

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

10 APRIL 2017

1. ROUTE MAP TO A MAYORAL WEST MIDLANDS COMBINED AUTHORITY GOVERNANCE – A REFORMED FIRE AUTHORITY (RFA)

Report of the Chief Fire Officer

RECOMMENDED

- 1.1 THAT the Authority note the approval of the West Midlands Combined Authority (WMCA) Board Paper – Route Map to Mayoral WMCA Governance submitted to the WMCA Board on the 3 March 2017.
- 1.2 THAT the Authority notes the direction that this sets in the strategic direction of The Plan 2017-2020.
- 1.3 THAT the Authority approve the direction, process, timeline and approach to the reform of West Midlands Fire and Rescue Authority.
- 1.4 THAT the Authority approves that an application to the Secretary of State be submitted, for amendment to the Local Government Act 1985 Schedule 10. This will be in line with the RFA proposal set out in this paper, which it considers to be the most appropriate to lead the Service through to a Mayoral WMCA arrangement.
- 1.5 THAT the Authority agree a proposal for the future RFA to take effect at the earliest opportunity following Secretary of State approval. This will be no later than the June 2018 Annual General Meeting (AGM) of the Authority.
- 1.6 THAT, subject to the approval of 1.4 above, the Authority approve to delegate authority as required to the Clerk and Monitoring Officer to:
 - a) Prepare and submit an application for appropriate revisions to the Local Government Act 1985, Schedule

10 (Part VI) in consultation with the Chair of the Authority.

- b) Seek appropriate consents for a reduction in the number of appointments to the RFA, from its constituent Local Authority bodies as set out in the relevant application, as well as seeking appropriate appointments of co-opted members to the RFA.
- c) Prepare appropriate draft revisions to the Authority's Constitution, Standing Orders, Committee Structure and Committee Terms of Reference and any other relevant governance documentation for consideration on implementation of the RFA.
- d) Prepare appropriate draft revisions to the Authority's Scheme of Delegation as set out in the Constitution for consideration on implementation of the RFA.
- e) Initiate a review of the Members' Allowances Scheme in accordance with statutory requirements.

2. **PURPOSE OF REPORT**

This report is submitted to set out and agree the approach required of the Authority, to provide a more streamlined and flexible arrangement to the current Authority structure. This change will provide an interim measure, until the functions of the Authority are transferred and exercisable by the Mayoral West Midlands Combined Authority (WMCA). This direction has been approved through the 20 February 2017 Authority paper – 'Route Map to Mayoral Governance' and the 3 March 2017 WMCA Board paper.

3. **BACKGROUND**

- 3.1 The launch of the Policing and Crime Bill in early 2016, now the Policing and Crime Act 2017 (the Act), set out the potential for a change in the future governance of Fire and Rescue Services across England. The Act, along with the clear expectations set out by Government around the reform of Fire and Rescue Services, provided the opportunity for West Midlands Fire and Rescue Authority (Authority) to review the future governance of West Midlands Fire Service (the Service).

- 3.2 A critical influence has been the changing landscape for the West Midlands in terms of devolution, the duty to collaborate, the WMCA and the imminent Mayoral elections. An example can be seen in the new powers for a Police and Crime Commissioner (PCC) and Mayor to take on governance of Fire and Rescue Services, as set out by the Act. Further change can be seen in the current and future decline of core government funding, as well as opportunities generated across the West Midlands through key programmes such as public service reform. These changes present many opportunities for future collaboration and to improve future services delivered to, and outcomes for, local communities.
- 3.3 During the period June 2016 to January 2017, concentrated stakeholder engagement has taken place through the Future Governance Working Group (the group) and public consultation with partners and local communities. Thus, on 20 February 2017, the Authority approved a strategy and indicative timeline for the reform of the Authority. This forms part of the route required for the Mayoral WMCA to assume governance of West Midlands Fire Service, from the Authority.
- 3.4 On 3 March 2017 the WMCA Board unanimously approved a report supporting the Authority's strategy and timeline, in moving towards the transfer in governance from the Authority to a Mayoral WMCA. This change would be enabled as part of the second WMCA devolution deal.
- 3.5 It is anticipated that the destination governance of a Mayoral WMCA would be achieving by the Autumn of 2018.

3.6 A clear direction as part of both papers highlighted above, was the reform of the Authority. The RFA will provide for a more streamlined and flexible arrangement as an interim measure, until the functions of the Authority are transferred to those of the Mayoral WMCA.

