027-28 following review and revision as part of the various scrutiny processes as described earlier in this report can be found in appendix 6.

[3] https://www.london-fire.gov.uk/media/lb3nxgra/lfc-26-038-assessment-of-risk-for-london-2026-combined-for-publishing.pdf

Personal Protective Equipment (PPE)

5.13 The LFB's investment for 2027-28 include additional investment for PPE in two areas. The first is to increase the standard firefighter PPE entitlement from two sets to three sets per firefighter through the provision of an additional hybrid PPE garment suitable for both structural firefighting and wildfire incidents.

5.14 The proposal responds to increasing demand on the Brigade's PPE provision, including a significant increase in emergency PPE deliveries and growing operational pressures during periods of higher temperatures, severe weather and national resilience deployments. The additional PPE set will improve operational resilience, reduce reliance on emergency deliveries, and ensure firefighters continue to have access to clean and serviceable PPE. On 23 October 2026, the Prime Minister announced[4] a package of funding of up to £45 million which included PPE suitable for wildfires for the fire sector; further details, including the LFB allocation, are awaited. For the purposes of this budget document, a reasonable estimate has been made of the grant income to LFB that would cover costs in 2027-28 and 2028-29; this will be reviewed in time for the final budget in March 2027.

5.15 The second item of investment relates to PPE to support firefighter training. The LFB does not currently have a contracted, sustainable supply of dedicated PPE sufficient to support planned firefighter acquisition and maintenance-of-competence training. The current PPE arrangement was designed principally for operational requirements and has relied on temporary measures, supplier support and the diversion or repurposing of stock to sustain training demand. PPE exposed during live-fire activity needs to be removed, decontaminated and replaced before further use. This increases the number of clean sets needed across Real Fire Training and other high-risk training and makes PPE availability dependent on stock levels, size availability, laundry turnaround, losses, damage and course overlap. Without a sustainable training stock, LFB faces a material risk of course disruption, reduced training throughput, delayed firefighter development, pressure on operational PPE and weakened assurance that planned acquisition and maintenance activity can be delivered.

Modern Firefighting & Training

5.16 As part of previous budget reports, LFB made a continued commitment to improve standards of Firefighter training to ensure it was at a level at which all Firefighters are well prepared for any potential incidents.

5.17 Specifically in response to the Grenfell Tower Fire, Manchester Arena Attack, numerous terrorist attacks in London, wildfire/climate change challenges and new and emerging technologies creating additional complexity, the need for this significant investment was critical for LFB to manage the risk over the short, medium, and longer term.

5.18 To invest at pace, LFB agreed to fund the investment in Modern Firefighting & Training from the Fire Safety Improvement reserve for the first two years of its inception until the end of 2025-26. The Mayor then provided further one-off funding in 2026-27 of £5 million to meet the cost in that year, with future sustainable funding to be revisited once Phase 2 of the strategy was developed further. The proposals in this submission set out the funding requirement over the medium term. In last year's budget we had provisionally estimated £8.3 million per annum for this requirement from 2027-28. The Phase 2 proposals have now been further developed (including reviewing the sequencing of training and a more cost-effective delivery model) have reduced this funding requirement substantially to £4 million per annum from 2027-28.

Departmental Investment

5.19 As part of the current year's budget process, all investments were scrutinised and prioritised to try and minimise the budget gap whilst ensuring essential investment could be taken forward. See Appendix 5 for investments that are supported for 2027-28.

[4] Military planes and helicopters to fight wildfires from the sky - GOV.UK

Pension Valuations

5.20 An actuarial valuation of the firefighter pension scheme is currently under way and may impact employer contribution rates from April 2027. Once the outcome of that valuation is known, any implications will be part of the final LFC Budget Report in March 2027, as necessary.

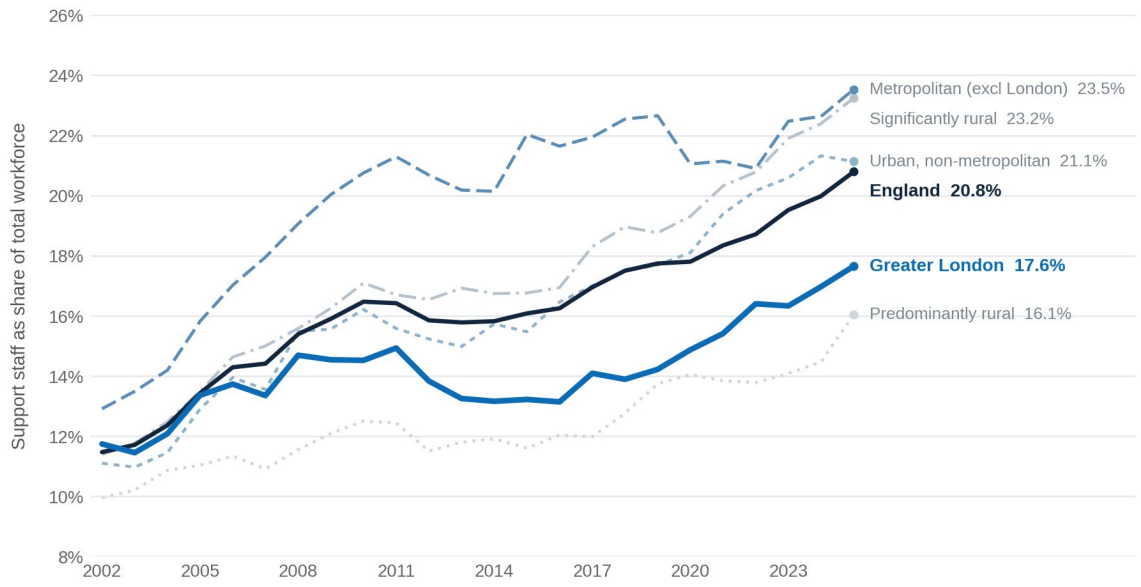
Savings, efficiencies and productivity

5.21 Throughout the budget process opportunities to generate efficiencies or savings that could either be re-invested or released to reduce the potential budget gap have been sought.

5.22 In assessing savings opportunities across the organisation, we have been mindful of the evolving risk environment, Mayoral commitments around frontline resources (numbers of firefighters, stations and appliances) and ambitious savings already made/committed. Front line costs, including on costs and fixed costs are 82 per cent of total expenditure; adding in statutory costs (prevention and protection department) increases this to 85 per cent.

5.23 Figure 3 below shows that London runs the leanest support function of any urban service in England. Support staff in 2025 were 17.6 per cent of London's workforce against 23.5 per cent across the other six metropolitan services — a gap of nearly six percentage points.

Figure 3: Support staff as a proportion of total workforce, year ending 31 March 2002 to 2025 (FTE)



(Prepared from Home Office Fire Statistics and ONS population estimates)

5.24 The position in London will have further changed following the £28 million of savings delivered in 2025-26 which included reductions in support staffing. The Brigade continues to identify opportunities for further efficiencies, including £6.2 million in 2026-27 and £4.7 million set out in this report for 2027-28. However, given the bulk of the LFB's resources are committed to frontline and regulatory activities, there is only so much more that can be done to deliver cashable savings without impacting service delivery and affecting the risk to London.

5.25 The new savings have been identified based on experience of delivery of the savings for 2026-27 and because of further reviews (for example of the contract renewal opportunities).

Table 3: Departmental Savings for 2027-28

Savings	2027-28 £'000
Existing Departmental Savings (from prior budget process)	2,481
New Departmental Savings (2027-28 budget process)	2,261
Total Departmental Savings	**4,742**

Wider efficiencies and productivity

5.26 LFB has strengthened its processes around business cases which is improving our resource allocations and delivery of value for money. LFB's Investment and Finance Board is continuing to play an important role in scrutinising expenditure proposals and monitoring the delivery of savings proposals. In recent years LFB has embedded efficiencies and cost control through ongoing measures including the Vacancy Control Panel, Process Opportunities Project, Contracts Reviews and taking a more proactive and risk-based approach to operational overtime. This is supplemented by targeted strategic reviews to improve effectiveness and efficiencies, for example through the Specialist Capabilities Review, and review our approach to training (including through the Modern Firefighting Strategy). A new Chief Digital & Data Officer joined the LFB in late September 2026 and will lead and implement a new Digital & Data strategy, recognising the increasing role of technology in today's world.

5.27 LFB must submit an annual return to the government on its efficiency and productivity plan. The last version of the Productivity and Efficiency Plan was submitted prior to the 30 April 2026 deadline and published on the London Data Store[5] and it is expected that government will require a further update in 2027. As noted in this Plan, LFB has taken significant steps to improve productivity. For example, firefighters carry out targeted and specific visits to triage lower risk premises to enable Inspecting Officers to focus on higher risk premises and increases our reach into the business community. Changes to the way we respond to Automatic fire Alarms (AFAs) also allow us to spend more time on protection work, such as fire safety checks in homes and businesses, as well as operational training; it also reduces the risk to the public through fewer 'blue light' emergency responses. More broadly, the set of Key Performance Indicators (KPIs) linked to the CRMP enable us to better understand and improve productivity across a range of disciplines.

5.28 LFB can evidence workforce productivity improvements in three linked ways: station staff activity is more consistently targeted towards prevention and protection, digital tools are reducing manual or duplicated work, and HMICFRS Round 3 recommendation 3, has been closed through completed productivity and technology actions.

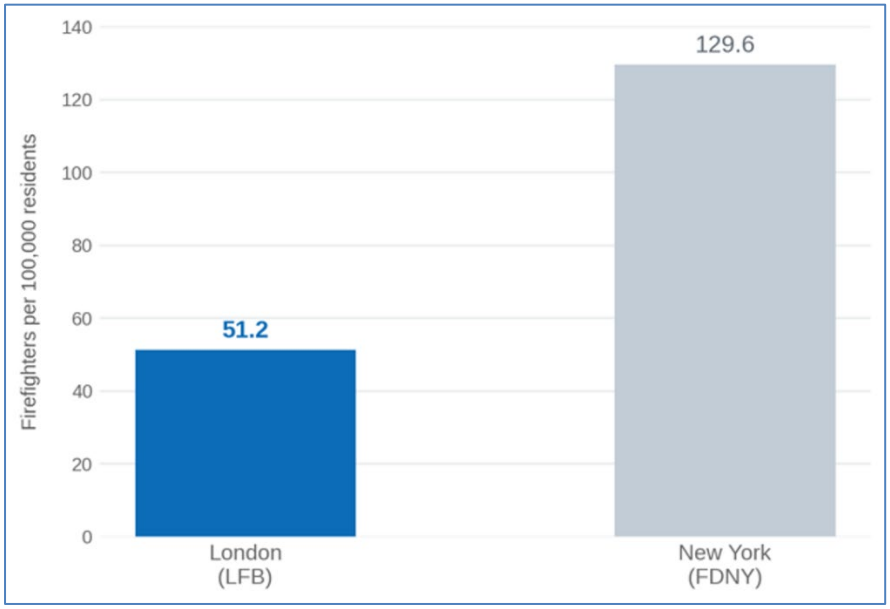
5.29 The impact of these efficiency and productivity measure is also visible through the following key metrics that have been referred to earlier in this report:

- Incident volumes in London are 13.4 per cent above their 2010-11 levels, whereas England as a whole remains marginally below 2020-11 levels. This is set against real terms reduction in funding to the LFC of £146 million per annum over this period,
- London is second of the 44 English fire and rescue authorities for incidents attended per firefighter, at 28.5 against 19.8 for England.
- London already runs one of the leanest support functions of any urban service in England. Support staff in 2025 were 17.6 per cent of London's workforce against 23.5 per cent across the other 6 met services.

5.30 Against our global comparators the LFB is a significantly smaller organisation. New York, which has a similar risk profile to London, reports an establishment of over 11,00 firefighters, far exceeding London which has less than 5,000. Figure 4 shows that on a per capita basis, LFB has 51.3 operational staff per 100,000 residents, against 129.6 for New York. LFB is also substantially leaner than the fire and rescue services in Tokyo (134.6 staff per 100,000 residents) and Paris (124.3 staff per 100,000 residents)

[5] https://data.london.gov.uk/download/epq7z/twq/Productivity%20and%20Efficiency%20Plan%202026-27%20-V3%20Publication.pdf

Figure 4: International Context



Grants

5.31 The Budget for 2027-28 includes anticipated grant income of £28.7 million, including a range of grants. Additional details on grants is set out in Table 4 below.

Table 4: Key Grant Receipts Projected

Grant Name	Amount in 2027-28 £m	Expected length of Grant
Pension Grant (2015 Firefighter Pension Actuarial Review)	16.3	Ongoing (Agreed annually)
Property PFI	3.7	Until 2039/40
New Dimensions	3.6	Ongoing (Agreed annually)
Merton Regional Control Centre	2.5	Until 2034/35
Lightweight PPE / support for tackling wildfires – assumed new grant based on Prime Minister's announcement	2.6	Awaiting details but for the purpose of this budget submission assumed time limited to 2028/29 (£1.9m in 28/29, reflecting a total of £4.5m to LFC)
Total	**28.7**	

As highlighted in the table, some grants will be agreed annually as part of the central government settlement process, and one is under review. The current MTFS assumption is that the majority of the £28.7 million will continue over the MTFS period but there is a risk this may not be the case. Figures in table 4 include an assumed new central government grant to offset the cost of lightweight PPE, included in new investments, however funding arrangements and amounts are yet to be confirmed.

Sustainability and Net-Zero Carbon

5.32 The budget submission has been reviewed for sustainability and environmental implications. The LFC will continue to monitor performance through the ISO 14001-certified Environmental Management System that covers the functions of the LFB and published Sustainable Development Annual Reports. The LFC's budget includes allocations that will support most of the LFC's commitments under the London Environment Strategy. This includes implementing responsible procurement, reducing waste, improving air quality, increasing London's green cover, adapting to climate change, and reducing CO2 emissions in line with the Mayor's ambition to accelerate carbon reductions to achieve net zero by 2030 as part of COVID-19 recovery plans. Appendix 11 of the LFC's detailed budget submission sets out the actions taken, and resources allocated by LFC to comply with the London Environment Strategy.

5.33 To fully deliver Net-Zero by 2030 however, this would require additional significant investment, the estimates of which are highly uncertain and dependent on future technology and markets for electrical heavy fleet in particular.

LFC Staff Establishment

The LFC's budget plan for 2027-28 is based on an Authorised Establishment of 6,012 across the three occupational groups set out in the table below. This excludes trainee firefighters (TFF).

Table 5: LFC Authorised Establishment

Occupational Group	Authorised Establishment
Uniformed Operational (Excl TFF)	4,783
FRS Staff	1,103
Control	126
Total	**6,012**

Budget Sustainability

5.34 Notwithstanding the challenges and risks associated with setting this budget which are set out in detail in this paper, and subject to addressing the additional financing requirement to ensure a balanced budget for 2027-28 and subsequent years, the Chief Financial Officer is able to provide assurance over the budget's sustainability. As in previous years, detailed monitoring and reporting will be conducted throughout the year to ensure LFC remains within budget.

Risks

5.35 The Medium-Term Financial Strategy (Appendix 2) sets out the financial risks to the budget figures in this report, including those relating to inflation, pay, and pensions.

Equality Assessment

5.36 The Mayor has requested in his Guidance that the proposals in the LFC's Budget Submission should be assessed to further address equality, poverty, economic inequality and social integration in London. An equality analysis is set out at Appendix 10 to comply with this requirement.

Medium-Term Financial Strategy and Reserve Strategy

5.37 The Fire and Rescue National Framework sets out the documents each Fire and Rescue Service (FRS) is required to produce, which include an integrated risk management plan, an annual statement of assurance (to be published later this year) and its financial plans including an efficiency plan, a Medium-Term Financial Strategy and a Reserves Strategy.

5.38 To meet this requirement a Medium-Term Financial Strategy and Reserves Strategy are attached to this report at Appendices 2 and 9 respectively. The Medium-Term Financial Strategy has been updated to also meet the requirements of an Efficiency Plan covering 2027-28.

5.39 A draft letter to the Chair of the London Assembly's Fire Committee is also attached at Appendix 12 to consult the Fire Committee alongside providing the Budget Submission to the Mayor. The results of any scrutiny by the Committee, alongside that from the Budget and Performance Committee, will then also be considered as part of finalising the LFC budget for 2027-28.

The Financial Position as at the end of September 2026

5.40 As at the end of quarter two of 2026-27 the Brigade was forecasting an overall overspend position of £3.2 million, due in large part to the exceptional overtime costs relating to extreme heat in 2026.

Reserves

5.41 To meet the requirement of the Local Government Act 2003 in respect of adequacy of reserves and demonstrate compliance with the guidance on local authority reserves and balances issued by CIPFA the GLA and the functional bodies must provide:

- A statement of policy on reserves and contingencies.
- Details of all reserves and general balances.
- An analysis and explanation of the expected movements on reserves between the start and end of each year from 1 April 2026 to 31 March 2029.
- In the case of earmarked reserves held for purposes beyond 31 March 2026, an indication should be given as to when they are likely to be applied.
- Explanation of why reserves need to not only be adequate but why they are necessary.

5.42 The Reserves Policy is set out in the Medium-Term Financial Strategy. A statement on the adequacy of reserves is set out in Appendix 9. The corporate financial risk assessment has been refreshed in support of this. That assessment sets out the potential unbudgeted payments the LFC may be required to make if risks are realised and is used to inform the minimum general reserve requirement.

5.43 The table below sets out the forecasted reserves position at the end of 2027-28 and the following two financial years.

Table 6: Forecasted Reserve Position at the end of 2027-28

Reserve	Forecasted Balance at 31/03/2027 (£m)	2027-28 Forecasted Use of Reserves (£m)	Forecasted Balance at 31/03/2028 (£m)	2028-29 Forecasted Use of Reserves (£m)	Forecasted Balance at 31/03/2029 (£m)	2029-30 Forecasted Use of Reserves (£m)	Forecasted Balance at 31/03/2030 (£m)
Fire Safety Improvement	**10.4**	0.0	**10.4**	0.0	**10.4**	0.0	**10.4**
Fire Safety and Youth Engagement	**4.9**	0.0	**4.9**	0.0	**4.9**	0.0	**4.9**
Building Safety Regulator	**2.0**	0.0	**2.0**	0.0	**2.0**	0.0	**2.0**
ICT Development	**0.1**	0.0	**0.1**	0.0	**0.1**	0.0	**0.1**
Recruitment	**0.4**	0.0	**0.4**	0.0	**0.4**	0.0	**0.4**
Communications	**0.1**	0.0	**0.1**	0.0	**0.1**	0.0	**0.1**
Pensions	**0.3**	0.0	**0.3**	0.0	**0.3**	0.0	**0.3**
Investment CF	**2.4**	0.0	**2.4**	0.0	**2.4**	0.0	**2.4**
General Fund	**23.3**	(2.6)	**20.7**	1.0	**21.7**	1.0	**22.7**
Total Reserves	**43.9**	**(2.6)**	**41.3**	**1.0**	**42.3**	**1.0**	**43.3**

Financial Risks and Opportunities

5.44 There are a range of risks and opportunities to the long-term financial position which are as yet unquantified in the estimates in this report, and these are outlined in the Medium-Term Financial Strategy at Appendix 2.

Fees, Charges, Cost Recovery and Sponsorship

5.45 The LFC receives income from a range of charges, which are calculated on a cost recovery basis. These charges will be reviewed as part of finalising the budget for 2027-28 and will be reported in the final budget report in March 2027.

Capital Programme 2026-27 to 2030-31

5.46 The Financial Position as at the end of September for Q2 has been used as a base starting point, however this has then been amended to reflect any known changes since the reporting date. This revised position has been used for 2026-27.

5.47 The overall capital programme is summarised in the table below:

Table 7: Capital Programme Summary

Project	2026/27	2027/28	2028/29	2029/30	2030/31	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Schemes						
Properties	45.6	60.7	54.6	34.3	14.3	209.5
Fleet Replacement Plan	4.6	4.8	8.1	5.9	26.3	49.7
ICT Projects	8.3	4.8	3.2	4.0	2.6	23.0
Communications Project	0.0	0.0	0.0	0.0	0.0	0.0
Operational Policy Equipment	0.0	0.0	0.0	0.0	0.0	0.0
IFRS16 ROU Projects	0.0	0.0	0.0	0.0	0.0	0.0
Optimism Bias (15% from 2027/28, excluding 8AE project which has its own Optimism Bias adjustment)	(4.1)	(5.4)	(4.0)	(4.0)	(6.5)	(24.0)
Total Expenditure	**54.3**	**65.0**	**61.9**	**40.2**	**36.8**	**258.2**
Capital Financing						
Reserve	0.0	0.0	0.0	0.0	0.0	0.0
Capital Receipts	0.4	0.0	0.0	0.0	0.0	0.4
Capital Grants	0.3	0.0	0.0	0.0	0.0	0.3
External Borrowing*	53.6	65.0	61.9	40.2	36.8	257.5
TOTAL Funded Financing	**54.3**	**65.0**	**61.9**	**40.2**	**36.8**	**258.2**

*Borrowing is currently shown as external but it is expected that some of the borrowing will be using internal funds, further work will be carried out ahead of the final budget to provide the split between internal and external borrowing.

