



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

Executive Summary

INTRODUCTION AND EXECUTIVE SUMMARY

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 area¹. 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.”²

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 advisors, 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

¹ HM Parliament, [Policing and Crime Act 2017](#)

² 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 on page 25 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	12	11
Overall rank	4	3	1	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 **Error! Reference source not found.**). 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

	'No change'	Representation	Governance	Single employer
Savings - NPV (£m)	1.04	1.39	4.66	4.39
Payback year	0	0	2	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.

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