3.7 **The evidenced business case to support a RFA**

3.7.1 As the agenda for the future governance of Fire and Rescue Services across England will change over the next three years, the picture of future governance for local Fire and Rescue Services will depend very much on the local business case for change. This will be determined locally and agreed by constituent Local Authorities

3.7.2 The approval of the direction for the future governance of the Service, through the Authority on 20 February 2017 and WMCA Board on 3 March 2017, has set a clear path of change for the Service over this period.

3.7.3 The timeline for transfer of governance to a Mayoral WMCA will not be imminent, as due process must be observed. This will incorporate (for example) discussions with local and central government regarding inclusion in the second devolution deal, the development of a governance review and scheme and a public consultation process. This will provide the opportunity in the interim, to progress reform and collaboration further, supporting delivery of the Services Corporate Strategy, The Plan 2017-2020 and a more progressive journey into the Mayoral WMCA.

3.7.4 The Plan 2017-2020 sets out how the Service will deliver its services to the communities of the West Midlands. Targeting the most vulnerable sits at the core of The Plan and is a key priority for all public services across the West Midlands. The Plan seeks to address the wider issues which exist across local communities which impact on their health, safety and economic strength.

- 3.7.5 Examples of how this is being achieved can be demonstrated through the engagement the Service has with other Local Authorities, NHS and public services in the delivery of services. The Authority's established 'observer' status on the WMCA, has provided for an invaluable opportunity to develop wider understanding of the merits of a 21st century Metropolitan Fire Service. How the Services integrated Service Delivery Model can support wider improved community outcomes across a range of public service agendas
- 3.7.6 On behalf of the WMCA the Chief Fire Officer leads on the Public Service Reform (PSR) and Multiple Complex Needs Individuals (MCN) work programme. This represents a clear signal and acknowledgement that through its experience, brand and skills, WMFS can lead and support these wider agendas.
- 3.7.7 The outcomes of the group highlighted earlier was to provide an options appraisal for the Authority, to support an evidence based decision regarding the best option for governance of the Service in the future, as well as the best approach to achieving this. This provides a critical evidence base to support this change in governance.
- 3.7.8 The conclusions of the group clearly set out *'that the Authority would benefit from considering its constitution and structure and how it might change to enable further collaboration.'*
- 3.7.9 The analysis undertaken by the group also suggested that *'a two-stage process two changes in governance, i.e. from Authority to PCC, then to Mayor) increases costs, risk and reduces benefits and as such should be avoided.'*
- 3.7.10 The outcomes of the Public Consultation undertaken between 1 December 2016 and 10 January 2017, demonstrated public support for a RFA.

3.7.11 The Mayoral and RFA timeline along with the conclusions of the group, has informed Authority discussions around its future structure. These discussions have focused on how the Authority should change to support reform in the interim period, up to a Mayoral WMCA assuming governance for the Service and to enable further collaboration. The Mayoral timeline and conclusions of the group are detailed in Appendix 1.

3.8 **What the RFA will deliver**

3.8.1 A RFA will seek to maintain and improve the approach to robust decision making and scrutiny arrangements. These arrangements will be enhanced through a more diverse approach to membership enabling key partners (co-opted members) to take a place on the RFA, offering additional challenge and scrutiny. This is detailed further in section 3.11.

3.8.2 In the recent Authority Public Consultation the West Midlands communities prioritised the importance of the outcomes (in the operation of governance) in the following order:-

- Public Safety
- Value for Money
- Collaboration
- Increased Scrutiny
- Increased Accountability
- Increased Transparency.

3.8.3 The Authority already delivers well against these outcomes. This is supported through internal and external audit reports which continue to provide the Authority with a good level of assurance across all areas of the Service, including governance.

3.8.4 The three priority outcomes for local communities of Public Safety in the delivery of Prevention, Protection and Response services, Value for Money and Collaboration, are also considered by the

Government to be the most important outcomes of future reform.

