



Surrey Police & Fire Governance Review

Final v1.3

November 2017



Contents

1	Executive summary
2	What is driving this governance review?
3	The local context
4	Current collaboration
5	Option descriptions
6	Option analysis
7	Appendices



Executive summary

Executive summary

Introduction

In July 2017, KPMG were commissioned by the Office of the Police and Crime Commissioner for Surrey (OPCC) to undertake an objective options appraisal of fire governance.

The Policing and Crime Act 2017 places a statutory obligation on emergency services to collaborate and enables Police and Crime Commissioners (PCCs) to take on the responsibility for fire and rescue services in their area, where there is a strong local case to do so.

The Act enables the PCC to consider four different forms of governance of the fire and rescue service. In the context of Surrey these are:

- Option 1: No change – Surrey County Council (SCC) continue to provide the governance of Surrey Fire and Rescue Service (SFRS)
- Option 2: PCC representation – the PCC becomes a member of SCC Cabinet with full voting rights on fire related matters. It would also be expected the PCC would serve on the Communities Select Committee for fire related matters.
- Option 3: PCC becomes the Fire and Rescue Authority (FRA) – the PCC would become the FRA. As such, the budgets, assets, liabilities and workforce would transfer from SCC to the Police Fire and Crime Commissioner (PFCC). Operational delivery of policing and fire services remain separate under distinct leadership, although joint delivery of services can be developed. A separate fire precept would be set. This is often referred to as the governance model.
- Option 4: Single employer – fire governance changes as per option 3. However, operational delivery of policing and fire services is provided by a single organisation under the leadership of a single Chief Officer.

Scope and approach

KPMG were commissioned to undertake an initial appraisal of the four options outlined and provide an objective recommendation to the PCC. Each option was assessed against its ability to improve:

- Efficiency – the option produces quantifiable efficiencies.
- Effectiveness – the option maintains or improves the services provided to local people and communities.
- Economy – the option optimises public value.
- Public Safety – the option makes Surrey safer, stronger and more resilient.

The approach taken is illustrated in appendix 1. In summary, over a period of ten weeks, KPMG:

- Interviewed over 35 stakeholders to understand blue light collaboration to date, identify further opportunities to collaborate and understand views on the governance options (see appendix 2).
- Analysed information to understand the current finances, operations and performance of Surrey Police, SFRS and SCC.
- Identified future opportunities to collaborate, estimating the costs and benefits associated to each opportunity.
- Assessed each governance option for the impact on implementing each opportunity and realising the benefits.
- Summarised the analysis in this report.

Executive summary (cont.)

All organisations face significant financial challenges

The financial position of Surrey Police, SFRS and SCC is very important context for this options appraisal. All organisations face significant challenges to meet their own Medium Term Financial Plans (MTFPs), and to date, police and fire collaboration has not been viewed as central to meeting those challenges.

SCC is experiencing significant financial difficulties. It has needed to make £104m savings in 2017/18 alone and recent cabinet papers forecast just £83m will actually be saved.

Given SCC's context, it is unsurprising that SFRS has also experienced budget reductions in recent years, with more planned. Its MTFP forecasts a £10.2m savings requirement by 2020/21.

There are significant risks in SFRS's ability to meet this plan. It is predicated on the closure of two fire stations in 2018/9 plus the introduction of IRVs (Incident Response Vehicles, i.e. vans with specialist kit aboard), which will require significant public consultation in order to progress. The plan also includes £3.7m reduction in staffing costs, which is based on a vision of resourcing to demand rather than risk. Given the Fire Brigade's Union has already passed a motion of no confidence in the governance by SCC, reduction of staffing levels will not be easy.

Surrey Police also have a £13 million funding gap to 2020/21, with savings to close the gap yet to be identified.

Police and fire collaboration isn't seen as core to meeting the financial challenge

Our observation is that all organisations currently don't see police and fire collaboration as a core component of their financial strategies.

Surrey Police are focused on regional police to police collaboration as the primary way of achieving savings. It already has a significant

portfolio of change projects, which are complex and consume all current change capacity. These include:

- A £50m major ICT transformation programme including national, regional and local initiatives.
- A major reworking of its estate strategy to sell Mount Browne and acquire and develop a new headquarters site.
- A complex implementation of an Enterprise Resource Planning system in collaboration with Sussex and Thames Valley Police.

