

Executive Summary

The Policing and Crime Act 2017 places a statutory obligation on emergency services to collaborate, and also enables Police and Crime Commissioners (PCCs) to take on responsibilities for Fire and Rescue Services in their area where a case can be made on the grounds of economy, efficiency and effectiveness, or public safety.

Approach

1. In 2017 PA Consulting worked with the PCC's office, Gloucestershire County Council (GCC), Gloucestershire Fire and Rescue Service (GFRS), Gloucestershire Constabulary (GC) and others to independently assess the case using information provided by them, research in the public domain and national information. Even with good engagement from GCC officers, PA Consulting was unable to engage with the political leadership of GCC, despite requests. This was disappointing and in contrast to the constructive debate they had in the other areas in the UK in which PA Consulting had undertaken similar work.
2. In September 2018, and following whistleblowing complaints made against GFRS, the PCC reopened the work to explore a case for change in Fire governance. The work required to refresh the earlier analysis has been conducted by staff in the Office of the Police and Crime Commissioner (OPCC).

Context

3. Gloucestershire Fire & Rescue Service and Gloucestershire Constabulary cover the whole of the county and share the same organisational boundaries. GFRS is not a separate legal entity – it is part of Gloucestershire County Council, under a 'county model' of governance in which GCC employs firefighters and staff and acts as the Fire and Rescue Authority. At the time of writing this report, this function is exercised by the Cabinet Member for Public Protection, Parking and Libraries (having previously been held by the Cabinet Member for Fire, Planning and Infrastructure) and scrutinised by the County's Environment and Communities Scrutiny Committee.
4. In policing, by contrast, the PCC holds the Chief Constable of Gloucestershire to account. They are two separate legal entities, with the Chief Constable employing Police officers and staff. GFRS's expenditure was £19.6m in 18/19. GC expenditure was £109.3m in 2018/19. The OPCC budget in 2018/19 is £854k.
5. It is not possible to determine GFRS governance costs as they are part of GCC wider costs. Therefore we have not undertaken a comparison of governance costs at this stage. It is unlikely though that there would be any savings in relation to governance costs as GFRS does not have a separate scrutiny committee (like, for example, the Police and Crime Panel), and the service sits within the structures of the council, rather than as a standalone service. This means that Council meetings to scrutinise the service cluster will continue to take place, just without an agenda item for fire.

The national case for change

6. The direction of travel towards closer working between the police and fire services is evident at national level. Within Government, fire and policing have been brought together within the [Home Office](#), where there is now one [Minister of State for Policing and the Fire Service](#) and recently HMIC has become the inspectorate for fire becoming [Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services](#) (HMICFRS).

7. In support of this direction of change, 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 area⁶. In describing the measures, Brandon Lewis, the first 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.”*⁷
8. Currently Fire and Rescue Services in the UK have varied governance arrangements. Some operate through a Council structure, as is the case in Gloucestershire, some through a FRS Combined Authority and some a Metropolitan arrangement. Since 2017 a number of FRS’s are now governed by a local PCC.

Area	Model	Status
Essex	Governance	Completed and PFCC now Fire Authority.
West Mercia	Governance	Case submitted to Home Office. Home Office process currently being Judicially Reviewed.
Staffordshire	Governance	Completed and PFCC now Fire Authority.
Cambridgeshire	Governance	Case submitted to Home Office. Home Office process currently being Judicially Reviewed.
North Yorkshire	Governance	Business case approved and currently laid in Parliament. Outcome due 15 November 2018.
Northamptonshire	Governance	Business case approved and currently laid in Parliament. Outcome due 01 January 2019.
Norfolk	Governance	Business case submitted to the Home Office. Currently under review
South Yorkshire	Representation	Completed and PCC now member of the Fire Authority.

9. There is evidence that fragmented governance can be a barrier to achieving effective collaboration. As outlined above, there is also clear national policy to move towards greater scrutiny of Fire and Rescue Services, and reviews have demonstrated some weaknesses in fire governance⁸. Although there is limited evidence of the impact of shared governance between police and fire in the UK as it is a new power, research from the United States and Australia indicates efficiency and effectiveness benefits, but with limits to the value and acceptability of full police and fire integration. Full integration and merger is not an option being explored in this case.

The local case for change

10. Any case for any change in governance should be based primarily on local factors. In Gloucestershire, both services need to continue to make efficiencies and adapt to the changing needs and demands of the public.
11. Earlier analysis did not go into detail of improving public safety but from latest research and progress being made by other PCC’s there are clear benefits of bringing Police and Fire and

⁶ HM Parliament, Policing and Crime Act 2017

⁷ Brandon Lewis (2017), Fire Minister’s [speech to Reform](#)

⁸ [Facing The Future](#): Findings from the review of efficiencies and operations in fire and rescue authorities in England, Sir Ken Knight CBE QFSM FIFireE

Rescue under one governance structure. Improvement in preventing incidents, protecting the community and emergency response are natural and obvious improvements but this comes about because both organisations work, train and think collectively instead of being two separate organisations. It is simply wrong that they should only meet each other at a time of emergency with all the missed opportunities that collaboration brings.