5.48 Further work to be undertaken prior to March 2027 to assess latest profiling and deliverability of the current draft capital plan.

5.49 The proposed increase in property-related capital expenditure over the coming years is in large part due to the investment in a new LFB Headquarters and refurbishment of the fire station on Brigade-owned estate at 8 Albert Embankment. This decision was reached following a detailed assessment of alternative options for the HQ (including rental options) when the current lease at Union Street expires, taking into account long-term value for money and strategic considerations[6]. The proposals received planning permission in October 2026 and enabling works are underway. Other reasons for the increase in the capital programme include the final phase of the Privacy for All Programme, Electrical vehicle charging infrastructure and Salix-related decarbonation works. There is also a significant increase in fleet capital expenditure in 2030/31 associated with pumping appliances replacement programme; the timing of this is under review and will inform an updated plan in the final budget report in March 2027.

5.50 Appendix 7 includes the financing of the capital programme for the next four years together with the approved prudential borrowing limits. Details of the next five years, to 2029-30, are included in the Mayor's Capital Spending Plan, and are funded by the capital financing costs reflected in the LFC revenue budget submission. The costs of borrowing are a growing pressure on the overall LFC budget.

5.51 LFB and NFCC have highlighted the need to provide much needed capital investment to all English Fire and Rescue Services (FRSs). This would recognise the significant investment required to enhance and upgrade existing fire stations, vehicles and equipment. Currently the fire sector does not receive any specific capital grant or capital support from central government for core capital requirements.

Capital Strategy

5.52 The CIPFA Prudential Code 2017 sets out a new requirement for local authorities to produce a Capital Strategy, to form part of an authority's integrated revenue, capital and balance sheet planning. The Mayor's Budget Guidance requires that the Capital Strategy covers a 20-year period, and forms part of the LFC's Budget Submission. Details of the current capital programme are included in Appendix 8.

[6] The LFB currently rents its Headquarters at Union Street. This investment will therefore help ensure the LFB's revenue cost for its Headquarters is sustainable into the future and reduce pressure from increasing rental costs.

5.53 The table below sets out the summary capital ambition from 2031-36 to 2041-46 in five-year intervals.

Table 8: Capital Ambition 2031-32 to 2045-46 and Ambition Gap

Project	Years 2031-36	Years 2036-41	Years 2041-46	Total
	£m	£m	£m	£m
Capital Schemes				
Properties	78.1	90.2	59.2	227.5
Fleet Replacement Plan	122.3	19.2	26.8	168.3
ICT Projects	44.4	18.7	16.6	79.7
Total Capital Expenditure	**244.8**	**128.1**	**102.5**	**475.5**
Capital Financing				
External Borrowing	244.8	128.1	102.5	475.5
TOTAL Funded Financing	**244.8**	**128.1**	**102.5**	**475.5**
Unfunded Capital Expenditure	**0.0**	**0.0**	**0.0**	**0.0**

Strategic Drivers

5.54 The requirements for the LFC to produce a balanced budget are set out in the body of this report.

6 Values comments

6.1 The LFC notes the Fire Standards Board requirements around adopting and embedding the Core Code of Ethics at an individual and corporate level. Following extensive engagement, the LFC has introduced Brigade values which build on and do not detract from the Code of Ethics.

6.2 The Brigade values are:

- Service: we put the public first
- Integrity: we act with honesty
- Teamwork: we work together and include everyone
- Equity: we treat everyone fairly according to their needs
- Courage: we step up to the challenge
- Learning: we listen so that we can improve

6.3 LFB values were launched on 4 December 2023 at an all staff briefing. The six new values are underpinned by a framework that describes the behaviours that best demonstrate each value. The values and behavioural framework relate to how staff treat the public and colleagues.

6.4 An Advisory Panel provides challenge and advice on the activities and proposals to address the findings from the Culture Review and other related reports. The Culture Transformation programme has the values at the core of improvements and outcomes it is seeking to achieve.

7 Equality comments

7.1 The LFC and the Deputy Mayor for Fire are required to have due regard to thePublic Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.

7.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, andafter the decision has been taken.

7.3 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colouror nationality), religion or belief (including lack of belief), sex, and sexual orientation.

7.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions,to have due regard to the need to

- Eliminate discrimination, harassment and victimisation and other prohibited conduct.
- Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between people who share a relevant protected characteristic and persons who do not share it.

7.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to;

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic thatare different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in publiclife or in any other activity in which participation by such persons is disproportionately low.

7.6 The steps involved in meeting the needs of disabled persons that are different from theneeds of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

7.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having dueregard, in particular, to the need to

- Tackle prejudice.
- Promote understanding.

8 Workforce comments

8.1 LFB's recognised trade unions will be consulted on the overall savings and investment proposals presented in this draft budget for 2027-28, and any comments will receive a response and be reported to Commissioner's Board as appropriate ahead of finalising the budget in March 2027.

8.2 Recognised trade unions will also be consulted on relevant individual proposals impacting staff in line with usual requirements, as they are developed and implemented.

9 Sustainability comments

8.1 Please see Appendix 11 for more information and detailed analysis of the sustainability impact of activity included in this report.

10 Procurement comments

10.1 The resource requirements to ensure that Procurement and Commercial can facilitate and meet the required commercial needs of the LFB at both CRMP Programme and Business as usual level are set-out and included in the investment sections of the report.

11 Communication comments

11.1 A communications strategy shall be agreed with the communications directorate.

12 Financial comments

12.1 This is a financial report and therefore all the financial implications are set out in detail within the report.

13 Legal comments

13.1 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the Greater London Authority Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.

13.2 Section 1 of the Fire and Rescue Services Act 2004 states that the Commissioner is the fire and rescue authority for Greater London. The Commissioner is also a 'best value' authority under the Local Government Act 1999 and must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

13.3 The statutory provisions relating to the setting of the Commissioner's budget are contained in the Greater London Authority Act 1999. Schedule 6 of the Act sets out the process for the development and approval of the GLA's consolidated budget and the various component budgets of the functional bodies such as the Commissioner. Paragraph 2 of Schedule 6 requires the Mayor to prepare a draft component budget for the Commissioner and for each of the other constituent bodies which make up the GLA's consolidated budget. The Mayor must consult the Commissioner before preparing the component budget and the London Assembly before producing a consolidated budget. In preparing the draft he must have regard to representations which he has received as a result of the consultation process.

13.4 The Mayor annually updates his budget guidance in order to take account of his mayoral priorities and legislative changes. The Commissioner must have regard to this guidance in preparing the LFC's representations during the budget consultation process.

13.5 Additionally, the Fire and Rescue National Framework for England ("Framework") issued by the Secretary of State under section 21 of the Fire and Rescue Services Act 2004 requires the Commissioner to produce a medium-term financial plan, efficiency plan, and a reserves strategy. The Framework permits these to be combined and included within the parent authorities' documentation as has been done in this report.

13.6 By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor"). Paragraph (d) of Part 2 of this direction requires the prior approval of the Deputy Mayor before, "The London Fire Commissioner makes an annual budget submission to the Mayor prior to the Mayor's Consultation Budget being issued."

13.7 This report sets out the Commissioner's proposed Budget Submission to the Mayor (incorporating the requirements of the Framework) thereby meeting the Commissioner's responsibilities under the above legislation and Framework.

13.8 The Medium-Term Financial Strategy (MTFS), Efficiency Plan and Reserve Strategy are documents referenced as required in the Fire and Rescue Services National Framework. These documents form part of the Budget Submission. Under S327G of the Greater London Authority Act 1999 (GLA Act 1999) a document that is prepared and published by the LFC in accordance with Framework and which (a) sets out the Commissioner's priorities and objectives, for the period covered by the document, in connection with the discharge of the Commissioner's functions, or (b) contains a statement of the way in which the Commissioner has had regard, in the period covered by the document, to the Framework and to any document within paragraph (a) prepared by the Commissioner for that period must, before publication, be sent in draft to the Mayor and the Assembly (in these circumstances the Fire Committee). The document cannot be published by the LFC without Fire Committee having an opportunity to review the draft document(s) and report to the Mayor, and the Mayor needs to approve the document(s) before it may be published by the LFC.

13.9 It is commonly accepted that the MTFS, Efficiency Strategy, Reserve Strategy, and the Statement of Assurance (the subject of a separate report) are documents that fall within S327G and accordingly the above provisions apply.

13.10 The Mayoral Directions provide for additional processes namely that the prior approval of the Mayor is required before any of the following decisions is taken: b. Approval of the final proposed text of the draft London Safety Plan (or any revision of it) for the purposes of sending it to the Assembly under section 327G(2) of the GLA Act 1999. "London Safety Plan" refers to any document which is prepared and published by the Commissioner in accordance with the Fire and Rescue National Framework and which contains the matters described in section 327G (I)(a) and or (b) of the GLA Act 1999.

13.11 In addition, the Mayoral Directions provide that prior consultation with the Deputy Mayor is required for anything that requires the consent of the Mayor.

List of Appendices

Appendix	Title	Protective Marking
1	Consultation Letter	None
2	Medium-Term Financial Strategy (MTFS)	None
3	Existing Budget Savings 2025-26 (previously committed to as part of last year's budget process)	None
4	New Budget Savings 2025-26	None
5	New Departmental Budget Investments 2026-27	None
6	Inflationary/Medium Term pressures and Central Adjustments	None
7	Capital Strategy	None
8	Reserves Strategy	None
9	Equality Analysis / Equality Impact Assessment (EIA)	None
10	Climate Budget and Sustainability Analysis	None
11	Draft Letter to Fire Committee	None
12	Budget Submission to the Mayor	None

Appendix 1
Consultation Letter

MAYOR OF LONDON

Jules Pipe CBE
Deputy Mayor for Planning, Regeneration and the Fire Service
Jules.Pipe@london.gov.uk

Date: 9 November 2026

Dear Jules,

Budget Proposals 2027-28

1. The purpose of this letter is to consult you before I prepare a draft component budget for the London Fire Commissioner (LFC) for 2027-28, in accordance with the provisions of paragraph 2 of schedule 6 of the Greater London Authority Act 1999 (the GLA Act 1999). It also allows me to describe in more detail the process for finalising my Budget and clarify the requirements for your budget submission.

2. My intention is to issue the GLA Group Budget Consultation document as soon as is practical in December 2026. In recent years, the provisional police, fire and local government finance settlements have not been published until shortly before the Christmas break, leaving insufficient time to incorporate them into the consultation document. Waiting for the provisional settlements only serves to reduce and delay the time available for consultation.

3. I will determine my intentions for council tax increases once funding settlements have been announced. Given the timeline above, my council tax decision is likely to be made in January.

4. There remains significant uncertainty about other parameters prior to the actual settlements with respect to the likely levels of retained business rate income in 2027-28 and future years.

5. At this stage, LFC's budget submission should continue to be based on the control totals set out in my Budget Guidance published in June 2026. Subject to considering any comments that LFC would wish to make and the impact of provisional finance settlements when announced, my present intention is to confirm a draft component budget for 2027-28 that will require the GLA to pay to LFC under section 102 of the GLA Act 1999, as amended, an amount equivalent to £591.3 million.

6. For planning purposes, I intend to set an indicative allocation for 2028-29 of £619.0 million and for 2029-30 of £647.9 million. These amounts remain indicative, given that future years' allocations of funding for the GLA Group have yet to be announced.

7. On the basis of the funding assumptions set out above, I require that your proposals balance the budget for 2027-28. In order that my Budget Consultation Document can be prepared in a consistent and efficient fashion, please ensure that your submission fully complies with the requirements as set out in my Budget Guidance 2027-28. May I also remind you that your budget submission should be placed on your website as soon as practical after its submission.

8. Please send your budget submission, including the requested text to be included in my Consolidated Budget and completed financial templates, to Elliott Ball, Director, Group Finance and Performance at the GLA (elliott.ball2@london.gov.uk and GLABudget@london.gov.uk) by 9am on Monday 23 November 2026.

Yours sincerely,



Rt Hon Lord Sadiq Khan
Mayor of London

Cc: David Bellamy, Chief of Staff
Jonathan Smith, Commissioner of the London Fire Brigade
Mostaque Ahmed, Director of Corporate Services & Chief Financial Officer, London Fire Brigade
Fay Hammond, Chief Finance Officer, GLA
Elliott Ball, Director Group Finance and Performance, GLA

Appendix 2
Medium-Term Financial Strategy (MTFS)

1 Introduction

This report sets out the Medium-Term Financial Strategy (MTFS) for the London Fire Commissioner (LFC) covering the period 2027-28 to 2029-30.

The MTFS is a key part of the LFC's financial management framework and helps to ensure that resources are managed into the medium-term and supports better alignment of those resources to strategic priorities. It improves financial planning and strategic financial management and provides the financial context within which budgets are set.

The MTFS must set out the financial plans for multiple years, have regard to affordability and consider the interdependencies of both revenue and capital income and expenditure. Under the CIPFA Prudential Code for Capital Finance, the LFC is also required to produce an annual Capital Strategy which sets out the investment plans, considering the affordability of those plans.

2 Economic contexts

Inflation impacts on the LFC's budget directly through prices paid for goods and services, as well as indirectly through pressures on pay claims. Alongside the Chancellor of the Exchequer's Autumn Budget Statement on 28 October 2026, the Office for Budget Responsibility (OBR) set out its Economic and Fiscal Outlook[7], providing its central forecast, alongside the risks and uncertainties that surround it, for the five years to 2031-32. The OBR observes that the UK's economic and fiscal position remains very challenging and noted that energy prices have increased sharply since their last forecast in March 2026. Inflation (CPI) was 3.5 per cent in the year to September 2026, the highest rate in nearly a year and above the Bank of England's 2 per cent target. The OBR expects inflation to be higher for longer, peaking at 3.8 per cent in early 2027 before returning to the Bank of England's 2 per cent target halfway through 2028 (around a year later than previously forecast). On 5 November 2026 the Bank of England (BoE) published its November 2026 Monetary Policy Report[8]. The BoE's central forecast is for inflation to peak at around 5 per cent in mid-2027 before falling towards 2 per cent in 2028.

On 5 November 2026 the BoE increased its base rate of interest from 3.75 per cent to 4 per cent. Higher interest rates impact on the LFC through the borrowing to support the capital programme. The LFC has been able to make use of capital receipts to fund the capital programme in the past, however these are now exhausted and so borrowing will now be required. Interest rates that the LFC is able to secure borrowing will impact on the total costs of this borrowing, and feed into the capital financing costs in the revenue budget. The LFC is able to secure some slightly preferential interest rates for some investments as part of the journey towards carbon net zero, through GLA Green Financing.

3 Background

On 30 June 2026 the Mayor issued his latest Budget Guidance setting out the GLA's estimates of the Group budgets for each functional body, covering the period to 31 March 2030 and has been issued to underpin the process of setting the 2027-28 annual budgets.

This Mayoral Budget Guidance includes estimates of business rates and council tax revenue and certain assumptions have been made in those estimates. The LFC is predominantly reliant on funding from the Mayor, and his decisions on distribution of business rates and council tax.

[7] https://assets.publishing.service.gov.uk/media/6ae4a7a9ec36e258a1998484/economic-and-fiscal-outlook-october-2026-web-accessible.pdf
[8] https://www.bankofengland.co.uk/monetary-policy-report/2026/november-2026

The Mayor takes decisions on the distribution of the GLA business rates and council tax income and it is therefore important that the LFC can demonstrate a strategic approach to its finances enabling the achievement of strategic objectives whilst at the same time delivering efficiencies.

4 London Fire Commissioner strategic priorities

Following development in 2022, on 1 January 2023, the London Fire Commissioner published a new strategy which sets out the strategic ambition for the Brigade for the next seven years. It is called *Your London Fire Brigade* and replaces the London Safety Plan 2017; it meets the requirements of Government's Fire and Rescue National Framework for England to produce a Community Risk Management Plan (CRMP). The CRMP can be found at: CRMP.

Linked to the CRMP, the Service Improvement Framework provides a consistent approach for identifying and organising improvement needs, turning them into agreed priorities and deliverable plans. It supports decision-making on where effort and resources should be focused, and ensures that strategic commitments are reflected across directorate, department, team and individual objectives.

It brings together the influences, risks and recommendations that shape improvement, supports the prioritisation of deliverables and their translation into plans and objectives. In doing so, it ensures that service improvement is aligned, transparent and connected to both long-term ambition and day-to-day continuous improvement. An important feature of the framework is that it sits alongside business as usual rather than replacing it.



5 The Strategy

Given the wider economic context and the significant improvement that LFB has delivered in recent years, the Medium-Term Financial Strategy is based on the following key principles:

- The number of fire stations, appliances and firefighters are not reduced.
- There are no reductions in regulatory capabilities.
- Delivery of the CRMP and taking account of the Assessment of Risk.
- Appropriate investment continues to be made in improvement activity, including culture change.
- Resources are available to meet the recommendations arising from both the Grenfell Tower and Manchester Arena Inquiries and improvement plans from the HMICRFS inspections.
- Adequate investment in core infrastructure is maintained.
- Appropriate resources are set aside to deliver key strategies and priorities.
- Earmarked reserves will be maintained for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed at least annually.
- The General Fund balance will be maintained at a sustainable level.

- Opportunities for efficiencies and innovative and modern ways of working will be adopted as far as possible.

6 Assumptions

The Mayor has proposed that the GLA and its functional bodies should assume for planning purposes that their allocation of discretionary income from the GLA for 2027-28 and future years is based on a 'central scenario'. As part of that central scenario:

- Business rates funding is assumed to increase by CPI inflation estimated at 2 per cent.
- Council tax Band D precept is assumed to increase by 3 per cent.
- The Council tax base is assumed to increase by 1.15 per cent in 2027-28, 0.9 per cent in 2028-29 and 1 per cent in 2029-30.

The main assumptions in the MTFS are:

- Assumptions regarding staff pay and inflation in each year.
- Each post has pay progression until the top of the grade/operational competence is reached.
- Inflation is applied to other areas based on contractual requirements, linked to CPI, RPI and Average Weekly Earnings (AWE) as appropriate.

7 Medium-Term Financial Strategy 2027-2030

The Medium-Term Financial Strategy sets out the proposed revenue budget for the next financial year (2027-28) and financial forecasts for a further two financial years (2026-27 is shown for context). The table below sets out a summary of the financial position in each of those years.

	2026-27 £'m	2027-28 £'m	2028-29 £'m	2029-30 £'m
Corporate Services	78.4	112.0	124.7	155.7
Preparedness and Response	418.6	418.4	420.0	420.0
People	8.4	8.8	8.8	8.8
Prevention, Protection and Policy	40.2	41.5	41.5	41.5
Communications	3.8	3.8	3.9	3.9
Saving yet to be identified	0.0	(17.9)	(17.7)	(19.8)
Net Service Expenditure	**549.4**	**566.8**	**581.2**	**610.1**
Capital Financing	23.9	30.1	38.3	38.3
Interest Receivable	(1.5)	(1.5)	(1.5)	(1.5)
Net Expenditure	**571.8**	**595.4**	**618.0**	**646.9**
Transfer to / (from) Reserves	1.8	(4.1)	1.0	1.0
Financing Requirement	**573.6**	**591.3**	**619.0**	**647.9**
Retained Business Rates	300.1	319.4	319.4	319.4
Council Tax Collection Fund Surplus / (Deficit)	0.0	0.0	0.0	0.0
Council Tax Requirement	**273.5**	**271.9**	**299.6**	**328.5**

8 Efficiency Plan

The 'Savings, Efficiency & Productivity' section of the covering report sets out the context for the savings proposed for the 2027-28 budget. LFB has strengthened its processes around business cases which is improving our resource allocations and delivery of value for money. LFB's Investment and Finance Board is continuing to play an important role in scrutinising expenditure proposals and monitoring the delivery of savings proposals. In recent years LFB has embedded efficiencies and cost control through ongoing measures including the Vacancy Control Panel, Process Opportunities Project, Contracts Reviews and taking a risk-based approach to operational overtime. This is supplemented by targeted strategic reviews to improve effectiveness and efficiencies, for example through the Specialist Capabilities Review, and review our approach to training (including through the Modern firefighting Strategy). A new Chief Digital & Data Officer joined the LFB in late September 2026 and will lead and implement a new Digital & Data strategy, recognising the increasing role of technology in today's world.