- 3.8.5 Public Safety is achieved through the delivery of core services as set out in the Fire and Rescue Services Act and The National Framework for Fire and Rescue Services (England) 2012. To some extent the way in which the Authority is funded is applicable here, as current funding streams provide stability in how core services can be delivered. A RFA will provide stability for the Service in supporting public safety for communities, as the Service moves towards governance as part of a Mayoral WMCA arrangement.
- 3.8.6 The Authority has supported the Service in the delivery of successful collaborations across other emergency services, health and the third sector. A RFA will be able to increase the potential for successful collaboration, through being more reflective of the partnerships (through co-opted membership) that support the delivery of wider priorities to the communities of the West Midlands. With the requirement to make continued savings with further cuts to budgets forecast, further collaboration will enable the Service to deliver more efficient and effective services to the community.
- 3.8.7 From a perspective of improved outcomes for the community, moving to a RFA model as part of a route to a Mayoral WMCA model (incorporating public health agencies and access to health and wellbeing commissioning), provides far better value for money for longer term ongoing reduction upon the public purse. This is opposed to exploring the potential for short term cost savings. A RFA will ensure services can continue to be delivered with little, if no, internal or external disruption whilst preparing staff and partners for the change to a Mayoral WMCA.

3.8.8 A RFA will not only provide benefits in the delivery of outcomes to local communities. It will enable a more dynamic and responsive approach in which all members will be fully engaged, delivering efficiencies through a revised structure and streamlining its approach to its committees.

3.8.9 A RFA will potentially offer efficiencies in both allowances and expenses as well as efficiencies in its management and co-ordination. The possible efficiencies to be gained are set out in section 6.

3.9 **The principles of a RFA**

3.9.1 As highlighted in section 2 a RFA would be a streamlined and flexible interim governance arrangement, which would lead the Service into a Mayoral WMCA.

3.9.2 This change will reflect the ongoing changing approaches to the governance of Fire and Rescue Services across England. It also recognises, in line with government policy, the possibility of the West Midlands Mayor, due to be elected in May 2017, acquiring the governance of both Fire and Police by 2020.

3.9.3 In taking reform further the RFA would:

- Reduce the current legislatively prescribed Authority membership, but maintain section 41 principles of accountability and transparency.
- Refine committee structures – overview and scrutiny forums.
- Maintain proportionality of members to electors across the West Midlands.
- Support future collaboration through continued member involvement across the 7 West Midlands Local Authorities, enabling improved community outcomes.

- Further support collaboration and provide for a more diverse membership through co-opted membership from the Office of the PCC, West Midlands Ambulance, Mayoral WMCA and Public Health.

3.9.4 This latter principle would not only support collaboration in a more focused way but could enhance scrutiny, audit and performance measurement, to improve outcomes for the community.

3.10 **The current position and possibility for change**

3.10.1 **The Fire Authority – legislative considerations**

The Authority was legally created via the Local Government Act (LGA) 1985 which created joint fire authorities. Currently there are 27 members appointed to the Authority stipulated through Section 29 and Schedule 10 of the LGA 1985. This position has remained unchanged since the Authority was formed.

3.10.2 The Local Government Act 1985, part IV section 29 states:

- (1) The number of members to be appointed to a joint authority by a constituent council shall be the number specified for that council in relation to that authority in Schedule 10 to this Act.
- (2) Subject to subsection (3) below, the Secretary of State may by order make alterations in the numbers for the time being specified in that Schedule, including alterations resulting in an increase or decrease in the total number of members of any joint authority.
- (3) In making any alteration in the number of members to be appointed to a joint authority by any of its constituent councils the Secretary of State shall have regard to the number of local government electors in the areas of those councils respectively.

- (4) The Secretary of State shall consult a joint authority's constituent councils before making any order in respect of that authority under subsection (2) above.

3.10.3 The above section of the LGA 1985, subsection (2) provides the pathway by which an order can be made to vary the size of the Authority. Subsection (3) requires for any alteration to have regard for the number of local government electors. Such an order would require the consent of each of the constituent Local Authorities.

3.10.4 The Authority – Elected Members

The Authority's geographical footprint / area is one of the largest compared with other Metropolitan Fire and Rescue Authorities (Met FRAs). Table 1 below highlights the number of electors to member ratio:

TABLE 1: ELECTED MEMBER/POPULATION AND ELECTED MEMBER/ELECTOR RATIOS FOR METROPOLITAN FIRE AUTHORITIES IN ENGLAND AND LONDON					
Metropolitan Fire Authority	Population	No of Members	Member Population Ratio ('000)	No of Electors	Member Elector Ratio ('000)
Greater Manchester	2,756,200	30	1:92	1,968,109	1:66
Merseyside	1,398,000	18	1:78	1,018,972	1:57
South Yorkshire	1,374,700	12	1:115	997,780	1:83
Tyne & Wear	1,122,200	16	1:70	813,504	1:51
West Midlands	2,833,600	27	1:105	1,949,255	1:72
West Yorkshire	2,281,700	22	1:104	1,605,847	1:73
London	8,673,700	17	1:510	5,827,705	1:342

