



Police and Crime Commissioner  
**CAMBRIDGESHIRE AND PETERBOROUGH**

## **OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE**

Local business case for fire and rescue governance  
options to improve the effectiveness of emergency  
services delivery in Cambridgeshire

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**Full Business Case**

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# FOREWORD

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Foreword by Jason Ablewhite, Police and Crime Commissioner for Cambridgeshire

When I am out and about members of the public are clear, they want as little as possible to be spent on my office and governance and as much as possible on front line services. They want front line services to be protected.

This business case sets out that by disbanding the Fire Authority, and putting police and fire governance together, we can save a total of £182,000, including £110,000 in members' allowance, per year. In addition the change in governance will enable savings from integrated management of the fire and police estate to be unlocked, bringing about £2.7m in savings after the first tranche of the estates consolidation programme. It will then support two crucial blue light services to work closer and closer together, while defending the unique aspects of both fire and police services.

That is why I want to take up the opportunity provided by the new legislation, for Police and Crime Commissioners to take on the governance of Fire.

This is not a complex or grand proposal. It seeks to replace a board of 17 councillors with someone who you directly elect and in this way provide greater accountability, make cash releasing savings and support our police and fire services to work closely together in the best interests of community.

Over the coming months I want to hear as many people's views as possible as to how they believe Fire should be governed in the future. If you want to share your views you can complete a short online survey at [www.cambridgeshire-pcc.gov.uk/fire](http://www.cambridgeshire-pcc.gov.uk/fire). Alternatively you can:

- E-mail – [cambs-pcc@cambs.pnn.police.uk](mailto:cambs-pcc@cambs.pnn.police.uk)
- Write to us at – Cambridgeshire Police and Crime Commissioner, PO Box 688, Huntingdon, PE29 9LA

The consultation closes on 04 September 2017.

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# 1 INTRODUCTION AND EXECUTIVE SUMMARY

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The Policing and Crime Act 2017 introduced measures that place a statutory obligation on all emergency services to collaborate and enable Police and Crime Commissioners (PCCs) to take on responsibilities for fire and rescue services in their area<sup>1</sup>. In describing the measures, Brandon Lewis, the Police and Fire Minister said that “by overseeing both police and fire services, I am clear that PCCs can drive the pace of reform, maximise the benefits of collaboration and ensure best practice is shared.”<sup>2</sup>

This is the Local Business Case (LBC) assessing police and fire collaboration governance options in Cambridgeshire, prepared by independent consultants, who were commissioned by a joint Fire Authority and Office of the Police and Crime Commissioner Working Group. The development of the LBC was part funded by a grant from the Home Office.

## 1.1 Introduction

### 1.1.1 Status of this document

This document has been prepared for the Office of the Police and Crime Commissioner by independent external advisers, based on information provided by Cambridgeshire Constabulary (CC), Cambridgeshire and Peterborough Fire Authority (CPFA), Cambridgeshire Fire and Rescue Service (CFRS) and information in the public domain. The appointment of the independent external advisers, PA Consulting, was a joint appointment by the OPCC and the Cambridgeshire Fire and Rescue Authority, after an open tendering process.

Representatives from the following organisations have been engaged with during the development of the LBC:

- Cambridgeshire Constabulary
- Cambridgeshire and Peterborough Fire Authority
- Cambridgeshire Fire and Rescue Service
- Cambridgeshire County Council
- Peterborough City Council
- East of England Ambulance Service NHS Trust
- UNISON (CFRS)
- Retained Firefighters' Union
- Fire Brigades Union
- The Police Federation

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<sup>1</sup> HM Parliament, [Policing and Crime Act 2017](#)

<sup>2</sup> Brandon Lewis (2017), [Fire Minister's speech to Reform](#)

## 1.1.2 New governance models

To facilitate better collaboration and improve emergency services, the Policing and Crime Act 2017 proposes three alternative options to the status quo (the 'no change' option) that are now available to PCCs. These are:

### 1. Representation model

The PCC is represented on a Fire Authority (or its committees) in their police area with full voting rights, subject to the consent of the Fire Authority. In Cambridgeshire, that would see the PCC join CPFA.

### 2. Governance model

The PCC takes on legal and overarching responsibility for the provision of the fire and rescue service(s) in their area. Individual services retain their operational independence, their chief fire officers and their own staff. In Cambridgeshire, this would see the PCC becoming the CPFA.

### 3. Single employer model

The PCC would become the CPFA but, in addition, fire and rescue functions are delegated to a single chief officer for policing and fire. Within this model, the services remain distinct front line services, albeit supported by increasingly integrated support services.

This LBC, therefore, assesses the strategic, operational and financial benefits that closer collaboration could deliver between the police and the fire and rescue service. It also assesses the current provision of fire and rescue and policing services and governance in Cambridgeshire.

It then considers the governance options available under the Policing and Crime Act 2017 and assesses whether one of these options could support the improvement of emergency services and public safety in Cambridgeshire. It also considers whether the potential benefits are sufficient to warrant such a change, given the cost of change.

## 1.1.3 Methodology to assessing options

This LBC uses the HM Treasury five case model for business cases. This approved methodology underpins all major government business decisions and will help to ensure that key, relevant criteria and options are considered. It also permits criteria such as ease and speed of implementation and existing collaborative arrangements to be considered and factored in to the option appraisal and consultation process.

The five cases are:

- **Strategic Case** – sets out the legislative and strategic context for Cambridgeshire Constabulary (CC) and Cambridgeshire Fire and Rescue Service (CFRS) collaboration and governance, summarise the case for change and set out the opportunities, constraints, dependencies and strategic risks. This provides the context, and critical success factors, for appraising the options. The Strategic Case does not recommend a particular option.
- **Economic Case** – appraises the governance options (including the 'no change' option), against the critical success factors that will help the PCC to decide and the Office of Police and Crime Commissioner (OPCC) to inform the Home Secretary's appraisal of a proposal if and when submitted. The Economic Case considers overall public value and identifies the 'preferred option'

The implications of implementing the preferred option is then be set out in the remaining three cases:

- **Commercial Case** – sets out the commercial, HR and resourcing implications of the preferred option.
- **Financial Case** – sets out the affordability and accounting implications of the preferred option. The Financial Case reflects the benefits and costs to the organisations.
- **Management Case** – outlines how the option can be delivered, including more detailed planning, consultation requirements and communications approach.

## 1.1.4 Recommendation

The recommendation of the Local Business Case is for a Police, Fire and Crime Commissioner to take on the responsibility for the Fire and Rescue Authority by way of adopting the governance model as described in 1.1.2 above.

How has this conclusion been reached? Table 8 of the business case sets out a list of seven critical success factors against which all the options are measured and the category of improvement that will be brought about (Public Safety, Effectiveness, Economy/Efficiency, and Transparency /Accountability). Each of the four options have then been measured against these and a scoring given. Table 1 below shows the summary of this scoring, with a higher score being better, and as can be seen the Governance option is the highest score and therefore ranked first.

**Table 1: Qualitative evaluation against the four tests**

	'No change'	Representation	Governance	Single employer
Total score	9	10	<b>12</b>	11
Overall rank	4	3	<b>1</b>	2

The key factors that have caused this high ranking are:

- Savings through improved efficiencies in governance processes – there will be revenue savings over a ten year period of £1.770m as a result in savings in Fire Board members' allowances and the sharing the Chief Financial Officer post between the OPCC and Fire and Rescue Service.
- Savings through better use of fire and police estates – after initial investment of £1.3m, tranche 1 of the estates consolidation will release an estimated £2.744m of capital receipts and tranche 2 £2.738m.
- Closer and quicker joint working between fire and police and their local partners – Through a single decision making person, in the form of the Commissioner, the speed of decision making will improve along side ensure that decisions are joined up and the impact on public safety for both police and fire is fully taken into account.
- A system of a directly elected Police, Fire and Crime Commissioner – As is currently the position for the Police, the public of Cambridgeshire will have a single, democratically elected person who is accountable to them for the Fire Service.
- Maintain operational independence of police and fire – Operational responsibility for the Fire and Rescue Service will clearly sit with the Chief Fire Officer, as is the case for the Police and the Chief Constable.

All Fire and Rescue Service staff will transfer from the employment of the Fire and Rescue Service to the Police, Fire and Crime Commissioner, with the transfer being governed by the Cabinet Office Statement of Practice (COSoP), protecting the terms and conditions of staff. With regard to this LBC the only posts directly impacted are the Deputy Police and Crime Commissioner, the Deputy Chief Executive of the Fire Service and the Chief Finance Officer and Deputy Chief Executive of the OPCC. The changes in these positions will be subject to consultation.

## 1.2 Executive summary of the local business case

The remainder of this executive summary sets out the findings of the five cases for evaluating the options that led to the recommendation.

### 1.2.1 Strategic Case: the context and case for change

The foundations for the case for change in Cambridgeshire are built on improving efficiency, economy and effectiveness and at its core, the case for change:

### **Facilitates the optimal utilisation of capital assets**

A change of governance could ensure the best use of police and fire assets through a single approach to investment decisions and estates consolidation. Optimisation of estate is perhaps the area of greatest opportunity for financial benefits from collaboration between the two organisations.

The realisation of these benefits does not solely depend upon a change in governance, however, simplified more joined up governance would increase the likelihood of success of the estates consolidation programme and avoid decisions being taken by a single service that may not provide overall best value for money.

### **Accelerates pace and effectiveness of police and fire collaboration**

The emergency services in Cambridgeshire are some of the UK's most forward-looking when it comes to regional single service collaboration, and there is now a growing focus on place-based inter-service collaboration. Since its inception in August 2016, the Strategic Interoperability Board had identified and prioritised a number of police and fire collaboration initiatives, but progress to date has been slow and formal benefits realisation measures lacking.

Collaboration between fire and police is considered to work well at the operational level, but there are opportunities, through shared governance, to accelerate collaboration initiatives and introduce formal mechanisms that will ensure benefits are realised.

Stronger shared governance at the strategic and political level would also enable the alignment of strategic objectives across police and fire which would place greater focus and accountability for collective community safety rather than individual service outcomes.

### **Enables a more innovative and effective approach to public service transformation**

The new Cambridgeshire and Peterborough Combined Authority will lead the next steps in transforming local public services in the county. There is therefore an opportunity, through stronger joined up police and fire strategic leadership, to develop innovative integrated community safety intervention work to manage demand upstream and maximise public value.

Since their introduction in 2012, PCCs have already demonstrated an ability to act as a catalyst for change and drive innovation. More integrated governance between fire and police could therefore drive a more effective approach to public service transformation and provide a louder, more concentrated voice of advocacy for both services, when forming agreements with other public sector partners.

### **Brings benefits in terms of transparency and accountability**

Police Authorities were abolished, in part, due to their lack of visibility and evidence suggests that the introduction of elected PCCs has increased transparency and public accountability whilst providing clarity of leadership in policing. A number of independent national reviews of current fire and rescue governance, have also highlighted inefficiencies with the current committee governance model and the inadequate provision of effective independent technical scrutiny by fire authorities.

Evidence suggests that single, streamlined governance can accelerate reform and improve public visibility, accountability, transparency and effective scrutiny. There is therefore an argument that removing the current committee structure of the CPFA would bring benefits in terms of the transparency and accountability of fire governance in Cambridgeshire.

## **1.2.2 Economic Case: the options assessment**

Despite being one of the lowest funded police and fire services in the country Cambridgeshire must identify saving of over £15m from these services over the coming years (see section 2.2.4). The business case sets out how a change in governance can release additional savings and increase operational resilience.

A summary of the economic appraisal for each option is shown below in Table 2.

**Table 2: Summary economic appraisals**

	<b>'No change'</b>	<b>Representation</b>	<b>Governance</b>	<b>Single employer</b>
Savings - NPV (£m)	1.04	1.39	<b>4.66</b>	4.39
Payback year	0	0	<b>2</b>	3

The savings in the above table represent estimated savings generated over a ten year period to 2026/27 and are expressed as a net present value, which represents future year's costs at today's prices.

Based on the economic appraisal numbers above alongside the assessment of the options against the critical success factors and the four tests of public safety, effectiveness, economy and efficiency, as summarised in Table 1, the preferred option to take forward for further evaluation is the governance model.

### **1.2.3 Commercial Case**

The main commercial implications from adopting the governance model are relatively straightforward and focus on the transfer of contracts, assets and liabilities from the old FRA to the new FRA, led by the PCC. This transfer will take place through a statutory transfer scheme. It will also require the Secretary of State, using powers in the Policing and Crime Act, to make the PCC the FRA for Cambridgeshire.

### **1.2.4 Financial Case**

The cost of implementing the governance model is affordable within current budgets. We estimate that the direct costs of implementation will be £80k. We expect these costs will be funded from the PCC's earmarked reserve. We forecast a small annual saving in operational costs as a direct result of a change to the governance model of £182k, and a total saving of £1.690m over the ten year period.

Short term funding of £1.1m would be required in 2018/19 to enable the estate consolidation programme to proceed.

### **1.2.5 Management Case**

The Management Case describes the arrangements and plan for managing implementation of the proposed governance model successfully. The LBC assumes that the changes will take effect on 1 April 2018, but this is dependent upon a range of activities being achieved before then. If there is delay, the next likely date of transfer would be 1 October 2018.

The implementation of the governance changes will be led by the PCC, with support from the OPCC. Where required the OPCC will commission specialist professional advice and support in areas such as programme management, HR, estates and legal services.

Formal public consultation will take place in July and August 2017. If then agreed by relevant parties, following formal consultation, it will be used as the basis for the LBC submission to the Home Secretary for endorsement of the preferred option.

## **1.3 Conclusion**

Enhanced, transparent and effective governance under an elected Police, Fire and Crime Commissioner will be the catalyst for delivering significant and tangible benefits for the people of Cambridgeshire. The changes will improve public safety through a more joined-up and integrated approach to community safety and broader public service delivery across the county. The new governance model will set a clear strategic direction and accelerate collaboration, allowing for financial gains through the consolidation of assets such as estates. It will provide a secure platform for public service reform in Cambridgeshire.

## 2 STRATEGIC CASE: THE CONTEXT AND CASE FOR CHANGE

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The Strategic Case sets out the legislative and strategic context for police and fire collaboration and governance in Cambridgeshire and also takes into account the wider strategic national picture. It summarises the case for change and sets out the constraints, dependencies and strategic risks. This provides the context, and change objectives, for appraising the options.

### 2.1 Strategic context

#### 2.1.1 Cambridgeshire

Situated in the heart of the East of England, Cambridgeshire is a county covering 1,309 square miles of varied geography from sparsely populated rural communities to market towns and cities. Steeped in history, the county is home to one of the most prestigious and oldest universities in the world located in the city of Cambridge, as well as the renowned Norman cathedrals in Ely and Peterborough.

With a population of approximately 805,000; a rise of 13% compared with 10 years ago, Cambridgeshire continues to be one of the fastest growing counties, with an expected population growth of a further 25% by 2031. In order to accommodate the expected increase in population, a number of new sustainable developments are under construction, which will see the creation of 75,000 new homes by 2021. In addition to the rising population, the population of Cambridgeshire is ageing, with the number of people aged 65 and over accounting for 15% of the population (2% being 85 and over).

The historic nature of the county, coupled with the rising and aging population, brings significant challenges for public services, including police and fire services, particularly as public demand and expectation remains high.

In May 2017, Cambridgeshire took the next step in transforming public service delivery by establishing the Cambridgeshire and Peterborough Combined Authority. Led by James Palmer, the newly elected Mayor of Cambridgeshire and Peterborough, the devolution agreement marks the start of a new relationship between local partners in Cambridgeshire, who already have a successful track record of working together. Coterminality of the local authorities, the CCG and police and fire services will enable greater integration and public service transformation opportunities. Simplified and more joined up governance amongst local partners can help maximise the benefits of transforming public services and community safety delivery, and to meet the needs of communities in Cambridgeshire.

#### 2.1.2 Organisational summaries

The summary position of fire and rescue and policing in Cambridgeshire is shown below. See Appendix A for more detail.

**Table 3: Key facts and figures**

	<b>Fire and rescue</b>	<b>Police</b>
<b>Coverage</b>	Two upper-tier local authorities: Cambridgeshire County Council and Peterborough City Council Population: 804,900; a rise of 13% compared with 10 years ago. Cambridgeshire continues to be one of the fastest growing counties with an expected population growth of a further 25% by 2031. Area: 1,309 square miles of varied geography from sparsely populated rural communities to market towns and the cities of Ely, Peterborough and Cambridge.	
<b>Budget</b>	2016/17 Budget: £28.45331.82m 2016/17 net spend per head of population: £34 compared to national average of £35.75 and £38.71 combined fire authority average <sup>3</sup>	2016/17 Budget: £126.287m 2015/16 net spend per head of population: £157 compared to national average of £181.50 and most similar force group of £168.70 <sup>4</sup>
<b>Staff</b>	Whole time Fire Officers: 294 (290.69 FTE) Retained Fire Officers: 184 (138.75 FTE) Staff: 127 (116.22 FTE)	Police Officers: 1,325 (1,296.3 FTE) PCSOs: 141 (136.1 FTE) Special Constables: 248 Police Staff: 818 (737.69 FTE)
<b>Governance</b>	Cambridgeshire and Peterborough Fire Authority is the statutory body which employs fire staff and oversees the policy and service delivery of a fire and rescue service. CPFA is made up of 17 elected members from across the two first tier councils and usually meets five times a year. Members are appointed after each local election.	The Police and Crime Commissioner (PCC) and Cambridgeshire Constabulary are established as separate legal entities. The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services in the Cambridgeshire Constabulary Police area. The PCC is elected by the public every four years. The PCC is supported by a team of 14 staff within the OPCC.
<b>Governance budget (2017/18)</b>	CPFA governance budget: £277,000 comprising: <ul style="list-style-type: none"> <li>• Members' allowances/expenses (£108k);</li> <li>• Democratic costs (£22k);</li> <li>• Scrutiny Officer cost (£38k);</li> <li>• Monitoring Officer cost (£10k)</li> <li>• Additional support from CFRS to discharge the functions of CPFA estimated as annual cost of chief officer governance time (£77k)</li> <li>• Annual cost of administration time to produce IRMP (£8k); and annual cost of administration time to serve CPFA meetings (£14k) – see Appendix D for modelling assumptions</li> </ul>	OPCC budget: £1.116m comprising: <ul style="list-style-type: none"> <li>• Police staff pay and allowances (£893k)</li> <li>• Legal fees (£12k)</li> <li>• External audit fees (£46k)</li> <li>• Internal audit fees (£57k)</li> <li>• Audit Committee Members expenses (£9k)</li> <li>• Other running costs (£99k)</li> </ul>

### 2.1.3 Current governance arrangements

Police and fire and rescue services are governed differently in Cambridgeshire. The legislative and statutory frameworks are different and therefore the associated responsibilities, governance operating models and supporting structures of each organisation have evolved differently.

<sup>3</sup> CIPFA Fire and Rescue Service Statistics 2016-17 estimates

<sup>4</sup> HMIC, [Value for Money Profile 2016: Cambridgeshire Constabulary](#)

## **Cambridgeshire and Peterborough Fire Authority**

The CPFA has the ultimate responsibility, as a corporate body, for decision making on fire and rescue matters across the local authority areas of Cambridgeshire County Council and Peterborough City Council which, together, cover the county area of Cambridgeshire. For the purposes of this LBC when the CPFA is referenced we are referring to the decision making 'board' and not the 'service'. CPFA membership comprises of 17 locally elected representatives: 13 from Cambridgeshire County Council and four from Peterborough City Council. Members are appointed by the councils after each local election.

The Fire Authority is responsible for delivering fire and rescue services across the local authority areas of Cambridgeshire County Council and Peterborough City Council. In the delivery of these services, Cambridgeshire Fire and Rescue Service (CFRS) has several major partnerships, including those with Suffolk Fire and Rescue Service, where the two fire and rescue services share a control room, and Bedfordshire Fire and Rescue Service with whom CFRS share an ICT service function.

Full details of the responsibilities of Fire Authorities under the national framework and the CPFA specific terms of reference and supporting committees can be found in Appendix A.

## **Cambridgeshire Constabulary**

Cambridge Constabulary is operationally responsible for the policing of the county of Cambridgeshire, so is coterminous with CFRS. As a legal entity, the Chief Constable has a statutory responsibility for the "delivery of efficient and effective policing, management of resources and expenditure"<sup>5</sup> by CC.

CC has a tri-force strategic alliance partnership with Bedfordshire Police and Hertfordshire Constabulary, and is also actively involved in the ambitious Seven Force Collaboration Programme with the regional forces across the East of England.

## **Police and Crime Commissioner**

The PCC for Cambridgeshire is a separate legal entity to CC and is an elected representative with key statutory responsibilities which are:

- Secure an efficient and effective police for their area
- Engage with the public
- Appoint the Chief Constable, hold them to account for running the force, and if necessary dismiss them
- Set the police and crime objectives for their area through a police and crime plan
- Set the force budget and determine the precept
- Contribute to the national and international policing capabilities set out by the Home Secretary
- Bring together community safety and criminal justice partners, to make sure local priorities are joined up
- Commissioning victims services

The PCC is elected by the public every four years.

Direct comparison of governance costs between the OPCC and the Fire Authority are difficult to make as the Fire Authority costs do not include the costs incurred by the service in contributing to the Authority's governance and strategic responsibilities.

Full details of the statutory responsibilities of and the Cambridgeshire specific decision making, audit and scrutiny boards and committees can be found in Appendix A.

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<sup>5</sup> Home Office (2011), The Policing Protocol Order 2011 (statutory instrument)

## The Police and Crime Panel

The Cambridgeshire Police and Crime Panel provides checks and balances on the work of the PCC. The Panel scrutinises how the PCC carries out his statutory responsibilities. While the Panel is there to constructively challenge the PCC, it also has a key role in supporting the Commissioner in his role in enhancing public accountability of the police force. The Panel is made up of 11 elected councillors from Cambridgeshire County Council and Peterborough City Council and each district council.

### 2.1.4 Existing collaboration

The emergency services in Cambridgeshire are some of the UK's most forward-looking when it comes to regional single service collaboration, and there is now a growing focus on place-based inter-service collaboration. The current collaboration position is summarised in Table 4.

