



**To:** Business Coordination Board

**From:** Chief Executive

**Date:** 10 May 2018

## **UPDATE ON FIRE AND RESCUE GOVERNANCE**

### **1. Purpose**

1.1 The purpose of this report is to update the Business Coordination Board (the “Board”) following the recent approval from the Home Secretary for the Police and Crime Commissioner (“the Commissioner”) to take on responsibility for governance of Cambridgeshire Fire and Rescue Service.

### **2. Recommendation**

2.1 For the Board to note the update.

### **3. Background**

3.1 The Policing and Crime Act 2017 (the “Act”) places a duty on police, fire and rescue and ambulance services to explore opportunities for collaboration, and enables Police and Crime Commissioners to take on responsibility for the governance of fire and rescue services in their area where a case is made to do so.

3.2 Commissioners are enabled to seek responsibility for their local Fire and Rescue Authority where a local case is made to the Home Secretary. This is subject to tests to ensure that changes will deliver improvements in one of more of a) economy, b) efficiency and effectiveness or c) public safety. In line with the legislation, Commissioners are also required to work with their Fire Authority to prepare their local business case.

3.3 Independent consultants, who were commissioned jointly by Cambridgeshire and Peterborough Fire Authority and the Commissioner assessed the governance options and prepared a local business case. The local business case recommended that the governance option offered the greatest benefit.

3.4 The provisions of the Act place a requirement on the Commissioner to consult if they wish to take on the governance of Fire. Pre-consultation engagement took place between 12th June and 2nd July 2017 where stakeholders and the public were advised that the formal consultation was to be launched. The public consultation then ran for nine weeks from Monday 3rd July 2017 to Monday 4th September 2017.

3.5 The local business case set out the Commissioner's plans to build on what is already proposed by the Fire Authority whilst then setting out that a change in governance is the best option to:

- make better use of capital assets and reduce the overall cost of governance to drive economy and efficiency;
- accelerate the effectiveness of police and fire collaboration to drive the improved effectiveness of the Fire and Rescue Service and public safety; and
- enable Cambridgeshire Fire Service and Cambridgeshire Constabulary to work more effectively with wider public service partners to prevent crime, prevent fires and promote public safety through public sector reform.

This will drive economy, efficiency and effectiveness by:

- better use of estates;
- reduced cost of governance;
- improved transparency and accountability; and
- accelerated pace and effectiveness of police and fire collaboration and public service transformation.

#### **4. Home Office Consideration and Transition Arrangements**

4.1 The Commissioner's proposal to take on the governance of the Cambridgeshire Fire and Rescue Service was submitted to the Home Office on 10th October 2017.

4.2 Where the upper tier authorities do not agree with a proposal the Home Office is required to obtain an independent assessment of the proposal. The Home Secretary will take into account its findings of the independent review when making the final decision whether or not to approve the Commissioner's proposal.

4.3 The Minister of State for Policing and the Fire Service requested the Chartered Institute of Public Finance & Accountancy ("CIPFA") to undertake an independent assessment of the Cambridgeshire proposal.

4.4 On 26th March 2018 the Home Secretary announced that the Cambridgeshire Commissioner's proposal to take on the governance of Cambridgeshire Fire and Rescue Service had been approved. The Home Secretary considered that the Cambridgeshire proposal demonstrates that a transfer of governance would be in the interests of economy, efficiency and effectiveness and does not have an adverse effect

upon public safety. Proposals for West Mercia, Staffordshire and Northamptonshire have also recently been approved by the Home Secretary.

- 4.5 The Home Secretary indicated that the Home Office would seek to give effect to the proposal through a statutory instrument which they anticipated would take effect in June or July. Home Office transfer schemes will ensure that staff, property, rights and liabilities are properly transferred. Staff in the Office of the Police and Crime Commissioner (“the OPCC”) and the Fire and Rescue Service are working closely with the Home Office to ensure a smooth transition.

