

# Norfolk Police and Crime Panel



## Extraordinary meeting

Date: **22 January 2018**  
Time: **11am**  
Venue: **Cranworth Room, County Hall, Norwich**

**Panel Members are invited to a pre-meeting at 10:00 am in the Colman Room, County Hall, Norwich.**

**Persons attending the meeting are requested to turn off mobile phones.**

### Membership

<b>Main Member</b>	<b>Substitute Member</b>	<b>Representing</b>
Mr Frank Sharpe	Mr Mark Robinson	Breckland District Council
Mr Fran Whymark	Mr Roger Foulger	Broadland District Council
Mr Trevor Wainwright	Mrs Marlene Fairhead	Great Yarmouth Borough Council
Mr Colin Manning	Mr Brian Long	King's Lynn and West Norfolk Council
Mr William Richmond	Michael Chenery of Horsburgh	Norfolk County Council
Mr Martin Storey	Mr Phillip Duigan	Norfolk County Council
Mrs Sarah Bütikofer	Mr Tim Adams	Norfolk County Council

Mr Richard Shepherd	Mr Nigel Dixon	North Norfolk District Council
Mr Paul Kendrick	Mr Kevin Maguire	Norwich City Council
Dr Christopher Kemp	Mr Robert Savage	South Norfolk Council
Air Commodore Kevin Pellatt FCMI RAF	(no substitute member)	Co-opted Independent Member
Mr Peter Hill	(no substitute member)	Co-opted Independent Member

**For further details and general enquiries about this agenda please contact the Committee Officer:**  
 Nicola LeDain on 01603 223053  
 or email [committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)

## A g e n d a

1. **To receive apologies and details of any substitute members attending**
2. **Declarations of Interest**

### **Norfolk County Council and Independent Co-opted Members**

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter. It is recommended that you declare that interest but it is not a legal requirement.

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a **Disclosable Pecuniary Interest** you may nevertheless have an **Other Interest** in a matter to be discussed if it affects:

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

If that is the case then you must declare such an interest but can speak and vote on the matter.

**District Council representatives will be bound by their own District Council Code of Conduct.**

3. **To receive any items of business which the Chairman decides should be considered as a matter of urgency**
4. **Police and Fire Collaboration – Local Business Case Update**

(Page **5**)

To consider the Options Analysis undertaken by Grant Thornton and question the PCC about his response.

Date Agenda Published: Friday 12 January 2018

**Under the Council’s protocol on the use of media equipment at meetings held in public, this meeting may be filmed, recorded or photographed. Anyone who wishes to do so must inform the Chairman and ensure that it is done in a manner clearly visible to anyone present. The wishes of any individual not to be recorded or filmed must be appropriately respected.**

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## **Police and Fire Collaboration – Local Business Case Update**

### **Suggested approach from Jo Martin, Democratic Support and Scrutiny Team Manager**

The Panel is asked to consider the Options Analysis undertaken by Grant Thornton and question the PCC about his response.

#### **1. Background**

- 1.1 The Government is committed to closer collaboration between emergency services, and views their joint working as a means of delivering better local accountability, an improved service for communities and significant savings for taxpayers.
- 1.2 It is within this context that the Policing and Crime Act 2017 (“the Act”) includes measures to support the increased collaboration and integration of policing with Fire and Rescue Services (FRS). These measures enable Police and Crime Commissioners (PCCs) to take on responsibility for the FRS in their area where a local case for change is made.
- 1.3 Norfolk’s PCC commissioned independent consultants, Grant Thornton, to review the full range of options for extending police and fire collaboration in the county and identify whether there is a local case for change. Their Options Analysis scores each option against a set of evaluation criteria and recommends a ‘preferred option’ – Option 3 (Governance Model).
- 1.4 The Act outlines the statutory tests that must be met and against which the Home Secretary will judge any local case for change. These are: economy and efficiency, effectiveness, public safety and deliverability. The four tests have been adopted by Grant Thornton as their evaluation criteria (‘Critical Success Factors’), which will enable their findings to be developed into a full business case if the PCC decides he wishes to pursue governance of the FRS.

#### **2. Purpose of today’s meeting**

- 2.1 Today’s meeting provides an opportunity for the Panel to consider the Options Analysis and question the PCC about his response.

#### **3. Suggested approach**

- 3.1 Grant Thornton will attend the meeting to respond to any detailed questions

about their approach to the Options Analysis (attached at **Annex 1**) and its findings. After the consultants have presented the document, the Panel may wish to ask questions on the following areas:

- a) Their approach to the options analysis.
- b) The evaluation criteria used for scoring and ranking each option.
- c) The summary evaluation for each option, and the associated risks and benefits identified.
- d) The strategic case for change, including implications for service collaboration and leadership.
- e) The economic case for change, including the findings of their financial assessment.
- f) The operational benefits and risks, including implications for decision-making, accountability and the workforce.
- g) The implications for public safety.
- h) The challenges and risks associated with 'deliverability'.
- i) Lessons learned from around the country.
- j) The preferred option, and whether it indicates a robust case for change.
- k) Key challenges for implementing the preferred option, and how they might be mitigated.
- l) Next steps.

3.2 The Panel may also wish to question the PCC about his response to the Options Analysis.

#### 4. Action

4.1 The Panel is asked to consider the Options Analysis undertaken by Grant Thornton and question the PCC about his response.



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# Independent review of options for the future of Police and FRS governance in Norfolk

Office of the Police & Crime Commissioner for Norfolk

10 January 2018



Mark Stokes  
Chief Executive  
Office of the Police and Crime Commissioner for Norfolk  
Jubilee House  
Falconers Chase  
Wymondham  
Norfolk  
NR18 0WW

10 January 2018

Dear Mark

## Independent review of options for the future of Police and FRS governance in Norfolk

We have pleasure in enclosing a copy of our report (the 'Report') containing the independent review on police and fire integration on behalf of the Office of the Police and Crime Commissioner for Norfolk ('the OPCC'). The scope of this project was agreed in Grant Thornton's contract with the OPCC signed on 7 August 2017 ('the Terms of Engagement'). Notwithstanding the scope of this engagement, responsibility for management decisions will remain with the OPCC and not with Grant Thornton UK LLP.

### Limitation of liability

We draw the OPCC's attention to the limitation of liability clauses in paragraphs under section 4 in the Terms of Engagement.

### Forms of report

For the OPCC's convenience, this report may have been made available to the OPCC in electronic as well as hard copy format, multiple copies and versions of this report may therefore exist in different media and in the case of any discrepancy the final signed hard copy should be regarded as definitive.

### Confidentiality and reliance

To the fullest extent permitted by law, we accept no duty of care nor assume any responsibility to any person other than the OPCC in relation to our work, this report and other communications. Any third party who chooses to rely upon this report or our work shall do so entirely at their own risk.

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### General

The report is issued on the understanding that the management of the OPCC have drawn our attention to all matters, financial or otherwise, of which they are aware which may have an impact on our report up to the date of signature of this report. Events and circumstances occurring after the date of our report will, in due course, render our report out of date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out of date report. Additionally, we have no responsibility to update this report for events and circumstances occurring after this date.

We would like to thank the OPCC's officers and those of the other key partners for making themselves available during the course of the project.



Guy Clifton

Head of Local Government Advisory  
For Grant Thornton UK LLP

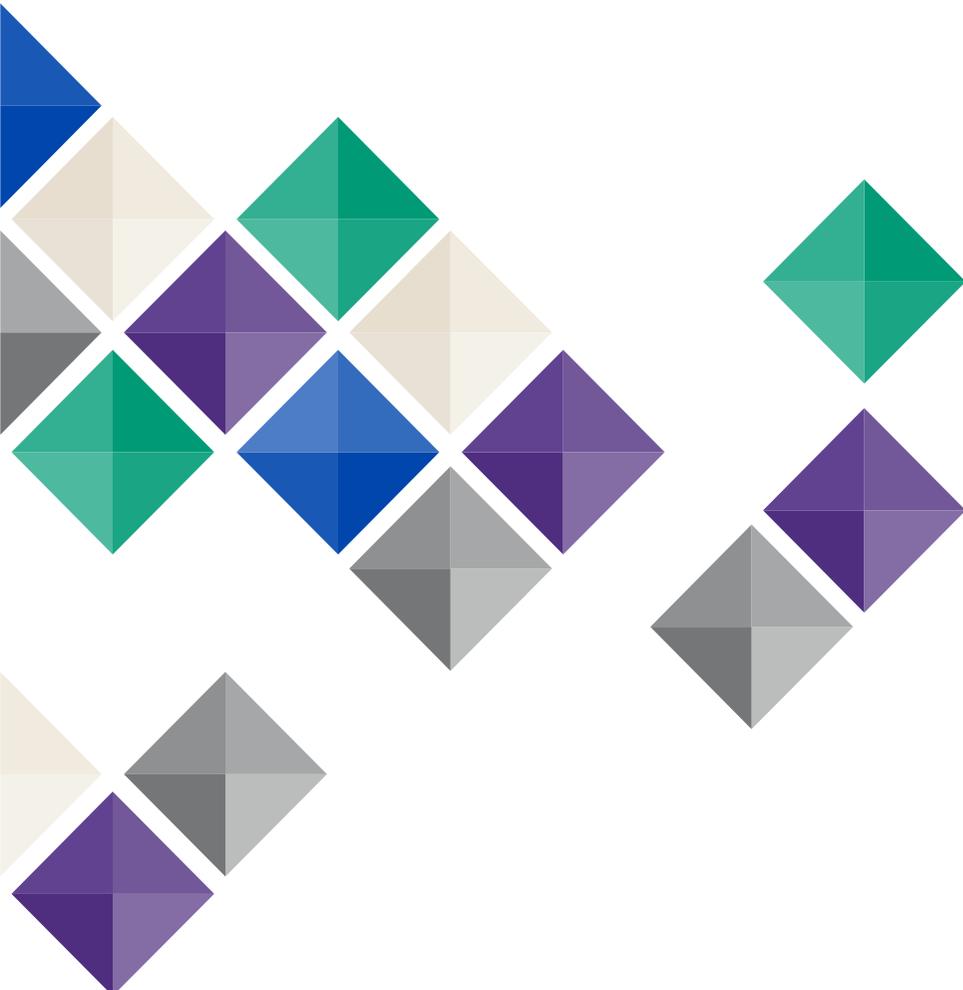
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# Executive Summary

# Introduction

## The Policing and Crime Act 2017

The Policing and Crime Act 2017 became law on 3<sup>rd</sup> April 2017 and includes provisions that enable Police and Crime Commissioners to take on responsibility for the governance of local fire and rescue services, where a local case is made. This local case needs to appear to the Secretary of State to be in the interest of economy, efficiency and effectiveness, or public safety.

As a result of this new legislation the Office of the Police and Crime Commissioner (OPCC) for Norfolk appointed Grant Thornton, following a competitive tender process, to explore the viability of a proposed business case and options for utilising the possibilities that the legislation enables. The project was split into two potential phases:

**Phase 1** – An options appraisal and development of an outline strategic case that could be taken forward to a full business case.

**Phase 2** – If a case for change can be made at the options appraisal stage, the development of a full business case, including a strategic options analysis of the full range of options included in the Policing and Crime Act 2017.

## Norfolk Constabulary and Norfolk Fire and Rescue Service

Both these organisations, and the County Council that embodies the Fire and Rescue Authority (FRA) and hosts the Fire and Rescue Service (FRS), share the aim of protecting the public and provide vital services in achieving this aim. Austerity is continuing to place pressure on public sector bodies and both Norfolk Constabulary (the Police) and Norfolk FRS need to continue to protect people from harm whilst reducing the amount they spend. Greater collaboration is seen as a way in which this can be achieved.

Norfolk Constabulary and Norfolk Fire and Rescue Service share coterminous boundaries which means the geographical area they cover and the communities they serve are the same. These coterminous boundaries make closer collaboration easier than it would be between authorities that share different boundaries.

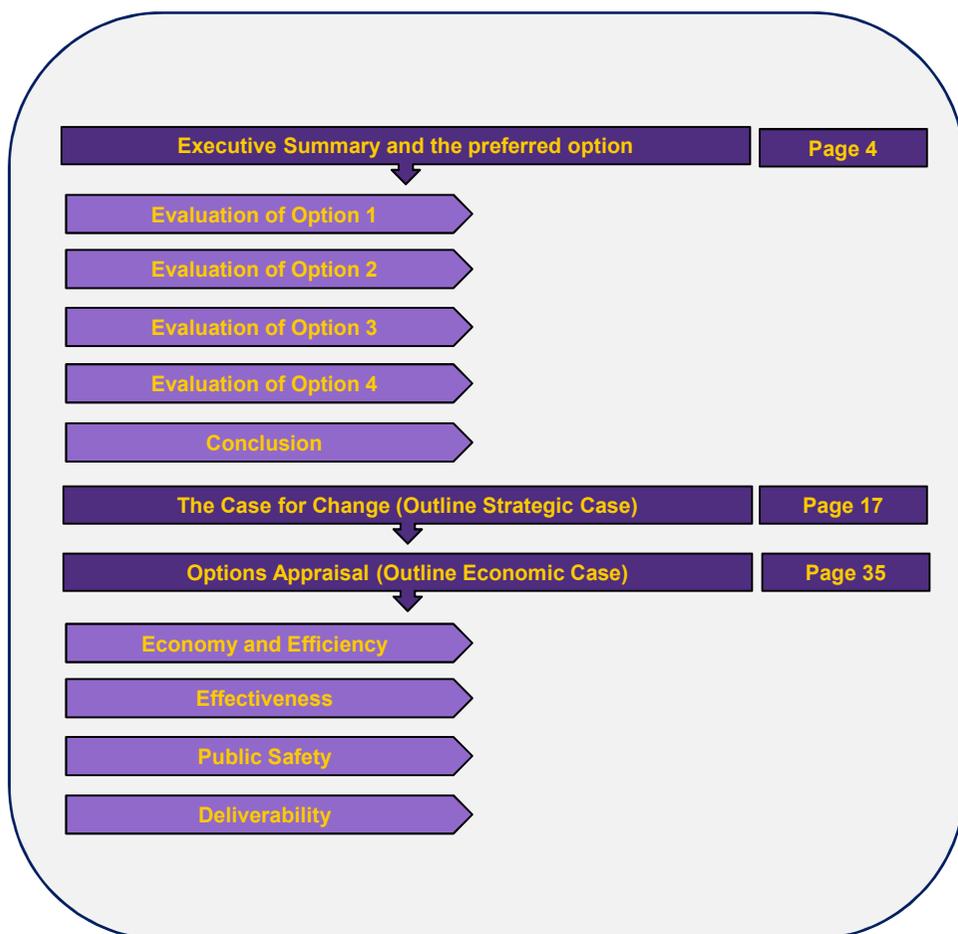
## Our Scope

Grant Thornton was engaged to provide an independent review of the following options that are supported under the Policing and Crime Act 2017:

- 1) Continue with the Fire and Rescue Authority as part of the County Council and continue with collaboration where appropriate.
- 2) Continue with the Fire and Rescue Authority as part of the County Council but give the Police and Crime Commissioner (PCC) a position on the Fire and Rescue Authority, which is embodied by a Council Committee.
- 3) Move the Fire and Rescue Service under the governance of the PCC but keep it independent of the existing OPCC and its Chief Executive.
- 4) Move the Fire and Rescue Authority under the governance of the PCC by creating a single organisation that includes both police and fire under the command and control of a new Emergency Services Chief Officer.

Our report sets out the findings from our review and a recommendation on a preferred option, in a format that could be used to develop a business case. Our findings are based on stakeholder feedback and document review, collated during the course of this project.

# The structure of this report



We have structured this report so that the summary evaluation of each option is covered in this executive summary, followed by our conclusion on the preferred option.

The main body of the report then goes on to discuss in more detail the outline strategic case for change and a detailed analysis of the four options under each of the Critical Success Factors.

The report has been structured so that the main content can slot directly into a full business case in the format set out in the APACE guidance.



# Our approach

## Our approach to the options appraisal

In developing the options appraisal our approach has consisted of:

- Identification of Critical Success Factors in line with APACE guidance and sub-criteria developed in collaboration with the OPCC.
- A desk-based review of documents from across partner organisations including financial information.
- Quantitative analysis of service, organisational and partnership budgets and medium term financial strategies.
- Analysis of the costs and implications of disaggregation of the FRS from the County Council.
- Meeting with senior leaders from Norfolk County Council, Norfolk Constabulary, Norfolk Fire and Rescue Service (the FRS), the Police and Crime Commissioner (the PCC), and senior officers from the Office of the Police and Crime Commissioner for Norfolk (the OPCC).
- Structured workshops with officers and staff relating to the implications of change for the County Council and current FRS, the implications for the OPCC and Norfolk Constabulary, and the potential operational benefits that could arise from change. A full list of all key stakeholders consulted is included at Appendix A of this report.

## Scoring and ranking the options

Drawing on our discussion with key stakeholders and our review of documents we will score each option against each of the four headline Critical Success Factors (CSFs) set out in the APACE guidance.

- **Economy and Efficiency** – driving cost efficiency benefits and affordability
- **Effectiveness** – developing emergency services to benefit the community
- **Public Safety** – maintaining public safety in the future
- **Deliverability** – the ease with which change can be delivered

Each of these four categories has been further analysed into sub-criteria summarised in Appendix B of this report. The sub-criteria are designed to provide all round consideration of the risks and benefits of each option and to reflect local priorities.

Each of the sub-criteria is scored on a scale of 1-4 to reflect a qualitative judgement on the part of Grant Thornton, based on a balance between benefits and risks, with 4 reflecting the most favourable. This is further illustrated by the red-amber-green rating, reflecting the most and least favourable options. The scores for each of the sub-criteria have been averaged to provide an overall score for each of the four CSFs. The four CSF scores have then been added together in this executive summary to provide an overall score for each of the options. A full description of our evaluation and scoring methodology is set out on pages 42 and 43.

**Setting assessment criteria is a useful tool to support the wider discussion about the relative merits of each option, however, scoring remains a subjective and judgemental process, and therefore stakeholders should avoid undue focus on the relative weighting of the assessment criteria at the expense of the realistic and pragmatic assessment that this document seeks to provide.**

# Options 1 and 2 - Overview

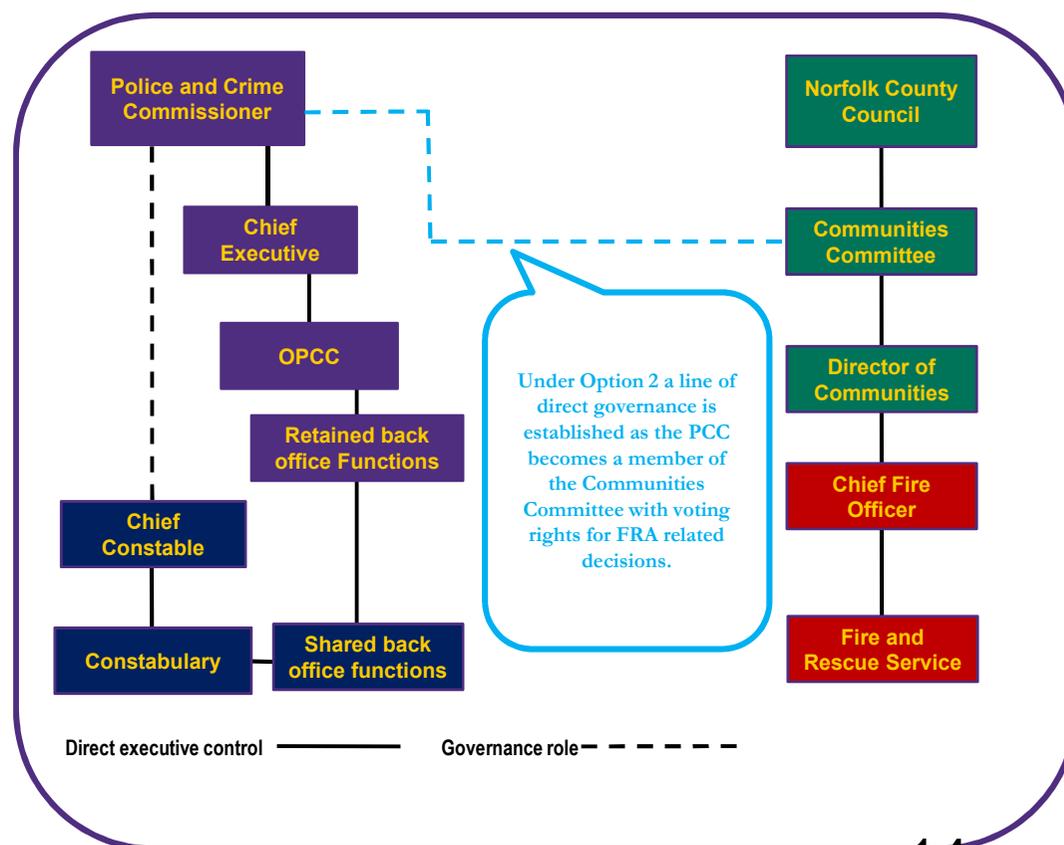
**Option 1** would build on the current model for collaboration and avoids the risk of disruption that could arise from implementing a change in governance. It is dependent on continued voluntary collaboration between the FRS and police to derive further benefit. Under this arrangement the FRS is delivered as a County Council service. The duties of its statutory governing body, Norfolk Fire and Rescue Authority (the FRA) are delegated to the Council's Communities Committee.

Our work with police and FRS stakeholders indicated that the current collaboration is relatively mature with many of the more straightforward opportunities already taken, alongside some notable achievements in more complex areas such as the joint control room and the shared station at Sheringham. They acknowledged that significant further benefits could be achieved from voluntary collaboration. However the next phase is likely to have to address more complex areas of operational interoperability and integration, where it could be more difficult to reach a consensus and commit resources.

As would be expected with two distinct organisations, the Police and the FRS are currently working to two different sets of overarching strategic priorities (e.g. those of the PCC and the Council), separate operational plans, and differing approaches to managing financial challenges.

We note that the Council and Norfolk Constabulary already collaborate on a range of specific areas where strategic priorities overlap, such as Child Sexual Exploitation, domestic violence, the Multi-Agency Safeguarding Hub (MASH) as well as Children's and adult safeguarding, community safety and the Prevent counter terrorism strategy. Emergency response is therefore just one facet of collaboration from which public benefit could be realised.

**Option 2** is very similar to Option 1, except that the PCC joins the Council's Communities Committee, as one of several members charged with approving and reviewing strategic decisions in regard to the FRS, as delegated representatives of the Fire and Rescue Authority (FRA) vested in the Council. In that role, the PCC would have the opportunity to be engaged in a wider range of local services of interest to the Police service.



Definition	Score
Significant net benefit/ limited risk	4
Moderate net benefit/ marginal risk	3
Marginal net benefit/ moderate risk	2
Limited net benefit/ significant risk	1

# Options 1 and 2 – Summary Evaluation

Evaluation Criteria	Summary Evaluation	Option 1 Score	Option 2 Score
<b>Economy and Efficiency</b> Driving cost efficiency benefits and affordability	Financial benefit from collaboration is expected to continue to accrue from progressing the sharing of estates at a similar rate of progress to that already achieved and there may be further opportunities to explore as part of a refreshed and strengthened voluntary collaboration arrangement, although the financial benefits are likely to be limited in scale. Like most local authorities Norfolk County Council faces financial challenges and has put in place a wide ranging change programme (Norfolk Futures), with a commitment to keep council tax low. Norfolk Constabulary face a similar financial challenge and is delivering its own ambitious transformation strategy – Norfolk 2020. Significant savings from the FRS have been achieved (c.£5m since 2011) but the Council’s leadership has committed to protect the service in its manifesto. The Council has demonstrated that it has the financial resources to fund the service over the life of the medium term financial plan, using council tax to mitigate reductions in government grant. We also note that the annual budget and funding decisions are published and form part of the public budget consultation process. The FRS estate requires investment for which it must compete for funding with other service priorities, but again the Council has demonstrated a commitment to fund this.	2	2
<b>Effectiveness</b> Developing emergency services to benefit the community	<p>There are significant examples of successful collaboration between fire and police on a voluntary basis in Norfolk, and working relationships are generally good. A common theme arising from stakeholders was that a lot of collaboration opportunities, have already been taken or are in progress (e.g. the co-location programme and the control centre). Refreshed and strengthened collaboration arrangements could drive further collaboration opportunities but it is likely to be increasingly challenging to deliver benefits as the partners will have to look at more complex areas. Further progress will require much closer alignment of strategic priorities and decision making, and the allocation of resources where surplus management capacity is limited.</p> <p>The FRS is perceived by the public to deliver an effective service as part of the County Council and is highly valued by Council members. By keeping the current division of governance, Option 1 avoids the risk that the distinct identity of the FRS could be undermined and would enable Police and FRS senior management teams to focus on current core priorities. A broad range of collaboration options would remain open to the FRS, with police as part of a wider network of partners. The strategic importance given to the FRS is reflected in the Council’s strategic priorities, outlined in the manifesto and soon to be reflected in a new County Plan. This includes a public commitment to protect the service and secure its financial resources. The Council was relatively recently elected (May 2017) and the Chief Fire Officer is also a recent appointment after several changes to the post over the preceding years. The extent to which protection of the service will involve the development of current arrangements toward innovative ways of working is in the process of being drafted for the revised FRS Service Plan, due on March 2018.</p> <p>Option 2 is very similar to Option 1, but includes the opportunity for the PCC to be a voting member of the Fire and Rescue Authority, represented by the Council’s Communities Committee. This had the potential to increase the level of influence the PCC could have on FRS strategy and wider collaboration with the Council. However, stakeholder interviews across the key organisations raised some concerns that the overall impact could be limited as the PCC would only reflect one vote among 13 other members of the County Council representing different political parties. The political balance of the cross party Communities Committee would also have to be considered.</p>	3	2
<b>Public safety</b> Maintaining public safety in the future	Options 1 and 2 are relatively safe in terms of operational risk as they do not involve the potential disruption to day to day service activity that a change in governance could entail.	4	4
<b>Deliverability</b> The ease with which change can be delivered	These options will be relatively simple to deliver, as they will build on collaboration arrangements that already have a proven track record.	4	4
		<b>15</b>	

## Option 3 - Overview

Under this option, the Fire and Rescue Service (FRS) would transfer from where it currently resides - as a service embedded in the County Council - to form a new organisation comprising the Fire and Rescue Authority (FRA) and the Fire and Rescue Service (FRS). The PCC would become Norfolk Police, Fire and Crime Commissioner (PFCC) and take over the statutory responsibilities of the FRA from the Council – a role that would remain distinct and separate to the duties of the Police and Crime Commissioner. The PFCC would then delegate operational management responsibilities to the Chief Fire Officer.