LFB must submit an annual return to the government on its efficiency and productivity plan. The last version of the Productivity and Efficiency Plan was submitted prior to the 30 April 2026 deadline and published on the London Data Store[9] here and it is expected that government will require a further update in 2027. As noted in this Plan, LFB has taken significant steps to improve productivity. For example, firefighters carry out targeted and specific visits to triage lower risk premises to enable Inspecting Officers to focus on higher risk premises and increases our reach into the business community. Changes to the way we respond to Automatic fire Alarms (AFAs) also allow us to spend more time on protection work, such as fire safety checks in homes and businesses, as well as operational training; it also reduces the risk to the public through fewer 'blue light' emergency responses. More broadly, the set of KPIs linked to the CRMP enable us to better understand and improve productivity across a range of disciplines.

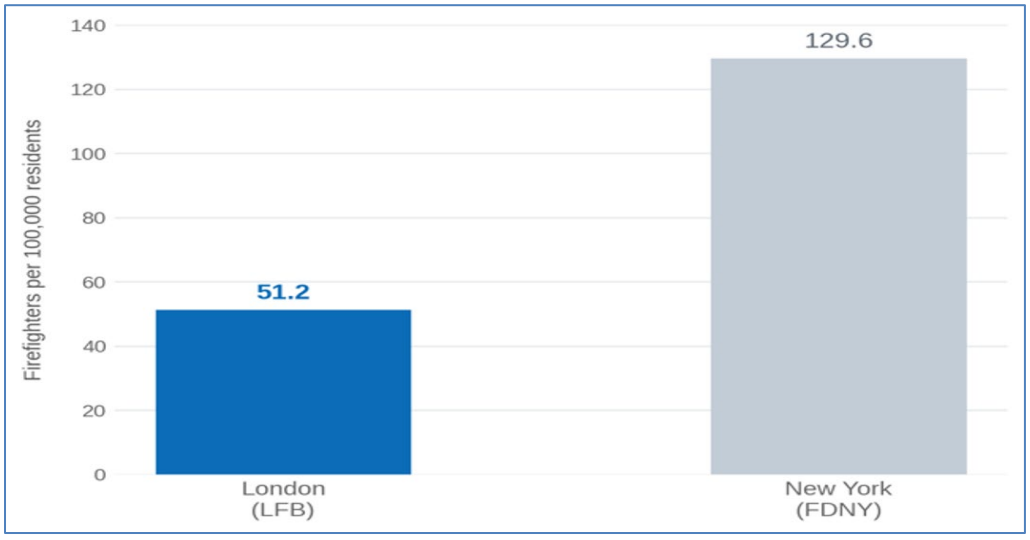
LFB can evidence workforce productivity improvements in three linked ways: station staff activity is more consistently targeted towards prevention and protection, digital tools are reducing manual or duplicated work, and HMICFRS Round 3 recommendation 3 has been closed through completed productivity and technology actions.

The impact of these efficiency and productivity measure is also visible through the following key metrics that have been referred to earlier in this report:

- Incident volumes in London are 13.4 per cent above their 2010-11 levels, whereas England as a whole remains marginally below 2020-11 levels. This is set against real terms reduction in funding to the LFC of £146 million per annum over this period.
- London is second of the 44 English fire and rescue authorities for incidents attended per firefighter, at 28.5 against 19.8 for England.
- London already runs one of the leanest support functions of any urban service in England. Support staff in 2025 were 17.6 per cent of London's workforce against 23.5 per cent across the other 6 met services.

Against our global comparators the LFB is a significantly smaller organisation. New York, which has a similar risk profile to London, reports an establishment of over 11,000 firefighters, far exceeding London which has less than 5,000. Figure 4 shows that on a per capita basis, LFB has 51.3 operational staff per 100,000 residents, against 129.6 for New York. LFB is also substantially leaner than the fire and rescue services in Tokyo (134.6 staff per 100,000 residents) and Paris (124.3 staff per 100,000 residents).

Figure 4: International Context



[9] https://data.london.gov.uk/download/epq7z/twq/Productivity%20and%20Efficiency%20Plan%202026-27%20-V3%20Publication.pdf

9 Reserves

As part of our statutory obligations, the LFC Chief Financial Officer (currently the Director of Corporate Services) must consider the level of reserves needed to meet estimated future expenditure when calculating the budget requirement.

As part of the budget setting process, the CFO must provide a statement on the adequacy of reserves that is subject to an external audit review to assess value for money and a going concern opinion. This will form part of the final March budget submission. The LFC's policy on reserves is contained within the MTFS principles highlighted above and are as follows:

- Due to the large number of risks regarding cost inflation the requirement to maintain its general reserve at a minimum of 3.5 per cent of core GLA funding has been reviewed by the CFO (Director of Corporate Services). It has been deemed appropriate to keep the general reserve at the 3.5 per cent rate, given the pressures and contingencies already included within the MTFS planning assumptions.
- The LFC will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the general reserve.
- The LFC will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities.
- The use and level of earmarked reserves will be reviewed at least annually by the CFO who will give an opinion on their adequacy.

Reserve levels will also be monitored regularly as part of the LFB's existing financial reporting.

10 Financial Risks

Pay and Inflation

The MTFS includes an assumption of a 3 per cent pay award for 2027-28 for all staff, falling to 2 per cent in future years based on the latest OBR forecasts for inflation. This assumption will be reviewed as part of the 2027 national and local pay negotiation processes and considering inflation, affordability, and other factors. Each 1 per cent change in pay is equivalent to around £4.8 million in cost for all staff groups.

The Iran War is continuing to have an impact on inflation and contracts that may result in additional cost pressures beyond those already factored in. The MTFS includes central contingencies relating to inflationary pressures and other risks.

Firefighter and Local Government Pension Schemes

The triennial actuarial valuation of the firefighter pension scheme has been completed and we await the results, which could impact on the level of employer contributions from April 2027. Depending on government funding arrangements in response to any change in employer contributions, this could have a significant impact on the LFC budget.

Operational Budget Volatility due to overtime pressures

Whilst the Brigade has clear controls around operational overtime, as evidenced by spend against budget for "business as usual" overtime, the Brigade is susceptible to exceptional events. This includes responding to extreme weather and the local impact of global events.

Legal costs /compensation claims

The timing and size of claims and associated legal costs, for example relating to personal injury or employment tribunals, is inherently uncertain.

Property and equipment costs

There is also a risk with the costs of property rents and rates, that could impact on future lease agreements/reviews. In addition to the cost associated with the new premises there will also be cost in vacating the current site, including possible dilapidations.

Capital Expenditure and Financing

The capital budget can be subject to change during the year and any re-phasing or deferral due can also impact on funding requirements which in turn may have a debt charge (cost of borrowing) revenue impact. Of particular note is the 8 Albert Embankment project, given its size and complexity, which involves a new HQ and redevelopment of Lambeth fire station.

The capital programme is currently proposed to be funded largely by borrowing and the associated debt costs have been calculated using the current forecast Public Works Loans Board (PWLB) rates. Actual borrowing rates and resulting costs may be different.

A risk exists in relation to meeting the emission reduction targets for 2030 (Ultra Low Emission Fleet (ULEF) programme) for the replacement vehicles and associated equipment in that the technology and infrastructure, if available at all, may be more costly than existing vehicle technology, leading to additional capital financing costs. Existing vehicles may need to be replaced earlier than their expected replacement date, bringing forward capital expenditure.

More widely, the programme to achieve Carbon Net Zero by 2030 carries significant investment which is currently not fully funded. Additional external borrowing may be possible but the debt charges would currently be unaffordable, and therefore significantly impact on the ability of LFC to achieve a balanced budget without making substantial and unacceptable savings.

Funding from the Mayor and Central Government

This report includes the Mayor's indicative funding allocations for LFC for planning purposes covering the next three financial years. However, there is significant uncertainty about the level of funding for future years due to a number of risks on the funding available to the Mayor, through retained business rates and council tax, as well as Government decisions on funding, including the next spending review. The MTFS has been formulated using the mayoral funding set out in the Mayor's Budget Guidance 2027-28 but there is a risk that actual funding could be lower.

Other risks

Telecommunications income in respect of radio masts is forecast to be reduced in the future due to a reduction in the number of operators in the industry, as well changes to legislation impacting on the ability to raise income.

Significant income is generated through the Metropolitan Fire Brigade (MFB) Act. This budgeted income has increased in recent years; however, uncertainty remains on the extent to which increase in this income may continue.

11 Conclusion

The review of the MTFS has been undertaken against a backdrop of significant funding uncertainty and during a period of national and global economic instability.

The LFC has been through a period of significant external scrutiny which has resulted in a significant transformation journey. It is important, therefore, that the Medium-Term Financial Strategy can support not only business-as-usual activity but also investment in its transformation activity.

The MTFS sets out that £17.9 million of further funding and/or savings are required in order to ensure a balanced budget for 2027-28, with further challenges in subsequent years which will need to be addressed. An update will be provided in the final LFC budget in March 2027.

Appendix 3
Existing Budget Savings 2027-28

The savings below were included in the budget for 2027-28 as part of the previous budget process.

Directorate	2027-28 £'000	2028-29 £'000	2029-30 £'000	Description
Corporate Services	-181	-182	-182	EV Charging Network assumptions and range of smaller items
Cross-cutting Savings	-2,300	-2,300	-2,300	Increased savings target for Process Efficiencies Project and Contract Reviews
TOTAL Existing Savings	**-2,481**	**-2,482**	**-2,482**	

In addition to new savings set out in Appendix 4, a review of existing savings was undertaken to ensure sustainability of approach, with changes set out below.

Directorate	2027-28 £'000	2028-29 £'000	2029-30 £'000	Description
Cross-cutting Savings	1,500	1,500	1,500	Removal of organisational wide People Saving to be delivered in a different way
TOTAL Change to Existing Savings	**1,500**	**1,500**	**1,500**	

Appendix 4
New Budget Savings 2027-28

All new savings set out within the 2027-28 budget process. These are in addition to the savings set out in appendix 3 as part of the prior year budget processes. In total there are savings to be achieved in 2027-28 of £4.7 million.

Directorate	2027-28 £'000	2028-29 £'000	2029-30 £'000	Description
Corporate Services	-1,661	-1,661	-1,661	Includes utility savings, additional rental income and a range of smaller items
People Services	-600	-600	-600	Assumptions that cost of pay reform will be cost neutral (early estimate which is subject to further work and engagement with representative bodies)
TOTAL New Savings	**-2,261**	**-2,261**	**-2,261**	

Appendix 5
Budget Investments 2027-28

The investments below were included in the budget for 2027-28 as part of the previous budget process.

Directorate	2027-28 £'000	2028-29 £'000	2029-30 £'000	Description
Corporate Services	1,150	1,150	1,150	Reduction in FRS Vacancy Margin, Replacement Mobiising System and range of smaller items
Preparedness & Response	3,427	3,432	3,432	Modern Fire Fighting Phase 2 and Competency Framework
TOTAL Existing Investments	**4,577**	**4,582**	**4,582**	

The GLA provided the LFC with one-off funding of £5.0 million for Modern Firefighting in 2026-27. The LFC had then budgeted for ongoing expenditure of £8.3 million from 2027-28 in its 2026-27 budget report. Following further development of Phase 2 of the Modern Firefighting Strategy, the cost estimate has now been revised down to ongoing an ongoing expenditure requirement of £4.0 million from 2027-28. The below table sets out this movement.

Directorate	2027-28 £'000	2028-29 £'000	2029-30 £'000	Description
Preparedness & Response	-4,310	-4,310	-4,310	Reduction on Modern Fire Fighting Phase 2
TOTAL Change to Existing Investments	**-4,310**	**-4,310**	**-4,310**	

New investments set out within the 2027-28 budget process. These are in addition to those above.

Directorate	2027-28 £'000	2028-29 £'000	2029-30 £'000	Description
Communications	0	110	95	Digital Screens for Stations
Corporate Services	824	610	279	Range of investments, including resource to support strategic priority projects
Corporate Services / P&R	5,918	4,046	4,943	Lightweight PPE and Workwear
People Services	1,036	986	986	Pay Reform, External Complaints Service and a range of smaller items
Preparedness & Response	1,635	1,639	1,638	Training PPE, Competency Management Platform and range of smaller items
Prevention Protection & Operational Improvement	1,159	1,159	1,286	Ultra High Rise Capability, Fire Safety Delivery Team and delivery of new CRMP
Optimism Adjustment	-1,619	0	0	Assumption on new investment spend commencing Q2 2027/28
TOTAL New Investments	**8,954**	**8,550**	**9,227**	

Appendix 6
2027-28 Medium Term / Contractual Inflationary Pressures and Central Adjustments

A breakdown of the new medium term / inflation pressures for 2027-28 can be seen below.

Directorate - Departmental Inflation	Description	2027-28 £'000
Corporate Services	ICT - Software / Hardware	434
	Rent & Rates	342
	PFI Contract	220
	Facilities Management	207
	Pensions	174
	Hydrants	110
	Apprenticeship Levy	62
	Improvements / Small Works	42
	Audit, Treasury, Shared Service	14
	Other	216
Corporate Services TOTAL		**1,821**
Corporate Services / Preparedness & Response	Fuel Cards	266
	OCA Contract	194
	PPE	600
	Scientific Services	85
Corporate Services / Preparedness & Response TOTAL		**1,144**
Preparedness & Response	External Training & Conferences	155
	Other	5
Preparedness & Response TOTAL		**160**
Prevention Protection & Operational Improvement	Occupational Health Contract	191
	Other	14
Prevention Protection & Operational Improvement TOTAL		**205**
TOTAL New Departmental Inflation		**3,330**

In addition to Departmental inflation identified above, centrally held assumptions included in the previous budget process for 2027-28 have been further reviewed. This

includes an update on revenue impact of the capital programme, grant assumptions, and an appropriate level of centrally held contingency for inflation and organisational risks.

Description	2027-28 £'000	2028-29 £'000	2029-30 £'000
MFB Act - Insurance Income	1,029	1,029	1,029
Revenue Impact of Capital Programme	-2,000	-2,000	-2,000
Updated Grants Assumptions	-2,672	-2,018	-63
Centrally held inflation & other risk contingency	4,200	11,000	16,300
TOTAL Central MTA Adjustments	**557**	**8,011**	**15,266**

Appendix 7
The capital programme and the capital strategy

LFC Capital Strategy 2027-28 and beyond

Description

Capital is defined as all expenditure not directly included in the annual revenue budget (General Fund) and generally results in a new or enhanced asset or investment held on the London Fire Commissioner's (LFC) balance sheet.

All capital expenditure must comply with the Capital Strategy. The Capital Strategy brings together detailed policies, procedures and plans relating to existing land and building related assets and treasury management transactions and applies to the General Fund.

The Capital Strategy forms an essential part of the LFC's integrated revenue, capital, and balance sheet planning. It aligns to the Medium-Term Financial Plan (MTFP), and the Annual Revenue Budget.

The Capital Strategy also provides a framework by which capital expenditure decisions are made as required by the CIPFA Prudential Code for Capital Finance in Local Authorities and LFC to provide good governance.

The Capital Strategy is prepared early in the new year, in advance of the financial year to which it pertains. It is separate from the capital programme, which sets out what we plan to do, whereas the capital strategy sets out how and why we will do it. This Appendix sets out to summarise the capital programme as it currently stands and indicates the likely direction the capital strategy will take.

It should also be noted that whilst this is a report on capital, it also applies to all expenditure of a revenue nature relating to land and buildings, such as asset maintenance and planned asset development programmes, where significant revenue expenditure is incurred in the revenue budgets.

Intention

1. The Capital Strategy will be developed in accordance with the CIPFA Prudential Code (2021 edition) to ensure that all amounts borrowed by London Fire Commissioner's (LFC) are affordable. The Capital Strategy will outline the LFC's approach to capital investment decisions and priorities, ensuring that it is in line with corporate priorities. These priorities are set out in the Community Risk Management Plan (CRMP) which came into effect on 1 January 2023 and covers the period to 2029.

2. The Capital Strategy supports the Brigade and it is intended to give a high level overview of how the capital expenditure and capital financing contribute to delivery of services and its purpose as an organisation trusted to serve and protect London, and delivery of the Mayor's priorities.

3. The LFC Capital Strategy and capital programme together cover a more detailed outlook set over a five-year timeframe. The Strategy does however include a longer-term vision, a forward look at those projects that are likely to run beyond the five-year strategy and programme period or be initiated subsequently. This covers a timeframe for the 15 years from 2031-32 to 2045-46. The Capital Strategy is written to comply with the Prudential and Treasury Management Codes issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

4. The Capital Strategy will set out a framework for the management of capital finance and, along with the LFC Treasury Management Strategy (published in the same reporting cycle), will cover the following areas:

a. Capital Expenditure and Investment Plans;
b. Prudential Indicators;

c. External Debt; and
d. Treasury Management.

5. The Capital Strategy will address the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code, which sets out a requirement for local authorities to produce a Capital Strategy to form part of its integrated revenue, capital and balance sheet planning. It is updated annually to react to the changing LFC priorities, social and demographic changes and the financial climate.

6. This report constitutes an indication of the expected tone and content of the Capital Strategy, based on the current capital strategy and the known content of the capital programme, together with approved growth bids. It has been prepared as part of the budget setting process and is to be submitted to the Mayor as part of the budget submission, approved by the LFC. The final Capital Strategy will be approved by the LFC in March 2027. This is an annual requirement, and the Capital Strategy will be published in draft as part of the budget submission to the Mayor in November, and as a final Capital Strategy following approval by the LFC in March 2027.

Benefits

This outline Capital Strategy demonstrates that the LFC takes capital expenditure and investment decisions in line with service objectives, and properly takes account of stewardship, value for money, prudence, sustainability, risk and affordability.

The key benefits of the outline Capital Strategy are to deliver a capital programme that;

a. ensures the LFC's capital assets are used to support the delivery of services according to the priorities within the London Safety Plan and the Community Risk Management Plan;
b. links to the LFC's Strategies/Plans, such as the Estates strategy, Fleet strategy and the Sustainability strategy;
c. is affordable, financially prudent and sustainable;
d. ensures the most cost-effective use is made of the existing assets and new capital expenditure; and
e. supports delivery of the Mayoral policies and objectives.

Approach

The outline Capital Strategy has been derived largely from Estates and Asset Management Plans, the ICT Strategy, the Fleet Replacement Plan, the Sustainability Strategy, the Treasury Management Strategy and the CRMP. It has been developed to reflect the LFC's priorities and will be reviewed for future years to deliver against the CRMP. It will also continue to support the recommendations from the Grenfell Tower Inquiry and the HM Inspectorate of Constabulary and Fire & Rescue Services.

The Estates / Asset Management Plan seeks to align the asset portfolio to best support service delivery by the Brigade. It reflects the requirements of the CRMP, the terror preparedness review undertaken by Lord Harris, the LFC's inclusion strategy, and the Mayor's Homes for Londoners agenda. A condition survey has been undertaken for all LFC properties, and the current condition and functional suitability of the assets has been assessed against the LFC's requirements for a modern fire service.

The ICT Strategy (which is undergoing review following the appointment of a new Chief Digital & Data Officer in September 2026) seeks to ensure that the technologies available to the Brigade, via a range of ICT solutions, are fit for purpose, affordable and sustainable, that they are responsive to business need and valued by staff and stakeholders and are delivered in a cost effective and efficient way, including collaboratively where appropriate.

Fleet capital investment is prioritised based on operational risk, asset condition, resilience requirements and specialist capability needs, ensuring the Brigade maintains safe and effective frontline services while pursuing decarbonisation where operationally viable and value for money can be demonstrated.

The LFC's Sustainable Development Strategy[10] sets out ten objectives to achieve the Brigade's vision of being the leaders on sustainable development within the UK Fire and Rescue Service. The three main focus areas of this strategy are environment and climate change; economic value; and equality and inclusion.

The Treasury Management Strategy sets out the treasury management arrangements in place to manage the LFC's borrowing and cash balances and deliver best practice. It covers the management of LFC's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. This is delivered as part of the London Treasury Liquidity Fund LP.

Influences

The main influences on the Capital Strategy are set out below.

- The age of the estate - about a third of fire stations are over 60 years old and nearly a third are listed, locally listed and/or are in a conservation area.
- The layout and design of the majority of fire stations creates challenges in meeting the needs of a modern service.
- Changing operational requirements – developing response to changes in the type of incidents, including terrorism related, and fire safety particularly in the post Grenfell period.
- Population growth and locating resources to address developing needs
- New fleet requirements due to the changing needs of the service and the new ultra-low emission zone.
- Current shortage of availability for zero emission capable HGVs and new technology regarding electric/hybrid vehicles.
- The shortage of affordable new sites for new or re-located fire stations, together with the aim to ensure that future developments take account of both the Mayor's Homes for Londoners agenda and local planning policies.
- Fire stations operating 24/7 making major refurbishments/extensions difficult to undertake as operational cover has to be maintained. This is coupled with a lack of suitable/affordable sites for fire stations to operate from on a temporary basis whilst the works are undertaken.
- Ensuring that opportunities to benefit from developments in technology are maximised, including the ability to provide positive changes in the delivery of services such as cloud computing.
- The reduction in the level of funding from capital receipts and grants and the ongoing affordability of funding capital expenditure through borrowing.
- Rapidly changing technological and digital environment with an increasing trend away from ICT capital expenditure to cloud-based software-as-a-service revenue expenditure.