Whilst SCC would welcome innovative solutions that might contribute to its own savings challenge, police and fire collaboration is not central to its thinking. It is more looking at what can be done internally. For example SCC will be able to realise assets such as Wray Park by relocating SFRS into other SCC properties. Achievement of these plans have no dependency on changes to fire governance.

Stakeholders in SFRS believe there is a better natural alignment to neighbouring fire services in East and West Sussex (ESxSFRS, WSxSFRS). The decision of the Sussex PCC not to formally take on the fire governance role at this time, but to relook in two years at the progress the two Sussex fire services have made, has created momentum for fire and fire to do more together.

The history of police and fire collaboration is patchy

It could be argued there has been a strategic intent for blue light collaboration in Surrey for a long time.

The current Emergency Service Collaboration Programme (ESCP) with Surrey and Sussex respective police and fire services plus South East Coast Ambulance has been operating since 2014. It secured £5.8m of transformation funding and has made progress on some fronts. However, achievements have been mainly focused around easy wins including fire co-responding with ambulance, fire gaining entry rather than police and

Executive summary (cont.)

supporting the locating of missing persons. Such agreements are very similar to other initiatives occurring through the UK.

The majority of remaining transformation funding will largely be allocated on a joint transport function to mirror in fire that which has been achieved without such funding by Surrey and Sussex Police. Other projects such as combined workshops, joint fuel procurement and telecare response have all been trialed, but don't have a clear way forward. Unfortunately there is a lack of benefits/business cases rigour documenting these opportunities and as such evidence for success is lacking.

In some respects ESCP may be a victim of its ambition and the complexity of trying to align so many partner organisations. Surrey and Sussex Police have withdrawn discreet funding from ESCP, meaning the programme has a potential funding gap after March 2018. The latest indications are that ESCP will continue primarily focused on collaboration between the three fire services, with police involvement where it makes sense to do so.

The available financial benefits from police/fire collaboration aren't that big

Based on our assessment of the collaborative opportunities, the financial benefits are between £1.06m (option 1/2) and £1.82m (option 3/4) per year. In our view, this level of savings does not make a material difference the saving plans of the organisations. We also believe that some of the bigger opportunities (such as shared call handling and dispatch) could be progressed under any governance option as SCC need to examine all opportunities to make savings.

The governance model is attractive to SFRS

The governance model is attractive to many fire stakeholders because it establishes a transparent fire precept and potentially lessens the likelihood of budget reductions to SFRS (due to SCC pressures). It also retains the fire brand and identity. However, given there are concerns

on SFRS's ability to realise the savings identified in the MTFP, the PCC would become accountable for developing and implementing plans to balance the budget.

It would increase the likelihood of joint strategic projects being delivered, including the development of a joint estates delivery plan. However, as already stated the financial benefits are relatively small and there are significant risks which could outweigh the effectiveness and public safety gains. These include:

- Ability to manage the change – there is a lack of capacity (and perhaps capability) in all organisations to take this change on. In particular, police resources are fully utilised on the existing change programme and there is a concern further change puts these plans at risk.
- Possible liabilities from SFRS– these haven't been quantified but there are significant pensions liabilities as well as a possible transference of a proportion of SCC debts. For instance SCC's current liabilities are 1.77 times more than its current assets (largely due to the use of cash to fund capital expenditure). A relevant proportion of this debt would transfer to the PCC.

The single employer model is risky

Some stakeholders expressed a view that if there was a change of fire governance, the single employer model should be pursued as this provides the most flexibility to deliver the available benefits. However, in addition to the same risks identified under the governance model, there is the risk of industrial action. It is likely the FBU would object about the loss of identity, loss of strategic control and influence of the Chief Fire Officer. This could result in strike action.

Cont...

Executive summary (cont.)

Benefits can be delivered under options 1 and 2

In our view options 1 and 2 have a number of benefits:

Options 1 and 2 allow Surrey Police to focus on its significant change programme and identify how to close the £13m savings gap in the medium term. It minimises the risk of these projects not delivering and inadvertently putting effectiveness and public safety at risk. In the short term, securing an efficient and effective policing service to the citizens of Surrey is the primary concern of the PCC.