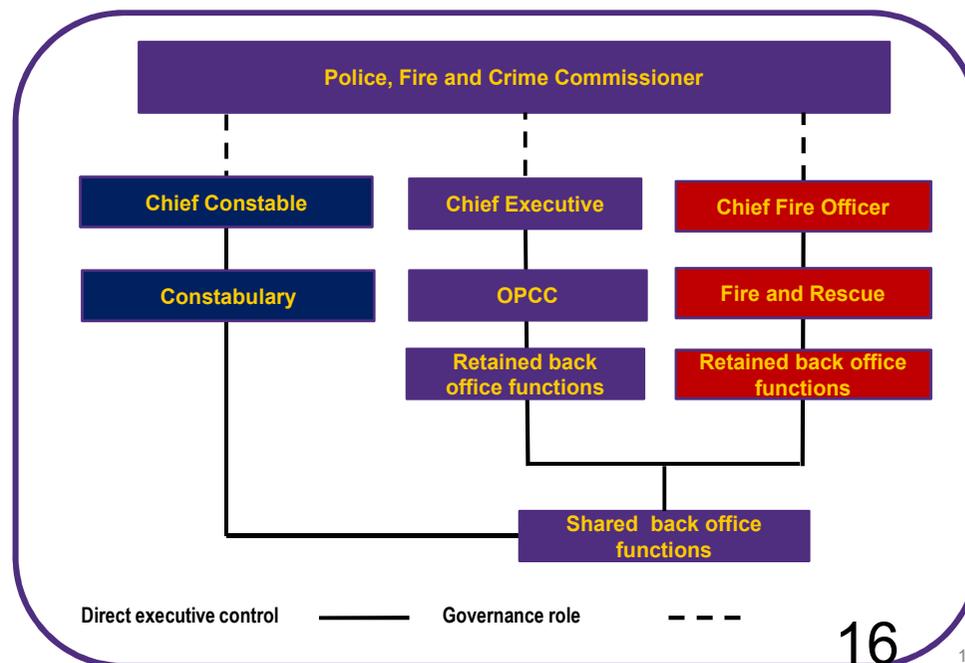
Alongside this arrangement, the PFCC would retain the Office of the Police and Crime Commissioner (OPCC) as a separate and distinct corporation sole, with operational management responsibilities delegated to the Chief Executive.

There are a number of potential options in regard to the discharge of statutory roles for a new FRS organisation which would require further review. Options to explore could include the role of the FRS's monitoring officer and the role of Chief Finance Officer (Section 151) to become a shared role with the OPCC and Norfolk Constabulary and the Chief Fire Officer becoming head of paid service for the FRS.

The PFCC would be able to prepare a joint Policing, Crime and Fire Plan (PCFP), with an emphasis on joint working. The FRS would report directly to the PFCC, with the Chief Fire Officer (CFO) having delegated operational responsibilities. Over time, support services (such as information systems), and back office (such as Finance and HR), could be developed as integrated functions serving the FRS, the Police Force and the OPCC. Current contributions from the FRS to the County Council agenda could be preserved through voluntary collaboration arrangements in areas such as home safety visits linked to social care provision.

Other collaboration arrangements in areas where the Council currently provides services to the FRS (e.g. asset management and fleet) could also be continued through new voluntary collaborative arrangements, potentially easing the disruption caused by a change in governance.

The PFCC would also be able to set up a separate precept for FRS services to be collected through the Council tax system, and would be able to increase this by up to 2% per year (or more subject to local referendum). Currently, the FRS budget is partly funded through an allocation from the general council tax collection made at the Council's discretion, alongside allocations to other services. The key difference is that the FRS precept and any annual increase would only be available for investment in the FRS, with a requirement for the PFCC to explain to the public what the increase is to be used for.



Definition	Score
Significant net benefit/ limited risk	4
Moderate net benefit/ marginal risk	3
Marginal net benefit/ moderate risk	2
Limited net benefit/ significant risk	1

# Option 3 – Summary Evaluation

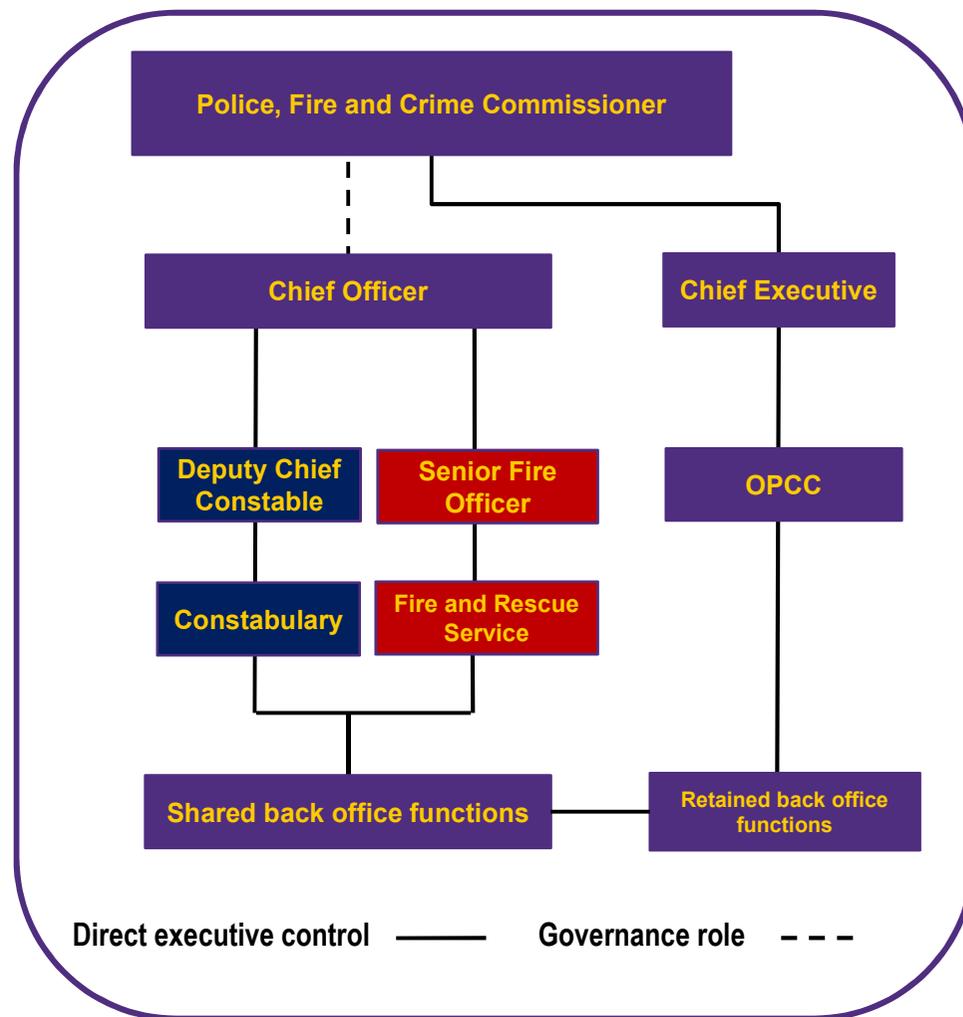
Evaluation Criteria	Summary Evaluation	Option 3 Score
<b>Economy and Efficiency</b> Driving cost efficiency benefits and affordability	The PFCC will be in a position to ring-fence funding for Fire through a specific precept, subject to an appropriate case for investment being made by the Chief Fire Officer. The precept can be increased annually to provide a sustainable source of investment for Fire in the context of the reducing revenue support grant. The PFCC would control both police and FRS assets and therefore be in a position to progress the programme of joint stations more quickly, releasing additional funds that could be shared between Council and PFCC priorities. Revenue cost reduction opportunities from a change in governance are likely to be marginal in the short term as the service will transfer with its current establishment and costs. Further revenue savings could be generated in the medium to long term from combining support functions and through systems integration, without the need for large scale redundancies. However this is not likely to exceed the level of benefit that that could be achieved under Option 1. There may be opportunities to combine operational budgets (e.g. in community and prevention activity). While we estimate that settlement funding for the FRS does provide a small notional subsidy for other Council services, a locally agreed financial settlement could enable a cost neutral impact to the Council from disaggregating the FRS. The transitional cost of implementing the governance model would be relatively light, arising from buying in professional support (e.g. project management, transfer of assets and TUPE).	3
<b>Effectiveness</b> Developing emergency services to benefit the community	The PFCC would be in a position to drive collaboration through a more streamlined decision making process, with a single point of governance for strategic and budgetary decisions aligned to a single jointly developed strategy. A new Policing, Crime and Fire Plan could drive further collaboration, beyond what has been possible to date, in areas such as community safety and road traffic collisions, as well as looking at a combined approach in areas such as prevention and victim support. The Chief Fire Officer would have direct delegated authority for operational decisions and the FRS would be well placed to influence PFCC priorities, reflecting its relative scale (16% of the PFCC budget compared to only 2% of the Council budget). The PFCC would be able to consider pooling budgets for areas where the Constabulary and the FRS work together to deliver common objectives, for example with regard to road safety or community engagement. This could drive more effective joint planning and reduce the duplication of effort. The PFCC will be able to hold both Chief Officers to account to make sure that collaboration initiatives are adequately resourced and delivered to plan. Option 3 would not prevent the FRS from benefiting from other non-police collaboration (e.g. within the FRS sector). Voluntary collaboration arrangements rely on continuing alignment between senior leaders and could be vulnerable to change in future if priorities start to diverge. Under Option 3 these benefits can be secured for the long term under a single point of governance. The focus of political accountability for Police and FRS activity in a single individual could enhance the public's ability to hold decision makers to account for delivering an effective collaboration agenda, where currently, accountability is split. Local politicians will continue to exercise governance through the new Police, Crime and Fire Panel. The Council can continue to benefit from a close relationship with Fire and Police through voluntary collaboration.	4
<b>Public safety</b> Maintaining public safety in the future	Option 3 can be managed in order to minimise disruption due to the change – this is because support staff relocation will involve relatively small numbers and FRS systems are relatively self-contained, enabling 'lift and shift' approach. The FRS operational response should not be affected during the transition. The majority of the transitional work will take place in the back office, including legal and financial aspects, and it is envisaged that additional project management capacity could be brought in to support senior management.	4
<b>Deliverability</b> The ease with which change can be delivered	As long as there is sufficient political will and support for the change, Option 3 can be delivered in a reasonable timeframe and the additional risks should be successfully mitigated. FRS identity and operational independence is preserved under this model. The FRS is relatively self contained in terms of back office and support services, which will reduce the relative complexity of a transfer to the PFCC but there are some exceptions such as fleet and estates where transitional arrangements may be needed in an agreement with the Council.	3

## Option 4 - Overview

**Option 4** would see the FRS reporting to a Chief Officer in a fully integrated police and fire and rescue service. If implemented in the short term, this would be likely to be led by a Chief Constable with a police background and limited experience of fire, reflecting the relative scale of police operations. The integrated service would maintain specialist warranted police officers and firefighters, but there would be more focus on combined resource at operational level to support the specialists. While offering significant opportunities for improving efficiency and service to the public in the medium to long term, in the short term there would be significant differences in culture, working practices and terms and conditions of employment that would need to be overcome before benefits could be realised.

There would be legitimate concerns that the FRS would by default become a department of the much larger police service and would lose its strategic independence and individual service identity.

In the future, when new leadership development structures have had time to embed and preparatory steps have been taken to integrate areas such as supporting functions, the Option 4 single employer model would carry less risk. At this stage it would be under the leadership of an Emergency Services Chief Officer with appropriate training and experience to lead a combined service and who could emerge from any of the services on an equal footing. This will require national co-ordination of police and fire training and development. It should also provide additional time to develop a method of incorporating collaboration with East of England Ambulance Service into the new combined organisation.



GUIDE TO SCORING

Definition	Score
Significant net benefit/ limited risk	4
Moderate net benefit/ marginal risk	3
Marginal net benefit/ moderate risk	2
Limited net benefit/ significant risk	1

# Option 4 – Summary Evaluation

Evaluation Criteria	Summary Evaluation	Option 4 Score
<b>Economy and Efficiency</b> Driving cost efficiency benefits and affordability	This option would provide all the financial benefits noted under Option 3 but over time significant further efficiencies could come from changes to the operational model for police and FRS. This would also open up the possibility of efficiencies in management roles, which could be combined in some areas and other areas such as recruitment and other support services. Benefits from estate rationalisation could be achieved at an even faster rate than under Option 3 as there would be less distinction between police and FRS resources that would otherwise need to be reconciled. Full integration with police would be significantly more expensive in terms of transition costs due to the greater need for the integration of systems and culture. However, as it delivers greater benefits it would remain affordable.	3
<b>Effectiveness</b> Developing emergency services to benefit the community	This option would also provide all the operational benefits noted under the other options but over time, significant further operational benefits could come from reconfiguring police and FRS services and resources to match operational requirements, rather than service identities. This would also open up the possibility of efficiencies in management roles. The development of a new cohort of multi-purpose emergency responders could be introduced more easily under this model to support police and fire specialist officers. Other benefits under this model include greater flexibility to develop comprehensive data sharing between police and fire, which would be opened up as a single organisation.	4
<b>Public safety</b> Maintaining public safety in the future	This option will involve a much more complex transitional arrangements that will take an extended period of time to deliver. The option is highly likely to be opposed by some key stakeholders, including the fire and other unions, which means that there is a high risk of service disruption in the short term.	3
<b>Deliverability</b> The ease with which change can be delivered	This model is likely to be significantly more difficult to deliver in the short term due to a number of challenges to gaining stakeholder consensus, including: <ul style="list-style-type: none"> <li>• The impact on the FRS as an independent service and a loss of its unique identity.</li> <li>• The credibility of police leaders as leaders of fire and rescue.</li> <li>• The need to align terms of employment and diverse organisational cultures.</li> <li>• The need to manage potential concerns of the public, local politicians and employee organisations including unions.</li> </ul>	1

Definition	Score
Significant net benefit/ limited risk	4
Moderate net benefit/ marginal risk	3
Marginal net benefit/ moderate risk	2
Limited net benefit/ significant risk	1

# Conclusion

## The preferred option – Option 3 (Governance Model)

Having assessed the evidence and the strength and weaknesses of each option against each of the critical success factors, it is our view that transferring the FRS from the County Council to sit directly under the PCC (Option 3) – the Governance Model - offers the best balance of benefits and risks. While not offering the full range of operational and financial benefits offered by a fully integrated police/fire emergency service under the single employer model (Option 4), Option 3 should deliver a number of meaningful operational and financial benefits to both the organisations involved and the communities they serve. It also provides the flexibility for further development towards full service integration in the future, should this be desirable. The option remains ambitious and there are a number of key challenges identified that will need to be overcome with the co-operation of the key stakeholders, including the County Council. These key challenges are discussed on page 15.

The Total Scores across the four options are reasonably close as there is an inverse relationship between the ease of delivery and the potential Value for Money (VfM) benefits, due to the level of change involved. This also reflects that Options 1 and 2 are both viable and offer a marginal VfM benefit over current arrangements. However, focusing on the VfM benefits in isolation we note that there is a clear gap between Option 1 and Options 3 and 4 – this is reflected in our recommendation above.

### Summary of options appraisal scores

Evaluation Criteria	Option 1	Option 2	Option 3	Option 4
Economy and Efficiency	2	2	3	3
Effectiveness	3	2	4	4
Overall Score for VfM	5	4	7	7
Public Safety	4	4	4	3
Deliverability	4	4	3	1
<b>Total Score</b>	<b>13</b>	<b>12</b>	<b>14</b>	<b>11</b>

The score for Option 3 presented below assumes it is possible to build a general consensus among the key stakeholders, including Norfolk County Council, to support the change with energy and political will. This will be important in presenting an acceptable case to wider stakeholders including the general public, unions and the Home Office.

**If a local consensus cannot be achieved, the deliverability score of Option 3 will be severely affected.** It would remain possible for the PCC to make a successful case to the Home Office without local consensus – as is being attempted elsewhere in the country. However, in our view this approach would carry a higher level of risk, with implications for public safety and value for money. **In this case, Option 1 – to continue with voluntary collaboration under refreshed and strengthened arrangements - would need to be considered as a viable alternative.**

Option 2 closely resembles Option 1, but with the complication of the PCC becoming a member of the Council’s Communities Committee, with voting rights in regard to the FRA. In our view this would offer limited additional public benefit over Option 1. Option 4 is the most favourable option in terms of potential VfM benefits, but these would be very difficult to deliver successfully if implemented at this time making this a high risk option in the short term.

### The community benefits of adopting the Governance Model (Option 3)

- Creation of a ring-fenced FRS precept to secure FRS funding
- PFCC would be directly accountable to the public for FRS performance
- Chief Fire Officer given formal delegated authority for FRS operations and budget
- Joint strategy, planning and budgets helps drive further collaboration
- PFCC can hold both Chiefs directly to account for driving collaboration
- More streamlined governance can increase the pace of development
- Increased pace of development realises collaboration benefits sooner
- Protects the distinct identity and traditions of the FRS
- Enables a higher level of interoperability and integration of services

# Key challenges to implementing Option 3

Option 3 would represent a significant change from current arrangements and there are key challenges involved with delivering this change in governance. We do not consider these key challenges to be insurmountable, if a local political consensus to support the change can be achieved.

The maturity of collaborative arrangements has nurtured a willingness to compromise in order to ensure benefit to the public. In discussion with stakeholders, we have considered how these key challenges could be mitigated, subject to further development.

Key challenge	Potential mitigation
Capacity to deliver change on this scale from existing teams may be limited, particularly in regard to the senior management of the FRS and the OPCC.	The financial analysis of net benefit includes the purchase of short term professional support to provide additional change capacity.
Potential adverse impact on the Council's revenue position due to transfer of settlement funding relating to the FRS and loss of contribution to overheads.	DCLG and the Home Office have indicated that there will be local discretion to negotiate the level of funding to be transferred.
Significant loss of assets from the County balance sheet, reducing future potential to derive financial benefit from asset rationalisation.	Opportunity to negotiate share of future benefits from rationalisation or to develop a jointly owned asset management vehicle under, e.g. as part of One Public Estate.
Financial efficiency savings generated are primarily dependent on delivering change faster than under current arrangements - co-operation from local stakeholders would still be required to enable this.	Support for change from local stakeholders, including the FRS and Norfolk County Council will facilitate benefits realisation.
Additional administrative burden attached to the creation of a new corporation sole for the FRS, including statutory officers.	Fire would transfer with the majority of its support functions. Property management and remaining support functions to be provided by the existing police shared service where possible. Statutory officers would be joint roles based on existing posts.
Complexity of governance structure, including the relationship between OPCC Chief Executive and Chief Fire Officer.	Chief Fire Officer could be granted full delegated operational responsibility as head of paid service for the FRS. A joint post could be established for the role of monitoring officer for both the FRS and the OPCC.
Will require further transformation to achieve full single service integration, doubling up on the cost of management time and costs of transition.	Significant integration of operational and support services could take place under Option 3 prior to any change to Option 4, minimising the complexity of further change.
Risk of union action remains.	Local consensus and support for the move of the FRS from the County Council to the PCC would strengthen the case to take to the unions.

## Next steps

If the PCC decides to proceed with Options 3 or 4, it is envisaged that this report will form the starting point for a full business case that will need to be developed.

The key next steps will include:

- Further detailed discussion between the PCC and Norfolk County Council will need to take place to agree a way forward in regard to the preferred option and to negotiate a financial settlement for the transfer of the FRS. This step assumes that a local political consensus to support change can be developed and maintained.
- The draft full business case will then be submitted for formal public and other stakeholder consultation. If a strong case can be made for change following the consultation, a final business case will need to be developed and submitted to the Home Office for approval.

- If approved by the Home Office, implementation could take place no later than October 2019. Note that a shadowing arrangement may be possible that would allow the PFCC to influence the setting of an FRS precept before taking full responsibility for the FRS – this could facilitate a transfer in April 2019.

If the PCC decides not to proceed with Options 3 or 4, we envisage that stakeholders will reconvene at the earliest opportunity to develop enhanced and strengthened voluntary arrangements under Options 1 or 2.

# The case for change

Outline strategic case



# Overview of the strategic case for change

## Purpose of the Outline Strategic Case

This section sets out the outline strategic case in order to determine if there is enough evidence to justify a change in governance arrangements for police and fire, on a basis that is robust and evidence-based.

It lays out the challenges being faced by Norfolk in regard to the provision of emergency services and the drivers for change. It goes on to consider if a change in governance could be successful in addressing these challenges and providing significant additional benefit to the public, over and above what current arrangements are likely to achieve.

It then goes on to consider the options for change that are available as a result of government policy, current legislation including the Policing and Crime Act 2017, and the general direction of travel for police and fire as defined by leading thinkers in the blue light arena.

The following section (Options appraisal – outline economic case), then looks at the four options offered by the Policing and Crime Act 2017 to determine the extent to which these could deliver financial and operational benefits to a sufficient level to justify the change without compromising public safety.

## We conclude that there is a case for change if a suitable model can be found

The analysis in this section indicates that there is a strategic case for changing the way that fire and rescue services are delivered in order to meet future challenges, through closer collaboration with Norfolk Constabulary and the Police and Crime Commissioner. This is subject to a suitable model being found to take collaboration forward. In this section we explore the strengths, weaknesses, opportunities and threats to the status quo (SWOT analysis). We then go on to draw out the key messages from our strategic analysis on the following pages, highlighting the following points:

- There are some powerful drivers for change acting on both police and fire and there is a national agenda to drive closer collaboration.
- There are opportunities presented by the Policing and Crime Act 2017 and new collaborative models are emerging that offer some useful lessons.
- Norfolk is a dynamic place with specific challenges.
- The Council have to balance their service priorities, and are doing so through a large scale change programme.
- Norfolk FRS are having to adapt while also meeting changing demands on their service.
- Norfolk Constabulary have to balance their service priorities and are also in the process of delivering their own ambitious change programme.
- Voluntary collaboration in Norfolk has achieved much but, further progress could be limited without moving beyond simple collaboration towards greater interoperability and the integration of services.
- Current PCC priorities align well with those of Norfolk FRS, sharing a range of common themes and challenges.



# Assessing the strategic case for change

## CURRENT STRENGTHS

- Significant collaboration benefits already realised
- Good relationships between stakeholders
- FRS identity is protected
- FRS budget currently protected by the Council
- Co-location of control room and some joint stations
- Co-ordinated response on RTC and other areas
- Supports Council Communities agenda

## CURRENT WEAKNESSES

- Further police/ FRS collaboration could be harder to realise
- Limited forward programme for police/FRS collaboration
- Police/Fire Collaboration Board no longer meets
- Differing stakeholder risks and priorities can limit collaboration
- Duplicating governance can slow joint decisions
- Opportunities for trimming budgets now limited

## FUTURE OPPORTUNITIES

- Push collaboration further towards closer integration
- Alignment of vision and joint strategy
- Joining of budgets and operational planning
- Reduced duplication of effort to free up resource
- Optimise collaboration benefits
- Improve transparency and accountability
- Opportunity to drive transformation
- Best chance of managing financial pressures

## FUTURE THREATS

- Financial pressures continue to increase
- Service quality and scope could be compromised
- HMICFRS\* inspection could add to financial pressure
- Stakeholder relations could deteriorate
- Voluntary collaboration could unwind
- Change in governance takes up management time
- Collaboration net benefit may not justify the investment
- Identity and reputation of the FRS put at risk

This table summarises current arrangements for police-FRS collaboration in Norfolk and the opportunities and threats to the status quo.

It is important to recognise that opportunities and threats will not necessarily be realised or mitigated purely as a result of a change in governance.

The case for change therefore depends on the extent to which a change in governance can realise the opportunities, while adequately mitigating the threats, or whether this could be achieved by strengthening current governance arrangements.

This is explored further in the following options appraisal section.

*\*Note that Fire and Rescue are now subject to a formal inspection programme by the newly formed HM Inspectorate of Constabulary and Fire and Rescue (HMICFRS) – formerly HMIC, who have carried out inspections of police for many years.*

# There are powerful drivers for change for police and fire

## Drivers for change

The following drivers for change apply across the public sector and reflect the need for public bodies to constantly strive for better value for money in delivering services.

### Efficiency and Economy

Reducing the overall cost of services to taxpayers

Increasing the speed and depth of public service reform

### Effectiveness

Adapting services to meet changing demand pressures

Providing the level of service the local stakeholders demand

### Public Safety

Maintaining public safety with less resource

Improving transparency and accountability

## Ease of Delivery

It is also important for public bodies to make sure that any proposed changes are:

- Delivered within a reasonable timeframe
- Affordable
- Legal
- Likely to deliver net benefit
- Supported by other stakeholders

# There is a national agenda to drive better collaboration

## Background to the Policing and Crime Act 2017

The Policing and Crime Act 2017, reflects the governments steady commitment to reforming fire that has been developing in the context of continuing austerity, for a number of years.

In 2016 the Government set out its fire reform programme around the pillars of efficiency and collaboration, accountability, transparency, and workforce reform. In parallel with this, HMIC (now HMICFRS) has previously issued its Reshaping Policing for the Public paper, which again emphasised the importance of collaboration across the public sector.

Prior to this, Sir Ken Knight published his influential review 'Facing the Future' in May 2013. In particular, this review highlighted the potential barriers to reform posed by reliance on local political consensus rather than centrally, as this consensus can be influenced by a sentimental attachment to the FRS sometimes held by the public.

There were a number of other observations, highlighting the need for reform:

- Differences in cost efficiency between different fire and rescue services.
- Opportunities to improve efficiencies in deployment.
- The benefits of streamlining governance structures.
- Undue focus on the cost budget instead of focusing on service priorities.
- The opportunities around 'interoperability' between emergency services.

The Thomas report followed up some of the issues raised by Sir Ken Knight and was published in 2016. The report also highlighted the inefficiency of current governance arrangements for fire and rescue, and the overly severe level of scrutiny faced by Chief Fire Officers attempting to reform their services. This also drew out further opportunities for efficiency in workforce management.

# The Policing and Crime Act 2017 presents an opportunity

The Policing and Crime Act 2017 received royal assent on 31<sup>st</sup> January 2017. The Association of Policing and Crime Chief Executives (APACE) in conjunction with the Home Office have issued guidance on how the Act should be interpreted and applied locally, and set out the rationale for the new legislation as follows:

Closer collaboration between the police, fire and rescue and emergency ambulance services can bring real benefits to the public and help each service better meet the demands and challenges they face. Whilst there are a number of good examples of collaboration between the emergency services locally, as set out within the Emergency Services Collaboration Working Group's National Overview of Collaboration, there is a clear expectation from Government that more needs to be done by the services to ensure collaborative working becomes the norm.

Building on the Government's manifesto commitment to "enable fire and police services to work more closely together and develop the role of our elected and accountable Police and Crime Commissioners", the Policing and Crime Act 2017 ("the Act") introduces a raft of measures to enable the emergency services to meet this ambition. These include:

- A new statutory duty on the police, fire and rescue and emergency ambulance service to keep opportunities to collaborate under review and a requirement to collaborate with one another where it is in the interests of either their efficiency or effectiveness.
- Enabling PCCs to be represented on their local fire and rescue authority(s) (FRA or their committees) with full voting rights, subject to the consent of the FRA.

- 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. This will provide more direct accountability to the public and accelerate local collaboration (the governance model).
- Additionally providing for PCCs to delegate their fire and rescue functions and employment of fire and rescue staff to a single chief officer for both policing and fire to maximise the benefits of collaboration between the two services (the single employer model). Again, this will require a PCC to prepare a local case setting out how operating the single employer model will be in the interests of economy, efficiency and effectiveness or public safety.

The Government is not mandating local areas to take up any of these options. The provisions in the Act are locally enabling, recognising that local leaders are best placed to identify what would work best in their areas. At the same time, the Government fully expects local areas to have carefully considered all opportunities for driving further collaboration between the police and fire and rescue service.

