

MAYOR OF LONDON

Neil Garratt AM

Chairman of the London Assembly Budget and
Performance Committee
C/o Gino.Brand@london.gov.uk

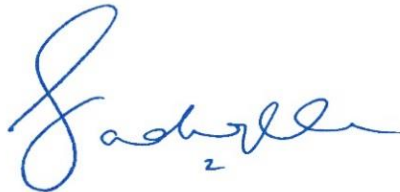
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Date: 19 January 2026

Dear Neil,

Thank you for your letter following the Budget and Performance Committee's meeting on the Draft 2026-27 London Fire Commissioner's (LFC) budget. I am grateful for the Committee's engagement and recommendations, my response to which is attached.

Yours sincerely,



Sir Sadiq Khan

Mayor of London

Cc: David Bellamy – Chief of Staff
Jules Pipe CBE – Deputy Mayor for Planning, Regeneration and the Fire Service
Fay Hammond – Chief Finance Officer
Elliott Ball – Director, Group Finance and Performance
Gino Brand – Senior Policy Adviser, Scrutiny and Investigation (London Assembly)
Paul Goodchild – Principal Committee Manager, Secretariat (London Assembly)

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Annex

Mayor of London's response to the recommendations of the London Assembly Budget and Performance Committee on the draft 2026-27 London Fire Commissioner's (LFC) budget

Recommendation 1

The Mayor should work with the LFB to develop a sustainable funding plan for the Modern Firefighting Training Programme that does not rely on one-off reserves or other short-term measures. This plan should identify long-term funding sources or mechanisms to ensure the training programme is maintained without creating structural budget gaps or compromising frontline services. This needs to be resolved in the Mayor's Final Draft Consolidated Budget.

The Mayor recognises the importance of the London Fire Brigade's (LFB) Modern Firefighting Programme in ensuring that the Brigade's training keeps pace with the evolving risk environment in London and will work with the LFC and government in the remaining stages of the budget process to identify a sustainable funding plan for training in LFB.

Recommendation 2

The Mayor should write to the Government to urge a review of the adequacy of the national pay negotiation framework in 2026-27.

The Mayor shares the LFC's view that the pay negotiation framework for the fire sector should be more closely aligned to the budget planning cycle. The LFC has been making this point to the Local Government Association negotiators and central government, and the Mayor will support him through his regular engagement with Ministers. The Deputy Mayor for Planning, Regeneration and the Fire Service will write to the Fire Minister on this matter to reiterate our concerns.

Recommendation 3

The Mayor should work with LFC to include headcount information in the Final Draft Consolidated Budget, showing how staffing levels support pay assumptions and operational requirements. The LFC should include headcount information in all future budget submissions.

The LFC will include headcount information in its final budget for 2026-27 as well as in future budget submissions.

Recommendation 4

In the Final Draft Consolidated Budget, the Mayor should make clear the options available for the LFB to manage its financial risks while reserves remain below the minimum level, including what interim measures are in place until reserves are rebuilt. This is particularly important given the uncertainty around future pay awards.

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LFB's General Reserve is non-specific and acts as a contingency to deal with financial risks; therefore, it is an important element of ensuring financial sustainability. The LFC budget submission shows a projected increase in LFB's General Reserve in each of the next three years, reaching its target of 3.5 per cent of Mayoral Funding by 31 March 2028, and exceeding it the year after.

The Mayor will work with the LFC and government in the remaining stages of the 2026-27 budget process to make the final LFB budget balance and ensure that Londoners are protected. A key contributor to long-term financial sustainability for LFB is having multi-year financial settlements from government. The recent Local Government Finance Policy Statement confirmed the delivery of a multi-year settlement covering the next three years, which the Mayor strongly welcomes. This will provide LFB with a clearer framework in which to plan and prioritise its resources to protect London.

Recommendation 5

The Mayor should review inter-agency agreements where LFB assumes additional responsibilities on behalf of partner services, to ensure they reflect an appropriate balance of efficiency and fairness. This may include considering whether cost recovery or resource transfer agreements need to be in place.

The police, fire & rescue and ambulance services have a duty to collaborate, as prescribed by the Policing and Crime Act 2017. Our blue light services recognise that to maximise the service they deliver to the people of London, they need to work collectively to improve the way they deploy their resources. However, this needs to be carefully considered on a case-by-case basis to ensure consideration is given to any potential resource requirements so that all partners are still able to respond to emergencies related to their statutory duties. Where opportunities for cost recovery or resource transfer are identified, these will be progressed and reported on as part of LFB's budget process.

Recommendation 6

The LFB should, by the end of 2025-2026, provide the Committee with a briefing on the 8 Albert Embankment project that explains the full anticipated costs, how these compare to the original development proposals, and the rationale for the chosen approach, including the options considered and why this option was selected.

The decision to deliver the new LFB headquarters project at 8 Albert Embankment was set out in the [Deputy Mayor for Fire Decision \(DMFD\) 267](#) and [London Fire Commissioner Decision LFC-25-041](#). These published reports include the rationale for the chosen approach and the alternative options that were considered. However, information on costs has not been published at this stage as they relate to future procurements, which could prejudice the commercial interests of LFB. The commercial confidentiality of the cost information will be reassessed as the procurement progresses. The Mayor has asked for LFC officers to be available to provide the committee with a confidential oral report if the committee requires further information.

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Recommendation 7

The Mayor should write to the Government urging a dedicated capital grant funding of Fire and Rescue Services to support essential infrastructure investment.

The LFC, National Fire Chiefs Council and GLA have consistently made the case for capital grant funding for the fire sector, most recently in the responses to the government's Fair Funding Review 2.0 consultation. The Mayor will continue to support this case in his regular engagement with Ministers.