12. GFRS's performance and value for money is reported on an annual basis via a [Statement of Assurance](#)⁹. Questions as to the accuracy of previous assurance statements have recently been raised by [GCC's Internal Auditors](#) which calls into question the ability of the Fire Authority to scrutinise the service. GCC's Internal Auditors have planned work to test the adequacy of GFRS's Assurance Statements as part of their 2019/20 Internal Audit Plan.
13. This assessment has looked beyond the year on year performance presented by GFRS to include peer analysis. This shows that while incidents have decreased (as reported in the earlier analysis and by GFRS), response times have deteriorated in Gloucestershire. This is in contrast to peer group and to national performance. The PA Consulting findings in relation to increased risk based activity by GFRS following the 2013 Peer review remain however. Activity to support health based priorities are evident such as increasing numbers of Safe and Well visits. Although GFRS performance is not highlighted as an area of weakness, the assertion by GCC that "*GFRS [is] recognised as providing one of the best fire and rescue services in the country*" can be questioned as can the level of performance scrutiny carried out by the current FRA. For more GFRS performance information, see Appendix A.
14. The earlier analysis identified financial risks presented by the Fire and Rescue Authority not having the ability to raise a separate precept within the Council Tax paid by Gloucestershire residents. Expenditure on the Fire and Rescue Service has fallen significantly faster than GCC expenditure overall and there is no year-on-year financial certainty for the service.
15. In the 2017 report, it was noted that collaboration between police and fire was not as far advanced as in other parts of the country. This is despite earlier work some 15 years ago putting Gloucestershire emergency services at the forefront of collaboration. While there are good examples of relatively small-scale collaboration, there was, until recently, no agreed collaboration strategy or governance structure to drive it. The report noted that there needed to be greater political leadership and a shared vision to move compliance with the statutory duty forward at pace.
16. A good example of this is with the failure to realise Tri-Service integration at the Waterwells Campus. In 2003 £2.6 million Government *Invest to Save* funding was supported by £1.9 million from local Police, fire and ambulance funds to create a Tri-Service building. The original business case for the building was to bring services together in a single emergency services location, which was achieved. However, the Tri-Service concept had so much more potential that has stalled over the last 8 years as local government pressures has pulled leaders away from community safety and arguably more efficient ways of working.
17. Despite the original business case being agreed by all agencies involved, the Fire Authority was ultimately reluctant to pursue the necessary discussions required to make aspirations a reality. This is in contrast to areas such as Greater Manchester, Kent, Hampshire and Merseyside who, through combining facilities and operatives, have been able to reinvest savings into frontline services.
18. An example of lack of progress is the Tri-Service vehicle workshop within the Waterwells Campus. This is a shared emergency services asset but fails to deliver full integration of mechanics, administrative personnel and facilities. These decisions not to fully realise collaborative opportunities means Gloucestershire finds itself outside of the list of innovators

⁹ <https://www.gloucestershire.gov.uk/media/18138/statement-of-assurance-2016-17.pdf>

such as Cheshire and Humberside, where one location is used to house three sets of mechanics, administrators, supplies and equipment which remain distinct and service specific.

19. Following the PCC's decision to pause the fire governance work in 2017, a structure was established between the Fire Authority (GCC), the Fire & Rescue Service, Gloucestershire Constabulary and the OPCC to explore opportunities for collaboration via a voluntary Collaboration Board. To support this, a plan of action was developed to capture and record progress towards greater collaboration (see Appendix B). Whilst progress has been made in some areas such as collaborative learning and development opportunities, progress in relation to the use of buildings has been frustrated by governance, leadership and differences in vision around the potential for modernisation. This is despite the earlier research identifying opportunities for more joined-up approaches to community safety as well as the potential for ten-year financial benefits of c.£3.4m through estate collaboration (see Appendix B).
20. Senior management costs of GFRS are also proportionately high compared with GC. Although challenging, closer working could realise efficiencies in senior management costs, which currently equate to 2% of total spend in GFRS compared with 0.5% in GC. Through closer alignment of management structure between fire and police, efficiencies in the region of £1m could be realised over a ten year period – money that could be reinvested in the service, people and training and development of GFRS.
21. Visibility and transparency of scrutiny could also be improved. While meeting governance requirements, there are opportunities for greater visibility of GFRS scrutiny and more financial transparency around the true cost of running fire and rescue. Regardless of this review, GFRS is likely to need to increase the level of information currently provided publically in order to meet the requirements of the new national inspectorate, [HMICFRS](#) and the new [Fire and Rescue National Framework](#) for England.