Should a PCC wish to pursue governance of fire and rescue under either the governance or the single employer model, they are required to prepare a business case, consult locally on their proposals and submit their case to the Secretary of State. Where the Secretary of State is satisfied that the proposal is in the interests of economy, efficiency and effectiveness, or public safety, an order will be laid before Parliament giving effect to the chosen model of governance.

# New models are emerging and there are useful lessons

## The emerging picture in other regions

Since the Policing and Crime Act 2017 came in to force at the start of the current year, a number of ‘early implementers’ in other regions have conducted options appraisal and have business cases in various states of development.

- Essex Police and Crime Commissioner was the first to gain government approval for his business case to adopt the ‘Governance Model’. The PCC took over the duties of the Fire and Rescue Authority, from a committee made up of local authority elected members in October 2017. The conditions in Essex were very different to Norfolk, in that the fire and rescue was delivered under a combined fire authority model and therefore was already operating as an independent organisation. However, Essex County Council, together with Southend on Sea and Thurrock Unitary Councils, supported the move. The Fire Brigades Union expressed concern about the move, but effective consultation has meant they have not attempted to block it.
- Northamptonshire are close behind Essex and their business case has been through public consultation and is waiting for approval from the Home Office for implementation from April 2018. Like Norfolk, Northamptonshire FRS was part of the County Council and they faced very similar challenges in terms of the Council’s concerns about asset transfer and the financial impact that a transfer to the PCC might entail. However, the FRS were highly supportive of the move to a governance model under the PCC and this was a key factor driving local consensus. The Council then lent its support for the move as being in the best interests of the public. Local consensus has been maintained throughout the process.
- In North Yorkshire, the Police and Crime Commissioner issued a business case for consultation in July 2017. In common with Essex, North Yorkshire has an independent Combined Fire Authority. The move was opposed by the members of the FRA itself but in a significant development, in September 2017 the North Yorkshire Fire Brigades Union issued a press release in favour of the move on the grounds that “Whilst North Yorkshire FBU have concerns about the PCC taking charge of the Fire Service, the greater concern is with the incompetence shown by the Current Fire Authority, who... is failing to deliver an adequately resourced Fire Service to the public of North Yorkshire”.
- Suffolk Police and Crime Commissioner conducted work to evaluate whether there was a local case for a change in governance, but concluded that there were insufficient benefits to justify the change.
- Other PCCs, such as Hertfordshire have submitted business cases to the Home Office for independent review in the face of local authority opposition – although a clear process for this has yet to emerge.

We are aware that a lack of co-terminus boundaries and the involvement of multiple FRS and local authorities, has presented an additional barrier to progress in some areas. There is an emerging pattern for the conditions for change being more favourable where the FRS is a smaller organisation that may lack the scale to remain independent in future years.

**The experience in other Counties to date highlights the importance of local consensus, and particularly the influential role that a Fire and Rescue Service can play in driving change.**

# Norfolk is a dynamic place with specific challenges

Norfolk is governed under a two tier local government arrangement with Norfolk County Council working with seven local government districts: Breckland District; Broadland District; Great Yarmouth Borough; King's Lynn and West Norfolk Borough; North Norfolk District; Norwich City, and South Norfolk District.

The Police and Crime Commissioner for Norfolk has an independent political mandate to commission and provide governance over police and related community services, holding the Chief Constable of Norfolk Constabulary to account. The PCC is himself held to account by the Police and Crime Panel made up of elected members from a cross section of local authorities across the County.

According to the Rural Services Network, Norfolk is the second most rural county in England, after Cornwall. Norfolk is the fifth largest of the 34 non-metropolitan counties in England (covering an area of 537,085 hectares) and has the tenth lowest population density at 1.6 persons per hectare. There is a significant transient population that can include holidaymakers, travelling communities, immigrants and asylum seekers.

According to the 2011 Census the county's largest centres of population are Norwich (213,166), Great Yarmouth (63,434) and King's Lynn (46,093). There are a number of smaller provincial towns but much of the county remains rural in nature. Norfolk is a popular tourist destination and has many seaside resorts, including Great Yarmouth, Sheringham and Cromer.

Norfolk's county town and only city is Norwich, home to the University of East Anglia and Norwich University of the Arts, and is the county's main business and cultural centre. Norwich is among the ten fastest growing urban centres in the country.

The employment rate in the New Anglia LEP area, which includes Norfolk and Suffolk has been above the national average for the past decade and showed resilience during the last recession. Tourism is a major source of income (£2,677 million pa), and research by Tourism South East estimates in 2010 there were 3,968,000 staying trips and 27,274,000 day trips to Norfolk.

Norfolk has borders with Lincolnshire and Cambridgeshire to the west and southwest and Suffolk to the south. Its northern and eastern boundaries are the North Sea coast, including The Wash.

Norfolk has 90 miles of coast, 250 miles of waterways, 6,256 miles of roads and 541 parishes. There are over 287 conservation areas, 10,567 listed buildings and more than 430 scheduled ancient monuments. The Norfolk Broads cover 303 square kilometres of Norfolk and a small part of Suffolk, and have a population of around 6,400.

Grant Thornton's Vibrant Economy Index data illustrates the broad range of opportunities and challenges faced by Norfolk's diverse demographic landscape. For example, Norwich and South Norfolk are relatively strong in terms of key metrics such as prosperity, social inclusion, wellbeing and community, where as North Norfolk and Great Yarmouth face greater challenges. Further analysis can be found on our interactive Vibrant Economy Index, accessible via the following web-link:

<http://www.grantthornton.co.uk/insights/vibrant-economy-index/>

# Norfolk County Council have pledged to protect the FRS

## Delivering County Council services in Norfolk

Norfolk County Council's current leadership was elected in May 2017, with the following manifesto commitments:

- Protecting the front line (including Norfolk's fire and rescue service).
- Caring for vulnerable people.
- Keeping costs down.
- Investing in Norfolk's roads.
- Homes for first time buyers.
- More opportunities for young people.
- Bringing new jobs to Norfolk.
- Finishing the Norwich Northern Distributor Road.

The manifesto is the current strategic document, pending the development of a new Council Plan. This pledges that the resources will be found to ensure that Norfolk Fire and Rescue Service is protected. It also states that the Council will work with the Police and Police and Crime Commissioner to make Norfolk even safer. The Council's priorities are reflected in its medium-term financial Strategy, which provides an indicator of where resources are focused. By this measure, the Council has a total gross budget of just under £1.4 billion in 2017-18, 68% of which is spent on Adults and Children's Social Care and Education, 24% on Communities and Environmental services and the remaining 8% on corporate services. In 2017/18 the FRS accounted for 2% of total Council gross revenue spend and 9% of the total spend of its parent Communities and Environment directorate. The current FRS budget reflects the significant savings and efficiencies the Council has made since 2011/12 - one of many Council services that have had to take a share of the significant reductions in central government settlement funding over this period.

## The future of County Council service priorities in Norfolk

The Local Government Association estimated in November 2016 that councils have dealt with a 40% real terms reduction in core government grant since 2010. Norfolk County Council is therefore facing a future where it is expected to be far less reliant on central government grant, and instead finance its services and economic development by the revenue it collects locally.

The County Council's future financial health will be tied to the county's prosperity and economic growth, making it ever more important for the County Council to build the infrastructure and generate the jobs that enable people to be more independent, with the support of the Norfolk and Suffolk Local Enterprise Partnership (LEP). Budget planning for 2017-18 included extensive work to review the deliverability of savings and understand service pressures. There remain just under £73m of recurring savings to be delivered in the period 2017-18 to 2019-20 and it is acknowledged that these will require very significant engagement across the organisation to achieve.

The FRS has been protected from further budget cuts in the current round of financial planning, reflecting the manifesto commitment noted above. The Council asserted that it has sufficient financial resilience to be able to divert funds to the FRS if it decided to do so, as part of its ongoing responsibility to balance resource commitments to support its priorities. The FRS is already a comparatively low cost service and opportunities for further savings from budget reductions are likely to be limited, without developing the service model. The Council has the experience and resources to develop the FRS, but due to the recent election and the recent appointment of a new Chief Fire Officer the new leadership has not yet had opportunity to set out the extent to which 'protecting' the service will extend to transforming how it operates in order to secure the required level of service within the available funding envelope. This is due to be addressed in a new FRS service plan, expected in March 2018.

# Norfolk Fire and Rescue Service continue to adapt to change

## Fire and rescue in Norfolk

Norfolk Fire and Rescue Authority's service plan - the Integrated Risk Management Plan (IRMP) 2016-20 provides an overview of the challenges facing Fire and Rescue services in the County. In a typical year they deal with over 7,000 incidents and the operational service is made up of 288 whole-time fire fighters and 520 retained personnel, 42 fire and rescue stations, 53 pumping appliances (fire engines) and a range of specialist vehicles. The IRMP uses benchmarking evidence from 2014/15 to show that they are one of the lowest cost fire and rescue authorities in England, after a decade of efficiency savings. In the three year period 2011-14, they delivered budget cuts of £3.96 million (13%). Service performance is in the middle range.

In response to the Council's request to deliver further savings opportunities, the Fire and rescue service carried out a strategic review of the FRS's operations in 2016. Proposals were developed to reform the service, delivering savings of £2.35m over three years. But following public consultation on the budget proposals, the Council decided not to proceed with £1.15m of service re-design options which would have resulted in safety standards continuing to be met but with fewer firefighters, fire engines and fire stations. Fire also reduced proposed savings from support services from £1.2m to £0.9m, with the £0.3m re-invested in its service priorities. Funding from Council tax was increased so that services could continue to be provided without these reforms. The £0.9m revenue savings to be delivered in the current MTFP will come from purchasing assets to reduce the revenue cost of leasing, with other savings derived from sharing estates with Norfolk Constabulary. This illustrates the difficulty that the Fire and Rescue Authority will face, in what ever form it takes, in attempting to transform FRS services and the importance of making a case that is acceptable to the general public.

## The future of fire and rescue in Norfolk

In 2016 the cross party Communities Committee set out a new strategic vision for Norfolk FRS in 2020, set out in the new IRMP. This recognises that public safety needs in Norfolk are changing, and their role is becoming more about preventing emergencies from occurring in the first place, through education, engagement with the public and collaboration with other services and the voluntary sector. Emergency response is more likely to be to road traffic collisions and other rescues, rather than fires, and resources need to adapt to these changing demands. In 2014/15 39% of all incidents were Road Traffic Collisions (RTCs) and special service incidents. Fires accounted reduced to only 29% of all incidents with false alarms accounting for the remaining 32%. Public consultation is in favour of a flood response capability, but there is a challenge to fund this non-statutory service.

The FRS leadership recognises the value of collaboration in furthering this vision, and sees police collaboration as part of a wider network of collaboration across various public sector bodies. Police-FRS collaboration is already underway in areas such as operational response, road safety and shared estate. The FRS works closely on co-responding and co-location with the East of England Ambulance Service. It also supports the County Council across an range of areas such as response to falls and other emergency calls for older people, prevention and community engagement. Collaboration within the wider FRS sector is also seen as an important area for future development, including in regard to opportunities for efficiency savings from consolidating support and other services on a national basis. The East Coast and Herts control collaboration between Humberside, Hertfordshire, Lincolnshire and Norfolk FRS also provides significant opportunities.

We also note that the regulatory inspection for fire and rescue services is likely to become significantly more onerous as responsibility passes to the HMICFRS. This is expected to have potential resource implications for most FRS services nationally as it is the first time the FRS sector has been subjected to this level of review.

# Norfolk Constabulary are developing a modernised service

## Policing and crime in Norfolk

The Policing and Crime Plan 2016-20 provides an overview of the challenges for policing in Norfolk. The County has a low crime rate relative to elsewhere in the country, with fewer crimes per person when compared to the rest of England and Wales (42.9 victims per 1,000 population).

Norfolk's rurality creates particular policing challenges, including isolation, the theft of farm equipment, wildlife and heritage crime, managing the impact of large-scale tourism in summer and providing a service which efficiently and effectively meets the needs of rural communities as well as those in urban areas. Norfolk Constabulary recorded almost 50,000 crimes in 2015/16, with the most frequent crime types, both here and nationally, being violence against the person (31% of offences in Norfolk) and theft offences (36%). Other crime types recorded in Norfolk include criminal damage and arson (15%), other crimes against society (14%), sexual offences (4%) and robbery (1%).

While the number of domestic burglaries, reports of criminal damage and arson have reduced in Norfolk in recent years, the Police service, as with many others, is having to respond to major increases in domestic abuse and sexual abuse reports, drugs and supply offences and mental health emergencies.

Norfolk Constabulary's effectiveness at keeping people safe has been judged as 'good' by Her Majesty's Inspectorate of Constabularies (HMIC), and its efficiency in doing so is 'outstanding'. Maintaining a high quality police force and striving for improvement in responding to and preventing crime in the face of policing challenges and shrinking resources is a key objective for the Police service.

## The future of policing in Norfolk

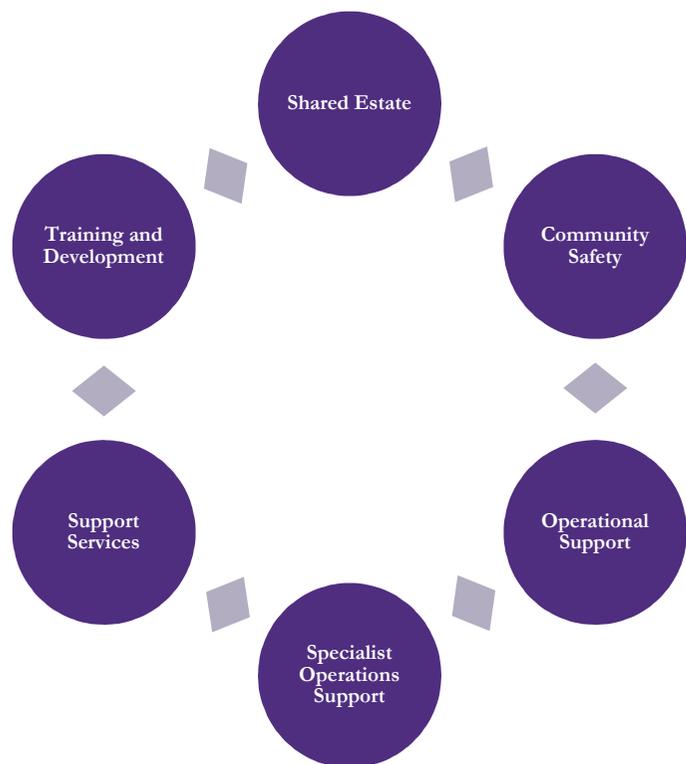
The demands on Norfolk Constabulary continue to grow, with 355,000 calls for service last year, 450 operations and a continued shift in the types of crime being committed. As it works to adapt to this shift, Norfolk Constabulary is also facing a £3m funding deficit resulting from successive public sector spending reviews. Together, these things add up to another period of substantial change for the organisation.

In response to this, the Chief Constable commissioned a review - known as Norfolk 2020. A detailed programme of work is ongoing to adapt the County's policing model and design a more efficient way of working. The review will fundamentally change the way policing is delivered in the County. It will take account of the shift in crime types, changes in policing demand and continuing financial pressures, as well as taking on the challenge of increasing policing visibility, in response to public demands. This incorporates some elements of fire collaboration, around estates and use of retained firefighters for more general emergency call outs.

Norfolk Constabulary already collaborates effectively with its counterpart in Suffolk, and there is a well established shared back office that has driven considerable efficiencies. Further opportunities are being looked at in regard to operational policing.

In October 2015, the Chief Constables and PCCs of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk initiated the Seven Force Strategic Collaboration Programme (7F) with the aim of providing enhanced public service, value for money, efficiency, effectiveness and savings. The 7F Programme team is in the early stages of developing voluntary collaboration to deliver further benefits, revisiting areas where smaller scale collaborations have already delivered considerable savings.

# Voluntary collaboration has made good progress



Norfolk Constabulary and Norfolk Fire and Rescue have already made significant progress in driving out benefits from voluntary collaboration.

Examples include:

## Shared estate

The FRS HQ is relocating to Wymondham with a joint Police/FRS control room planned for early 2018, alongside the Norfolk Constabulary and the PCC HQs. There is a quad service response station at Sheringham, accommodating Fire, Ambulance, Police and HM coastguard.

There are also four shared operational stations at Downham Market, Holt, Attleborough and Reepham ready for planning submission with further opportunities identified. Discussions have commenced on an additional site at Thetford.

## Operational support

Closer working with the on scene management of emergency incidents, focused on having an agile response (e.g. to Road Traffic Collisions). A key objective of the joint control room is to improve the joint mobilisation of resources to individual incidents.

## Specialist operations support

Collaboration between the FRS and Police over areas such as HAZMAT identification, marauding terrorist firearms attack (MTFA), working at height and confined space search.

## Community safety

Collaboration between Norfolk constabulary and the FRS on mental health awareness and referrals to healthcare professionals where vulnerability has been identified. A joint community safety strategy is under development between the respective services. A FRS team member is being collocated with the Police team.

## Support services

Kings Lynn Fire Station shares accommodation and services to maintain police vehicles, with police technicians on site to provide support.

## Training and development

National initiatives, such as JESIP training, MTFA training and shared use of the Bowthorpe fire training centre has been effective.

## Police/Fire Collaboration Board

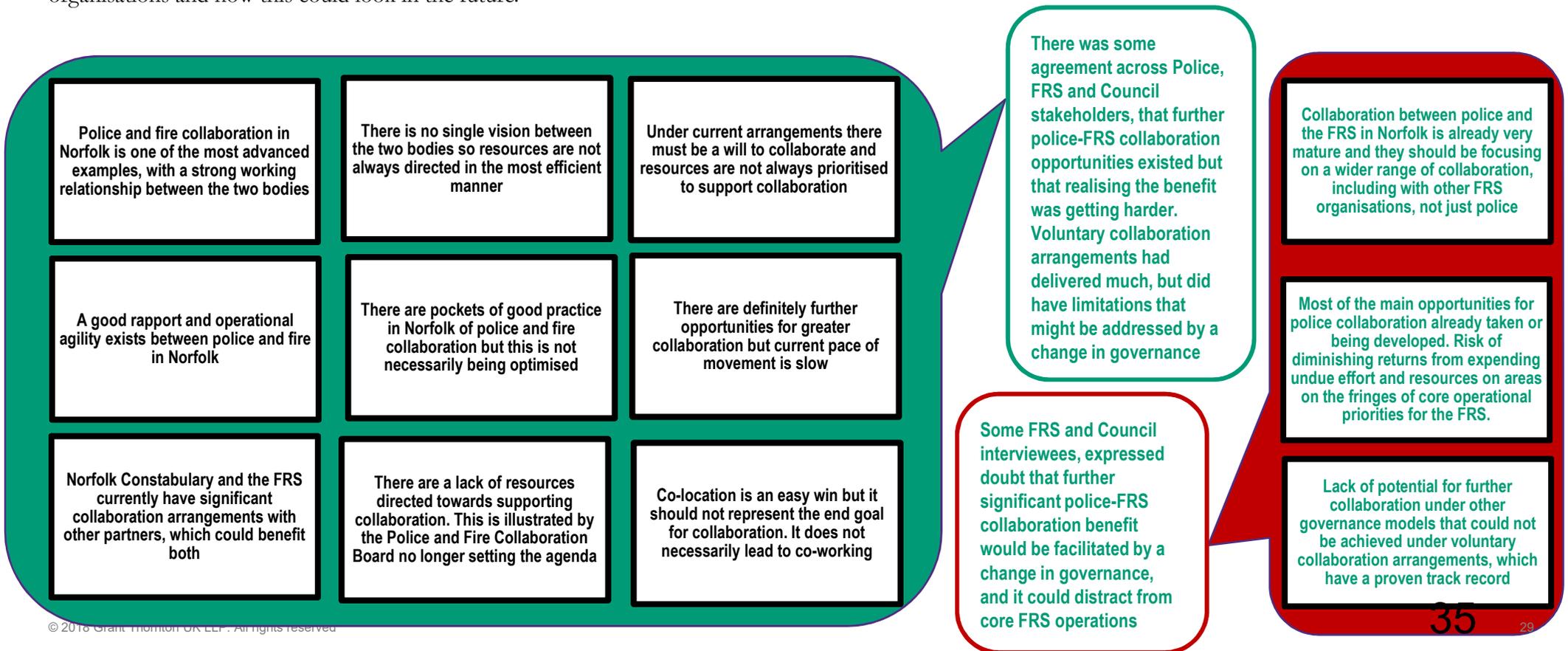
The Police and Fire Collaboration Board last met in early 2017. Prior to this it worked to identify a wide range of potential collaboration ideas.

# Collaboration benefits are getting harder to realise

During this project we undertook a number of interviews with stakeholders from Norfolk County Council, Norfolk Constabulary, Norfolk OPCC and Norfolk Fire & Rescue Authority. We facilitated workshops to discuss support service collaboration, from the point of view of the County Council, and Norfolk Constabulary and OPCC, and opportunities for further collaboration on frontline services. A key area that was addressed during these interviews and workshops was the current success of collaboration to date between the two organisations and how this could look in the future.

We invited stakeholders to provide feedback on this and captured it to form the basis of our understanding of the current views of police and fire collaboration in Norfolk.

There were a range of different messages shared during the interviews and workshops. The key messages emerging from these conversations are summarised below.



# Current PCC priorities align well with those of Norfolk FRS's...

Priorities of the Policing and Crime Plan	Vision and objectives of the Fire and Rescue Integrated Risk Management Plan	How they link together
<p><b>Increase visible policing</b> Increasing the number of volunteers; increasing opportunities for the public to engage; develop more positive relationships with community, including young people; give people opportunity to influence priorities, and increase public confidence and reduce fear of crime.</p>	<p><b>In 2020, Norfolk Fire and Rescue Service will be at the heart of community protection for Norfolk.</b> To be trusted by the people of Norfolk.</p>	<p>In both cases this is driven by the public wanting to feel secure in their communities, confident that the emergency services have the resources to be a tangible presence, including volunteers, and community and youth engagement. Arguably, a visible uniformed presence of either kind can make an important contribution to the public perception of their safety in their communities.</p>
<p><b>Support rural communities</b> Prioritising rural crime and commitment to new ideas and joined-up approaches; increasing confidence of rural communities, and; increasing crime reporting in rural communities.</p>	<p><b>Deliver an all hazard emergency response</b>, collaborate with other emergency services. “Our challenge is how we continue to provide a fire and rescue service in a large rural county with reduced resources...we need to make changes to improve the service we provide in rural areas...”.</p>	<p>This is about making sure that resources are in the right place, in the context of a rural community spread over a wide geography. This level of coverage can be better managed if police and fire complement rather than duplicate wherever possible, in terms of stations, vehicles and personnel.</p>
<p><b>Improve road safety</b> Tackling dangerous driving through education and enforcement; reducing speeding in rural villages and communities, and; reducing killed and serious injury collisions.</p>	<p><b>Respond effectively and efficiently</b>, reduce the impact of fires and other emergencies through advice, guidance and enforcement, multi-agency management of emergency incidents. “In planning for the future we must take account of the changing demands placed on the service with less calls for us to attend fires, but an increasing need for us to respond to road traffic collisions...”</p>	<p>This is a key area of current collaboration and an area of growing demand for service for both police and fire and rescue, with both services emphasising education, guidance and enforcement.</p>

## ...they share common themes and challenges...

Priorities of the Policing and Crime Plan	Vision and objectives of the Fire and Rescue Integrated Risk Management Plan	How they link together
<p><b>Prevent offending</b> Tackling all forms of violence and abuse; reducing the number of domestic abuse incidents; work with partners to tackle anti-social behaviour; reduce reoffending by addressing underlying causes via collaboration and innovation, and reduce first offences and reoffending by supporting vulnerable young people.</p>	<p><b>Prevent fires and other emergencies happening</b> through data analysis and planning to reach those most at risk in our communities. Our people will be respected as professional, able to operate independently, competently, and flexibly. "...our role is becoming much more about preventing emergencies from occurring in the first place, through education, engagement with the public and collaboration with other services and the voluntary sector".</p>	<p>Prevention activity for fire and crime is different in terms of subject matter. But the methods used, such as use of intelligence and community engagement, are all common themes.</p> <p>In both cases, prevention is likely to be key to managing demand for services in future, and hence the cost of the resources needed. Wider collaboration is important for this work to be effective. Alongside ambulance services, as emergency responders with a strong local profile, police and fire are best placed to get these messages across in the community.</p>
<p><b>Support victims and reduce vulnerability</b> Working to improve the overall experiences and outcomes for victims and witnesses; working in partnership to make those at risk less vulnerable to victimisation; working in partnership to deliver the appropriate response to those in mental health crisis; working in partnership to reduce the impact of drugs and alcohol on communities, and; supporting victims and witnesses to come forward for under-reported crimes</p>	<p><b>Reduce the impact of fires and other emergencies</b> through advice and guidance and enforcement. "Working with partners - to improve the safety of vulnerable people and enabling them to remain in their homes including Mental Health, Social Care, Public Health and the Police.... We work with partners including Mental Health, Adult Social Care, Police, Age UK and Public Health to identify vulnerable people and receive referrals for those most vulnerable".</p>	<p>For the FRS there is arguably less distinction between perpetrators, vulnerable people and victims than there is with police activity. However, supporting victims and the vulnerable is an important part of improving outcomes for both police and fire, and there is particular synergy in regard to mental health and other areas. As with prevention, this requires wider collaboration to be effective, including with the Council. But police and fire and rescue services have a common role as first responders and there is value in a common approach to subsequent community support.</p>

## ... indicating that police and fire are a natural strategic fit

Priorities of the Policing and Crime Plan	Vision and objectives of the Fire and Rescue Integrated Risk Management Plan	How they link together
<p><b>Deliver a modern and innovative service</b> Supporting the Police by giving them the tools they need to fight and reduce crime; improving information technology network connectivity and investing in new technologies, and; improving information-sharing across partner agencies.</p>	<p><b>We will collaborate with other emergency services and partners to find better ways to keep Norfolk safe.</b> Councillors and officers have worked together on a strategic review of our Fire and Rescue Service to examine what services we should provide in future and how best to do that... Operational delivery will be joined up seamlessly with the partners we work with on the ground..."</p>	<p>The Police and Crime Plan sets the agenda for a police force that recognises the need to innovate and modernise in order to meet future challenges. The same drivers for change are recognised in the vision for Fire, with notable emphasis on needing to work ever closer with partner organisations. The focus on innovation and investment in new technologies is an area that both services will need to draw on.</p>
<p><b>Good stewardship of taxpayers' money.</b> Delivering an efficient policing service, achieving value for money for all Norfolk residents; joining up emergency services and identifying opportunities for further collaboration, and; developing robust accountability frameworks and governance arrangements</p>	<p><b>"Our budget continues to reduce and we need to re-evaluate how we manage our resources to best effect within diminishing finances...</b>We are one of the lowest cost fire and rescue authorities in England...Norfolk Fire and Rescue Service is a relatively well performing, low cost organisation...Wider collaboration is an area we expect to become more prevalent in future years. Norfolk Fire and Rescue Service will, in the interest of effectiveness and efficiency, continue to identify and develop partnership opportunities"</p>	<p>Both Norfolk Constabulary and the Norfolk FRS face significant financial challenges and will have to find a way to continue to deliver quality services and to meet local priorities, with less resource. Both organisations place major emphasis on collaboration in order to manage this.</p> <p>The ability of the public to hold these organisations to account to make sure this happens, will be an increasingly important feature. Without effective accountability, transformation in the public sector and the delivery of public priorities cannot be achieved. Without transparency, there can be no effective dialogue between the public and those in control of their public services, which can lead to misunderstanding and undermine support for necessary and beneficial change.</p>

# Council priorities are better served by a joint response

Priorities of the County Council Plan	Vision and objectives of the Fire and Rescue Integrated Risk Management Plan
<p>Norfolk County Council current leadership was elected in May 2017, with the following manifesto commitments:</p> <ul style="list-style-type: none"><li>• Protecting the front line (including NFRS)</li><li>• Caring for vulnerable people</li><li>• Keeping costs down</li><li>• Investing in Norfolk's roads</li><li>• Homes for first time buyers</li><li>• More opportunities for young people</li><li>• Bringing new jobs to Norfolk</li><li>• Finishing the Norwich Northern Distributor Road</li></ul>	<p>The Integrated Risk Management Plan sets out how the FRS protects businesses and jobs through fire safety and response, and similarly protects infrastructure through safer communities and by supporting vulnerable people. However, FRS priorities necessarily have a much narrower focus than those of the wider County Council.</p> <p>Many of these County priorities could benefit from a more integrated and co-ordinated response from both police and fire.</p>

# Local consensus will play an important role

## Alignment between the stakeholder organisations

There is a good track record of collaboration between Norfolk County Council, Norfolk Constabulary and the Police and Crime Commissioner. Collaboration across the public sector is strongly supported and is a key part of the Policing and Crime Plan, the forthcoming County Council Plan and the Fire and Rescue Service's Integrated Risk Management Plan.