From SCC's perspective, options 1 and 2 provide the most flexibility but means SFRS's budget is likely to be reduced. Overall SFRS's outlook within SCC is that of financial instability; its assets are likely to be reduced and it potentially loses more autonomy of its future.

However, options 1 and 2 do not rule out the delivery of benefits from collaboration. If anything there was an openness at SCC member and officer levels to explore all available opportunities and a financial imperative to do so. We estimate there is only a £3.6m difference in the savings that could be delivered over a 10 year period between options 1/2 and 3/4.

Options 1 and 2 also allow the reinvigorated collaboration between SFRS and ESxFRS/WSxFRS to mature. Almost every stakeholder interviewed cited closer collaboration between the three fire services as the better solution to SFRS financial challenges. As ESCP has now realigned to focus on this opportunity, a clear vision and direction is being set for collaboration, which could end in a single FRS.

The choice between options 1 and 2 depends on political appetite

The choice of option 1 or 2 very much depends on political appetite.

Option 2 has benefits:

- On the positive it provides a good platform for the PCC and his office to continue to build productive relationships with SCC at the member and officer levels.
- It provides the PCC and his office with a greater understanding of the fire and rescue service. It also benefits the FRA, as the PCC can bring different perspective and practical experiences, such as working with HMICFRS.
- It also enables the PCC to understand and have limited influence on any tri-fire collaboration. It will be important for the Surrey and Sussex PCCs to ensure policing can align to working with a single fire service.

However, option 2 does present some additional political risk. Given SCC will further reduce SFRS's budget, the PCC would be a formal part of this decision making.

The PCC may also feel that one vote provides insufficient influence and does not fully represent his democratic mandate.

Overview of each option

	Broadly the same impact on public safety, effectiveness or economy/ efficiency as now. Hard to achieve
	A small improvement in public safety, effectiveness or economy/ efficiency Achievable but requires focus
	Significant Improvement in public safety, effectiveness or economy/ efficiency Relatively easy to achieve

Option 1: No change	
Impact on public safety	Impact on effectiveness
Economy/efficiency: £7.5m over 10 years	
Achievability	
<p>Pros</p> <ul style="list-style-type: none"> No service disruption. Clarity of vision: Surrey Police concentrate on regional policing collaboration. SFRS pursue regional collaboration with WSxFRS and ESxFRS. Both are regarded as preferred options by most stakeholders. Opportunities between Surrey Police and SFRS can continue to be pursued without governance change, partially driven by SCC's financial challenge.. Retains public trust in SFRS brand. <p>Cons</p> <ul style="list-style-type: none"> Continued tension that collaboration partners are facing different intensities of financial pressures and therefore potential collaborative projects may be less of a priority than the Surrey Police and SCC budget challenges. SFRS resources are likely to be reduced based on SCC's vision of aligning firefighter resources to demand rather than risk. Citizens may perceive this to be a reduction in public safety. SFRS continue to be subject to financial instability due to the financial challenges faced by SCC. Collaboration between SFRS, ESxFRS and WSxFRS may be slow due to political pressures, varying governance models and the historical collaborative appetite. 	
Overall assessment	

Option 2: PCC representation on FRAs	
Impact on public safety	Impact on effectiveness
Economy/efficiency: £7.5m over 10 years	
Achievability	
<p>Pros</p> <ul style="list-style-type: none"> Clarity of vision as per option 1. SCC has indicated it would welcome the PCC on the FRA, so relatively easy to achieve. PCC can formally influence police/fire collaboration and increase the likelihood that opportunities will be pursued. PCC obtains a greater understanding of fire operations which can inform the Police and Crime Plan. Minor scrutiny benefits as the PCC brings a different viewpoint. Retains public trust in SFRS brand. <p>Cons</p> <ul style="list-style-type: none"> All cons as per option 1. Represents additional political risk for PCC as he is formally part of a governance structure that is likely to reduce fire service resourcing. PCC has one vote and may feel unable to sufficiently influence collaboration at a strategic level. 	
Overall assessment	

