

Communities Committee

Item No.

Report title:	Norfolk Fire and Rescue Service – public consultation on business case for changing the governance of the service
Date of meeting:	29 August 2018
Responsible Chief Officer:	Tom McCabe, Executive Director of Community and Environmental Services
Strategic impact Norfolk Fire and Rescue Service is at the heart of community protection in Norfolk. The core role of the service is focused on preventing emergencies, protecting our communities and emergency response. With the ever-increasing demand on public services, Norfolk Fire and Rescue Service has a key role in working with partners, other agencies and local communities to support residents living longer, healthier and safer within their own homes.	

Executive summary

The Norfolk Police and Crime Commissioner (PCC), relying on a power introduced by the Policing and Crime Act 2017, is proposing a change of governance for Norfolk Fire and Rescue Service. This proposal would see the Fire and Rescue Service transfer from the County Council to be governed by a new Police, Fire and Crime Commissioner.

The PCC has published a detailed case for change setting out this proposal, and started the associated statutory public consultation on 11 July. The PCC has not yet decided whether to submit a case for change to the Home Secretary for consideration, and he will make this decision once he has considered the feedback and views submitted during the consultation.

The County Council, as a relevant local authority, is a statutory consultee. The purpose of this report is to present a proposed formal response to the PCC's public consultation.

Recommendations:

The Communities Committee, as Norfolk's Fire and Rescue Authority, is asked to:-

- 1. Agree that the County Council should respond to the PCC's consultation and to 'Disagree' with his proposal on the basis that it is not in the interests of economy, efficiency, effectiveness and that it will negatively impact the public safety of Norfolk.**
- 2. Agree the County Council's detailed formal response to the PCC's consultation, as set out in Appendix A.**
- 3. Confirm the County Council's commitment to continued close collaboration with Norfolk Constabulary, and other emergency services.**
- 4. Ask the Chair of the Committee to ensure that a copy of the agreed formal consultation response is submitted directly to the Home Secretary so that the County Council's views and concerns can be known.**
- 5. Agree to add a new risk titled 'Change of governance in the Fire and Rescue Service' to the Communities Committee risk register, as set out in Appendix C and to recommend to Policy and Resources Committee that this be a corporate risk due to the financial and reputational impact.**

1. Background

- 1.1. Officers will give a short presentation at the start of the Committee meeting to set out the background and context of this report, including the national picture and the overall process.
- 1.2. The Policing and Crime Act 2017 brought in amendments to the Fire and Rescue Services Act 2004 enabling the involvement of Police and Crime Commissioners (PCCs) in Fire and Rescue Services. The 2004 Act as relevant to Norfolk, now makes provision for three alternate models for the governance of fire and rescue services:-
 1. **Representation Model** - enabling PCCs to be represented on their local fire and rescue authority with full voting rights, subject to the consent of the fire and rescue authority. In this model, the County Council continues to be the fire and rescue authority.
 2. **Governance model** – enabling PCCs to take responsibility for the governance of their local fire and rescue service, where a local case is made, setting out how the transfer is in the interests of economy, efficiency and effectiveness, or public safety. In this model, the fire and rescue authority would transfer from the County Council and would report to a new Police, Fire and Crime Commissioner (PFCC) as a separate entity to the police force.
 3. **Single employer model** – as 2. above, but in this model the PCC delegates fire and rescue functions and employment of fire and rescue staff to a single chief officer for both policing and fire.
- 1.3. A number of PCCs across the country have considered this new provision. Some have submitted local business cases to the Home Secretary, and others have decided to focus on collaboration as opposed to a change in governance. Where the relevant local authorities have objected to the proposed change in governance to move to model 2, the Home Secretary has commissioned an independent assessment of the business case by the Chartered Institute of Public Finance and Accountancy (CIPFA) before making a decision. To date, a small number of local business cases have been approved by the Home Secretary.