We conducted extensive stakeholder consultation to support this review and found that relationships between senior leaders are currently professional and constructive. There is some concern among many of the stakeholders we interviewed that attempts to change the governance of the FRS without a consensus would damage these relationships. This in turn could put at risk some of the current benefits being derived from current voluntary arrangements. It could also make implementation more difficult.

The level of consensus that can be achieved will help determine the nature of the change and the level of risk it will carry.

## The importance of stakeholder and public consultation

The results of a formal consultation will be a central part of a success or otherwise of the PCC's case for a change of governance. The public consultation, in particular, will provide the mandate for change. However, the support of Norfolk County Council and Norfolk Fire and Rescue Service in its own right will affect the ease of delivery for any proposed change.

In the case where Norfolk County Council and/or the FRS indicate in their formal response to the consultation that they do not support the proposal, the PCC may still submit the proposal to the Secretary of State, particularly if there is a strong mandate to do so from the public.

In doing so, the APACE guidance states that PCC is required under the Policing and Crime Act 2017 to provide the following additional information:

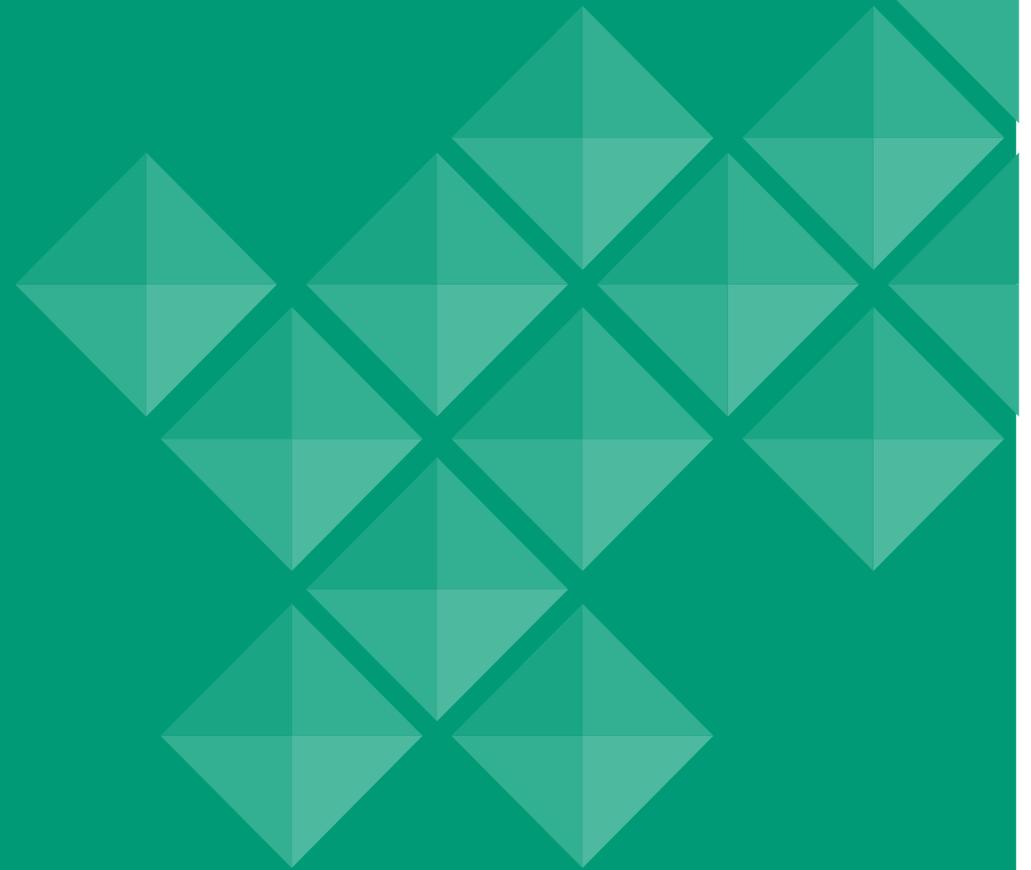
- Copies of the consultation documents.
- Copies of representations made by the local authority in response.
- Summary of views expressed in the public consultation.
- Summary of views expressed by those representing the views of employees.
- The PCC's response to those views and representations.

On receiving the PCC's proposal and this additional information, the Secretary of State would be required to obtain an independent assessment of the PCC's proposal and have regard to its outcomes when deciding whether or not to order the change. The Home Office is currently working with partners to develop a framework for how these provisions will work in practice.



# Options appraisal

Outline economic case



# Overview of the options appraisal (economic case)

## Purpose of the options appraisal (Economic Case)

The purpose of the options appraisal (economic case) is to demonstrate that any proposed change in fire governance optimises value to the public. These qualities are evaluated in the form of an options appraisal.

The previous section has shown that there is a strategic case to change the way that Norfolk Fire and Rescue Service is governed, if it can be demonstrated that one or more of the available options could improve the ability of police and fire and rescue services in Norfolk to deliver services in future. This potential improvement would be measured in terms of the additional benefits over and above that which could be achieved under current arrangements.

This section of the report looks at the specific options available under the Policing and Crime Act 2017. Each option will be evaluated to consider the extent to which it offers the best platform to drive better economy, efficiency and effectiveness for the benefit of the public in receipt of services, while also protecting public safety.

In addition to delivering a net benefit, any preferred option must also be deliverable within a reasonable timeframe and cost and risk must be understood and able to be managed. The effort and investment required to implement the option must be proportionate to the additional benefits it offers.

There are four options open to Norfolk under the Policing and Crime Act 2017 that are evaluated in this section – in each case we have followed the basic models outlined in the APACE guidance:

**Option 1 (Voluntary Collaboration)** - Continue with the Fire and Rescue Authority as part of the County Council and continue to try to drive additional benefits from voluntary collaboration.

**Option 2 (Representation Model)** - Continue with the Fire and Rescue Authority as the County Council but with the PCC becoming a member of the Fire and Rescue Authority as embodied by the Council's Communities Committee.

**Option 3 (Governance Model)** - Disaggregate the Fire and Rescue Authority and the Fire and Rescue Service from the Council and set it up as a separate operational unit under the Police and Crime Commissioner, alongside the OPCC. Norfolk Constabulary would remain in its current form under the Chief Constable.

**Option 4 (Single Employer Model)** - Disaggregate the Fire and Rescue Authority from the Council and set it up as a separable operational unit within Norfolk Constabulary under the Chief Constable. Governance and strategic direction for the new organisation will be undertaken by the Police, Fire and Crime Commissioner at arms length.

These options are discussed in more detail on the following pages.

# Option 1 – Voluntary Collaboration

In Norfolk, voluntary collaboration between police, fire and rescue, and ambulance services is well developed and has achieved significant benefits, particularly in areas such as co-location of support services and HQ. In this sense collaboration in Norfolk is relatively mature and well advanced, when considered in the national context. This is helped by co-terminal boundaries and good local relationships. Option 1 would retain the current governance structure but collaboration arrangements could be refreshed and strengthened to enable further development of police-FRS collaboration opportunities.

The Policing and Crime Act 2017 (the Act) recognises the current diverse landscape of collaboration between police and fire and rescue across the country. In most regions, some degree of collaboration has evolved organically, founded on a variety of factors including:

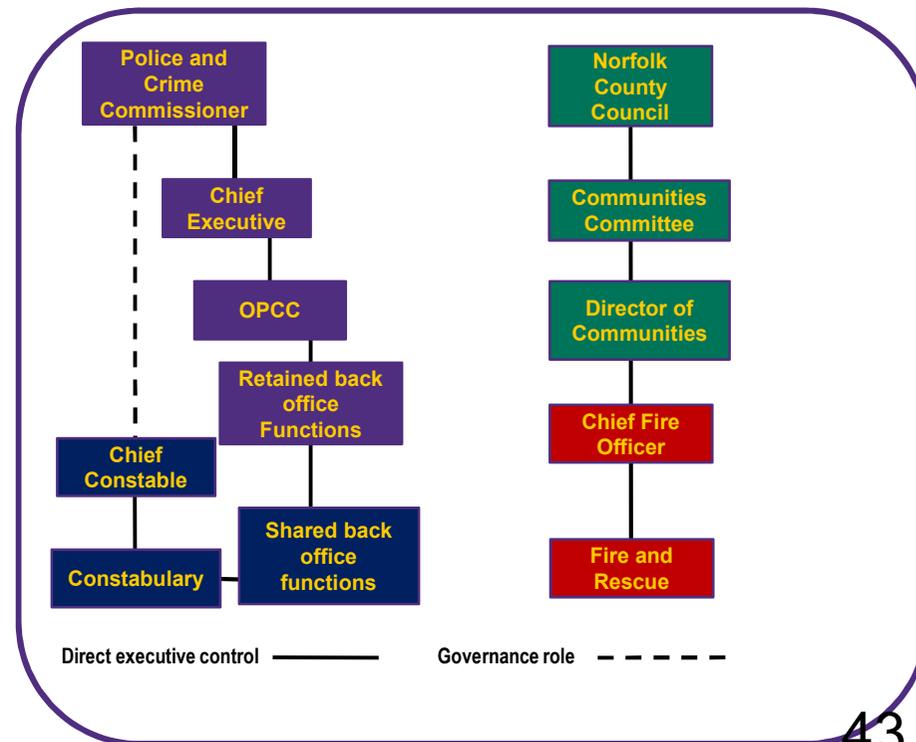
- good local relationships and dialogue between service leaders
- recognition of the opportunities to deliver a better local services
- attempting to address funding reductions across public services
- recognition of the national agenda and best practice.

The Act formalises these arrangements by establishing a statutory duty to Collaborate for police, fire and rescue and ambulance Services. The specific requirements are for these bodies to:

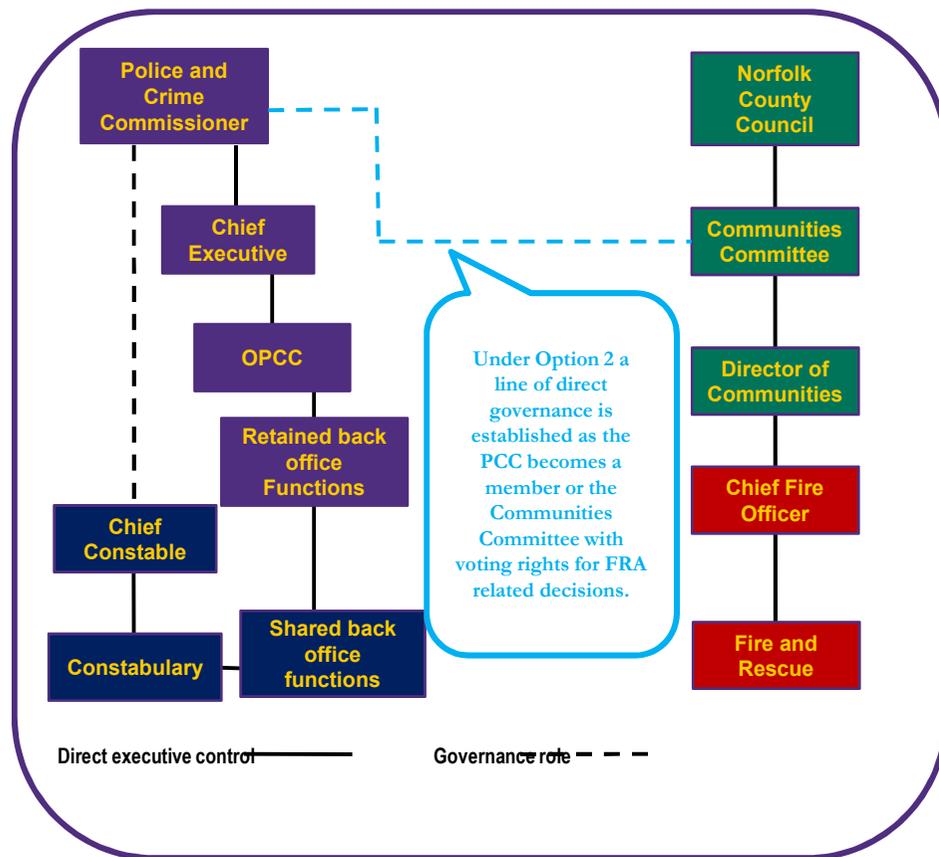
- keep collaboration opportunities under review.
- notify other emergency services of proposed collaborations that could be in the interests of their mutual efficiency or effectiveness.
- give effect to a proposed collaboration where the proposed parties agree that it would be in the interests of their efficiency or effectiveness.

The collaboration envisaged by the statutory duty remains voluntary in the sense that its exact nature and extent is left as a matter of local discretion.

The duty is broad to allow for flexibility in how it is implemented and recognises that local emergency services are best placed to determine how to collaborate for the benefit of their communities. However, it sets a clear expectation that collaboration opportunities should be pursued. The new duty does not preclude wider collaboration with other local partners, such as local authorities and wider health bodies. To reflect their wider role, ambulance trusts are required to consider the impact of the proposed collaboration on their wider non-emergency functions and the NHS when determining if it would be in the interests of their efficiency or effectiveness.



# Option 2 – Representation Model



The APACE guidance states that where a PCC has not taken on responsibility for fire but wishes to enhance collaboration between policing and fire, the Act will enable them to be represented on their local FRA (or its committees) subject to the consent of the FRA. In the case of Norfolk, the FRA is delegated to the County Council's Communities Committee.

The PCC is not required to submit a business case to the Secretary of State in order to be represented on their local FRA, but should make their request to the FRA locally. This could involve, for example the PCC writing to the FRA setting out the reasons why they wish to be represented on the FRA. A FRA will be required to consider any request from a PCC and publish the reasons for its decision to either agree or refuse the PCC's request.

Where the FRA is a county council as in the case of Norfolk, section 7 of the Policing and Crime Act 2017 has made amendments to local government legislation to enable this procedure to be followed.

The PCC would be a voting member of the Communities Committee for decisions relating to the FRA and could speak and vote on these matters. The FRA will have the ability to adjust membership for political balance where necessary and government ministers were clear during passage of the Act that they do not consider this a reason to refuse a request. There is no general mechanism that applies to all FRAs to adjust their membership for political balance but, it may be possible to re-adjust the balance by appointing an extra member or changing the member for a constituent authority by agreement.

## Option 3 and 4 – PCC takes over the role of FRA

The Act will enable the PCC to take on the responsibilities of the FRA in Norfolk where a local case is made that it is in the interests of efficiency, economy and effectiveness, or public safety.

The PCC will be known as the Police, Fire and Crime Commissioner (PFCC). The role of the Police and Crime Panel will also be extended to scrutinise the PCC's fire functions and will be known as the Police, Fire and Crime Panel (PFCP).

As set out in the APACE guidance, in order to take on responsibility for the governance of fire and rescue, the boundaries of the PCC's police area and the boundaries of the FRA, must be coterminous. This condition is met in Norfolk.

The Act provides for PCCs to operate two distinct models where they take on governance of their local fire and rescue service. These can be described as the:

- Governance model
- Single employer model

These models are explored of the following pages, based on the interpretation provided in the APACE guidance.

## Option 3 – Governance Model

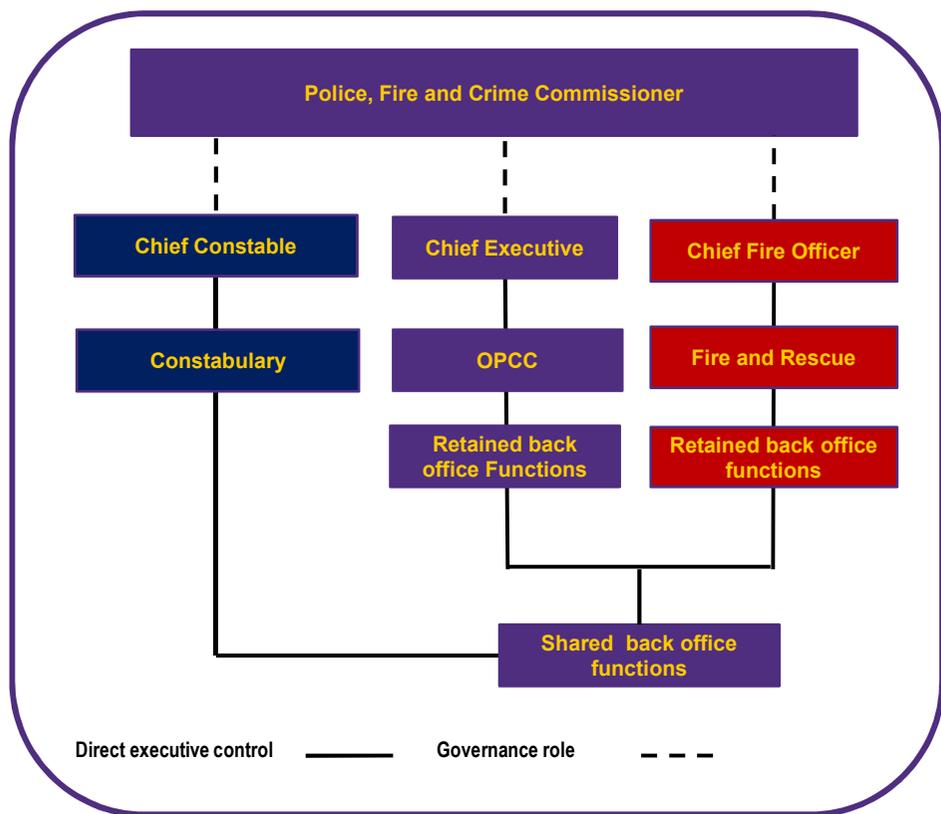
Under this model, the existing FRA currently embodied in Norfolk County Council and delegated to the Communities Committee, will be abolished and its functions transferred to the PFCC. Fire and rescue personnel, property, rights and liabilities will also be transferred. Following the model set out in the APACE guidance, the Fire and Rescue Service will be disaggregated from the County Council and the PCC will occupy two separate corporations sole (the FRS and the OPCC).

The PCC will retain his existing functions, but will additionally become the FRA for Norfolk – referred to as a PCC-style FRA. It is important to note that the two offices will not be merged into one. The PFCC will therefore be the ultimate employer of all fire and rescue staff, but in practice would be expected to put in place a Chief Fire Officer with delegated operational responsibility for the FRS as head of paid service. However, the experience of other early implementers suggest this is a complex legal area and the exact nature of the arrangement is likely to require further negotiation with the Home Office.

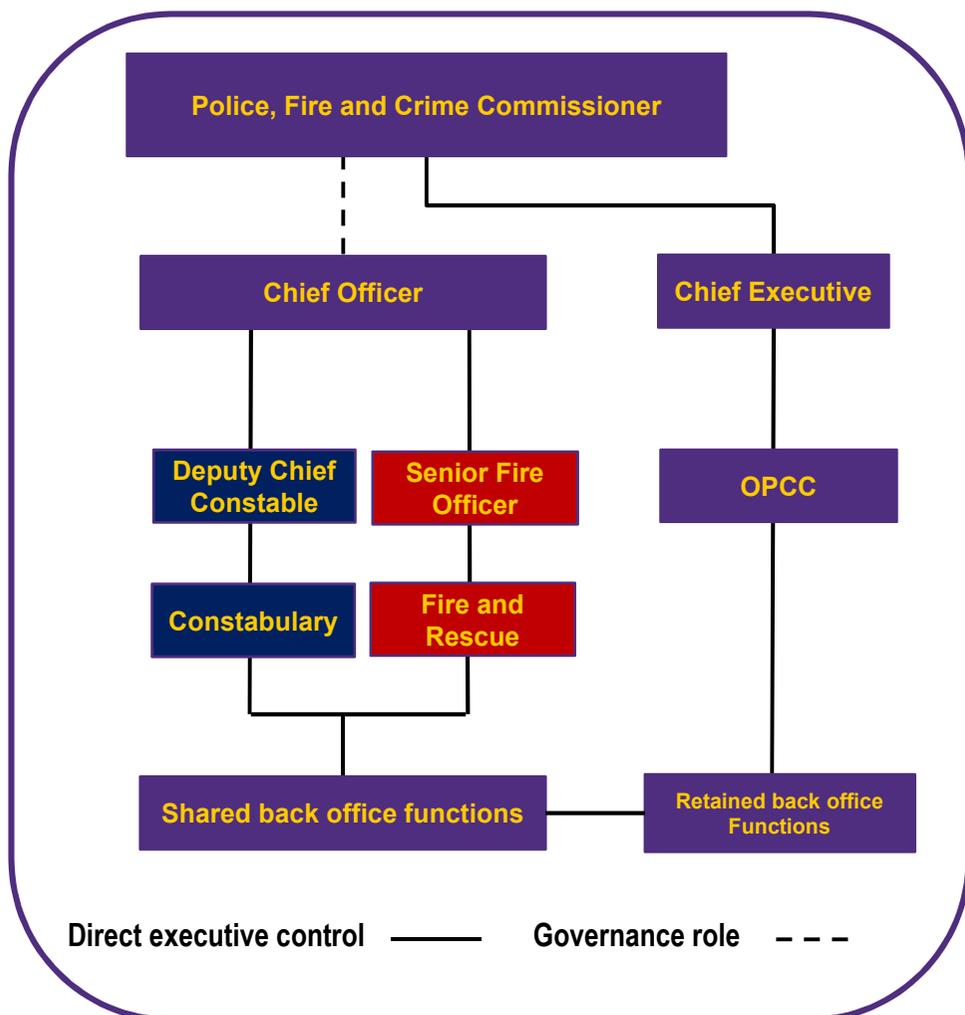
There are a number of options in regard to the discharge of statutory roles for the new FRS organisation which would need to be consulted on further. One option might be for the role of the FRS’s monitoring officer and the Chief Finance Officer (Section 151) to be a joint role covering the OPCC and Norfolk Constabulary. This assumes that the Chief Fire Officer would become the head of paid service for the FRS.

The Chief Constable of Norfolk Constabulary will continue to be corporation sole in his own right and employ all police staff. The distinction between operational policing and fire-fighting will be maintained with the law preventing a full-time police officer from acting in the role of a fire-fighter remaining in place.

The PFCC will be required to prepare a Police and Crime Plan in respect of their policing functions and under the Fire and Rescue National Framework will be required to prepare a strategic fire and rescue plan in respect of their fire and rescue functions. The PFCC will have to have regard to both plans when discharging their functions, and may decide locally to combine these plans. If the PFCC prepares a joint Police, Crime and Fire Plan, the document must set out the FRA’s specific priorities and objectives in connection with the discharge of the authority’s functions. The PFCC will also be required to prepare an operational Integrated Risk Management Plan, but would be expected to delegate this to their operational chief fire officer (or equivalent).



## Option 4 – The Single Employer Model



The APACE guidance sets out that under this model, the PFCC would appoint a Chief Constable, who may be referred to as the “Chief Officer” operationally, as the head of a combined police and fire and rescue Service for Norfolk. The Chief Officer would employ both police and fire personnel.

In practice, the Chief Officer may appoint a senior fire officer to lead fire operations and a deputy chief constable to lead police operations, under their command. The Chief Officer would be accountable to the PFCC for both fire and policing.

The requirement for the role of Chief Officer to have previously held the office of chief constable will be removed so that both senior police officers and senior fire officers will be eligible to apply for the post of chief officer. Successful applicants from either service will need to meet standards set by the College of Policing.

The Chief Officer will be able to decide locally whether to designate certain police powers to fire and rescue personnel. In doing so, a Chief Officer will have to bear in mind that as with the Governance model, the operational distinction between policing and fire-fighting will be maintained with the law preventing a full-time police officer from being a fire-fighter remaining in place.

However, under this option there would be considerable opportunity to re-design the new organisation to optimise the blending of resources to deliver common aims.

# How we evaluate the options

## Critical Success Factors

As noted previously, the APACE guidance sets out the basis on which the options should be assessed. In order to assess these factors in a structured and fair way, they have been articulated in the form of Critical Success Factors (CSFs), which reconcile to the methodology set out in the APACE guidance. The Home Office will be looking for an evaluation against the following ‘Critical Success Factors’ (CSFs):

- **Economy and efficiency** – the estimated net financial impact of the option against the baseline of current arrangements and the extent of cost savings. Because both of these elements are closely interrelated, we have combined them for the purposes of this evaluation.
- **Effectiveness** – the impact the option could have on operational outcomes for both fire and rescue and police services.
- **Public safety** – In the APACE guidance this is defined in binary terms as to whether or not there an overriding public safety consideration that could require a governance change in its own right (it may not be necessary to demonstrate an economic case if the case is being made on public safety grounds). We have augmented this with consideration of the extent to which public safety can be maintained
- **Deliverability** – ‘ease of delivery’ is also included as a Critical Success Factor in the APACE Guidance, but the exact definition has been left open. For the purposes of this evaluation, it has been taken to mean the level of risk involved in effecting change.

In discussion with the OPCC we have further divided each CSF into three or more sub-criteria to provide additional clarity on what has been considered in each case.

	CSF Sub-criteria	Weighting
<b>1</b>	<b>Economy and Efficiency – risk benefit analysis based on the financial case, focusing on:</b>	<b>25%</b>
1.1	Revenue costs and benefits - NPV of recurrent benefits	
1.2	Capital costs and benefits	
1.3	Cost of transition and affordability	
<b>2</b>	<b>Effectiveness – risk benefit analysis including:</b>	<b>25%</b>
2.1	Front line operational benefits/ synergies	
2.2	Other non-financial benefits/ risks - including governance, decision making and accountability	
2.3	Future proofing	
<b>3</b>	<b>Public Safety – will consider the benefits and risks in regard to:</b>	<b>25%</b>
3.1	Public safety override	
3.2	Impact on operational response	
3.3	Risk to service during transition	
<b>4</b>	<b>Project Delivery (Ease of delivery)</b>	<b>25%</b>
4.1	Local consensus - ability to align stakeholders	
4.2	Timescales for delivery	
4.3	Human resource implications - cultural change, legal (TUPE) and logistics	
4.4	Commercial/ contractual implications - novation of commercial contracts	
4.5	Management implications - support service requirements, management capacity/ capability	
4.6	Project management and governance	
	<b>Composite Score</b>	

# Critical Success Factors, sub-criteria and scoring

## Scoring methodology

We have agreed a scoring methodology to with the OPCC, which will be applied to the agreed criteria and sub-criteria.