**Table 4: Cambridgeshire high-level collaboration matrix**

Theme	Police-Fire	Fire-Fire	Fire-Other	Police-Police	Police-Other
Procurement	✓	✓ (Eastern FRSs)		✓ (BCH)	
IT		✓ (Beds FRS) ✓ (Beds/Devon and Somerset FRS)		✓ (BCH)	
Strategic	✓	✓ (Beds FRS)			
Response/mobilisation	✓✓✓✓	✓ (Essex FRS) ✓ (national)	✓ (EEAS) ✓ (Peterborough CC)	✓ (7 Force)	✓ (NHS)
Control Rooms		✓ (Suffolk FRS)			
Investigations	✓	✓ (Beds FRS)			
Protection/prevention	✓✓		✓ (CCC) ✓ (PPPS)		✓ (CMHS)
Regulatory			✓ (National)	✓ (BCH)	
Estate consolidation	✓✓✓✓✓✓		✓ (EEAS) ✓ (CamSAR) ✓ (Red Cross)		
HR	✓			✓ (BCH)	
Learning and development	✓✓	✓ (South Wales FRS) ✓ (Beds FRS)		✓ (BCH)	
Contract management	✓			✓ (BCH)	
Occupational health				✓ (BCH)	
Information management				✓ (BCH)	
Change team				✓ (BCH)	
Information sharing			✓ (MASH) ✓ (PCC/CC) ✓ (Sodexo, Probation Service)		✓ (MASH)
Audit		✓ (Essex FRS and Beds FRS)			
Fleet	✓✓✓				
Finance	✓				
Estates and facilities	✓				
Payroll and pensions					
Corporate performance					
Media and comms					
Legal					

Collaboration key:

- ✓ Existing
- ✓ Proposed/pilot

RAG key:

- Limited/none = high scope
- Existing but potential to do more = medium scope
- Existing across both CC and CFRS = low scope

The police are partners in the tri-force Bedfordshire, Cambridgeshire and Hertfordshire (BCH) and 7 Force regional collaboration programmes which are both well-established ambitious regional programmes to deliver the convergence of key policing and business/administrative functions and technology systems across forces (see Appendix C). As a result, CC has a higher than national average percentage of budget committed to collaborative activities (see Section 2.1.5). There are also some bilateral fire arrangements with collaboration on specific matters, particularly with Bedfordshire

Fire and Rescue Service; and CFRS was the first fire and rescue service in the country to merge its fire control room, with Suffolk Fire and Rescue Service. These, however, are not strategic organisational collaborations (like BCH or 7 Force) and there is no formal regional collaboration programme. In addition CFRS plays a role in the national transformation work where they are leading on the professional services collaboration category.

These regional collaborations have brought economies of scale, enabling both savings and operational resilience.

### **Emergency Services: Strategic Interoperability Board**

Building on successful single-service collaboration, a more recent priority has been to improve emergency service collaboration within Cambridgeshire. The Strategic Interoperability Board was established by CC, CFRS and East of England Ambulance Service NHS Trust (EEAST) in August 2016 following the arrival of the new PCC. It provides “strategic direction, decision-making and oversight of inter-service collaboration to transform operational service delivery”<sup>6</sup>. Collaborative work is intended to identify opportunities for:

- Improving interoperability and joint working to protect front line service
- Reducing duplication across two organisations
- Rationalising our estates
- Improving the quality of incident response through innovative crewing.

A number of emergency services collaboration opportunities have been prioritised by the Board<sup>7</sup> and are currently in early planning/early implementation stages.

In addition to driving emergency services collaboration in Cambridgeshire, the Strategic Interoperability Board must ensure that new collaboration is not pursued to the detriment of existing collaboration and that it complements the existing BCH or 7 Force Collaboration Programmes.

The drivers and opportunities for cross-service collaboration in Cambridgeshire are not solely focused on revenue savings but are more about joined up community and public service integration within the context of devolution across the Cambridgeshire and Peterborough Combined Authority to deliver both effective and efficient services.

The PCC has already taken an active role in joining up service provision and tackling cross-organisational issues. The PCC now chairs both Cambridgeshire Criminal Justice Board and the Cambridgeshire County Community Safety Strategic Board:

- The **Criminal Justice Board's** role is to co-ordinate and ensure the effective and efficient delivery of criminal justice services.
- The **Cambridgeshire County Community Safety Strategic Board** brings together representatives from each of the District Community Safety Partnerships/DCRPs, as well as senior officers from partner agencies, to provide strategic direction and help the Responsible Authorities coordinate activity to reduce crime and disorder in their communities. Since taking the chair of the Board, the PCC has honed the governance structure and delivery approach for the 12 county wide issues prioritised within the Cambridgeshire Community Safety Agreement. This has involved establishing delivery groups accountable for overseeing and progressing the delivery of the priority issue and the planning of commissioning cycles.

The PCC's role in chairing both boards and putting in place supporting and delivery governance structures provides a useful indication of how clear, accountable governance can be made more straightforward when vested in an individual rather than a committee.

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<sup>6</sup> CFRS-451120-v1-Strategic\_Interoperability\_Board\_Terms\_of\_Reference

<sup>7</sup> CFRS-458436-v2-Police+\_Fire\_Joint\_Interoperability\_-\_Opportunity\_Scope\_-\_completed\_docs

In addition, the PCC has taken up a co-opted position on the Cambridgeshire and Peterborough Combined Authority and has participated in each of the meetings taken place to date. The CPFA have also been granted a co-opted position, but a review of the meeting minutes and attendees has indicated they have not yet attended meetings.

### **2.1.5 Local plans**

Both the PCC and CPFA continue to articulate a strong commitment to collaboration in their respective plans for 2017–2020.

There are several significant overlaps across the strategic aims within both plans and there are commitments to developing existing collaboration initiatives and relationships with partners in both plans. There are also other similarities in areas such as local service community safety integration and estate consolidation. In addition, as illustrated in Appendix B, there is a pledge in both plans specifically to explore new police and fire collaboration opportunities. This should reduce the risk of tackling common issues in silos, but may not mitigate the risk entirely, owing to separate governance and decision-making mechanisms.

#### **Scope for future collaboration**

The proportion of budget within the scope of collaboration activities varies considerably between CC and CFRS, due to the maturity and depth of their respective existing collaboration agreements:

- The 2016/17 collaboration budget for CFRS was approximately £2.62m, less than 10% of overall budget.
- CC's collaboration landscape, conversely, is more mature due to their existing BCH and regional collaboration relationships. As part of the 2016 HMIC Peel Inspection<sup>8</sup>, CC forecast that it would spend £25.2m in 2016/17 on collaborating with other police forces. This is 19.5% of its net revenue expenditure (NRE), which is higher than the England and Wales average of 11.9%<sup>9</sup>. CC forecast that it would spend £0.7m in 2016/17 on collaboration with non-police organisations. This is 0.6% of its NRE, which is lower than the England and Wales average of 3.4%<sup>10</sup>.

From a functional perspective, this still leaves a substantial proportion of activity for both organisations that could be considered for further collaboration. Aside from operational activities, there are opportunities relating to corporate enabling services and management/administrative activities. This is shown graphically in Figure 1.

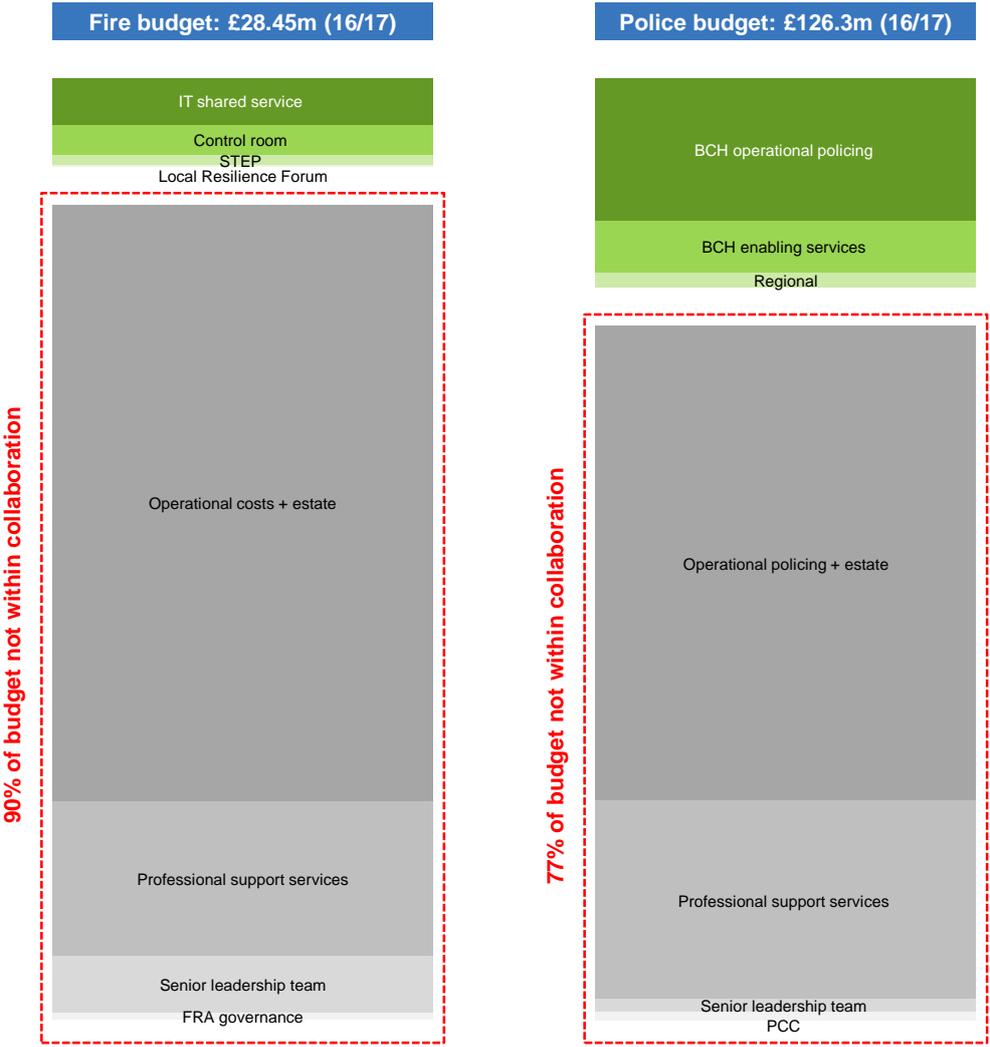
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<sup>8</sup> HMIC (2016), [PEEL: Police efficiency 2016 – An inspection of Cambridgeshire Constabulary](#)

<sup>9</sup> Ibid

<sup>10</sup> Ibid

**Figure 1: Analysis from departmental budgets – there is scope for further collaboration**



**2.2 Drivers for change**

There are policy, financial and operational trends at national and local level that are driving the need for increased collaboration between fire and police and potentially changes to governance arrangements in Cambridgeshire.

**2.2.1 Statutory requirements and national police and fire policy on collaboration**

The Government is committed to delivering more effective and efficient locally led public services with an increasing emphasis on integrated place-based delivery. In its 2015 manifesto, the government committed to deliver greater cross service joint working to improve outcomes and sees collaboration between fire, police and ambulance as key to public service transformation.

As part of implementing this commitment, the Home Office took over ministerial responsibility for fire and rescue policy from the Department for Communities and Local Government in January 2016.

In January 2017, the Policing and Crime Act 2017<sup>11</sup> received Royal Assent. It places a high-level duty to collaborate upon all three emergency services (including the ambulance service) to improve efficiency or effectiveness. It enables PCCs to form part of the governance of their local fire and

<sup>11</sup> HM Parliament, Policing and Crime Act 2017

rescue authority/ies, either through sitting on the fire and rescue authority, or taking overall responsibility for fire and rescue services. This is subject to a number of tests to ensure that changes will deliver improvements in economy, efficiency and effectiveness; or public safety. These tests form the heart of the assessment of options in this Local Business Case (LBC).

The Government also committed in its 2017 manifesto to expand the role of Police and Crime Commissioners and sees the strong local leadership required to drive greater collaboration, improve emergency services and deliver value for money, being provided by PCCs. This aligns with the Government's wider devolution agenda, giving the public a more powerful voice in determining the priorities for their local area through an individual who is directly elected by, and accountable to, them.

The case for change was reinforced by the Policing and Fire Minister, Brandon Lewis, in a speech to the Association of PCCs (APCC) and the National Police Chiefs' Council (NPCC) in November 2016, where he said that "while collaboration between the emergency services is showing an encouraging direction of travel, it is not consistent across the country and we need to be doing more to ensure collaboration can go further and faster"<sup>12</sup>. He made it clear that the Government will not be willing to accept the 'status quo' where there is a compelling case for enhancing police and fire collaborative initiatives.

The Policing Vision 2025<sup>13</sup>, published by the APCC and NPCC in November 2016, also sets out a number of areas where closer collaboration with local partners, including other emergency services, can help improve public safety and deliver value for money.

These include ensuring a whole system approach locally to public protection, and a whole place approach to commissioning preventative services in response to assessments of threat, risk and harm and vulnerability. It also highlights the opportunities of shared services

It has also recently been announced there will be a national inspectorate for fire and rescue, similar to Her Majesty's Inspectorate of Constabulary (HMIC). This is likely to increase scrutiny and transparency of FRS effectiveness and performance, and drive demands for more checks and balances with respect to local governance.

Overall, it is clear that the Government aims to improve the delivery of emergency services by enabling collaboration and harmonising governance arrangements for police and fire services. It is for local areas to determine through local business cases what degree of integration would be of most benefit.

## **2.2.2 Broader public sector policy drivers**

Government policy is also driving local service transformation within the broader public sector.

Cambridgeshire has identified that service resilience can be increased by looking at overall public need and demand and, as described above, has created a new, strategic Combined Authority which has signed a devolution deal with Government. This will provide more local leadership over funding and service delivery, and more coherent approaches to public service reform with better community solutions built around the needs of the local population.

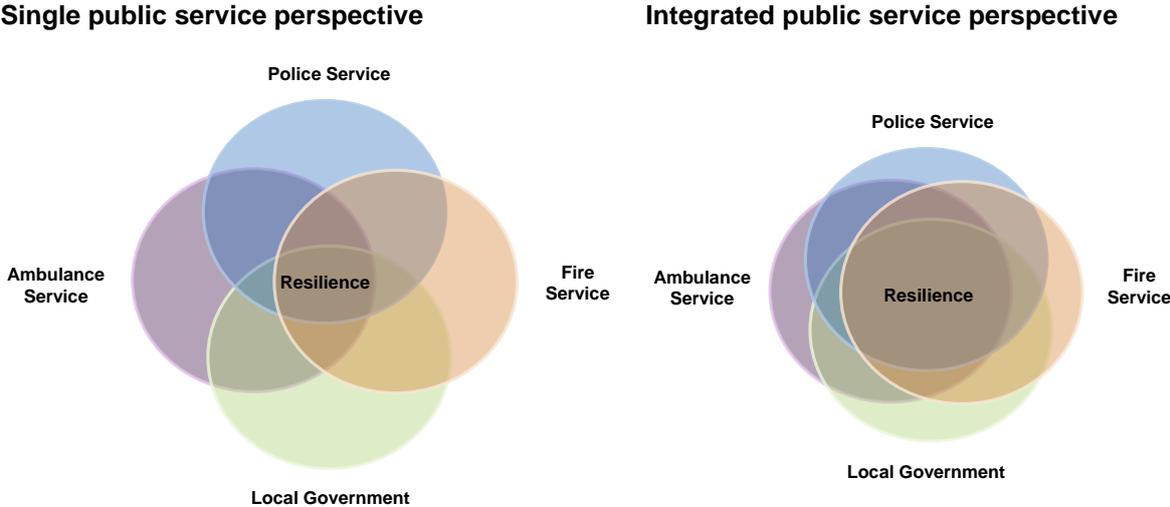
The creation of this new governance framework also provides an opportunity to consider whether more integrated governance between fire and police can contribute to broader public service reform in the county.

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<sup>12</sup> Brandon Lewis (2016), [Speech to APCC & NPCC Joint Summit on emergency services collaboration](#), Home Office

<sup>13</sup> Association of Police and Crime Commissioners, National Police Chiefs' Council (2016), [Policing Vision 2025](#)

**Figure 2: Service resilience can be increased by looking at overall public need and demand<sup>14</sup>**



If delivery of services is looked at from a single service perspective, only limited opportunities for collaboration and the service resilience this brings may be identified. There may therefore be duplication and significant unexplored opportunities for collaboration.

But, when the focus is the overall public need and demand, abstract of organisational form or service structure (an integrated public service delivery model), there are likely to be greater opportunities for collaboration and service resilience. Integrated community safety solutions and enabling services can be sought within the shared space – and, as this increases, duplication can be more easily identified and resolved.

Shared models for service delivery, enabled by integrated governance, allow for certain services and functions to be carried out by a partner with appropriate or complementary capabilities, helping to realise the vision of a Single Public Service.

One of Cambridgeshire’s good examples of this is the Safer Peterborough Prevention and Enforcement Service (PES)<sup>15</sup>. This has demonstrated the potential for increasing pressures on police time to be mitigated by more joined-up activities on community safety and prevention. Good progress has also been made by local partners to integrate the frontline services for Cambridgeshire’s most vulnerable people through initiatives including: the Multi-Agency Safeguarding Hub<sup>16</sup>, Victim and Witness Hub<sup>17</sup>, Together for Families programme<sup>18</sup>, and safe and well visits by the fire service and adult social care, linked to wider blue light collaboration.

Strong leadership, shared governance and simplified decision making are required to maximise the benefits of innovative and integrated approaches to delivering public services in Cambridgeshire.

<sup>14</sup> Diagrams based on shared resilience diagrams from the white paper: Royal United Services Institute (2011), ‘Combined Effect: A New Approach to Resilience’

<sup>15</sup> Safer Peterborough Prevention and Enforcement Service

<sup>16</sup> Cambridgeshire Multi-Agency Safeguarding Hub

<sup>17</sup> Cambridgeshire Victim and Witness Hub

<sup>18</sup> Cambridgeshire Together for Families programme

### 2.2.3 Efficiency and effectiveness drivers

There have been many major reviews of fire and rescue and the police service in recent years that have also highlighted the need for change, including greater collaboration.

#### The Knight review

In December 2012 the then Government commissioned Sir Ken Knight, the outgoing Chief Fire and Rescue Advisor (2007 to 2013), to conduct an independent review of efficiency in the provision of fire and rescue in England. His report 'Facing the future: findings from the review of efficiencies and operations in fire and rescue authorities in England'<sup>19</sup>, published May 2013, noted that: "Efficiency and quality can be driven through collaboration outside the fire sector, particularly with other blue-light services" and recommended that "national level changes to enable greater collaboration with other blue-light services, including through shared governance, co-working and co-location, would unlock further savings"<sup>20</sup>. The review highlighted the need for greater collaboration and less customisation in fire and rescue provision.

He noted that £17 million could be saved if authorities adopted the leanest structure in their governance types, and that Authority Members needed "greater support and knowledge to be able to provide the strong leadership necessary to drive efficiency"<sup>21</sup>.

The review did not make any firm conclusions on governance but observed that elected PCCs were introduced because police authorities were not seen as providing enough scrutiny and accountability to the public and that "a similar model for fire could clarify accountability arrangements and ensure more direct visibility to the electorate."<sup>22</sup> He added that, if PCCs were to take the role, the benefits would need to be set out clearly both in financial terms and in increased accountability and scrutiny for the public.

#### The Thomas review of conditions of service for fire and rescue staff in England<sup>23</sup>

Adrian Thomas was appointed to investigate further the barriers to change that had been suggested by Sir Ken Knight. The Thomas report was published on 3 November 2016, although his work (largely completed by February 2015) preceded the publication of the Policing and Crime Act 2017. CFRS was not visited as part of his fieldwork, although he notes that the report should be read as applying to all 46 authorities.

The report highlighted the burden, inflexibility and cost of the current scrutiny arrangements for fire and it identified opportunities to eliminate duplication, especially in support services, and to reduce management/staff ratios.

It also spoke of the 'formality and inflexibility' which fire authorities together with their sub-committees could introduce (46 fire and rescue services have approximately 800 elected councillors sitting on fire authorities or associated committees), which he believed "could cause further resistance to any future change". Chief Fire Officers interviewed spoke of "the burden of managing this weighty political oversight".

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<sup>19</sup> Sir Ken Knight (2012), Facing the future: findings from the review of efficiencies and operations in fire and rescue authorities in England, Home Office

<sup>20</sup> Ibid

<sup>21</sup> Ibid

<sup>22</sup> Ibid

<sup>23</sup> Adrian Thomas (2016), Conditions of service for fire and rescue staff: independent review Home Office

**The National Audit Office report on the financial sustainability of fire and rescue services<sup>24</sup>**

Published in 2015 the National Audit Office report found inadequacies with local and central accountability and scrutiny mechanisms. DCLG says authority members will want to take advice from their chief fire officer, and receive briefings from the services’ senior managers. While this will provide them with technical information, it may not give them an independent technical basis on which to assess it. The report identified elected members need technical support to enable them to make independent judgements on the strategies and performance of their service, currently Cambridgeshire Fire Authority only have independent support from one Scrutiny and Assurance Manager (£38k) and a monitoring officer (£10k).

**HMIC report on policing in austerity**

In 2014 the HMIC Policing in Austerity: Meeting the Challenge report commended police forces for the way they had responded to the challenge of austerity but noted that collaboration was complex and fragmented and not materialising in the majority of forces<sup>25</sup>. This overview of reviews is not exhaustive but, in summary, suggests that there have been several reviews over recent years that have independently highlighted the need for reform within the fire service as well as the challenges faced by many police forces to effectively respond to the changing nature of policing demand. In addition, it has been found that the benefits of emergency services collaboration, including collaboration across police forces, are not being fully realised.

**2.2.4 Continuing financial pressures**

Police and fire services continue to face major financial pressures which means that both services must continue to consider different delivery approaches, such as collaboration or new delivery models. Both CFRS and CC are low cost comparatively to other forces/fire services; and will face financial and operational challenges to meet any further budget reductions required or increased demands on services.

**Police**

In the October 2010 spending review, the Government announced that central funding to the police service in England and Wales would be reduced in real terms by 20% in the four years from March 2011 to March 2015<sup>26</sup>.

The annual cost of policing and commissioning services in Cambridgeshire (including governance costs) over the last five years is as follows:

**Table 5: Cambridgeshire policing and commissioning services budget<sup>27</sup>**

Year	2012/13	2013/14	2014/15	2015/16	2016/17
Cambridgeshire policing	£127.6m	£132.8m	£131.1m	£129.2m	£130.96m

CC is a comparatively low-cost force. The 2015/16 net spend per head of population was £157<sup>28</sup> which was lower than both the national average of £181.50 and that of their most similar force groups of £168.70. It has the lowest cost for operational policing per head of population of all forces in

<sup>24</sup> NAO (2015), [Financial sustainability of fire and rescue services](#)  
<sup>25</sup> HMIC (2014), [Policing in Austerity: Meeting the Challenge](#)  
<sup>26</sup> Ibid  
<sup>27</sup> Figures are PCC approved annual budgets from annual OPCC statements of accounts  
<sup>28</sup> HMIC, [Value for Money Profile 2016: Cambridgeshire Constabulary](#)

England and Wales (excluding the Metropolitan Police Service and City of London Police) and the third lowest non-operational staff costs<sup>29</sup>. The 2016 HMIC peel assessment for Cambridgeshire<sup>30</sup> stated that the force has a “good track record of achieving required savings”. However, despite the better than anticipated government funding and the relatively low cost of policing already in the county, the force must still realise a total of £8.82m savings over the period 2017/18 to 2020/21 (referred to in their MTFP).

**Fire and rescue**

Funding for fire and rescue authorities has also fallen significantly between 2010/11 and 2015/16. Funding for stand-alone authorities fell on average by 28%. Once council tax and other income is considered, stand-alone authorities received an average reduction in total income (‘spending power’) of 17% in real terms<sup>31</sup>.

The National Audit Office noted in November 2015 that the sector had coped well to date with financial challenges<sup>32</sup>. Fire Authorities have largely maintained appliances and stations as they are key to maintaining response standards and are valued by the public, however, the service overheads for these will now be relatively higher.

The annual cost of services for CPFA since 2010/11 is detailed below, showing a fluctuation in budgets over the period with a slight overall increase during the time period<sup>33</sup>. The net spend on fire and rescue service per head of population is £34 compared to the £38.71 national combined fire authority average<sup>34</sup>.