Option 3: PCC becomes FRA	
Impact on public safety	Impact on effectiveness
Economy/efficiency: £11.17mm over 10 years	
Achievability	
<p>Pros</p> <ul style="list-style-type: none"> Formally joins up the Police and Crime Plan with the Integrated Risk Management Plan, so Surrey Police and SFRS are working to a single strategic direction. Increased accountability once PFCC is elected to deliver IRMP and Police & Crime Plan. Formal governance increases the likelihood that collaboration opportunities will be pursued, particularly operational and prevention collaboration (e.g. use of fire capacity to attend police calls). Separate fire precept makes fire funding more transparent. <p>Cons</p> <ul style="list-style-type: none"> All organisations lack the change capacity required to deliver this level of organisational change. High risk of disruption to Surrey Police's ability to close its £13m budget gap. It would also be a similar distraction to SCC. It is unlikely that SFRS would transfer with a balanced MFTP and as such the PCC would need to make savings that echo those planned by SCC, resulting in the same perceived reduction in public safety as options 1 and 2. Transferring the back office from Orbis is complex. Negotiation with SCC is required and timing would need to be sensitive to current SSTVP ERP change timelines. Public may lose some trust in the fire brand. 	
Overall assessment	

Option 4: Single employer	
Impact on public safety	Impact on effectiveness
Economy/efficiency: £11.17m over 10 years	
Achievability	
<p>Pros</p> <ul style="list-style-type: none"> All pros as per option 3. In addition it provides more flexibility to deploy resources to joint strategic aims and objectives. As an option 4 trailblazer, potential access to funding / resources from interested national bodies such as College of Policing and Fire Service College. <p>Cons</p> <ul style="list-style-type: none"> All cons as per option 3. FBU are likely to object, with potential for industrial action because of the national policy objection. Terms and conditions would need to be reviewed for harmonisation over a period of time creating disruption. Potential risk that firefighting capabilities become less valued under the leadership of a single chief officer, who has responsibility for both policing and fire and rescue. Fire and rescue continues to account for relatively little demand and risk in comparison to policing. 	
Overall assessment	



What is driving this governance review?



What is driving this governance review?

Broadly there are four main drivers for this assessment of police and fire governance in Surrey. These can be categorised as:

- Drivers as a direct result of government policy.
- Drivers from the perceived need for reform of fire and rescue services.
- Drivers resulting from financial pressures across public services.
- Drivers resulting from the operational context, such as changes in demand.

This section briefly outlines each.

Government policy

The Policing and Crime Act

The key piece of legislation is the **Policing and Crime Act**, which received Royal Assent on 31 January 2017. The Act places blue light services under a duty to collaborate and provides the framework for Police and Crime Commissioners to take on the governance of the local fire and rescue service where there is a strong local case to do so.

The Act can be seen as the culmination of political focus on the benefits of more systematic blue light collaboration, a lack of transparent fire governance and a perception of the fire service as unreformed.

Speaking on 24 May 2016, the then Home Secretary Theresa May said,

“When I look at the fire and rescue service I see a service that has succeeded in spite of the framework it operates in, not because of it. A fire and rescue landscape still beset by poor governance and structures. A workforce lacking diversity and still bound by many of the old ways of working. A service that requires further reform to improve accountability, bring independent scrutiny and drive transparency. And efficiencies and savings which could be made to improve the working lives of fire service employees and to reduce the burden on the taxpayer.”^(a)

These remarks were echoed by the Minister of State for Policing and the Fire Services, Brandon Lewis on 7 February 2017 who said,

“I have been encouraged to see that reform is happening across the service. But I want reform to go further and faster... By overseeing both police and fire services, I am clear that PCCs can drive the pace of reform, maximize the benefits of collaboration and ensure best practice is shared... Better joint working can strengthen our emergency services, deliver significant savings to the taxpayer and – most importantly – enable them to better protect the public.”^(b)

The Act specifically sets out a range of future governance options to be considered locally, when it is in the interests of the economy, efficiency, effectiveness and public safety in that area. This options appraisal represents initial consideration of the options put forward within the Act.

Note: (a) The Rt Hon Theresa May MP, Home Secretary speech on fire reform, 24/05/2016 <https://www.gov.uk/government/speeches/home-secretary-speech-on-fire-reform>
(b) Brandon Lewis MP, Fire Minister's speech to Reform, 7/02/2017, <https://www.gov.uk/government/speeches/fire-ministers-speech-to-reform>

What is driving this governance review? (cont.)

The Blue Light Report

The Improving Efficiency, Interoperability and Resilience of our Blue Light Services report was published in June 2013 by the All-Party Parliamentary Group on Homeland Security. The report explored ways in which collaboration and coordination could be enhanced between blue light services. Whilst at the time recognising the progress the Joint Emergency Services Interoperability Programme (JESIP) would make, the report considered the strategic and policy level questions not addressed by JESIP. Key considerations of the report were:

- How complex ministerial accountability impacted the blue light services' operational performance.
- How interoperability functions in relation to the three blue light services and how accountable each services is to the government.
- How the blue light services could individually and collectively improve their performance and interoperability.
- Consideration of developing a single Emergency Response Service through a merger of the Ambulance and Fire Service.

The policy direction of government can be clearly seen in its recommendations, which included the creation of a Department of Homeland Security, with responsibility for all blue light services.

Further recommendations included the establishment of a Chief of Emergency Services to sit above police, fire and ambulance authorities with a strategic and coordinating role, and establishing a joint National Operations and Coordination Centre to co-ordinate blue light assets around the country. The creation of a single fire and ambulance authority was recommended by the report, as a 'stepping stone' towards a full merger of the services as a single Emergency Response Service.

Fire reform

Sir Ken Knight published Facing the Future in May 2013. Often referred to as the 'Knight Review', it highlighted a range of issues that point to a need to reform the fire service, including:

- The disparity between the cost of different fire and rescue services. Some cost almost twice as much per person as others.
- Opportunities to improve the efficiency of fire resource deployment (£123 million identified from expanding on-call deployment models).
- £17 million savings to be made by adopting leaner governance structures.
- Fire and Rescue Services spending to the budget rather than the risk profile.
- Challenges around interoperability.

Collaboration, co-responding and co-location with other blue-light services were highlighted as mechanisms for dealing with some of the challenges faced by the fire service. However, it concluded that, to date, "progress is patchy and driven or hindered by local relationships".

Significantly, Knight concluded national level action was required to deliver the scale of change required to transform the fire and rescue service. He wrote, *"I am not convinced that local action alone will achieve the most efficient service or enable efficiencies much beyond what is already needed in the current spending review. Compounding this, local politics and the public's seemingly unconditional attachment to the fire and rescue service can act as constraints on really pursuing the most efficient ways of working, holding on to outdated configuration or location of fire stations and fire appliances rather than changing service delivery to improve overall outcomes."*^(c)

Note: (c) Sir Ken Knight CBE QFSM., Facing the future: findings from the review of efficiencies and operations in fire and rescue authorities in England. (May 2013). <https://www.gov.uk/government/publications/facing-the-future>

What is driving this governance review? (cont.)

Financial pressure

National budget reductions

Budgets across police, fire, ambulance NHS Trusts and local authorities have reduced substantially since the 2010 Comprehensive Spending Review. Prior to accounting for any increases in locally raised income, the National Audit Office estimates central fire funding to have reduced by 27% between 2010-2015 for standalone authorities^(d) with further cuts of over 20% confirmed by the DCLG for the next five years^(h) and the revenue support grant cut by almost half.

Central police grants reduced by 22% in real terms^(e) and county councils experienced a 40% reduction in central government funding during 2010-15. Surrey FRS faces a 53% cut in central funding between 2015-2020 – significantly higher than the 35% cut in the South East⁽ⁱ⁾. DCLG assumes that these cuts will be made up for locally with “core spending power” unchanged. However transition grants in place of reductions are not ring fenced for fire services and transformation/innovation funding for collaborative projects is excluded⁽ⁱ⁾.

Medium term financial plan (MTFP) savings

The following savings are targeted. Surrey Police appear on track to achieve the 17/18 target, while SFRS face a £0.3m shortfall. Overall the council expects to be £21.3m under target in 17/18. Plans for future years are still in development for all organisations.