Within the Critical Success Factors across each of the four options, each CSF sub-criteria will be scored using a basic 4 point scoring system. Under this system, a score of 4 will usually reflect the most favourable option, working through to the least favourable option scored at 1. Where it is not possible to draw a distinction between two or more options, equal ranking will be awarded.

## GUIDE TO SCORING

Definition	Score
<b>Significant net benefit/ limited risk</b>	<b>4</b>
<b>Moderate net benefit/ marginal risk</b>	<b>3</b>
<b>Marginal net benefit/ moderate risk</b>	<b>2</b>
<b>Limited net benefit/ significant risk</b>	<b>1</b>

The scoring for the CSF sub-criteria under each option, will be averaged and rounded up to provide an overall score for the overall CSF to which it applies. The scores for each of the four CSFs will then be added together to provide an overall score for that option. The scores will reflect a blend of qualitative and quantitative judgements based on the balance between benefits and risks.

Setting assessment criteria is a useful tool to support the wider discussion about the relative merits of each option. However, we acknowledge that scoring remains a subjective and judgemental process.

While broadly reflecting the average score of the sub-criteria, the headline scores take into account the magnitude of the specific issues under consideration. In this case, it was agreed that each of the four CSFs would have equal weighting, on the basis that Economy and Efficiency, and Effectiveness are mainly concerned with net benefits, and Public Safety and Deliverability, are primarily concerned with risk. This will help avoid undue focus on the relative weighting of the assessment criteria as the expense of a realistic and pragmatic assessment.

GUIDE TO SCORING

Definition	Score
Significant net benefit/ limited risk	4
Moderate net benefit/ marginal risk	3
Marginal net benefit/ moderate risk	2
Limited net benefit/ significant risk	1

# 1. Economy and Efficiency

	Option 1	Option 2	Option 3	Option 4
1.1 Revenue costs and benefits - NPV of recurrent benefits	1	1	2	3
1.2 Capital costs and benefits	2	2	3	4
1.3 Cost of transition and affordability	4	4	3	2
<b>Average Score</b>	2.3	2.3	2.7	3.0
<b>Overall score</b>	2	2	3	3

## Summary

In our view, a change in the governance model to strengthen police and fire collaboration could make a useful contribution to financial efficiency in the Police and FRS budgets. However, in the short to medium term the marginal financial benefit would be marginal rather than significant, taking into account the cost of transition. Across all options, the level of revenue benefits are expected to be relatively modest with the majority of benefit coming from capital rather than revenue related activity, from the co-location of estates. The transitional cost and affordability criteria also considers the future funding of the FRS and the particular challenges around capital funding.

**Option 4 emerges as the best option for financial efficiency and economy** as unified leadership of police and fire is expected to accelerate the co-location and estates rationalisation and drive revenue benefit in the longer term from integrating selected front line and support services. This will be at the expense of a higher transitional cost and affordability risk (see the affordability issues discussed under Option 3 below).

Option 3 is a close second, and still offers relatively good levels of financial benefit, with slightly lower transitional costs. The majority of financial benefit is again expected to come from an acceleration of the co-location programme enabled by more streamlined decision making process with unified governance and asset ownership under the PFCC. Overall affordability, in terms of the future funding and the expectation of reducing central government grant levels, would be assisted by the option to increase FRS precept income over time. Funding of the capital programme would be challenging but would be balanced by a significant increase in the value of the balance sheet due to the transfer of assets. Revenue and capital affordability would need to be addressed as part of a locally agreed funding transfer agreement with the County Council.

Options 1 and 2 both offer the possibility of further financial benefit from the existing estates co-location programme, at a similar rate to that projected from schemes currently in progress. Transitional costs would be minimal as there would be no transfer of governance arrangements. The affordability risk would also be minimised due to the level of financial flexibility open to the Council, but they would continue to have to make difficult decisions to divert revenue and capital resources to protect the FRS over the next few years, in the context of other service demands.

# Overview of the impact on economy and efficiency

## Options 1 and 2 – Continuing voluntary collaboration

There are a number of financial issues to consider under Options 1 and 2:

- Following the May 2017 elections and the appointment of a new Chief Fire Officer in 2017, the Council has yet to set out a revised vision for developing the FRS. The FRS is working to the current IRMP which predates the changes, although senior management roles are being reviewed. The Council has committed capital and revenue resources to the FRS over the life of the current medium term financial plan.
- The Council has significant experience of delivering service transformation that can be applied to the FRS.
- Like many public sector organisations, including Norfolk Constabulary, the County Council faces significant financial challenges. However, it has developed a medium term financial strategy that sets out how services will be funded. The Norfolk Futures programme is a key part of the Councils plan to address the deficit.
- The Council has significant financial resources that can be allocated to priorities on a discretionary basis. This provides significant financial flexibility, but must also achieve a balance between many competing service priorities.
- Significant savings from Norfolk FRS have been made in recent years (c.£5m since 2011) and opportunities for further savings in the FRS without changing the service delivery model are likely to be limited, other than through continuation of the co-location programme. FRS stakeholders expressed some concern that further budget reductions under the current model could start to impact on front line capability.

## Option 3 – PCC Governance Model

There are a number of potential financial issues to consider under Option 3:

- FRS funding will be made up of government grant and council tax, which will be ring-fenced to fund FRS services and the level of funding transferred will be subject to negotiation with the Council. The PFCC would not have the same level of discretionary financial resources as the Council and therefore the locally agreed funding settlement and savings benefits from Option 3, together with increases in the council tax precept over time, would need to be sufficient to fund the projected reduction in central government grant.
- The PFCC would have the power to raise funding for the FRS through an FRS precept as a separate line within the council tax collection process. This could be increased each year by up to 2% (or more following agreement via public referendum), subject to a case for investment being made by the Chief Fire Officer. Importantly, the revenue raised from the precept can only be spent on FRS activity. While the Council can invest the equivalent amount of council tax revenue into the FRS, it needs to be able to justify the decision in the face of demands from other key priorities.
- There is potential surplus value tied up in the FRS asset base, but public consultation suggests that reducing the fire estate or vehicle cover is highly unpopular, and will be difficult to deliver under any governance model.
- Under Option 3, Police and FRS assets would remain separately assigned to their respective organisations. But the PFCC would ultimately control the assets for both, and would therefore be in a position to progress the programme of joint stations more quickly, through an ambitious unified estates strategy, releasing additional financial benefit.
- Other revenue cost reduction opportunities from a change in governance will be marginal in the short term.

# Overview of the impact on economy and efficiency (Cont...)

- Further savings could be generated in the medium to long term from combining support functions and systems integration, although these benefits could also be generated under Options 1 and 2.
- There may also be opportunities to reduce duplication in operational budgets where interoperability or integration is taken forward (e.g. in community safety budgets). This could free up resource for re-deployment or offer savings opportunities.
- The FRS estate requires significant investment and the PFCC would need to be comfortable that this could be funded from reserves, additional borrowing or a contribution from revenue under Options 3 and 4.
- The FRS budget is relatively self-contained and a the majority of its support services stand alone from Council services, with exceptions such as fleet and estates management where transitional arrangements may be needed.
- DCLG analysis on the funding for Norfolk FRS that sits within the wider Council settlement, indicates that the expected FRS share is greater than the current budget. This indicates that there is currently a small notional subsidy for other Council services derived from FRS funding. However a locally agreed financial settlement should help mitigate an adverse financial impact on the Council from disaggregating the FRS.
- The transitional costs of implementing the governance model, would be relatively light, arising primarily from professional support (e.g. legal advice).

## Option 4

This option would provide all the benefits noted under Option 3 but could further accelerate delivery of the co-location agenda, as it would remove the distinction between police and FRS assets. Over time, significant further efficiencies could come from reconfiguring police and fire and rescue services to match operational requirements, rather than service identities. It would also open up the possibility of efficiencies in management roles and enable comprehensive data sharing between Norfolk Constabulary and the FRS.

Full integration with police under this option would be significantly more expensive in terms of transition costs due to the greater need for the integration of systems and culture. However, as it delivers greater benefits it could remain affordable.

# Our approach to assessing the financial sub-criteria

The following financial analysis is based on a high level assessment of the available financial information provided by the key stakeholders. Further validation will be required at full business case stage.

The Economy and efficiency Critical Success Factor has been assessed against three sub-criteria and summarised in a Net Present Value (NPV) table for each option as follows:

## 1.1 Revenue Costs and Benefits

The following areas have been considered:

- The potential adverse impact on the Council's revenue position as a result of disaggregating FRS funding and costs under Options 3 and 4.
- The funding implications for FRS in the future, based on DCLG and Home office calculations.
- The revenue impact on the OPCC and or Norfolk Constabulary under Options 3 and 4, including potential net financial benefit.
- The basis of the financial assumptions supporting the NPV calculations.

## 1.2 Capital costs and benefits

The following areas have been considered:

- The financial impact and considerations around asset transfer, including financial benefits
- Funding the current FRS capital programme
- The transfer of balance sheet reserves and liabilities
- The basis of the financial assumptions supporting the NPV calculation.

## 1.3 Transitional costs

The following areas have been considered:

- The estimated value of non-recurrent (one-off) costs that would have to be incurred in order to implement Options 3 or 4 (note that Options 1 and 2 will not incur transitional costs)
- The recurrent revenue impact of any additional costs of governance that will have to be incurred in order to deliver business as usual under the new model.
- The basis of the financial assumptions supporting the NPV calculation.

## Summary NPV

In line with the business case content recommended by the APACE guidance, we have also calculated a summary NPV table for the combined effect of revenue and capital benefits and transition costs in the form of discounted cash flows.

The NPV forms part of a Cost Benefit Analysis (CBA) and quantifies in monetary terms the costs and benefits for each of the four options under consideration. Only direct financial benefits and costs have been included.

Our NPV tables generate a future profile of costs and benefits for a period of ten years beyond Year 0 (2017/18). Year 0 is the year in which a decision is taken to proceed with implementing one of the options. Cost/benefit figures are discounted to reflect the time value of money (i.e. taxpayer's money available at the present time is worth more than the same amount in the future). These are then netted off to produce a figure for what is termed the marginal Net Present Value (NPV) of each option.

The aim is to establish whether future cash flows resulting from implementing the decision will recoup the initial investment (costs of transition) and how each option compares in terms of net financial benefit.

# 1.1 Revenue - impact on the Council

## The true cost of a stand-alone FRS

Table 1. Revenue Budget	2017/18 (Baseline)	2018/19 (Forecast)	2019/20 (Forecast)
Net revenue budget	28,869	28,850	29,311
<b>Central Support Recharges</b>			
Building Maintenance Fund	490	490	490
Support Services Recharges	1,305	1,305	1,305
Leases managed centrally	389	121	197
Interest cost (borrowing)	445	436	418
MRP (borrowing prior to transfer)	440	436	432
MRP (future capital programme)	309	474	619
Capital reserves			
<b>Total Revenue Budget</b>	<b>32,247</b>	<b>32,112</b>	<b>32,772</b>

Table 2. Revenue Budget Savings	2017/18 (Baseline)	2018/19 (Forecast)	2019/20 (Forecast)
Projected Savings	110	490	
One-off cashable saving	90		

	£m	Fire revenue budget as % of Total
Total Council Expenditure	1,382,948	2%
Total Fire and Police (New Governance Arrangements)	178,581	16%

Source: 2017-18 Budget, 2017-2020 Budget Book

## Impact of the transfer of funding from the Council to PCC

The implications of Option 1 and 2 for the Council's budgets up to 2019/20 are limited, as these build on current arrangements.

Options 3 and 4 entail disaggregating the FRS from the Council and incorporating it within the PCC's group structure. The planned FRS budget of £32m in 2017/18 represents around 2% of the Council's revenue expenditure. Under the PCC, however, revenue costs are likely to have to increase if a decision is made to build-up of reserves to fund capital expenditure - funding of capital investment is currently being managed through the use of leasing or borrowing, rather than being funded from revenue.

Although the FRS represents only a small share of the Council's £1.3bn expenditure, disaggregation is likely to result in an opportunity cost which need to be absorbed by other services. The three areas we have identified include funding for other services, planned savings and contribution to overheads.

The FRS's contribution to central overheads is £1.3m which represents 3.5% of total central recharges for enabling services (£36.7m).

The current savings target for the Fire and Rescue Service set in the MTFP in the 3 years up to 2020 is £600k. Most of the saving is expected to come from non-renewal of expiring leases and a reduction in administrative support. Removal of the FRS from the Council's budget could mean an increase in the amount of savings and overheads to be absorbed by other service budgets.

An additional potential impact on the Council that may need to be discussed, is the impact that the transfer of the FRS budget to the PFCC could have on the level of income from the Social Care precept. It is not clear that the annual uplift to this precept could be applied to a future PFCC precept.

# 1.1 Revenue – FRS funding implications

Alongside the savings and overhead absorption implications for the Council, disaggregation of the FRS under Options 3 and 4 is associated with the Council having to forego a portion of revenue funding.

Our discussions with DCLG and Home Office indicate that the transfer of funding would be based on the negotiation of a local settlement rather than via central government direction. This offers the opportunity for the financial impact on the Council to be managed through an agreement with the PCC. However, the expectation is that the local settlement around the FRS must not exceed the existing funding envelope allocated to the County Council.

Table 3. Current Funding	2017/18 (Baseline)	2018/19 (Forecast)	2019/20 (Forecast)
<b>Total Revenue Budget</b>	<b>32,247</b>	<b>32,112</b>	<b>32,772</b>
Adjustment for community safety budget transfer	- 112		
Adjustment for accounting entries (removes depreciation recharge)*	- 3,019	- 3,019	- 3,019
<b>Adjusted net revenue requirement</b>	<b>29,116</b>	<b>29,093</b>	<b>29,753</b>
<b>DCLG funding calculation for Norfolk FRS (excluding depreciation)</b>	<b>31,342</b>	<b>30,759</b>	<b>30,521</b>
<b>Level of notional subsidy to other Council services</b>	<b>- 2,226</b>	<b>- 1,666</b>	<b>- 768</b>

Source: DCLG 'Core Funding' allocations, 2017-18 Budget

\*Note that the FRS budget for 2017/18 excludes capital funding from revenue in terms of MRP and interest on capital borrowing, but includes a recharge for depreciation. In order to estimate the funding cost of the service, we have adjusted the FRS budget to include an estimate for capital costs to be funded from revenue and we have removed the depreciation recharge (depreciation is an accounting adjustment that is not included in the DCLG funding calculation).

## The current funding regime

Under the current methodology for calculating the Central Government funding settlement for local authorities, funding is derived from a combination of grant funding and local taxation, referred to as 'core funding'. The level of revenue from local taxation is taken into account in the calculation of grant funding within the main Council funding settlement.

However, the element of funding that applies to the FRS specifically has not been separately analysed by DCLG since 2013/14 when the methodology was changed. The current system gives local authorities full autonomy over how total funding is allocated between services, including the FRS.

DCLG have produced a retrospective estimate of the Council Tax and grant funding requirement that relates to fire for all relevant county councils, based on a roll forward of the old funding formula. This calculation was undertaken to enable them to adjust settlement funding allocations after 2014/15.

Table 3 shows that the adjusted net revenue requirement of the FRS based on current levels of expenditure is lower than the amount 'notionally' allocated to it by the DCLG, creating a notional cross-subsidisation of other council services from the FRS funding allocation of £2.2m in 2017/18. The average amount of subsidy across the whole of the MTFP period was around £2.7m pa on average, with subsidy reducing year-on-year (reducing to £768k in 2019/20). Over time the notional subsidy would eventually be eliminated and under Options 1 or 2 the Council would have to consider subsidising the FRS (e.g. via Council tax) or make further savings.

The notional subsidy arises from the difference between the estimated Council Tax allocation for FRS used in the DCLG calculation of grant funding, and the total FRS budget. We arrived at the amount funded through local taxation by establishing the difference between Baseline and RSG funding and budgeted expenditure for the FRS.

# 1.1 Revenue – impact of funding pressures

Table 4: Council Tax and Precept (£000)	2017/18 (Baseline)	2018/19 (Forecast)	2019/20 (Forecast)
Adjusted net revenue requirement	29,116	29,093	29,753
Central government grant (RSG)	5,299	4,499	4,019
Baseline Funding incl. Business rates)	7,357	7,574	7,817
<b>Council Tax Requirement</b>	<b>16,460</b>	<b>17,020</b>	<b>17,917</b>
Tax base (Band D Properties)	283,920	288,179	292,501
<b>Precept</b>	<b>57.97</b>	<b>59.06</b>	<b>61.25</b>

Source: DCLG ‘Core Funding’ allocations, 2017-18 Budget; 2017-2020 Budget Book

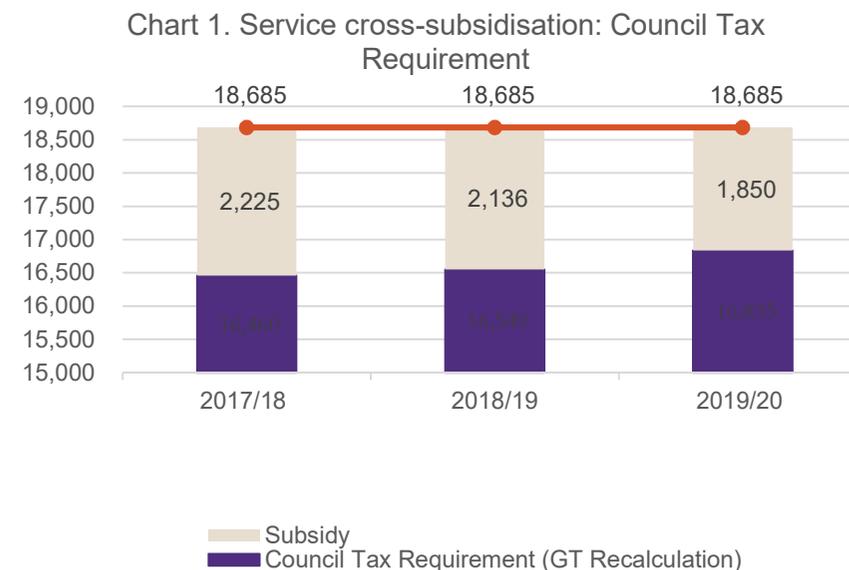
Funding the FRS budget for 2018-19 and beyond will continue to be challenging in the face of identified cost pressures. The DCLGs projected inflationary uplift to baseline grant funding will not meet all the emerging cost pressures for FRS services, which are in the region of £100 -150k on top of the £490k building maintenance fund identified on page 48.

Over the last 2 years, the FRS has faced cost pressures of £300k including non-budgeted areas of activity (e.g. USAR, dive team and youth development). These pressures have been managed through underspends from delayed purchasing and finance leases.

The current profile for 2018-19 reflects the fact that the FRS has managed to reduce some of the cost pressures, but in doing so has had to reduce opportunities for planned savings.

The increase in the council tax requirement that would be required to bridge this gap is projected to increase by 3% and 5% respectively, over the next 2 years (based on the notional Council Tax requirement for the FRS identified in table 4). If applied to a FRS precept under Options 3 and 4, this increase could be more than the current increase permitted without a local referendum. Note that this restriction does not apply to the Council’s decision to allocate council tax to the FRS under Options 1 and 2). This will need to be taken into account in any local agreement on the transfer of funding.

Chart 1. further demonstrates that the FRS budget is currently operating below the notional levels of Council Tax funding than was calculated by the DCLG in its ‘Core Funding’ assessment for the FRS. This is reflected in benchmarking information held by the FRS which indicates it is among the lowest spending services in the country. The extent to which this is due to a high level of efficiency, or inherent, is not clear.



Source: DCLG ‘Core Funding’ allocations, 2017-18 Budget

# 1.1 Revenue – impact of funding pressures (continued...)

Charts 2 and 3 explore the funding pressures the FRS is likely to face for the remainder of the current MTFP period and the next MTFP up to 2023/24.

DCLG have clearly indicated that the Revenue Support Grant is to decrease year on year, resulting in an average decrease of 13% across the MTFP period. The baseline funding trend (incl. Business Rates) is a constant rise of 3% each year. This is likely to change following plans to implement 100% Business Rates retention and the profiling needs to be revisited once further details are known. It is possible, but not certain, that this will help to compensate for the reduction in RSG after 2020/21.

We have based our projections on the current growth in the fire budget which has been 2% year-on-year from 2017/18 to 2019/20, whilst factoring in downward trends on leasing, interest costs, and constant levels of support service expenditure. FRS stakeholders estimated that the FRS would need additional resources to be allocated to meet operational needs and build up reserves to fulfil its capital programme.

Chart 2 shows that, with no council tax or precept increase allocated to the FRS, a funding gap starts emerging from 2018/19 onwards, increasing from £560k to £1.5m by 2019/20. This would have to be met directly from further cost reduction or additional funding.

Chart 3 shows the impact that a 2% increase in the FRS council tax precept would have – either due to the Council’s allocation of additional Council Tax to the FRS (under Option 1 or 2) or an increase in the PFCCs FRS Precept (under Options 3 or 4). This shows that the funding deficit would be significantly reduced by the additional funding raised although there would remain a small deficit, rising to £792k by 2019/20 that would have to be managed through savings or other means. The Council could draw on its significant financial resources and flexibility to fund this gap but would have to justify the investment to members, as it would be at the expense of other service priorities.

The PCC will be free to use an increase in an FRS precept to partly fund the gap, but would need to find additional resources from savings and transformation, or as part of a funding settlement with the Council.

Chart 2. Funding Projections for Fire: No Council Tax Increase

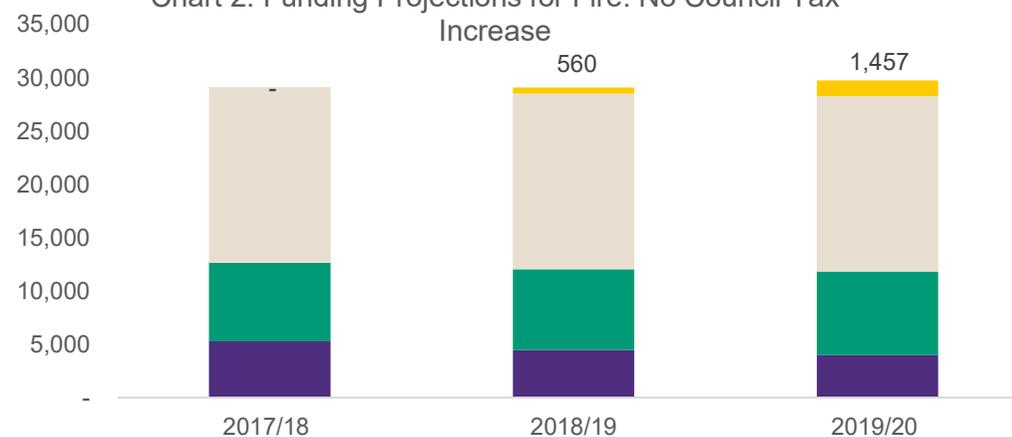
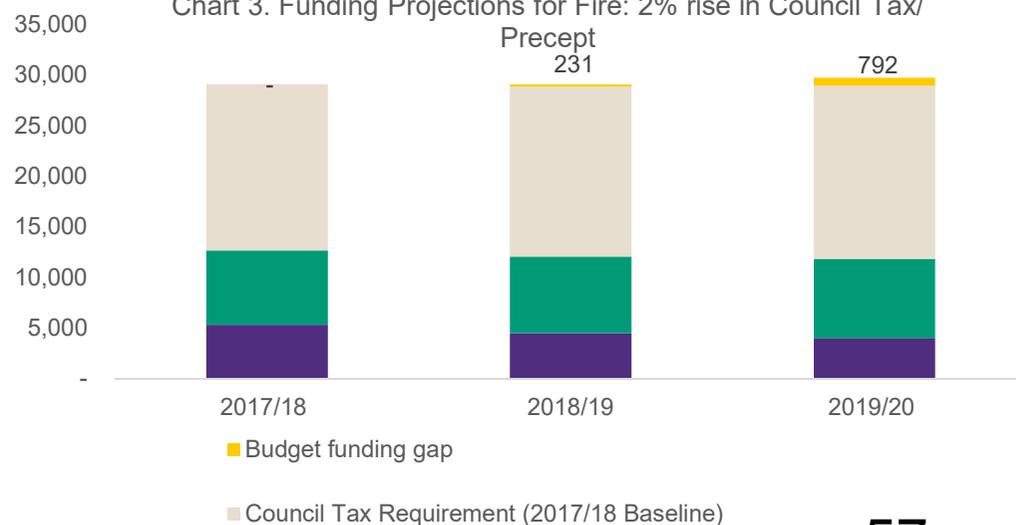


Chart 3. Funding Projections for Fire: 2% rise in Council Tax/Precept



# 1.1 Revenue - financial assumptions for the NPV

The following slides set out the opportunities for driving cost efficiency across the four options and sets out the assumptions we have used to derive these. The net impact of these opportunities, net of the cost of implementing any associated change in governance are set out in the Net Present Value (NPV) tables for each option on pages 61, 62 and 63.

	Options 1 & 2 ('Representation')	Option 3 'Governance'	Option 4 'Single Employer Model'
<p><b>Optimising Systems and Processes (Frontline and Support Services)</b></p>	<p>Our consultation with a wide range of police and fire stakeholders did not identify any further planned support services costs/savings as part of the current MTFP process. We have therefore assumed that the current support establishment for the FRS over the life of the MTFP reflects the current needs of the service, including the need to run systems in parallel, in areas such as HR.</p> <p>Our general assumption is that the NPV calculations for the options appraisal should exclude savings opportunities that are not dependent on the governance model – i.e. those that could equally be implemented by the Council or the PFCC. For example, we anticipate that over time opportunities will open up some specific IT solutions that will reduce the need for running some back office systems in parallel. But this opportunity is not governance dependent.</p> <p>Indirect savings from operational collaboration are difficult to value, and the marginal difference between governance models complicates this. Therefore we have also excluded these savings from the NPV tables for all four options, except where it can be applied to specific senior management posts (under Option 4).</p>	<p>We assume that the direct marginal benefit to optimising systems and processes as a result of Option 3 will be limited.</p> <p>We have included provision for small scale savings from merging admin support posts and one support manager post, in anticipation that this would be a marginal benefit to the transfer of support services.</p> <p>These savings will not be driven by redundancies as over time we expect staff to be redeployed across a number of fire/police functional areas, thus reducing recruitment requirement over time. There will be a need for learning, knowledge transfer and systems integration and have therefore profiled the realisation of benefits accordingly.</p>	<p>As with Option 3, we assume that the direct marginal benefit to optimising systems and processes as a result of Option 3 will be limited.</p> <p>After Year 2 – following knowledge transfer and closer operational collaboration – there may be opportunities to achieve efficiencies through joint working in areas such as Road Traffic, Community Safety, and Prevention. This will organically reduce the need for senior management coordination and could enable an initial saving (3 FTEs of manager time) on senior to middle grade management staff across both services.</p> <p>There will be an additional saving resulting from merging senior management posts. Fire and police will no longer be operationally independent and will be under the control of a single Chief Constable.</p>

# 1.1 Revenue - financial assumptions for the NPV (Continued)

	Options 1 & 2 ('Representation')	Option 3 'Governance'	Option 4 'Single Employer Model'
<p><b>Economies of Scale</b></p>	<p>The County Council is a large organisation and as a result is able to negotiate significant economies of scale in its contracts, for those areas that are common to both Council and FRS. Similar advantages apply to Norfolk Constabulary and PCC, and we have therefore assumed that there is no marginal advantage from economies of scale for the majority of general procurement that can be attributed to a change in governance.</p> <p>As smaller organisations, the combined 'buying power' of Norfolk Constabulary and PCC is proportionally less than that of the Council, but we assume that any difference in transferred contract values as a result of this will not be material.</p> <p>Both Norfolk Constabulary and Norfolk FRS have access to national procurement frameworks in their sectors, and we have assumed that access to these is also not dependent on the governance model there is no marginal financial benefit.</p>	<p>We assume that the direct marginal benefit to driving out economies of scale as a result of Option 3 will be limited.</p> <p>Economies of Scale can only be realised in areas where fire does not already enjoy advantages through central Council procurement. Opportunities for national procurement advantages within the FRS sector are also not dependent on the governance model and have been excluded.</p> <p>Stakeholders identified a few areas of category spend where there may be an additional marginal opportunity from linking with police procurement:</p> <ul style="list-style-type: none"> <li>• ICT - Airwave radio software and equipment;</li> <li>• Protective clothing;</li> <li>• The FRS may be able to benefit from procuring insurance cover alongside police</li> <li>• Facilities management and building maintenance due to co-location.</li> </ul> <p>We have assumed a modest 2% saving on category spend for the areas mentioned above to reflect the limited potential saving.</p> <p>We see limited savings in terms of fleet and operational equipment procurement as only 28 vans and 5 PCVs will transfer across with the FRS. The rest of the fleet is made up of 61 operational firefighting and rescue appliances maintained under a Council contract.</p>	<p>As for Option 3 for we assume that the direct marginal benefit to driving out economies of scale as a result of Option 3 will be limited.</p> <p>However, we have assumed that relevant saving on category spend would be higher than under Option 3 at 5%, due to equalisation of contracts specifications.</p> <p>Several stakeholders underlined that there is an inherent tension between the savings that can be achieved in terms of systems and processes, and the cultural tensions which may accompany a transfer to the Single Employer Model. Differences in performance management arrangements and terms and conditions differences were emphasised as just some of the practical barriers to cultural and organisational alignment.</p>

## 1.2 Capital – transfer of assets

<b>Table 5. FRS Land &amp; Buildings Split (£000)</b>	<b>NBV 2015/16</b>	<b>NBV 2016/17</b>
Land	9,991	10,127
Buildings	30,016	30,160

<b>Table 6. Assets by Category (£)</b>	<b>2015/16 NBV</b>	<b>2016/17 NBV</b>
Equipment	159,095	127,275
Finance Lease	1,950,430	1,380,859
Fire Equipment	356,305	161,661
Land & Buildings	33,086,546	34,424,128
Vehicles	4,454,311	4,192,912
<b>Grand Total</b>	<b>40,006,689</b>	<b>40,286,838</b>

Source: Fire Asset Register

Options 1 and 2 do not involve the transfer of assets, however Options 3 and 4 would both involve a change in ownership and a movement between the balance sheets of the OPCC and the Council.

Assuming that debt and reserves are fully transferred to the OPCC, the net balance sheet impact will increase the OPCC Balance Sheet by approximately £31m with a corresponding reduction in the Council's asset base. The net book value (NBV) of fire assets represent only 3.8% of the total property asset portfolio of Norfolk County Council, which totals £798m. The increase in the OPCC's asset base would be more significant, representing a 46% increase of its combined property portfolio.

Our conversations with representatives from the Council highlight that the opportunity cost of the transfer of the land and buildings forms a significant barrier to Option 3. The main concern was around the opportunity foregone of using land to facilitate housing development or boost economic growth. The Council has already delivered asset rationalisation in the FRS estate, notably in regard to the disposal of the former FRS HQ. The principal opportunity for further benefit therefore remains with the co-location of estates.

The transfer of asset related reserves alongside the FRS would also be an area for further discussion among local stakeholders.

In order to maintain local consensus for Option 3, there may need to be an agreement between the Council and the PCC to ensure that the future benefits of asset rationalisation were managed to the satisfaction of both parties. There are a number of potential ways this could be achieved and that could form part of a negotiation between the stakeholders, these include:

- The Council to retain ownership of some or all FRS assets which are then leased by the PCC. The PCC would need to consider if it exposes the new organisation to risk and limits control and flexibility over the assets.
- The PCC to take over ownership of the assets with a contractual arrangement to ensure that future benefits are shared with the Council. This could be difficult to set up to the satisfaction of all parties but remains a viable Option.
- The PCC and the Council use legal powers of competence to establish a jointly owned arms length asset management vehicle that effectively pools local public sector assets. This could leverage the value of combined assets to maximise a return on investment, while also opening up significant opportunities to rationalise assets with optimum efficiency to the benefit of both parties. This would require significant trust and political will to achieve and carries the greatest risk, but also offers the best financial returns if implemented effectively.

## 1.2 Capital - funding the capital programme

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Fire Estate	1,372	1,611	1,950	2,000	2,000	1,250	10,183
Equipment	1,045	450	1,600				3,095
ICT	210						210
Special projects	210	161					371
Vehicles -red fleet	1,359	1,000	350	2,000	2,000	1,250	7,959
Drill Towers	1,500						1,500
<b>Total</b>	<b>5,696</b>	<b>3,222</b>	<b>3,900</b>	<b>4,000</b>	<b>4,000</b>	<b>2,500</b>	<b>23,318</b>

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Fire Vehicles	2,029	1,732	1,305		1,072	1,111
Fire Equipment & Clothing	3,108					484
Fire ICT	1,873					
<b>Total</b>	<b>7,010</b>	<b>1,732</b>	<b>1,305</b>	<b>0</b>	<b>1,072</b>	<b>1,595</b>

Source: Fire Finance Business Partner; Budget Book 2017-2020

	2017/18	2018/19	2019/20
Estates schemes	10,902	12,345	343
Vehicles & Equipment	999	909	991
ICT	4,840	2,951	3,519
<b>Total</b>	<b>16,742</b>	<b>2,636</b>	<b>4,854</b>
<b>Fire proportion of combined capital programme</b>	<b>25%</b>	<b>55%</b>	<b>45%</b>

Source: Report to Police and Crime Panel, 02 February 2017

The projected capital works requirement identified by the FRS (both funded and unfunded) are estimated to reach £23m by 2022/23 (See Table 7).

Options 3 and 4 would entail the PCC taking over the FRS capital programme. The capital budget implications of these two options would be much more pronounced and far-reaching compared to the revenue impact outlined previously. Planned capital schemes for fire would represent around 25% of police and FRS capital schemes combined, with this proportion likely to increase in subsequent years (See Table 9). This does not include a 'hidden' capital requirement which has been accumulated as a result of lease surrender and non-replacement of assets (See Table 8). This would need to be addressed as part of the local funding settlement discussion with the Council.

Our workshops with stakeholders indicate that incorporating the FRS would require extensive consultation with Suffolk Police due to joint capital projects, especially in the area of ICT infrastructure and equipment replacement.

### Current funding of the capital programme

Under Options 1 and 2, the FRS remains part of the Council and the main source of funding for the capital programme would be the submission of competitive capital bids to the centrally funded capital budget.

At present the FRS, has secured member agreement to fund the majority of the capital schemes planned by 2019/20. Under a possible transfer of the FRS under Options 3 and 4, this funding would not necessarily be transferred and would need to form part of a joint police-FRS capital programme.

The majority of the funding granted by the Council has been financed through borrowing. Preliminary estimates provided by the Council estimate that the FRS's share of borrowing to fund capital expenditure as at 01 April 2017 would be £10,565k. The FRS 2017-2020 capital programme would also have revenue implications in the form of a Minimum Revenue Provision (MRP), adding an additional £1,402k to the revenue budget over the three year period to 2019/20 (See Table 1, page 48 line 'MRP - future capital programme').

## 1.2 Capital – transfer of balance sheet reserves and liabilities

Table 10. Reserves	2017/18 £
Pensions reserve (earmarked)	234,690
Fire retained turnout payments	31,442
Fire Operational/PPE/Clothing	868,674
Capital Reserve	229,000
<b>Total</b>	<b>1,363,806</b>

Source: Fire Finance Business Partner; 2017-2020 Budget Book

The transfer of reserves and liabilities is another area which is likely to be subject to local negotiation should a decision be made to proceed with Options 3 or 4. FRS ratios associated with the level of reserves as a proportion of the net revenue budget are at sustainable levels - 4.2% of Net revenue expenditure is in line with the sector average of 4%. Capital financing costs relative to the overall Net Revenue Budget also look healthy at 3.7%. The transfer of approximately £10,565k of historic FRS debt from the Council to the PFCC under Options 3 and 4, coupled with a relatively low level of reserves (£1,364k) would result in a much higher level of gearing for the new organisation. To put this ratio into context, Norfolk Constabulary's debt level currently stands at £8.36m with a gearing ratio of 3%.

The new borrowing requirement for Norfolk Constabulary is estimated at £0.83m for 2016/17 and £2.20m for 2017/18. The capital funding requirement figure does not include the funding requirement for assets financed through PFI or leasing. This comparison, however, is imperfect as the FRS currently has access to Council reserves should the need arise although, FRS reserves are not strictly earmarked.

Table 11. Ratios	Fire	Police
Capital expenditure funded by external borrowing as at 2016/17	10,565	8,360
Reserves as % Net Revenue Budget	4.2%	3%
Capital Financing costs as % Net Revenue Budget (2017/18 estimates)	3.7%	5.38%
<b>Total</b>		

Source: Fire: 2017-18 Budget. Police: Finance Report to Police and Crime Panel, 02 February 2017

The analysis shows that a future transfer would have to entail discussions around the level of debt and drawings from its own reserves that the PCC is willing and financially able to take on.

The transfer of £10,565k in debt attributable to the FRS, for example, would represent 56% of the joint police-fire external borrowing, or a 126% increase in the level of external debt for the Constabulary. In the context of reduced capital funding, this may require a revision of Treasury management policies as well as revision of risk appetite.

However, the financial risk of taking on additional debt liabilities could potentially be offset by a maximum transfer of £40m (Net Book Value) of property assets.

Another key area for discussion between the Council and the PCC under Option 3 or 4 is the transfer of the FRS share of the Council's reserves, which could partially offset the balance sheet effect of the debt transfer. The assumption is that a transfer of FRS operations would be accompanied by a proportionate transfer of general reserves, however this is a complex transaction that would require further calculation and negotiation.



## 1.2 Capital - financial assumptions for the NPV (continued)

	Options 1 & 2 ('Representation')	Option 3 'Governance'	Option 4 'Single Employer Model'
<p><b>Shared Estates Strategy</b></p>	<p>Our review of business cases indicates that there are three principal categories of benefit emerging from co-location:</p> <ol style="list-style-type: none"> <li>1) One-time capital receipt in the region of £600-700k. This is based on examination of business cases of co-location projects to date. However, there are a number of police stations which are leased and vacating the property would not result in capital receipts, thus reducing the average benefit. Some stations also require significant capital works, which reduces the size of the capital benefit. We have factored this in when projecting the one-time capital benefits into the future.</li> <li>2) Non-recurring revenue savings. these savings result from avoided planned maintenance liabilities</li> <li>3) Recurring annual savings, mainly from reduction in facilities management costs as well as ICT .</li> </ol> <p>We assume that the Joint Estates Strategy could continue at the current pace – i.e. completing three joint police-fire estate projects every four years. At the current rate, within a 10-year period, the Joint Estates Strategy would have resulted in the completion of 7.5 schemes.</p>	<p>Option 3 differs from Option 1 in terms of the potential acceleration of the estates rationalisation processes. This is mainly due to more streamlined decision-making - transferring the FRA to the OPCC will improve the ease and speed of decision making on collaborative initiatives that impact both police and fire. Any delays from managing dual approval processes should be minimised.</p> <p>We expect the Joint Estates Strategy to continue at an accelerated pace – the scheme completion time would reduce from 16 months on average to 12 months per scheme. This translates into 10 joint-police fire stations being completed by 2026/27.</p> <p>However, it is important to consider:</p> <ol style="list-style-type: none"> <li>1) Ongoing projects with Suffolk police and any joint maintenance contracts, as well as wider implications for changed dynamic in the partnership;</li> <li>2) The backlog maintenance costs associated with the fire estate. We understand that a condition survey of the fire estates is underway; this will provide further indication in terms of the liability to be transferred over.</li> </ol>	<p>Option 4 is associated with a single Estates Strategy which allows for deeper rationalisation opportunities and a more strategic view of estates. This should facilitate the quicker identification of suitable sites. It would also eliminate the need for fire and police performing their own due diligence and contracting as well as procurement of professional advice (such as using two separate valuation experts, transfer of legal title, etc.)</p> <p>The following could be eliminated due to being a part of one organisation:</p> <ol style="list-style-type: none"> <li>1. Professional fees to arrange leases (surveyor and solicitor) as well as to manage construction works on the new site;</li> <li>2. Two separate stamp duty land tax payments for new lease acquired;</li> <li>3. Difference in levels of service for facilities management and running costs (i.e. bronze and gold across fire and police)</li> <li>4. Integrated ICT systems remove the need for additional infrastructure expenditure.</li> </ol> <p>The removal of such barriers would facilitate the completion of two additional schemes by 2027 on top of those foreseen under Option 3.</p>

## 1.3 Cost of transition and affordability – non-recurrent costs

Transition Costs	Option 3	Option 4	Basis of estimate
<b>Business Case Professional Advice</b>	40,000	40,000	Estimate based on similar business cases.
<b>Specialist HR Advice (Staff transfer, TUPE, Culture)</b>	25,000	60,000	Estimate based on similar business cases.
<b>Employee communications, induction and culture change</b>	25,000	80,000	Spread over OPCC Communications teams and Constabulary . Communications teams absorbing some of the cost
<b>Programme/ Project management</b>	50,000	120,000	One full time Head of PMO and Support from a contractor/ professional firm. Under Option 4, the cost of 1 FTE will be spread over 2 years.
<b>Assets Transfer (Legal and Accounting Advice)</b>	80,000	80,000	Assuming contribution from Estates teams
<b>Legal due diligence</b>	50,000	50,000	Estimate based on similar business cases.
<b>Consultation costs (Stakeholders)</b>	5,000	10,000	£5k based on 8 week consultation; majority of the cost absorbed by PCC; additional support on top of sunk costs
<b>Actuarial advice (Pensions, IAS19)</b>	50,000	50,000	Cost of the actuarial valuation of fire's share of the LGPS scheme valuation and transfer of fire pension schemes
<b>ICT Integration (Accounting, Network)</b>	30,000	60,000	Estimate based on similar business cases.
<b>TOTAL ESTIMATED TRANSITION COST</b>	<b>355,000</b>	<b>550,000</b>	<b>Non-recurrent revenue cost of transition</b>

**Transition Costs** - Transition costs will be incurred for Options 3 and 4 only. They represent the investment required – both in terms of staff time and resources – to implement each of the options. The NPV calculation seeks to establish which Option provides the greatest return on this upfront investment. Transition costs exclude so called ‘sunk costs’ which are incurred prior to a decision on the preferred option. Note that all values provided here are estimates based on the available information. Further work will be required to confirm the actual costs of transition at full business case stage.

**Affordability** – the overall affordability of Options 3 and 4, in terms of the sustainability of future revenue and capital funding, has been assessed as part of the analysis conducted under sections 1.1 and 1.2 above. There will be no change to funding arrangements under Options 1 and 2.

## 1.3 Cost of transition - financial assumptions for the NPV

In addition to the ‘one-off’ transition costs outlined on the previous page, there may also be some recurrent revenue costs associated with each option – these have been considered in the table below. The impact of these opportunities, net of the cost of implementing any associated change in governance are set out in the Net Present Value (NPV) tables for each option on pages 61, 62 and 63.

Area	Options 1 & 2 (‘Representation’)	Option 3 ‘Governance’	Option 4 ‘Single Employer Model’
<b>Governance Costs</b>	<p>There will be no additional governance costs associated with this Option as the FRS remains with the County Council. As Options 1 and 2 entail no organisational or governance change, they do not offer any additional advisory costs.</p> <p>A refresh and strengthening of current voluntary collaboration arrangements is expected to have minimal financial implications, other than the opportunity cost of the management time involved.</p>	<p>The need for support from the County’s Democratic Services team will reduce. However, this will be balanced by an increase in governance costs on the part of the PCC which we estimate at 0.5 FTE. This reflects the expanded scrutiny remit of the PFCC and the Police, Fire and Crime Panel.</p> <p>Financial reporting requirements for the FRA as a stand-alone corporate sole are likely to increase. This would arise from the need for a separate external audit for the FRA and the need for an additional financial reporting resource to prepare accounts, estimated at 0.5FTE.</p> <p>We assume that the monitoring officer and chief finance officer for the PCC and Constabulary would be a joint role with the FRA. In this case, no additional cost will be incurred for these roles.</p>	<p>The same assumptions have been applied as for Option 3. However, due to the increased complexity and timescale needed to enact the change, the transitional costs in several categories are expected to increase – including project management, ICT integration and HR/ legal advice.</p>

# Summary NPV - Options 1 and 2 (current collaboration)

	Year 0 2017/18	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Year 6 2023/24	Year 7 2024/25	Year 8 2025/26	Year 9 2026/27	Total
<b>Transition Costs</b>		-	-	-	-	-	-	-	-	-	-
<b>Governance Costs</b>		-	-	-	-	-	-	-	-	-	-
<b>Shared Estates Strategy (7 schemes completed)</b>											
Net capital receipts (net of building works)		108	108	108		108	108	108		108	<b>756</b>
Maintenance Works Avoided		113	113	113		113	113	113		113	<b>791</b>
Annual Revenue Savings		13	26	39	59	72	85	98	118	131	<b>641</b>
<b>Total</b>		<b>234</b>	<b>247</b>	<b>260</b>	<b>59</b>	<b>293</b>	<b>306</b>	<b>319</b>	<b>118</b>	<b>362</b>	<b>2,188</b>
Discount factors based on 3.5% Treasury Rate		<i>0.9662</i>	<i>0.9335</i>	<i>0.9019</i>	<i>0.8714</i>	<i>0.8420</i>	<i>0.8135</i>	<i>0.7860</i>	<i>0.7594</i>	<i>0.7337</i>	
<b>Net present value of costs/benefits</b>		<b>226.09</b>	<b>230.57</b>	<b>234.49</b>	<b>51.41</b>	<b>246.71</b>	<b>248.93</b>	<b>250.73</b>	<b>89.61</b>	<b>258.26</b>	<b>1,837</b>
<b>Which can be split into:</b>											
Capital Costs/ Benefits		104	101	97	0	91	88	85	0	79	<b>645</b>
Non-recurring revenue costs/ benefits		109	105	102	0	95	92	89	0	83	<b>675</b>
Recurring revenue costs/savings		13	24	35	51	61	69	77	90	96	<b>516</b>

## Shared Estates Strategy

The existing estates work stream has already delivered a joint HQ, a shared workshop site, a quad response station (Sheringham), a joint Control Room in early 2018 and 4 further front line combined police and fire stations to be submitted for planning permission (Breckland-Attleborough, Broadland - Reepham, North Norfolk – Holt). There is clear financial benefit to the continuation of fire-police estates.. Even without a governance change, the amount of revenue benefits over a 10-year period is estimated to be £1,837k.

Option 2 is associated with a small increase in PCC's expenses, but this would be marginal. There would be no savings in the area of governance resulting from this option.

## Support Services

Our consultation with FRS stakeholders, did not identify any potential support service cost savings within the current Council MTFP. It has been difficult for the Council to integrate significant aspects of the FRS back office primarily due to the need to run parallel systems for HR and FRS specific ICT platforms. Over time, it may be possible to drive support service integration further in the medium term, as new combined ICT platforms can be developed drawing on blue light related operational synergies, but similar efficiencies could also be achieved under Options 3 and 4.

# Summary NPV - Option 3 (governance model)

Option 3	Year 0 2017/18	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Year 6 2023/24	Year 7 2024/25	Year 8 2025/26	Year 9 2026/27	Total
Transition Costs	- 355										
Governance Costs		- 39	- 39	- 39	- 39	- 39	- 39	- 39	- 39	- 39	-351
<b>Shared Estates Strategy (10 schemes completed)</b>											
Net capital receipts (net of building works)	108	108	108	108	108	108	108	108	108	108	1,080
Maintenance Works Avoided	113	113	113	113	113	113	113	113	113	113	1,130
Recurrent Revenue Savings		20	39	59	79	98	118	138	157	177	885
Support Services (Optimising Systems & Processes)			93	93	93	93	93	93	93	93	744
Support Services (Purchasing Economies of Scale)			88	88	88	88	88	88	88	88	704
<b>Total</b>	<b>-134</b>	<b>202</b>	<b>402</b>	<b>422</b>	<b>442</b>	<b>461</b>	<b>481</b>	<b>501</b>	<b>520</b>	<b>540</b>	<b>3,837</b>
Discount factors based on 3.5% Treasury Rate		0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.7594	0.7337	
<b>Net present value of costs/benefits</b>	<b>-134</b>	<b>195.17</b>	<b>375.27</b>	<b>380.60</b>	<b>385.16</b>	<b>388.16</b>	<b>391.29</b>	<b>393.79</b>	<b>394.89</b>	<b>396.20</b>	<b>3,167</b>
<b>To be split into:</b>											
Capital Costs/ Benefits	-217	104	101	97	94	91	88	85	82	79	605
Non-recurring revenue costs/ benefits	113	109	105	102	98	95	92	89	86	83	973
Recurring revenue cost/benefits	-30	-18	169	181	193	202	212	220	227	234	1,589

## Accelerating the Estates Programme

The financial benefit of accelerating the co-location programme is estimated at £3,726k over a ten year period, or £1,538k more than the baseline option. The value of maintenance works avoided is significant and has the potential to release funds for either operational improvement or reinvestment into the estate.

Capital receipts of £1,080k (non-discounted), for example, could also be applied towards funding the joint capital programme, thus reducing the need to borrow to fund capital expenditure.

## Support Services

In the medium term (within years 2-3), Option 3 offers the possibility of setting up joint arrangements and/or shared management posts for support roles currently undertaken by civilian staff in the first instance (i.e. staff falling outside of FRS terms and conditions), however, many of these efficiencies could also be delivered under Options 1 or 2. Our assumed 2% saving in combined category spend in police-FRS specific areas such as radio software, insurance, services and clothing yields a small marginal revenue saving. This also stems from the specialised Blue-light procurement jointly run by Norfolk and Suffolk constabularies, which fire would otherwise not have access to.

The total value of recurring revenue benefits – mainly due to reduction in estate running costs, more efficient use of existing systems and processes, and economies of scale – represents a significant financial saving in the region of £1.6m over a 10-year period.

# Summary NPV - Option 4 (single employer model)

Option 4	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Total
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
<b>Transition Costs</b>	-275	-275									- 550
<b>Governance Costs</b>											
Savings from member support	- 4	- 4	- 4	- 4	- 4	- 4	- 4	- 4	- 4	- 4	- 40
Combined Senior Management	88	88	88	88	88	88	88	88	88	88	792
<b>Common Estates Strategy (12 schemes completed)</b>											
Net capital receipts (net of building works)	108	108	108	108	216	108	108	108	108	216	1,296
Maintenance Works Avoided	113	113	113	113	226	113	113	113	113	226	1,356
Recurrent Revenue Savings	5	26	49	72	95	121	141	162	190	213	1,074
<b>Support Services (Optimising Processes &amp; Systems)</b>			93	93	93	93	93	93	93	93	744
<b>Frontline Efficiencies</b>				190	190	190	190	190	190	190	1,330
<b>Support Services (Purchasing Economies of Scale)</b>			221	221	221	221	221	221	221	221	1,768
<b>Total</b>	<b>35</b>	<b>56</b>	<b>668</b>	<b>881</b>	<b>1,125</b>	<b>930</b>	<b>950</b>	<b>971</b>	<b>999</b>	<b>1,155</b>	<b>7,770</b>
Discount factors based on 3.5% Treasury Rate		0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.7594	0.7337	
<b>Net present value of costs/benefits</b>	<b>35</b>	<b>54.11</b>	<b>623.58</b>	<b>794.57</b>	<b>980.33</b>	<b>783.06</b>	<b>772.83</b>	<b>763.21</b>	<b>758.64</b>	<b>847.42</b>	<b>6,413</b>
<b>To be split into:</b>											
Capital Costs/ Benefits	48	104	101	97	188	91	88	85	82	158	1,043
Non-recurring revenue costs/ benefits	113	109	105	102	197	95	92	89	86	166	1,154
Recurring revenue costs	- 126	- 159	417	595	595	597	593	590	591	523	4,216

## Governance/ Management Costs

This option leads to further savings in governance arrangements due to the need to have one Chief Officer with operational responsibility for both fire and police. We have also included some savings from operational efficiencies. We have analysed overlap in management posts across the two organisations in the areas of Road Traffic, Community safety, and Prevention and we can see opportunities for sharing coordinator roles across these areas. This could potentially lead to reducing the need for middle and senior management posts by 3-4 FTEs over a 10-year period. The savings will not be driven by redundancies as over time we expect staff to be redeployed across a number of joint fire/police operational areas, thus reducing recruitment requirement over time.

## Further savings from operational integration

Under Option 4, further operational integration, the distinction between police and fire personnel the two would become more fluid, laying the foundations for 'Purple' combined operations staff. The impact of this is not possible to cost at this stage but could be significant.

The majority of stakeholders we consulted expressed reservations in terms of the practical and cultural feasibility of an immediate transition to a Single Employer Model, which could make these savings difficult to realise in the short term.

## 2. Effectiveness

GUIDE TO SCORING

Definition	Score
Significant net benefit/ limited risk	4
Moderate net benefit/ marginal risk	3
Marginal net benefit/ moderate risk	2
Limited net benefit/ significant risk	1

	Option 1	Option 2	Option 3	Option 4
2.1 Governance, decision making and accountability	3	2	4	4
2.2 Operational benefits and synergies	2	2	3	4
2.3 Future proofing	3	3	4	3
<b>Average Score</b>	<b>2.7</b>	<b>2.3</b>	<b>3.7</b>	<b>3.7</b>
<b>Overall score</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>4</b>

### Summary

In our view, the main benefit to be derived from a change in police and FRS governance would be the opportunity to drive operational benefits to the community, beyond what is likely to be achieved under current collaboration arrangements. This would mean moving beyond basic collaboration, towards greater interoperability between selected services that deliver common objectives and exploring future opportunities for full service integration.

**Options 3 and 4 emerge as the joint best options for effectiveness.** These options both involve the new PFCC providing governance and oversight for both services.

The ability to drive further collaboration benefits at a faster pace would come from implementing a joint strategy, opportunities for pooling budgets and joint operational planning and leadership for specific areas of activity. The ability of the PFCC to set the agenda for collaboration through the Policing Crime and Fire Plan and the ability to hold both the Chief Fire Officer and the Chief Constable to account for delivering it, would be a key driver for optimising the benefits.

