

TELFORD & WREKIN COUNCIL**CABINET – 14 SEPTEMBER 2017****WEST MERCIA FIRE AND RESCUE GOVERNANCE PROPOSALS****REPORT OF THE CUSTOMER, COMMUNITY & PARTNERSHIP SCRUTINY COMMITTEE****1. PURPOSE**

- 1.1 In June 2017, the West Mercia Police & Crime Commissioner (PCC) launched a three month consultation proposing changing governance arrangements for local fire services in Worcestershire, Herefordshire, Shropshire and Telford & Wrekin. The proposals focussed on the PCC's preferred option for the PCC to take on the roles of two local Fire Authorities (Shropshire & Wrekin and Hereford & Worcester), with the aim of improving local police and fire services and achieving £4m savings.
- 1.2 As a result, Telford & Wrekin Council's Leader requested Scrutiny to review the information in the consultation and provide a recommendation to Cabinet on whether or not Telford & Wrekin Council should support the proposals.

2. RECOMMENDATIONS

- 2.1 **The Customer, Community & Partnership Scrutiny Committee RECOMMENDS to CABINET that:-**
- (a) **the proposal for the Police and Crime Commissioner to take on governance of local fire services in Herefordshire, Shropshire, Telford & Wrekin and Worcestershire not be supported for reasons of financial considerations, service resilience, and replacing the existing Fire and Rescue Authorities; and**
- (b) **collaboration between Shropshire & Wrekin and Hereford & Worcester Fire & Rescue Authorities and other public bodies be encouraged to continue.**

3. BACKGROUND

- 3.1 The Customer, Community & Partnership Scrutiny Committee is a politically balanced scrutiny group of seven elected Members and two co-optees. The Committee is responsible for scrutinising key Council services including housing, environmental services, community safety and enforcement.
- 3.2 The PCC's proposals have been enabled by legislation which is part of central Government's agenda to bring about closer working between emergency services and improve the way in which they serve communities, protect the public and provide value for money for taxpayers. The PCC's proposals consider three options to meet

these aims: (a) maintaining the status quo; (b) single employer; and (c) joint governance. The PCC's proposals reject both options (a) and (b) and recommend (c) as the preferred option (ie joint governance).

- 3.3 The statutory consultees to the proposals are the constituent authorities of each Fire and Rescue Authority (FRA), the public, staff and their representative bodies.
- 3.4 Both Shropshire & Wrekin and Hereford & Worcester FRAs are currently well respected and are not failing, as is the case in other areas where a PCC is taking over the governance of an FRA. In fact, Shropshire & Wrekin FRA is one of the top 5 performing FRAs in the country.
- 3.5 The Committee extends thanks to the following individuals who participated in this review:-
 - Mr J Campion, Police and Crime Commissioner
 - Rod Hammerton, Chief Fire Officer
 - Councillor E J Carter, Chair Shropshire & Wrekin Fire & Rescue Authority
 - Councillor K Sahota, Main Opposition Group Leader Shropshire & Wrekin Fire & Rescue Authority
- 3.6 The Committee are grateful to the PCC for kindly extending his consultation period to 15 September 2017 to allow sufficient time for a recommendation to be made to the Cabinet and for Cabinet to make a formal response.

4. METHODOLOGY

- 4.1 The PCC's consultation document including the initial business case (IBC) was circulated to the Committee on 7 July 2017 in preparation for review by the Committee.
- 4.2 The Committee met on 17 July 2017 to formally receive the PCC's proposals and to hear from the Chair and Main Opposition Group Leader of Shropshire & Wrekin Fire & Rescue Authority (FRA). Members present were: Councillors G C W Reynolds (Chair), J C Ashford, C N Mason, L A Murray, J M Seymour and B D Tillotson.
- 4.3 Following a question and answer session, the Committee considered that further information was required to enable them to reach a recommendation and agreed to meet as a working group on 3 August 2017 to receive the FRAs' Independent Consultants' report (the 'Ameo/Alendi Consulting report') and agree the Committee's recommendation to Cabinet.
- 4.4 The Ameo/Alendi Consulting report was circulated to Members of the Committee on 2 August 2017 following its endorsement by the Shropshire & Wrekin FRA at its Extraordinary General Meeting on 1 August 2017.
- 4.5 On 3 August 2017 Members met with the Shropshire & Wrekin FRA Chief Fire Officer (CFO) to receive the Ameo/Alendi Consulting report and engaged in a question and answer session on points of clarification. Members present were:

Councillors G C W Reynolds (Chair), J C Ashford, C N Mason, L A Murray, J M Seymour and D Johnson (Co-optee).