## **5. Governance Landscape**

- 5.1 Given the transfer of staff, property, rights and liabilities as outlined above, staff in the OPCC and the Fire and Rescue Service are working to ensure there is appropriate transparency in these areas as the transfer is put into effect.
- 5.2 The Scheme of Governance is under development and will give clarity to the way the corporation sole of the new Fire and Rescue and Authority (the Commissioner) and the Chief Fire Officer will govern, in line with the good governance standard for public services. The decision making policy will ensure a robust decision-making process based on the principles of taking informed, transparent decisions and managing risk effectively.
- 5.3 Staff in the OPCC and the Fire and Rescue Service are working closely to develop governance arrangements which ensure the functions of the Fire Authority can be incorporated while aligning with the current arrangements for policing as appropriate. We are working towards:
- incorporating the Commissioner’s fire functions as ‘Police and Fire Commissioner’ into his current office (the Office of the Police and Fire Commissioner);
  - a combined Joint Audit Committee – covering the Fire and Rescue Service, the Constabulary and the Office of the Police and Fire Commissioner;
  - a separate Fire Board which works to similar arrangements as the Police Business Co-ordination Board, publishing its reports;
  - a joint Fire and Rescue Service, Constabulary and Office of the Police and Fire Commissioner strategic estates group;
  - dedicated Fire and Rescue Service performance and finance subgroups.
- 5.4 The OPCC is in contact with the Police and Crime Panel (“the Panel”) and we are working with them to support them in developing their new role incorporating the fire agenda. The Panel will receive an update at their next meeting.
- 5.5 The Joint Audit Committee considered the governance arrangements under development on 18th April.

## **6. Future Financial Management Arrangements for the OPCC**

6.1 Following the departure of the OPCC Chief Finance Officer at the end of January 2017, an interim arrangement was agreed by the Commissioner at the Business Co-ordination Board on 17th January 2017 for the Deputy Chief Executive of Cambridgeshire Fire Authority to become the OPCC Acting Chief Finance Officer (and Acting Section 151 Officer) for an initial period to 31st December 2017. To support the Acting Chief Finance Officer in his role, the services of a part time Interim Head of Finance were secured.

6.2 A process to confirm the on-going intention to share the same Section 151 Officer across the Fire Authority and Office of the Police and Crime Commissioner, as set out in the business case, is under development. Alongside this, a review of the support needed to ensure the finance function fits the business needs of the future Office of the Police and Fire Commissioner moving forward is underway.

## **7. Recommendation**

7.1 For the Board to note the update.

## BIBLIOGRAPHY

<p><b>Source documents</b></p>	<p>Letter from the Home Secretary approving the proposal to transfer fire governance to the Police and Crime Commissioner and independent assessment by CIPFA</p> <p><a href="http://www.cambridgeshire-pcc.gov.uk/get-involved/fire-governance-consultation/">http://www.cambridgeshire-pcc.gov.uk/get-involved/fire-governance-consultation/</a></p> <p>‘Proposal for a change to Fire and Rescue service governance in Cambridgeshire’, Submission to the Home Office including the business case and details of the comments made through the consultation and the Commissioner’s response to them, 10<sup>th</sup> October 2017 <a href="http://www.cambridgeshire-pcc.gov.uk/get-involved/fire-governance-consultation/">http://www.cambridgeshire-pcc.gov.uk/get-involved/fire-governance-consultation/</a></p> <p>‘Consultation on the local business case for fire and rescue governance options’, Agenda Item 5.0, 21<sup>st</sup> September 2017 <a href="http://www.cambridgeshire-pcc.gov.uk/wp-content/uploads/2017/09/17-09-21-BCB-Agenda-Item-5.0-Fire-Governance-consultation-update.pdf">http://www.cambridgeshire-pcc.gov.uk/wp-content/uploads/2017/09/17-09-21-BCB-Agenda-Item-5.0-Fire-Governance-consultation-update.pdf</a></p> <p>‘OPCC Future Financial Management Arrangements’, Agenda Item 7.0, Business Coordination Board, 17<sup>th</sup> January 2017 <a href="http://www.cambridgeshire-pcc.gov.uk/wp-content/uploads/2017/01/17-01-17-BCB-Agenda-Item-7-OPCC-Future-Financial-Management-Arrangements.pdf">http://www.cambridgeshire-pcc.gov.uk/wp-content/uploads/2017/01/17-01-17-BCB-Agenda-Item-7-OPCC-Future-Financial-Management-Arrangements.pdf</a></p> <p>Policing and Crime Act 2017</p> <p><a href="http://www.legislation.gov.uk/ukpga/2017/3/contents/enacted">http://www.legislation.gov.uk/ukpga/2017/3/contents/enacted</a></p>
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