**Table 6: Cambridgeshire and Peterborough Fire Authority budget**

Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
CPFA	£30.26m	£29.48m	£29.81m	£29.82m	£29.34m	£28.53m	£28.45m

CPFA has also demonstrated an effective record in dealing with Government cuts in an efficient and innovative manner. As part of the Comprehensive Spending Review (CSR) 2016–2020 CPFA must realise a total of £3.87m savings over the period 2016/17 to 2019/20 (referred to in their Comprehensive Spending Review Update). The £1.3m savings for years 2018/19 and 2019/20 are yet to be identified but may be partially met by a proposed increase in precept.

Local authority budgets also face substantial pressures (not least as a consequence of the escalating social care costs) as well as changes to sources of income and government grant. Finding year-on-year savings, while protecting front line public sector services will be increasingly difficult.

**2.2.5 Changing operational demands for police forces and fire and rescue services**

The demand and type of work both the fire and police services undertake has changed, and continues to change, which is bringing police, fire and other statutory agencies into closer contact with each other more frequently, increasing the case for greater collaboration. Whilst data does not exist, it is considered that there is a high degree of overlap between police, fire, ambulance and the local

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<sup>29</sup> HMIC, Value for Money Profile 2016: Cambridgeshire Constabulary  
<sup>30</sup> HMIC, PEEL: Police efficiency 2016 – An inspection of Cambridgeshire Constabulary  
<sup>31</sup> NAO (2015), Impact of funding reductions on fire and rescue services  
<sup>32</sup> Ibid  
<sup>33</sup> Figures are cost of total expenditure from the CPFA’s annual statements of accounts  
<sup>34</sup> CIPFA Fire and Rescue Service Statistics 2016-17 estimates

authorities for those communities considered to be vulnerable and in need of support from public services.

## Police

Overall crime in England and Wales has fallen by more than a quarter since June 2010<sup>35</sup>. However, during this time the crime landscape has changed considerably, with forces experiencing significant increases in cases of child safeguarding and domestic abuse, whilst the threat from cybercrime continues to grow. As many traditional crimes have decreased, policing has had to focus on protecting people from new harms, and a College of Policing analysis of demands on policing<sup>36</sup> found evidence to suggest that an increasing amount of police time is now directed towards public protection work, such as managing high-risk offenders and protecting vulnerable victims.

In her presentation to the APACE-PACCTS Seminar on the 7 October 2016, Chief Constable Sara Thornton, chair of the National Police Chiefs Council (NPCC), highlighted how the police are increasingly taking on these broader responsibilities:

- “Non-crime” incidents reported account for 83% of all calls
- 15–20% of reported incidents are linked to mental health and mental health incidents absorb between 20–40% of police time
- There was an 11.5% increase in public safety and welfare incidents between 2010–14
- 273,319 missing persons were reported in 2012/13, at an estimated cost of £362m per annum
- Offenders managed by the Multi Agency Public Protection Authority (MAPPA) have increased by a third in the last 5 years

There has been a similar pattern to these crime trends in Cambridgeshire. There have been recent increases in recorded crime (5% from 2014/15 to 2015/16), including significant rises in serious sexual offences (+13.5%), hate crime (+18%), domestic abuse (+17%) and violence against the person (+20%) in Cambridgeshire. Emerging crime threats including child sexual exploitation (+206%) and cyber-enabled crime (+175%) are placing further investigative demands on the constabulary. The nature of these investigations not only require considerable police resource but complex safeguarding investigations in particular will also require close working with other statutory agencies.

## Fire and rescue

In relation to fire and rescue, incidents attended by fire and rescue services in England have been on a long-term downward trend, falling by 42% over the ten-year period from 2004/05 to 2014/15<sup>37</sup> and fire-related deaths and casualties have also been on a long-term downward trend<sup>38</sup>. This is attributed to a range of factors including building regulations changes, fire safety enforcement, fire prevention work, public awareness campaigns, standards to reduce flammability such as furniture regulations, and the growing prevalence of smoke alarm ownership in homes (rising from 8% ownership in 1998 to 88% working ownership in 2013/14<sup>39</sup>). The fire and rescue service has resilience responsibilities as defined in the National Framework<sup>40</sup> which means they must provide minimum levels of community resilience and safety.

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<sup>35</sup> Office for National Statistics (2015), [Crime Survey for England and Wales, year ending December 2015](#)

<sup>36</sup> College of Policing (2015), [Estimating demand on the police service](#)

<sup>37</sup> DCLG (2016), [Fire Statistics Monitor: England, April to September 2015](#)

<sup>38</sup> DCLG (2015), [Fire Statistics Monitor: England, April 2014 to March 2015](#)

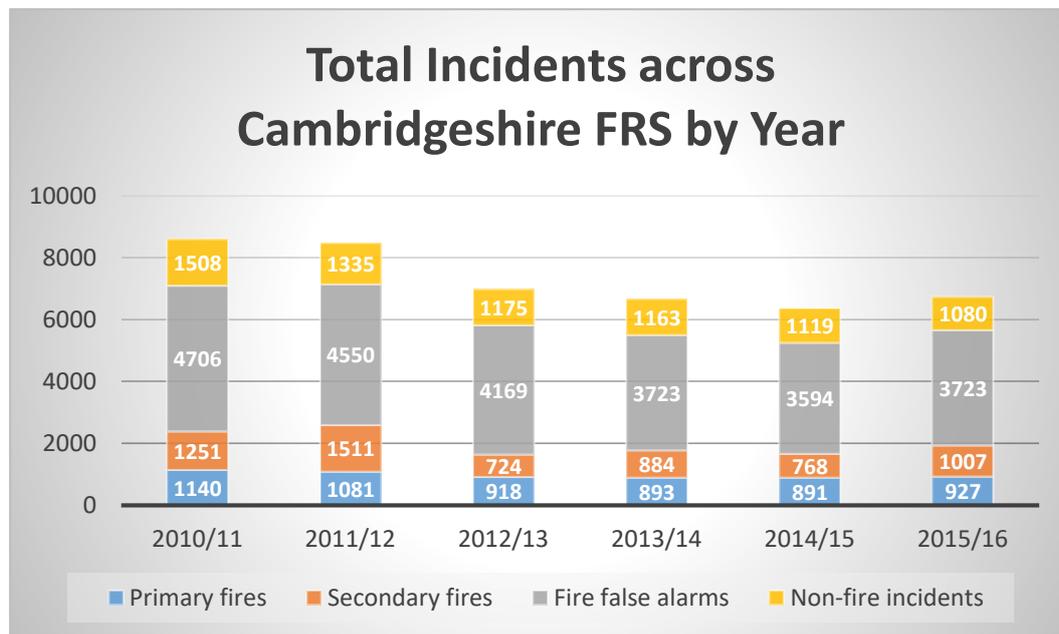
<sup>39</sup> DCLG (2015), [English Housing Survey 2013 to 2014: fire and fire safety report](#)

<sup>40</sup> DCLG (2012), [Fire and rescue national framework for England](#)

In addition, there was a 22% increase in the number of non-fire (also known as Special Service) incidents attended by FRS's nationally between 2014/15 and 2015/16. Thus, 29% of incidents attended by FRSs in 2015/16 were non-fire, the highest proportion since non-fire incidents were first recorded in 1999/00. The most common type of non-fire incident was attending a road traffic collision in 2015/16. But there was also a marked increase in co-responder medical incidents (where the FRS has a formal agreement in place with the ambulance service to respond to medical incidents), which increased by 83% between 2014/15 to 2015/16<sup>41</sup>. All these necessitate close working with other emergency services and statutory bodies.

The national pattern of reduced demand for fire-related incidents is mirrored in Cambridgeshire; where over the last five years there has been an overall decline in the number of primary fires as well as significant drop in secondary fires over the same period:

**Figure 3: CFRS has seen a reduction in both fire and non-fire incidents**



**Table 7: Changes in incidents between 2010/11 and 2015/16**

	Changes in incidents since 2010/11 <sup>42</sup>	Changes in total fires since 2010/11	Changes in non-fire incidents since 2010/11
CFRS	-22% overall (but 6% increase in 2015/16)	-20% overall (but 16% increase in 2015/16)	-28%

## 2.3 Critical success factors for a change in governance

In light of these drivers and the current situation, it is timely to consider whether changes in governance can contribute to meeting the opportunities and managing the risks identified above.

Formally, any change in governance must meet the tests in the Policing and Crime Act 2017 of:

- Economy
- Efficiency; and
- Effectiveness; or

<sup>41</sup> Home Office (2016), [Fire statistics monitor: April 2015 to March 2016](#)

<sup>42</sup> Home Office, [Fire statistics data tables](#)

- Public safety.

These tests are not defined in more detail in the legislation and the link between governance and improved outcomes may not always be a direct one. To be worth pursuing, a change in governance would need to release benefits greater than the cost of implementation (which would include the change programme needed to make the transition as well as any on-going costs).

A specific set of Critical Success Factors (CSFs) has been identified for any change in governance for Cambridgeshire. These are shown below, together with how they link to the statutory tests. The overall case for change and the individual governance options are assessed against these factors.

**Table 8: Critical success factors**

Critical success factor	Description	Components	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability
1. Facilitates the optimal utilisation of capital assets	The option can accelerate and enable the realisation of financial benefits from optimising the utilisation and management of capital assets such as estate, equipment and fleet	How well the option delivers value for money from enabling optimisation of: a. Utilisation of capital assets b. Management of capital assets			●	
2. Accelerates pace and effectiveness of police and fire collaboration	The option can accelerate and enable more effective police and fire collaboration to deliver tangible public safety and vulnerability prevention benefits, improve effectiveness and resilience	How well the option enables improved: a. Public safety and vulnerability prevention b. Effectiveness and resilience of services	●	●		
3. Enables a more innovative and effective approach to public service transformation	The option enables CC and CFRS to work more effectively with partners to improve effectiveness and resilience to deliver tangible public safety and vulnerability prevention benefits	How well the option enables improved: a. Public safety and vulnerability prevention when working with other partners b. Effectiveness and resilience of services when working with other partners	●	●		
4. Brings benefits in terms of transparency and accountability	The option can improve transparency, accountability, visibility and effectiveness of scrutiny and decision-making for the public, stakeholders and CC and/or CFRS	How well the option provides benefits of transparency and accountability: a. National research of PCC v Authority model b. Operation of PCC v Authority models in Cambridgeshire		●		●
5. Reduces cost of effective governance	The option can simplify governance arrangements, releasing financial benefits	How well the option delivers value for money from: a. Simplifying governance			●	
6. Deliverable	The option can be implemented successfully	How well the option: a. Meets the likely availability of funding b. Matches the level of available skills and capacity required for successful delivery		●		

Critical success factor	Description	Components	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability
		c. Minimises delivery risks				
7. Mitigates against strategic risks	The option can mitigate strategic risks	How well the option can mitigate the impact of strategic risks: a. Loss of public trust b. Compromise to links with health/local government services	●	●	●	●

## 2.4 Case for change

This section describes the case for change in terms of the critical success factors.

### 2.4.1 CSF 1: Facilitates the optimal utilisation of capital assets

A change of governance could ensure the best use of police and fire assets through a single approach to investment decisions and estates consolidation. A range of opportunities for estate rationalisation between fire and police has already been identified. The table below summarises Tranche 1 of such opportunities.

**Table 9: Summary of estate consolidation programme (Tranche 1)**

Location	Description	Capital released	Revenue savings
Wisbech	Relocate to fire station		●
Whittlesey	Police station being sold and drop-in facility to fire station is being explored	●	●
Ramsey	Police station being sold and drop-in facility to fire station is being explored	●	●
St Ives	A feasibility study is being undertaken on shared use of the police or fire station with disposal of the surplus asset	●	●
St Neots	A feasibility study is being undertaken on shared use of the police or fire station with disposal of the surplus asset	●	●
Monks Wood	Exploring use as a joint training facility, contingent on a number of factors including disposal of Huntingdon fire station	●	tbc

A further opportunity at Parkside (Cambridge) has been identified and is being investigated.

**Table 10: Future estate opportunities**

Location	Description	Capital released	Revenue savings
Parkside (Cambridge)	Initial discussion of suitability of relocation of custody and support services and city centre presence	tbc	tbc

There are also a number of further locations in which there are separate fire and police facilities that could, over time, form the basis for further opportunities for rationalisation or to increase local emergency service visibility:

- Cambourne
- Chatteris
- Ely
- Huntingdon
- Linton
- Peterborough
- Sawston

There are no plans within the business case to reduce the number of fire stations and no intention to make changes to the operational direction set by the CFRS Integrated Risk Management Plan.

Other areas of collaboration already being explored include fleet management and shared use of specialist equipment such as drones.

A business case for a shared estates and facilities management service across CC and CFRS is being developed, and it anticipates some revenue benefits from procuring contracts with greater scale and scope.

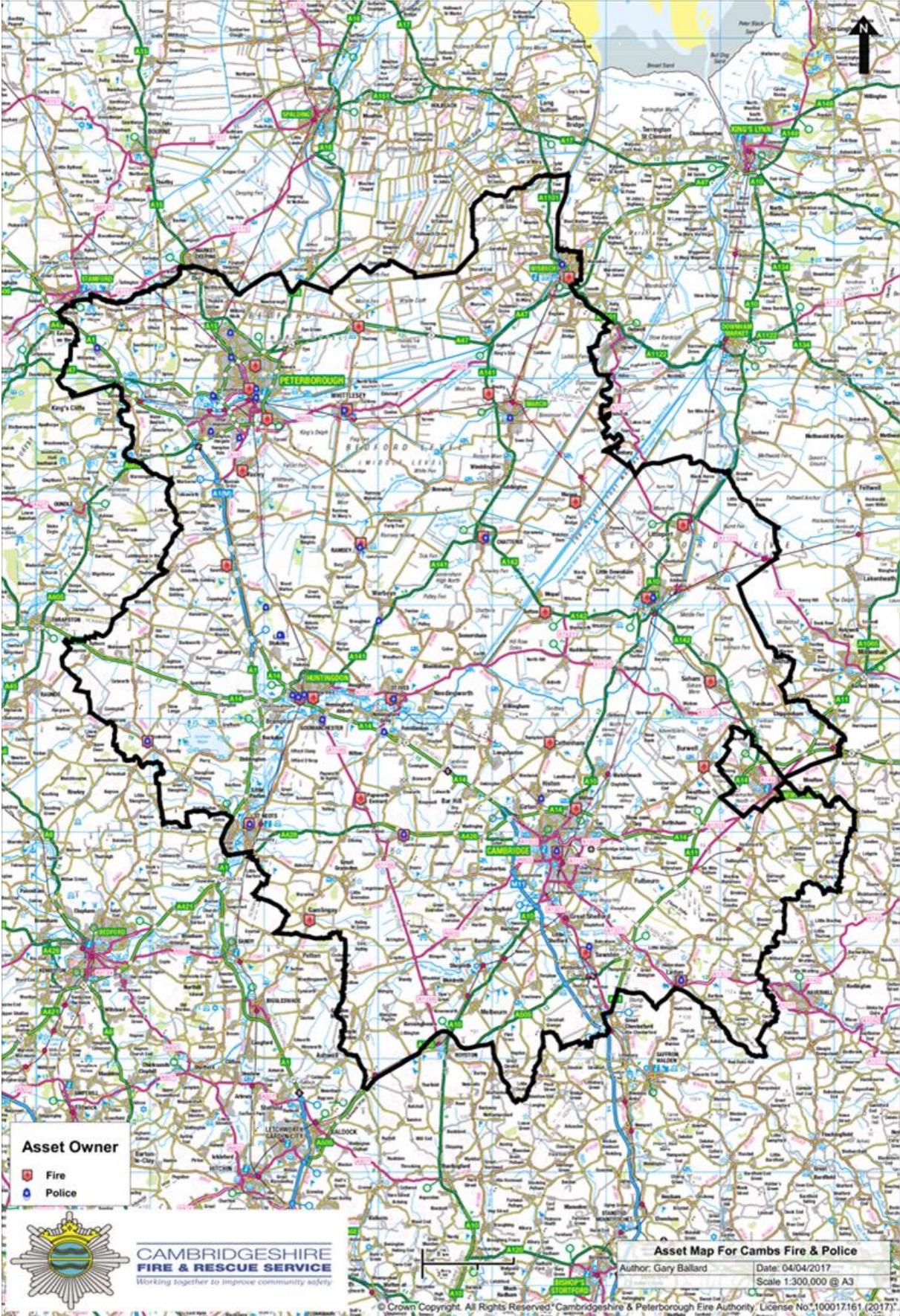
Optimisation of estate is perhaps the area of greatest opportunity for financial benefits from collaboration between the two organisations, with an estimated maximum net present value of around £1.8m savings value from Tranche 1 by 2026/27 and a potential total net present value of around £3.5m by 2026/27 (estimated by scaling the possible benefits from Tranche 1 to cover all areas where there are separate fire and police facilities)<sup>43</sup>.

The realisation of these benefits does not depend upon a change in governance. However there needs to be a joined up approach that avoids decisions being taken by a single service that may not provide overall best value for money. Consequently, there needs to be enough senior time and resources dedicated to evaluating opportunities, decision-making and driving benefits realisation and ensuring alignment. Shared governance can enable this to happen more effectively.

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<sup>43</sup> Assumes that all schemes would be successfully delivered – the four options assume lower rates of success, which are stated in the economic appraisal for each option

Figure 4: Asset map for Cambridgeshire fire and police, 4 April 2017



## 2.4.2 CSF 2: Accelerates pace and effectiveness of police and fire collaboration

There are opportunities to accelerate the pace of existing or planned police and fire collaboration through faster and streamlined governance, simplified decision making and good risk management processes.

Emergency services collaboration research consistently demonstrates governance as a major enabler or barrier of collaboration – complex governance makes it harder to deliver significant collaboration initiatives quickly and effectively.

There are examples in the UK of where savings have been made as a result of collaboration where a “robust governance architecture” has been a strong enabler of collaboration. This recognises that “Large-scale collaborations and the related investment and change programmes are usually complex and often challenging. It was seen as essential that time needed to be spent at the outset designing, testing and embedding a governance infrastructure in order to ensure this complexity and potential challenge could be managed as work progressed”<sup>44</sup>.

Parry et al (2015) acknowledged that another strong enabler of collaboration was the importance of retained brand identity: “All three blue light services have easily recognisable identities in the public, and media perception is that, although they may suffer ups and downs, the services are generally strong and respected. Retaining the best features of these identities whilst working towards closer collaboration and shared resources was seen as important.”<sup>45</sup>

The evidence from research suggests that governance structures, be they local or national, can serve to facilitate or frustrate collaboration in equal measure; however single consolidated governance structures can bring about benefits of speed of decision-making, transparency and improved public confidence. It is therefore essential that collaboration is underpinned by a greater alignment of governance structures to ensure the success of future joint working.

More strategic discussions – such as how to better integrate services and respond to the needs of the local population – may be held in a number of different forums but, fundamentally, a single layer of governance will always be more effective at enabling this. This would also be important for making sure that strategic decisions make sense in the context of increasing collaboration and diminishing public sector resources.

As part of this work, several workshops with operational, community safety and enabling services leads from fire and police were held to assess the scope for further opportunities for collaboration between emergency services in Cambridgeshire. Amongst those consulted, collaboration between fire and police is considered to work well at the operational level, but there are opportunities to accelerate and ensure aligned decision-making through stronger shared governance at the strategic and political level.

It was established through these workshops that a significant amount of work has already been undertaken to identify and prioritise a number of police and fire collaboration initiatives, but progress to date has been slow since the Strategic Interoperability Board’s inception in August 2016. At the point of the workshops the majority of the prioritised collaboration opportunities were either in planning or early implementation stages, and there were few formal benefits realisation measures associated with the opportunities. Furthermore, the Board has focused mainly on operational matters that can be agreed and delivered relatively easily and do not require further revenue spend or capital investment.

In summary, the workshops uncovered that there are potential opportunities for greater police and fire service collaboration in Cambridgeshire. Whilst they have not been quantified at this stage, they

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<sup>44</sup> Parry et al (2015), [Research into Emergency Services Collaboration](#)

<sup>45</sup> Ibid

represent potentially significant opportunities to deliver public safety benefits as well as some financial savings.

A summary table of the additional collaboration opportunities is included below.

**Table 11: Potential opportunities for further emergency services collaboration**

Collaboration opportunity	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	Benefit summary
Opportunities to join up community safety strategies including: <ul style="list-style-type: none"> <li>• Introduction of a single county wide community safety strategy</li> <li>• Extending the 'Prevention and Enforcement Service' model across Cambridgeshire</li> <li>• Introduction of Joint Intervention Vehicles (triage cars tailored to needs of local community)</li> <li>• Introduction of multi-faceted prevention staff trained to provide fire safety, crime prevention and business security advice</li> </ul>	●	●			Improvements to effectiveness; developing a shared operating model which will assure resilience and underpin effective community safety prevention and enforcement activities
Making better use of estates through further consolidation and rationalising between police and fire	●	●			Potential one-off saving from release of and improved operational effectiveness
Integrated control room – improving operational effectiveness and deployment decision-making Shared demand management Shared deployment of appropriate resources		●			Improvement in operational effectiveness from being able to make deployment decisions together
Getting further value out of enabling services including: <ul style="list-style-type: none"> <li>• Shared training centre</li> <li>• Shared financial transactional services</li> <li>• CC to join CFRS insurance consortium</li> <li>• Shared internal PMO</li> <li>• Shared corporate performance/business intelligence</li> <li>• Shared media/communications</li> <li>• Shared JESIP, incident command and leadership training – potential for joint police/fire BCH</li> </ul>			●		Improvements in resilience of corporate functions and potentially some small savings

### Community safety

There are opportunities in Cambridgeshire to achieve the objective described in the Policing 2025 Vision<sup>46</sup> for a whole system approach to public protection and a whole place approach to commissioning preventative services.

While there is consultation between partners in developing their strategies and risk assessments, there is currently no single commissioning community safety strategy for emergency services and other partners across Cambridgeshire despite there being significant overlaps in the strategic objectives across the organisations. A single commissioning community safety strategy across

<sup>46</sup> Association of Police and Crime Commissioners, National Police Chiefs' Council (2016), [Policing Vision 2025](#)

Cambridgeshire could increase effectiveness and value for money, targeting messages and interventions on home and fire safety alongside broader social and community.

It was acknowledged during the workshops by both police and fire colleagues that there is an overlap in those with whom they seek to engage; and that data sharing and more joined-up risk management could be improved. This would provide a sound evidence-based approach for further integrated service delivery and the replication of the PES model referred to earlier across other Community Safety Partnerships in Cambridgeshire.

A county wide implementation of the PES model, under the auspices of a single commissioning community safety strategy for Cambridgeshire, would not be without its complexities given the number of partners and layers of governance it would involve, and would benefit from a simplified governance structure.

The Cambridgeshire Local Resilience Forum (LRF) is another county wide initiative (albeit a statutory requirement under the Civil Contingencies Act 2004) that could benefit from simplified governance. LRFs are multi-agency partnerships made up of category 1 responders, including the emergency services, local authorities, the NHS, the Environment Agency and others. The LRFs aim to plan and prepare for localised incidents and catastrophic emergencies. They work to identify potential risks and produce emergency plans to either prevent or mitigate the impact of any incident on their local communities. Feedback from the workshops in relation to the Cambridgeshire LRF was that CC and CFRS often found it difficult to engage wider LRF partners and although emergency plans largely existed many remained untested. An advantage of shared governance therefore could be a louder voice of advocacy within the LRF which would provide focus and much more public accountability for resilience arrangements across the county.