ONS Elector Statistics 2016
Fire Statistics Data 2016

- 3.10.5 The West Midlands, Greater Manchester and West Yorkshire are the three biggest Met FRAs outside of London and have the largest number of electors compared with the other Mets. Member elector numbers across these three Fire and Rescue Authorities are comparable. It should be recognised that Greater Manchester Fire and Rescue Service once governed through the Greater Manchester Combined Authority, will abolish the Fire Authority and governance will exist as part of a Mayoral arrangement, incorporating a Fire Committee of 15 Members (10 elected members) with some delegated responsibilities.
- 3.10.6 London Fire Emergency Planning Authority (LFEPA) is an outlier when considering the population and elector numbers as these are significantly higher than the Met areas, reflected in the member elector ratio. Again, it should be recognised that this status is set to change during 2017 via the Policing and Crime Act 2017, which once enacted will abolish LFEPA when the governance of the London Fire transfers to the London Fire Commissioner.
- 3.10.7 The Authority sits between these two FRAs in terms of size and complexity of risk. The Service serves the most complex area in terms of risk, is the biggest Fire Service and has the largest most diverse population, outside of London.
- 3.10.8 The West Midlands itself as has been highlighted already in this paper, is currently in the late stages of preparing its second devolution deal and about to elect a Mayor to the WMCA. This is the route through which the Authority is seeking a change in governance to a Mayoral WMCA arrangement.
- 3.10.9 Table 1 at 3.10.4 highlights the current size of the Authority and provides a ratio of 1 Authority member representing every 72,295 of the elector population across the West Midlands. This is also reflective of the elector member ratios across each of the Local Authority constituencies as highlighted in table 2 below, providing proportional representation.

TABLE 2: Member Elector Ratio by Local Authority 2015

Local Authority	Current Authority	Member/Elector Ratio
Birmingham	10	1:71
Coventry	3	1:74
Dudley	3	1:80
Sandwell	3	1:75
Solihull	2	1:77
Walsall	3	1:63
Wolverhampton	3	1:59

3.10.10 Political Balance and Committee Structure

1. The Local Government in Housing Act 1989, section 15 sets out the requirement for all Authorities to consider political balance when making appointments.
2. Each constituent Local Authority appoints members to the Authority on a politically proportionate basis and subsequently Authority Members can form political Groups within the Authority.
3. The Authority determines its own committee system which enables decision-making powers within the Authority's remit. These are exercised by either the Full Authority of all Members, or through specific delegation to a committee of Members. The Authority currently has seven committees and Members are appointed to these annually on a proportionate basis, representing the political balance of the overall Authority. The current committee structure is detailed in Appendix 2.
4. Although the committee system model is a requirement of a joint Fire Authority, it is up to each Authority to determine the number, size and role of its Committees.

5. Where the size and therefore number of elected members on the Authority is proposed to change, this will need the consent of each of the Local Authorities, as proportional and political representation may be impacted, as highlighted in this section.

3.10.11 **Independent and non-elected members**

1. The Localism Act 2011 places a duty on all Authorities to promote and maintain high standards of conduct for elected members. The Localism Act also requires Authorities to appoint an Independent Member whose role it is to assist the Authority to maintain standards of conduct.
2. Sections 15-17 of the Local Government & Housing Act 1989 allow for non-elected members to be appointed to the Authority, for example, a representative from the Office of the PCC, West Midlands Ambulance, Mayoral WMCA and Public Health.

3.11 **Proposals for a future RFA**

- 3.11.1 This report has so far set out the background for change including:

- The ongoing strategic direction of the Service and Authority.
- Approval of the Authority for future Mayoral WMCA governance.
- Approval of support from the WMCA for future Mayoral WMCA governance.
- Evidence to support this direction through the group and Authority public consultation.
- The potential to amend the legislation which stipulates the current Authority size and make up via a Secretary of State order.
- The need to demonstrate consideration of the member/elector ratio and proportionality across the Local Authority areas.

