

Review of Fire Authority Governance Structure

Report of the Chief Fire Officer

For further information about this report please contact Rod Hammerton
Chief Fire Officer, on 01743 260201 or Dave Myers, Assistant Chief Fire Officer on
01743 260280

1 Purpose of Report

To allow the Fire Authority to consider proposed changes to the governance structures of the Membership of the Authority, the changes to Committee structures and functions and the numbers of Members on each functional committee.

2 Recommendations

The Fire Authority is asked to:

- a) Review and agree the total membership of the Fire Authority
- b) Agree the adoption of a 2-Committee structure and associated changes
- c) Agree the delegation of authority to the relevant committees

3 Background

Following the Fire Authority's review of its own governance structures, Officers were directed to explore the possibilities within the Option 3 proposal which focussed on a reduced Committee structure (2 Committees) with strengthened delegated Authority decisions and a smaller reduction in Membership (15 or 13 minimum).

Extract from Fire Authority Report; 13 February 2019

“Option 3 – Reduced committees with delegated Authority decision-making

The Strategy and Planning (StraP) Working Group, having considered options 1 and 2, developed a further option that brought together the strengths of the other two but also recognised Shropshire's unique characteristics and needs. It seeks to gain all the positive attributes of options 1 and 2 while maintain the capacity that has proven to be effective when undertaking previous Integrated Risk Management Plans (IRMPs) and maintaining the close community relationships that are required in a service that relies predominantly on On-call firefighters.

The importance of having an effective staff engagement change model, such as Shropshire's relies heavily on the ability of Fire Authority Members being visible and able to liaise directly with their local communities and On-call staff groups, hence why it is felt important to have a carefully considered number of Members across the County to undertake this engagement.

This option proposes a small reduction in Member numbers (15 or 13 minimum) and a reduction to two Committees with strengthened delegations from the Fire Authority. This also allows an opportunity to streamline committee agendas to spend more time on "decision" items rather than "information". Information and training can be provided in a range of more effective formats (see Section 8).

Any reduction in Member numbers has to be considered and balanced against the political influence from constituent Authorities and the political and public expectation of the Fire Authority to demonstrate public value and consider effectiveness and efficiencies in its governance structure.

The figures above suggest that reducing below 13 would prove difficult in maintaining proportional representation between constituent Authorities and would be difficult to support the capacity required for the range of committee and lead Member responsibilities.

Alongside any proposed Membership reductions, this option proposes two functional committees; one decision-making committee which considers strategy and the allocation of resources, whilst the other scrutinises and challenges these decisions to ensure transparency and effectiveness on behalf of the Fire Authority and the public

In the context of Shropshire Fire Authority the Human Resources functions of the existing Standards and Human Resources Committee could fall within the scope of the new Strategy and Resources Committee, while the "Standards" responsibilities fit well within a reformed Audit, Standards and Performance Committee.

Both Committees would feed back into Full Fire Authority but with appropriate delegations to ensure the Fire Authority would be able to concentrate on those statutory matters reserved by law.

This option could show efficiencies in the number of Committee meetings annually, would support a small reduction in Authority Members and would provide more time to focus on decision making.

The size of the full Fire Authority would be key as this would influence the size of the committees, and as demonstrated, the smaller the numbers, the more difficult it is to achieve political balance. This would also be an opportunity to reduce the number of Full Authority meetings to 4 per year, aligned to those of Hereford and Worcester Fire Authority to support governance of the Strategic Alliance Board."

StraP Working Group Meeting - 4 April 2019

A StraP meeting was called to review the options agreed and to give Officers direction on which avenues to explore and the level of detail required for Members to consider and determine the preferred options. The group were given a briefing from the Assistant Chief Fire Officer (ACFO) and the Chief Fire Officer (CFO) and debated the merits and challenges of each of the issues.

It was agreed that the Fire Authority needed information on an Authority structure of 15, as the 13 option was not viable based on the risk of disproportionate representation across the constituent Authorities (reducing to 13 would see a loss of 3 Members from Shropshire Unitary and 1 Member from Telford and Wrekin Unitary). There was also a desire to maintain capacity in terms of numbers of Members to service the needs of the ever-increasing communities across Shropshire and Telford & Wrekin. This included a debate on whether the existing Authority structure of 17 was appropriate, maintaining the existing democratic representation, but equally how a reduction would demonstrate a proactive approach to the consideration of improving efficiency and effectiveness in the current political environment. The current total of 17 has been in place for 22 years since the inception of the Combined Fire Authority in 1997.

The group discussed the benefits of a 2-Committee structure, and generally agreed it was a viable option, but focussed on the scope of the delegated Authority to the Committees to make decisions on behalf of the Authority. The detail discussed has been included in the options appraisals in the report below.

The decision to align Shropshire and Wrekin's Fire Authority Meetings with Hereford & Worcester's Fire Authority meeting schedule has already been actioned. There are now 4 programmed Fire Authority meetings a year, aligned to the Strategic Alliance Board and Hereford & Worcester Fire Authority meetings.

4 For Decision

There are two main aspects to the Option 3 proposal. First is the overall number of Fire Authority Members and second is the representation and constitutions of the 2 Committees.

4.1 Fire Authority Membership

The number of Fire Authority Members will directly influence the representation on the committees. The fewer Members, the more difficult it is to maintain an even spread of political and technical experience. The current political balance of each constituent authority based upon 17 members is as follows:

	Cons	Lab	Lib Dem/Indep	Total
Shropshire Council	7	1	3	11
Telford & Wrekin Council	2	4	0	6
	9	5	3	17

The current balance is calculated by the following ratios:

Conservative – 0.529

Labour – 0.235

Liberal Democrat / Independent – 0.235

The table below shows how many seats each political party would have for a reduced Membership scenario based upon the current political balance. There are estimated savings associated with this option which are not fully developed, but for indicative purposes, show some small cost savings based on the reduction of basic Member allowances.

Total Seats	Cons	Lab	Lib Dem / Indep	Potential Saving
15	8 (7.935)	3/4 (3.525)	3/4 (3.525)	£5,719.6

As the numbers reduce it becomes increasingly difficult to achieve a fair political balance across all parties, hence the agreed approach to considering only a reduction to 15. If the current committee structure were maintained, it would also prove difficult to achieve political balance across the committees. The relationship between the number of Members and the number of committees is interdependent.

The representation of the constituent Authorities also has to be considered. The tables below indicate the ratios and numbers for the potential Fire Authority representation models.

Current – 17 Members

	Total	Actual Ratio
Shropshire Council	11	11.101
T&W Council	6	5.882
	17	

Quorum 6

Reduction to 15 Members

	Total	Actual Ratio
Shropshire Council	10	9.795
T&W Council	5	5.19
	15	

Quorum: 5

4.2 Committee Structures

The Fire Authority broadly has 4 main statutory functions:

- To set the precept rate and agree budgets (A medium-term financial strategy, an efficiency plan and a reserves strategy)
- To agree the Integrated Risk Management Plan (IRMP) (as per the National Framework)
- To agree the Corporate Aims and Objectives
- To appoint and hold accountable the Chief Fire Officer

All other business can be delegated, either to committees or to the CFO.

The current Shropshire and Wrekin Fire and Rescue Authority structure consists of a Fire Authority supported by 3 main committees:

- Strategy and Resources Committee
- Audit and Performance Management Committee
- Standards and Human Resource Committee

By reviewing the terms of reference for each committee we can determine the functions which each is required to undertake and thereby determine those which can be delegated to a committee level from Fire Authority. That forensic detail would form part of the work to implement such a structure, for the purposes of this report, a higher-level outline of how this structure would operate is explored.

The 2-committee structure proposal is based on a decision-making function and an Audit or holding-to-account function. This model firstly ensures the Authority, through delegated responsibility, looks forward and provides strategic direction to the Service. It then undertakes a performance management function to make sure the will of the Authority is being effectively, efficiently and legally discharged. This is illustrated in the diagram at the Appendix where it can be seen that the Fire Authority, as a whole, retains the ability to provide both leadership and scrutiny functions on the decisions of the Authority and the performance of its officers.

Delegating more authority to committee level will provide the committees with the ability to sign-off decisions and ensure there are checks and balances in place to review the effectiveness of those decisions. The Fire Authority set the policy and direction, and as such will always have ultimate veto of any decisions made at any level. The full Fire Authority would continue to perform its statutory responsibilities but would also be able to sign off decisions where waiting for a subordinate committee to convene would cause detrimental delay. Thus effectively creating 8 decision-making forums per year.

When considering the revision of the number of meetings it is important to understand what business is currently received by the Fire Authority and the Committees. Link to [Committee constitution](#)

At present the majority of items at Strategy and Resources Committee are referred back to the full Fire Authority for decision, as well as any recommendations made by the Audit and Performance Management (A&PM) Committee. The A&PM Committee also receives a large amount of information only items. The Standards and Human Resource (S&HR) Committee make very few decisions, and equally few recommendations to Fire Authority. All of this creates duplication of effort, often requiring reports to be delivered and considered at 3 different forums before being approved.

Having analysed workloads and “best fit” it would be reasonable and achievable to reallocate the functions of the S&HR Committee to the two newly formed “decision-making” and “holding-to-account” committees.

This would mean committee meetings with larger agendas, requiring Members to be fully conversant with the papers being brought, to allow decisions to be made and signed off. The benefit of this approach would be leaner, more focussed Fire Authority meetings where Members are better sighted on the aspects of business before them, having attended one of the two committees. The Decision-making committee would be the equivalent of the current Strategy and Resources Committee. The scrutiny of these decisions would be through the equivalent of the current Audit and Performance Management Committee. Decision-making functions from Standards and Human Resources Committee would fall to Strategy and Resources Committee and the scrutiny functions from Standards and Human Resources Committee would fall to a new Standards, Audit and Performance Committee.

4.3 Strategy and Resources Committee (SaR) – Decision-making

Looking Forward - this committee would have responsibility for planning and preparing, for resourcing the Service and driving change across the Authority. Giving greater delegated authority to SaR to approve policy decisions on behalf of the Authority will provide the time and capacity to allow these decisions to be made. However, the Fire Authority would still retain the primary authority to take policy decisions when there may be any unnecessary delay for important decisions to be made at Committee level.

4.4 Standards, Audit and Performance Committee (SAP) – Holding-to-account

Looking Back - This committee would be responsible for holding-to-account the delivery of the Authority's decisions, by auditing and checking, reviewing and giving assurance. Either through standing reporting methodologies or through thematic reviews. It will be able to provide challenge to the decisions made at SaR, scrutinise the performance of the Service, holding officers to account, and provide assurance by reporting back to the FRA. It would also perform the function of holding to account the performance and standards of Members and the Authority. This would include the duty of management of the Pensions Fund. This committee could also perform the function of scrutinising decisions in their formative stage in support of SaR and the FRA.

4.5 Strategic Advisory Group

The current structure has the Strategy and Planning Working Group who provide informal support to the CFO in their role of developing strategies and plans for the Fire and Rescue Authority (FRA).

It is important to have a similar function, whose role is to work on behalf of the Fire Authority and to advise Officers on strategic direction when required. It is proposed that a strategic advisory group would provide this function but report to Fire Authority rather than a Committee as is currently the case. This group could consist of leaders of the political groups and committees. It may be prudent that members of this advisory group do not also sit on the SAP in order to provide that committee with a greater level of independence; but would need further exploration to determine the implications.

5 Other functional tasks

There are other functions which could be delegated to release some capacity from the committees and allow greater focus on the committee functions.

5.1 Virements

These include increasing financial thresholds. Currently virement authorisations are set at £50,000 before requiring full Fire Authority approval, which, as market costs and expenses increase, means more often operational decisions are delayed waiting for Authority sign-off. Hereford & Worcester Fire and Rescue Service (HWFRS) for example have a threshold of £100K. This level is set on the assumption that any spending above the threshold might reasonably require redistribution of funds from other areas of spend or a change to a Strategic Objective. This would then be a policy decision that required FRA approval. Spending below £100K is considered operational in context and would not require re-prioritisation of organisational policy or procedure.

An increase in SFRS virement levels (to £100K for example) would allow Officers to make operational decisions without unnecessary recourse to the Authority. It would bring SFRS closer to HWFRS in terms of financial policy and is also comparable with other organisational virement thresholds. For example, Shropshire Council have a limit on 1% of the total budget, whereas £100k represents 0.5% of the Fire Authority Budget. It is proposed that any virement increase would be subject to a period of monitoring and review.