### **Integrated multi-agency control room**

The long-term opportunity of an integrated multi-agency control room was also discussed in the operational workshop – the emphasis of these discussions focused on the potential operational benefits in the longer-term of improved operational effectiveness through shared demand management and improved deployment decision-making. There are potential public benefits and operational advantages of a place-based multi-agency integrated control room versus a regional inter-service control room collaboration model, but this would be longer-term given the current effectiveness of the existing combined CFRS and Suffolk FRS Fire Control collaboration. There is also a future possibility of a BCH tri-force police control room.

Financial benefits from a multi-agency control room would be limited due to the significant economies of scale already realised through the existing CFRS and Suffolk FRS collaboration agreement. CFRA currently run a combined control room with Suffolk FRS at a total cost of £923k per annum for CFRS. At call levels of 48,500, this gives a cost per call of £19.03 which is significantly lower than other Fire and Rescue Services. The average cost per call is also comparable to the CC control room which has an operating cost of £8.44m and handles 447,500 calls, equating to a cost of £18.86 per call.

Due to the complexities with a implementing an integrated police and fire control room notwithstanding the challenges in relation to business processes, technology and the different roles and skill sets of control room operators across police and fire any proposal for a joint control room would need to be subject to a separate business case.

### **Enabling services**

Achieving additional efficiency savings through a shared provision of enabling services is complex, with both CFRS and CC having previously sought economies of scale through different partnerships. For CC, many of their support arrangements are delivered through the BCH collaboration (covering HR, L&D, IT, procurement, information assurance, contract management, business change and occupational health) whilst CFRS have existing relationships with Bedfordshire, Devon and Somerset, Essex and South Wales (covering ICT, GIS, service transformation and efficiency programme, audit and training).

Although in the long term, there could be opportunities to build on existing collaboration agreements through the consolidation of multi-agency support services across the region, this would be complex to achieve if indeed it was coveted. In the short term, there are opportunities for the consolidation of support services across CFRS and CC that have not been explored to date, which changes to governance could make more possible due to the simplification of the decision-making process. This includes opportunities such as financial transactional services, internal project management office, corporate performance/business intelligence and media/communications. However any future collaboration opportunities will be subject to separate business cases.

### **Barriers to collaboration**

There are a number of local barriers to collaboration that include:

- Legal obstacles, such as the exercising of powers granted by legislation to specific services, or the need to carefully handle personal data
- The tension between the delivery of individual operational services and the need to collectively understand and respond to public need as part of an integrated response
- Cultural differences between different services and between different organisations
- The difficulty for some organisations in working with a large number of partners. This is a particular problem for the East of England Ambulance Service NHS Trust, who work right across the region, engaging and collaborating with 19 Clinical Commissioning Groups, 17 acute trusts, and 6 different police forces and fire and rescue services. This creates tension between the desire to participate strongly in local collaboration whilst maintaining a consistent approach across the region. Simplifying governance in Cambridgeshire could therefore facilitate improved working with health partners.

A change in governance could contribute in overcoming some of these barriers. In particular aligning the strategic direction of both CFRS and CC would ensure a collective and more integrated response to public need and closer working between the organisations would break down those barriers relating to cultural differences.

In summary, emergency services collaboration in Cambridgeshire is already well established and therefore the scale of future additional collaboration benefit may not be sufficient on its own to justify a change in governance. However, a change in governance could drive existing and planned collaboration harder and faster.

### **2.4.3 CSF 3: Enables a more innovative and effective approach to public service transformation**

With the more obvious efficiencies already being delivered through well-established single-service collaboration agreements, CC and CFRS need to be able to pursue more innovative and potentially more radical avenues for improving the quality of public services.

A change in governance could drive a more innovative and effective approach to public service transformation through stronger joined up strategic leadership and engagement with partners on community safety matters.

The new Combined Authority will lead the next steps in transforming local public service and there is an opportunity to develop innovative integrated community intervention work to manage demand upstream and maximise public value.

Since their introduction in 2012, PCCs have already demonstrated an ability to act as a catalyst for change and drive innovation. A Police Foundation report in 2016<sup>47</sup> stated that PCCs had “unlocked innovation in policing policy” and that having a “full time public official focused on public safety” had

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<sup>47</sup> The Police Foundation (2016), [Reducing crime through innovation: the role of PCCs](#)

led to new ways of doing things. The report highlighted five ways in which PCCs have unlocked innovation:

- Increased collaboration – through greater partnership working with other agencies, criminal justice diversion and joint commissioning of services
- Use of soft power – through being an elective official with a public voice to influence leaders of partner agencies
- Leveraging the evidence base – through their remit to try new things and ability to commission robust evaluations of new initiatives
- Increased public engagement – through more open dialogue with the public and catalysing broader debate
- Use of technology – through increasing visibility through more agile and mobile working, digital evidence capture and digital public contact

Closer governance between police and fire would drive public service transformation harder and faster, with potential benefits including the development of more innovative integrated service delivery which could address the causes of offending behaviour early, before escalation that requires more costly public service intervention. It could also drive the further development and extension of services across Cambridgeshire such as the Safer Peterborough Partnership Prevention and Enforcement Service (see Section 2.4.2).

CFRS personnel have told us that the “voice of fire” sometimes gets lost in wider partner collaboration. A joint co-opted police and fire voice at the Cambridgeshire and Peterborough Combined Authority Board would provide a single loud voice of advocacy, create a stronger critical mass for change and drive more innovative and joined up approaches to the commissioning of community safety interventions.

#### **2.4.4 CSF 4: Brings benefits in terms of transparency and accountability**

Fire Authorities and the PCCs are both responsible for the conduct of public business and for spending public money, and are accountable for ensuring that business is conducted in accordance with the law and applicable proper practices. They must also be transparent in conduct and ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Framework Delivering Good Governance in Local Government, published by CIPFA in association with SOLACE in 2007 sets the standard for governance in local government (including Fire Authorities and PCCs) in the UK. Both CPFA and the PCC are subject to the Nolan Principles of Public Life.

PCCs are directly accountable to the local electorate, for the discharge of their functions. This is complemented by robust transparency arrangements, which provide an incentive for the PCC to ensure propriety, value for money and resilience. This approach provides adequate safeguards for the efficient and effective use of public funds. Police and Crime Panels perform a statutory oversight and scrutiny function in respect of PCCs, ensuring that information is available for the public to support the democratic process.

Fire and rescue authorities are made up of appointed councillors, accountable to their individual electorates. In their role as fire authority members they are accountable to the overall population but they are not publicly elected to this role. There is currently no external inspectorate for fire and therefore assurance is largely devolved to the local level and relies on local scrutiny (from peers within the sector, other fire authorities and the general public).

Police Authorities were abolished, in part, due to their lack of visibility. Two years ago, the Home Affairs Select Committee recognised in their 2014 report<sup>48</sup> that, “PCCs have provided greater clarity of leadership for policing within their areas, and are increasingly recognised by the public as accountable

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<sup>48</sup> Home Affairs Committee (2014), [‘Police and Crime Commissioners: progress to date’](#)

for the strategic direction of their police force.” The report recognised that the introduction of PCCs had worked well and that they have had a beneficial effect on public accountability and clarity of leadership in policing.

In addition, the National Audit Office found, when reviewing the PCC model, the replacement of police authorities by PCCs enabled “a single person to make decisions faster than a committee and could be more transparent about the reasons for those decisions”<sup>49</sup>. It also outlined further benefits around the “scope to innovate, to respond better to local priorities and achieve value for money”.

Nationally there is evidence that the introduction of PCCs has increased transparency and public accountability, therefore consideration must be given to whether the current committee structure of the CPFA remains the most suitable governance arrangement for Cambridgeshire.

### **Operation of PCC v Authority models in Cambridgeshire**

The governance elements of the CPFA currently consists of 17 members, a Monitoring Officer and a Scrutiny and Assurance Manager. The Scrutiny and Assurance Manager is the only dedicated full time scrutiny role and is responsible for supporting the Authority’s overview and scrutiny function and to work with the Chair to develop an annual programme of improvement and scrutiny reviews contributing to the Authority’s continuous business improvement. This includes managing the delivery of in depth member-led scrutiny reviews and recommendations. There have been four member-led scrutiny reviews over the last 12 months:

- Media and Communication Function review
- Transfer Policy review
- Disciplinary Appeals Process review
- STEP Transformation Fund Project review.

Both the CPFA and PCC have had their governance processes assured. The CPFA is required to undertake an assessment of the governance arrangements through its Annual Governance Statement<sup>50</sup> using the principles of the CIPFA/SOLACE framework ‘Delivering Good Governance in Local Government’. An audit of the CPFAs governance arrangements for 2015/16 did not identify any significant governance issues relevant to this work and “drew a reasonable conclusion on the adequacy and effectiveness of the Authority’s governance arrangements”<sup>51</sup> under the framework. Likewise, the PCC has adopted a code of corporate governance consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. The Annual 2015/16 Governance Statement<sup>52</sup> details how the PCC has complied with the code and that no major governance issues were identified with the organisation having “adequate and effective framework for risk management, governance and internal control”.

Assurance does not however mean that the governance processes are delivering a full-range of added value benefits. Effective governance is more than just scrutiny, it is about setting strategy, setting budgets, having good risk management and developing external partnerships. Fire Authorities have been criticised for not having independent support to drive and deliver these functions and therefore a change in leadership alone will not be enough to realise the benefits and will need to be supported by the right governance structures to drive delivery of this transformation agenda.

In its scrutiny role, the CPFA does not have access to independent technical advisors, and, although there are a number of longstanding members with significant operational knowledge, the CPFA was

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<sup>49</sup> National Audit Office (2014), Police accountability: Landscape review

<sup>50</sup> CPFA (2016), Annual Governance Statement 2015/16

<sup>51</sup> Ibid

<sup>52</sup> Cambridgeshire OPCC (2016), Annual Governance Statement 2015/16

previously criticised in a Public Accounts Committee inquiry into financial sustainability of fire and rescue services<sup>53</sup> in relation to its scrutiny of senior officer salaries. As part of the inquiry, Melanie Dawes, who was the permanent secretary with DCLG, stated that the decision by the CPFA to immediately rehire the then retired Chief Fire Officer “had not been taken through any proper oversight procedures in terms of a vote by the fire and rescue authority”. She went on to say that local scrutiny of the fire system must be “as good as it possibly can be” and “the opportunity of having the oversight of an elected Police and Crime Commissioner could improve that.”<sup>54</sup>

The PCC has already brought the benefit of his additional oversight and a different perspective on collaboration to Cambridgeshire, which has meant that new areas for potential future collaboration between CC and CFRS have been explored, such as a potential shared emergency services HQ in Huntingdon.

In comparison to the CPFA structure, within the OPCC there are 13.3FTEs providing support to the PCC to discharge his full range of functions effectively and with independence across four key strands of work:

**Table 12: Cambridgeshire PCC workstreams**

Evidence base	Plan	Delivery	Holding to account/controls assurance
<ul style="list-style-type: none"> <li>• Police led – strategic assessment/strategic policing requirement (local/regional/national);</li> <li>• OPCC led – victim and offender needs assessment</li> <li>• Partner led – priorities</li> <li>• National drivers</li> <li>• Public led input from engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Police and Crime Plan</li> <li>• Collaboration business cases/s22s</li> <li>• Medium term financial plan/budget planning</li> <li>• Countywide community safety agreement</li> <li>• Grant agreements</li> <li>• Decision making policy</li> </ul>	<ul style="list-style-type: none"> <li>• Constabulary Delivery Plan</li> <li>• BCH alliance (s22s)</li> <li>• Grants and contracts (grant agreements)</li> <li>• OPCC work</li> <li>• Co-commissioning</li> <li>• Community Safety Partnership Structure</li> <li>• Criminal Justice Partnership Structures</li> <li>• Eastern region (s22s)</li> <li>• National collaborations (s22s)</li> </ul>	<ul style="list-style-type: none"> <li>• Police and Crime Plan performance framework(s) and monitoring</li> <li>• Finance monitoring</li> <li>• Independent Custody Visiting scheme</li> <li>• Complaint monitoring</li> <li>• Estate monitoring</li> <li>• Public engagement</li> <li>• PCC visits</li> <li>• HMIC</li> <li>• Risk register</li> <li>• Internal/external audit</li> <li>• Joint audit committee</li> <li>• Police and crime panel</li> </ul>

There is a good body of research that indicates single, streamlined governance can accelerate reform and improve public visibility and transparency. A high-level summary of the transparency and accountability of the existing PCC and CPFA governance arrangements over the last 12 months is detailed below:

- Both the CPFA and PCC publish the board agenda, papers and minutes on their respective websites but in addition the PCC publishes a decision log. The CPFA pages on the CFRS website receive on average 116 unique user visits per month compared on average the 2,292 unique users that visit the PCC’s website.
- There were no questions tabled by members of the public at CPFA meetings. The PCC held 12 open public surgeries attended by 35 members of the public where 35 questions were tabled. In addition, the OPCC issues 10 newsletters a year reaching around 20,000 people per issue and the PCC also received 1,020 emails/letter correspondences from the public.

<sup>53</sup> Public Accounts Committee (2015), Oral evidence: ‘Financial sustainability of Fire and Rescue Services’ HC 582

<sup>54</sup> Ibid

The fire authority and PCC models of governance are quite different. The PCC model is fundamentally a more modern and directly accountable approach that the public are engaged with in Cambridgeshire. There is therefore an opportunity, through a change in governance, to increase levels of scrutiny, improve the visibility, engagement and transparency of fire governance with a more proactive engagement approach with the public and partners.

**International good practice**

There is some evidence about the benefits of integrated governance between police and fire in achieving improvements, but that deeper integration presents risks and has been less successful.

Kurt Thurmaier et al<sup>55</sup> explored various models of service consolidation in local government and found speed of decision-making, transparency, visibility, and accountability of an elected official brought a dividend to the depth and breadth of collaboration and improvements in public service and confidence. Wilson and Weiss<sup>56</sup> also found in their 2012 study of consolidations in the US that the control through a single governance structure was highlighted by many of those involved as a key driver in achieving coherent consolidation.

A 2015 Wilson and Grammich study reported that “in recent years, a growing number of communities have consolidated their police and fire agencies into a single ‘public-service’ agency. Consolidation has appealed to communities seeking to achieve efficiency and cost-effectiveness”<sup>57</sup>.

However they also found that “some communities have even begun to abandon the model. Exploring the reasons for disbanding can help cities considering the public-safety model determine whether it is right for them”<sup>58</sup>. One reason is preserving ‘brand identity’ – the ICFA noted that “the fire/EMS service typically enjoys a position of trust in the community that transcends fear of authority or reprisal. Law enforcement’s mission to prevent crime from different threats creates varied public opinion and reaction, including being perceived as a threat.”<sup>59</sup> This suggests that there will be public limits to the value and acceptability of police and fire integration.

**2.4.5 CSF 5: Reduces cost of governance**

As the main benefits of the majority of existing and identified opportunities for collaboration are an improvement in public safety or the effectiveness of services, an opportunity for revenue savings could come from simplifying and integrating governance arrangements across the police and fire services. There are potential direct savings of £110k from CPFA members’ expenses/allowances The proposed revenue savings are detailed in full within the Economic Case in Section 3.

There is already an interim arrangement in place for the sharing of theSection 151 officer across both CPFA and the OPCC, which has reduced costs and a new governance model will allow to become permanent. Shared governance could provide future opportunities to share staff and integrate functions such as:

- Strategy development
- Strategic performance and needs assessment
- Partnership planning
- Strategic financial function
- Strategic risk management
- Commissioning strategies
- Estates
- Communication and community engagement
- Chief officer recruitment and succession planning

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<sup>55</sup> Kurt Thurmaier et al (2014), *Alternative Service Delivery: Readiness Check*, ICMA Publishing

<sup>56</sup> Wilson, Weiss & Grammich (2012), Public Safety Consolidation: What is It? How Does it Work?

<sup>57</sup> Wilson & Grammich (2015), Deconsolidation of Public-Safety Agencies Providing Police and Fire Services, International Criminal Justice Review, Vol. 25, Issue 4

<sup>58</sup> Ibid

<sup>59</sup> International Association of Fire Chiefs Position: Consolidation of Fire/Emergency and Law Enforcement Departments and the Creation of Public Safety Officers ADOPTED BY: IAFC Board of Directors on January 23, 2009

- Compliance

There may also be opportunities, over time, to realign salaries of senior staff (see CSF 4). Any further shared staff or functions would be subject to a separate staff consultation and further business cases.

## 2.4.6 CSF 6: Deliverable

Any change needs to be deliverable. There are a number of potential implementation risks (which vary by option). These include:

- Changes to governance diverts leadership focus away from delivery of transformational change in both police and fire and rescue
- Disruption and distraction to change already underway
- Creation of additional work without leading to sufficient impact or influence
- The complexity of staff, asset and liability transfers (in some options) create significant work and cost
- Resistance to the changes results in longer timescales and higher implementation costs (independent scrutiny).

Each option will need to be assessed against these risks.

## 2.4.7 CSF 7: Mitigates against strategic risks

There are also a number of potential strategic risks that might argue against closer governance between fire and rescue. The most significant of these are covered below.

Research into emergency services collaboration<sup>60</sup> suggests a strong enabler of collaboration is the importance of retaining individual service identity. In addition, deeper police and fire collaboration should not be achieved at the expense of existing or future relationships with broader public sector partners.

### Loss of public trust

The fire and rescue service has a “very strong trusted identity”<sup>61</sup> and it is felt that joint working with the police could endanger this.

The International Association of Fire Chiefs (IAFC)<sup>62</sup> states that “the fire service typically enjoys a position of trust in the community that transcends fear of authority or reprisal. Law enforcement’s mission to prevent crime from different threats creates varied public opinion and reaction, including being perceived as a threat.”

Whilst there is a potential risk of losing public trust in the fire service through closer association with the police service, there is no research that definitively demonstrates this at this stage. Initial indications in some areas that have created shared roles in the UK have not seen this impact. There is an opportunity to maximise utilisation of the fire service identity and assets to reduce crime and disorder in local communities as part of the fire service’s statutory responsibilities within Section 17 of the Crime and Disorder Act 1998<sup>63</sup>.

All three blue light services have easily recognisable identities in the public, and media perception is that, although they may suffer ups and downs, the services are generally strong and respected and

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<sup>60</sup> Parry et al (2015), [Research into Emergency Services Collaboration](#)

<sup>61</sup> IFSEC (2015), [Firefighters are second most trusted profession](#)

<sup>62</sup> IAFC (2009), [Position Statement: Consolidation of Fire/Emergency and Law Enforcement Departments and the Creation of Public Safety Officers](#)

<sup>63</sup> HM Parliament, [Crime and Disorder Act 2008](#)

“retaining the best features of these identities whilst working towards closer collaboration and shared resources”<sup>64</sup> is important. Each option needs to be assessed against the risk of public trust being lost.

### **Compromise to links with health/local government services**

The FRS has an impressive record on fire prevention activity, and incidents have reduced significantly in the last decade. The NHS, social care and other local government services are looking at how prevention and early intervention can contribute to reducing demand, with the FRS being a key player in delivering community interventions and increasing community wellbeing.

There is an opportunity within the public sector to expand community intervention work to manage demand upstream and maximise public value. Closer collaboration between police and fire in Cambridgeshire and a focused voice at the combined authority should provide greater weight and drive and a more joined up approach to the commissioning of community safety interventions.

A change in governance could therefore enhance rather than compromise links with health/local government services, but would need to be implemented in a way that built on rather than broke away from strong collaboration with other partners.

### **2.4.8 Conclusion**

This section has set out a range of national and local drivers for change. Governance of police and fire and rescue must be capable of meeting the national policy drivers, and enable police and fire to work effectively together to meet the financial and operational challenges they face. There are tangible opportunities to realise operational benefits which will improve public safety and effectiveness of governance, as well as deliver some financial benefits, although these may be offset by the costs involved in implementing some of the options.

National and international best practice recognises that effective governance is a key enabler of collaboration and of greater organisational effectiveness. Collaboration between police and fire has not yet delivered significant benefits and so there will be a risk that the full benefits of police and fire collaboration may not be realised with the existing governance model. However, there are risks and costs attached to making any change and the ability of each of the different governance options to deliver these improvements whilst mitigating risks are considered in the Economic Case in the following section.

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<sup>64</sup> Parry et al (2015), [Research into Emergency Services Collaboration](#)

## 3 ECONOMIC CASE: THE OPTIONS ASSESSMENT

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This assessment considers the governance options introduced by the Policing and Crime Act 2017, as well as the option of making no change to governance (the ‘no change’ option). It considers how well they meet the critical success factors for governance change, address the issues and support delivery of the opportunities identified in the Strategic Case, and manage the strategic risks. We do not consider wider options for change that are already open to police, fire and their wider partners. Where change is already in train, we assume this as part of the baseline (and the ‘no change’ option), unless any of the options could affect this wider work.

### 3.1 Introduction

For Cambridgeshire the governance models in the Policing and Crime Act 2017<sup>65</sup> translate into four potential governance options:

- No change – retaining current governance arrangements
- Representation – with the PCC joining the CPFA
- Governance – with the PCC taking over the role of the CPFA
- Single employer – building on the governance option to also appoint a single chief officer across police and fire.

The following sections describe each option in turn and sets out:

- A description of the option
- An assessment of the option against the critical success factors outlined in Section 2.2 of the Strategic Case, establishing the likelihood of realising the opportunities. This includes quantification of the economy and efficiency benefits wherever possible, adjusted for likelihood of achievement (20% if a low likelihood; 50% if a medium likelihood and 90% if a high likelihood):
  - Accelerates pace and effectiveness of police and fire collaboration
  - Enables faster and more effective collaboration with other partners
  - Brings benefits in terms of transparency and accountability
  - Facilitates the optimal utilisation of capital assets
  - Reduces cost of governance
  - Deliverable
  - Mitigates against strategic risks.
- A summary assessment of option against the tests of public safety, effectiveness, economy and efficiency, scored according to the regime in Table 13 below.

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<sup>65</sup> HM Parliament, [Policing and Crime Act 2017](#)

### 3.1.1 Scoring regime

Table 13: Scoring regime

Test	Score			
	1	2	3	4
Public safety	The option has a detrimental impact on public safety	The option will have little or no impact on public safety	The option will make the public safer	The option will significantly improve public safety
Effectiveness	The option has a detrimental impact on the effectiveness of police and/or fire, such as increasing response times	The option does not change the effectiveness of the two organisations	The option will improve the effectiveness of one organisation, or in one area	The option will improve the effectiveness of both police and fire in a number of areas
Economy and efficiency	The option increases costs	The option has marginal impact on costs	This option delivers some savings	The option delivers significant savings
Ease of delivery	The option will be difficult to deliver and risks causing significant disruption to business as usual	The option is challenging to deliver, but achievable; it will cause some disruption to business as usual	The option is straight forward to deliver and disruption can be managed.	The option is straight forward to deliver and will cause minimal disruption

This Economic Case concludes with a recommendation for the preferred option.