- 3.11.2 This information provides a body of evidence to support the direction of the Authority is taking, as well as the required support from political leaders in achieving governance as part of a Mayoral WMCA arrangement.
- 3.11.3 It is important to reflect on the changes that have already been adopted across the UK, to ensure best practice and learning is considered as part of this path of change. Some examples of change to the established Fire and Rescue Authority model are detailed in Appendix 3.
- 3.11.4 The options set out below for a RFA, seek to address the information and evidence outlined in this paper, as well as adopt the principles in section 3.9. The following options are proposed for the Authority to consider:
- a) Governance model comprising 9 members (plus inviting 4 non-elected members).
 - b) Governance model comprising 14 members (plus inviting 4 non-elected members).
 - c) Governance model comprising 15 members (plus inviting 4 non-elected members).
- 3.11.5 The impact of these proposals presents a change to the current member/elector ratio of 1:72 as can be seen in table 3 below:

TABLE 3: Member/Elector Ratio proposed models of an Authority size of 15, 14 and 9

Metropolitan Fire Authority	Population	No of Members	Member Population Ratio ('000)	No of Electors	Member Elector Ratio ('000)
West Midlands	2,833,600	27	1:105	1,949,255	1:72
West Midlands		15	1:189		1:130
West Midlands		14	1:202		1:139
West Midlands		9	1:283		1:217

3.11.6 Each of the options will result in an increase in the elector/member ratio from the current ratio of 1:72,000. This is to be expected with a proposed reduction in members. As stipulated in paragraphs 3.10.2 the Secretary of State must have regard to the number of electors. The proposals set out in this section have allowed for proportionality to be applied in an equitable way across each of the Local authority areas. This is detailed in Table 4 below for each of the three options proposed above.

Table 4: Elector/Member Ratio of Proposed RFA models

Local Authority	Electors 2016	Mbr Ratio ('000)	9	Ratio ('000)	14	Ratio ('000)	15	Ratio ('000)
Birmingham	711,761	1:71	3	1:237	3	1:237	4	1:178
Coventry	229,710	1:74	1	1:223	2	1:115	2	1:115
Dudley	243,554	1:80	1	1:244	2	1:122	2	1:122
Sandwell	228,811	1:75	1	1:229	2	1:114	2	1:114
Solihull	161,279	1:77	1	1:161	1	1:161	1	1:161
Walsall	194,684	1:63	1	1:195	2	1:97	2	1:97
Wolverhampton	179,456	1:59	1	1:179	2	1:90	2	1:90

- 3.11.7 A model of 9 elected members (4 co-opted additional) provides a larger ratio of proportionality across the 7 Local Authority areas, than the current model of 27 and the proposed models of 14 or 15. This model does offer a balanced approach to proportionality. However political balance may prove a challenge. This model will present a challenge to current member workload but will offer a real focus on the leadership role of Members. However, as part of the transition to a Mayoral WMCA arrangement, this will demonstrate a real intent to reform and commitment to the role of co-opted members in furthering collaboration, as well as scrutiny and audit committee roles.
- 3.11.8 The models of 14 and 15 elected members (both with 4 co-opted members as an addition) provides for a larger ratio than the current 27 elected member model, but smaller than the proposed model of 9. The ratios with 14 elected members are not as balanced, as Birmingham has a much higher ratio and Walsall and Wolverhampton, much less. Both elected and co-opted member workloads will see an increase, although this will not be as challenging as the model of 9 elected members, plus 4 co-optees.
- 3.11.9 The difference between a model of 14 elected members and that of 15, can be seen in the member representation from Birmingham City Council, which increases from 3 to 4 elected members to offer a better proportionate representation.
- 3.11.10 All the above interim models will maintain the principles set out in section 3.8.3, including section 41 leadership providing accountability and transparency and importantly, demonstrating a real intent to reform along with a challenge to the current way of working and generating efficiencies.
- 3.11.11 In addition to the principles set out in paragraph 3.8.3 the reformed model will support the transition of the governance of the Service to a future Mayoral WMCA arrangement.

- 3.11.12 These models propose an alternative solution to recognise the opportunities as well as the practicalities of a smaller Authority. Due to the reduction in members, widespread delegation of functions to committees would not be achievable and there could also be duplication, as matters would be considered by a broadly similar group of Members both at committee and at Full Authority. It is therefore proposed in principle that the number of committees are reduced to a minimum level of four committees, for business that cannot be resolved at Full Authority such as Audit and Scrutiny functions. The bulk of Authority business would therefore be handled directly by the Full Authority acting in the style of a board, demonstrative of the enhanced leadership role to be played by a smaller number of Members.
- 3.11.13 In line with recommendation 1.6, a review of Authority committee meetings terms of reference and structure, will take place prior to the June AGM. A future structure could incorporate;
- Scrutiny Committee
 - Audit Committee
 - Joint Consultative Panel
 - Appeal, appointments and Standards amalgamated into one
- 3.11.14 Full Authority meetings could increase from a frequency of 6 to 8 a year. Executive Committee would not exist as a separate committee, but could exist in principle to be called upon in times of emergency as defined by the Authority's Constitution.
- 3.11.15 The frequency of Executive Committee meetings has already been reduced in of the current authority year. To date the business presented at those Executive Committees held, could be dealt with at full Authority.
- 3.11.16 The proposal to incorporate co-opted members onto the Authority, will provide opportunities to increasingly reflect the communities of the West