Mayoral Policies

The outline Capital Strategy strives to address Mayoral policies as follows.

Ensuring London is:

a. A city that meets the challenges of economic and population growth in ways that ensure a sustainable, good and improving quality of life and sufficient high-quality homes and neighbourhoods for all Londoners and help tackle the huge issue of deprivation and inequality among Londoners, including inequality in health outcomes.

The outline Capital Strategy will support this policy as follows.

[10] https://www.london-fire.gov.uk/media/nzyhrrtn/london-fire-brigade-sustainable-development-strategy-2026-2030.pdf

- To ensure that our fire stations are well placed to meet the needs of Londoners, attending incidents effectively and to the attendance standards set.
- Looking to open up fire stations so that they become community assets/hubs. Ensure that the design of new fire stations will enable them to be community hubs.
- Identifying potential opportunities that the estates can offer to provide accommodation to further our prevention priorities with local authorities e.g. the health agenda and crime prevention (cadet training).
- To contribute to the Mayor's Homes for Londoner's agenda so that where LFC land can be released for development, the requirements for affordable housing are considered.

b. A city that becomes a world leader in improving the environment locally and globally, taking the lead in tackling climate change, reducing pollution, developing a low carbon economy, consuming fewer resources and using them more effectively.

The outline Capital Strategy will support this policy as follows:

- Upgrading our fleet to meet the Ultra-Low Emission Zone requirements and to assess and adopt new technologies as and when they become available.
- Aligning our estates strategy with other emergency services and using every opportunity to share buildings through co-location and integrating estate services.
- To improve the energy efficiency of our estates and to continue to take steps to reduce our carbon footprint through sustainable development.
- To continue to unlock the potential latent value in our estate, through engaging private sector developer partnerships on appropriate sites.

20-year Capital Ambition

The 20-year capital requirements are considered below, including investment and capital funding. This is based on the LFC's current capital programme plus the on-going future capital requirements and maintain operational effectiveness at current levels. A key review of the Capital Strategy and 20-year capital requirement has been to align these with the CRMP.

The LFC capital spending plans for the five years to 2030-31 are approved as part of the budget process and are funded with capital financing costs reflected in the revenue budget. The is set out in the table 1 below.

Table 1: Capital budgets and financing 2026-27 to 2030-31

Project	2026/27	2027/28	2028/29	2029/30	2030/31	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Schemes						
Properties	45.6	60.7	54.6	34.3	14.3	209.5
Fleet Replacement Plan	4.6	4.8	8.1	5.9	26.3	49.7
ICT Projects	8.3	4.8	3.2	4.0	2.6	23.0
Communications Project	0.0	0.0	0.0	0.0	0.0	0.0
Operational Policy Equipment	0.0	0.0	0.0	0.0	0.0	0.0
IFRS16 ROU Projects	0.0	0.0	0.0	0.0	0.0	0.0
Optimism Bias (15% from 2027/28, excluding 8 Albert Embankment project)	(4.1)	(5.4)	(4.0)	(4.0)	(6.5)	(24.0)
Total Expenditure	**54.3**	**65.0**	**61.9**	**40.2**	**36.8**	**258.2**
Capital Financing						
Reserve	0.0	0.0	0.0	0.0	0.0	0.0
Capital Receipts	0.4	0.0	0.0	0.0	0.0	0.4
Capital Grants	0.3	0.0	0.0	0.0	0.0	0.3
External Borrowing*	53.6	65.0	61.9	40.2	36.8	257.5
TOTAL Funded Financing	**54.3**	**65.0**	**61.9**	**40.2**	**36.8**	**258.2**

*Borrowing is currently shown as external but it is expected that some of the borrowing will be using internal funds, further work will be carried out ahead of the final budget to provide the split between internal and external borrowing.

The proposed increase in property-related capital expenditure over the coming years in large part due to the planned investment in a new LFB Headquarters and refurbishment of the fire station on Brigade-owned estate at 8 Albert Embankment. This decision was reached following a detailed assessment of alternative options for the HQ (including rental options) when the current lease at Union Street expires, taking into account long term value for money and strategic considerations[11]. Planning permission for the 8 Albert Embankment project was received in October 2026. Other reasons for the increase in the capital programme include the final phase of the Privacy for All Programme, Electrical vehicle charging infrastructure and Salix-related decarbonation works. There is also a significant increase in fleet capital expenditure in 2030-31 associated with pumping appliances replacement programme; the timing of this is under review and will inform an updated plan in the final budget report in March 2027.

Revenue Funding of the Capital Programme for the first 5 years

[11] The LFB currently rents its Headquarters at Union Street. This investment will therefore help ensure the LFB's revenue cost for its Headquarters is sustainable into the future and reduce pressure from increasing rental costs.

In the medium-term the total capital plan is £258.2 million, of which £0.7 million of the plan is funded using Capital Receipts and Capital Grants. The remaining balance is expected to be funded by £258.2 million of borrowing. There is a requirement in accordance with the Prudential Code for LFB to set aside sufficient funds to fund the Capital programme should the need arise.

The interest charges are calculated based on the latest MUFG interest rates at 4.5 per cent (5 years), 4.8 per cent (15 years) & 5.3 per cent (30 Years)

A further 15 years, from 2031-32 to 2045-46 to complete the 20-year capital ambition has been prepared on the basis of maintaining the asset base at its current level, with updates/replacements as necessary. The further element has some funding identified, however there is a funding gap to be addressed. The element of the capital spending plans is set out in table 2 below and is inclusive of 3 per cent per annum inflationary cost pressures.

Table 2: Capital Ambition 2031-32 to 2045-46 and Ambition Gap

Project	Years 2031-36	Years 2036-41	Years 2041-46	Total
	£m	£m	£m	£m
Capital Schemes				
Properties	78.1	90.2	59.2	227.5
Fleet Replacement Plan	122.3	19.2	26.8	168.3
ICT Projects	44.4	18.7	16.6	79.7
Total Capital Expenditure	**244.8**	**128.1**	**102.5**	**475.5**
Capital Financing				
External Borrowing	244.8	128.1	102.5	475.5
TOTAL Funded Financing	**244.8**	**128.1**	**102.5**	**475.5**
Unfunded Capital Expenditure	**0.0**	**0.0**	**0.0**	**0.0**

The programme includes the capital investment requirements to ensure that the LFC's fleet meets the new ultra-low emissions zone requirements (ULEZ) and replacement of vehicles as they come to the end of their useful life. Ongoing capital expenditure on the LFC's estate is included to maintain the condition and functionality of fire stations. There are also estimates for spend on ICT replacement and upgrade. The programme does not include the full additional costs in respect of the works to the LFC estate to enable the LFC fleet to be zero emission compliance by 2030 as it is not possible to predict the impact of the level of additional infrastructure required at this time with accuracy, and also because it would require substantial additional funding which has not been agreed. The capital requirement for the LFC estate has been based on analysis that has been undertaken which assesses the condition and functional suitability for all existing fire stations.

The Ultra Low Emission Fleet (ULEF) Programme sets out the steps to be taken to plan, develop, test, procure and deploy new vehicle technologies within the LFC fleet to achieve the targets set out above. It focuses on the process for heavy frontline vehicles, given the current lack of low/zero emission capable HGVs and the technological challenges in developing them.

Government advocates a 'cloud first' approach when considering options for new ICT systems and infrastructure improvements. With this the funding model shifts from capital to revenue-based expenditure, which presents challenges to LFC, due to the increasing pressure on revenue funding and budgets. At present the ICT Strategy does not plan a radical change to the ICT infrastructure in the short term as this would consume significant resources and generate risk in the transitional phase. Instead, a 'cloud' based approach to new systems will be adopted as and when current systems are being replaced which would allow the Brigade to explore new ways for ICT delivery, whilst minimising risk and disruption.

Available Capital Funding

There is a variety of ways in which capital expenditure can be financed, but the main sources are often from a combination of revenue resources/reserves, capital grants, capital receipts and borrowing. A brief explanation for each of these options is described below.

a. **Prudential Borrowing -** The LFC ensures that the level of borrowing is affordable, prudent, and cost effective. Borrowing is subject to the requirements of the Prudential Code and is managed through the Treasury Management Strategy. Borrowing has a long-term impact on the revenue budget, through the interest payable on the loan and the annual charge for the repayment of the sum borrowed (Minimum Revenue Provision (MRP). Loans are sourced in discussion with the London Treasury Liquidity Fund LP and from the Public Works Loan Board (PWLB).

b. **External Capital Grants -** Grants are awarded to the LFC from Central Government and other third parties. Most grants are now policy specific and in some cases are awarded through a bidding process. The LFC bids for grant funding as and when opportunities arise.

c. **Capital Receipts -** The LFC is able to generate capital receipts through the sale of surplus assets. This is a limited resource as the majority of the LFC's assets are currently in operational use as part of front-line service delivery and response. The timing and value of the capital receipts may also be further delayed or reduced due to planning requirements and changes in market conditions.

The LFC aim, wherever possible, is that all large developments are self-funding through the release of land/buildings for sale and the opportunity of sale and leaseback arrangements.

Revenue Funding - LFC can use revenue resources to fund capital projects on a direct basis, however, current funding projections point to a revenue budget gap which means that the capacity for this is very limited. Invest to save projects that result in additional revenue savings in future years are the best option for funding by this method.

The LFC's level of borrowing is forecast to increase as the availability of capital receipts has come to an end, and expenditure increases, such as on fleet with the LFC now owning its fire appliances, etc., resulting in additional revenue costs through MRP and the interest charged on outstanding loans. It is expected that the Capital Strategy will be entirely reliant on borrowing over the medium-term, depending on the timing of the remaining capital grants, with the additional capital financing costs adding to the pressure on the revenue budget.

Based on current estimates, the level of debt is expected to steadily increase over the period, resulting in a substantial increase in debt charges peaking at £63.05 million by 2033-34 before starting to fall. Under current assumptions this would result in the need to increase the capital charges budget by an average of circa £24.8 million per annum, which would need to be funded by matching savings or income.

The projected budget pressure, of an average of £24.8 million, is based on current capital spend projections which is based on inflation at 3.0 per cent per annum and the current capital plan assumptions of total expenditure and the expectation of no significant capital receipts. This figure will change with the following risk items.

- The level and timing of capital receipts.

- The potential of future interest rate rises.
- The availability of resources to deliver the capital programme.

The level of capital spend is largely driven by the need to maintain and replace the fleet, fire stations and ICT that support the current level of service delivery and front- line response. It is therefore difficult to reduce spend without changes to front line service delivery.

Options to bridge funding gap
The LFC will need to consider options on how to bridge the funding gap and ensure that future years capital expenditure is affordable. Possible options to consider are provided below.

- Provide a revenue contribution to fund the capital programme (unlikely in the short term given budgetary pressures).
- Pursue possible alternative funding/service delivery options.
- Reduce the level of the capital programme.
- Secure additional resources – GLA/Government.

External Debt
The current level of external debt that has been taken out is shown below, with the maturity level of debt reducing across the period to 2030-31. In addition, cumulative new loans from the Public Works Loan Board (PWLB) are shown underneath, indicating a total new borrowing requirement of £257.3 million by 2030-31. The reason for such an increase is due to the lack of capital receipts or external grant funding that is available to LFB and therefore the capital strategy needs to almost entirely be financed by new loans.

Total External Debt Levels £'m	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**
Existing Public Works Loan Board (PWLB)	35.5	32.5	29.5	26.5	23.5
Forecasted new Public Works Loan Board (PWLB)	53.4	118.4	180.3	220.5	257.3
Total	**88.9**	**150.9**	**209.8**	**247.0**	**280.8**

The table below sets out the prudential limits for 2026-27 to 2030-31. These will be reviewed as the new Treasury Management Strategy is developed. -

Table 3: Prudential Limits

Approved Borrowing Levels £'m	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**
Operational Boundary	240.0	291.1	319.4	325.7	328.1
Authorised Boundary	245.0	320.2	351.4	358.3	360.9

Other Long-Term Liabilities
LFC has other long-term liabilities which include PFI contracts for fire stations (until 2040-41) and a finance lease for the Merton Control Centre (Until 2034-35). The current and forecast outstanding long-term liabilities are as follows.

Table 4: Other Long-Term Liabilities

As 31 March	2027	2028	2029	2030	2035	2040	2045
	£m	£m	£m	£m	£m	£m	£m
PFI	36.7	35.1	33.6	31.9	21.9	7.0	0.0
Finance Lease	18.3	17.3	16.2	15.0	3.4	0.0	0.0
IFRS16 Lease	37.2	27.5	24.2	20.9	3.6	0.3	0.3
Total	**92.2**	**80.0**	**74.0**	**67.8**	**28.9**	**7.3**	**0.3**

There are no plans for any future finance leases/PFI arrangements at the current time. The contract register is regularly reviewed to ensure that no finance leases have been entered into without the Finance Department's knowledge. This is also further managed by the Assistant Director - Finance reviewing all reports to LFC to include financial implications.

Risks
The Capital Programme is subject to the following risks.

- Additional revenue budget pressures resulting from increased revenue impact of borrowing.
- Interest rate increases for borrowing.
- Increased cost in delivering the capital programme due to inflation pressures/ limited number of suppliers that can provide specialist equipment/vehicles.
- The potential requirement to fund the replacement of National New Dimensions Assets which currently has not been factored in the capital requirements.
- Additional building costs required to support the delivery of Zero Emission Pumping Appliances (ZEPA).
- Difficulty in obtaining planning consent for new developments and refurbishments.
- A lack of affordable sites for new developments.
- Third party collaboration and contractor capacity to deliver, as all capital projects will require varying collaboration with external parties over the project life.
- The risk that any planned capital disposals will not realise the projected capital receipts income or may not come to fruition thus resulting in additional borrowing costs.
- Changes in government funding, policy and legislation.
- Availability and speed of developments in technology.
- Recruitment and retention of key skilled staff and significant staff resource to deliver the capital schemes.

The risks are being managed by as follows.

- The ability to flex the capital programme and re-phase capital expenditure so as not to result in additional external borrowing and the resulting increase in debt charges.
- Maximising, where possible, the redevelopment of existing sites through developers to reduce capital borrowing and to realise any potential capital receipts released through latent estate value.
- Investing in invest to save projects where the outcome of these projects will result in revenue savings to LFC.
- Ensuring the capital governance framework, including regular monitoring and review of the capital programme, is in place.
- Ensuring that all planning applications consider all relevant local/Mayoral planning and listed building requirements. Pre-discuss all planning applications prior to submission with the local

planning officers to mitigate against planning refusals and completing public consultation in good time for those development projects that affect the public.
- Re-allocating key resources to development projects as required to meet the capital programme.
- Promoting collaboration with other emergency services and the GLA Group.
- Limit the risk of contract failure by effectively managing contracts and learning from past lessons in project delivery.

Appraisal - Governance and Monitoring
An important part of the governance arrangements is the frequent monitoring of the agreed capital programme. The capital programme is reviewed regularly with budget holders and reported on a quarterly to senior management. The capital monitoring is reported alongside revenue monitoring in the quarterly financial position report, which is reported to the Investment & Finance Board and Commissioner's Board. Quarterly monitoring reports are also presented to the Fire Board and are published. The published reports are used to support scrutiny by the London Assembly's Fire Committee and Budget and Performance Committees (BPC).

New, or changes to existing capital projects are dealt with as part of the capital monitoring process and budget holders are required to submit a request outlining the key scheme information, costs both capital and revenue and associated risks.

Where a new scheme or a budget change is required which is greater than £150k, a separate report is prepared, and additional governance arrangements are in place. The reports are considered by the Investment & Finance Board and Commissioner's Board, and the Deputy Mayor through the Fire Board, as required, before final approval by the London Fire Commissioner.

The Capital Programme is approved by the London Fire Commissioner before submission to the Mayor as part of the annual budget submission.

When proposing capital projects for inclusion into the programme, the responsible department will undertake an assessment/evaluation as to how the project:

- Ensures LFC's capital assets are used to support the delivery of services according to the priorities within the CRMP.
- Links to LFC's Asset Management Plans and other LFC Strategies/Plans.
- Is affordable, financially prudent and sustainable.
- Ensures the most cost effective use is made of the existing assets and new capital expenditure.
- Supports the Mayor of London in meeting the approved objectives and strategic plans.

The LFC has overall responsibility for the Capital Strategy, with support from senior management with the strategic development and monitoring of the capital programme through Commissioner's Board and Investment & Finance Board. The Capital Strategy will also be subject to consultation with the Deputy Mayor, and submission to the Mayor as part of the budget submission. Wherever appropriate to do so, and more specifically for the larger projects, project boards are established, which consist of a wide range of professional expertise. These boards meet regularly to assess and monitor the progress of the projects to ensure the delivery of the defined capital investment.

This outline Capital Strategy will be continually refined and assessed against deliverability, affordability and risk in addition to ensuring this delivers the CRMP. Any further updates will be reflected in the final budget in March 2027.

Chief Finance Officer Sign Off
The Chief Finance Officer is to report explicitly on the deliverability, affordability and risk associated with the Capital Strategy. A report presenting the Strategy will be presented to the Commissioner's Board, and the

Deputy Mayor's Fire Board, alongside reports for approval of the Budget and Treasury Management Strategy.

Appendix 8
Reserves Strategy / 'Section 25' statement

LFC Reserves Strategy

Introduction and Background

The Local Government Act 2003 (Section 25) requires that, when setting the budget for the forthcoming year, requires that the chief financial officer reports the following matters to members when agreeing its annual budget:

- The robustness of the estimates made for the purposes of the budget calculations, and
- The adequacy of the proposed financial reserves.

Strategic Context

There are a number of reasons why a local government authority might hold reserves, these include to:

(a) Mitigate potential future risks such as increased demand and costs;
(b) Help absorb the costs of future liabilities;
(c) Temporarily plug a funding gap should resources be reduced suddenly;
(d) Enable an authority to resource one-off policy developments and initiatives without causing an unduly disruptive impact on Council Tax;
(e) Spread the cost of large-scale projects which span a number of years.

Reserves only provide one off funding so an authority should avoid using reserves to meet regular and ongoing financial commitments, other than as part of a sustainable medium-term budget plan.

Long-Term Sustainability

Reserves are an essential tool to ensure long-term budget stability particularly at a time when the LFC is facing significant risk over funding and savings requirements in future years. In recent years, in line with planned transformation following the Grenfell Tower, LFC has set up and fully utilised a lot of earmarked reserves for one-off use, with only a small number now remaining as the LFC has transitioned to a phase of continuous improvement.
Reserve balances have been identified as a key indicator of financial health and the LFC continues to have an appropriate level of reserves to deal with identified risks. As a minimum, subject to closing the projected budget gap for 2027-28 in the final budget in March 2027, there are sufficient balances to support the budget requirements and provide an adequate contingency for budget risks.

There are two different types of reserve, and these are:

- *Earmarked Reserves* – these reserves are held to fund a specific purpose and can only be used to fund spending associated with that specific purpose. Should it transpire that not all of the agreed funds are required then decisions would be sought on how any remaining balance is to be utilised.
- *General Reserve* – use of this Reserve is non-specific and is held to fund any unforeseen spending that had not been included in the base budget, on an exceptional basis.

It should be noted that if a risk materialises that requires significant draw from reserves, the LFC would need to seek to prudently rebuild reserves back to an adequate level in future years. It is also important to bear in mind that reserves are not the only way in which the financial risks are managed.

Insurance cover is in place for a wide range of eventualities. In terms of this cover there is an insurance excess, with the major ones being for the LFC meeting up to the first £0.85 million on claims for combined liability and

£0.25 million on motor fleet, with an aggregate (maximum liability) of £5.0 million and £10.0 million in one year respectively. These levels are reviewed when insurance policies are retendered, and potentially renewal, in discussion with key stakeholders.

In addition to insurance provisions are also raised in the Statement of Accounts each year for potential costs where there is knowledge of a claim. These provisions are held to provide funding for a significant liability or loss that is known with some certainty will occur in the future, but the timing and amount is less certain. The MTFS also includes central contingencies for inflation and other budgetary risks.

The LFC, via the GLA, also has potential access to the Bellwin scheme in particular circumstances for emergency financial assistance. The scheme may be activated in any case where an emergency or disaster involving destruction of or danger to life or property occurs and, as a result, one or more local authorities incur expenditure on, or in connection with, the taking of immediate action to safeguard life or property, or to prevent suffering or severe inconvenience, in their area or among its inhabitants.