- 4.6 The following Members declared interests in this review: Councillors C N Mason and L A Murray, and Mr D Johnson (co-optee).
- 4.7 These recommendations have been made unanimously by those Members present on 3 August 2017.

5. KEY INFORMATION CONSIDERED AND THE COMMENTS OF THE COMMITTEE

Financial Considerations

- 5.1 The PCC's proposals include the creation of a Fire Alliance which it is claimed would realise significant savings through working together to deliver efficiencies of £4m. The PCC stated that this was not a target.
- 5.2 The PCC's proposals suggest that savings can be made from governance, and from sharing common services such as ICT and HR.
- 5.3 The Police and FRAs have different precepts and the PCC pointed out that he was not proposing a merger and that these financial resources would not be used across services.
- 5.4 In his verbal evidence, the PCC suggested that a forensic examination of the savings figures was not possible at this early stage due to the limited nature of the IBC and the fact that the PCC was not the employer of FRA staff.
- 5.5 It was reported that Shropshire and Wrekin FRA has a good track record on making savings, with a budget that is fixed and safe until 2020, offering a well run authority with protection for appliances and no compulsory redundancies.
- 5.6 The CFO indicated that the Shropshire & Wrekin FRA currently enjoys an ability to outsource/contract out services (eg payroll) which enables exploitation of the market. Although it is acknowledged that there may be some benefits from larger resources and economies of scale under the PCC's proposals, this flexibility should be safeguarded.
- 5.7 The Ameo/Alendi Consulting report states that the consultants were "unable to reconcile the declared savings with the options proposed without significant headcount reductions."
- 5.8 **The Committee, therefore, considers that the ability to deliver the savings seems to be uncertain. Although the PCC has stated that the savings are not a target, on balance there does not seem to be sufficient evidence to demonstrate that they could be made as described. The Committee is, therefore, concerned that if the proposed savings cannot be made as stated, they would be delivered either through other means which may adversely impact service delivery (ie as a result of redundancies or loss of buildings/appliances), or result in an increase to the precept.**

Service Resilience

- 5.9 FRAs provide a risk driven service, rather than a demand led service such as that provided by the Police. This means that a certain level of cover is required to manage any risk that may arise, even when the level of incidents is perceived as low. Delay in deploying resources increases the severity of risk and it is therefore important that FRAs maintain resources at a level which maximises a rapid response.
- 5.10 The IBC assumes that the success of FRAs in reducing calls means that it is hard to justify maintaining staffing at the current levels and proposes that savings can be made by service efficiencies within what is termed 'enabling services' through consolidation of services across both FRAs and the Police. However, due to the risk led service provided by Fire & Rescue services, the Committee do not support this assumption.
- 5.11 Furthermore, although there seems to be some confusion about what constitutes 'enabling services', it is the Committee's understanding that a significant number of Officers working within these areas have a dual role which includes some operational or training duties. For instance, the CFO explained that he is also a 'Gold Commander' and his deputies are 'Silver Commanders'. This dual functionality, together with the recruitment of retained fire fighters, enables the Authority to operate at an optimum level whilst also offering additional operational (service) level cover which enables a rapid response in times of increased risk. This would not be possible in the event that these Officers were lost through the efficiencies identified by the PCC's proposals and would result in a reduction in frontline staff.
- 5.12 **The Committee, therefore, concludes that the proposals to make savings from enabling services would reduce the resilience of the service.**