Midlands. It will also support further collaboration, as well as open the Authority up to increased scrutiny and transparency in decision making, through membership on both scrutiny and audit committees. It is proposed that co-opted member invites are be made to:

- The office of the PCC (with the possibility of voting rights)
- Ambulance Service
- Public Health
- Mayoral representative.

3.11.17 It is recognised that whichever model is approved, this will present a challenge for each of the 7 Local Authorities in managing elected member portfolios. Section 3.12 sets out how further engagement with Local Authorities and Leaders, will ensure early engagement to inform effective planning for this change.

3.12 **The process and timeline to a RFA**

3.12.1 It is anticipated the following timeline will be followed to enable implementation of the RFA option, at the earliest opportunity and no later than the June 2018 AGM. This direction will enable the Authority to embed itself in the route to future governance as part of a Mayoral WMCA arrangement.

3 March 2017: WMCA approved support for strategy to Mayoral WMCA governance including the reform of the current Authority.

10 April 2017: Authority approval for a Reformed Fire Authority

Approval of RFA option determining size and make up enabling a process to re-affirm Local Authority consent, PCC engagement and formal letter to Secretary of State requesting an order to be amend the Authority as highlighted in paragraphs 3.9.5 and 3.9.6.

12 April 2017: Clarification of Consent

Requests sent to Local Authority leaders and copied to Chief Executive.

Letters to PCC and proposed co-optees informing them of future change and inviting them to engage in Authority.

Inform each Local Authority of proposed RFA, process and timeline and implications in allocation of members for new Authority year.

13 April 2017: Letter sent to SoS (in tandem with above) Requesting amendment to Authority as outlined in section 3.13. Timeline for this to pass through parliament is 8-12 weeks. On receipt of a letter which demonstrates local consent, the Home Office will draft the Order based on the above reform of the Authority.

25 April 2017: Consent deadline

27 June 2017 AGM: Co-optees take place on Authority.

1 – 31 August 2017 (approximate): Secretary of State Order approved

At earliest opportunity or June 2018 AGM- RFA implemented:

A revised constitution will set out how the RFA will be structured, the role of non-elected members, changes to proportionality, political balance, committee membership and member expenses.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report a full Equality Impact Assessment has been carried out. The Equality Impact Assessment did not require any further action.

5. **LEGAL IMPLICATIONS**

In approving the recommendations outlined in this report, the Authority is to have due regard to the relevant provisions set out within the following legislation.

Localism Act 2000

Local Government Act 1985, Section 29 and Schedule 10 (Part 6)

Local Government and Housing Act 1989, ss. 15 to 17 and Schedule 1

Local Government (Committees and Political Groups) Regulations 1990 [SI 1990 No 1553]

Further legal resources may be required to manage the work required around the drafting of the relevant Order, to be undertaken in consultation with the Secretary of State and in relation to the amendments required to the respective revisions in para 1.6.

6. **FINANCIAL IMPLICATIONS**

The cost of the Authority during 2016/2017 taking into account basic and special responsibility allowances and expenses, will be £243,684. The approximate efficiencies to be gained from each of the proposals outlined above are set out below:

Option 1 (9 Members) - £120k

Option 2 (14 Members) - £80k

Option 3 (15 Members) - £70k

These efficiencies are based upon current allowance levels and include the current payments provided for Executive Committee members. Depending upon the future committee structure, these efficiencies could vary. For example, if as suggested in paragraph 3.11.13-15 the Executive Committee ceases as a 'usual' committee, depending on the model approved further savings of between 9,800 and 29,400 could be made.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications arising from this report.