Recent developments within GFRS

22. In June 2018, a complaint was made to the Chief Executive of GCC from a whistle-blower regarding a number of concerns from within Gloucestershire Fire and Rescue Service. The three strands of the complaint were:
 1. *The sale of a Gloucestershire Fire and Rescue Service (GFRS) owned vehicle where it was alleged that the vehicle, a Land Rover Defender, was not sold to the highest bidder;*
 2. *The high level of staff turnover in the last 24 months; and*
 3. *The level of staff with mental health issues who have sought the use of the Council's Occupational Health Service during the last 24 months.*
23. A report was presented to the [GCC Audit & Governance Committee](#) on 12 October 2018¹⁰ outlining the initial findings of an Internal Audit investigation. This report can be found at Appendix E.
24. A number of recommendations were presented in the report including the need for a cultural review, an audit of governance and compliance with key corporate policies and procedures across GCC, and an adequacy test of published Assurance Statements.

The governance options

25. This review assesses the three options in the Act alongside the option of no change to the current arrangements:
 - **Representation:** where the PCC would become a formal part of the existing governance for fire and rescue in GCC, with full voting rights.

¹⁰ <http://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=655&MId=8782&Ver=4>

- **Governance:** where the PCC takes on responsibility for fire and rescue as the Police, Fire and Crime Commissioner. Police and fire would retain their own chief officers and staff and be operationally independent of each another.
 - **Single employer:** where the PCC would take on responsibility for fire alongside the police and also appoint a single chief officer for both services. Front-line services would remain distinct but support services would be increasingly integrated.
26. To make a case for governance change, the potential benefits need to outweigh the risks and costs of change and implementation. These risks and costs are inherently greater with a county governed fire and rescue service as the service has to be disentangled from its parent county council and a new and separately funded, legal entity created.
 27. The review has assessed the options against a number of critical success factors relating to whether they would accelerate the pace and effectiveness of emergency services collaboration, would provide savings e.g. from shared estates, safeguard the financial sustainability of the Fire and Rescue Service, provide greater scrutiny, transparency and visibility of governance of fire and rescue, and could manage risks relating to potential loss of public trust or compromise fire's wider links with health, social care and local government.
 28. The Representation Model would offer the PCC a formal opportunity to influence the shaping and improvement of the future Fire Service, as well as Fire and Police collaboration, bringing additional external scrutiny. However, how this would work in practice where the PCC would only be one voice among many and could always be outvoted by Council members would need to be determined and is more complex in a county model in which all the major decisions are taken in the Council's cabinet and there is no discrete fire scrutiny committee. Such an arrangement would also bring additional costs for the OPCC but with little additional influence for the PCC and minimal ability to accelerate collaboration.
 29. Following the publication of the 2017 report, the OPCC queried the possibility of moving towards the Representation Model and received a written response from the then Chief Fire Officer. The letter notes that within the current Fire Authority, the opportunities for PCC involvement would be unlikely to work for both legal reasons (Local Government Act 2000) and due to the established committee structure within GCC. For more information see section four (Options), page 53 / Appendix F.
 30. The Governance Model would bring a more material change, creating more cohesive estates planning, achieving financial benefits, and would increase the pace of change, for example, in community safety. Under this option, a separate fire precept could protect Fire and Rescue from unexpected pressures on local authority budgets, but could also make it more vulnerable if sufficient reserves are not transferred over from the Council at the point of transfer. The option would enable the mechanisms used by the PCC to engage with the public to be applied to Fire, and could increase visibility of scrutiny of fire and rescue matters. This option would involve one-off implementation costs estimated by PA Consulting to be c.£430k for the OPCC and £250k for GCC and recurrent costs of £70k to the OPCC. Transfer to the Governance model would not be able to be implemented before November 2019.
 31. The Single Employer model could bring greater benefits than the Governance model. For example it would be possible to move towards shared teams and budgets through deeper integration of fire and police assets while maintaining operational separation. However, it also brings more significant delivery risks and costs, with one-off implementation costs estimated by PA Consulting to be c.£580k for the OPCC and £250k for GCC and recurrent costs of £70k to the OPCC. The Single Employer model could not be implemented before the 2020 PCC elections.

