

**Minutes of the Extraordinary Meeting of  
Shropshire and Wrekin Fire and Rescue Authority  
held on Tuesday, 1 August 2017, at 2.00 pm  
at Headquarters, Shrewsbury**

## **Present**

### **Members**

Councillors Adams, Carter (Chair), Dee, Hartin, Hosken, Mellings, Milner, Murray, Pardy, Philips, Price, Roberts (Vice-Chair) and Sahota.

### **Officers**

Rod Hammerton	Chief Fire Officer	CFO
Louise McKenzie	Assistant Chief Fire Officer	ACFO
Suzanne Dodd	Deputy Clerk and Monitoring Officer	Clerk
Joanne Coadey	Head of Finance	HoF
Jessica Tangye	Senior Democratic Services Officer	

### **External Bodies**

Mike Dearing	Ameo: Alendi Consulting
John Bonney	Ameo: Alendi Consulting

## **1 Apologies for Absence**

Councillors Jones, Minnery, Pinter and Wynn.

## **2 Disclosable Pecuniary Interests**

None

## **3 Consultant's Report on Police and Crime Commissioner Initial Business Case**

This report asked the Fire Authority to note and consider the consultant's report on the Police and Crime Commissioner's Initial Business Case; to agree if the consultant's report should be disseminated to the constituent authorities; and to decide if the consultant's report should form the basis of the Fire Authority's response to the Initial Business Case consultation.

Resolved that the Fire Authority

- a) Note and consider the findings and recommendations of the consultant's report on the Police and Crime Commissioner's Initial Business Case;
- b) Decide whether to endorse the report for submission to the Leaders of Shropshire and Telford and Wrekin Councils in order to support their decision making process in replying to the Initial Business Case consultation; and
- c) Decide whether the report should form the basis of the Fire Authority's response to the Initial Business Case consultation.

The Chair welcomed Members of the Committee and the representatives from Ameo: Alendi Consulting Ltd. The CFO introduced M. Dearing and J Bonney who delivered a presentation on the report that had been tabled on the analysis of West Mercia Police and Crime Commissioner (WMPCC) Initial Business Case (IBC).

J. Bonney advised that the aim of the report was to assist the Fire Authorities and Constituent Authorities consideration of the PCC IBC by

- Independently analysing the report prepared by Beckford Consulting
- Examining background information including financial and organisational analyses
- Verifying facts, current position and intentions through interviews and
- research
- Providing a view on proposal and alternatives

Three governance options had been outlined in the IBC although only two had been focussed on; the Governance and Single Employer models. The single employer model had been rejected due to the potential for organisational and industrial relations disruption and the governance model had been favoured. The Representation model had not been examined, this was highlighted in the consultant's report as a missed opportunity; a number of authorities were developing innovative solutions to build strong working alliances without organisational disruption.

Comprehensive analysis of the governance model was provided in the report and key aspects of the business case touched on in the presentation as follows:

- A command alliance approach had been suggested in the IBC with three heads of service providing the strategic management, working as a corporate team. Rationalisation of internal systems had been proposed with the support of strengthened ICT. It had been suggested in the IBC that this would avoid organisational re-design and disruption. However, the command alliance approach was not clear in terms of the detail of corporate decision making. It was highlighted that this was an essential factor in complex organisational design. It was also noted that there was a lack of clarity about how the costs would be reduced as a result of this strategic reconfiguration.

- A concern was raised by the consultants about the IBC statement that the identity of the three organisations including leadership would be retained through the governance model. It was felt that the identities of the individual Police and Fire Authorities would inevitably become less distinct; particularly as senior management would have to disappear in order to realise the savings quoted. This raised concerns about what was really being consulted in the public debate.
- Accountability was a key factor; it was noted that democratic accountability, independent scrutiny and public accessibility were evident in the infrastructure in place in each of the Fire Authorities, including the appointment of elected members and dedicated scrutiny bodies, whereas there were limited arrangements operated by the WMPCC. It was noted that the IBC had recognised the issue of community accessibility and had suggested an advisory panel to the PCC, however, there was a lack of clarity about this concept including appointment to the panel, its independence, remuneration and financial implications.

M. Dearing introduced the Treasury 'Five Case' model used as a framework in the IBC. The first part provided the strategic opportunities presented by the adoption of the governance model which included the acceleration of collaborative working in front line services; enabling services; and ICT exploitation.