### 3.1.2 Approach to economic appraisal

A net present value (NPV) for each option has been calculated for ten years beyond 2017/18 (year 0). Only financial benefits and costs have been included in the NPV calculation – we have not attempted to measure the economic value of improved public safety or effectiveness of service delivery. The NPV must therefore be viewed alongside the non-financial benefits of a change in governance as does not alone distinguish between the options. Within the financial tables costs are shown as positive numbers and income and savings as negative numbers, in line with local government convention. Therefore where the overall Net Present Value is a negative figure this represents a saving over the period.

## 3.2 ‘No change’ option

### 3.2.1 Description

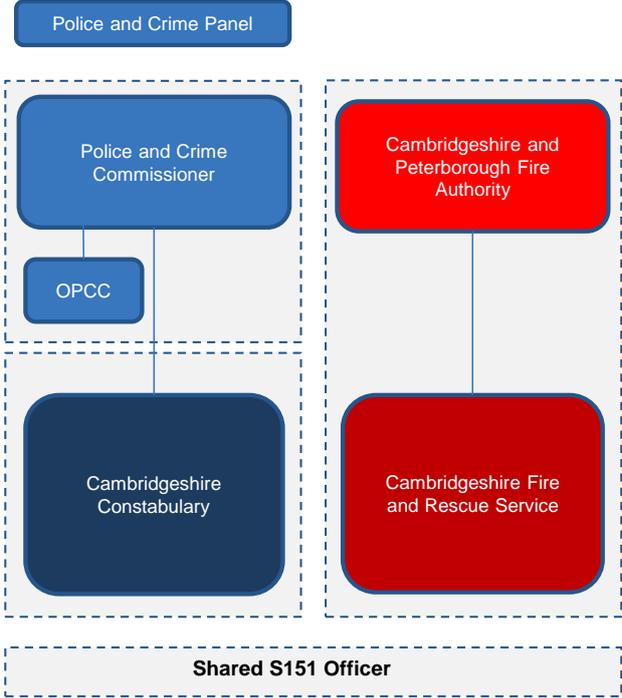
Doing nothing would retain the current governance arrangements:

- The PCC providing strategic leadership of Cambridgeshire Constabulary
- Cambridgeshire and Peterborough Fire Authority governing CFRS.

The two organisations would still be under the statutory duty to collaborate (including more widely across the emergency services) as set out in the Policing and Crime Act 2017. This duty may be met through the existing Strategic Interoperability Board programme of work and any new arrangements that may be established.

There would be no implementation implications, as it involves no direct change. However as collaboration is currently happening and a programme of estate consolidation is in train, there will still be savings generated from the no change option.

**Figure 5: ‘No change’ option – the existing governance arrangements for CC and CFRS would remain in place.**



**3.2.2 Assessment**

This governance model reflects the current governance arrangements, and so will deliver no direct additional benefits. However, it may be possible to deliver some of the opportunities identified in the Strategic Case without changes in governance and the associated risks and costs of change. We assess these below.

**CSF 1: Facilitates the optimal utilisation of capital assets**

“The option can accelerate and enable the realisation of financial benefits from optimising the utilisation and management of capital assets such as estate, equipment and fleet”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
Utilisation of capital assets			●		R	A number of options for estate consolidation are being considered by the estates teams of CC and CFRS under the auspices of the Strategic Interoperability Board. These include opportunities involving other parties including EEAST and local government.  Progress on the consolidation programme is at an early stage. Benefits realisation is likely to depend on the capacity of existing governance mechanisms to dedicate time to estates decision-making, the ability to make decisions that provide overall best value for money, and the capacity of the estates teams to deliver projects.
Management of capital assets			●		A	The potential benefits of the opportunities between CC and CFRS alone have led the two estates teams to propose the creation of a single estates team serving both services.

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
						A shared team could be established without formal integration of governance, although establishing priorities would not be any easier.

## CSF 2: Accelerates pace and effectiveness of police and fire collaboration

“The option can accelerate and enable more effective police and fire collaboration to deliver tangible public safety and vulnerability prevention benefits, improve effectiveness and resilience”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
Public safety and vulnerability prevention	●	●			R	Current emergency services collaboration is being driven through SIB which was established by CC and CFRS in August 2016.
Effectiveness and resilience of services	●	●			R	Existing CFRS and CC collaboration initiatives are in their infancy. Relatively few tangible benefits have been delivered and formal detailed benefit realisation measures are yet to be agreed in most cases.  There are potential opportunities for greater police and fire service collaboration in Cambridgeshire, however, collaboration progress through SIB to date has been slow and therefore we do not envisage significant step change in progress of deeper and faster collaboration without changes in governance.

## CSF 3: Enables a more innovative and effective approach to public service transformation

“The option enables CC and CFRS to work more effectively with partners to improve effectiveness and resilience to deliver tangible public safety and vulnerability prevention benefits”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
Public safety and vulnerability prevention when working with other partners	●	●			R	Current emergency services collaboration is being driven through SIB which was established by CC and CFRS in August 2016.  Existing collaboration initiatives with other partners are in some cases well established, however, both police and fire community safety priorities based on threat, risk and harm are often directly competing against lower level local authority priorities.
Effectiveness and resilience of services when working with other partners	●	●			R	There would be no opportunity for a single police and fire co-opted position on the Cambridgeshire and Peterborough Combined Authority to strengthen

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
						the strategic position of a joint emergency services community safety agenda.

#### CSF 4: Brings benefits in terms of transparency and accountability

“The option can improve transparency, accountability, visibility and effectiveness of scrutiny and decision-making for the public, stakeholders and CC and/or CFRS”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
National research of PCC v Authority model		●		●	R	The formal mechanisms of transparency and accountability of the CPFA remain the same as today – this option would not have any impact on improving effective scrutiny for the fire service that the PCC model could deliver
Operation of PCC v Authority models in Cambridgeshire		●		●	R	

#### CSF 5: Reduces cost of effective governance

“The option can simplify governance arrangements, releasing financial benefits”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Simplifying governance			●		R	The existing arrangements will not release financial benefits from simplifying governance.

#### CSF 6: Deliverable

“The option can be implemented successfully”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Meets the likely availability of funding		●			A	A change in governance would contribute to savings to meet financial pressures. ‘No change’ may leave unmet savings.
Matches the level of available skills and capacity required for successful delivery		●			G	No change
Minimises delivery risks		●			G	No change

## CSF 7: Mitigates against strategic risks

“The option can mitigate strategic risks”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Loss of public trust	●	●	●	●	A	As the fire service and constabulary continue to operate independently it is unlikely their identity and public trust will be negatively affected. However it may be difficult for CPFA and CC to meet increasing public expectations without substantially enabling collaboration.
Compromise to links with health/local government services	●	●	●	●	G	As previously identified it is unlikely that this option will drive substantial new collaboration and so it is unlikely that it will detract from existing collaboration or integration with existing or future local authority links

### 3.2.3 Summary scoring of this option

#### Public safety

On balance, we conclude that this option has neither a detrimental impact on safety, nor does it have a strong likelihood of improving public safety. As such, we have given it a score of 2. The assessment above shows that, although additional public safety benefits could be delivered through police and fire or police, fire and other partner collaboration we do not envisage a significant step change in progress under the ‘no change’ option.

#### Effectiveness

As described in the Strategic Case, there are potential operational effectiveness benefits to aligning fire and police strategic priorities as well as opportunities to improve the effectiveness of existing fire governance arrangements. Without integrated governance, this would be more challenging and therefore we have given it a score of 2 for effectiveness.

#### Economy/efficiency

There would be no costs to implement this option as there is no change, and the direct governance costs continue at current levels, totalling £1.43m per annum comprising OPCC (£1,116,000) and CPFA (£277,000) (actual costs for 2016/17).

With a low likelihood of delivering the estates consolidation programme, this option has an NPV of £1.04m over ten years. We have given this option a score of 1 for economy and efficiency.

**Table 14: 'No change' option – economic appraisal (£k)**

Year	0	1	2	3	4	5	6	7	8	9
Financial year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Cost of governance (CSF 5)</b>										
• CPFA										
• PCC and OPCC										
<b>Estate consolidation (CSF 1)</b>	<b>-59</b>	<b>833</b>	<b>-1,059</b>	<b>-132</b>	<b>-149</b>	<b>-166</b>	<b>-183</b>	<b>-117</b>	<b>-117</b>	<b>-117</b>
• Net capital released	-47	859	-1,009	-66	-66	-66	-66			
• Net revenue costs avoided	-12	-26	-50	-67	-84	-100	-117	-117	-117	-117
<b>Totals</b>	<b>-59</b>	<b>833</b>	<b>-1,059</b>	<b>-132</b>	<b>-149</b>	<b>-166</b>	<b>-183</b>	<b>-117</b>	<b>-117</b>	<b>-117</b>
PV	-59	803	-987	-119	-129	-139	-147	-91	-88	-85
<b>NPV</b>	<b>-1,041</b>									

Chance of successful delivery of an individual capital scheme: 30% - This percentage has been applied to any estimated savings within the estates consolidation programme.

## Ease of delivery

With no change to make, there would be no implementation impact. The following table sets out how this option would impact different areas of the business.

**Table 15: 'No change' – impact of implementation**

Area	Impact
Legal	No direct impact; existing legal structures continue.
HR	No direct impact; there are no changes to roles or resources as a direct consequence of the governance arrangements.
Commercial	No direct impact.
Financial management (s151)	No direct impact.

With no change to implement we have given it a score of 4.

## 3.3 Representation option

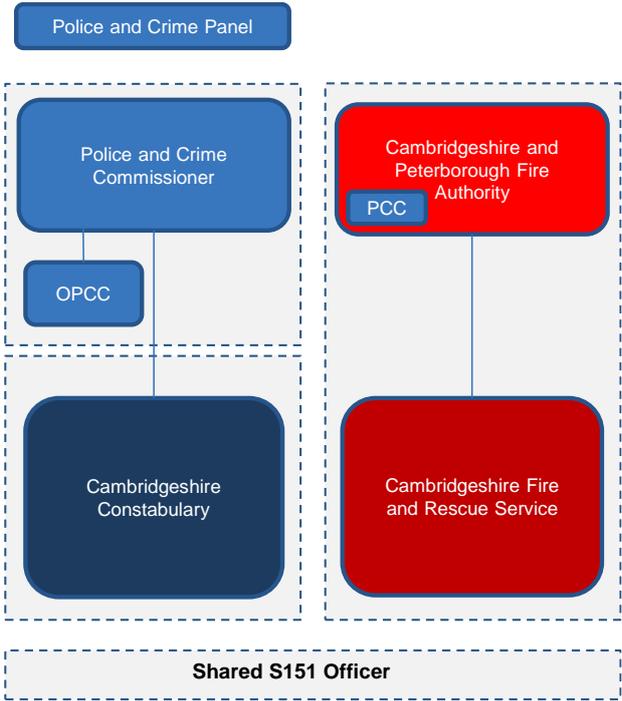
### 3.3.1 Description

This option uses the powers set out in the Act for the PCC to sit on the local fire authority or any of its committees with full voting rights, subject to agreement of the fire authority to the extent that the PCC could become the chair of the Authority, if the other members of the Authority were to elect him to the post. Under this model, the PCC could attend, speak and vote at full and relevant meetings. The Fire Authority may need to review its membership to ensure that the political balance of the authority is maintained.

CPFA, in its response to the government's consultation on closer working between the emergency services, voted at the Fire Authority meeting on 20th October 2016 to support the representation model in the Policing and Crime Act 2017. During the meeting the Chair of the CPFA invited the PCC to accept this option when the new legislation came into force.

This option needs the PCC to submit a formal request to the CPFA for consideration, and although it does not require consultation or a business case to be put to the Home Secretary, it requires the Government to enact the relevant parts of the legislation to allow the PCC to form part of the Fire Authority.

**Figure 6: Representation option – PCC is represented on an FA (or its committees) in their police area with full voting rights, subject to the consent of the FA.**



**3.3.2 Assessment**

This option makes limited change from the ‘no change’ option and so, similarly, it may be possible to deliver some of the opportunities identified in the Strategic Case with only relatively small governance changes and associated risks and costs of change. Direct benefits due to the governance changes would also be limited. We assess these below.

**CSF 1: Facilitates the optimal utilisation of capital assets**

“The option can accelerate and enable the realisation of financial benefits from optimising the utilisation and management of capital assets such as estate, equipment and fleet”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
Utilisation of capital assets			●		A	A number of options for estate consolidation are being considered by the estates teams of CC and CFRS under the auspices of the Strategic Interoperability Board. These include opportunities involving other parties including EEAST and local government.  The PCC would be able to speak formally about fire matters, bringing additional influence to discussions about estate consolidation.  The likelihood of success of the consolidation programme could be improved by a small amount under the ‘representation’ option.
Management of capital assets			●		A	The potential benefits of the opportunities between CC and CFRS alone have led the two estates teams to propose the creation of a single estates team serving both services.

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
						A shared team could be established without formal integration of governance, although establishing priorities would not be any easier.

## CSF 2: Accelerates pace and effectiveness of police and fire collaboration

“The option can accelerate and enable more effective police and fire collaboration to deliver tangible public safety and vulnerability prevention benefits, improve effectiveness and resilience”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
Public safety and vulnerability prevention	●	●			A	There are potential opportunities for greater police and fire service collaboration in Cambridgeshire, however a change in governance is unlikely to uncover entirely new potential areas for collaboration in the short term.
Effectiveness and resilience of services	●	●			A	The PCC, as a member of the FA, would be able to ensure that all relevant matters are raised and discussed. However, the complexity of governance would not be impacted and so the speed of decision-making and pace of collaboration would be unlikely to change.  This means limited gains for either of these components over the ‘no change’ option.

## CSF 3: Enables a more innovative and effective approach to public service transformation

“The option enables CC and CFRS to work more effectively with partners to improve effectiveness and resilience to deliver tangible public safety and vulnerability prevention benefits”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
Public safety and vulnerability prevention when working with other partners	●	●			A	There are potential opportunities for greater emergency services collaboration in Cambridgeshire, however a change in governance is unlikely to uncover entirely new potential areas for collaboration in the short term.
Effectiveness and resilience of services when working with other partners	●	●			A	The PCC, as a member of the FA, would be able to ensure that all relevant matters are raised and discussed across police and fire services. However, the complexity of governance would not be impacted and so the speed of decision-making and pace of collaboration would be unlikely to change.  The PCC could, with his new position on the CPFA, represent both police and fire in a co-opted position

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
						<p>on the Cambridgeshire and Peterborough Combined Authority. He would, however, not be in a position to make strategic community safety decisions affecting fire at the Combined Authority without referring it back to the CPFA. He would also have less influence on the CPFA and would unlikely to be able to develop the innovative fire policies like he has done so for policing.</p> <p>This means limited gains over the 'no change' option.</p>

#### CSF 4: Brings benefits in terms of transparency and accountability

“The option can improve transparency, accountability, visibility and effectiveness of scrutiny and decision-making for the public, stakeholders and CC and/or CFRS”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
National research of PCC v Authority model		●		●	A	The formal mechanisms of transparency and accountability of the CPFA remain the same as today, however, the PCC would be able to speak formally about fire matters, bringing additional transparency and accountability.
Operation of PCC v Authority models in Cambridgeshire		●		●	A	

#### CSF 5: Reduces cost of effective governance

“The option can simplify governance arrangements, releasing financial benefits”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
Simplifying governance			●		R	No reduction in cost of governance, indeed, PCC costs may increase marginally with additional workload: the PCC would require further support from the OPCC and potentially a deputy to alleviate some of the wide range of demands on the PCC's time.

#### CSF 6: Deliverable

“The option can be implemented successfully”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Meets the likely availability of funding		●			G	There would be minimal implementation costs for this option. Running costs for governance may increase slightly to cover the PCC's additional expenses, but this would be marginal.
Matches the level of available skills and capacity required for successful delivery		●			G	Implementation would be straight forward and relatively quick without the need for specialist skills or additional resources to implement.
Minimises delivery risks		●			G	The CPFA support this option and implementation would be relatively straight forward and quick. Implementation would be straight forward and quick with no direct HR, commercial or legal implications and no costs. No formal consultation requirements.

### CSF 7: Mitigates against strategic risks

"The option can mitigate strategic risks"

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Loss of public trust	●	●	●	●	A	As the fire service and constabulary continue to operate independently it is unlikely their identity and public trust would be negatively affected. However it may be difficult for CPFA and CC to meet increasing public expectations without substantially enabling collaboration.
Compromise to links with health/local government services	●	●	●	●	G	As previously identified it is unlikely that this option would drive substantial new collaboration and so it is unlikely that it would detract from existing collaboration or integration with existing or future local authority links

### 3.3.3 Summary scoring of this option

#### Public safety

On balance, we conclude that because the speed of decision-making and pace of collaboration would be to unlikely change, this option has neither a detrimental impact on safety, nor does it have a strong likelihood of improving public safety. As such, we have given it a score of 2.

#### Effectiveness

Operational effectiveness would be unlikely to improve under the representation model, however, the presence of the PCC on the Fire Authority would provide some albeit minor scrutiny benefits as he would still only be one voice amongst 18 members. This option would also introduce a risk of the PCC's role on the CPFA consuming more of the PCC's time without providing direct influence or control. As such, we have given it a score of 3.

## **Economy/efficiency**

There would be no additional costs to implement this option. Running costs for governance may increase slightly to cover the PCC's additional expenses, but this would be marginal. There would be no governance savings from this option. The direct governance costs would continue at current levels, totalling £1.43m per annum comprising OPCC (£1,116,000) and CPFA (£277,000) (actual costs for 2016/17).

There would be some financial gains over the no change option due to the increased likelihood of delivering the estates consolidation programme with a total NPV of £1.39m over ten years. As this is marginally more than the 'no change' option and would only deliver an additional £0.35m over the no change option, we have given this option a score of 2.

**Table 16: Representation option – economic appraisal (£k)**

Year	0	1	2	3	4	5	6	7	8	9
Financial year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Cost of governance (CSF 5)</b>										
• CPFA										
• PCC and OPCC										
<b>Estate consolidation (CSF 1)</b>	<b>-78</b>	<b>1,110</b>	<b>-1,413</b>	<b>-177</b>	<b>-199</b>	<b>-221</b>	<b>-243</b>	<b>-156</b>	<b>-156</b>	<b>-156</b>
• Net capital released	-63	1,145	-1,346	-87	-87	-87	-87			
• Net revenue costs avoided	-16	-35	-67	-89	-111	-134	-156	-156	-156	-156
<b>Implementation</b>										
• Consultation										
• Legal advice										
• Specialist HR advice and support for staff transfer										
• Other delivery costs, inc. project management										
<b>Totals</b>	<b>-79</b>	<b>1,110</b>	<b>-1,413</b>	<b>-177</b>	<b>-199</b>	<b>-221</b>	<b>-243</b>	<b>-156</b>	<b>-156</b>	<b>-156</b>
PV	-79	1,071	-1,315	-159	-172	-185	-197	-122	-117	-113
<b>NPV</b>	<b>-1,388</b>									

Chance of successful delivery of an individual capital scheme: 40% This percentage has been applied to any estimated savings within the estates consolidation programme.

## Ease of delivery

The following table sets out how this option would impact different business areas.

**Table 17: Representation option – impact of implementation**

Are	Impact
Legal	This option would require consultation and agreement of CPFA. Secondary legislation would be required to allow the PCC to sit on the Fire Authority.
HR	No direct impact; there would be no changes to roles or resources as a direct consequence of the governance arrangements, except for additional responsibilities for the PCC. There may be a need to recruit additional staff to the OPCC to help the PCC with his new commitments.
Commercial	No direct impact.
Financial management (s151)	No direct impact. Separate reporting continues for the PCC, Police Force (Chief Constable) and CFRS.

This option is reasonably straight forward to deliver and would cause little disruption. We have therefore given it a score of 3.

## 3.4 Governance option

### 3.4.1 Description

This option uses the powers set out in the Act to allow the PCC to take over the role of the CPFA.

Under this option, CC and CFRS would remain two distinct organisations. The option would create a separate corporation sole for the new Fire Authority, rather than transferring fire and rescue functions to the PCC. This also has the effect of ensuring that existing references in legislation to PCCs do not apply in relation to their fire functions. In his role as CPFA, the PCC becomes the Police Fire and Crime Commissioner (PFCC). He becomes the employer of all fire and rescue staff, and holder of assets and contracts, but the Chief Fire Officer continues to have operational responsibility. The PFCC also continues to be responsible for setting priorities through the Police and Crime Plan, with responsibility for controlling police assets; the Chief Constable of CC continues to employ CC officers and staff.

The Office of the PFCC would need to be expanded and restructured to take on the role of scrutiny of CFRS. The Police and Crime Panel would continue to provide oversight of the PCC including with his additional remit, but without substantial change to its operation.

This option requires formal public consultation, then scrutiny of a business case (by the Home Office) before approval by the Home Secretary and secondary legislation to enact the change. The degree of scrutiny would depend upon the level of local support there is for change.

Following hand-over, the members of CPFA would step down from their role and support arrangements would transfer to the Office of the PFCC. There would need to be a transfer process of staff, commercial contracts, assets and liabilities from the old Fire Authority to the new entity.

**Figure 7: Governance option – PCC takes on responsibility for the fire and rescue service; individual services retain their operational independence, their chief officers and, their own staff**

### 3.4.2 Assessment

This option changes the oversight of CFRS and gives the same elected representative the governance responsibility of both FRSs and the police. As such, it is likely to lead to streamline the decision

making processes across both organisations and enable closer working with each other and partner agencies.

**CSF 1: Facilitates the optimal utilisation of capital assets**

“The option can accelerate and enable the realisation of financial benefits from optimising the utilisation and management of capital assets such as estate, equipment and fleet”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
Utilisation of capital assets			●		G	There is scope to increase the likelihood of success of the consolidation programme currently being driven through the Strategic Interoperability Board through the faster decision-making and potentially greater capacity that the governance option would bring. It is likely that financial benefits could be released from estate through a change in governance which would help focus on solutions that provide overall best value for money. The financial modelling has increased the likelihood of success from 30% in the no change option to 75% for the Governance option.
Management of capital assets			●		G	

**CSF 2: Accelerates pace and effectiveness of police and fire collaboration**

“The option can accelerate and enable more effective police and fire collaboration to deliver tangible public safety and vulnerability prevention benefits, improve effectiveness and resilience”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
Public safety and vulnerability prevention	●	●			G	There are potential opportunities for greater police and fire service collaboration in Cambridgeshire, however a change in governance is unlikely to uncover entirely new potential areas for collaboration in the short term.
Effectiveness and resilience of services	●	●			G	The governance option would bring additional speed of decision-making from a single shared and less complex governance. It would facilitate the alignment of strategic objectives across the Police and Crime Plan and Integrated Risk Management Plan and place greater focus and accountability for collective (rather than individual) outcomes. A louder, more concentrated, voice of advocacy for police and fire would provide greater weight and drive when forming agreements with other police and fire services.

**CSF 3: Enables a more innovative and effective approach to public service transformation**

“The option enables CC and CFRS to work more effectively with partners to improve effectiveness and resilience to deliver tangible public safety and vulnerability prevention benefits”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Public safety and vulnerability prevention when working with other partners	●	●			G	There are potential opportunities for greater public service collaboration in Cambridgeshire particularly through the Combined Authority. The governance model would enable the PCC to represent and make decisions in relation to both police and fire in his co-opted position on the Combined Authority.
Effectiveness and resilience of services when working with other partners	●	●			G	<p>A change in governance is unlikely to uncover entirely new potential areas for collaboration in the short term, however, it would enable the PCC to drive more joined-up and innovative solutions to community safety such as a single commissioning strategy for Cambridgeshire and a county-wide roll out of the Prevention and Enforcement Service.</p> <p>The governance option would bring additional speed of decision-making from a single shared and less complex governance.</p> <p>A louder, more concentrated, voice of advocacy for police and fire would provide greater weight and drive when forming agreements with other public services.</p>

#### CSF 4: Brings benefits in terms of transparency and accountability

“The option can improve transparency, accountability, visibility and effectiveness of scrutiny and decision-making for the public, stakeholders and CC and/or CFRS”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
National research of PCC v Authority model		●		●	G	There is a good body of research that indicates single, streamlined governance can accelerate reform and improve public visibility, accountability, transparency and effective scrutiny (see Section 2.4.4)
Operation of PCC v Authority models in Cambridgeshire		●		●	G	<p>There would be increased public accountability through a directly elected PFCC who would put in place similar accountability arrangements for fire as he currently has for CC. This would mean:</p> <ul style="list-style-type: none"> <li>• Direct access to PFCC through police and fire public surgeries and dedicated PFCC website</li> <li>• Greater visibility of decisions through papers and monthly decision log on website</li> <li>• Independent technical resources within an OPFCC who would provide the capacity and capability to provide effective independent scrutiny and challenge to decision-making and improve the provision of professional scrutiny across both CC and CFRS</li> </ul>

## CSF 5: Reduces cost of effective governance

“The option can simplify governance arrangements, releasing financial benefits”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Simplifying governance			●		G	The main opportunity for revenue savings would come from removing costs of Fire Authority members' allowances. The direct savings from a change in governance would be moderate and offset by any additional cost for the OPCC to oversee CFRS such as an Assistant fire Commissioner.

## CSF 6: Deliverable

“The option can be implemented successfully”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Meets the likely availability of funding		●			A	<p>There would be a high likelihood of realising the benefits associated with the CSFs but there would be some challenges with implementing the governance option:</p> <ul style="list-style-type: none"> <li>• Estimated implementation costs of £80k</li> <li>• Direct HR, commercial and legal implications with the transfer of CPFA staff, assets, contracts and liabilities to the new Fire Authority entity</li> <li>• Formal public consultation and secondary legislation would be required to enact this change.</li> </ul>
Matches the level of available skills and capacity required for successful delivery		●			A	
Minimises delivery risks		●			A	

## CSF 7: Mitigates against strategic risks

“The option can mitigate strategic risks”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Loss of public trust	●	●	●	●	A	Public trust in the fire service is likely to remain high. With the governance model CFRS would continue to operate independently of CC and therefore it is unlikely their identity would be negatively affected.
Compromise to links with health/local government services	●	●	●	●	G	Closer alignment with the police would present an opportunity for more joined up community safety strategies with partner agencies. Deeper police and fire collaboration would not be achieved at the expense of existing or future

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
						public sector relationships and it could bring opportunities for all public sector partners to benefit from the strong fire identity.

### 3.4.3 Summary scoring of this option

#### Public safety

Public safety benefits would likely be achieved through additional speed of decision-making, the alignment of strategies and plans and a more joined up approach to community safety across the emergency services and broader public sector partners. We have therefore given this option a score of 3 for public safety.

#### Effectiveness

This option has a high likelihood of improving both operational effectiveness and the effectiveness of governance and decision making. The scrutiny of the PCC would bring greater emphasis to performance and resources as the OPFCC would have the capacity and capability to provide effective independent scrutiny and challenge to decision-making across both CC and CFRS. We have therefore given this option a score of 4 for effectiveness.

#### Economy/efficiency

There would be direct benefits from adopting this option realised through accelerating the estate consolidation opportunities identified in the Strategic Case. Our estimate is that the benefits would add around £3,620,000 NPV of additional financial benefit over the no change option under this option.

The direct implementation costs to make this happen include: the costs of consultation (estimated at £5k); specialist HR advice (£25k) and other delivery costs, including project management (estimated at £50k).

There would be ongoing savings from the discontinuation of the current CPFA committee arrangements. These would be partially offset by the uplift in costs for the OPFCC.

Our estimates provide a net present value of £4.66m over ten years and we have therefore given this option a score of 3.

**Table 18: Governance option – economic appraisal (£k)**

Year	0	1	2	3	4	5	6	7	8	9
Financial year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Cost of governance (CSF 5)</b>		<b>-179</b>	<b>-179</b>	<b>-179</b>	<b>-179</b>	<b>-179</b>	<b>-179</b>	<b>-179</b>	<b>-179</b>	<b>-179</b>
• CPFA – saving of members’ allowances/expenses		-108	-108	-108	-108	-108	-108	-108	-108	-108
• PCC and OPCC		-71	-71	-71	-71	-71	-71	-71	-71	-71
– <i>Additional cost of Assistant Fire Commissioner</i>		12	12	12	12	12	12	12	12	12
– <i>Saving from shared Head of Finance</i>		-83	-83	-83	-83	-83	-83	-83	-83	-83
<b>Estate consolidation (CSF 1)</b>	<b>-147</b>	<b>1,269</b>	<b>-2,649</b>	<b>-331</b>	<b>-373</b>	<b>-415</b>	<b>-456</b>	<b>-293</b>	<b>-293</b>	<b>-293</b>
• CPFA Huntingdon HQ cost avoided		-813								
• Net capital released	-118	2,147	-2,523	-164	-164	-164	-164			
• Net revenue costs avoided	-29	-65	-125	-167	-209	-251	-293	-293	-293	-293
<b>Implementation</b>	<b>72</b>	<b>8</b>								
• Consultation	5									
• Legal advice										
• Specialist HR advice and support for staff transfer	25									
• Other delivery costs, inc. project management	42	8								
<b>Totals</b>	<b>-75</b>	<b>1,124</b>	<b>-2,828</b>	<b>-510</b>	<b>-552</b>	<b>-594</b>	<b>-635</b>	<b>-472</b>	<b>-472</b>	<b>-472</b>
PV	-75	1,085	-2,633	-458	-479	-497	-513	-368	-355	-342
<b>NPV</b>	<b>-4,660</b>									

Chance of successful delivery of an individual capital scheme: 75% This percentage has been applied to any estimated savings within the estates consolidation programme.

## Ease of delivery

The change required under this option relates to the change in governance support arrangements and the transfer of staff, assets, contracts and liabilities to the new Fire Authority entity. The complexity and length of the staff transfer process would depend in part upon the extent to which any changes in terms and conditions are considered likely – we have assumed a relatively straightforward process. There would also need to be a review of existing contracts and assets prior to transfer, which may uncover some complexities. We have therefore given this option a score of 2 for ease of delivery. The table below provides a summary of the business impacts of the change to this governance model.

**Table 19: Governance option – impact of implementation**

Are	Impact
<b>Legal</b>	The PCC would need to carry out a detailed review of the contracts, assets, liabilities, etc. of CPFA prior to transfer. Secondary legislation would be required to allow the PCC to assume governance of CFRS.
<b>HR</b>	The only direct impact on roles and responsibilities from this change in governance is to the PCC, OPCC and administrative support for CPFA. There may also be an impact on the s151 officers (see below). For CFRS staff, there would need to be a staff consultation process relating to the transfer of their employment, which would take place following Cabinet Office Statement of Practice (COSOP) procedures. This could be relatively quick if guarantees are given of no changes in terms and conditions.
<b>Commercial</b>	There would need to be a transfer of contracts, assets and liabilities to the new Fire Authority entity. Whilst this should be relatively straightforward, contracts would need to be examined for any novation or change control terms that could delay implementation or create complexity.
<b>Financial management (s151)</b>	Separate reporting is still required. There is a risk that there is a perceived lack of separation and therefore lack of challenge between police and fire, particularly when it comes to allocation of cost. The PCC would need to put robust controls and independent scrutiny of the cost allocations in place.

## 3.5 Single employer option

### 3.5.1 Description

Under this option, the PCC takes over the role of the CPFA and becomes the Police, Fire and Crime Commissioner (PFCC). He also appoints a single chief officer (and employer) for both police and fire personnel. The chief officer should appoint a senior fire officer to lead fire operations and a deputy chief constable to lead police operations, under their command. There remains separate funding streams and financial reporting, meaning that all costs still need to be allocated between police and fire.

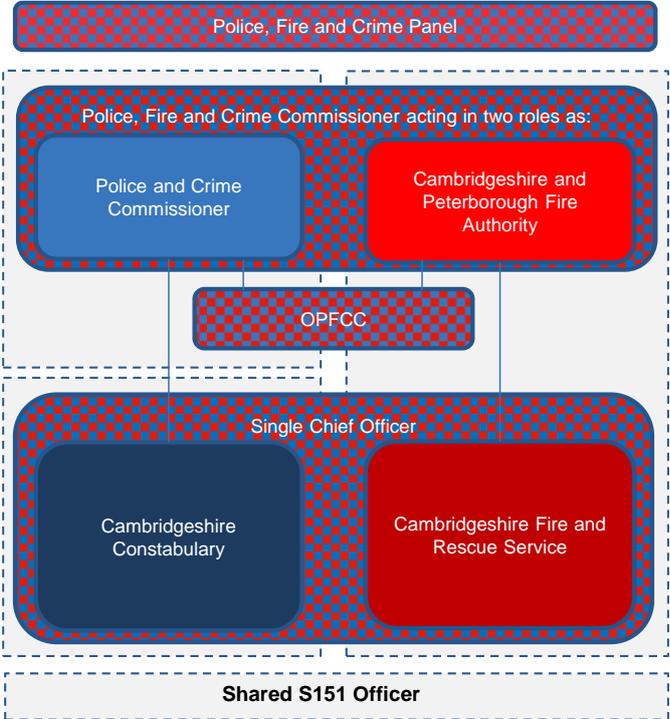
The OPFCC would be expanded and restructured to take on the role of scrutiny of CFRS and the work to merge the organisations. The Police and Crime Panel would continue to provide oversight of the PFCC including with his additional remit, but without substantial change to its operation.

As with the governance option, this option requires consultation, then scrutiny of a business case by the Home Office before approval by the Home Secretary and secondary legislation to enact the change. The degree of scrutiny would depend upon the level of local support there is for change.

Following hand-over, the members of CPFA would step down from their role and support arrangements would transfer to the OPFCC. There would need to be a transfer process of staff to the chief officer and an option to also transfer contracts, assets and liabilities from the old Fire Authority to the chief officer or to the new Fire Authority entity.

Once approval for this option is given, the PFCC could take on the role of the fire authority and establish a single employer as one step, or two separate steps (to be determined following further planning work).

**Figure 8: Single employer option – fire functions are delegated to a single chief officer for policing and fire; services remain operationally distinct albeit supported by integrated support services**



**3.5.2 Assessment**

As with the governance option, this option requires consultation, then scrutiny of a business case by the Home Office before approval by the Home Secretary and secondary legislation to enact the change. The degree of scrutiny would depend upon the level of local support there is for change.

**CSF 1: Facilitates the optimal utilisation of capital assets**

“The option can accelerate and enable the realisation of financial benefits from optimising the utilisation and management of capital assets such as estate, equipment and fleet”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Utilisation of capital assets			●		G	There is scope to increase the likelihood of success of the consolidation programme currently being driven through the Strategic Interoperability Board through the faster decision-making and potentially greater capacity that the governance option would bring. It is likely that financial benefits could be released from estate through a change in governance which would help focus on solutions that provide overall best value for money.
Management of capital assets			●		G	

## CSF 2: Accelerates pace and effectiveness of police and fire collaboration

“The option can accelerate and enable more effective police and fire collaboration to deliver tangible public safety and vulnerability prevention benefits, improve effectiveness and resilience”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
Public safety and vulnerability prevention	●	●			G	There are potential opportunities for greater police and fire service collaboration in Cambridgeshire, however a change in governance is unlikely to uncover entirely new potential areas for collaboration in the short term.
Effectiveness and resilience of services	●	●			G	<p>The governance option would bring additional speed of decision-making from a single shared and less complex governance.</p> <p>It would facilitate the alignment of strategic objectives across the Police and Crime Plan and Integrated Risk Management Plan and place greater focus and accountability for collective (rather than individual) outcomes.</p> <p>A louder, more concentrated, voice of advocacy for police and fire would provide greater weight and drive when forming agreements with other police and fire services.</p> <p>The deeper level of organisational integration of the single-employer could make it easier to allocate resources to collaboration between services, for example community safety.</p>

## CSF 3: Enables a more innovative and effective approach to public service transformation

“The option enables CC and CFRS to work more effectively with partners to improve effectiveness and resilience to deliver tangible public safety and vulnerability prevention benefits”

CSF component	Public safety	Effectiveness	Economy/ efficiency	Transparency/ accountability	RAG	Commentary
Public safety and vulnerability prevention when working with other partners	●	●			G	There are potential opportunities for greater public service collaboration in Cambridgeshire particularly through the Combined Authority. The single employer model would enable the PCC to represent and make decisions in relation to both police and fire in his co-opted position on the Combined Authority.
Effectiveness and resilience of services when working with other partners	●	●			G	A change in governance is unlikely to uncover entirely new potential areas for transformation in the short term, however, it would enable the PCC to drive more joined-up and innovative solutions to community safety such as a single commissioning strategy for Cambridgeshire and a county-wide roll out of the Prevention and Enforcement Service.

						<p>The governance option would bring additional speed of decision-making from a single shared and less complex governance.</p> <p>A louder, more concentrated, voice of advocacy for police and fire would provide greater weight and drive when forming agreements with other public services. The deeper level of organisational integration of the single-employer could make it easier to allocate resources to collaboration between partners, for example community safety.</p>
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#### CSF 4: Brings benefits in terms of transparency and accountability

“The option can improve transparency, accountability, visibility and effectiveness of scrutiny and decision-making for the public, stakeholders and CC and/or CFRS”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
National research of PCC v Authority model		●		●	G	There is a good body of research that indicates single, streamlined governance can accelerate reform and improve public visibility, accountability, transparency and effective scrutiny (see Section 2.4.4)
Operation of PCC v Authority models in Cambridgeshire		●		●	G	<p>There would be increased public accountability through a directly elected PFCC who would put in place similar accountability arrangements for fire as he currently has for CC. This would mean:</p> <ul style="list-style-type: none"> <li>• Direct access to PFCC through police and fire public surgeries and dedicated PFCC website</li> <li>• Greater visibility of decisions through papers and monthly decision log on website</li> </ul> <p>Independent technical resources within an OPFCC who would provide the capacity and capability to provide effective independent scrutiny and challenge to decision-making and improve the provision of professional scrutiny across both CC and CFRS</p>

#### CSF 5: Reduces cost of effective governance

“The option can simplify governance arrangements, releasing financial benefits”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Simplifying governance			●		G	The main opportunity for revenue savings would come from removing costs of Fire Authority members' allowances. The direct savings from a change in governance would be moderate and offset by any additional cost for the OPCC to oversee CFRS such as an Assistant Fire Commissioner. There may be further

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
						potential for savings through the reduction of duplicated roles across the OPCC and CPFA.

## CSF 6: Deliverable

“The option can be implemented successfully”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Meets the likely availability of funding		●			R	<p>There would be a high likelihood of realising the benefits associated with the CSFs but there would be significant challenges with implementing the single-employer option:</p> <ul style="list-style-type: none"> <li>• Estimated implementation costs of £425k</li> <li>• High risk of industrial action</li> <li>• Significant direct HR, commercial and legal implications with the complex statutory transfer of staff to the single chief and assets and other liabilities to the new fire authority</li> <li>• Formal public consultation and secondary legislation would be required to enact this change</li> <li>• More controversial and potentially more likely to not receive local support which could delay the implementation timescales</li> </ul>
Matches the level of available skills and capacity required for successful delivery		●			R	
Minimises delivery risks		●			R	

## CSF 7: Mitigates against strategic risks

“The option can mitigate strategic risks”

CSF component	Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	RAG	Commentary
Loss of public trust	●	●	●	●	R	The single-employer model presents some risk of loss of public trust due to closer alignment of the two services with the same chief officer would leading both police and fire although operationally the two services and their officers would remain distinct.
Compromise to links with health/local government services	●	●	●	●	G	Closer alignment with the police would present an opportunity for more joined up community safety strategies with partner agencies. Deeper police and fire collaboration would not be achieved at the expense of existing or future public sector relationships and it could bring opportunities for all public sector partners to benefit from the strong fire identity.

### **3.5.3 Summary scoring of this option**

#### **Public safety**

As with the governance option, public safety benefits would likely be achieved through additional speed of decision-making, the alignment of strategies/plans and a more joined up approach to community safety across the emergency services and broader public sector partners. We have therefore given this option a score of 3 for public safety.

#### **Effectiveness**

In addition to the improved effectiveness the governance option would bring, this option offers the additional benefit of a single point of operational accountability and consistency across both police and fire at strategic and operational leadership levels, and the capability of a single chief officer to drive performance. We have therefore given this option a score of 4 for effectiveness.

#### **Economy/efficiency**

As with the governance model, there would be direct costs and benefits in delivering this option. Our estimate is that this option would add around £3.35m NPV of additional financial benefit to the no change option.

The direct implementation costs to make this happen include: the costs of consultation (estimated at £40k); legal implementation costs (estimated at £100k), specialist HR advice (£150k), other delivery costs, including project management and staff consultation (estimated at £100k) and recruitment costs for the new chief officer (estimated at £35k).

In addition to the savings that can be realised under the governance model, the change in structure of the chief officer group should provide a further direct saving. We estimate that this saving would be approximately £45,000 per annum, equating to a quarter of the annual salary (with on-costs) of a chief officer and approximately £83,000 saving per annum on a shared Head of Finance.

Our estimates provide a net present value of £4.39m over ten years and have therefore given this option a score of 3.

**Table 20: Single employer option – economic appraisal (£k)**

Year	0	1	2	3	4	5	6	7	8	9
Financial year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Cost of governance (CSF 5)</b>			<b>-264</b>	<b>-264</b>	<b>-264</b>	<b>-264</b>	<b>-264</b>	<b>-264</b>	<b>-264</b>	<b>-264</b>
• CPFA			-148	-148	-148	-148	-148	-148	-148	-148
– Saving of members' allowances/expenses			-108	-108	-108	-108	-108	-108	-108	-108
– Partial saving from shared Chief Officer			-40	-40	-40	-40	-40	-40	-40	-40
• PCC and OPCC			-90	-90	-90	-90	-90	-90	-90	-90
– Additional cost of Assistant Fire Commissioner			12	12	12	12	12	12	12	12
– Partial saving from shared Chief Officer			-45	-45	-45	-45	-45	-45	-45	-45
– Saving from shared Head of Finance			-83	-83	-83	-83	-83	-83	-83	-83
<b>Estate consolidation (CSF 1)</b>	<b>-147</b>		<b>1,269</b>	<b>-2,649</b>	<b>331</b>	<b>373</b>	<b>415</b>	<b>456</b>	<b>293</b>	<b>293</b>
• CPFA Huntingdon HQ cost avoided			-813							
• Net capital released	-118		2,147	-2,523	164	164	164	164		
• Net revenue costs avoided	-29		-65	-125	167	209	251	293	293	293
<b>Implementation</b>	<b>215</b>	<b>210</b>								
• Consultation	40									
• Legal advice	50	50								
• Specialist HR advice and support for staff transfer	75	75								
• Other delivery costs, inc. project management	50	50								
• Recruitment of single chief officer		35								
<b>Totals</b>	<b>68</b>	<b>210</b>	<b>1,005</b>	<b>-2,913</b>	<b>-595</b>	<b>-637</b>	<b>-679</b>	<b>-720</b>	<b>-557</b>	<b>-557</b>
PV	68	203	936	-2,617	-516	-533	-548	-561	-419	-404
<b>NPV</b>	<b>-4,392</b>									

Chance of successful delivery of an individual capital scheme: 75%

## Ease of delivery

This is the most challenging of the options to deliver as it would involve substantial changes to staffing arrangements and would require significant union engagement. The fire unions, in particular the FBU, have highlighted in public documents that they do not agree with the single employer model. This is likely to be the most contentious of the options and therefore we have given it a score of 1. The following table considers the business impacts of the single employer option.

**Table 21: Single employer option – impact of implementation**

Area	Impact
<b>Legal</b>	<p>There would be a statutory staff transfer scheme to a single employer which would mirror the requirements of the Cabinet Office Statement of Practice and follow the best practice for TUPE. Terms and conditions nationally negotiated and/or incorporated in collective agreements can be expected to be preserved after the transfer to the new employer.</p> <p>However, it would require staff consultation and there may be a need to harmonise terms and conditions. For the purpose of this analysis, we assume that terms and conditions would remain as they are at transfer; this would need to be investigated further as part of the planning for this option.</p> <p>Transfer of staff to the single chief and assets and other liabilities to the new fire authority is considered to be more legally complex than other options.</p>
<b>HR</b>	<p>Under this model, the PCC would need to decide if they intend to make changes to terms and conditions, which are likely to be required in order to gain the full benefits of the single employer model and also mitigate against risks of equal pay claims. Any complexity would lead to a longer and more risky staff transfer process than under the governance model, which could delay delivery of benefits. The risk of industrial action is high. This would lead to wider disruption, including a risk to public safety, delays to other changes and increases in costs.</p> <p>Further work would also be needed on how complaints and professional standards would be managed under a single employer. Current arrangements differ significantly between police and fire. There is likely to be high interest from staff and representative bodies on how this would operate.</p>
<b>Commercial</b>	<p>There are no immediate additional commercial changes required by the transfer to a single employer model unless the PCC decides to transfer assets to the single chief. Otherwise, the same transfer process as for the governance model would apply.</p> <p>As enabling services are merged, a full commercial review would be required to ensure, for example, that software licences cover all users appropriately. Some of these changes would take longer to implement and would be part of a wider collaboration programme rather than being delivered as part of the governance changes.</p>
<b>Financial management (s151)</b>	<p>Separate reporting is still required. Allocations between police and fire would need to be agreed for each area that shares resources, which would be more complex under a single employer model and increasing number of shared functions.</p>

## 3.6 Summary of evaluations

Table 22 summarises the options from the perspectives of each of the critical success factors based on the commentary, high level RAG assessment and economic appraisals detailed above.

**Table 22: Summary of evaluations**

Critical success factor	Components	Relevance to test				Option			
		Public safety	Effectiveness	Economy/efficiency	Transparency/accountability	'Do nothing'	Representation	Governance	Single employer
1. Facilitates the optimal utilisation of capital assets	a. Utilisation of capital assets			●		R	A	G	G
	b. Management of capital assets			●		R	A	G	G
2. Accelerates pace and effectiveness of police and fire collaboration	a. Public safety and vulnerability prevention	●	●			R	A	G	G
	b. Effectiveness and resilience of services	●	●			R	A	G	G
3. Enables faster and more effective collaboration with other partners	a. Public safety and vulnerability prevention when working with other partners	●	●			R	A	G	G
	b. Effectiveness and resilience of services when working with other partners	●	●			R	A	G	G
4. Brings benefits in terms of transparency and accountability	a. National research of PCC v Authority model		●		●	R	A	G	G
	b. Operation of PCC v Authority models in Cambridgeshire		●		●	R	A	G	G
5. Reduces cost of effective governance	a. Simplifying governance			●		R	R	G	G
6. Deliverable	a. Meets the likely availability of funding		●			A	G	A	R
	b. Matches the level of available skills and capacity required for successful delivery		●			G	G	A	R
	c. Minimises delivery risks		●			G	G	A	R
7. Mitigates against strategic risks	a. Loss of public trust	●	●	●	●	A	A	A	R
	b. Compromise to links with health/local government services	●	●	●	●	G	G	G	G
<b>NPV (£m)</b>						<b>1.04</b>	<b>1.39</b>	<b>4.66</b>	<b>4.39</b>
<b>Overall rank</b>						<b>4</b>	<b>3</b>	<b>1</b>	<b>2</b>

**Based on the RAG assessment of the critical success factors the governance option is the highest ranked option.**

### 3.7 Qualitative evaluation against the four tests

Table 23 analyses the options from the perspectives of the four tests in the Policing and Crime Act 2017. A qualitative assessment shows there is little to choose between many of the options.

The governance and single employer options are the options most likely to deliver the benefits set out in the Strategic Case; however, the single employer option has greater implementation and delivery risks over the governance option.

**Table 23: Evaluation against the four tests**

Test	Option			
	'No change'	Representation	Governance	Single employer
<b>Public safety</b>	(2) The option will have little or no impact on public safety	(2) The option will have little or no impact on public safety	(3) The option will make the public safer	(3) The option will make the public safer
<b>Effectiveness</b>	(2) The option does not change the effectiveness of the two organisations	(3) The option will improve the effectiveness of one organisation, or in one area	(4) The option will improve the effectiveness of both police and fire in a number of areas	(4) The option will improve the effectiveness of both police and fire in a number of areas
<b>Economy and efficiency</b>	(1) The option has marginal impact on costs	(2) The option has marginal impact on costs	(3) This option delivers some savings	(3) This option delivers some savings
<b>Ease of delivery</b>	(4) The option is straight forward to deliver and will cause minimal disruption	(3) The option is straight forward to deliver and will cause minimal disruption	(2) The option is straight forward to deliver and disruption can be managed.	(1) The option is challenging to deliver, but achievable; it will cause some disruption to business as usual
<b>Total score</b>	9	10	12	11
<b>Overall rank</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>2</b>

**The highest ranked option is the governance model.**

### 3.8 Preferred option

Based on the assessment in sections 3.6 and 3.7, the governance and single employer are the options most likely to deliver the benefits set out in the Strategic Case.

The 'no change' and representation options are straightforward to implement in that they represent very minor change. Both these options would, however, do very little to capture the public safety, financial and governance benefits that have been identified. Both the governance and single employer options have the potential for improving community safety outcomes, accelerating the pace and extent of estate consolidation and provide greater focus and transparency through more rigorous and effective strategic and performance scrutiny. The governance and single employer are therefore marked highly for efficiency and effectiveness as well as public safety and economy. The key differentiator between the governance and single employer option is in the relative ease of delivery. The single employer option requires substantial change to make it happen which means it would take longer to realise and carries substantial risks for minimal additional benefit. The governance model offers most the benefits of the single employer option and at lower cost and risk to implement.

**Based on the assessment of the options against the critical success factors and the four tests the preferred option is the governance model.**

In the following sections, we consider the commercial, financial and Management Cases for the preferred option of the governance model.

## 4 COMMERCIAL CASE

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The main commercial implications from adopting the governance model for CPFA are relatively straightforward and focus on the transfer of contracts, assets and liabilities from the old FRA to the new FRA, led by the PCC. This transfer will take place through a statutory transfer scheme.

The governance model requires CFRS staff to transfer from the existing FRA as their employer, to the new FRA, led by the PCC, under Cabinet Office Statement of Practice (COSoP).

### 4.1 Commercial implications

Contracts that support delivery of policing in Cambridgeshire are held by the PCC, and contracts associated with delivery of Fire and Rescue Services are held by CPFA.

There will be no change to policing contracts. Existing Fire Authority contracts will need to be transferred to the new PCC-style FRA.

To give effect to the governance option, the Policing and Crime Act 2017 gives the Secretary of State the power to make an order which makes the PCC the FRA for the area covered by the order. The order will also provide for the creation of a corporation sole as the FRA. This arrangement is intended to “preserve the distinct legal identify of the fire and rescue service by creating the PCC-style FRA as a separate corporation sole, rather than transferring the fire and rescue functions to the PCC”<sup>66</sup>.

If the Secretary of State makes an order which makes the PCC the FRA for the area covered by the order, she may also make schemes transferring property, rights and liabilities from an existing FRA to the new PCC-style FRA (Section 4C(2) of the Fire and Rescue Services Act 2004, as inserted by paragraph 5 of Schedule 1 to the Act).

Things that can be transferred under a transfer scheme include:

- Property and rights and liabilities which could not otherwise be transferred
- Property acquired, and right and liabilities arising, after the making of the scheme
- Criminal liabilities.

References to “property” above include the grant of a lease.

Below we outline what the high-level commercial implications of the Governance option will include.

There will be a need for further examination of all existing assets, liabilities and contracts held by CPFA to understand if there are complexities created by the transfer to the new PCC-style FRA, such as restrictions on novation or change control. This may increase the timescales and costs of transfer.

As the PFCC takes over the role of CPFA, this will mean disbanding the current Authority and its sub-committees. The additional scrutiny responsibilities of the PCC will be supported by the OPFCC. CPFA currently purchases support services from third party organisations and these contracts will need to be reviewed. This includes the contract for democratic services with Cambridgeshire County

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<sup>66</sup> HM Parliament (2016) [Policing and Crime Bill: Explanatory Notes](#), para 307

Council and the role of Monitoring Officer, which is discharged by LGSS Law Ltd under an annual contractual arrangement.

The OPFCC will conduct a full review of its structure in order to meet its future requirements. The current expectation is that this will continue to be delivered in-house, with external support (such as legal services) purchased as and when required.

In the longer term, if enabling services are brought together through collaboration arrangements, some of the supporting contracts may also change. For CC, much of their enabling services are already closely interlinked with Bedfordshire Police and Hertfordshire Constabulary as shared services under the BCH Strategic Alliance. As this arrangement is already delivered economies of scale, we do not expect to break these up, but there may be the potential in the future to additional blue light services into these arrangements to achieve further benefits. Further work will be needed on the best commercial mechanism for “on-boarding” FRS support services into the BCH shared service arrangements. There will also be commercial and contractual implications of making better use of the joint estate that will need to be understood and implemented depending upon the approach taken.

The PCC is committed to maintaining relationships and consultation mechanisms with representative bodies, and that any changes that governance may enable rather than deliver will be subject to separate investment cases and appropriate consultation as required

## 4.2 Human resources implications

Under the governance model, all fire and rescue staff will transfer from the current CPFA to the new FRA, led by the PFCC. The transfer will take place via the same transfer scheme described in Section 4.1 above (because references to ‘rights and liabilities’ includes rights and liabilities under an employment contract). The transfer will be governed by the Cabinet Office Statement of Practice (COSoP), protecting the terms and conditions of staff.

## 4.3 Consultation implications

Under the Police and Crime Act (2017), the Police and Crime Commissioner is obliged to consult publicly on any LBC exploring options for changes to the governance of the Fire and Rescue Service. As such, consultation – its scale, length, content and resource requirements – are key issues to consider when making decisions around the LBC and potential implementation of change. Set out below are some high level consultation implications that will require consideration:

- Transparency – all consultation plans – including the draft Local Business Case are supported by clear communication materials for staff, stakeholders and public
- Genuine commitment to consult and listen to different voices – using defined and varied communication forums and channels across different platforms – designed to reach different audiences
- Sufficient resources committed to delivering meaningful consultation – using communications resources across OPCC, Police and Fire – work managed by ‘Communications working group’ working to a Strategic Governance Board – with possible need for additional resources
- Ability to measure and evidence – building into consultation planning the ability to measure – in order to evaluate and evidence depth and breadth of consultation.
- Overall objective – all communications around the LBC (internally and externally) should be geared towards delivering a successful public consultation process which has the confidence of key stakeholders in Cambridgeshire.

## 5 FINANCIAL CASE

This Financial Case shows that the cost of implementing the governance model is affordable within current budgets. We estimate that the direct costs of implementation will be £96k. We expect these costs to be funded from the PCC's earmarked reserve but will be offset by the savings in operational costs as a direct result of a change to the governance model.

Note: The numbers quoted in the Financial Case differ from those in the Economic Case because they include inflation and VAT<sup>67</sup>. Figures in the Economic Case are presented in real terms in 2017/18 prices (excluding inflation).

### 5.1 Implementation costs of the governance option

The £96k implementation costs of the governance option are low and are affordable within existing budgets and will be offset by the savings in the operational cost of governance which will be realised from 2018/19.

The table below shows the estimated implementation costs including inflation and VAT as well as the savings and impact on the two organisations. All financial modelling assumptions are set out in Appendix D.

**Table 24: Implementation costs and savings (£k including inflation)**

Financial year	17/ 18	18/ 19	19/ 20	20/ 21	21/ 22	22/ 23	23/ 24	24/ 25	25/ 26	26/ 27	Total
<b>Cost of governance (CSF 5)</b>		-182	-185	-189	-192	-196	-200	-204	-208	-213	-1,770
• Saving to CPFA		-110	-112	-114	-116	-118	-121	-123	-126	-128	-1,068
• Saving to PCC and OPCC		-72	-74	-75	-76	-78	-79	-81	-83	-84	-702
• <b>Implementation</b>	<b>-86</b>	<b>-10</b>	<b>0</b>	<b>-96</b>							
• Costs	-72	-8	0	0	0	0	0	0	0	0	-80
• VAT	-14	-2	0	0	0	0	0	0	0	0	-16
• <b>VAT recovery</b>	<b>14</b>	<b>2</b>	<b>0</b>	<b>16</b>							
<b>Net cashable benefit</b>	<b>-72</b>	<b>173</b>	<b>185</b>	<b>189</b>	<b>192</b>	<b>196</b>	<b>200</b>	<b>204</b>	<b>208</b>	<b>213</b>	<b>1,690</b>

All of the implementation costs are expected to be resource costs. Unless the PCC is able to secure Government funding for these costs, they will need to be met from the budgets of each organisation, with the majority likely to fall to the PCC.

<sup>67</sup> Note: VAT is not included in the economic case figures because it is a transfer cost and does not contribute economic value. Redundancy costs are treated in the same way. However, they will both need to be funded which is why they are included in the financial case.

## 5.2 Impact of enabled net benefits

In addition to the direct costs and benefits outlined in Section 5.1, the enabled estates consolidation opportunities will further improve the financial position. The table below shows the estimated net benefit under each option. As the estimates are high level at this stage the opportunities have been adjusted for the likelihood of them occurring under each governance model (a 75% likelihood of success factor), we have not tried to estimate where the costs and benefits would fall or apply VAT. The majority of the costs and benefits would be resource and professional fees, but there would also be capital costs

The costs in the table below include inflation.

**Table 25: Impact of estate consolidation programme (£k including inflation)**

Financial year	17/ 18	18/ 19	19/ 20	20/ 21	21/ 22	22/ 23	23/ 24	24/ 25	25/ 26	26/ 27	Total
<b>Estates consolidation (CSF1)</b>	<b>146</b>	<b>-1,287</b>	<b>2,735</b>	<b>345</b>	<b>397</b>	<b>451</b>	<b>507</b>	<b>334</b>	<b>341</b>	<b>347</b>	<b>4,316</b>
• Net benefit	147	-1,287	2,744	349	401	455	511	334	341	347	4,341
• VAT on VATable costs	-1		-9	-4	-4	-4	-4				-26
<b>VAT recovery</b>	<b>1</b>		<b>9</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>				<b>26</b>
<b>Net benefit</b>	<b>147</b>	<b>-1,287</b>	<b>2,744</b>	<b>349</b>	<b>401</b>	<b>455</b>	<b>511</b>	<b>334</b>	<b>341</b>	<b>347</b>	<b>4,341</b>

The overall impact of this is shown in Table 26 below:

**Table 26: Overall impact on financial positions (£k including inflation)**

Financial year	17/ 18	18/ 19	19/ 20	20/ 21	21/ 22	22/ 23	23/ 24	24/ 25	25/ 26	26/ 27	Total
Cost of governance (CSF 5)	0	-182	-185	-189	-192	-196	-200	-204	-208	-213	-1,770
Implementation	72	8	0	0	0	0	0	0	0	0	80
Estate consolidation (CSF 1)	-147	1,287	-2,744	-349	-401	-455	-511	-334	-341	-347	-4,341
VAT	15	2	9	4	4	4	4	0	0	0	42
VAT recovery	-15	-2	-9	-4	-4	-4	-4	0	0	0	-42
<b>Net benefit</b>	<b>-75</b>	<b>1,114</b>	<b>-2,930</b>	<b>-538</b>	<b>-593</b>	<b>-651</b>	<b>-711</b>	<b>-538</b>	<b>-549</b>	<b>-560</b>	<b>-6,032</b>

Short term funding of £1.1m would be required in 2018/19 to enable the estate consolidation programme to proceed.

## 5.3 Impact on the organisations' financial positions

The governance option would give the PCC influence over the budget of CPFA as well as control over CC and assets:

- Total budgets of £162.779m, based on 2016/17 budgets of £31.819m for CPFA and £130.96m for PCC
- Total long term property, plant and equipment assets of £88.3m, £38.7m of which are for CPFA and £49.6m for PCC (31 March 2016 figures)

Applying inflation to these 2016/17 figures, the total annual expenditure that could be controlled by the PFCC would be of the order of £168m in 2018/19:

**Table 27: Summary forecasts for the organisations (£m including inflation)**

<b>Financial year</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
CPFA gross expenditure	32.7	33.4	34.0
PCC gross expenditure	134.7	137.5	140.1
<b>Total expenditure potentially overseen by PFCC</b>	<b>167.4</b>	<b>171.0</b>	<b>174.1</b>

More detailed work would be required on aspects of the financial case before submission of a business case to the Home Office. These include consideration of any pension issues, precept determination and any changes to shared staff roles.

## 6 MANAGEMENT CASE

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The Management Case describes the arrangements and plan for managing implementation of the governance option, including the governance arrangements, plans, stakeholder, risk and benefits management arrangements and an equalities impact assessment.

### 6.1 Governance and project management arrangements

The implementation of the governance changes will be led by the OPCC, who may be required to commission specialist professional advice and support in areas such as programme management, HR and legal. Project teams will also need to be established in CC and CFRS and a formal project governance structure established to oversee the implementation including alignment with other transformation activity. There will need to be some recruitment activity within the OPCC to enable the PCC to exercise new responsibilities.

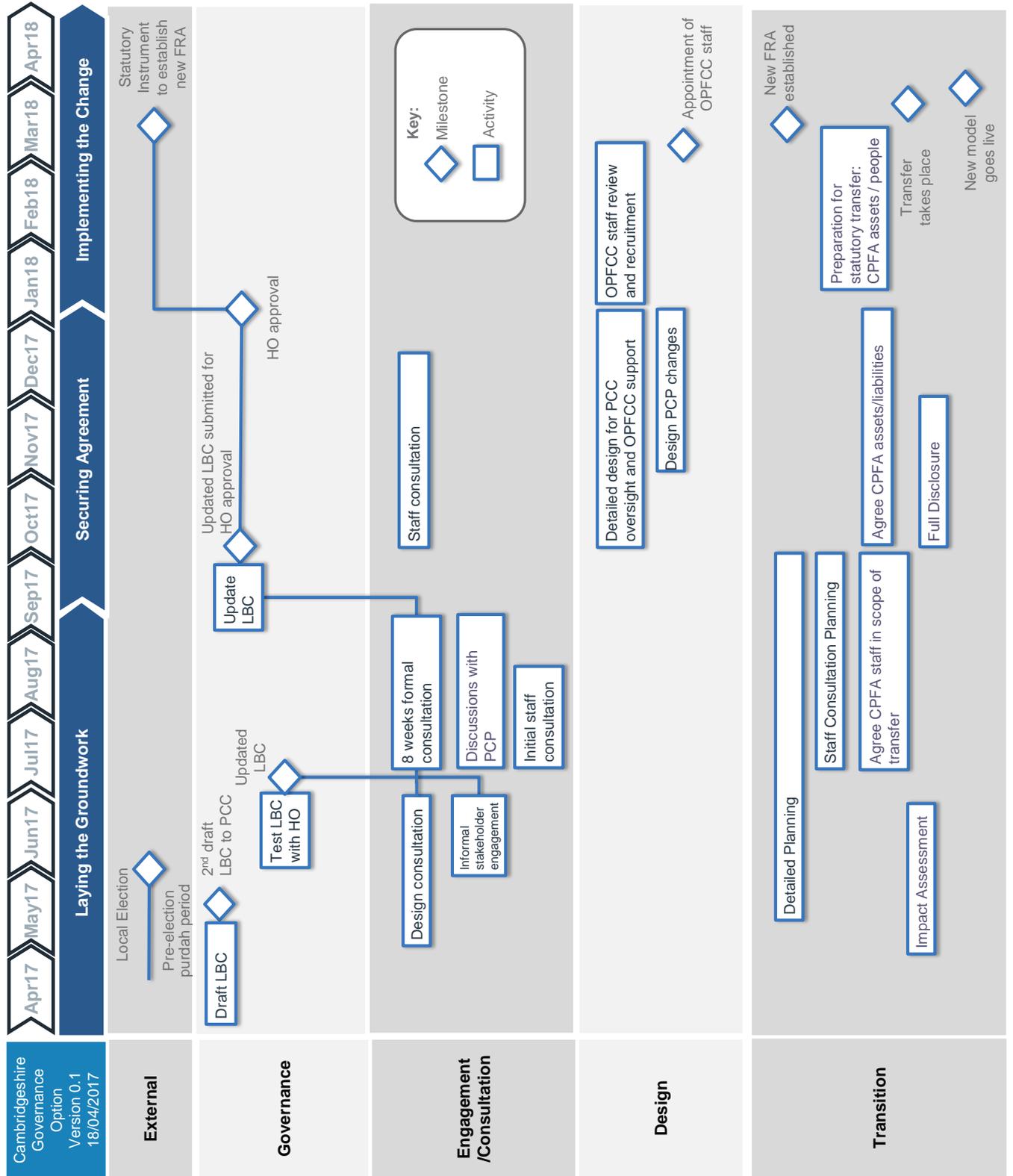
In preparation for the implementation and in response to the formal public consultation there are a number of activities that will need to be completed prior to formal submission of the LBC to the Home Office:

- OPCC to undertake a light-touch “due diligence” exercise on contracts and draw up a list in preparation for submission to the Home Office
- Detailed design of the OPFCC oversight structure for fire and agreeing this with the representative bodies
- Manage the HR and staff transfer consultation process and all the related transfer documentation
- Project manage the consultation and next steps
- Revise the business case after consultation
- Close down FA accounts and opening up a new set of accounts
- Set up the new governance arrangements.

### 6.2 Implementation plan

Figure 9 shows the likely timescales for implementation of the governance option. This estimate is based on gaining local agreement to the change. Without local agreement, independent scrutiny of the business case would be required. In these circumstances, we estimate that it may potentially take a further three months to implement this option, which could push back the implementation date further (as it is more advisable to make a transfer at the financial year mid-point or end-point).

Figure 9: Governance option high level implementation plan with local agreement



This plan is based on the following assumptions:

- The PCC will engage with CPFA through the second quarter of 2017 on the emerging proposals alongside the further development of proposals and plan, including consultation documents, in order to be ready for formal consultation.
- The PCC will go out to consultation, with the local authorities, other stakeholders and members of the public across Cambridgeshire. The consultation will take place during July and August 2017 for a minimum of 9 weeks.
- Following the completion of the consultation period and appropriate consideration of the feedback received, a revised business case will be submitted to the Home Office for Home Secretary approval.
- Implementation of the governance model will require the creation of a new Fire and Rescue Authority by statutory instrument. The Policing and Crime Act 2017 gives the Secretary of State the power to make an order which makes the PCC the FRA for the area covered by the order. The order will also provide “for the creation of a corporation sole” as the FRA for the area specified in the order (see new Section 4A of the Fire and Rescue Services Act 2004, as proposed to be inserted by paragraph 5 of Schedule 1 to the Bill). Finalisation of the Order may take two to three months.
- A statutory transfer scheme will be required to move staff, contracts and assets to the new FRA. We have assumed a staff consultation process of three months.
- For clarity of accounting, implementation of the governance changes should take place either at the start of the financial year (April) or the half year point (October). The former would be easier but the latter is feasible.
- Based on current assumptions the realistic target implementation date for the new governance arrangements is therefore 1 April 2018. A slippage in these assumptions could mean that the implementation date would need to be pushed back to the next appropriate implementation date, which would be 1 October 2018.

### 6.3 Stakeholder engagement

Implementation of the changes will rely on ongoing engagement with stakeholders, staff and trade unions. The Policing and Crime Act 2017 states that PCC’s are under a statutory duty to consult with the following:

- Each relevant upper tier authority
- People in the PCC’s policing area
- Those representing employees of those affected by the proposal.

In addition for the proposal to move forward further engagement may be required with:

- **CPFA** – Senior representatives of CPFA have been consulted during the development of this LBC and extensive additional engagement at the senior levels within CPFA will be required during implementation
- **CFRS** – Senior representatives of CFRS have also been consulted during the development of this LBC and extensive additional engagement will be required during implementation
- **Police and Crime Panel** – discussion will be needed on the extended role and remit of the Police and Crime Panel and how this will work in practice
- **Home Secretary** – If a decision is taken to proceed with the governance option, following scrutiny of the LBC by the Home Office, it will be for the Home Secretary to approve the proposed change and the associated Statutory Instrument to give effect to the change.

In addition, the development of more detailed proposals will benefit from a wider range of stakeholder input from the public, MPs, district councils and local and regional partners before and during the public consultation exercise.

## 6.4 Risk management

Proactive risk management will form part of the transition to the Governance model, building on existing risk management arrangements adopted by the OPCC for current transformation activity in CC. This means:

- Establishing and maintaining a risk log
- Ensuring that each risk is owned by a named individual
- Carrying out regular risk reviews and setting target dates for mitigations
- Providing strategic oversight of risks and mitigations by appropriate governance bodies based on clear thresholds for escalation.

The following risks are associated with the PCC implementing the governance option.