The Bellwin scheme requires an expenditure threshold to be exceeded in order to trigger claims, and the threshold is set each year. For the latest Bellwin claim (Grenfell Tower) this was set at £0.75 million for fire within the GLA Group. In addition, only a proportion of costs can be recovered, in particular these have to be marginal (additional) costs, and only costs in excess of the threshold will be reimbursed.

Risk Assessment to Determine the Adequacy of the General Reserve

An authority should seek to maintain a General Reserve that is adequate but not excessive to manage its financial risks. As a single-purpose authority, the LFC has no opportunity to use cross-service subsidies to meet unanticipated expenditure and so, proportionally, its General Reserve may be slightly higher than for a multi-purpose authority.

The LFC has been strengthening its approach to managing risk.

Under its Reserve Policy the LFC has set its level for the General Reserve at 3.5 per cent of core GLA funding. The LFC is currently above this level based on Q2 Finance Report and the Medium Term Financial Strategy aims to maintain the General Reserve at 3.5 per cent throughout the period.

LFC undertakes a risk assessment of the adequacy of the LFC's General Reserve to consider the extent to which the LFC is exposed to uninsured and unbudgeted losses. The risk assessment for the coming financial year, 2027-28, has been prepared as part of the budget setting process.

Annual Review of Earmarked Reserves

The LFC has a number of earmarked reserves which have been established for specific purposes where there have been timing differences at budget setting or year end, or emerging risks or cost pressures. The relevance of, and balance in, each of these is reviewed annually and the LFC is informed of the latest plans for the balances held in such reserves over the medium-term via the Reserves Strategy.

When the LFC approves the Reserves Strategy for publication it will be made available on its website, including the draft Reserves Strategy prepared as part of the Budget Submission to the Mayor and which is subject to consultation with the London Assembly's Fire Committee before approval in the final budget in March.

An estimate has been made of the financial impact if the current corporate strategic risks (which are deemed to be red) became reality and this has been assessed against the adequacy of general fund reserves. The financial risks are set out in further detail within Appendix 2 to this report as part of the MTFS Strategy.

The focus of this review of the adequacy of reserves is on the short term only as reserves can only be used once and are not a permanent source of funding. However, this needs to be considered against the probability of more than one significant risk materialising in any one year.

The CIPFA guidance emphasises that a well-managed authority will ensure that reserves are not only adequate but also necessary. It would not be appropriate to set funds aside to cover risks that are deemed extremely unlikely to occur. CIPFA also advises that a balance needs to be found between maintaining adequate levels of reserves and investing in risk reduction measures. For example, it may be possible to reduce the level of balances held where appropriate action to mitigate or remove risks has been successfully taken.

Performance Monitoring and Reporting

LFB has robust financial monitoring and reporting throughout the financial year. On a monthly basis internal financial monitoring including revenue, capital and the reserves position is presented to Investment & Finance Board (IFB) which has membership of all the directors and relevant senior leaders. Further to this, information is also presented on a quarterly basis to Commissioners Board (CB) and the LFC's Audit Committee. Externally, information is provided to both the GLA and to the Deputy Mayor's Fire Board on a quarterly basis.

Ownership and Accountability

The Commissioner and directors are held to account through various governance arrangements that LFB has in place. As discussed above, directors internally have a monthly Investment and Finance Board where there is peer challenge and scrutiny of the finances of LFB. Prior to this, Finance Business Partners hold internal meetings, discussions and the sharing of financial information with supporting forecasts for the financial year. The Commissioner then holds his directors to account through Commissioners Board and through individual management meetings. Externally, quarterly budget information is shared with both the GLA and the Deputy Mayors Fire Board to ensure external scrutiny whereby questions can be posed of both the overall performance and financial performance of LFB. The quarterly reports are also published and available for review by the London Assembly.

Conclusion

There are a range of factors that need to be considered in determining an appropriate level of reserves and as the CIPFA guidance states a considerable degree of professional judgement is required.

The LFC's earmarked reserves have, in line with plans, reduced over time as those funds have been utilised to support essential transformation activity in recent years. For LFC the combination of a maximum insurance liability, the current availability in provisions to cover known or expected events, the availability of earmarked reserves, and a generally prudent approach to cost estimation and budgeting indicates that a minimum general reserve level of 3.5 per cent can currently be deemed to be adequate given the corporate governance and control arrangements in place across the organisation. This level of reserves is judged prudent by the Chief Finance Officer of LFB in the context of known future liabilities, risks and funding uncertainties facing the organisation and will be kept under review. The budget includes savings and efficiency targets, which senior leadership are committed to delivering and implementation of these will require ongoing monitoring.

However, the above view is predicated on balancing the budget for 2027-28 – there currently remains a gap of £17.9 million to be filled by further funding and/or further savings. This will be reviewed ahead of the final budget to be published in March 2027.

Annex A Projected Reserve Balances over Medium-Term Financial Plan Period (2027-2030)

Reserve	Forecasted Balance at 31/03/2027 (£m)	2027-28 Forecasted Use of Reserves (£m)	Forecasted Balance at 31/03/2028 (£m)	2028-29 Forecasted Use of Reserves (£m)	Forecasted Balance at 31/03/2029 (£m)	2029-30 Forecasted Use of Reserves (£m)	Forecasted Balance at 31/03/2030 (£m)
Fire Safety Improvement	**10.3**	0.0	**10.3**	0.0	**10.3**	0.0	**10.3**
Fire Safety and Youth Engagement	**4.9**	0.0	**4.9**	0.0	**4.9**	0.0	**4.9**
Building Safety Regulator	**2.0**	0.0	**2.0**	0.0	**2.0**	0.0	**2.0**
ICT Development	**0.1**	0.0	**0.1**	0.0	**0.1**	0.0	**0.1**
Recruitment	**0.4**	0.0	**0.4**	0.0	**0.4**	0.0	**0.4**
Communications	**0.1**	0.0	**0.1**	0.0	**0.1**	0.0	**0.1**
Pensions	**0.3**	0.0	**0.3**	0.0	**0.3**	0.0	**0.3**
Investment CF	**2.4**	0.0	**2.4**	0.0	**2.4**	0.0	**2.4**
General Fund	**23.3**	(2.6)	**20.7**	1.0	**21.7**	1.0	**22.7**
Total Reserves	**43.9**	**(2.6)**	**41.3**	**1.0**	**42.3**	**1.0**	**43.3**

General Reserve

The general reserve provides a contingency to manage the impact of unexpected events or emergencies. The level of the general reserve is considered annually, with details of the consideration of the reserve's adequacy at a minimum of 3.5 per cent considered above.

Earmarked Reserves

In addition to the general reserve a, LFB has a number of earmarked reserves. These contain funds that LFB has agreed should be set aside for specific purposes. The earmarked reserves are considered further in the following paragraphs. The balances held on reserves are reviewed to ensure they continue to meet these purposes, and any balances not required transferred to the general reserve or released to balance the budget.

The Fire Safety Improvement reserve has been utilised in the past to fund the Modern Firefighter and Training Investment in 2024-25 and 2025-26, as well as Grenfell-related liabilities.

The Fire Safety and Youth Engagement reserve was established in 2016-17. The reserve now includes funding received in the form of specific grants from the Home Office to enable a Protection Uplift.

The Building Safety Regulator Reserve is linked to expenditure in relation to building regulations and the Fire Safety Act 2021.

The Investment Carry Forward reserve holds funds approved for specific projects and strategic priorities, where time limited expenditure has been reprofiled across financial years.

Appendix 9
Equality Analysis / Equality Impact Assessment (EIA)

A. Name and the nature of the programme/ activity

London Fire Brigade Budget Submission 2027-28

This Equality Impact Assessment covers the London Fire Brigade's Budget Submission to the Mayor of London for 2027/28. The submission sets out the Brigade's proposed revenue and capital budget for the year, including a range of investment proposals and savings and efficiency proposals. At the time of writing, the submission includes a remaining funding gap or savings requirement of £17.9m, which the Brigade must close before the budget is finalised.

B. Reason for Equality Impact Assessment

- Proposed change to an existing programme/ activity
- Undertaking a review of an existing programme/ activity

This Equality Impact Assessment has also been prepared to meet the requirements of the Mayor's Budget Guidance which sets out that all members of the GLA Group must demonstrate how their plans will:

- support the actions in the Building A Fairer City plan
- impact on different groups of Londoners; this includes those sharing characteristics protected by the Equality Act 2010 and low-income Londoners
- strengthen activities to further address structural inequalities in London – particularly poverty and economic inequality
- fulfil the Equality Objectives for the functional body

This Equality Impact Assessment needs to be considered in the context of the challenging financial position that has been set out in the body of the LFB's Budget Submission. That submission currently includes significant further funding gap or saving requirement of £17.9m, which if not closed has the potential to impact London's diverse communities.

These requirements are addressed in the following sections, which reflect funding that has been provided within this budget submission **for 2027-28 for these activities**.

Building a Fairer City

The Building a Fairer City plan includes four key areas on Labour market inequality, financial hardship and living standards, equity in public services and civil society strength.

Labour market inequality

Through continued investment in Cultural Transformation and People Services, the LFB continues to focus on increasing the diversity of its workforce. A diverse workforce allows the LFB to integrate and become closer to its communities. If local communities trust us, the LFB is better able to gain their cooperation when it offers vital fire safety advice.
Some of the most vulnerable people in society come from diverse backgrounds and the LFB needs to understand their lifestyles in order to safeguard them against the risk of fire. This applies to all roles, from inspecting officers to control staff, community safety teams and firefighters.
A diverse team gives us a broad variety of skills, experience, problem solving and an opportunity to learn from each other's differences. In turn this helps us to do the best job we can to keep London and all its communities safe

Equity in public services

Community Forum

The Brigade's Community Forum, which was launched in 2022, has been instrumental in helping the Brigade to transform over recent years by bringing together individuals to share their perspectives and influence services. The Community Forum has 15 members who represent different communities from across London. Moving forwards, the Brigade wants to develop local forums to hear from communities on a more personal level. To accomplish this, the new Steering Group will play a crucial role in designing how the local community forums will operate, allowing for more localised and focused engagement. These forums will aid the Brigade in ensuring that even more communities have a voice in shaping the services they receive.

Financial Hardship and living standards

The risk of fire in the home is not evenly distributed across London. National and Brigade incident data show that people living in deprived areas, in social or private rented housing, in houses in multiple occupation and in overcrowded homes are more likely experience a fire and to be injured or killed by one. The Brigade targets its prevention work at the people most at risk. Home Fire Safety Visits are prioritised using risk data that takes account of age, disability, lone living, deprivation and referrals from partner agencies, and are provided free of charge, including free smoke alarms and where needed specialist equipment such as vibrating pillow alarms, fire-retardant bedding, sprinkler/misting systems. The Online Home Fire Safety Checker (C2-01) allows residents to self-refer.

Civil society strengths

The Brigade works with the voluntary and community sector, faith groups, housing providers, local authorities and health partners to reach Londoners who may not otherwise engage with public service. Examples include the community forum which gives representatives a direct voice in shaping our services and youth engagement programmes like the Fire Cadets.

Equity as an LFB Value

Our values are a set of guiding principles that help us to create a safe and professional workplace culture. In turn, they also help us achieve our vision - to be trusted to serve and protect London.

Our people across the Brigade have helped to define these values by sharing their experiences of London Fire Brigade at its best. We've added input from the communities we serve and made sure they align with the NFCC Code of Ethics.

Our values are a key part of the way we work, and a foundation for delivering the goals of our Community Risk Management Plan: Your London Fire Brigade.

Our values are not new ideas; they have always been part of the Brigade and our people can live these values every day.

The six values are:

- Service
- Integrity
- Teamwork
- Equity
- Courage

- Learning

The value of equity can be demonstrated as an individual by:

- I seek to understand and learn from people with different perspectives
- I celebrate the achievement of others
- I give others the space to be themselves
- I am compassionate and kind to others and support their individual needs
- I do the right thing when nobody's looking

Impact on different groups of Londoners

We actively encourage and welcome all applicants to LFB, regardless of age, disability, transgender status or gender identity, marriage and civil partnership status, pregnancy and maternity, race, ethnicity or nationality, religion or belief, sex and sexual orientation.

We have a zero tolerance of discrimination and a strategy in place to ensure that no candidates are treated unfairly. Applicants can tell us if they require reasonable adjustments to provide them with equal opportunity in our recruitment processes, and our recruitment team are on hand to answer any questions they might have.

We are members of:

- The Employers Network for Equality and Inclusion (ENEI)
- The Business Disability Forum
- Stonewall (LGBT inclusion), and
- The Disability Confident Scheme

These organisations provide us with support and help us to become an employer of choice for the diverse communities across London:

Strengthen activities to further address structural inequalities in London

Improving our workplace culture

We want everyone in the Brigade to feel valued, safe and accepted in their workplace and to put public service at the heart of what we do. We're working hard to achieve that.

We are listening and talking as we improve

- Our senior leaders are visiting every Watch and team to discuss our new values and what they mean. Our leaders also visited our people to discuss our culture after the publication of the review.
- We run online all staff briefings every month, focusing on important topics including culture.
- Our Commissioner speaks at four in-person briefings at Headquarters every year, and attends department meetings, joint training sessions and fire stations.
- Last February our staff conference, Your LFB Live, focused on culture change; hearing and responding to the experiences of those with protected characteristics
- We introduced a briefing for staff – Your LFB Update – which is sent every eight days and gives regular information about culture-related and other changes in the Brigade.

Culture Review

Nazir Afzal's Independent Review of London Fire Brigade's culture was published in November 2022 and reported that LFB was institutionally racist and misogynistic, and that disabled and neurodiverse people received poor treatment. The LFB accepted the findings and committed to change.

The Culture Programme established an action plan covering five themes: Workplace where everyone is afforded dignity, better engagement with London's communities, leadership model of trust, improve wellbeing and transform People Services. At the Fire Performance Oversight Group, the committee noted and praised the LFB's sound plan and substantial progress.

Community Risk Management Plan.

In its delivery plan the LFB sets out what it will achieve over the life of the Community Risk Management Plan, which it is calling Your London Fire Brigade. It is based on the four new pillars and eight new commitments set out in Your London Fire Brigade. These pillars are:

- Engaging with YOU
- Protecting YOU
- Learning from YOU
- Representing YOU

Each of these pillars will impact on the services we provide, helping us to improve them so that we can work with the public to make them safer.

Detailed Performance information against the LFB's targets is set out in its published quarterly performance reports.

- Fire injuries (C7-02) and Accidental Fire Deaths in the Home (C7-04) are off target against the new, more challenging target that aims for LFB to be the best performing fire and rescue service in England by the end of the CRMP. People who are older, disabled, living alone, living with mental ill health, or living in deprived areas are disproportionately represented among people killed or injured in accidental dwelling fires. Our prevention activity is targeted at these groups, and progress against C7-02 and C7-04 is therefore also a measure of how well the Brigade is meeting its equality duty to communities. We continue to monitor emerging fire trends from lithium-ion batteries, particularly in e-bikes and e-scooters.

Fulfil the Equality Objectives for the functional body

Charts setting out how the LFB has been performing against its Equality workforce objectives are set out below.

Staff composition – Gender (Women)



Women make up 19.66 per cent of the workforce at Q2 2026-27, below the target of 20.50 per cent. Representation has increased steadily since January 2023. However, women are concentrated in Fire and Resilience Staff (FRS) roles: at 31 March 2026, women made up 54.4 per cent of FRS staff but only 10.6 per cent of operational staff. Positive action activity in 2027-28 is focused on operational recruitment of women e.g. targeted campaigns, taster days and mentoring.

Staff composition – Ethnic Minority Staff



Ethnic minority staff make up 18.97 per cent of the workforce at Q2 2026-27, below the target of 21.00 per cent. This is the largest gap of the four workforce objectives. At 31 March 2026, ethnic minority staff made up around 30.4 per cent of FRS staff but 15.9 per cent of operational staff. Planned action in 2027-28 includestargeting ethnically diverse communities, and work with community leaders, cultural organisations, and local groups. Additionally, Outreach material swill reflect imagery of underrepresented groups, and this is currently being developed as part of the Employee Value Proposition.

Staff composition – Disability



Disabled staff make up 9.63 per cent of the workforce at Q2 2026-27, below the target of 10.00 per cent. At 31 March 2026, around 13.2 per cent of FRS staff and 8.3 per cent of operational staff identified as disabled, and 5.2 per cent of all staff either did not provide information or preferred not to say. Planned action in 2027-28 includes a disability disclosure campaign.

Staff composition – Lesbian, Gay, Bisexual (LGB) Staff



Lesbian, gay and bisexual staff make up 6.61 per cent of the workforce at Q2 2026-27, above the target of 4.60 per cent. However, 18.2 per cent of staff have not provided information on their sexual orientation, so actual representation is uncertain. Work to improve disclosure rates will continue.

The Brigade does not currently report workforce objectives for age, religion or belief, gender reassignment, marriage and civil partnership, or pregnancy and maternity. Workforce data on age and

religion or belief is held and is used in Section D. Data on the other characteristics is not collected, which is recorded as an evidence gap in Section E(ii).

C. Persons responsible for the programme/ activity

Name: Ehis Ilozobh

Job title: BIW Manager Education

Department: People Services

Name: James Buttery

Job title: Principal Budget Planning Accountant

Department: Finance

D. Equality and diversity considerations

Describe the ways in which the groups below may be impacted by your activity. There are some example questions below to aid your thinking (delete any that are not relevant):

Overall approach

The budget submission includes savings proposals that may affect staff through post deletions, restructures and changes to pay and skills payments, and may affect communities through changes to service budgets. The Brigade has committed to protecting frontline response and regulatory capability. One consequence of that commitment is that savings are likely to fall disproportionately on Fire and Resilience Staff (FRS) posts and non-pay budgets.

Workforce data at 31 March 2026 shows that FRS staff have a different equality profile from operational staff:

	All Staff	**Operational**	**FRS**
Women	19.2%	10.6&	54.4%
Ethnic Minority	18.8%	15.9%	30.4%
Disabled	9.3%	8.3%	13.2%
Age over 50	24.5%	20.9%	39.4%

Savings that fall mainly on FRS posts therefore carry a risk of disproportionate impact on women, ethnic minority staff, disabled staff and older staff. These are also groups where the Brigade is below its workforce representation targets, or where the Culture Review found poor treatment. This risk is recognised and is assessed for each characteristic below. Each savings proposal that affects posts or services will have its own EIA before implementation (see the action plan).

Age

Staff aged 50 and over make up 39.4 per cent of FRS staff, compared with 20.9 per cent of operational staff.
Older staff may be disproportionately affected by FRS post deletions and may face greater difficulty finding alternative employment.

Staff close to pension age may also be affected differently by changes to pay, depending on how those changes interact with pension arrangements. Mitigation: redeployment and assimilation processes will be monitored by age, and pension implications will be explained individually.

For communities, older people are at significantly higher risk of death and injury in accidental dwelling fires, and protecting prevention budgets (including Home Fire Safety Visits targeted at older people) is a positive impact.

Mitigation required: Yes.

Disability

Disabled staff make up around 13.2 per cent of FRS staff, compared with 8.3 per cent of operational staff, so they may be disproportionately affected by FRS post deletions.
The Culture Review found that disabled and neurodivergent staff had received poor treatment. Disabled staff may need reasonable adjustments to take part in consultation, assessment and redeployment, and may find it harder to secure alternative roles.
Mitigation: reasonable adjustments throughout the process; priority consideration for suitable alternative roles where the Equality Act requires it; accessible consultation materials; and Access to Work support where relevant. For communities, disabled people are at higher risk of fire, and targeted prevention (including specialist alarms) is a positive impact.

Mitigation required: Yes.

Gender Reassignment

The Brigade does not record workforce data for gender reassignment but recognises that there are trans and non-binary staff in the workforce.
No proposal is expected to disadvantage this group directly. Consultation and redeployment processes will follow Policy 323 (Trans Inclusion Policy), including confidentiality of gender history.

Mitigation required: No.

Marriage and Civil Partnership

The Brigade does not record this data. No proposal is expected to affect staff differently because of their marital or civil partnership status.

Mitigation required: No.

Pregnancy and Maternity

Staff on maternity, adoption or shared parental leave could be disadvantaged if they are not informed of or included in consultation. Staff on maternity leave have specific legal protections in redundancy situations, including priority for suitable alternative vacancies.
Mitigation: all staff on family leave will be contacted directly and offered the same information and meetings as other staff, and statutory protections will be applied. Policy 555 (Family Support Leave) applies.

Mitigation required: Yes.

Race

Ethnic minority staff make up around 30.4 per cent of FRS staff, compared with 15.9 per cent of operational staff, so they may be disproportionately affected by FRS post deletions. The Brigade is currently below its target for ethnic minority representation (18.97 per cent against 21.00 per cent), and the Culture Review found the Brigade to be institutionally racist. Reductions in FRS headcount could reduce overall workforce diversity.