Conclusions

32. Given the assessment by PA Consulting and the experience of pursuing collaboration through voluntary means over the past 12 months, our view is that the case for a governance change is made and in the interests of better public services for Gloucestershire.
33. Considering the risks and complexities involved in a transfer of governance of a county model, the view of PA Consulting was that the case for change in governance for Gloucestershire needed to be stronger than for a FRS governed through a combined authority model. Their analysis indicated that a governance change could deliver additional benefits but this needed to be balanced against the transition effort and risks of making a change. While it would be wholly inappropriate to pre-empt the findings of any Internal Audit or criminal investigation into the recent whistleblowing complaint relating to GFRS, the option of maintaining the status quo poses an additional risk consideration in this analysis.
34. Local resistance to change and a lack of political support influenced the PCC's decision to pause the work in 2017¹¹ and led to the OPCC pursuing collaboration through other means (development of a Collaboration Board and action plan with GCC and GFRS). Despite this, hostility towards the PCC relating to collaboration has continued thereafter. Criticism for exploring options in 2017 continued to be publically levelled at the PCC in the Council Chamber as recently May 2018.¹² This criticism included assurances that the Fire and Rescue Service in Gloucestershire was "*scrutinised at every level*"¹³. This assertion has now been called into doubt following the recent whistle-blowing complaints relating to GFRS and the need identified by GCC Internal Audit to "*significantly strengthen the governance arrangements operating in GFRS*"¹⁴.
35. The impact of a change in governance for GCC is acknowledged and this would need to be explored jointly. There are also a number of financial and/or commercial risks concerning capital funding, PFI, pensions and negotiation of a precept. It is likely that these negotiations will be complex and may impact upon implementation. However, the OPCC does have the infrastructure to manage this change and the experience in open, transparent governance required to oversee the changes required in GFRS.
36. The earlier analysis did note that much could and should be done to improve collaboration ahead of any potential governance change. This was attempted through the establishment of a local Emergency Services Collaboration Board. This was necessary to ensure that all emergency services fulfilled their new statutory duty to collaborate, which will be inspected by the new sole inspectorate for police and fire, HMICFRS. The earlier analysis also noted that the PCC should keep the issue of a change in governance under review however GCC explicitly ruled this out. The report stated that should insufficient progress be made by the two services in fulfilling their statutory duties under current governance arrangements, the PCC should consider re-visiting the case.
37. The experience of pursuing collaboration within existing governance arrangements has proven to be slow and bureaucratic. A major contributory factor has been the failure of the FRA to provide transparent financial information and therefore the inability to produce accurate budgets for financial baselining – information essential for project development. A second inhibitor has been the absence of a shared vision for collaboration, both politically and operationally. This may be due to the Chief Fire Officer being focused on wider County Council functions for which he had responsibility alongside his role with the Fire and Rescue Service. One result of this diversion and lack of focus has been that the concept and vision of the Tri-Service centre has not been fully explored and efficiencies not realised.

¹¹ GCC Full Council Debate 28/06/17 Motion 796 ([page 7](#) of printed minutes)

¹² GCC Full Council Debate 16/05/18 Motion 812 ([page 16](#) of printed minutes / see webcast [from 2:26:45](#))

¹³ Cllr N Moor, GCC Full Council Debate 16/05/18 Motion 812 (see webcast from [3:05:34](#))

¹⁴ GCC Audit and Governance Committee report pack – 12/10/18, page 53 (page 4 of the IA report)

Recommendations

38. The opportunity of bringing emergency services together under one, transparent, directly elected governance structure will accelerate the benefits of collaboration for the people of Gloucestershire. The changes will improve public safety via more integrated approaches to community safety and financial stability will be facilitated through a defined fire and rescue budget where fire money is used for fire – benefits not possible under the current structure.
39. A new governance model will set a new, clear and focussed strategic direction for the police and fire and rescue services 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 Gloucestershire. It will be inclusive and welcome the opportunity to explore with all staff and staff groups the true potential that could be unlocked by a new governance structure aligned to a real focus on Gloucestershire’s community safety.
40. Further, and in line with the conclusions outlined in the GCC Internal Audit report into the GFRS whistle-blowing complaints, a new governance structure will also provide the residents of Gloucestershire with the assurance that the emergency services are optimally aligned, share common values and are underpinned by a strong and consistent governance structure.
41. This report therefore recommends the governance of fire is transferred from the County Council to the PCC under the **Governance Model** option, as defined in the Police and Crime Act 2017. Our analysis shows this model offers the greatest benefits against the statutory test as per the Policing and Crime Act 2017, offering the best balance of additional benefits while minimising risk:
- Benefits in relation to **economy any efficiency** are more likely under this model. There are greater opportunities for **efficiency** as finances will be more transparent and the real costs of running the service will be documented, forecast and published.
 - Opportunities for improved **public safety** would be maximised through strong, unified strategic direction focused on localised community safety opportunities across the emergency services.
 - Based on the experience of the last 12 months, the Governance Model poses fewer **deliverability** risks, particularly once governance transition is negotiated and finalised.
 - As a result **effectiveness** (i.e. greater collaboration) is most likely under this governance model.
42. The benefits of the Governance Model are outlined in the diagram below:

