

Minutes of the meeting of General scrutiny committee held at Council Chamber, The Shire Hall, St Peter's Square, Hereford, HR1 2HX on Monday 21 August 2017 at 2.00 pm

Present: Councillor WLS Bowen (Chairman)
Councillor EJ Swinglehurst (Vice-Chairman)

Councillors: JM Bartlett, JA Hyde, JF Johnson, MT McEvilly and A Warmington

In attendance: Councillors AW Johnson (Cabinet Member) and DB Wilcox

Officers: J Coleman (Democratic Services Manager/Statutory Scrutiny Officer), and G Rees (Finance Manager).

11. APOLOGIES FOR ABSENCE

It was reported that Councillor PGH Cutter had been appointed to fill the vacancy on the Committee but was unable to attend the meeting.

Apologies were received from Councillors BA Baker and PGH Cutter.

12. NAMED SUBSTITUTES

Councillor JA Hyde substituted for Councillor PGH Cutter and Councillor MT McEvilly for Councillor BA Baker.

13. DECLARATIONS OF INTEREST

Agenda item 7: West Mercia Police and Crime Commissioner Consultation on Fire Governance.

Councillor WLS Bowen declared a non-pecuniary interest as a member of the West Mercia Police and Crime Panel.

14. MINUTES

The Chairman reported that the minutes of the previous meeting had not been finalised and would be submitted to the Committee's next meeting.

15. QUESTIONS FROM MEMBERS OF THE PUBLIC

None.

16. QUESTIONS FROM MEMBERS OF THE COUNCIL

None.

17. WEST MERCIA POLICE AND CRIME COMMISSIONER CONSULTATION ON FIRE GOVERNANCE

The Committee's views were invited on recommendations it might wish to make to Cabinet in response to the West Mercia Police and Crime Commissioner's (PCC) consultation on fire governance.

The Committee had accepted the Leader's request to submit comment to the executive to inform the executive's response.

The Chairman invited the PCC and the Chairmen of Hereford and Worcester Fire Authority and Shropshire and Wrekin Fire Authority to make opening statements.

The PCC made the following principal points:

- He referenced the legislative change that had permitted PCCs to consider what role they might wish to play in fire governance, his decision to commission an initial business case (IBC) (cost £35k refunded by government) to see if such an initiative was sensible and the launch of his 3 month consultation.
- If his proposal was adopted this would mean the abolition of the two fire authorities and the PCC becoming responsible for fire governance.
- The two fire authorities were not failing entities. However, fire authorities and the police would continue to need to make further financial savings. The PCC view was that resources should be focused on frontline activity.
- Replacing the two fire authorities would save £570k, half saved by the transfer of governance. However, this was not a huge sum in itself and was not the principal purpose underpinning the decision to consult. Rather, the emphasis was on ensuring that what bureaucratic activity needed to take place was as joined up and efficient as possible. He compared the proposal to the merging of local authorities within Herefordshire to create the current unitary authority. The intention was to create a faster pace of decision making.
- The proposal did not reduce the frontline service but he considered that it had implications for it. It freed resource to continue to deliver frontline services into the future avoiding difficult contentious choices on service delivery that would otherwise need to be considered, allowing as much money as possible to be spent on frontline services.
- The two fire services would retain their individual identities and branding.
- He was proposing an alliance that would deliver savings and a more effective relationship between the fire service and West Mercia Police.
- The IBC suggested a saving of £4m per year could be achieved. This made the proposal worthwhile in preference to potential reductions in frontline services.
- He had invited leaders of the four top tier authorities to suggest to him ways in which, if the proposal proceeded, they thought they could continue to play a role in relation to the fire service through a form of reference group and maintain links to local communities.
- If accepted by government the aim was for a transfer of governance to come into force on 1 April 2018.

Councillor RJ Phillips, speaking in his capacity as chairman of the Hereford and Worcester Fire Authority (CHW), made the following principal points:

- The financial pressure on public services and the need for the efficient use of resources was recognised. The authority was mindful of the importance of collaborative working and he provided a number of examples where such working was already taking place. The speed with which the PCC had made his proposal and the timetable for the change to governance had therefore been a surprise.
- It was clear that in the future links between the fire service, police service and ambulance service would need to be strengthened. The fact that the ambulance service had indicated that it did not wish to be involved at this stage represented a missing link.
- The emphasis should be on seeking a locally agreed process. The current minister of state at the Home Office had recently indicated his support for such an approach. The aim should be evolution not revolution. The recent Grenfell tower fire in London had implications for the perception of the fire service and all fire authorities.
- The PCC's initial business case lacked detail about how the proposed savings would be achieved and the projected savings on governance only seemed feasible if they included a saving on chief officer posts. It also appeared that these savings would be additional to those the fire authority had already identified in its plans up to 2020.
- The police alliance with Warwickshire showed the benefits that could be achieved by merging at a sensible pace and maintaining public confidence.
- In terms of accountability local councillors whilst not directly elected to fire authorities were elected and accountable to their local communities.
- There were many examples of unsuccessful mergers of organisations that had been forced through in haste.

Councillor E Carter, the Chairman of Shropshire and Wrekin Authority (CSW) made the following principal points, noting that he agreed with the points already made by Councillor Phillips:

- The authority recognised the need for some change.
- He gave a number of examples of collaborative working with the police and noted that the PCC had been invited to serve on the Shropshire and Wrekin Fire Authority
- The Shropshire fire authority and fire service were well run, financially sound, and on track to meet scheduled savings targets.
- In a large rural area there were a number of small retained fire stations to maintain response times. He was concerned about how these might be protected in future, whatever statements might be made at this point about no change to frontline services, if a change of governance took place, noting that the potential for the holder of the office of PCC to change,
- He questioned whether investing governance responsibility in one person based in Worcester represented accountability. He considered this compared unfavourably with current arrangements. Local councillors were the people to whom residents turned first with any concerns. The PCC proposals for an advisory panel were unclear
- He urged that the emphasis should be on fire authorities and the PCC working together to reach a local agreement, without reference to the Home Office, continuing to co-operate but retaining some form of local fire governance rather than

investing that responsibility in one person. The analysis of the IBC omitted by the two fire authorities raised a number of important points for consideration.

- The pattern across the country was that fire authorities were seeking a similar approach to each other, opposing PCCs taking on fire governance, with only Essex, where there was a failing authority, indicating that it accepted a change in fire governance.

In discussion the following principal points were made:

- It was questioned whether the consultation could be considered adequate having regard to government guidance on consultation principles, offering adequate scope through open and closed questions for consultees to express their views and whether there was sufficient supporting evidence on the costs and benefits of the policy options under consideration. The PCC commented that overall he considered the consultation was adequate to engage the public and advantage was being taken of the space in the response form provided for comment. He had also arranged a number of public engagement events.
- The CHW confirmed that the analysis of the PCC business case had cost £12-15k and provided information on the professional credentials of its authors. The CSW commented that the report had been produced to a tight timescale but it had been thought important that it be available for consideration as part of the process.
- A concern was expressed that there was insufficient detail in the initial business case for the Committee to scrutinise it. It was unclear how the £4m savings per year would be delivered and whether the proposals therefore represented an improvement on existing plans and justified changing a system that was operating satisfactorily.
- The PCC commented that the key consideration was whether people could have confidence that the existing mechanisms could deliver change or whether a PCC responsible for fire governance would be better placed to drive through change that would focus spend on frontline services rather than the supporting governance machinery.

He clarified that his projected savings were not in addition to those identified in the current plans of the two authorities but incorporated those savings within the £4m figure. However, he thought that some of those savings could be achieved in a different way than the two authorities proposed.

Paragraph 6.3.4 of the IBC set out the proposed savings it was expected could be achieved based on industry standards. He could not provide detail on individual posts and he could not at the moment require Chief Fire Officers to undertake the required work on this aspect.

Both the CHW and the CSW expressed some surprise at the PCC's statement that the savings identified by the fire authorities were incorporated within the £4m figure in the IBC as that had not been their interpretation to date.

- In relation to his current role upon the two fire authorities the PCC commented that he currently had no vote and had to leave during consideration of exempt business.
- Regarding the pace of change, the PCC commented that whilst it was proposed that he would take on the fire governance responsibility in April 2018, further change would be introduced over the medium term. His aim was that in making a case to government for fairer funding he could demonstrate that he had explored all the funding options to secure efficiencies.
- It was questioned whether the PCC was fully exploring all the available options.

- The CHW commented that the assumption was that mergers achieved certain outcomes. However, these assumptions were not always delivered in practice. He considered a locally agreed process would be a preferable solution.
- The CSW highlighted page 13 of the analysis of the IBC that expressed the view that transition costs would be more significant than stated, there was a risk that the savings were being overstated and that a copy of the financial analysis that underpinned the projected saving should be requested.

He reiterated that the PCC did not have to submit a proposal to the Home Office. The focus should be on achieving local agreement. The proposal could only proceed if the Secretary of State was satisfied that it would be in the interests of economy, efficiency and effectiveness or public safety.

- In relation to collaboration with the ambulance service the PCC commented that legislation provided for the PCC to consider taking on fire governance. The ambulance service was currently rated as outstanding and that Trust's Chief Executive had indicated that he did not wish to volunteer to enter into a different governance arrangement.
- It was suggested that in considering this issue and the pace of change the PCC could usefully draw on the way in which the alliance model was being developed between West Mercia Police (WMP) and Warwickshire Police (WP).

The PCC commented that the WMP/WP alliance had demonstrated how savings could be delivered. He was not aware of the detail of any proposals for an alliance between the two fire authorities.