BACKGROUND PAPERS

20 February 2017 Fire Authority Paper – Route to Future Governance

3 March 2017 WMCA Board Paper – Route to Future Governance The Plan 2017-2020

20 February 2017 Public Consultation Outcomes report

20 February 2017 Fire Authority report – Outcomes of the Future Governance Working Group

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CLERK TO THE AUTHORITY

Appendix 1

Mayoral Timeline

Proposed changes in governance to a Mayoral WMCA will need to or will have, navigated through some key milestones:

- i) The Authority's approval – 20th February 2017 The Authority has approved the strategy to pursue the route to a WMCA Mayoral model for future governance of the Service and has approved the instigation of the process to reform itself.
- ii) WMCA Board – 3rd March 2017 The Authority will need to secure the approval of the WMCA Board in order to form part of the formal discussions for further devolution deals.
- iii) Further Devolution – March 2017 Once the WMCA Board has confirmed its intent to include the transfer of the Service as part of its devolution discussions, the WMCA will need to begin discussions with HM Government over further devolution in March 2017 and if agreed, it will form part [PUBLIC] Page 11 of 15 of the second devolution deal. The inclusion of the Fire Service in the second devolution deal will be critical to enabling the required change in governance to a Mayoral WMCA at the earliest opportunity (May 2018).
- iv) Governance Review, Scheme and Consultation – July to September 2017 A Governance Review, Scheme and Consultation would enable the transfer of governance for the Service to the Mayoral WMCA by way of an Order. The Scheme would set out how the Mayoral WMCA's powers are to be exercised in relation to the Service. It is envisaged that the public consultation would begin in July 2017 and last for up to eight weeks, after which time it will proceed to the Secretary of State, who will draft the required Order based on the above. The draft Order will require approval by all Constituent WMCA Councils. It is envisaged that the transfer of powers would take 12 months to complete from the signing of the second devolution deal. It is estimated that this would take us to March 2018. At this point the responsibilities and liabilities of the Authority would transfer in accordance with the governance model adopted.

- v) The Service would then become incorporated into the WMCA and this would warrant a review of its current Observer membership status to reflect its engagement.