Option 4 offers the best opportunities for operational benefits, as the Police and the FRS would be delivering services as a single organisation. This could open up opportunities for full integration in some areas, such as community safety and Road Traffic Collisions. However, Option 3 offers the best balance of operational benefit potential while retaining the flexibility to adapt to future changes in government policy and national collaboration agendas.

Option 1 and 2 could also offer additional operational benefits beyond what has been achieved under current arrangements, but these are likely to be more incremental and delivered at a slower pace. This would require refreshed and strengthened arrangements to be developed and implemented – including a new collaboration plan and effective joint governance, to ensure progress was made. In both cases, the benefit of a less radical programme would be to protect the service and keep collaboration options open, in an uncertain strategic environment.

Option 2 is marginally less preferable as the new governance arrangements would require an investment of time and resource to deliver, but it is not clear that it would deliver sufficient additional benefit over Option 1 to justify the change.

## 2.1 Governance, decision making and accountability

The governance model has a direct influence on how effectively services are delivered as it will determine the extent to which sound strategic decisions can be made quickly, based on a complete view of the relevant facts. It also determines how well the organisation is held to account for the delivery of strategic objectives and public priorities.

Current relationships and the level of willingness to co-operate are generally good at all levels. The key consideration will therefore be whether a change in governance could increase the effectiveness of a governance process based on voluntary collaboration that has been shown to deliver results.

### Option 1 – Continuing Voluntary collaboration

Option 1 will be based around a refreshed and strengthened variant of the current governance model. This model has proved that it is able to facilitate significant collaboration, particularly in regard to the co-location of HQ, control room and elements of support services at Wymondham, in addition to the roll out of three joint police and fire stations around the county.

Current arrangements do place a number of limitations on the extent of police and fire collaboration, which were raised by stakeholders during interviews and the workshops. Under Option 1 these issues would need to be addressed as part of a general refresh and strengthening of arrangements, in order to provide a viable solution.

There is an opportunity to set up a refreshed governance structure to develop a new collaboration strategy. For illustration this could comprise:

- A joint oversight committee that could include the PCC, the Chair of the Communities Committee, the Chief Constable and the Chief Fire Officer – tasked with setting a collaboration strategy and overseeing delivery.

- A collaboration operational board or steering group, with a rotating or joint chair drawn from the senior management of the Constabulary and the FRS with operational responsibility for delivering the strategy.
- Various jointly resourced task groups to deliver specific projects.

The key areas that would need to be addressed by a refreshed and strengthened set of arrangements include the following:

- **A number of further potential collaboration business cases have been identified under current arrangements but were not pursued.** Attendees at the operational workshops supporting this review pointed to the work of the Police and Fire Collaboration Board which no longer meets. This was seen to be a positive forum for developing opportunities but has fallen into disuse, partly due to the lack of capacity to push the agenda and the lack of progress in pursuing opportunities.
- **Dilution of strategic priorities across a broad range of services.** There are significant differences in the way that resources are prioritised in the Policing and Crime Plan (PCP) and the Council's county plan format. The PCP has a necessarily narrow focus on community safety, whereas the Council must allocate resources to a greater range of priorities. This could be partly addressed by developing an overarching collaboration strategy. It would require significant work to develop a coherent strategy that reconciled the PCP, the FRS Integrated Risk Management Plan and County Plan objectives, and existing strategies such as the Joint Estates Strategy and the Community Safety Strategy.

## 2.1 Governance, decisions and accountability (continued...)

- **Collaboration is limited to areas of strategic overlap.** The Council can only sanction collaboration where the diversion of resources to the FRS will not be to the detriment of other priority services, such as economic growth. While there has been a lot of progress in regard to collaborating on shared accommodation, some stakeholders think that this process has been slowed down by the need for the Council to make sure that its interests are protected. The election cycle can also be a cause of delay. It could be possible to address these concerns through the joint strategy and new governance arrangements outlined above, however some elements of this would remain problematic.
- **Over emphasis on cost saving from the perspective of current service configuration.** Because of the Council's need to manage its resources across a broad range of priorities, the FRS's Integrated Risk Management Plan 2016-20 focused heavily on service budget constraints rather than starting with the development of the service to meet future demands and community outcomes, and then considering the required resource envelope. Under Option 1 the new IRMP will be the key strategic document for FRS development and will therefore need to be ambitious and focused on how the FRS will develop its service model over the medium to long term.

### Option 2 – PCC representation on the Communities Committee

This option is very similar to Option 1, but includes the opportunity for the PCC to be a member of the Fire and Rescue Authority, represented by the Council's Communities Committee. The **general theme** drawn from our interviews with both police, fire and council stakeholders, was that this could complicate governance and offer little discernible benefit.

The Police and Crime Commissioner would have voting rights for the Fire and Rescue Authority, as a member of the Communities Committee. However, this would be a single vote **against 13 other Council** members, and therefore the PCC's ability to shape strategy and influence decisions would be limited. Although there may be some benefit from being involved in the approval process for the FRS Integrated Risk Management Plan, thereby exercising some influence on its content, there would remain an inherent division of priorities between the Policing and Crime Plan and the Council's strategy, the primary difference being the prioritisation of financial and other resources. These benefits are counterbalanced by the risk that attempting to serve different strategic priorities within the same Committee could lead to frustration and a deterioration in relationships between the key partners. It is not clear that Option 2 would offer sufficient additional benefit over Option 1 to justify the change in arrangements.

### Option 3 – PCC takes over governance of the FRS

The PCC taking over the role of the Fire and Rescue Authority from the County offers the opportunity to streamline decision making and accountability in regard to collaboration in the following ways:

- The PFCC would have the opportunity to drive collaboration further and faster, acting as single point of governance for strategic and budgetary decisions aligned to a unified strategy set out in a new Policing, Crime and Fire Plan.
- Delays caused by multiple election cycles will also be reduced. In real terms, significant collaboration decisions can only be made if they align to the prevalent political agenda. Under current arrangements, major collaboration decisions can only take place in a relatively narrow window where the election cycles for the PCC and County councillors are suitably aligned.

## 2.1 Governance, decisions and accountability (continued...)

- Strategic objectives will be co-ordinated under a Policing, Crime and Fire Plan that could drive further collaboration, beyond what has been possible to date. The current Policing and Crime Plan demonstrates a level of synergy with FRS priorities in the IRMP, in areas such as community safety, prevention and victim support.
- The FRS will have greater influence in working with the PFCC to set strategic priorities in the PCF plan than it does operating within the Council's much wider and deeper strategic priorities. The FRS would reflect at least 16% of the PFCC budget compared to only 2% of the Council budget.
- The Chief Fire Officer can be given a greater level of delegated authority to make operational, financial and strategic decisions for the FRS than is possible under Options 1 or 2. This would lead to much greater equivalency between the Chief Fire Officer and the Chief Constable in terms of the executive power to make decisions, as it would remove the need for the former to report through additional tiers of management, within the Council structure.
- The PFCC will be able to allocate a single pooled budget for areas where police and fire and rescue work together to deliver common objectives – for example in regard to road safety, or community engagement. This will drive more effective joint planning and reduce the duplication of effort.
- The PFCC will be able to hold both Chief Officers to account to make sure that collaboration initiatives are adequately resourced and delivered to plan. Currently, lines of accountability are divided and driven by differing priorities.
- The benefits of existing voluntary arrangements are reliant on good personal relations between current senior leaders and could be vulnerable should this change in the future - for example, in response to financial pressures. These benefits can be secured for the long term under a single point of governance.
- The PFCC will hold direct sole public accountability to develop the FRS and for optimising the collaboration agenda.

### Option 4 – Single Employer for Police and Fire and Rescue

This option offers very similar governance benefits to Option 3, all of which would continue to apply. Additional benefits could be as follows:

- Operational decision making on collaboration for police and fire and rescue would no longer require agreement between the Chief Constable and the Chief Fire Officer, as the new Chief Officer would hold the executive decision making powers of both.
- Potential delays to decision making as a result of the local democratic process would be further mitigated as the Chief Officer is not a publically elected position and would exercise greater executive autonomy compared to the Chief Fire Officer under Option 3. The PFCC would continue to scrutinise decisions and hold the Chief Officer to account, but would be one step further removed from influencing operational decisions.
- This could open the way for more radical service re-organisation to take place, moving the organisation more rapidly from collaboration and interoperability towards genuine service integration – provided that it served the purpose of delivering Policing, Crime and Fire Plan priorities.

## 2.2 Operational benefits and synergies

In addition to the overall effectiveness of the governance structure, it is also important to consider the operational benefits that a change in governance could offer to both front line operations and to supporting services. The APACE Guidance suggests that operational benefits relating to operational response, prevention and protection can be assessed as part of a separate Public Safety case, however, there is potential duplication here, as these operational benefits and risks can also be assessed under effectiveness within the three EEEs. We have therefore assessed these elements in this section.

Our analysis suggests that there is scope to drive significant further benefit from police-FRS collaboration. However, this is not fully captured in terms of firm commitments under the 2020 Plan or the current IRMP. The Norfolk 2020 Plan does include collaboration with the FRS in some areas – e.g. in regard to estates and the innovative deployment of retained fire fighters - but is predominantly focused on transforming police-specific activity.

This reflects the difficulty of having to align two or more competing sets of strategic priorities and the challenge of moving on from the purely collaborative opportunities already realised, towards closer interoperability between police and FRS teams and the integration of services, where this is possible and would drive greater public benefit.

There is the additional challenge of being able to devote resources to collaboration in a situation where surplus management capacity has been reduced by budgetary reductions and demand pressures. Management on all sides must be confident that the benefits of further police-FRS collaboration are proportional to the work required to achieve them.

The decision to change the model of governance for police-FRS collaboration must also acknowledge the wider opportunities for collaboration that exist with other partners. This includes current initiatives undertaken by the National Fire Chiefs Council to look at a national procurement and workforce planning. There are other significant local opportunities, notably with other FRS services (e.g. Suffolk) and East of England Ambulance, but current plans to do so have not yet been developed, pending the new FRS Service Plan due in March 2018.

In assessing the potential for police-FRS operational benefits we make the assumption that opportunities to collaborate with other agencies could be pursued equally well under alternative governance structures. Effective collaboration with the Council is also not dependent on the current structure, and could be equally beneficial under Options 3 and 4.

## 2.2 Operational benefits and synergies

### Options 1 and 2

There are significant examples of successful police and fire collaboration in Norfolk on a voluntary basis, particularly around road safety and community engagement, as well as the shared control room, and other enabling services. The co-location programme has also been successful in delivering financial and operational benefits.

FRS stakeholders described the current collaboration arrangement as mature in the sense that many of the more significant and deliverable collaboration opportunities had been realised or were in progress, for example in regard to the ongoing co-location programme and the joint control centre. FRS stakeholders were also looking towards wider collaboration, and were unsure whether the natural strategic fit with police was sufficiently strong to warrant a change in governance, in comparison to other potential synergies, such as with other FRS organisations and the Council.

The view among police stakeholders was subtly different, in that they acknowledged and valued the police-FRS collaboration to date but felt that more could be achieved, acknowledging that a change in governance might be required in order to overcome some of the current barriers.

There was agreement from both police and FRS stakeholders that a lot has been accomplished already, but further benefits from voluntary collaboration beyond those already in progress will be increasingly hard to realise under Option 1. Current arrangements would need to be significantly strengthened, alongside high levels of commitment and drive provided by the leadership within each of the key partners.

Option 2 shares a very similar governance structure and therefore the same considerations also apply to this option.

We explore various opportunities for further collaboration on pages 71 and 72 of the following section. By refreshing and strengthening current voluntary collaboration arrangements under Options 1 or 2, it is likely that further progress could be made in these areas.

However the evidence from stakeholders suggests that due to the complexities of reconciling the interests of all key stakeholders, progress is likely to be slower and less likely to be optimised, as there would be limits to how far some of these initiatives could be developed towards interoperability and the integration of services. However, they would represent the lower risk options and have the benefit of being based on a proven model.

Taking into account the need to build a local consensus in order to deliver successful collaboration benefits, Options 1 and 2 remain a viable options in regard to driving a degree of additional benefit at minimal additional risk.

## 2.2 Operational benefits and synergies (continued...)

### Option 3

The benefits to governance, decision making and accountability outlined in section 2.1, could unlock further operational collaboration in a number of areas, beyond the level possible under the enhanced collaboration envisaged under Options 1 and 2. In this respect, Option 3 is potentially a better model if the objective is to optimise police-FRS collaboration benefits and provide a platform for further integration, in return for the acceptance of additional risk and uncertainty. The challenge will be to generate the level of commitment and energy from all stakeholders required to enable Option 3 to be successful.

The following areas suitable for the closer interoperability and integration of services have been identified as more likely to be optimised under Option 3. This assessment is based on our conversations with both police and FRS stakeholders and on our wider experience in the sector. All these areas would benefit from streamlined governance and decision making under the PFCC, joint strategy, pooled budgets and joint operational planning, facilitated by combined resourcing models, training, intelligence and procurement:

- Road Traffic Collisions (RTC) Combined Response
- Community safety and prevention of crime, accidents and fire
- Supporting victims and vulnerable people
- Major emergencies and planned events
- Specific elements of support activity (recruitment, training, resource planning, professional development)

The extent to which roles and responsibilities can be shared between police and FRS employees, is controlled to some extent by statute and by nationally agreed terms and conditions agreed by the Fire Brigades Union (FBU). Ongoing work by the National Joint Council of the FBU will be key in determining the extent to which firefighters can be asked to perform additional duties, beyond what has traditionally been agreed.

There will be opportunities to integrate support functions into the existing police shared service under Option 3, but there will be limited net additional benefit, at least in the short term. Under current arrangements, some support services used by Fire and Rescue, such as facilities and estates, fleet, finance processing, communications and IT networks, are part of the larger County Council operation and enjoy economies of scale similar to any that could be delivered through sharing services with police. There are, however, some aspects of support services that are separable or not fully integrated into the County Council – notably the separate HR system, and some elements of ICT support and management accounting. There may be some opportunity to gain operational benefits from merging these into the Police shared service in the medium to long term, particularly if new integrated systems are procured over time.

### Option 4

This option would provide all the benefits noted under Option 3 but over time, significant further efficiencies could come from reconfiguring police and fire and rescue services to match operational requirements rather than service identities. Again this will be heavily dependent on the extent to which the FBU's National Joint Committee is prepared to widen the role of firefighters. It is possible that many of these benefits could in theory be achieved under Option 3, or even under Options 1 and 2 in some cases. However, in our view it would be more difficult to achieve, without the additional operational discretion enabled under Option 4. These areas could include:

- Comprehensive information sharing facilitated under a single organisation
- Fully integrated services aligned to activity
- Develop a new type of flexible emergency responder
- Development of combined service leaders and command

## 2.2 Operational benefits and synergies (continued...)

The following collaboration opportunities in front line services could be progressed under Options 1 and 2, but are more likely to be optimised under Option 3:

- **Road traffic collision (RTC) response** – this is an area of increasing significance in Norfolk and current joint arrangements could benefit from the further development of joint operational planning, under a pooled budget allocated by the PFCC. Over the longer term, training, recruitment, leadership and development could be more closely co-ordinated. The purchasing of vehicles and equipment could be also delivered routinely on a combined-service basis to reduce the need for multiple vehicle responses. Senior leaders can be jointly held to account for driving integration by the PFCC. There are also opportunities to have joint investigation teams, enhancing the skills of fire investigators and the possibility of exploring a single-agency response.
- **Community safety and prevention** – the prevention of crime, death, injury or damage caused by fire, and road traffic accidents is key to both services in terms of managing future demand and the cost of services associated with it. However, both the FRS and Norfolk Constabulary have had to carefully consider the resources available to do this. Some good work has already been done in this area, for example, the contribution of Norfolk Constabulary towards road safety activity in the community has been instrumental in helping Norfolk Fire and Rescue to deliver its commitments in this area. However, under current arrangements both organisations fund separate teams. Under the PCC model, there would be an opportunity to merge the teams and deal with prevention holistically, potentially freeing up capacity and enabling more prevention activity to take place in the community. There are other opportunities within the protection agenda, including licensing and safety inspections.
- **Victims and vulnerable people** – supporting victims of crime is a key feature of the Policing and Crime Plan. Although the victims of fire and other emergencies are not a key focus of the FRS's IRMP, identifying and supporting vulnerable people is an important area of current activity and one where there is scope for synergy between police and fire priorities. While the County Council has a key role in this area, it is increasingly looking to other partners to take on some of this responsibility. Police and the FRS are both equipped to serve the public in this way, particularly in cases where they are the first on the scene of an emergency, and there is often value to the victims if this support is then carried through after the event. The Council's role can be supported by a more closely co-ordinated effort between police and the FRS, funded by the PFCC. There are also opportunities to widen this agenda into safeguarding and mental health with a joint response supporting the County Council agenda.
- **Major emergencies and planned events** – police and fire both have a responsibility to hold resources that can be deployed at short notice in an emergency situation, or to ensure that planned events are safely managed. Currently joint planning in these areas is already done for focus areas such as counter-terrorism response. However, there are other areas that could benefit from joint deployment. One example coming out of our interviews, was the ability of the Police to draw on FRS resources – including retained firefighters, in situations where a general 'uniformed professional presence' is needed – for example, the need to search an area for missing persons. Police and the FRS working together to provide a visible uniformed presence in the community could make communities feel safer - a key priority for the public that is hard to fund. Again, this is an area that could be easier to develop under combined strategy and planning, and under the scrutiny of the PFCC.
- **Other opportunities** – the list above is not exhaustive and further opportunities could include emergency/contingency planning to support the Norfolk Resilience Forum (NRF).

## 2.2 Operational benefits and synergies (continued...)

The following collaboration opportunities in support services could be progressed under Options 1 and 2, but are more likely to be optimised under Option 3:

- **Recruitment** – Norfolk Constabulary and FRS both face challenges with recruitment and managing the retirement of personnel. A combined approach to recruitment and workforce management could be developed as a shared service under a joint PCC-funded budget. This could include a joint focus on diversity and inclusivity in recruitment, a current challenge for both.
- **Flexible resourcing** – there is an opportunity to pool resources and experience through recruiting volunteer fire fighters and special constables who may be interested in a joint role, and this could be enhanced by developing links to FE institutions in the local area.
- **Multi-skilling and enhanced skilling** - police and FRS personnel learn enhanced and different skills to support the other organisation - for example, FRS personnel trained in fire prevention also trained in crime prevention.
- **Professional development** – could be developed as a shared service geared towards providing credible future leaders for joint services. The FRS could benefit from mirroring some of the development practices undertaken by police through the College of Policing and other means.

This list is not exhaustive, and other areas where collaboration could create a more effective response in addition to freeing up resource could include:

- Strategic planning;
- Community engagement/ Media and communications
- Business Intelligence
- HMICFRS preparedness and response;
- Performance management and analytical support;
- A joint transformation team.

The following collaboration opportunities in support services could be progressed under Options 1, 2 and 3, but are more likely to be realised under Option 4.

Option 3 could provide a useful platform from which a more integrated service could be developed in the future, subject to further developments in legislation and national terms and conditions for FRS.

- **Information sharing** – a single organisation would be able to have full access to information to align its response to areas such as vulnerable households. This would be possible to progress under Options 1, 2 and 3 but legal and ethical barriers would remain where information is shared between two or more operationally separate organisations.
- **Fully integrated services aligned to activity** – general resources and specialists can be aligned to specific emergency situations rather than following traditional service lines. Under this model, a department of the integrated organisation could focus on road traffic or other outcomes focused activity, with a blend of FRS and police specialists under unified command, rather than having to observe traditional ‘badged’ identities and reporting lines.
- **Develop a new type of flexible emergency responder** – a fully integrated service could explore opportunities to recruit a new type of ‘purple’ responder who could support the core cohort of warranted police officers and fire and rescue specialists – this could be a mixed model that included a retained element. It could potentially reduce the need for large numbers of ‘specialists’ to be retained in the establishment.
- **Development of combined service leaders and command** – combined service leaders could be developed over time, with no distinction between police and fire, removing the need for dual command structures.

## 2.3 Future proofing

It is important that any model of governance for the FRS builds has the drive, strategic flexibility and operational agility to enable the organisation to grow and develop to meet future needs and challenges, within a decreasing financial envelope.

### Options 1 and 2

Overall, under Options 1 and 2 the Council can provide sufficient flexibility and financial resource to develop the FRS the service and to consider alternative models at a future date, should the need arise. The current government arrangements are likely to require refreshing and strengthening in order to deliver this. The Council is able to provide a degree of certainty to the Fire and Rescue Service about its future. The Council has committed to protecting the service for the current electoral cycle and has avoided major cuts to the service in the current MTFS. The Communities Committee has demonstrated that it will listen closely to the public when considering changes to the FRS.

Norfolk FRS will soon be facing review by HMICFRS under new inspection arrangements. While not directly familiar with the style of inspection delivered by HMIC in the recent past, the Council does have experience of similarly robust inspection regimes including Ofsted and CQC. We did not see specific evidence of deficiencies in the current FRS service that indicate there would be an adverse outcome from inspection. However, all FRS organisations face a degree of risk that adverse findings could emerge.

Options 1 and 2 therefore offer a relatively reliable and secure platform to protect the FRS, at least in the medium term. These options would avoid the risk of attempting the significant change presented by Option 3, and certainly Option 4, in an environment where there is uncertainty around future government policy, Brexit, FRS funding and the wider collaboration and devolution agendas. Therefore Options 1 and 2 could mean the FRS being protected while new collaboration opportunities emerge and develop, e.g. from the national fire and devolution agendas.

### Options 3 and 4

The PCC and Norfolk Constabulary face similar financial challenges to the Council, in terms of a reducing budget over the next few years in real terms. However, due to the much narrower strategic range of services and responsibilities of the PFCC, the planning debate will have to be less focused on re-allocating resources on the basis of priority, and more focused on developing new ways of working within the available financial envelope. As a result of this, Norfolk Constabulary is used to developing at relatively fast pace. Feedback from stakeholders who have worked with the FRS on collaboration projects has indicated that the pace of change tends to be much slower. This is linked to the assertion from FRS stakeholders that they lack the capacity to invest time away from business-as-usual delivery of the service. The Constabulary is also well used to managing and responding to HMICFRS inspections, and a more integrated approach with the Police could be of benefit in this regard.

Option 3 offers a more effective platform for developing services for the future than Options 1 and 2, if it is accepted that greater police and FRS service interoperability and integration, delivered at a fast pace, is likely to be the most effective means of addressing future challenges. Option 3 provides a good balance between the opportunity to drive collaboration forward, while also retaining a good level of flexibility to incorporate future developments in the wider public sector. An additional advantage of Option 3 is that, as with Options 1 and 2, it should not inhibit future collaboration models, including a subsequent move to Option 4. While there would be additional transitional costs in this ‘two-step’ approach, it has the advantage of providing the opportunity for the FRS to decide whether or not it can support further integration in the longer term, before a commitment is made.

Option 4 could drive service integration further offering additional potential benefits, but could make it significantly more difficult to accommodate alternative models and future national policy decisions, such as the greater centralisation of FRS services nationally.

### 3. Public Safety

GUIDE TO SCORING

Definition	Score
Significant net benefit/ limited risk	4
Moderate net benefit/ marginal risk	3
Marginal net benefit/ moderate risk	2
Limited net benefit/ significant risk	1

	Option 1	Option 2	Option 3	Option 4
3.1 Public safety override*	N/a	N/a	N/a	N/a
3.2 Impact on the operational response and public safety – short term	4	4	4	2
3.2 Impact on the operational response and public safety – longer term	4	4	4	3
<b>Average score</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>2.5</b>
<b>Overall score</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>

\* The public safety override is not applicable – please see explanation on the following slide

#### Summary

This section looks at the likelihood that public safety will be maintained during transition to the new model.

Changing the governance structure may carry some additional risk to service continuity in the short to medium term, that would have to be mitigated. However, this needs to be balanced against the longer term risk to the service if the FRS fails to develop and drive further efficiencies through transforming its services, which may be more challenging under current arrangements. We concluded that there were no immediate public safety concerns that could justify a change of governance in their own right, based on the information available for this review.

Options 1, 2 and 3 emerge as the joint best options for public safety with an equal score. None of these options would impact significantly on the ability to deliver an effective operational response to emergencies in the short, medium or long term. Option 3 could adversely affect the operational response in the short term, if implementation was attempted without a local consensus for change.

Option 4 is more unpredictable and is unlikely to carry local consensus. Therefore, there is a higher risk of service disruption in both the short and longer terms. However, if adequately managed this need not present a significant risk to public safety.

## 3.1 Public safety override

The APACE guidance for police-fire business cases outlines the Home Office requirement that a business case based on Economy, Efficiency and Effectiveness does not need to be made if there is an overriding public safety consideration that requires a governance change in its own right. This would usually only be expected to be in the case of a failing authority.

**Having developed an understanding of current arrangements we conclude that we have found no evidence of any public safety concerns sufficient to justify the transition of governance of the Fire and Rescue Service to the PCC on these grounds.**

It is possible, although not probable from the available evidence, that a future HMICFRS inspection could identify concerns sufficient to trigger the override. However, in our view, should the HMICFRS publish adverse findings, it is more likely that the outcome will be limited to querying whether a change in governance model should be considered in order to address the issues raised.

## 3.2 Impact on the operational response – short term

The Policing and Crime Act 2017 requires that in order for a transfer of governance to be made under the 3Es test, there should be no negative impact on public safety. As a minimum, the business case will need to demonstrate that there is no adverse impact on public safety.

As noted on page 68, the APACE Guidance suggests that operational benefits relating to the operational response, prevention and protection can be assessed as part of a separate public safety case, however, there is potential duplication here, as these operational benefits and risks can also be assessed under effectiveness within the three EEs. We have therefore assessed these elements under 2.2 in the previous section.

This section focuses on the risk that any of the options could have an adverse impact on the operational response of police and fire and rescue services during the transition to a new governance model.

### Options 1 and 2

Options 1 and 2 will not involve significant changes to current arrangements and therefore present no additional risk to public safety in the short to medium term.

### Option 3

Under this option, the PCC would take the role of Police, Fire and Crime Commissioner (PFCC) and the statutory role of the Fire and Rescue Authority would pass from the County Council to the person of the PFCC. The Council will continue to benefit from a close relationship with the FRS and Norfolk Constabulary through voluntary collaboration. Local politicians will continue to exercise governance through the new Police, Crime and Fire Panel.

This option would involve significant change to the current configuration of the PCC and his office, and the FRS - both in terms of governance and in regard to its disaggregation from the County Council. However, the operational activity of the FRS would remain relatively unaffected during transition - the FRS operational budget and team will remain in their current configuration on transfer, and there will be no major staff relocation.

There could be additional risk associated with a decision to proceed with a transfer of governance in the face of opposition from the Council or the FRS. These circumstances would make it difficult to deliver the transfer smoothly and within a reasonable timeframe. The risk of union action could further exacerbate the logistical difficulties and lead directly to the disruption of fire and rescue service provision, with a potential knock on effect on demand for police activity.

### Option 4

Under this option, the complexity of the logistical transfer is much greater, and will take longer to implement. The risk of opposition from the FRS and the County Council is therefore increased. Option 4 therefore presents a proportionally higher risk to public safety in the short to medium term that could be difficult to mitigate effectively.

