

Nottinghamshire

POLICE & CRIME COMMISSIONER

Police & Crime Act 2017

Emergency Services

February 2017

Introduction

- 1.1 The Police & Crime bill was enacted on 31st January 2017.
- 1.2 This Act brings two significant changes to Governance. This report details the issues relating to the emergency services element of the Act.
- 1.3 First is the duty for the three Emergency Services to collaborate in the interests of efficiency and effectiveness of the services. There are specific restrictions laid out in the Act relating to this.
- 1.4 Secondly, there is a provision for the Police & Crime Commissioner (PCC) to become the Fire & Rescue Authority (FRA) for the area. There are currently three suggested governance models in relation to this.
- 1.5 Currently, the Commissioner is very much in favour of developing further collaboration with the Emergency Services and discussions are taking place locally about whether the PCC should sit on the FRA.

Duty to Collaborate

- 2.1 The Act specifically requires the Emergency Services to collaborate in the interests of efficiency and effectiveness.
- 2.2 It should be noted that the Fire and Police Services in Nottinghamshire have been collaborating for some time particularly in relation to sharing operational premises.
- 2.3 It is in some ways easier for the Fire and Police Services to collaborate as they are co-terminus to the County boundary. However, this does not exclude collaboration with the Ambulance services. Indeed the Police are relocating the neighbourhood team to the Ambulance Station in Carlton and are finalising plans to do something similar in Hucknall. We have made reciprocal offers in other police stations to EMAS. The Fire has for some time provided first responder service on behalf of the Ambulance Service, with Fire Officers being specifically trained.
- 2.4 All three Emergency Services meet monthly to discuss further opportunities in relation to the Estates.
- 2.5 This element of the Act will be the easiest to develop further.

Provision for the PCC to become the FRA

3.1 As mentioned above there are currently three proposed Governance Models:

- PCC is appointed to the FRA.
- PCC becomes the FRA and direct employer for the service.
- PCC becomes the FRA and a single employer model under the Chief Constable is created.

Annex A shows how these compare diagrammatically.

PCC appointed to FRA

3.2 Where the PCC is appointed to the FRA this is not the PCC becoming the FRA. The PCC would become a voting member of the existing FRA.

3.3 Under this scenario the existing FRA would consider a request from the PCC to become a member. The FRA would have to give reasons for their decision to agree or refuse this request and publish these reasons.

3.5 Political balance is not a reason to refuse.

3.4 This model is considered the least controversial, but is also considered to only be a stepping stone to the alternatives where the PCC becomes the FRA.

PCC becomes the FRA

3.5 As stated above there are two models where the PCC becomes the FRA. However, the route to becoming the FRA is the same.

3.6 Under the Act the Fire & Rescue Authority becomes a corporation sole and the PCC becomes the FRA. (Schedule 1, Part 1, **4A**). However, to make this happen the PCC must submit a business case to the Home Secretary.

3.7 Ideally, this business case will be supported by the existing upper tier authorities and would be a joint proposal. However, where there is not agreement the PCC can still submit the business case and there will be an independent assessment.

3.8 The business case must demonstrate either:

- Efficiency, effectiveness and economy, or
- Public Safety interest

3.9 It is believed that the Public Safety case will only be used where there is a failing authority.

- 3.10 The critical element to the business case will be the local consultation with the upper tier authorities, local people and employees. The duration of the consultation is determined by the PCC. The first adopter is undertaking 12 weeks consultation. The consultation results must be published.
- 3.11 Whilst there is at least one County (Essex) pushing ahead to be an early adopter it is envisaged that the time taken to write the business case and for the Home Office to assess will take 9 months.
- 3.12 The new FRA is currently being referred to as “PCC style FRA”.
- 3.13 There is no requirement for a PCC to equalise the precept for Fire and Police within the area as there will be a separate set of accounts for the PCC style FRA.
- 3.14 As with when the PCC was created CIPFA consider the use of Merger Accounting rules as the most suitable for transition accounting. This also assists those wishing to transition part way through a financial year.

Where employment remains with PCC

- 3.15 This model is currently considered the most favoured option. It keeps the independence of the Fire Service and still allows for collaboration where there is efficiency and effectiveness demonstrated.
- 3.16 Unlike Chief Constables, Chief Fire Officers have not been made corporation soles in their own right and therefore employment would ultimately be the responsibility of the PCC with delegation to the Chief Fire Officer.

Where employment transfers to Single employment under the Chief Constable

- 3.17 This model would possibly deliver greater integration, although not necessarily.
- 3.18 It does transfer all employment responsibilities away from the PCC.
- 3.19 This would require increased consultation and greater agreement from the relevant unions and therefore take longer to implement.