Clearly such a change would require tighter audit and management controls, such as strengthened business cases to the Service Management Team and sign off with the Treasurer for those over £50k; perhaps reviewed through the new Standards, Audit and Performance Committee. This would allow SaR to allocate funding to programmes of work and then the SAP committee would scrutinise the delivery of those programmes to ensure transparency.

Revenue and Capital Programmes are signed off at Fire Authority in line with statutory responsibilities, at which point Members would also scrutinise Officer decisions.

5.2 Hearings

Another area of delegation could be the Hearings Panel, currently formed of Members from Standards and Human Resources Committee which could be delegated to Officers. The Chief Fire Officer is employed as the Paid Head of Service, and as such is responsible for all operational employment issues. Staff discipline would be delegated to the CFO and the CFO reports to Fire Authority. The Fire Authority would be responsible to hear complaints against the CFO and Members. This aligns with HWFRS and many other Fire Authorities, ensuring Members are not drawn into operational matters. Any employees' appeal against a CFO decision is always open to escalation through a neutral employment tribunal (which is the case with any current Fire Authority decision)

6 Representation

The number of Members on each committee will also have an influence on their respective effectiveness. Academic “best-practice” advice is that the most effective decision-making forums have in the region of 6 to 10 members.

FA Membership	17	15
Decision-making	10/11	9/10
Scrutiny / Holding to Account	7/6	6/5

Where there is an even number at committee, a consensus is not achievable and a decision results in a split vote. The issue would then be referred to the full FRA for decision. Alternatively, the FRA may want to discuss the merits of reduced representation at the 2 committee meetings, for example FA of 17 or 15, but only 5 or 7 Members on SaR and likewise on SAP, although this would present challenges ensuring meetings are quorate.

7 Summary

The Fire Authority should consider the opportunity to reduce the number of Members to 15 in order to demonstrate efficiency and effectiveness, against the current membership levels of 17. The numbers on the Fire Authority will also affect the representation at any changed committee structure.

The decision to reduce to a 2-committee structure requires Fire Authority approval, and an agreed Member representation on the Committees. The delegation of authority to a 2-committee structure is important to increase effectiveness of the committees, and to reduce the workloads at full Fire Authority meetings. This representation is directly aligned to the overall number of Members on the Fire Authority, but equally, the breakdown of Members in each functional committee will need confirming to ensure appropriate challenge and debate when decisions are being made or scrutinised.

The delegations at Committee level will need further detail, but virements and discipline are immediate areas which would benefit from Fire Authority delegation.

Following these decisions and Fire Authority agreement, Officers will develop the terms of reference for the committees and the representation of Members at each Committee, in conjunction with Legal Services. This would include any agreed schemes of delegation and associated responsibilities.

8 Capacity

There are no capacity impacts arising from this report.

9 Collaboration / Partnership Working

Opportunities to align to HWFRS structures and thresholds are set out in the paper. This includes alignment of annual planning and financial thresholds.

10 Community Safety

There are no community safety impacts arising from this report.

11 Environmental

There are no environmental impacts arising from this report.

12 Equality Impact Assessment

There are no equality or diversity implications arising from this report. An e-EQIA is not, therefore, required.

13 Financial Implications

There are no financial implications arising from this report. Any agreed changes will make some small savings but will increase efficiency and effectiveness.

14 Health and Safety

There are no health and safety impacts arising from this report.

15 Human Rights (including Data Protection)

There are no human rights impacts arising from this report.

16 ICT

There are no ICT impacts arising from this report.

17 Legal Comment

The governance of the Fire Authority is set out in the Government Combination Order and the duties are set in the Fire and Rescue Services Act 2004 and the National Framework for FRS document as well as the Local Government Act 2003. Any agreed changes to the current structures will be approved through legal advice and consultation.

18 Public Value / Service Delivery

It is suggested within this report that a review of the governance structures would create opportunity for improved efficiency and effectiveness, some small savings will also contribute to the overall improvement of Public Value.

19 Reputation

The outcome of this report could possibly be of public interest and influence current political and reputational issues

20 Security

There are no security impacts arising from this report.

21 Training

If changes are agreed and Committee responsibilities change, Members will need to either refresh or retrain in their respective areas of focus

22 Appendix

Proposed Governance Model

23 Background Papers

Shropshire and Wrekin Fire and Rescue Authority, 13 February 2019,
Report 12 – Combined Fire Authority Review

Proposed Governance Model