**Table 28: Risks and mitigations**

Risk	Owner	Mitigation(s)
Senior management distraction during the implementation of changes	OPCC and chiefs	Appoint appropriate governance to monitor the progress of implementation and balance demands against other priorities.
Requirement to transfer fire staff employment to new Fire and Rescue Authority via a statutory transfer causes industrial relations problems	PCC and CFO	Early and ongoing engagement with staff and trade unions. Clear messaging that terms and conditions will be protected in the transfer
Without standardisation of terms and conditions, where staff are doing the same job there could potentially be claims for breach of trust and confidence or equal pay.	OPCC CEO	Initial Legal advice obtained by the Police and Crime Commissioner for Essex suggests that such claims will be unlikely to succeed under the governance model, however legal advice should be obtained for the local situation.
Trade unions seek assurances about protecting terms and conditions in the future in exchange for a smooth transition	PCC and CFO	Clear view is taken in advance about the extent to which there may be future implications on terms and conditions, ensuring that initial consultation with staff can be framed appropriately with the right balance between short-term protection and possible future changes.
Oversight of fire performance is overshadowed by the requirements of police oversight	OPCC CEO	The PCC, has a full time role, will bring continued and daily scrutiny and engagement with fire performance. The re-focusing of the DPCC role on fire again add almost daily capacity to this scrutiny. The agenda covered by PCC's existing significant public engagement can be extended to embrace fire. Existing capacity to undertake deep dive reviews will be maintained. This will be supplemented by additional front line and public engagement by the DPCC and Commissioner Both the Fire Authority and Police Crime Commissioner already have shared delivery and statutory functions, e.g. wrt to community and local resilience scrutiny by the PCC will drive out duplication.
Insufficient public scrutiny of the PCC's performance in respect of Fire by the Police and Crime Panel	PCP	Identify the changes that would be required to the remit of the Cambridgeshire Police and Crime Panel, including discussions with the

Risk	Owner	Mitigation(s)
		Chair of the Panel, to ensure robust scrutiny of the PCC in relation to Fire. The LGA is providing national training for Police and Crime Panels so they are equipped to take on this role.
PCC inherits plans for CFRS part way through the financial year that have the wrong priorities or are unaffordable	PCC	OPCC and Fire Authority share a section 151 officer ensuring each are sighted on the others priorities and finances
Costs of change are higher than estimated	OPCC CEO	Costs are tested during the implementation phase and updated prior to submission of the business case to the Home Office

## 6.5 Benefits management

Implementation of the changes will also need to be underpinned by proactive benefits management arrangements to ensure that the identified benefits are realised – but are challenged robustly to ensure they are real and tangible. At some point they will be subject to external scrutiny and may eventually be scrutinised nationally through, for example, the National Audit Office and Public Accounts Committee. These arrangements will need to be overseen by a Strategic Governance Board which will have regard to the two types of benefit, detailed in the Economic Case above:

- Governance benefits (i.e. those benefits directly associated with improvements in the governance of the Fire and Rescue Service)
- Collaboration benefits (i.e. those benefits that flow from collaboration between the two services, which are enabled and more likely to be realised as a result of the governance changes)

The approach to benefits realisation includes:

- Establishing a benefits register
- Identifying clear owners with responsibility for benefits realisation
- Developing common benefits realisation plans
- Regular review processes and challenge arrangements.

## 6.6 Equalities impact assessment

The Equality Impact Assessment is concerned with anticipating and identifying the equality consequences of a particular policy/service initiative and ensuring that as far as possible any negative consequences for a particular group or sector of the community are eliminated, minimised or counterbalanced by other measures.

Our initial view is that the proposed governance changes will not affect any particular group or sector of the community differentially. The intention is to increase the level of public visibility and accountability in the governance of the Fire and Rescue Service through the new governance arrangements including the revised operation of the Cambridgeshire Police and Crime Panel and the forms of public accountability that are associated with the office of PCC.

However, this point will need to be tested through the public consultation and the PCC will need to use this feedback as evidence to input to an EIA as part of the updated local business case that will be submitted to the Home Office for final approval.

# APPENDICES

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# A CURRENT GOVERNANCE ARRANGEMENTS IN DETAIL

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## A.1 Cambridgeshire and Peterborough Fire Authority

The Fire and Rescue National Framework<sup>68</sup> sets out the Government's priorities and objectives for fire and rescue authorities in England. The priorities in the Framework are for Fire Authorities to:

- Identify and assess the full range of foreseeable fire and rescue related risks their areas face, make provision for prevention and protection activities and respond to incidents appropriately
- Work in partnership with their communities and a wide range of partners locally and nationally to deliver their service
- Be accountable to communities for the service they provide

The Fire Authority sets out the strategic direction of the Fire and Rescue Service, and has the ultimate responsibility, as a corporate body, for decision making on matters including<sup>69</sup>:

- The Authority's strategic objectives and priorities
- The Authority's main service planning policies, including the Integrated Risk Management Plan
- The Authority's annual budget and precept
- Any other matters which by law are reserved to the Authority or which are referred to the Authority for determination
- Any other matters of strategic importance referred to it by the Monitoring Officer and/or Chief Fire Officer/Chief Executive Officer.

The Fire Authority is also responsible for appointing:

- The Chairman and Vice Chairman of the Authority
- Representatives of the Authority on outside organisations
- Members to the Authority's Committees
- Final approval of Chief Fire Officer/Chief Executive Officer, Deputy Chief Executive Officer and Assistant Chief Fire Officer appointments.

Section 101 of the Local Government Act 1972 authorises committees, a sub-committees or an officer of the Fire Authority to exercise the specific functions of the Fire Authority as set out in a local statement of delegated responsibilities. The CPFA has delegated many of its decision-making responsibilities to its Committees and Officers and has four principal supporting committees:

- **Policy and Resources Committee** – authorised by the Fire Authority to monitor and make recommendations in relation to developing service priorities and objectives, the blueprint, Integrated Risk Management Plan (IRMP) and the Medium Term Financial Strategy. It monitors performance, budget and risk. The committee met six times in 2016.
- **Overview and Scrutiny Committee** – considers matters of internal and external audit, governance, anti-fraud and corruption, the annual Statement of Accounts and related treasury management matters and risk management. It is also responsible for the scrutiny of performance

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<sup>68</sup> DCLG (2012), [Fire and rescue national framework for England](#)

<sup>69</sup> Cambridgeshire and Peterborough Fire Authority, [Terms of Reference](#)

and challenging the Fire Authority when carrying out their responsibilities and an agreed annual work programme of member-led reviews. The committee met five times in 2016.

- **Performance Review Committee** – conducts the annual performance review of the Chief Fire Officer/Chief Executive Officer, Deputy Chief Executive Officer and Assistant Chief Fire Officer and determine, where appropriate, the salaries of said posts. In addition there is a Discipline Committee that will hear and determine discipline cases against the Chief Fire Officer/Chief Executive Officer, Deputy Chief Executive Officer and Assistant Chief Fire Officer. The performance review committee met once in 2016.
- **Joint Consultative Committee** – allows dialogue on issues and concerns by members, the recognised unions or the Chief Fire Officer/Chief Executive Officer as they emerge and aims to identify common interests and ways of promoting them within the fire service. It is a consultative body rather than a forum for negotiation. The committee met three times in 2016.

CPFA is supported by the Chief Fire Officer, Deputy Chief Executive Officer, the Treasurer, the Monitoring Officer and the Corporate Management Team. These officers have been authorised to discharge the functions of CPFA in relation to specific services and activities, including the implementation of policy and the day to day management of the organisation<sup>70</sup>. In addition to the Monitoring Officer, the CPFA also employs a Scrutiny and Assurance Manager who is responsible for supporting CPFA's overview and scrutiny function and ensuring they meet the requirements of the Local Government Transparency code and other relevant legislation.

The full Authority met five times in 2016 and there were 12 supporting committee meetings.

## A.2 Police and Crime Commissioner for Cambridgeshire

The Police and Crime Commissioner is an elected official in England and Wales charged with securing efficient and effective policing of a policing area. The PCC has a wider duty to bring together community safety and criminal justice partners to reduce crime and support victims across Cambridgeshire. The PCC<sup>71</sup>:

- Sets the strategic direction and objectives of the force through the Police and Crime Plan which must have regard to the Strategic Policing Requirement set by the Home Secretary
- Scrutinises, supports and challenges the overall performance of the force including against the priorities agreed within the Plan
- Holds the Chief Constable to account for the performance of the force's officers and staff;
- Decides the budget, allocates assets and funds to the Chief Constable; and sets the precept for the force area
- Appoints the Chief Constable
- Removes the Chief Constable subject to following the process set out in Part 2 of Schedule 8 to the 2011 Act and regulations made under Section 50 of the Police Act 1996(a)
- Maintains an efficient and effective police force for the police area
- Enters collaboration agreements with other PCCs, other policing bodies and partners that improve the efficiency or effectiveness of policing for one
- Provides the local link between the police and communities, working to translate the legitimate desires and aspirations of the public into action
- Holds the Chief Constable to account for the exercise of the functions of the office of Chief Constable and the functions of the persons under the direction and control of the Chief Constable

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<sup>70</sup> Cambridgeshire Fire and Rescue Service, Statement of Delegated Responsibilities

<sup>71</sup> Home Office (2011), The Policing Protocol Order 2011 (statutory instrument)

- Publishes information to enable the people who live in the force area to assess the performance of the PCC and Chief Constable
- Must comply with all reasonable formal requests from the Panel to attend their meetings
- Prepares and issues an annual report to the Panel on the PCC's delivery against the objectives set within the Plan
- Monitors all complaints made against officers and staff, whilst having responsibility for complaints against the Chief Constable.

A PCC has wider responsibilities than those relating solely to the police force, namely:

- A specific responsibility for the delivery of community safety and crime reduction
- The ability to bring together Community Safety Partnerships at the force level, except in Wales
- The ability to make crime and disorder reduction grants within their force area
- A duty to ensure that all collaboration agreements with other Local Policing Bodies and forces deliver better value for money or enhance the effectiveness of policing capabilities and resilience
- A wider responsibility for the enhancement of the delivery of criminal justice in their area
- Commissioning of victims services

In addition, the PCC for Cambridgeshire chairs the Cambridgeshire Criminal Justice Board and the Cambridgeshire County Community Safety Strategic Board (CCCSSB).

The PCC is supported through a number of decision making, audit and scrutiny boards and committees:

- **Business Coordination Board** – a monthly meeting chaired by the PCC between the Deputy PCC, Chief Officers and senior officers of the OPCC. It is a forum in which current and future business is discussed between the senior leaders of the two bodies, focusing on issues relating to strategy, governance, business and holding the Chief Constable to account. It is one forum in which decisions can be made by the PCC, informed by the decision-making policy. The Board met ten times in 2016.
- **Joint Audit Committee** – provides independent assurance on the adequacy of the corporate governance and risk management arrangements in place and the associated control environment, advising according to good governance principles and proper practices. Its five members are independent of the PCC and CC. It meets quarterly and it met four times in 2016.

### A.3 Police and Crime Panel

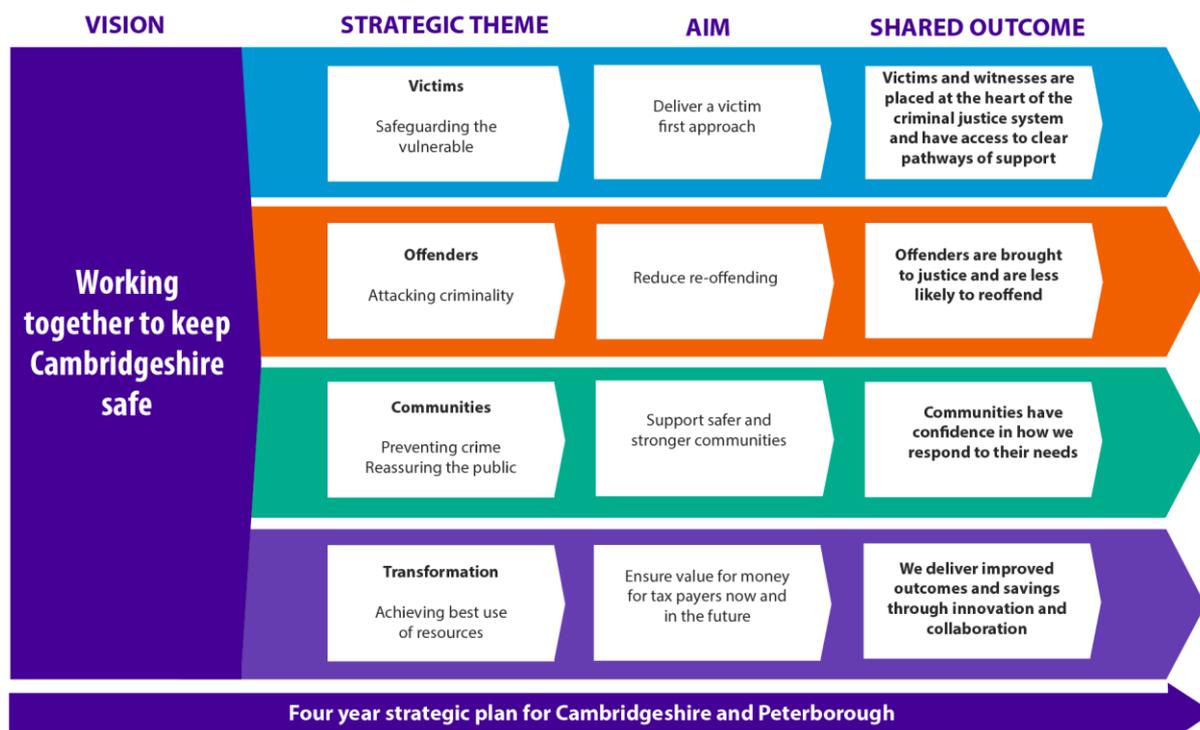
The Police and Crime Panel provides checks and balances on the work of the PCC. The Panel scrutinises how the PCC carries out his statutory responsibilities. While the Panel is there to constructively challenge the PCC, it also has a key role in supporting the Commissioner in his role in enhancing public accountability of the police force. The Panel is made up of 11 elected councillors from Cambridgeshire County Council and Peterborough City Council and each district council.

The PCP met five times in 2016. Should the PCC take on governance of fire and rescue, the role of the PCP would be extended to include scrutiny of the PCC's activities in this area and become the Police, Crime and Fire Panel (PCFP).

## B LOCAL PLANS

Figure 10: Police and Crime Plan 2017–2020

### Police and Crime Plan – Community Safety and Criminal Justice



Commitment under **'communities'** objective to:

- Bring together services and systems to respond to community issues in a sustained and co-ordinated way e.g. co-location, aligned activity and information sharing

Commitment under **'transformation'** objective to:

- Continue to embed tri-force BCH collaboration and explore further opportunities
- Drive out further efficiencies in the ambitious 7 Force Collaboration Programme
- Identify potential benefits for community safety through new governance
- Work in partnership to maximise the use of and value from the police estate
- Work with the CPFA to explore opportunities for fire and police to work together

**Figure 11: Integrated Risk Management Plan 2017–2020**

**Our Vision**

Our vision is for safe communities where there are no preventable deaths or injuries from fire or other emergencies.

Put simply, this means we want to reduce risk and save lives.

To achieve this, we need to achieve operational and community safety excellence in the most cost effective way (value for money), putting people at the centre of everything we do – both people in the community in terms of their safety and diverse needs and our own staff in terms of training, development and health and safety.

These are therefore our strategic aims and drive everything we do.

**What do our Strategic Aims mean?**

For each of our strategic aims we have a number of statements that describe what excellence in that area looks like to us so we all understand what we are striving for.

**Community Safety Excellence**

Working in partnership with agencies such as local authorities, district councils, police and health authorities, we:

- Understand the risk in our communities
- Are inclusive in our approach and tailor our services to meet the needs of our diverse communities
- Work with partner agencies in a targeted, proactive and effective manner and are perceived as a key contributor to community safety
- Have a high level of customer satisfaction in our activities.

**Operational Excellence**

Working with our managers and staff to ensure the highest standards of operational response we:

- Have competent, confident and skilled staff
- Have the right skills, equipment and resources in the right places
- Have a learning culture looking to continually improve the way we deliver our services.

**Value for Money**

Working with our managers and staff to ensure we deliver high quality, value for money services, including:

- Actively seek collaborations
- Having effective and efficient working practices
- Continuously monitoring how we are performing, sharing what we do with others and taking best practice from others.

**People**

Working with our managers and staff to ensure our people are safe and the Service is accessible to everyone, meeting their needs and expectations, we:

- Continually strive to improve the service we deliver
- Listen and engage with staff, communities and our partners to improve what we do
- Develop our staff and encourage them to reach their potential.



**Commitment under ‘community safety’ objective to:**

- Further collaborate with health and social care to develop Safe and Well visits
- Expand the co-responding programme
- Forge closer and effective collaborations through road safety partnerships
- Further integrate the delivery of community safety with partners in Cambridgeshire

**Commitment under ‘value for money’ objective to:**

- Consolidate property through collaboration with other blue light services
- Explore blue-light collaboration and shared support services with the police
- Support existing ICT shared service to explore collaboration opportunities with partners

# C POLICE REGIONAL COLLABORATION

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## C.1 BCH Strategic Alliance

Bedfordshire Police, Cambridgeshire Constabulary and Hertfordshire Constabulary (BCH) formed a Strategic Alliance in 2014 to extend their previous collaboration, which had centred on Joint Protective Services. The resultant change portfolio has included programmes on Operational Services and Organisational Services as well as extending the scope of Joint Protective Services. In addition to specific projects, the forces have exploited ICT to improve the sharing of information, drive efficiency in professional support services processes, provide information to officers on duty and enable the public to digitally access the Police.

The aim for the BCH Strategic Alliance is that:

- Front-line local policing services in Bedfordshire, Cambridgeshire and Hertfordshire will be enabled by the best people, processes, technology and culture with all protective, operational support and organisational support services being delivered in a shared services model with increased automation, self-service and economy; and
- The three forces will have reduced costs to meet their individual financial challenges and deliver the required savings.

## C.2 7 Force Strategic Collaboration

In addition to the BCH Strategic Alliance, Cambridgeshire along with Bedfordshire, Hertfordshire, Norfolk, Suffolk, Essex and Kent police forces are also formally seeking to enhance frontline policing services by driving out further efficiency and effectiveness through the 7 Force Strategic Collaboration Programme.

Whereas the BCH Strategic Alliance has focused more heavily on enabling services, the 7 Force Strategic Collaboration Programme has focused on reviewing operational policing capabilities (excluding local policing) to determine what can be delivered most efficiently and effectively through broader regional collaboration.

The draft business plan<sup>72</sup> has prioritised the following workstreams based on achievability, scale of benefit and proposed timescales:

- Armed policing
- Specialist operations training
- Procurement
- Vetting
- Anti-corruption
- ERSOU, CT & ROCU
- Physical records storage
- Business support services
- Dogs
- Criminal justice
- Custody
- Athena – realising the potential

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<sup>72</sup> Seven Force Strategic Collaboration Programme Business Plan v0.10 – DRAFT

## D FINANCIAL ASSUMPTIONS

**Table 29: Economic and financial modelling assumptions**

Ref	Area	Option				Assumption
		'Do nothing'	Representation	Governance	Single employer	
01	Economic case – NPV calculation	●	●	●	●	The HM Treasury discount rate of 3.5% has been applied to real terms prices to calculated a net present value
02		●	●	●	●	Year 0 start date for NPV calculations = 1 April 2017
03	Financial case – inflation			●		All costs are assumed to be flat in real terms. For the financial case, costs are uplifted for inflation based on the ONS GDP deflators as at December 2016 <sup>73</sup> : <ul style="list-style-type: none"> <li>• 2016/17: 1.38%</li> <li>• 2017/18: 1.45%</li> <li>• 2018/19: 2.12%</li> <li>• 2019/20: 1.82%</li> <li>• 2020/21: 1.92%</li> <li>• 2021/22: 2.04%</li> <li>• 2021/22 onwards: 2.0% (based on inflation target)</li> </ul>
04	Financial case – VAT			●		VAT at the prevailing rate of 20% has been applied to specialist support costs, including the implementation costs for the representation model. We assume other direct costs and benefits are associated with staff who are directly employed and so would not incur VAT.
05				●		VAT is recoverable by CPFA, CC and the PCC in-year
06	Estates consolidation programme	●	●	●	●	Tranche 1 projections include 6 sites over 3 years: Wisbech, Whittlesey, Ramsey, St Ives, St Neots and Monks Wood
07		●	●	●	●	Future tranches modelled as 8 sites, scaling the possible benefits from Tranche 1 at the same rate of delivery (a scheme completing every 6 months): Cambourne, Chatteris, Ely, Huntingdon, Linton, Parkside (Cambridge), Peterborough, Sawston
08		●	●	●	●	The premises to be disposed of in St Ives and St Neots (police station or fire station) have not yet been decided. We have assumed that the lower value site will be disposed of.
09		●	●	●	●	Disposal value for Whittlesey police station based on sale price; disposal value for Ramsey police station

<sup>73</sup> Office for National Statistics, [GDP deflators at market prices, and money GDP: December 2016 \(Quarterly National Accounts\)](#)

Ref	Area	Option				Assumption
		'Do nothing'	Representation	Governance	Single employer	
						based on Barker Storey Matthews estimate; disposal value for St Neots fire station based on scaling Barker Storey Matthews estimate for St Ives police station.
10		●	●	●	●	Annual revenue expenditure for sites being disposed of known for 2015/16. An uplift of 5% (two years' inflation) is assumed for 2016/17.
11		●	●	●	●	Agent and legal fees for St Ives, St Neots and Monks Wood estimated from known fees for Ramsey
12						The inflation rates in 03 have been applied to the possible values for disposals – no special assumptions about property inflation have been made
13		●				Chance of successful delivery of an individual capital scheme = 30% (possible benefits from Tranche 1 multiplied by 0.3)
14			●			Chance of successful delivery of an individual capital scheme = 40% (possible benefits from Tranche 1 multiplied by 0.4)
15				●	●	Chance of successful delivery of an individual capital scheme = 75% (possible benefits from Tranche 1 multiplied by 0.75)
16					●	Programme is disrupted for a year owing to longer implementation time for this option – programme is suspended in 2018/19
17	Cost of governance					<p>Baseline estimates of admin time:</p> <ul style="list-style-type: none"> <li>• Cost of admin time 3 days per month x 3 chief officers</li> <li>• Cost of admin time to produce IRMP – modelled as 30 days per year at an average employment cost of £60k*</li> <li>• Cost of admin time to serve CPFA meetings – modelled as 4 days x 13 meetings per year at an average employment cost of £60k*</li> </ul> <p>*assuming 220 working days per years (which allows for annual leave, sick leave, etc.)</p>
18				●	●	Additional cost of part time (1 day per week) Deputy PCC/Assistant Fire Commissioner = £12k cost of employment
19					●	<p>Partial saving from a shared Chief Officer modelled as a 25% reduction in the cost of employment of chief officers:</p> <ul style="list-style-type: none"> <li>• CPFA – saving of 25% the annual cost of employment of Chief Fire Officer (£160k)</li> <li>• PCC and OPCC – saving of 25% the annual cost of employment of Chief Constable (£180k)</li> </ul> <p>This recognises that additional support will be required and the saving cannot be a full 50% for each organisation</p>

Ref	Area	Option				Assumption
		'Do nothing'	Representation	Governance	Single employer	
20	Implementation costs	●	●	●	●	All implementation costs to be borne by PCC/OPCC
21				●		Consultation cost of £5k based on an 8 week consultation with majority internal support
22					●	Consultation cost of £40k based on an 8 week consultation with majority external support
23			●	●		Legal costs absorbed by CPFA Monitoring Officer
24					●	Legal advice costs of £100k spread over 2 years
25				●		Specialist HR advice and support of £25k
26					●	Specialist HR advice and support for staff transfer costs of £150k spread over 2 years
27				●		Other delivery costs, inc. project management of 50k for 6 months, with 1 month of support in FY 2018/19 following transaction
28					●	Other delivery costs, inc. project management of £100k spread over 2 years
29					●	Recruitment of single chief officer cost of £35k