Mitigation: the equality profile of affected staff will be monitored at each stage; selection criteria for redeployment and assimilation will be checked for indirect discrimination; Staff Networks will be consulted; and positive action recruitment is [protected/funded at £X].

For communities, some ethnic minority groups are over-represented in higher-risk housing, and targeted prevention and community engagement are positive impacts.
Mitigation required: Yes

Religion or Belief

At 31 March 2026, 16 per cent of staff did not disclose their religion or belief. No proposal is expected to affect staff differently on these grounds. Consultation meetings will be scheduled with regard to religious observance (Policy HRE36).

Mitigation required: No.

Sex

Women make up 54.4 per cent of FRS staff but only 10.6 per cent of operational staff. FRS post deletions are therefore likely to affect women disproportionately, and could reduce the Brigade's overall representation of women, which is already below target (19.66 per cent against 20.50 per cent). Changes to pay or skills payments must be checked for equal pay implications.

Mitigation: monitoring of affected staff by sex; equal pay analysis of any pay and allowance changes; and consideration of part-time and flexible workers, who are more likely to be women. The Culture Review's findings on misogyny are relevant.

Mitigation required: Yes

Sexual orientation

LGB representation is above target (6.61 per cent). No proposal is expected to affect staff differently because of their sexual orientation, although 18.2 per cent of staff have not disclosed it.
Mitigation required: No

Socio-economic status

FRS staff in lower-graded roles may be more financially affected by loss of employment or changes to pay. People living in deprived areas are at higher risk of fire, so any reduction in prevention services would affect them disproportionately.

Mitigation: prevention services for the highest-risk households are [protected], and support is offered to affected staff (EAP, financial wellbeing support, redeployment).

Mitigation required: Yes.

Caring Responsibilities

Changes to roles, locations or working patterns resulting from restructures could disproportionately affect staff with caring responsibilities. Mitigation: Policy 448 (Working with Choice) will be applied, and flexible working will be considered in all redeployment and assimilation decisions.
Mitigation required: Yes.

This budget submission sets out the financial implications of a range of saving and investment proposals. Work will continue to develop and implement these proposals and updated EIA's will be provided for any relevant change proposals as required or for any new savings and efficiencies identified.

Proposals will be reviewed to ensure the impact on our communities is considered. We will also protect our frontline delivery and regulatory capabilities to ensure we remain trusted to serve and protect London.

The purpose of an EIA is to give as much information as possible about potential equality impacts, risks or opportunities that your policy, activity or project may have on different groups of people.

This Equality Impact Assessment should demonstrate due regard for the provisions of the Public Sector Equality Duty by considering the following:

1. identify possible negative impacts of decisions on individuals and groups with protected characteristics and plan mitigating action accordingly; and,
2. identify additional opportunities to advance equality within policies, strategies, and services.

- Age (e.g. are their ways older or younger people may find it difficult to engage in your project or process, are there young/old people who need support)
- Disability/Barriers (do you need to consider large print or easy read of any surveys /questionnaires?)
- Race (including ethnicity and nationality) (does your project consider the needs of people from different groups, if not do you need to make any adjustments?)
- Religion or belief (do people from faith groups experience any specific disadvantage in relation to your research project)
- Gender
- Sexual orientation (is your language inclusive of LGBT+ groups?)
- Trans and non-binary – is your language inclusive of trans and non-binary people?
- People experiencing multiple needs such as homelessness, mental health problems, being involved in the criminal justice system or substance misuse.
- Pregnancy and maternity
- Social deprivation- e.g. people who may be prohibited from attending your event due to the cost of travel, people who live in deprived areas and homes which may be at risk, responsibility of the council (if the activity is in the community)

Consultation will be ongoing with Representative Bodies, ESGs and Belonging, Inclusion and Wellbeing team. Individual discussions with staff members who are affected by post-deletions will be had and this will consider the possible negative impacts on certain individuals or groups of people as listed above.

Relevant information will be sought from People Services if the information is readily accessible and will be used for the purposes to which the information is contained such as age, gender etc to assess potential impacts on certain groups of people and how mitigations can be put in place.

E. Evidencing Impact

Please answer each of the following questions

i. **What information have you used to understand all people who will be involved in or affected by your programme/ activity*? (e.g. if your activity refers to all employees, how did you learn about what they need and think, especially those with protected***

characteristics – did you ask directly? Did you generalise based on wider researcher, did
you consult, if so, how many and when and what did they tell you, or what did you learn?)

Consultation will occur throughout the budget process for any of those people directly impacted upon.

Further to this, a mitigation action plan will be developed to address any issues prior to any project starting.

ii. **Explain any gaps in evidence/ insufficient information to properly assess the impact of your programme/ activity, and how will this be addressed? e.g. further research or working with a voluntary sector organisation?**

The following gaps have been identified:

- Characteristics not recorded: The Brigade does not collect workforce data on gender reassignment, marriage and civil partnership, pregnancy and maternity, caring responsibilities or socio-economic background. Impacts on these groups have been assessed using policy provisions and consultation with Staff Networks.
- Non-disclosure: Disclosure rates are low for sexual orientation (18.2 per cent not provided), religion or belief (16 per cent), and disability (5.2 per cent). This limits the accuracy if this analysis.
- Proposals not yet identified: The individual activities to close the remaining £17.9 million gap have not yet been identified, so their impact will be assessed on a case-by-case basis. Each will have its own EIA before a decision is taken.

iii. **Explain whether your programme/ activity disproportionately affects any group named above?**

Yes, potentially. Because the Brigade has committed to protecting frontline response and regulatory capability, savings are likely to fall mainly on Fire and Resilience Staff posts and non-pay budgets. FRS staff are more likely than operational staff to be women (54.4 per cent compared with 10.6 per cent), from an ethnic minority (30.4 per cent compared with 15.9 per cent), disabled (13.2 per cent compared with 8.3 per cent) or aged 50 and over (39.5 per cent compared with 20.9 per cent). FRS post deletions therefore carry a risk of disproportionate impact on these groups. The mitigations in Section D and the action plan below are intended to reduce this risk. The actual impact will be confirmed when the affected posts are known. Impact assessments are living documents and will be updated as proposals develop. Where adverse impacts are identified, engagement will continue with trade unions, Staff Networks and the Diversity, Equity and Inclusion team to agree mitigating actions.

iv. **Describe whether this programme/ activity may potentially lead to discrimination (direct or indirect), harassment, victimisation, or less favourable treatment of people with protected characteristics?**

The main risk is indirect discrimination: applying the same approach to everyone (protecting operational posts and making savings in FRS posts) could put women, ethnic minority staff, disabled staff and older staff at a particular disadvantage, because they are over-represented among FRS Staff. To reduce this risk:

- The equality profile of staff affected by each proposal will be compared with the workforce as a whole before decisions are made

- Selection criteria for redeployment, assimilation or redundancy will be checked by People Services for indirect discrimination, and will be objectively justified
- Reasonable adjustments will be made for disabled staff at every stage
- Staff on family leave will receive full statutory protections
-

The Brigade recognises the Culture Review's findings of institutional racism and misogyny, and of poor treatment of disabled and neurodivergent staff. The cumulative impact of change on these groups will be monitored. Any concerns about harassment or victimisation during change processes can be raised through [the Brigade's reporting routes, e.g. the Grievance Policy, the independent reporting line or Equality Support Groups]. All managers involved in change processes are reminded of their duties under the Public Sector Equality Duty and the LFB Equity Policy.

v. **Describe whether your programme/ activity contribute to advancing equality of opportunity?**[1]

Investment opportunities and growth within certain departments will be undertaken using fair recruitment practices, ensuring the needs of certain groups are considered and any flexible arrangements sought where required.

vi. **Describes where there an opportunity for your programme/ activity to foster good relations between groups?**

Various stakeholders, such as trade unions will be consulted on the range of proposals contained within the budget report (including in relation to pay and skills payments) and the potential positive impacts and opportunities available alongside putting in mitigating factors as far as possible to minimise the impact on any one individual or group. Such actions may include; assimilation or re-deployment.

vii. **Identify any reasonable adjustments to your programme/ activity to avoid discrimination or advance equality of opportunity?**

Consider widening this beyond staff on long-term sickness or maternity/paternity leave:

- Adoption and shared parental leave?
- Disabled staff priority consideration for reasonable adjustments in redeployment
- Consider staff on secondments and career breaks

viii. **How is the programme/ activity's communication made accessible to all groups?**

The budget report is available online, circulated to key stakeholder groups such as the Industrial Relations Team and Union Groups.

ix. **How are you engaging people with a wide range of protected characteristics in the design, implementation and monitoring of the programme/ activity?**

The proposals within this report will be included as part of the LFC's Budget Submission to the Mayor, where it will then be consulted on as part of the GLA's consolidated consultation budget for 2027-28.

Appendix 10
Climate Budget & Sustainability Analysis

Overview

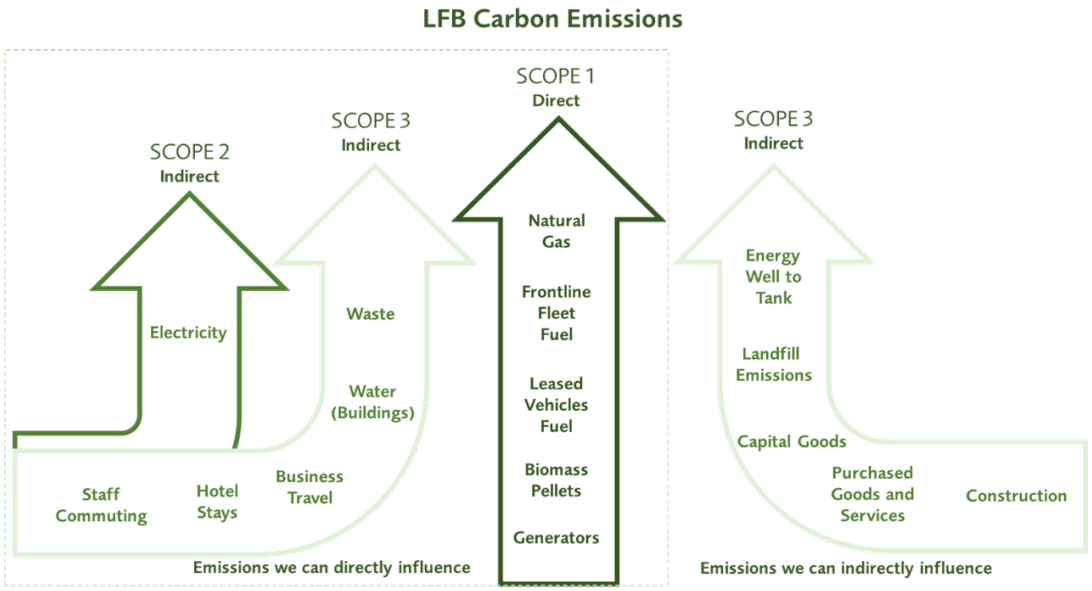
Following extensive public consultation LFC published the Community Risk Management Plan (CRMP) in 2022 (which came into force on 1 January 2023). This confirms the LFC commitment to reducing impact on the environment and stated the target of aiming to reach net zero carbon by 2030. LFC defines net zero as 'When the amount of carbon dioxide emissions associated with operational energy on an annual basis is zero or negative.' A net zero carbon building is highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balance offset.

Baseline Period

The baseline for total Carbon emissions is key to establish the starting point from which ongoing success will be measured. To align with LFC financial reporting, this has been selected as April 2020 to March 2021.

Emissions Scope

This report will cover CO2 emissions from the following scopes in accordance with methodologies laid out in the Greenhouse Gas Protocol, this is detailed in the scope diagram below.



Scope 1 – All direct emissions from the activities of London Fire Brigade or under our control.

Emissions included from the following inputs make up the total Scope 1 direct emissions for LFB:

- Natural Gas
  - Building consumption
- Other Heating fuels
  - Biomass pellets
- Petrol and Diesel fuel consumption from company owned non-electric vehicles
  - Including all road transport, appliances, and boats
- Diesel Generator Data - not available

    - No data is currently available, so this has been estimated based on allowing for a typical monthly test run on a generator
- Fugitive Emission Data – not available
    - No data is currently available, so this has been estimated based on the assumption of around 60g of R410A leakage per year for all sites with air conditioning units and the possibility of a major leak of around 5kg per year.

Scope 2 – Indirect emissions from electricity purchased and used by London Fire Brigade or under their control.
Emissions included from the following inputs make up the total Scope 2 indirect emissions for LFB:
Electricity Consumption from:

- Building consumption
- On-site Electric Vehicle (EV) charging from LFB owned charge points
- Off-site EV charging from 3rd party owned public charge points.

Scope 3 – Indirect emissions within LFB's value chain, which often constitute a significant portion of organisational emissions (frequently up to 70-80 per cent).
Scope 3 emissions are more difficult to account for than Scopes 1 and 2 because the required data often lies with other organisations or individuals outside of LFB. As a result, there is a higher degree of estimation in Scope 3 categories – this is recognised by the GHG Protocol.
In measuring Scope 3 emissions LFB will be able to work with suppliers to reduce emissions and encourage staff to reduce emissions from business travel, commuting, waste, and water.
Emissions currently included from the following inputs make up the total Scope 3 indirect emissions for LFB:

- **Well-to-tank (WTT) fuels**
    - Scope 3 emissions associated with extraction, refining and transportation of the raw fuel sources to LFB prior to their combustion
- **Transmission and distribution (T&D)**
    - Scope 3 emissions associated with grid losses (the energy loss that occurs in getting the electricity from the power plant to LFB)
- **WTT for UK electricity**
    - Scope 3 emissions of extraction, refining and transportation of primary fuels before their use in the generation of electricity
- **Water supply**
    - To account for water delivered through the mains supply network
- **Waste disposal**
    - End-of-life disposal of different materials using a variety of different disposal methods
- **Business travel (Air)**
    - Scope 3 emissions for individuals flying for work purposes
- **WTT business travel (Air)**
    - Scope 3 emissions associated with extraction, refining and transportation of the aviation fuel to the plane before take-off
- **Business travel (land)**
    - Travel for business purposes in assets not owned or directly operated by LFB
- **WTT for travel (land)**
    - Scope 3 emissions associated with extraction, refining and transportation of the raw fuels before they are used to power the transport mode
- **Hotel stay**
    - Scope 3 emissions associated with overnight hotel stays

LFB has identified specific carbon intensive categories for further analysis and supplier engagement, which highlighted capital goods and purchased goods and services material use as a high scope 3 emission area for

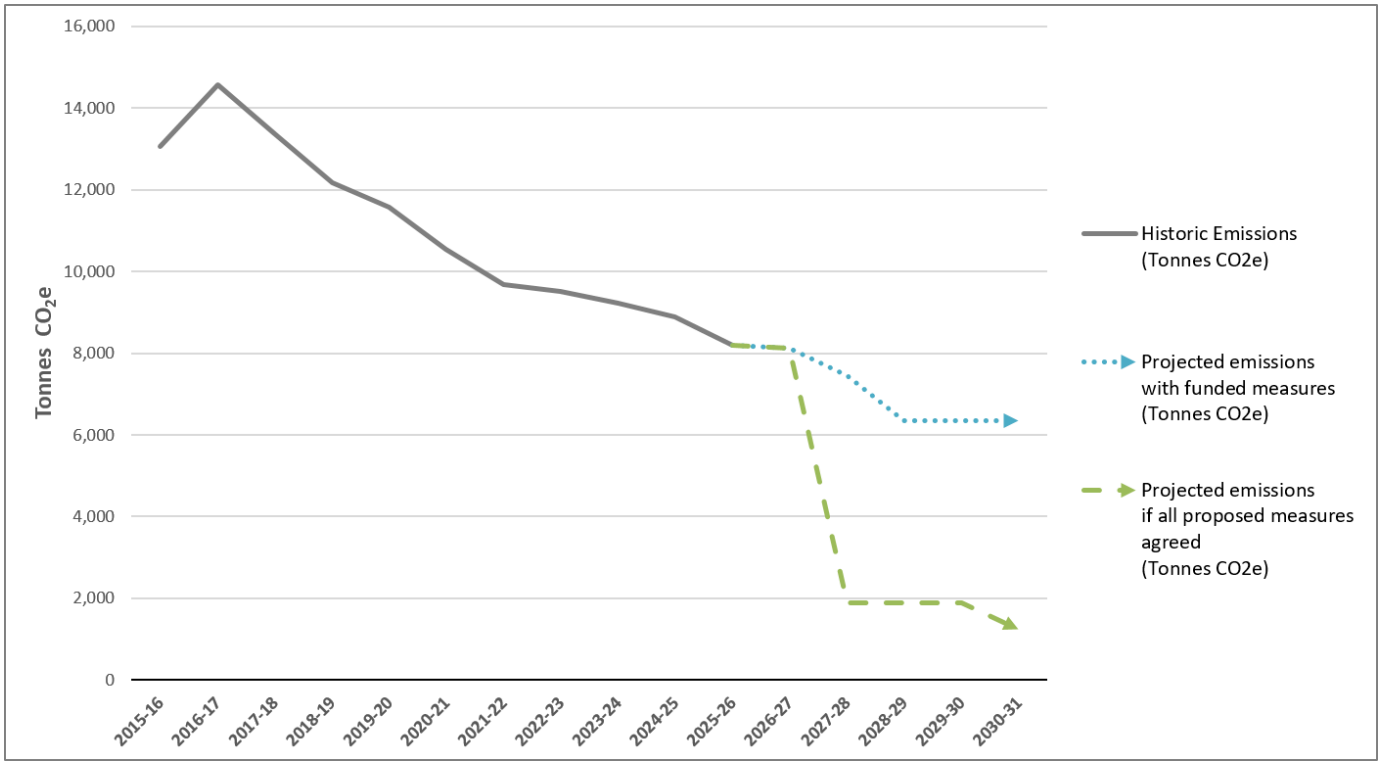
LFB.
LFB is working to identify opportunities within the supply chain to reduce carbon emissions and will continue to work with GLA Group to share approaches and learning.
Under the requirements of the GLA group Responsible Procurement Delivery Plan (RPDP) we are working with suppliers to reduce supply-chain carbon emissions.

- The LFB has committed to require every new contract over £5 million in value to produce an organisational Carbon Reduction Plan
- LFB has committed to reduce emissions associated with last-mile deliveries and have all deliveries to its premises to be Zero Emission by 2030
- LFB are promoting the transition towards zero-emission Non-Road Mobile Machinery (NRMM) by 2040
- LFB is working with key suppliers to understand and map our scope 3 supplier emissions

Emissions conversion factors
LFB utilise the emissions conversion factors published by the Department for Energy Security and Net Zero (DESNEZ) when calculating and reporting emissions for all categories where a conversion factor is provided in this dataset. This dataset is refreshed and published annually (usually June/July). LFB have opted to adopt the 'Majority' approach - utilizing the 2025 conversion factors for this report as the greatest portion of our data falls within 2025.

The graph below outlines:

- Historic emissions for the given scope (grey line below)
- A projection of future emissions to 2030 for the given scope, when including actions in the current budget, included Table A (blue line below)
- A projection of future emissions to 2030 for the given scope, when including actions for which a budget has not yet been confirmed or identified, included in Table B (blue line below)



LFC Carbon reduction progress

The LFC Sustainable Development Annual Report 2025-26 has further details outlining the LFC carbon emission reductions and progress to date. Highlights include-

In 2025-26 Carbon emissions reduced by a further 8.2 per cent from the previous year to 22.3 per cent from our baseline year of 20-21.

Fleet

- Emissions from fleet vehicles decreased by 2 per cent compared to the previous year. This is primarily due to the roll out of HVO (hydrotreated vegetable oil) fuel to 37 fire stations as a replacement for Diesel. Whilst exhaust carbon emissions are similar to diesel a reduction of CO2e emissions of up to 90% can be achieved by vehicles using HVO in place of diesel due to the feed stock of the fuel absorbing the equivalent CO2 released during its use, minus its transportation and manufacturing emissions.
- The fluctuations in frontline fleet emissions are still impacted by the number of incidents attended.
- 18 per cent of all fleet are zero emission capable, this is an increase from the previous year. The target for all fleet to be zero emission capable is 2030. The target for light vehicles to be zero emission capable was 2025 and while this target was not achieved significant progress is being and approximately half of the van fleet bill be electric in the coming months.
- In the last year 2x electric 16 ton HGVs have replaced old diesel trucks in use at the Operational Support Centre and 10x electric vans have also recently replaced aged diesel vehicles.
- ZEPA has completed a year of operational deployment operating as a fully electric vehicle (without use of its on board range extender generator)
- EV Charging – replacement of the aged low-power BP Pulse AC EV chargers is around 80 per cent complete and expect to be finished by the end of the year. 3 sites now have high-power DC charging installations completed, 3 are in build and more are in planning.