- The PCC stated that closure of community fire stations did not form part of his plans. The intention was to ensure there was sufficient resource to support these into the future.
- The police and fire service had different cultures. There were many examples of business takeovers that had failed because of such cultural differences.
- The CHW reiterated that it would be more effective to allow a longer period to find a local solution. This would permit existing collaboration proposals to develop and their effectiveness to be assessed. It would also maintain public safety and public confidence.
- The CSW highlighted the example of the Sussex Police and Crime Commissioner who had decided to see what could be achieved through closer working between the fire services in Sussex in preference to proceeding with a fire governance proposal.
- The PCC commented that he was not proposing to merge organisations and believed his proposal would work in the West Mercia area. He recognised cultural change would take time.
- It was asked how the proposed governance change would improve upon the current role exercised by the 42 elected members on the fire authorities. It was observed that the PCC was an elected post and this meant that a change in approach to that favoured by the current PCC was a possibility.

The PCC questioned why the fire authorities had not to date achieved change to the degree that was clearly possible. He had effected change in the police service engaging with the community and believed he could do the same in the fire service.

- The PCC commented that he considered the Police and Crime Panel, which would take on the additional role of scrutinising the work of the Police Crime and Fire Commissioner if appointed, did have more limited powers than he would wish. He envisaged a role for the proposed reference group drawn from local councils in

providing advice to inform his decisions. He had sought to increase transparency in relation to the police service and would intend to do the same in relation to the fire service.

- The CHW commented on the transparency with which the fire authorities were currently obliged to operate.
- The CHW drew attention to the range of agencies with whom the fire service worked in its preventative role including local authorities and the environment agency who did not feature in the PCC's proposals.
- The PCC stated that he was not proposing the single employer model. He was proposing a fire alliance.
- The PCC stated in relation to a question about the normalisation of the precepts of the two fire authorities that his proposal for an alliance would not have such an effect. Assets owned by each FRA and money each raised would have to remain in the respective areas.
- Notwithstanding the national agreement on fire procurement the PCC believed there were still opportunities for savings across police and fire to be explored.
- The PCC stated that account was taken of the costs of transformation hence the savings profile set out at paragraph 6.5.4 of the report.
- The PCC considered that the theme of public safety together with a drive for efficiency and effectiveness provided a link between the three organisations.
- The CHS commented that future proofing needed to ensure arrangements incorporated dialogue with the full range of partner organisations, not just be driven by crime prevention and blue light response and this supported the view of taking time to discuss a local solution with all partners at this stage.
- A member suggested that further consideration should be given to the potential for developing other models of collaboration such as the local agreement that had been suggested. In the absence of a full business case the PCC's proposal to introduce a new governance arrangement with effect from 1 April 2018 did not appear to be a sound approach.
- Councillor DB Wilcox, speaking as Chairman of the West Mercia Police and Crime Panel (PCP), highlighted the financial issues and the breakdown of the savings as his biggest concern.
- The PCC commented that there were choices about how to make savings. It was likely that in the future there would be a gap between funding and expenditure and the question was how best to bridge that gap. Whilst he would seek to provide additional information to the PCP, in submitting a proposal to government the detailed business case would have to be made. He added that he did not consider the proposals had an effect upon Warwickshire. Any changes to the enabling service provided by the PCC and Warwickshire and any changes to relationships with other bodies would be a matter for negotiation with Warwickshire and the two FRAs and for subsequent negotiation.
- The PCC confirmed that he had consulted more widely than statutorily required. Consultees had included Warwickshire, second tier authorities, the NHS and third sector partners.
- The CHW commented that it was important that in considering savings account was taken of the implications of the pay settlement for firefighters and the importance of capital investment plans.

The Chairman invited closing statements from the PCC, CHW and CSW.

- The PCC commented that he would not be making his proposal if the fire authorities were further advanced down the collaborative route. He asked whether there could be confidence that collaboration would proceed under the current system or whether he would be better placed to drive through change and forge the proposed alliance.
- The CSW commented that a submission did not need to be made to the Home Office. A governance model could be agreed locally. The PCC could follow the approach of the Sussex PCC, work collaboratively to achieve savings and review progress after two years.
- The CHW commented that the authority had a track record of cooperation and delivering efficiencies working collaboratively. He considered a locally agreed process to be the best way forward.

In response to closing questions from the Chairman the PCC declined to give an undertaking that he would not submit his proposal to the Secretary of State if the four constituent authorities objected to it, preferring to give weight to the response of the public. However, he did state that if the generality of the response to the consultation was opposed to it he would not make that submission.

He also indicated that the proposal for Herefordshire Council to submit its response following a meeting of its cabinet on 14 September was acceptable.

RESOLVED: That a draft submission to cabinet be circulated to members of the committee for comment and the statutory scrutiny officer authorised to finalise the submission on the committee's behalf following consultation with the chairman and vice-chairman of the committee.

18. DATE OF NEXT MEETING

Monday 11 September 2017 at 10.30 am.

The meeting ended at 4.15 pm

Chairman