## 3.3 Impact on the operational response – longer term

This section focuses on the risk that any of the options could have an adverse impact on the operational response of the police and fire and rescue services over the medium to long term.

### Options 1 and 2

Voluntary collaboration under Option 1 has a proven track record over many years in terms of successfully managing the financial and service demand pressures of the FRS. The inherent risk to longer term service delivery is therefore relatively low.

There is a possibility that over time, financial pressures and a failure to transform services, could result in increased risk to public safety, particularly if the Council is forced to impose further budget reductions that will cut current provision, in order to fund other key priorities. Our stakeholder interviews highlighted this as a concern, despite the Councils track record to date of protecting the service budget. However, this risk is likely to be mitigated to the extent that it could impact on public safety, therefore Option 1 is also a good model to protect public safety in the longer term.

Under Option 2, the additional complexity of introducing the PCC into the Council-led governance structure for the FRS could increase the risk of disagreement over the transformation of the service but this is unlikely to be make material difference over Option 1.

### Option 3

Option 3 is also a good model protect public safety in the longer term because it offers the opportunity to ensure that in future, FRS services continue to be delivered in a way that meets public needs.

We have examined the potential benefits to governance and decision making, including strengthening the FRS's ability to transform under the Effectiveness critical success factor earlier in this report. We also noted the future pressures acting on the FRS to drive the transformation of the service to meet future needs and to manage within the available funding envelope. Under this option the Council will continue to benefit from a close relationship with the FRS and Norfolk Constabulary through voluntary collaboration. Local politicians will continue to exercise governance through the new Police, Crime and Fire Panel.

### Option 4

Option 4 offers similar benefits to Option 3 in terms of protecting public safety in the longer term by providing a stronger platform for developing the service. However, there is a proportionally higher risk to public safety in the short to medium term that could impact on the longer term if not resolved. This creates additional uncertainty about the long term viability of the option, which increases the level of risk to public safety.

GUIDE TO SCORING

Definition	Score
Significant net benefit/ limited risk	4
Moderate net benefit/ marginal risk	3
Marginal net benefit/ moderate risk	2
Limited net benefit/ significant risk	1

## 4. Deliverability (Ease of delivery)

	Option 1	Option 2	Option 3	Option 4
4.1 Local consensus	4	3	2	1
4.2 Timescale for delivery	4	4	3	1
4.3 Human resource implications	4	4	3	1
4.4 Commercial and contractual implications	4	4	3	2
4.5 Management implications	4	4	3	2
4.6 Project management & governance	4	4	3	1
<b>Average Score</b>	<b>4.0</b>	<b>3.8</b>	<b>2.8</b>	<b>1.3</b>
<b>Overall score</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>1</b>

### Summary

It is important that any option for change can be implemented within a reasonable timeframe and that the practical requirements are understood and can be managed. A change in governance structure will carry risk in this regard, but this should not pose a barrier to change as long as the risks can be managed through effective planning and robust implementation.

**Option 1 emerges as the option with the least risk to delivery** as it reflects a refresh and strengthening of the current approach. Option 2, was marginally less favoured by stakeholders than Option 1.

Option 3 carries slightly higher risks to successful implementation across sub criteria due to the significant level of change that would need to be delivered. In most cases these risks should be able to be mitigated through robust planning and the deployment of adequate resources. There is an additional risk arising from stakeholder feedback from the FRS and County Council management, which could impact on being able to achieve local consensus. We have not made any assumptions in our evaluation about the views of the elected members of the Council, the PCC or the public, on the basis that this report will be an aid to a local political dialogue on the decision to proceed to full business case or not, and we do not wish to pre-judge the results of this discussion. We recognise that if a local political consensus cannot be obtained between the PCC and elected members of the County Council before referral to public consultation - the deliverability score for Option 3 will be significantly impaired.

Option 4 is significantly more complex and may not be deliverable in the short term. Over time it may become viable, particularly if Option 3 is delivered and proves to be successful, providing a foundation around which stakeholder consensus for further integration under Option 4 could be built.

## 4.1 Local consensus – ability to align stakeholders

The support of local stakeholders will have significant implications for the smooth delivery of a change in governance.

### Option 1

Fire is perceived by the public to deliver an effective service as part of the County Council and is therefore highly valued by Council members who may be reluctant to risk changing current arrangements. Norfolk Constabulary has a similarly good reputation for performance and innovation.

Our initial assessment of local support for a change in governance indicates that the County Council and the FRS favour Option 1. Norfolk Constabulary have concerns that voluntary arrangements under Options 1 and 2, would not be sufficient to optimise the potential benefits within the timescales they are looking for.

### Option 2

None of the stakeholders we interviewed expressed a strong preference in favour of Option 2. The prevailing view was that this would need some work to accommodate from the point of view of the Council, in terms of adjusting the Council Constitution and ensuring a political balance in the cross party Communities Committee. There was also concern that the PCC would not have sufficient additional influence to be able to make a material difference to the governance and decision making process.

### Option 3

During our stakeholder consultation meetings the majority of senior leaders within Norfolk FRS, and the senior management of Norfolk County Council, expressed significant concerns about the value of changing governance to Option 3.

While they agree that there is further scope to drive benefits from police-FRS collaboration, they are strongly in favour of Option 1 as the most appropriate vehicle to drive this, pointing to the proven track record of collaboration benefits achieved to date. They also point to the level of financial stability and protection to the service that the Council has afforded to date, and could continue to offer in future. For them, the benefits of transferring powers to the PCC are unproven, and reflect a level of financial and operational risk that they would find it hard to support.

However, the senior management of Norfolk Constabulary view Option 3 as a chance to drive collaboration forward at a good pace. They also see it as a good vehicle to move further towards inter-operability and the integration of selected services and support functions, where there could be benefit the community. They also are supportive of Option 3 as a potential platform to move to Option 4 in the future, should this model gain traction in the intervening years as a viable solution for Norfolk.

### Option 4

Option 4 is seen as a good model to consider by Norfolk Constabulary, as it offers the greatest potential operational and financial gains. However, they recognise that it will be significantly more difficult to deliver in the short to medium term due to a number of challenges to gaining stakeholder consensus.

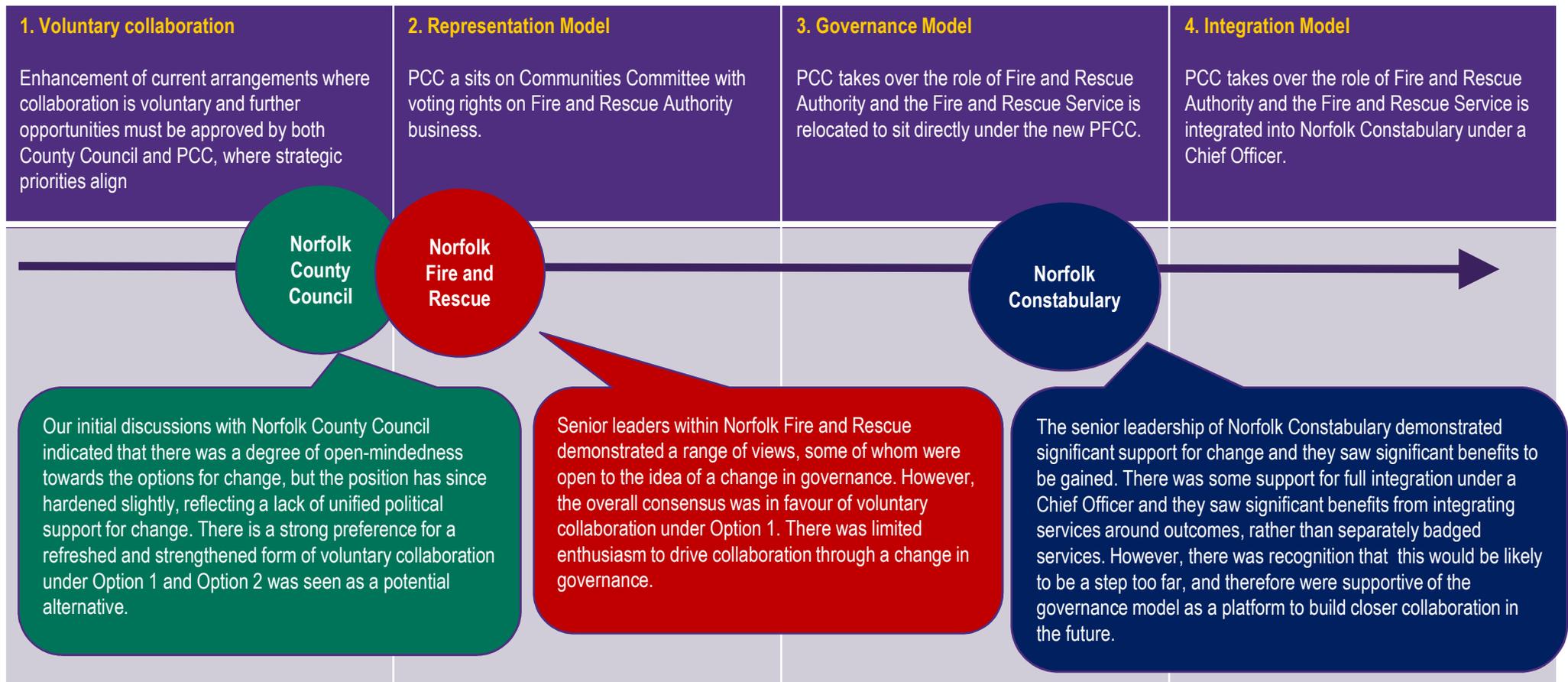
The Fire and Rescue Service and the FBU are highly likely to oppose Option 4, and are likely to be supported by the County Council. The public are likely to support the FRS in their stance.

### Public consultation – Options 3 and 4

We have set out the key issues to consider and an outline consultation plan in Appendix C of this report.

## 4.1 Local consensus – initial view of stakeholder alignment

Our workshops and discussions with the key stakeholders have given us an initial insight into the current state of stakeholder alignment. This initial assessment indicates that there is significant work to be done if a local consensus to support change is to be achieved, specifically affecting the deliverability of Options 3 and 4.



## 4.2 Timescale for delivery

A change in governance must be deliverable within a reasonable timeframe to ensure that benefits are achieved within the current planning horizon and within the current political cycle (local and national).

### Option 1

Option 1 will not have an extended timetable for delivery as it reflects the continuation of current arrangements. Enhanced arrangements could be relatively quick to implement.

### Option 2

Option 2 can also be implemented in a relatively short timeframe and could be tied into the Council's annual appointments cycle. Alterations to the Council's Constitution to facilitate the change will require a Council decision and approval. A target implementation date would be April 2018.

### Options 3 and 4

Option 3 or 4 would need to be implemented on either of the following timetables:

- From October 2018, to ensure that a new fire precept could be set by the PFCC for April 2019. This would increase the complexity of the local financial settlement.
- From April 2019, which would simplify the complexity of the financial transfer, but would make it difficult for the PCC to implement an increase in the fire precept for 2019/20.

The October start would require public consultation to take place early in 2018 to enable the financial business case to be presented to the Home Office for approval before the parliamentary recess in August 2018. This timetable is challenging and rests on minimal challenge to the business case.

If the process is adequately planned and managed, Option 3 should be able to move to implementation by October 2019, provided that significant barriers did not arise for either Option 3 or 4 in the event that local consensus was not secured, or issues arose from the consultation process or legal due diligence.

The extent of local consensus will be a key factor as if not in place, there would be significant implications for the delivery timetable. It is unlikely that the Home Office would be able to deliver an independent review within the desired timeframe

Option 4 would require a significantly more complex business case that would be more likely to be challenged by the Home Office and would almost certainly require independent review in the absence of local consensus. It is likely that Norfolk would be the first to implement this Option, so there is a lot of uncertainty around whether the current legislative framework is sufficient to enable practical implementation. It is possible that additional supporting legislation might be required (e.g. in regard to the statutory role of the Chief Constable). It is unlikely that this could be implemented by October 2019, and it would be challenging to implement by 2019/20, even if other risks of the transfer were successfully mitigated.

## 4.3 Human resource implications

A change in governance may have significant human resource implications. This can include cultural change, legal considerations around TUPE transfer and the logistics of moving people into a new organisation.

### Options 1 and 2

These options will not involve the transfer of staff or affect the current configuration of the FRS, and therefore there will be no human resource implications. This would enable the Police and fire senior management teams to focus on current priorities.

### Option 3

Option 3 will need to be carefully managed, but successful implementation is likely if supported by adequate planning and sufficient management resources.

The staff establishment that would require transfer is approximately:

- 271 fire and rescue professionals - 'Grey Book' staff who would remain on their existing terms and conditions.
- 516 retained fire fighters – also 'Grey Book' staff who would remain on their existing terms and conditions.
- 100 local government employees - 'Green Book' staff who would transition from Local Government to Police and Crime Commissioner terms and conditions under a TUPE rules).

The FRS is not closely integrated with other Council services in terms of support services or having direct responsibility for other Council services. This will reduce the relative complexity of a transfer to the PFCC.

The transfer should not require a significant logistical exercise as FRS senior management and many FRS support staff are already co-located with police at Wymondham, with relatively few support staff relocating from Council accommodation. Changing the governance of the FRS will carry a degree of additional risk:

- The transfer of staff through TUPE arrangements will need to be carefully managed and communicated to avoid claims of constructive dismissal or other costly legal challenges. TUPE terms and conditions will transfer for the duration of the employment but alternative terms of equal benefit can be agreed as part of the staff consultation process.
- The implementation phase will need to factor in sufficient time for trade union consultation. If it will be known that redundancies will take place, this needs to be consulted on prior to implementation. The PFCC will need to carefully consider whether it is likely that redundancies could take place as a direct result of the change in governance, and will need to be able to demonstrate that this is a result of subsequent decisions if this has not been consulted on. It will be vital to get detailed legal advice on the implications of integrating the teams under TUPE.
- There are cultural and operational differences between police and fire and rescue that would need to be managed, although this would be partly mitigated by the preservation of FRS as a separate organisation.

## 4.3 Human resource implications (continued...)

- The FRS would need comfort that the PFCC was not biased towards police by inclination or by habit, because of the fact that Norfolk Constabulary would remain considerably larger than the FRS in terms of budget. The FRS leadership would be concerned that they would have to incur savings to facilitate additional spending on police activity.
  - The change could also affect the distinct identity of the FRS, that reflects the different relationship and role they have with the community to that of police, with potential implications for their ability to liaise with the community on traditional (neutral) terms.
- Option 4**
- Full integration would see the FRS merge with Norfolk Constabulary, under the command of a Chief Officer. Initially Fire would probably sit as a separate team within the Police structure under a Senior Fire Officer at deputy chief constable grade.
- Option 4 would carry the same risks as Option 3 but there would be a number of additional challenges, including:
- The impact on the FRS as an independent service and loss of its unique identity would be a major source of discontent on the part of the FRS who carry a significant amount of pride in their service and their reputation in the community, which is distinctly different to that of the police.
  - There is significant inter force rivalry, which could lead to cultural clashes between fire and police.
  - The credibility of police leaders as leaders of fire is a significant issue from a FRS perspective. It would not be possible to develop combined service leaders in the short to medium term, and therefore the Chief Officer of the new organisation will almost certainly be drawn from the police.
  - It will be difficult to integrate the distinctly different employment terms and conditions of the Police and the FRS. It is likely that in the short to medium term, both cohorts will remain on different terms and conditions, which could create administrative difficulties and potential conflict. However, it should be feasible to run an organisation with staff on different terms and conditions where this is related to distinct job roles, and to harmonise over time where the distinction is not fundamental.
  - There will be a need to manage potential concerns of the public, local politicians and employee organisations including unions, who are likely to oppose the loss of the distinct operational identity of the FRS.

## 4.4 Commercial and contractual implications

A future business case will need to consider the potential difficulties involved in the transfer and novation of commercial contracts and other obligations, particularly where shared services and third parties may be affected.

Our preliminary review highlighted 938 suppliers on the financial system related to the FRS activity. 78% of the FRS expenditure in 2016/17 was with 50 main suppliers, the top 10 of these accounting for 44%. Further work will be required to identify the full list. Analysis of non-pay spend indicated that 78% of expenditure in 2016/17 was related to construction and facilities management, fleet, and ICT. The 10 largest contracts were with the following suppliers:

- Lusher Contracts Ltd
- ALLSTAR BUSINESS SOLUTIONS LTD
- BT (British Telecoms)
- CAPITA PLC
- EMERGENCY ONE
- Southern Electric
- Bristol uniforms
- HENDERSON TRUST
- SIMULATION FTS LTD
- Weber Rescue UK Ltd

### Options 1 and 2

Options 1 and 2 will not involve the transfer of commercial obligations and are therefore of equally low risk and complexity in this sub-criteria.

### Options 3 and 4

Options 3 and 4 will involve the transfer of a significant number of commercial contracts – in both cases the risks are similar. There are a number of potentially complex transactions that will need to be understood as part of a full business case and subject to legal due diligence as to their correct treatment:

- Existing FRS commercial contracts that require transfer, novation or cancellation to the new organisation.
- Existing County Council commercial contracts in areas such as fleet and ICT, which the FRS currently benefits from, where the terms may have to be split between two organisations, sub-let by the PCC or Constabulary or cancelled and renegotiated, potentially damaging the commercial advantage enjoyed by the Council.
- The impact on collaboration arrangements, specifically the current shared service between Norfolk and Suffolk PCCs and police forces. This will be affected by the incorporation of Norfolk FRS as a third party (Option 3), or as an increase in headcount on the part of Norfolk Constabulary (Option 4).

## 4.5-6 Management implications and project management

A change in governance will place additional burdens on the management of each organisation involved, both in regard to managing the transition and potentially in order to deliver business as usual under the new structure.

### Options 1 and 2

Options 1 and 2 will not have significant management implications, although resource will need to be set aside to facilitate a refreshed and strengthened collaboration process.

### Options 3 and 4

Options 3 and 4 will require a considerable investment of management time from all parties involved and, in particular, from the FRS and Norfolk Constabulary.

Feedback from FRS stakeholders indicates that there is not sufficient management capacity in place to support significant change. Additional support would therefore have to be sourced in order to develop a full business case and oversee implementation.

Norfolk Constabulary are relatively well configured and organised to implement change as they are in the process of transformation under the Norfolk 2020 plan and the forthcoming 7 Force collaboration.

This does present the risk that adding FRS integration would need to be carefully managed to avoid change fatigue and the incompatibility between change initiatives. This would be a risk under Option 3, but this would be relatively light as it would focus primarily on integrating support functions, and could be developed alongside existing commitments to develop plans for the 7 Force project.

Under Option 4 the level of integration would be much more acute due to the additional complexity, and would therefore involve greater risk.

The financial analysis under Options 3 and 4 on page 59 includes an estimated cost of additional support to management that would be required to support the relevant change.

# Appendices



# Appendix A – key stakeholders interviewed

Police and Crime Commissioner for Norfolk	Norfolk Constabulary	Norfolk Fire and Rescue Service	Norfolk County Council
Lorne Green – Police and Crime Commissioner	Simon Bailey – Chief Constable	David Ashworth - Chief Fire Officer	Cliff Jordan - Leader
Mark Stokes – Chief Executive	Nick Dean – Dept. Chief Constable	Les Britzman – Brigade Manager	Dr Wendy Thompson – Managing Director
Sharon Lister – Director Performance and Scrutiny	Paul Sanford – Asst. Chief Constable	James Belcher – Area Manager Planning	Tom McCabe – Director of Community and Environmental Services
Martin Barsby – Director of Communication and Engagement	John Hummersone – Chief Finance Officer	Gary Collins – Area Manager Community Safety	Harvey Bullen – Head of Budgeting and Finance Management
Gavin Thompson – Director Policy and Commissioning	Jo Doyle – Supt. 2020 Lead	Greg Preston – Area Manager Logistics	Margaret Dewsbury - Chair Of Communities Committee
Police and Crime Panel for Norfolk	Duncan Porter – Estates Manager	Lynn Major – HR Business Partner	
William Richmond – Chair. Police and Crime Panel	Vicky Curtis – Corporate Change	Steve Aspin – Finance Business Partner	
Christopher Kemp – Deputy Chair. Police and Crime Panel	Vicki Cowey – Human Resources and Payroll	Anthony Fearn – ICT Technical Manager	
	Marcel Pfang – Estates		
	Peter Jasper (Head) – Finance		
	Pauline McInstosh – HR		
	Len Matthews – Procurement		
	James Park – ICT		

# Appendix B - critical success factors and sub-criteria

Criteria	Weighting	Option 1	Option 2	Option 3	Option 4
<b>1 Economy and Efficiency</b>	<b>25%</b>				
1.1 Revenue costs and benefits - NPV of recurrent benefits					
1.2 Capital costs and benefits					
1.3 Cost of transition and affordability					
<b>2 Effectiveness</b>	<b>25%</b>				
2.1 Governance, decision making and accountability					
2.2 Operational benefits and synergies					
2.3 Future proofing					
<b>3 Public Safety</b>	<b>25%</b>				
3.1 Public safety override					
3.2 Impact on operational response and public safety – short term					
3.3 Impact on the operational response and public safety – longer term					
<b>4 Project Delivery</b>	<b>25%</b>				
4.1 Local consensus					
4.2 Timescales for delivery					
4.3 Human resource implications					
4.4 Commercial and contractual implications					
4.5 Management implications					
4.6 Project management and governance					
<b>Total Score</b>					

## Guide to scoring

Definition	Score
Significant net benefit or limited risk	4
Moderate net benefit or marginal risk	3
Marginal net benefit or moderate risk	2
Limited net benefit or significant risk	1

# Appendix C – outline consultation plan

The APACE guidance sets out guidelines for consultation on the final business case. Prior to submitting a business case to the Secretary of State, a PCC is required to meet a number of consultation duties set out in the Act. These are:

- Consulting each relevant local authority about the business case.
- Consulting people in their local police force area about the business case.
- Consulting those who the PCC considers represent the views of employees who may be affected by the PCC's proposal, including fire and rescue personnel and police staff.
- Consulting those who the PCC considers represent the views of members of the Police force who may be affected by the PCC's proposal.
- Publishing a summary of the PCC's response to the representations and views expressed in response to the consultation.

In January 2016, the Cabinet Office published a revised set of government consultation principles. Whilst intended to give clear guidance to government departments conducting consultations, they stated that PCCs may find it useful to apply these principles whilst conducting their own consultation on their business case.

The APACE guidance also suggests consideration of the following issues:

- **Consulting on options** - As part of the final business case, the Secretary of State would expect to see evidence that the PCC has considered alternative options. With this in mind a PCC may wish to consider, whether in the interests of fairness, it is appropriate to consult on a single option.

- **Providing consultation materials** - PCCs are encouraged to consider publishing copies of their draft business case, in full on their website along with a summary, consultation questions and clear guidance about how to provide written responses.
- **Communicating consultation proposals / conducting the consultation** - PCCs may wish to consider publishing a press release which launches the consultation, followed by sending letters and emails to specific stakeholders notifying them that the consultation has begun. This could be followed by regular updates to stakeholders notifying them of progress and the deadline for responses. Further, a PCC may choose to host bespoke consultation events and are encouraged to schedule one or more public meetings.
- **Publishing a consultation response** - Transparency in relation to the publication of a consultation response is important. A PCC is encouraged to ensure that there are adequate arrangements for timely publication. It is suggested that the PCC publish a report which provides an overview of the response and any changes to the proposal.
- **Minimum consultation duration** - Whilst the Act does not prescribe a minimum consultation length, a PCC should ensure that their consultation lasts for a proportionate amount of time. This will depend on a number of local factors, for example the complexity of the PCC's proposal and the number of stakeholders a PCC wishes to target.
- **Consultation timing** - PCCs may also wish to consider ensuring that the timing of the consultation affords sufficient opportunity for stakeholders to consider and respond to the draft proposal (e.g. taking into account the local election cycle).

# Appendix C – outline consultation plan (continued...)

Further development of the consultation strategy will be required as part of the development of the full business case, however the following outline consultation plan illustrates how this could be implemented in Norfolk:

## Key Stakeholder Engagement and Consultation

### Stakeholder groups

- Norfolk County Council
- Norfolk Fire and Rescue
- Norfolk Constabulary
- Unions

### Process

- Establish key influencers in each group and assign dedicated relationship managers.
- Relationship managers to form working group to share information and develop aligned strategy and central calendar of communications activity to align with general public consultation calendar and any other stakeholder consultations to avoid fatigue.

- Outline clear timetable, aims and feedback mechanism for consultation.
- For TUPE and staff consultation the process will need to follow existing guidelines for each individual organisation.
- Clearly present options to key stakeholders in person presentation and email follow up or, where preferred, email presentation with assigned relationship manager available for questions.

### Suggested feedback mechanism

A written response to consultation submitted by email

### Suggested timescales

8-12 weeks to form groups, outline strategy and inform key stakeholders of consultation timeframe.

6-8 weeks for the consultation timeframe.

Note that timescales for internal staff consultation may differ depending on individual guidelines and will need to be taken in to account.

# Appendix C – outline consultation plan (continued...)

## Public Consultation

### Audience groups

- All general voting public.

### Process

- Establish working group for consultation comprised of representatives of key stakeholder groups.
- Confirm the objective for public consultation – data gathered to understand the option/s preferred by the public.
- Working group to develop agreed strategy and put together a project calendar – in line with key stakeholder timings and taking into account other relevant public consultations to avoid fatigue.
- Set up consultation website page communicating in plain English.

### Consultation web-page content

- Overview of consultation purpose and aims.
- Outline of how consultation feedback will be used i.e. what the impact will be on the decision.
- Outline of options available.
- Timescales and deadlines.
- Voting method and guidance.
- Generic e-mail address for queries.

### Voting mechanism to select preferred option

A simple mechanism for obtaining data on public preference would be to use a web-based voting function. This would provide a simple means of understanding and plotting public preferences. There are two voting options that that might be suitable for this consultation:

- The member of the public is asked to select a preferred option from those set out in the business case and summarised on the web-page (Options 1 to 4 or none).
- The member of the public is asked to rank options based response for Options 1-4 from most preferred to least preferred.

### Queries from the public

Communication from the public should be offered generic email address, freepost address and phone number for additional questions and feedback - to be managed by the working group. A log should be kept of all interaction via these methods.

Traffic should be driven to the website from:

- Advertisement / signposting from key stakeholder websites and social media
- Advertisement / earned press coverage in local media – print and online

### Suggested timescales:

- 8-12 weeks preparation time.
- 8-12 weeks consultation period.

# Appendix C – outline consultation plan (continued...)

## Other considerations

- It is best practice to ensure that ‘hard to reach’ groups are able to access public consultation – an example could include audio files for those with sight impairment, easy read functionality or even translated information. For example, Norfolk County Council’s website has an ‘accessibility’ tab on it that facilitates this.



- Though the consultation will primarily be hosted on digital platforms it would also be advisable in advertisement (both on and offline) to offer freepost and phone contact details for the consultation teams.
- It would be advisable as part of the public consultation to encourage councillors to play an active part so as to help the local community articulate its views - it would also be helpful to get their views as to the most appropriate methods of communication for their wards and the authority as a whole.
- The Crystal Mark scheme for Plain English is a standard used to ensure that communication is clear and easy to understand. The scheme will proof read all material and feedback ensuring that it meets the standard.



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