Buildings

- Onsite renewable energy generation has decreased to 4 per cent. Several factors have contributed to this including the Combined Heat and Power units no longer operating, some failures of Solar PV systems which weren't monitored remotely. A project is in progress to remotely monitor all 71 Solar PV systems via the Building Management system.
- LFC has approved the electrical infrastructure project to increase the electrical capacity at fire stations, with approval received for the first phase of 55 stations. This will enable the carbon net zero work streams to de-carbonise the property and fleet operations of LFC. The increased electrical capacity will enable future projects to move away from gas and replace this fuel with electrically powered heating and cooking equipment. It will additionally provide the electrical infrastructure to electrify the future fleet and provide high speed charging facilities for LFC appliances. At the end of 2027-28 the LFC expects to nearing the completion of the first 55 stations.

Air Travel

Air travel decreased compared to last year, domestic travel continues to account for the lowest number of flights as it is the most likely area that would readily be replaced by virtual meetings.

Air Travel	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Miles Travelled	5,304	184,420	39,268	150,578	169,669	79,282
CO_2 from Air Travel (t)	0.9	22.28	4.94	35.88	30.91	6.6

It continues to be challenging to offset emissions from air travel, since the end of the Government Carbon Offsetting Fund scheme, this was previously managed through the LFCs utility provider. This has not been possible in recent years as the service is not made available for supply volumes as lows as that of the LFC.

Behaviour change/ Enabling Actions

Carbon Literacy and Carbon Impact training has continued to be implemented across the LFC, focusing on climate science, how climate change is impacting the LFC - both now and in future - and the actions that can be taken to minimise the impact on the environment.

LFC manages and maintains an Environmental Management System (EMS) certified to ISO14001 to provide a consistent process for addressing environmental concerns through the evaluation of practices, procedures and processes.

Green tariffs

The LFC purchase all electricity from the CCS framework which is a green tariff energy supplier. Utilising REGO renewable certificates. LFC continues to engage with GLA group clean power program to secure a PPA supply.

Climate Adaptation

The LFC are in the process of developing an organisational climate risk assessment and adaptation action plan. This consists of

- a review of LFC's current position on managing climate risks and assessing practices across core functions.
- The identification and assessment of both physical and transition risks affecting LFC's buildings, critical assets, staff, and operations. This includes analysing direct hazards (such as extreme weather, flooding, or heat stress), alongside consideration of potential transition risks.
- Setting out the adaptation measures needed to address the most significant risks identified, both organizational and site based.

London Climate Budget

In his Budget Guidance document the Mayor has required that all bodies include a section within their Budget Submissions dedicated to the Climate Budget, consisting of a narrative and climate budget information. For the LFB this includes the provision of two tables.

The first of these tables (Table A) requires information on climate measures that are funded within revenue or capital budgets. Work on this is progressing well, in order to meet the requirements set by the GLA.

The second of these tables (Table B) sets out progress against the unfunded measures required to achieve carbon net zero status. It should be noted that future costs are uncertain due to potential changes in technology and markets. The work required by the GLA to complete these tables would only normally be produced at the detailed technical design (RIBA stage 4). However our projects have not progressed beyond budget agreement and finalisation (RIBA stage 1). As a result a significant amount of information required by the GLA is not available at this time and discussions with the GLA are on-going.

Summary of measures included in the 2027-28 climate budget
Uncertainties around the climate budget include the requirements to increase the electrical capacity at all fire stations to manage the move away from Greenhouse Gas (GHG) and the availability from electrical distribution network operators.

The LFC's major concern is that reducing GHG emissions are mainly replaced by electrical equipment and presently electrical energy per kilowatt hour is nine times the cost of natural gas and therefore this continues to present financial return on investment feasibility concerns.

Buildings
The Carbon Net Zero Across the London Fire Commissioners Estate (LFC-0641) details several key actions to enable LFC to achieve Carbon reduction of the current property emissions net zero target by 2030, this measure results in an average annual CO2e savings to 2030 of 107 tonnes CO2e.

- Replace gas cooking equipment and gas appliance bay heaters with electric models across 40 sites. This project has now been completed with a total of 51 cookers replaced. The gas cookers were all at end of life and the new electric cookers are more efficient, require less maintenance and provide cleaner air.
- These sites have been selected where no electrical capacity upgrade work is required, and assets require replacement due to their remaining useful life.
- LFB has successfully secured support through the Zero Carbon Accelerator (ZCA) programme, and the associated solar PV assessment has been completed. The findings and recommendations are informing the development of a business case to increase both the scale and coverage of solar PV installations across the estate. Implementation of the proposed programme would increase on-site renewable electricity generation, reduce energy costs, and support progress towards LFB's carbon reduction objectives.

To decarbonise the estate there will be a need to switch to an electrically powered heating solution. The proposed model is the implementation of a hybrid system of a conventional electric boiler with an Air-source heat pumps (ASHP). The hybrid system of heating the station areas and hot water, would mean that the existing infrastructure could be utilised to provide heating and hot water to the station occupants. This would minimise disruption as the plant replacement works would be centred largely around the plant room and outside areas. This measure results in an average annual CO2te savings to 2030 of 41 tonnes CO2te per fire station.

- 3 further sites have been identified for new ASHP to replace gas boilers, this has been costed into the Estate Capital Investment Programme (ECIP).
- The three DESNZ Salix PSDS projects are underway and will result in 28 LFB fire stations achieving carbon net zero by 2027. These buildings are listed in the Climate budget spreadsheets.
- Install 4 Solar PV arrays.

The Premises Asset Replacement Works for Projects (LFC-0533Y and LFC-0354) detail the key assets replacement works at various London Fire Commissioner (LFC) premises to avoid asset dilapidation. These measures result in an average annual CO2e savings to 2030 of 809 tonnes CO2e. These papers outlines the following building retrofit measures:

- Window replacement
- Appliance bay doors

It has been agreed to remove previous roof replacement projects from the climate budget as the replacement roofing materials did not provide a lower U value and therefore could not be counted towards carbon reduction.

The 8 Principles to Achieve Net Zero

To achieve decarbonisation, the 2024 Decarbonisation Strategy of LFB is formed of eight guiding principles. These principles address a comprehensive approach to decarbonisation, short summaries of those are provided below:

Principle 1: Electrical Capacity focuses on upgrading the electrical infrastructure to support the increasing demand from the electrification of operations. A significant upgrade in the electrical capacity at 102 stations will be necessary, requiring substantial investment. This principle also considers the need for energy storage systems to ensure consistent power supply, particularly for electric vehicle charging.

Principle 2: Property Asset Decarbonisation targets the transition of the estate's systems from fossil fuel-based to electric alternatives, aiming to reduce the estate's carbon emissions. This effort involves replacing existing systems with energy-efficient technologies such as air-source heat pumps and induction cookers. However, the pace of decarbonisation is slower than initially planned, due to funding constraints.

Principle 3: On-Site Renewable Energy Generation and EV Chargers aims to expand renewable energy capacity across stations through solar photovoltaic systems, while also installing electric vehicle chargers. This initiative will reduce dependence on external power supplies, but a feasibility study is recommended to better understand the maximum potential for expansion.

Principle 4: Fleet Asset Decarbonisation addresses the challenge of replacing the organisation's existing fleet with zero-emission vehicles, particularly heavy-duty vehicles that have longer lifespans. While biofuels like Hydrotreated Vegetable Oil (HVO) are being explored as interim solutions, full electrification of the fleet was initially targeted to be completed by 2038. The second ZEPA prototype vehicle (ZEPA V2V), a full electric vehicle with vehicle-to-vehicle energy transfer is in build and is expected to be ready in 2025.

Principle 5: 100% Renewable Energy Supply covers the use of power purchase agreements (PPAs) and green tariffs to cover the organisation's growing electricity needs, particularly following electrification. Based on the latest updates a renewable energy supply PPA is planned to be secured in 2028.

Principle 6: Carbon Offsetting outlines practices to balance out any residual emissions that cannot be eliminated through decarbonisation efforts. While carbon offsetting is considered a last resort, it remains a potential tool in achieving Net Zero.

Principle 7: Alternative Fuels provides an overview on the use of biofuels and specifically HVO, which is a fuel being used as a temporary solution to reduce emissions from vehicles that cannot be electrified yet. A successful trial has led to the deployment of HVO across strategic sites, though its use is limited by infrastructure.

Principle 8: Smart Energy Usage lastly outlines the usefulness of energy efficiency via the application of the exiting building management system (BMS) throughout the estate. It includes the importance of energy monitoring, conservation, and the optimisation of the BMS to reduce overall energy consumption. The application of identified energy conservation measures can reduce the energy consumption of the estate and support the decarbonisation of the organization.

As noted above, approval has also been received to increase the electrical capacity at fire stations, with the capital investment starting from 2024-25.

Uncertainties of carbon net zero and the climate budget

As LFB works towards achieving its decarbonisation goals, securing the necessary funding remains a critical challenge. The strategy has outlined both internal and external funding sources to meet the substantial investment required across its various decarbonisation principles. These funding avenues are key to ensuring the successful implementation of the decarbonisation strategy, especially considering the large funding gap

which is still pending for most of the main principles.

Internal Funding Sources:

- **20 Year Capital Investment Plan (CIP) - Estate Capital Investment Plan (ECIP):** This internal funding source supports the decarbonisation of the organisation's property assets, specifically for Principle 2: Property Asset Decarbonisation. It covers heating plant replacements, asset electrification, and building fabric improvements. The programme is divided into phases, with future funds allocated from 2025 and 2027.
- **Asset Replacement Programme (ARP):** This fund plays a significant role in decarbonising the organisation's fleet. Based on the latest plans, it will cover approximately 31% of the funding requirements for Principle 4: Fleet Asset Decarbonisation.

External Funding Sources:

- **Green Finance Fund (GFF)**: Established in 2023, this fund offers flexible, low-interest loans to eligible organisations, including LFB. The GFF has already contributed to Principle 1: Electrical Capacity, and further funding will be sought to complete the estate power capacity upgrades.
- **Salix Finance - Public Sector Decarbonisation Scheme (PSDS)**: This scheme which provided funding for decarbonisation projects in public sector buildings. LFB has secured funding for Principle 2, has now been cancelled under the UK government spending review 25. This creates a major funding obstacle which LFB are trying to manage.
- **Zero Carbon Accelerator (ZCA)**: A programme by the Mayor of London designed to support decarbonisation initiatives through technical expertise, training, and funding guidance. LFB is exploring this programme as a potential funding avenue to accelerate its decarbonisation efforts.
- **OZEV Depot Charging Scheme**: This scheme provides potential match funding for EV charger installations for use with commercial vehicles only. LFB were allocated funding from the first round but have not yet received payment due to delays in completing works.

Ongoing research into additional funding opportunities, such as green bonds grants and finance agreements from GFF, will be crucial in ensuring that LFB meets its decarbonisation goals.

Potential budget Scenarios

The decarbonisation strategy for LFB explores three potential funding scenarios, each depending on the rate of funding secured to meet the organisation's decarbonisation goals. These scenarios provide insights into how funding availability will affect the timeline for achieving carbon neutrality.

- **Scenario 1: Full Resource Availability** assumes that 100 per cent of the required funding is secured, leading to the completion of all decarbonisation projects within the initially planned timeframe that being 2038. This scenario offers low uncertainty and ensures that costs remain within a specific timeframe.
- **Scenario 2: Moderate Resource Availability** estimates that 55 per cent of the funding will be sourced, resulting in projects being completed over approximately twice the initially set timeline. This scenario introduces some uncertainty as half of the projects will be delayed, leading to growing costs for the pending projects. This scenario extends decarbonisation to 2050.
- **Scenario 3: Scarce Resource Availability** sees only 35 per cent of the funding secured, leading to a significant delay in achieving decarbonisation goals, with projects extending up to three times the original timeline. This scenario presents high uncertainty and growing costs due to the large number of projects remaining unfunded. This scenario extends decarbonisation to 2064

Table A: Funded Corporate Level Measures

Project Details					Finance							Impacts/Benefits						Additional Information
Organisation	Activity ID	Climate Action Area	Climate Action	Description	Expenditure 2027-28	Expenditure 2028-29	Expenditure 2029-30	Type of Funding	Funding Source	Year Funding Starts	Year Funding Ends	Average Annual Emissions Savings to 2030	Lifetime Cumulative Emissions Savings	Year Emissions Savings Starts	Co-benefits	Total Cash Savings 2027-28	Total Cash Savings 2028-29	Total Cash Savings 2029-30	Comments
					£'000	£'000	£'000					tCO_2e	tCO_2e			£'000	£'000	£'000	
LFC	LFB-A.02	Estate	Buildings - renewable energy	Install 4 Solar PV arrays.	1,000	1,527	-	Capital	Organisation/Internal	2025-26	2028-29	11	220	2027-28	Reduced Energy Usage	8	17	17	The MEP Consultant have provided an updated stage 4 design package for the Photovoltaic cell array for 4 Fire Stations. The Photovoltaic cell array designs are to maximise the roof areas. MEP Consultant to provide a revised programme, MEP Consultant to submit for Planning. Stage 4 design package has been provided
LFC	LFB-A.07	Estate	Buildings - energy efficiency	Delivery of Heat Decarbonisation Plans (HDP) across nine buildings, funded through the Salix programme	3,106	10	-	Capital	Organisation/Internal	2025-26	2028-29	364	7,280	2027-28	Increased efficiency	0	0	0	The programme is due to be completed this financial year. Six stations currently have works contracted, either on site or due to start imminently. Two stations are each awaiting a planning decision allowing works to commence. A final station remains in early design phases after the site was changed. No saving as electricity more expensive than gas.
LFC	LFB-A.11	Estate	Buildings - energy efficiency	Implementation of Heat Decarbonisation Plans (HDP) across ten buildings, funded by Salix.	3,680	200	-	Capital	Organisation/Internal	2024-25	2028-29	282	5,640	2027-28	Increased efficiency	0	0	0	The MEP Consultant are in the design stage and aiming to issue the stage 4 design package for batch 1 on 30th April 2026 for final LFB review and comment; the remaining sites are to be drip fed for LFB review. No saving as electricity more expensive than gas.
LFC	LFB-A.12	Estate	Electricity supply - upgrade capacity	Upgrading electrical supply capacity at 55 stations (Phase 1) to support expanded EV charging infrastructure and additional carbon-neutral operations.	3,950	3,950	3,950	Capital	Organisation/Internal	2023-24	2028-29	Enabling work	enabling work	2027-28	Enables CNZ projects to progress. Includes Additional EV charging.	0	0	0	Substation works completed in Q4. Another station is due to complete on 30th April, 15 sites are due to begin in Q1. Preparation works for the next tender are underway, this will award the next 25 sites. Enabling works so no direct saving.
LFC	LFB-A.15	Fleet	EV charging infrastructure	Install of low power charge points to replace BP Pulse EVCP	4,000	-	-	Capital	Organisation/Internal	2026-27	2027-28	Enabling work	enabling work	2027-28	Provides charging infrastructure	0	0	0	Enabling works so no actual CO2/cost saving
LFC	LFB-A.16	Estate	EV charging infrastructure	Additional low power chargers connected to existing power supplies	2,000	2,000	4,000	Capital	Organisation/Internal	2026-27	2029-30	Enabling work	enabling work	2027-28	Provides charging infrastructure	0	0	0	Enabling works so no actual CO2/cost saving
LFC	LFB-A.17	Fleet	EV charging infrastructure	"Stage one of high power charging installations 14 FS DC charging high power charging systems"	4,000	4,000	-	Capital	Organisation/Internal	2026-27	2028-29	Enabling work	enabling work	2027-28	Provides EV charging for fully electric fleet and FB's sharing	0	0	0	Enabling works so no actual CO2/cost saving
LFC	LFB-A.05	Estate	Buildings - energy efficiency	Replacement of windows at 4 sites within LFB estate.	700	-	-	Capital	Organisation/Internal	2026-27	2027-28	3	100	2027-28	reduced utilities costs	0	0	0	To be calculated at final design stage however replacing double glazing for double glazing des not provide a hugh U value saving and project is not an energy focused outcome.
LFC	LFB-A.18	Estate	Buildings - energy efficiency	Poplar fire station being decarbonised. Includes removing gas a s a fuel and installing ASHP and solar PV array	935	-	-	Capital	Organisation/Internal	2026-27	2027-28	1,100	550	2027-28	Increased efficiency	0	0	0	Station de-carbonised and ASHP installed. o saving as electricity more expensive than gas.