Other considerations

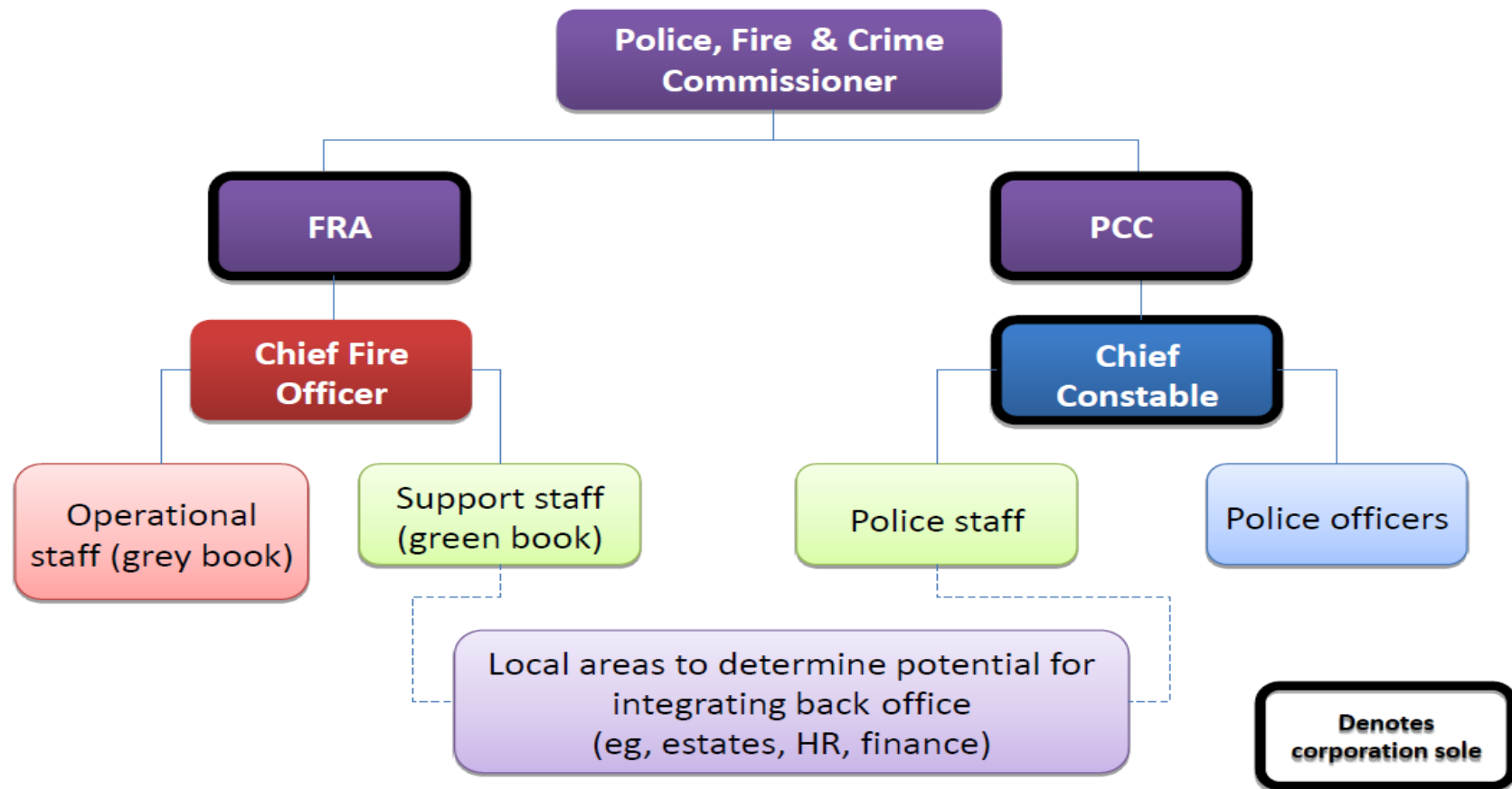
- 4.1 As mentioned previously the creation of the business case would ideally have the support of the upper tier authorities. However, this is not assumed nor guaranteed.
- 4.2 The political landscape also needs to be considered. There are local elections in May 2017, which may or may not affect support for a business case.
- 4.3 Legal practicalities also include the laying of secondary legislation and this needs factoring into any timetable.
- 4.4 Once a business case is approved there are other practicalities that will need considering, such as the appointment of external auditors to the PCC style FRA. And this links with the current process of re-tendering external auditors.
- 4.5 The strategic risk register will need to include the implications of any changes.
- 4.6 There is going to be a new inspectorate role for Fire.
- 4.7 There is going to be a new funding formula for police and from 1st April 2019 Fire (as a local authority within the business rates pool) will be funded from 100% business rates retention.
- 4.8 The Emergency Services Network will be a significant change and project to deliver. The East Midlands is one of the first areas to implement this.

Local considerations

- 5.1 Despite all of the considerations to be made at a national level there are possibly things that could be done locally without affecting current arrangements. For example:
 - Early discussions to ensure that Fire and Police appoint the same external audit firm. Consider whether this will require prior year re-statement should the PCC become the FRA.
 - Review accounting policies together and harmonise.
 - Review internal audit provision.
 - Review financial regulations.
 - Consider all financial implications that may arise – eg pension fund, asset valuations.
 - Treasury Management Strategy – combine or not?
 - Insurance – current arrangements.
 - Methodology for cost sharing where collaboration is proposed.
 - Producing a future proof governance model.
 - Updating business continuity plans.

- 5.2 There are other considerations that should be made in the future and these include the impact of a change in materiality that could affect the statement of accounts. Also, whether there should be a move to just one financial system in the future and what benefits or dis-benefits might arise from this.
- 5.3 Finally, the Role of the CFO should be reviewed. It would make sense to have a joint CFO role to the PCC and PCC style FRA advising the PCC on the precept and accounting policies. There would still need to be a senior financial post providing accountancy services to the Chief Fire & Rescue Officer, unless this is provided by a joint collaboration between Fire and Police.

3.a Governance Model



3.b Single Employer Model