2. Norfolk PCC's proposal

- 2.1. In Norfolk, the PCC is proposing a change to the Governance model. This is set out in a detailed business case titled 'A Case for Change – a better way of working for a safer Norfolk' and can be viewed in full on the PCC's website at <https://www.norfolk-pcc.gov.uk/fire-governance-review/>
- 2.2. In summary, the proposal is as follows (as set out in the Executive summary of the business case):-

It is proposed that Norfolk should adopt a new Governance Model for Norfolk Fire and Rescue Service (NFRS). There are significant benefits in terms of improving public safety and making efficient use of resources.

It will also provide a new level of financial and strategic independence for NFRS, by moving it out of the control of Norfolk County Council and giving the service control of its own finances. Closer collaboration has the potential to unlock over £10m worth of financial efficiencies over the next 10 years. The intention is to enable the Chief Officers to re-invest in the service, people, training and development, as well as offering financial

resilience for the future and covering any costs of transition.

- 2.3. In order for the PCC to take on governance of fire and rescue, the Home Secretary would first need to be satisfied that the statutory tests have been met. The tests are that the case is made in the interests of economy, efficiency and effectiveness, or public safety.

3. The PCC's public consultation

- 3.1. Before a PCC is able to submit a proposal for a change in governance to the Home Secretary, there is a statutory requirement (set out in the Policing and Crime Act 2017) to first undertake a local consultation considering the views of relevant local stakeholders. The PCC must:-
- (a) consult each relevant local authority about the proposal,
 - (b) consult people in the commissioner's police area about the proposal,
 - (c) consult each of the following about the proposal—
 - (i) persons appearing to the commissioner to represent employees who may be affected by the proposal;
 - (ii) persons appearing to the commissioner to represent members of a police force who may be so affected, and
 - (d) publish, in such manner as the commissioner thinks appropriate, the commissioner's response to the representations made or views expressed in response to those consultations.
- 3.2. To enable compliance with these requirements, the PCC commenced a public consultation on his proposal on 11 July 2018. The consultation will run for 8 weeks until 5 September 2018.
- 3.3. Responses to the consultation can be made via an online survey which poses the following question (and then has space to add additional comments):-

The proposal is that the Police and Crime Commissioner (PCC) becomes the Police, Fire and Crime Commissioner (PFCC) and has overall responsibility for the governance of both Norfolk Fire and Rescue Service and Norfolk Constabulary.

Do you agree or disagree with this proposal?

Agree

Disagree

- 3.4. Further information about the PCC's consultation, including the online survey, is available to view on the PCC's website at <https://www.norfolk-pcc.gov.uk/portfolio/phase-3-public-consultation/>

4. Norfolk County Council's formal consultation response

- 4.1. The County Council, as a relevant local authority, is a statutory consultee (see 3.1 above). The purpose of this report is to present a proposed response to the PCC's public consultation.
- 4.2. Information setting out the County Council's initial assessment of, and views on, the PCC's case for change was published on our website in July. This consisted of two documents – an initial response to the PCC's business case titled 'Norfolk Fire and Rescue – Keep in safe hands' and some Frequently Asked Questions. The information from these documents has been used to inform the proposed consultation response at Appendix A, but they can still be viewed on the website at <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/norfolk-county-council-news-and-updates/nfrs-and-ncc>
- 4.3. We also published some information about Norfolk's Fire and Rescue Service, to help those who may wish to respond to the PCC's consultation to understand what it is the service does. This is included at Appendix B for ease of reference.
- 4.4. The County Council has not yet submitted a formal response to the PCC's consultation.
- 4.5. A proposed consultation response is included at Appendix A, for the Committee to consider. The key concerns set out in the proposed response are:-
 - Removing the fire and rescue service from the County Council presents a significant financial risk to the service, and therefore a risk to public safety.
 - The claimed £10m efficiency figure is speculative and misleading.
 - The medium term financial plan figures are flawed.
 - It is not clear which Service will benefit from any claimed savings and additional investment.
 - The proposal makes a number of assumptions and untested claims.
 - The cost and disruption of change is unquantified and untested.
 - The proposed changes to operational response are not clearly articulated and have not been risk assessed, and therefore there is a significant risk to their deliverability and ultimately public safety.
 - The claimed benefits could be achieved without a change in governance, and without the associated cost and disruption.