Replacing the existing Fire & Rescue Authorities

- 5.13 Existing governance arrangements at the two FRAs include the appointment of 42 elected Members. Appointments are subject to political balance rules and, therefore, the cross-party views of a wide range of the community can be represented and direct accountability to the public is provided for. However, it is acknowledged that Members of Shropshire & Wrekin FRA operate a non-partisan approach.
- 5.14 At the current time, the PCC enjoys a seat on both the FRAs but does not have voting rights, although this may change in the future. The Ameo/Alendi Consulting report assumes that this is the reasoning behind the 'representation model' (which appears in guidance issued by the Association of Policing and Crime Chief Executives) being an option missing from the IBC.
- 5.15 Locally based elected Members are well placed to develop their existing good knowledge of the needs and requirements of the local area, with those appointed to the Shropshire & Wrekin FRA making visits to Stations on an annual basis. The CFO reported that relations between the Shropshire & Wrekin FRA and both

operational staff and those working within enabling services was good; staff understand what the Authority does and know who their Members are.

- 5.16 Whilst the PCC argued that the local community also plays a part in the election of the PCC and he is, therefore, also a community representative, since his administrative base is in Worcester, the Committee considers that the PCC is not as directly accessible as local Ward Councillors.
- 5.17 If governance is transferred to a single political candidate, with a wider geographical remit and with the challenge of governing both West Mercia Police and two FRAs, the voice of local people may be lost or at best diminished. This is particularly pertinent at a time when emergency services are dealing with increasing challenges following the Grenfell Tower tragedy and terrorist attacks in Manchester and London.
- 5.18 **The Committee, therefore, concludes that the proposals risk a loss of control and influence of locally elected members and this could lead to reduced services with less local accountability.**

Levels of Collaboration

- 5.19 The PCC's consultation document seeks to build upon and accelerate existing collaboration between the two FRAs and the PCC noted in his verbal evidence that the Police could learn lessons from the FRAs' preventative activities.
- 5.20 It is noted that Shropshire & Wrekin FRA shares (or plans to share) premises with the Police at a number of sites and these methods of making efficiency savings should be considered before more dramatic transformation.
- 5.21 The Committee were also advised that the Police and Shropshire & Wrekin FRA are developing a localised missing persons search protocol and there are further cross-over services which allow a degree of collaboration between various services which give value for the pound and continue to make the area safer.
- 5.22 The Committee was extremely pleased to hear about the collaborative work which is already taking place between the two FRAs and with other public services, including local authorities and health and care agencies. It is noted from the Ameo/Alendi Consulting report that the pace of collaboration may not be hastened by a change of governance, since this is influenced by the sheer number of collaborative projects underway.
- 5.23 **The Committee found no merit in the PCC's proposals, especially within the context of a well-performing FRA, and welcomes current efforts at collaboration and encourage this to be continued.**

6. BACKGROUND PAPERS

- West Mercia Police and Crime Commissioner West Mercia Fire and Rescue Governance Consultation Pack - June 2017
- Ameo/Alendi Consulting Limited Analysis of West Mercia PCC Initial Business Case – 26 July 2017

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FINANCIAL IMPLICATIONS

The Shropshire & Wrekin Fire and Rescue Authority is a separate legal entity which receives funding via the precept it levies on tax payers in the Borough, a precept which is collected as part of the Council tax bill. Therefore, there are no direct financial implications to the Council arising from the implementation of the recommendations of this report.

LEGAL IMPLICATIONS

The new provisions in the Policing and Crime Act 2017 enable PCCs to take on responsibility for the governance of local fire and rescue services where a local case is made.

Where the PCC wishes to take on the responsibilities of a FRA, they must develop a proposal that demonstrates it is in the interests of economy, efficiency and effectiveness, or in the interests of public safety.

The PCC has to consult with the relevant local authorities and people in the PCC's police area, and publish their response to the consultation process. Where there is agreement to the proposal from the relevant local authorities, it will be considered by the Secretary of State who may make an order to give effect to the proposal.

Where local agreement does not exist, the Secretary of State must obtain an independent assessment of the proposal, any representations made by the relevant local authorities, and the summary of views expressed by the people in the police area. The Secretary of State must have regard to that independent assessment before making an order to give effect to the proposal.

Where an order is made the Police and Crime Panel will have its responsibilities extended to provide scrutiny for fire functions and will be renamed the Police, Fire and Crime Panel.