It was highlighted in the report that there was considerable collaboration already in place in partnership with many organisations including the Police. Evidence of what was limiting collaboration was not provided in the IBC, although the point was made. The IBC suggested that work, such as sharing of assets and shared occupation would be accelerated and deepened by a transition to the WMPCC. The consultant's report highlighted that this was an underestimation of the work already in train and an overestimation of the capacity of all partners to take on more projects. It was also noted that the emergency response role and focus on community safety had been interpreted in the IBC as closely aligned between the Police and Fire Services. Crime and law enforcement was a focus for the Police as distinct from the focus on health and social care community safety that operated in the Fire service. There was a concern that the health and social care work would be overshadowed by the crime safety element.

Key factors in the IBC were ICT exploitation and enabling services, however, the report highlighted the collaboration of the organisations already in place and the progress in a range of shared services, none of which had been limited or blocked by current governance. It was noted that in analysing enabling services, like for like comparison between existing service costs and future service charges was important; particularly where the scale and synergies of the organisations differed.

In terms of ICT provision and sharing information to increase effectiveness and to generate financial efficiencies as referenced in the IBC; the report highlighted that there was no explanation of how these would materialise across the three organisations, nor was it possible to define the extent of savings and operational improvement as a result of collaborative ICT investment and assimilation.

The report highlighted the lack of economic and financial detail in the IBC and questioned the robustness of the analysis in providing for informed decision making. It was noted that in order to accurately validate the headline numbers, the consultants sought to recreate them, however the financial information offered to justify the benefits was high level and did not reconcile with existing budgets. It was noted that it was difficult to identify whether these numbers were therefore misleading in the IBC.

The IBC had suggested that significant savings of £4m would result through the consolidation of enabling services. How and where the removal of all enabling services and reductions in teams would be undertaken had not been made clear in the IBC and the financial implications had not been provided. The consultant's report indicated that this appeared extremely challenging and impossible to achieve in the short/ medium term without incurring substantial transition costs. It was noted that the true costs of transition could not be established because the timings were unknown. Furthermore, there was concern about the misinterpretation of enabling service in the IBC; as it had appeared to include key operational staff/ roles that would ultimately mean a reduction in front line staffing.

The consultants suggested that some efficiency could potentially be delivered in the collaboration of enabling resources of the two Fire and Rescue Services. The report noted that this was already being explored by the two organisations and if they continued with transformation, savings would be delivered, particularly as there were greater synergies between fire services.

It was noted that a transfer in governance of a Fire and Rescue Service was a significant decision and that maintaining and sustaining the delivery of the service during any transition was of huge importance. It was noted that clarity, particularly around financial and accounting assumptions, and transition costs had not been provided in the IBC, therefore the consultants had been unable to reconcile the IBC proposed savings within the options outlined without significant headcount reductions and it had not been able to ascertain the net savings or analyse the viability of the investment needed for change.

The consultants had found that the Fire and Rescue Services transformation agenda presented some interesting collaborative models between Fire Services which could be developed by the two organisations. Detail was provided in the consultant's report. It was suggested that fire services might be an easier collaboration but it would be important to ensure plans and strict timescales were in place to achieve collaborative goals. It was noted that WMPCC represented an important strategic partner and engagement would be necessary.

The consultants suggested that there was an opportunity to look at representation on the two Fire Authorities and to rethink its size. There were opportunities on a political and professional level to develop a combined alliance to take organisational collaboration forwards. The advantages would be one greater voice across the region, engagement with partners who are more likely to align with the Fire Authority. However, there would still need to be political and professional commitment to such a model.

The Chair welcomed questions from the Members:

- In terms of information ascertained about the background to the IBC a concern was raised about the financial analysis. The view of the consultants was that the numbers had been arrived at through expert assumption particularly in relation to enabling services. There was no detail about this and only an estimate on broad percentages and the principle that by creating a bigger organisation greater efficiencies would be delivered. However, it was noted that much less savings had been delivered to date where there had been alliances for example in the case of West Mercia and Warwickshire.
- The consultant's report indicated that the joint governance model was heavily underpinned by the transformation of existing structures within WMPCC and WM Police releasing capacity to support the Fire and Rescue Services. Enabling services at WM Police appeared to cost 19p in the pound whereas for the two Fire and Rescue Services, enabling services were 11p in the pound. The cost of corporate services at WM Police was significantly higher than both Fire and Rescue Services to account for different organisational scale. The chart on page 12 of the report provided the figures as normalised by headcount showing a significantly higher spend on enabling services in WM Police. It demonstrated how close in corporate service expenditure the individual Fire and Rescue Services were. In terms of the above costs, Members questioned why the Fire and Rescue Services should collaborate.
- Members were concerned that the consultants had not interviewed the Commissioner only the WMPCC executive. The consultants noted that representations had been made to WMPCC but that he had been unavailable. In the absence of the WMPCC, representations had been made about the financial detail in the IBC, particularly the financial and accounting assumptions but very little clarification had been received.
- It was noted that the timescale to develop the Final Business Case following public consultation and submission to the Home Office in October was tight.
- Members had attended meetings of WMPCC and Town and Parish Councils to consult on the WMPCC proposals. Members had been told by their residents that they didn't understand the proposals and did not want what was being offered. The consultants noted that what was being consulted upon remained unclear. It was recognised that it was not

possible to capture everything in an initial business case, however, with the short timescale it was felt that it would be challenging to develop a fully informed/consulted final proposal by the time of submission to the Home Office. It was noted that similar proposals in other areas of the country such as Hertfordshire, had been rejected.

- It was felt that the Fire and Rescue Services had a good reputation with the public that benefitted the Police. The Fire and Rescue Services were proactive in the community whereas the Police were reactive and there was a concern that the Fire and Rescue Service would find themselves carrying out the policing.
- There was a concern that the £4m savings proposed could only come from closing a Fire Station and redundancies. The report highlighted that the IBC stated that the figures would be delivered by reduction in head count in enabling services. It was noted that in the Fire and Rescue Services, there were many people that worked in support services which fulfilled an operational function that the Fire Service could not operate without. It was felt that the IBC missed the point that operational activity was often driven by enabling services.
- The point was made that the WMPCC was elected in Shropshire as Commissioner and not in the role of joint commissioner.
- The point was raised about whether the WMPCC had given any consideration to the additional costs and responsibilities of the Fire and Rescue Service following the Grenfell Tower disaster. The consultants stated that from a policy perspective no assumptions could be made around the changes following Grenfell Tower but it was noted that the DCLG was the department bearing the greatest burden, the former home of the Fire and Rescue Service and that there was a question of where services would sit in the longer term.
- Members questioned the next steps in the process of the WMPCC consultation and whether WMPCC had a duty to consider the response from the Fire Authority and constituent authorities. It was noted that in terms of the final business case and submission to the Home Office, there was an expectation that the response must have been considered, although the WMPCC was not obliged to make any alterations to the business case.

The Chair expressed his thanks to the Members for raising pertinent and important questions. He reinforced that it was of utmost importance that the voice of the local population was heard and it was of great concern that there was lack of local accountability in the proposals. He noted that elected members represented their electorate and that it was only right that the opinion of the leadership of the Fire Authority and constituent authorities should be taken into consideration by the WMPCC. It was noted that the Shropshire Star had run an online survey on the WMPCC proposals resulting in 22% public agreement and 78% rejection of the proposals.

It was noted that it was of paramount importance that Fire Stations remained in rural locations, protecting the rural populations of Shropshire, Telford & Wrekin, Herefordshire and Worcestershire. It was noted that it was of particular significance that there were no other collaborations between Police and Crime Commissioners and Fire and Rescue Services across the UK and Europe. It was further noted that there were transformation plans already underway within the Fire and Rescue Services, that £3m had been taken from budgets and that front line services had been protected. It was agreed that achieving savings and transformation was not without its challenges and the services were working to deliver these. It was agreed that the prospect of alliances between fire services was a welcome alternative that would be explored but time should be taken to reflect on this and knee-jerk reactions should be avoided. Accountability was already part of the infrastructure of the Fire Authority, services were scrutinised in an open and transparent way, the continuation of which was questionable if brought under the WMPCC.

It was agreed that the evidence was incontrovertible that the WMPCC IBC did not make the case for collaboration and Members agreed that a strong message should be sent to the WMPCC to reflect this.

The Committee accepted the recommendations with an addendum to include relevant context substantiating the decision by the Fire Authority and constituent authorities.

The meeting closed at 3.28 pm.

**Chair**.....

**Date**.....