Note that Section 3 in the proposed response needs to be read alongside the 'A Case for Change' document. This section of the proposed response comments directly on the content of the 'A Case for Change' document and uses the headings from that document to help illustrate which part of the proposal the comments relate to.

- 4.6. As set out in the proposed response, in summary the conclusion is that the case published by the PCC would not meet the statutory tests of economy, efficiency, and effectiveness. We also believe that it would have an adverse effect on public safety. Therefore, it is recommended that the County Council formally responds to the PCC's consultation to 'Disagree' with his proposal **on the basis that it is not in the interests of economy, efficiency, effectiveness and that**

it will negatively impact the public safety of Norfolk.

- 4.7. It is also recommended that the County Council submits Appendix A as the detailed formal consultation response.

5. Emergency services collaboration

- 5.1. In addition to the provision on governance (see 1.2 above), the Police and Crime Act 2017 also includes a statutory duty for police, fire and ambulance services to collaborate.
- 5.2. Although the County Council does not support the PCC's business case, it does not mean that we do not wish to see any change to the Fire and Rescue Service. In particular, we are committed to further collaboration and continue to be open to discussing ways to improve services.
- 5.3. In Norfolk, we have already have a mature collaboration relationship with Norfolk Constabulary and a good track record of delivery (see the summary in Appendix B). We also work closely with other emergency services, including the Ambulance Service and the Coastguard, and have a number of collaborative arrangements in place with other fire and rescue services.
- 5.4. The PCC's business case includes the assertion that collaboration could be 'quicker, easier and faster' with a change in governance. We do not see any evidence to support this.
- 5.5. The PCC's business case also mentions that the Police/Fire Collaboration Board no longer meets. The Board was formed as the Norfolk Emergency Service Collaboration Steering Group, and this Group continues to meet. This meeting involves senior officers from fire and rescue, police and ambulance services.
- 5.6. The Committee is asked to confirm a continued commitment to collaboration with all emergency services, both within Norfolk and beyond.

6. Financial Implications

- 6.1. Views on the financial implications of the PCC's proposal are set out in the formal consultation response attached at Appendix A.
- 6.2. Most significantly, Appendix A highlights that one of the key benefits of the service remaining under the governance of the County Council is the ability of the County Council to protect the service by spreading financial pressures elsewhere. Under the governance of the PCC, the Fire and Rescue Service would be fully exposed to any reductions in funding in a way that it is not now. This is a significant risk and could ultimately impact on the level of cover provided in Norfolk.
- 6.3. In the event that the change of governance does go ahead, there would need to be local agreement on the financial basis of the change i.e. which budgets would transfer with the service. CIPFA have provided draft guidance to support this consideration. At this stage, we have not entered into detailed discussions and there is no local agreement.
- 6.4. There will be a significant cost to a change in governance, and this money would need to be found. The business case identifies the cost of change being £315k. We estimate the cost to be closer to £1m, and Hertfordshire County Council, who are in a similar position to Norfolk, have estimated it to be around £1.3m.

7. Issues, risks and innovation

7.1. Risk

7.1.1. As set out in the proposed formal consultation response, it is considered that the proposal from the PCC will negatively impact the public safety of Norfolk. Given the significance of this risk, it is something that the Committee will want to regularly review and mitigate, as far as possible. Therefore, it is proposed to add a new risk to the Communities Committee risk register.

7.1.2. The proposed new risk is set out in Appendix C.

7.2. Equality and diversity

7.2.1. The Office of the Police and Crime Commissioner (OPCC) has compiled an initial equality impact assessment on the PCC's proposal, but this has not been published and therefore we are unable to comment on it.

7.2.2. There is insufficient detail on the proposed changes to operational response and practices for us to determine whether they could present a disproportionate or detrimental impact on people with protected characteristics.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

Officer name : Tom McCabe

Tel No. : 01603 222500

Email address : tom.mccabe@norfolk.gov.uk



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