



To: Joint Audit Committee

From: Chief Executive

Date: 18 April 2018

UPDATE ON FIRE AND RESCUE GOVERNANCE

1. Purpose

1.1 The purpose of this report is to update the Joint Audit Committee following the recent approval from the Home Secretary for the Police and Crime Commissioner (“the Commissioner”) to take on responsibility for governance of Cambridgeshire Fire and Rescue Service.

2. Recommendation

2.1 For the Committee to note the update.

3. Background

3.1 The Policing and Crime Act 2017 (the “Act”) places a duty on police, fire and rescue and ambulance services to explore opportunities for collaboration, and enables Police and Crime Commissioners to take on responsibility for the governance of fire and rescue services in their area where a case is made to do so.

3.2 Commissioners are enabled to seek responsibility for their local Fire and Rescue Authority where a local case is made to the Home Secretary. This is subject to tests to ensure that changes will deliver improvements in one of more of a) economy, b) efficiency and effectiveness or c) public safety. In line with the legislation, Commissioners are also required to work with their Fire Authority to prepare their local business case.

3.3 Independent consultants, who were commissioned jointly by Cambridgeshire and Peterborough Fire Authority and the Commissioner assessed the governance options and prepared a local business case. The local business case recommended that the governance option offered the greatest benefit.

3.4 The provisions of the Act place a requirement on the Commissioner to consult if they wish to take on the governance of Fire. Pre-consultation engagement took place between 12th June and 2nd July 2017 where stakeholders and the public were advised that the formal consultation was to be launched. The public consultation then ran for nine weeks from Monday 3rd July 2017 to Monday 4th September 2017.

4. Home Office Consideration and Transition Arrangements

4.1 The Commissioner's proposal to take on the governance of the Cambridgeshire Fire and Rescue Service was submitted to the Home Office on 10th October 2017.

4.2 Where the upper tier authorities do not agree with a proposal the Home Office is required to obtain an independent assessment of the proposal. The Home Secretary will take into account its findings of the independent review when making the final decision whether or not to approve the Commissioner's proposal.

4.3 The Minister of State for Policing and the Fire Service requested the Chartered Institute of Public Finance & Accountancy ("CIPFA") to undertake an independent assessment of the Cambridgeshire proposal.

4.4 On 26th March 2018 the Home Secretary announced that the Commissioner for Cambridgeshire would be one of three more Commissioners to take on responsibility for local fire and rescue services. The Home Secretary considered that the Cambridgeshire proposal demonstrates that a transfer of governance would be in the interests of economy, efficiency and effectiveness and does not have an adverse effect upon public safety.

4.5 The Home Secretary indicated that the Home Office would seek to give effect to the proposal through a statutory instrument which they anticipated would take effect in June or July. Staff in the Office of the Police and Crime Commissioner and the Fire and Rescue Service are working closely with the Home Office to ensure a smooth transition.

5. Governance Landscape

5.1 The Scheme of Governance will give clarity to the way the corporation sole of the Fire and Rescue and Authority (the Commissioner) and the Chief Fire Officer will govern, in line with the good governance standard for public services. The decision making policy will ensure a robust decision-making process based on the principles of taking informed, transparent decisions and managing risk effectively.

5.2 Staff in the Office of the Police and Crime Commissioner and the Fire and Rescue Service are working closely to develop governance arrangements which ensure the functions of the Fire Authority can be incorporated while aligning with the current arrangements for policing as appropriate. We are working towards:

- a separate Fire Board which works to similar arrangements as the Police Business Co-ordination Board, publishing its reports;
- a joint Fire and Rescue Service, Constabulary and Office of the Police and Crime Commissioner strategic estates group;

- dedicated Fire and Rescue Service performance and finance subgroups.

- 5.3 Work is also ongoing with the audits to agree the approach to the account arrangements.
- 5.4 It is envisaged there will be a combined Joint Audit Committee, covering the Fire and Rescue Authority / Service, the Constabulary and the Office of the Police and Crime Commissioner. Although there will not be a group arrangement between the PCC and PCC-style FRA they will be sharing many governance processes and senior OPFCC staff which will underpin this arrangement.

6. Future OPFCC Financial Support

- 6.1 Following the departure of the OPCC Chief Finance Officer at the end of January 2017, an interim arrangement was agreed by the Commissioner at the Business Co-ordination Board on 17th January 2017 for the Deputy Chief Executive of Cambridgeshire Fire Authority to become the OPCC Acting Chief Finance Officer (and Acting Section 151 Officer) for an initial period to 31st December 2017. To support the Acting Chief Finance Officer in his role, the services of a part time Interim Head of Finance were secured.
- 6.2 A process to confirm the on-going intention to share the same Section 151 Officer across the Fire Authority and Office of the Police and Crime Commissioner, as set out in the business case, is under development. Alongside this, a review of the support needed to ensure the finance function fits the business needs of the Office of the Police and Crime Commissioner and Fire Authority moving forward is underway.

7. Recommendation

- 7.1 For the Audit Committee to note the update and consider the support required to enable it to take on its new role.

BIBLIOGRAPHY

<p>Source documents</p>	<p>Letter from the Home Secretary approving the proposal to transfer fire governance to the Police and Crime Commissioner and independent assessment by CIPFA</p> <p>http://www.cambridgeshire-pcc.gov.uk/get-involved/fire-governance-consultation/</p> <p>‘Proposal for a change to Fire and Rescue service governance in Cambridgeshire’, Submission to the Home Office including the business case and details of the comments made through the consultation and the Commissioner’s response to them, 10th October 2017 http://www.cambridgeshire-pcc.gov.uk/get-involved/fire-governance-consultation/</p> <p>‘Consultation on the local business case for fire and rescue governance options’, Agenda Item 5.0, 21st September 2017 http://www.cambridgeshire-pcc.gov.uk/wp-content/uploads/2017/09/17-09-21-BCB-Agenda-Item-5.0-Fire-Governance-consultation-update.pdf</p> <p>‘OPCC Future Financial Management Arrangements’, Agenda Item 7.0, Business Coordination Board, 17th January 2017 http://www.cambridgeshire-pcc.gov.uk/wp-content/uploads/2017/01/17-01-17-BCB-Agenda-Item-7-OPCC-Future-Financial-Management-Arrangements.pdf</p> <p>Policing and Crime Act 2017</p> <p>http://www.legislation.gov.uk/ukpga/2017/3/contents/enacted</p>
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