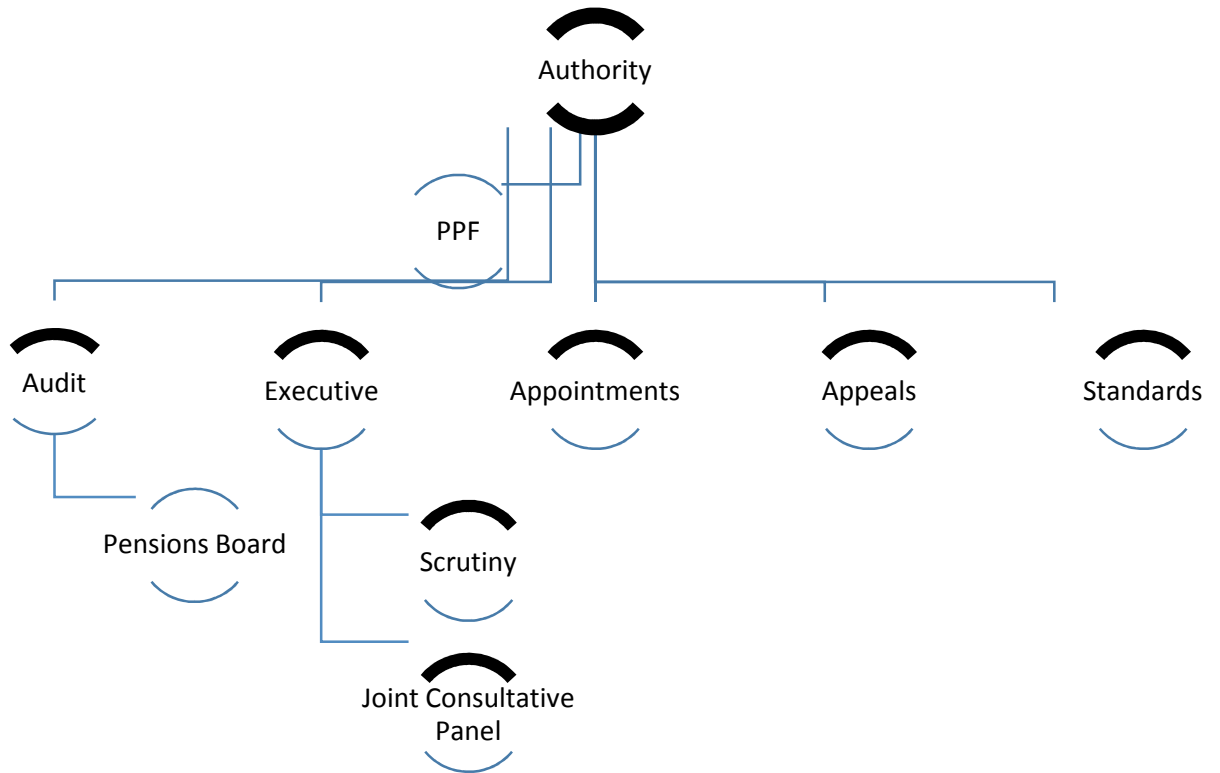
The Group's Conclusions

1. There is no “stand out” option, but the analysis suggests that a two-stage process increases costs, risk and reduces benefits and as such should be avoided. There is considerable potential change in the next year or so: - PCC business cases - The development of the Combined Authority model in Manchester and London - The programme of the Mayor and the WMCA - Additional Devolution deals
The WMFRA needs to ensure it continues to engage with stakeholders to ensure it can fully consider its position and the options available to it.
2. The Working Group found that there was enthusiasm and commitment from other organisations for collaboration. The Service has made great progress over recent years, and the working group felt that the Authority would benefit from considering its constitution and structure and how it might change enable further collaboration.
3. The Mayoral and WMCA model is just emerging and the first Mayor is yet to be appointed, so there is as yet lack of clarity about its programme. However, change with a new Mayor will happen and this will create opportunity in improving public services. The WMFRA need to ensure that they remain engaged in this to ensure the best opportunity for delivery of outcomes for future.
4. If a mayoral option is not available in the medium term for police or fire, then the options would need re appraised to ensure the benefits of collaboration across the emergency services and wider public services are realised.
5. The Bill does not enable governance changes with the Ambulance Service which may prevent full collaboration to be realised as well as the benefits from this.
6. Ambulance sits outside of governance analysis however the opportunities for collaboration are significant.

7. A Fire/Fire combination would realise significant benefits at lower risk than other options. This would require local consensus and a formal business case, approved by the Home Office. The associated Council tax consequences, and any boundary issues would need to be considered.
8. The PCC model is relatively new but is having an impact on Police effectiveness. Although there would be some risk associated with the Fire/Police combination, there could be significant cost benefit.

Appendix 2

Current Authority Structure



Weighted full circle represents the full Authority meeting

Half weighted circle represents a committee to which decisions are delegated

Non weighted circles are member consultation forums or non-authority meetings.

Appendix 3

Different Fire Authority models

In recent years Fire and Rescue Authorities have begun to challenge the way in which they are structured and governed to provide a more efficient and effective approach to the delivery of services. Some examples are:

Hampshire FRS

In December 2015 Hampshire (Combined) Fire and Rescue Authority commissioned a cross party, member-led working group to review its governance arrangements. This working group (reported in September 2016) recommended improvements to the effectiveness of the Fire Authority to evaluate its size. The Fire Authority is currently made up of 25 members. Two models were proposed to the Fire Authority – one incorporating 19 members, including the PCC, a second incorporating 11 members, including the PCC. The Fire Authority opted for the model of 11 members, including the PCC.

This option was favoured by consultees in its ability to provide a dynamic and responsive Authority model for the future in which every member could be fully engaged and play a leadership role as many functions would be undertaken by the full Fire Authority. It would represent an increase in efficiencies and overall reduce committees, meetings and resources required to manage these.

An order to amend the current Fire Authority membership to include the PCC, which will require a change in Fire and Rescue Services Act 2004, has been submitted to the Secretary of State.

Cleveland FRS

Cleveland FRS has reduced the Membership of their Authority as part of building their understanding of Member to Elector Ratio and Member to Population Ratio. Whilst the option of 12 Members would have enabled the Authority to more closely align to the Average Member to Elector/Population ratios for combined fire authorities, Cleveland settled 16 Members, which places them lower quartile within their family group.

Scottish FRS

Another more dynamic approach has been taken by Scotland which merged eight Fire and Rescue Authorities into a single 'Board' when the Fire Service was nationalised and became The Scotland's Fire and Rescue Service (SFRS).

'The Board' came into being on 1 April 2013 with 11 non-elected members and a Chair appointed by the government to serve as members of SFRS 'Board'. The Board provides strategic direction, support and guidance to the SFRS. Members are personally and corporately accountable for the Board's actions and decisions to the Scottish Government. The Board can establish its own committee structure and delegate responsibilities to such committees as it considers fit in scrutinising risk, financial management and performance.