Table B: Unfunded Corporate Level Measures

Project Details						Finance								Impacts/Benefits								Additional Information
Organisation	Activity ID	Climate Action Area	Climate Action	Description	Project Readiness	Expenditure 2027-28	Expenditure 2028-29	Expenditure 2029-30	Proposed Expenditure 2030-31 to 2031-2032 (incl.)	Total Proposed NZ Expenditure	Type of Funding	Funding Source	Year funding starts	Year funding ends	Average Annual Emissions Savings to 2030	Lifetime Cumulative Emissions Savings or Enabler Measure	Year Emissions Savings Start	Co-benefits	Proposed Cash Savings 2027-28	Proposed Cash Savings 2028-29	Proposed Cash Savings 2029-30	Total Proposed NZ Cash Savings	Comments
						£'000	£'000	£'000	£'000	£'000					tCO_2e	tCO_2e			£'000	£'000	£'000	£'000	
LFC	LFB-B.01	Estate	Electricity - upgrade capacity	This project will increase the electrical supply capacity across all 47 London Fire Brigade (LFB)	One to three years	8,000	8,300	8,200	unknown	24,500	Capital	Organisation/Internal	2027-28	2029-30	Enabling	Enabling	Enabler	Reduced maintenance costs?	-	-	-	-	Funding Required- governance to be prepared and submitted 2029, for options. No saving as electricity more expensive than gas.#
LFC	LFB-B.02	Estate	Buildings - energy efficiency	The project involves replacing gas-powered boilers at 74 fire stations, improving energy efficiency and	One to three years	700	1,850	28,350	unknown	30,900	Capital	Organisation/Internal	2027-28	2029-30	3,175	49,125	Ongoing	Gas certification not required	-	-	-	-	Funding required, Electricity 7 times the cost of gas per kWH and therefore no cash saving. No saving as electricity more expensive
LFC	LFB-B.03	Estate	Buildings - energy efficiency	The project replaces gas-powered appliance bay heaters at 86 fire stations. Modern electric	One to three years	150	150	180	850	1,330	Capital	Organisation/Internal	2027-28	2031-32	370	8,600	Ongoing	Gas certification not required	-	-	-	-	Funding Required- project is subject to electrical infrustructure upgrade and ecarbonisation programme. No saving as electricity
LFC	LFB-B.04	Estate	Buildings - energy efficiency	The project includes the installation of solar car park canopies and the re-stringing of current solar	One to three years	500	500	500	7,000	8,500	Capital	Organisation/Internal	2027-28	2031-32	130	803	Ongoing	Increased energy security	-	-	-	-	funding required- project is subject to electrical infrustructure upgrade and ecarbonisation programme. Saving unknown until
LFC	LFB-B.05	Estate	Buildings - energy efficiency	This project replaces gas-fired 52 cooking appliances within LFB buildings with low-carbon	One to three years	80	100	100	520	800	Capital	Organisation/Internal	2027-28	2031-32	990	19,800	Ongoing	None	-	-	-	-	Funding Required- part of decarbonisation programme. No saving as electricity more expensive than gas.
LFC	LFB-B.06	Estate	EV other	Installation of telematics systems across the LFB fleet to support imimproved vehical efficiency,	More than three years	200	200	200	400	1,000	Revenue	Organisation/Internal	2027-28	2031-32	Enabling	Enabling	Ongoing	Route planning improvements	-	-	-	-	Funding required, Project has been prepared and is awaiting funding. Saving unknown until project worked up.
LFC	LFB-B.07	Fleet	EV replacement	Replacement of the Operational Support Unit (OSU) with a low-emission or fully electric	One to three years	-	-	-	600	600	Capital	Organisation/Internal	2030-31	Beyond 2035	12	96	2031-32	None	-	-	-	-	Funding Required- subject to Babcock contract management and vehicle availability and prototypes. Saving unknown as comparison to
LFC	LFB-B.08	Fleet	EV replacement	Replacement of hybrid Special Operations Group (SOG) vehicles with fully electric models..	One to three years	-	-	-	400	400	Capital	Organisation/Internal	Ongoing	Beyond 2035	12	144	2032-33	None	-	-	-	-	Funding Required- subject to Babcock contract management and vehicle availability and prototypes. Saving unknown as comparison to
LFC	LFB-B.09	Fleet	EV replacement	Replacement of six hybrid Commissioner vehicles with fully electric alternatives.	One to three years	-	-	-	400	400	Capital	Organisation/Internal	2030-31	Beyond 2035	-	-	Beyond 2035	replacement vehicles	-	-	-	-	These are 2 nd time replacements as vehicles were purchased as fully electric in 2026. Saving unknown as comparison to fuel unclear
LFC	LFB-B.10	Fleet	EV replacement	Replacement of 11 light vans with electric vehicals to reduce operational emissions and meet fleet	One to three years	-	-	-	680	680	Capital	Organisation/Internal	2030-31	Beyond 2035	6	6,000	2029-30	Reduced contaminants	-	-	-	-	Funding Required- subject to Babcock contract management and vehicle availability and prototypes. Saving unknown as comparison to
LFC	LFB-B.11	Fleet	EV charging	Installation of electric vehicle charging points at fire stations across the LFB estate.	One to three years	1,000	2,000	2,000	-	6,000	Capital	HM Government	2027-28	Beyond 2035	-	-	Enabler	Reduced contaminants	-	-	-	-	Funding Required- subject to Babcock contract management and vehicle availability and prototypes. Saving unknown as comparison to
LFC	LFB-B.12	Fleet	EV replacement	Replacement of a further 29 vans with electric alternatives.	Immediate	-	-	1,100	-	1,100	Capital	Organisation/Internal	2029-30	Beyond 2035	17	204	2030-31	Reduced contaminants	-	-	-	-	Funding Required- subject to Babcock contract management and vehicle availability and prototypes. Saving unknown as comparison to
LFC	LFB-B.13	Fleet	EV replacement	Replacement of 5 Hose Layer Units with fully electric versions.	One to three years	-	-	-	-	-	Capital	Organisation/Internal	Beyond 2035	Beyond 2035	25	300	2029-30	Reduced contaminants	-	-	-	-	Funding Required. Saving unknown as comparison to fuel unclear
LFC	LFB-B.14	Fleet	EV replacement	Replacement of a single Cold Cut System (CCS) vehicle with an electric model	One to three years	-	-	-	-	-	Capital	Unidentified - debt	Beyond 2035	Beyond 2035	1	12	2032-33	Reduced contaminants	-	-	-	-	Funding required, This battery system may not come to fruition, as requirements are unclear until ZEPA completes. Saving unknown as
LFC	LFB-B.15	Fleet	EV replacement	A further 18 vans will be replaced with electric versions to support the continuous shift toward a	Immediate	-	680	-	680	1,360	Capital	Organisation/Internal	2028-29	Beyond 2035	10	120	2029-30	Reduced contaminants	-	-	-	-	Funding required, Project is potentially moving to funded project with GLA GFF application at committee. Saving unknown as comparison
LFC	LFB-B.16	Fleet	EV charging	A strategic assessment to define the Battery Energy Storage System (BESS) capacity needed	One to three years	-	-	-	-	-	Mixed	Organisation/Internal	Beyond 2035	Beyond 2035	-	-	Enabler	Reduced contaminants	-	-	-	-	Funding required and shortfall between diesel replacement and electric vehicle required. ZEPA outcome required. Saving unknown
LFC	LFB-B.17	Fleet	EV charging	Delivery of the second phase of charging infrastructure upgrades. This will provide additional	One to three years	1,000	2,000	-	-	3,000	Mixed	Unidentified - debt	2027-28	Beyond 2035	-	-	Enabler	Reduced contaminants	-	-	-	-	Funding required and shortfall between diesel replacement and electric vehicle required. ZEPA outcome required. Saving unknown
LFC	LFB-B.18	Fleet	EV replacement	Replacement of 53 Dual Pump Ladders (DPLs) during the first year of the phased conversion	One to three years	-	-	34,450	-	34,450	Mixed	Organisation/Internal	2029-30	Beyond 2035	424	7,632	2029-30	Reduced contaminants	-	-	-	-	Funding required and shortfall between diesel replacement and electric vehicle required. ZEPA outcome required. Saving unknown
LFC	LFB-B.19	Fleet	EV replacement	Replacement of 41 Dual Pump Ladders (DPLs) during Year 2 of the replacement programme.	More than three years	-	26,650	-	-	26,650	Capital	Organisation/Internal	2028-29	Beyond 2035	328	5,902	2030-31	Reduced contaminants	-	-	-	-	Funding required and shortfall between diesel replacement and electric vehicle required. ZEPA outcome required. Saving unknown
LFC	LFB-B.20	Fleet	EV replacement	Replacement of 52 Dual Pump Ladders (DPLs) during the first year of the phased conversion	One to three years	-	-	-	33,800	33,800	Capital	Organisation/Internal	2030-32	Beyond 2035	416	7,488	2031-32	Reduced contaminants	-	-	-	-	Funding required, Being reviewed with LFC and Babcock engineering and subject to availability and prototypes. Saving
LFC	LFB-B.21	Fleet	EV replacement	Replacement of 42 Dual Pump Ladders (DPLs) during Year 3 of the replacement programme.	One to three years	-	-	-	27,300	27,300	Capital	Organisation/Internal	Ongoing	Beyond 2035	336	5,902	2032-33	Reduced contaminants	-	-	-	-	Funding required, Being reviewed with LFC and Babcock enginieering. Saving unknown as comparison to fuel unclear
LFC	LFB-B.22	Fleet	EV replacement	Replacement of one All-Wheel Drive (AWD) unit with a low-emission alternative	Immediate	-	-	-	2,000	2,000	Capital	Organisation/Internal	Beyond 2035	Beyond 2035	3	8	Beyond 2035	Reduced contaminants	-	-	-	-	Funding required, Under review with specialist vehical board. Saving unknown as comparison to fuel unclear
LFC	LFB-B.23	Fleet	EV replacement	Replacement of one Detect, Identify and Monitor (DIM) vehicle with a low-carbon model.	One to three years	-	-	-	-	-	Capital	Organisation/Internal	Beyond 2035	Beyond 2035	15	180	Beyond 2035	Reduced contaminants	-	-	-	-	Funding required, Not due until 2035. Saving unknown as comparison to fuel unclear
LFC	LFB-B.24	Fleet	EV replacement	Replacement of 18 Fire Rescue Units (FRUs) as part of the long-term zero-emission fleet strategy.	One to three years	-	11,700	-	-	11,700	Capital	Organisation/Internal	2028-29	Beyond 2035	144	2,160	Beyond 2035	Reduced contaminants	-	-	-	-	Funding required, Not due until 2041. Saving unknown as comparison to fuel unclear
LFC	LFB-B.25	Fleet	EV replacement	Replacement of nine Command Support Units (CSUs) with electric or low-carbon alternatives.	One to three years	-	-	3,000	-	3,000	Capital	Organisation/Internal	2029-30	Beyond 2035	63	1,080	2030-31	Reduced contaminants	-	-	-	-	Funding Required- subject to Babcock contract management and vehicle availability and prototypes. Saving unknown as comparison to
LFC	LFB-B.26	Fleet	EV replacement	Replacement of three Operational Support Units (OSUs) with fully electric versions..	One to three years	-	-	1,050	-	1,050	Capital	Organisation/Internal	2029-30	Beyond 2035	age score	360	2032-33	Reduced contaminants	-	-	-	-	Funding required, Project identified into 7 stages to align with Electric fleet delivery and new charging model of financing. Saving unknown
LFC	LFB-B.27	Fleet	EV replacement	Replacement of five Heavy Distribution Units (HDUs) to reduce emissions from heavy fleet	One to three years	-	-	-	-	-	Mixed	Organisation/Internal	Beyond 2035	Beyond 2035	-	-	Beyond 2035	Reduced contaminants	-	-	-	-	Project identified into 7 stages to align with Electric fleet delivery and new charging model of financing. Saving unknown as comparison to
LFC	LFB-B.28	Fleet	EV replacement	Replacement of twelve 32-metre Turntable Ladders (TLs) with modern electric models.	More than three years	-	-	-	12,000	12,000	Mixed	Organisation/Internal	2030-31	Beyond 2035	96	1,224	Beyond 2035	Reduced contaminants	-	-	-	-	Project identified into 7 stages to align with Electric fleet delivery and new charging model of financing. Saving unknown as comparison to
LFC	LFB-B.29	Fleet	EV replacement	Replacement of three 64-metre Turntable Ladders (TLs) to align aerial capabilities with fleet	More than three years	-	-	-	-	-	Mixed	Organisation/Internal	Beyond 2035	Beyond 2035	18	216	Beyond 2035	Reduced contaminants	-	-	-	-	Electric vehicle type doesnt presently exist. Saving unknown as comparison to fuel unclear
LFC	LFB-B.30	Fleet	EV charging	Deployment of enhanced charging infrastructure, including vehicle charge points and supporting	One to three years	-	-	-	4,000	4,000	Mixed	Debt	2030-31	Beyond 2035	-	-	Enabler	None	-	-	-	-	Funding required, Business case is being prepared. Saving unknown as comparison to fuel unclear
LFC	LFB-B.31	Estate	Buildings - renewable energy	This project aims to significantly increase the solar photovoltaic (PV) arrays across the estate to	Immediate	-	1,000	10,000	5,000	16,000	Capital	Debt	2028-29	Beyond 2035	285	5,415	Enabler	reduced reliance on energy supply	-	-	-	-	Funding required, Business case is being prepared. Saving unknown as comparison to fuel unclear

Appendix 11
Draft Letter to Fire Committee

Anne Clarke AM
Chair, Fire Committee

City Hall,
The Queens Walk
London
SE1 2AA

Dear Chair,

LFC Reserves Strategy and Medium-Term Financial Strategy

The purpose of this letter is to provide the Fire Committee with a copy of the Reserves Strategy and Medium-Term Financial Strategy for the London Fire Commissioner (LFC) for review and consideration. This is to ensure that the LFC complies with relevant governance reporting requirements.

The Home Office published, in May 2018, its updated fire and rescue national framework, which set out the Government's priorities and objectives for fire and rescue authorities (FRAs). The framework sets out the documents each FRA is required to produce including an integrated risk management plan, an annual statement of assurance and its financial plans including an Efficiency Plan, a Medium-Term Financial Strategy and a Reserves Strategy.

As part of the 2027-28 budget process a Reserves Strategy and a Medium-Term Financial Strategy have been prepared to support decision making and the ultimate approval of the 2027-28 Budget for the LFC.

Draft versions of these documents are included in the Budget Submission to the Mayor, provided to meet the 23 November 2026 deadline. A copy of that submission is attached to this letter.

I would be grateful if the Fire Committee could review and consider these two documents and provide any comments so that these can be considered as part of finalising the LFC Budget for 2027-28.

Yours sincerely

Jonathan Smith
London Fire Commissioner

Appendix 12
Budget Submission to the Mayor

Table 1: Objective Analysis

Objective analysis LFC	Revised budget 2026-27 £m	Forecast outturn 2026-27 £m	Budget 2027-28 £m	Change (Revised budget to budget) £m	Plan 2028-29 £m	Plan 2029-30 £m
Corporate Services	78.4	87.5	112.2	33.8	124.7	155.7
Preparedness and Response	418.6	422.3	418.4	(0.2)	420.0	420.0
People	8.4	8.7	8.8	0.4	8.8	8.8
Prevention, Protection and Policy	40.2	36.6	41.5	1.3	41.5	41.5
Communications	3.8	4.1	3.8	0.0	3.9	3.9
Net service expenditure	**549.4**	**559.2**	**584.7**	**35.3**	**598.9**	**629.9**
Capital Financing costs	23.8	20.5	30.1	6.3	38.3	38.3
Interest receivable	(1.5)	(1.5)	(1.5)	0.0	(1.5)	(1.5)
Net expenditure	**571.7**	**578.2**	**613.3**	**41.6**	**635.7**	**666.7**
Savings yet to be identified	0.0	0.0	(17.9)	(17.9)	(17.7)	(19.8)
Revenue resources used to support capital investment	0.0	0.0	0.0	0.0	0.0	0.0
Transfer to/ (from) reserves	1.8	(4.7)	(4.1)	(5.9)	1.0	1.0
Financing requirement	**573.5**	**573.5**	**591.3**	**17.8**	**619.0**	**647.9**
Unringfenced government grants	0.0	0.0	0.0	0.0	0.0	0.0
Retained business rates	322.1	322.1	319.4	(2.6)	325.8	332.3
Council tax requirement	**251.5**	**251.5**	**271.8**	**20.4**	**293.2**	**315.5**

Table 2 – Subjective Analysis

Subjective analysis LFC	Revised budget 2026-27 £m	Forecast outturn 2026-27 £m	Budget 2027-28 £m	Change (Revised budget to budget) £m	Plan 2028-29 £m	Plan 2029-30 £m
Staff costs	528.4	530.7	545.3	16.9	561.2	592.4
Premises costs	49.5	58.5	61.3	11.8	62.0	62.0
Transport costs	21.4	22.5	22.9	1.5	24.1	24.1
Supplies and services	41.3	43.7	46.7	5.4	45.8	45.6
Third party payments	2.7	2.8	2.9	0.2	2.9	2.9
Capital Financing costs	23.8	20.5	30.1	6.3	38.3	38.3
Total gross expenditure	**667.1**	**678.7**	**709.2**	**42.1**	**734.3**	**765.3**
Sales, fees, charges and recharges	(63.7)	(68.5)	(65.7)	(2.0)	(68.4)	(68.4)
Specific grants	(30.2)	(30.5)	(28.7)	1.5	(28.7)	(28.7)
Interest receivable	(1.5)	(1.5)	(1.5)	0.0	(1.5)	(1.5)
Total gross income	**(95.4)**	**(100.5)**	**(95.9)**	**(0.5)**	**(98.6)**	**(98.6)**
Net expenditure	**571.7**	**578.2**	**613.3**	**41.6**	**635.7**	**666.7**

Table 3 - Net service expenditure gross of specific grants

Net service expenditure gross of specific grants LFC	Revised budget 2026-27 £m	Forecast outturn (at Q2) 2026-27 £m	Budget 2027-28 £m	Change (Revised budget to budget) £m	Plan 2028-29 £m	Plan 2029-30 £m
Corporate Services	108.6	118.0	140.9	32.3	153.4	184.4
Preparedness and Response	418.6	422.3	418.4	(0.2)	420.0	420.0
People	8.4	8.7	8.8	0.4	8.8	8.8
Prevention, Protection and Policy	40.2	36.6	41.5	1.3	41.5	41.5
Communications	3.8	4.1	3.8	0.0	3.9	3.9
Net service expenditure excl SG	**579.6**	**589.7**	**613.4**	**33.8**	**627.6**	**658.6**
Corporate Services	(30.2)	(30.5)	(28.7)	1.5	(28.7)	(28.7)
Preparedness and Response	0.0	0.0	0.0	0.0	0.0	0.0
People	0.0	0.0	0.0	0.0	0.0	0.0
Prevention, Protection and Policy	0.0	0.0	0.0	0.0	0.0	0.0
Communications	0.0	0.0	0.0	0.0	0.0	0.0
Specific grants	**(30.2)**	**(30.5)**	**(28.7)**	**1.5**	**(28.7)**	**(28.7)**
Net service expenditure	**549.4**	**559.2**	**584.7**	**35.3**	**598.9**	**629.9**

Table 4 – Capital Spending Plan (Years 1-5)

Capital plan LFC	Forecast Outturn (at Q2) 2026-27 £m	Budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
IT projects	7.7	4.5	3.0	3.7	2.2
Major refurbishments	3.5	8.9	7.3	11.2	11.5
New developments	9.4	31.8	36.8	16.1	0.0
Minor works	17.4	6.5	0.7	0.7	0.7
Sustainability works	11.2	8.9	6.5	3.2	0.0
Appliance bay doors	0.9	0.0	0.0	0.0	0.0
Fire Brigade fleet re-procurement	4.0	3.8	5.0	4.5	21.1
Operational Equipment	0.3	0.7	2.6	0.9	1.3
Total expenditure	**54.3**	**65.0**	**61.9**	**40.2**	**36.8**
Capital receipts	0.4	0.0	0.0	0.0	0.0
Capital grants and third-party contributions	0.3	0.0	0.0	0.0	0.0
Borrowing	53.6	65.0	61.9	40.2	36.8
Revenue Contributions	0.0	0.0	0.0	0.0	0.0
Total funding	**54.3**	**65.0**	**61.9**	**40.2**	**36.8**

Table 5 – Capital Spending Plan (Years 6-20)

Capital strategy Outturn prices	Years 6-10 2031-32 to 2035-36 £m	Years 11-15 2036-37 to 2040-41 £m	Years 16-20 2041-42 to 2045-46 £m	Total Years 6-20 2031-32 to 2045-46 £m
Estate	78.1	90.2	59.2	227.5
ICT	44.4	18.7	16.6	79.7
Fleet maintenance	122.3	19.2	26.8	168.3
etc	0.0	0.0	0.0	0.0
Sub-total LFC	**244.8**	**128.1**	**102.5**	**475.5**
Likely funding	0.0	0.0	0.0	0.0
Sub-total LFC shortfall	**244.8**	**128.1**	**102.5**	**475.5**

Table 6 – Statutory Capital Table

Statutory Capital Spending Plan

Description	2027-28
Total external capital grants anticipated to be received during the year	0.0
Opening balance of capital receipts	0.0
Total capital receipts during the year	0.0
Total capital grants/ receipts	0.0
Minimum s.120(1) grant	0.0
Total borrowings undertaken during the year	65.0
Total amount to be treated as borrowing in the year because of section 8(2) of the Local Government Act 2003 (under which entry into, or variation of, a credit arrangement is treated as a form of borrowing)	0.0
Total borrowings and credit arrangements	65.0
Total capital expenditure anticipated during the year	65.0
Total of the amounts to be treated as borrowing in the year because of section 8(2) of the Local Government Act	0.0
Total capital spending for the year	65.0
Funding: capital grants used to fund capital spending for the year	0.0
Funding: capital receipts/reserves used to fund capital spending for the year	0.0
Funding: borrowings and credit arrangements used to fund capital spending for the year	65.0
Funding: revenue contributions used to fund capital spending for the year	0.0
Total funding	65.0

Table 7 – Reserves

Movements and total reserves at end of financial year	Outturn 2025-26 £m	Forecast 2026-27 £m	Transfers to/from in year £m	Budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m
Budget Flexibility	0.8	0.0	0.0	0.0	0.0	0.0
Building Safety Regulator	2.0	2.0	0.0	2.0	2.0	2.0
Fire Safety and Youth Engagement	5.0	5.0	0.0	5.0	5.0	5.0
Fire Safety Improvement	10.1	10.3	0.0	10.3	10.3	10.3
ICT Development	0.5	0.1	0.0	0.1	0.1	0.1
Communications	0.1	0.1	0.0	0.1	0.1	0.1
Investments	3.5	2.4	0.0	2.4	2.4	2.4
LRAP	1.0	0.0	0.0	0.0	0.0	0.0
Pensions	0.3	0.3	0.0	0.3	0.3	0.3
Recruitment Reserve	0.8	0.4	0.0	0.4	0.4	0.4
Earmarked reserves subtotal	**24.1**	**20.6**	**0.0**	**20.6**	**20.6**	**20.6**
General Reserve	25.0	23.3	(2.6)	20.7	21.7	22.7
Total	**49.1**	**43.9**	**(2.6)**	**41.3**	**42.3**	**43.3**

Table 8 – Savings and Efficiencies

Savings and efficiencies (S&E)	2027-28 £m	2028-29 £m	2029-30 £m
S&E planned in the 2026-27 Budget	2.5	2.5	2.5
S&E no longer achievable	(1.5)	(1.5)	(1.5)
New S&E identified in the 2027-28 Budget	2.3	2.3	2.3
Total	3.3	3.3	3.3

Table 9- Inflation

Inflation for 2027-28	Pay 2027-28	Non Pay 2027-28	Total 2027-28
Budget impact (£m)	11.7	5.7	17.4

Table 10 - Capital financing costs

Capital financing costs	Forecast Outturn (at Q2) 2026-27 £m	Budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
Minimum Revenue Provision (MRP)	17.1	21.8	25.8	27.1	30.4
Principal Repayments on Leases and PFI	13.1	12.2	6.0	6.2	6.5
Interest Costs on Leases and PFI	2.4	2.3	2.2	2.1	2.0
Interest Costs on External Borrowing	3.3	6.4	9.1	10.8	12.0
Total	**36.0**	**42.7**	**43.1**	**46.2**	**50.9**

Table 11 – Borrowing Limits

External debt borrowing limits	Current Approval 2026-27 £m	Revised Approval 2026-27 £m	Proposed 2027-28 £m	Proposed 2028-29 £m	Proposed 2029-30 £m	Proposed 2030-31 £m
Authorised limit						
Borrowing	175.0	175.0	240.2	276.4	288.3	330.9
Other Long term liabilities	70.0	70.0	80.0	75.0	70.0	30.0
Total	**245.0**	**245.0**	**320.2**	**351.4**	**358.3**	**360.9**
Operational boundary						
Borrowing	170.0	170.0	211.1	244.4	255.7	298.1
Other Long term liabilities	70.0	70.0	80.0	75.0	70.0	30.0
Total	**240.0**	**240.0**	**291.1**	**319.4**	**325.7**	**328.1**