	17/18 (£m)	Medium-term target (£m)	Medium-term target period
Surrey Police	5.5	19.6	18/19 – 21/22
Surrey FRS	3.6	10.2	17/18 – 20/21
Surrey County Council	103.9	350.0	2016-2020

Operational drivers

There are a number of practical operational reasons to improve collaboration at a local level. A number are highlighted here.

Joint Emergency Services Interoperability Programme (JESIP)

JESIP was established in 2012 to improve the way police, fire and ambulance work together on the ground. The objectives of the programme were supported and sponsored by all the relevant professional bodies and government departments.

JESIP established a number of principles to guide joint ways of working:

- Co-locate
- Communicate
- Co-ordinate
- Jointly understand risk
- Share situational awareness

JESIP uses a maturity matrix (overleaf) to illustrate the long term ambition. This provides a useful framework to support the requirement for more integrated ways of working to better serve the public.

- Note:
- (d) McGuinness, T. Fire services funding in England (15 Feb 2016). <http://researchbriefings.files.parliament.uk/documents/CBP-7482/CBP-7482.pdf>
 - (e) Johnston, N & Politowski, B. Police funding (25 Feb 2016). <http://researchbriefings.files.parliament.uk/documents/CBP-7279/CBP-7279.pdf>
 - (f) Medium Term Financial Plan 2016-2021 for Surrey (April 2016)
 - (g) FBU Freedom of Information requests April – June 2017
 - (h) National Audit Office report on financial and service sustainability across FRAs since 2010-11
 - (i) Fire and Rescue Service Matters – A Parliamentary Bulletin from the Fire Brigades Union (April 2016)

What is driving this governance review? (cont.)

	Level One (Chaotic/Intuitive) A fundamentally ingrained culture of single service working	Level Two (Informal/Ad-Hoc) Some positive examples of an 'interoperable culture', but a highly inconsistent national picture	Level Three (Managed/Effective) A nationally consistent commitment to interoperable working, but not yet fully ingrained as part of the culture	Level Four (Optimal/Best Practice) A fundamentally ingrained culture of interoperable working
Doctrine	Single service doctrine	Joint doctrine exists, but not widely accepted or understood	Universally accepted and understood joint doctrine on interoperable working	Joint doctrine on interoperable working fully embedded and aligned with all current & future single service and specialist doctrine
Training	Single service training	Some isolated examples of joint training, but a highly inconsistent national picture	A nationally consistent approach to joint training, though not formally integrated into existing training programmes	Joint training fully embedded as the default position for the Emergency Services and integrated into existing training programmes
Testing & Exercising	Single service testing & exercising	Some isolated examples of joint testing & exercising, but a highly inconsistent national picture	A joint testing and exercising strategy developed and accepted by all services	A joint testing and exercising strategy fully embedded within all services
Joint Organisational Learning	Consistent failures to respond to lessons that have been identified	Some positive examples of responding to lessons identified, but a highly inconsistent national picture	A joint organisational learning strategy developed and accepted by all services	A joint organisational learning strategy fully embedded, nationally

The future vision for operational policing

On 16 November 2016, the National Police Chief's Council published the Policing Vision 2025, which sets out the plan to transform policing over this 10 year period. It is designed to shape decisions around transformation and how resources are used to keep people safe and provide an effective, accessible and value for money service for the public.

The Vision set out a range of challenges facing the police service over the decade and sets out how these challenges will be faced.

Fundamental to the plan is an ambition to increase partnerships with other service providers, where this can lead to protection of the vulnerable and a reduction in crime. In particular, the Vision sets out a number of areas where collaboration will be necessary in order to address the challenges faced by police, including:

- Working with partners to help resolve the issues of individuals who cause recurring problems and crime in the communities they live in; reducing the requirements that these people place on the public sector and policing specifically.
- Supporting multi-agency neighbourhood projects that build more cohesive communities and solve local problems.
- Improving data sharing and integration to establish joint technological solutions and enabling the transfer of learning between agencies and forces so we can work more effectively together to embed evidence based practice.
- Working with partners to foster a culture shift around the delivery of public protection, away from a single organisation mentality towards budgeting and service provision based on a whole-system approach.
- Adopting a place-based approach with more multi-agency teams or hubs to tackle community issues, moving beyond single service based practice to 'whole place' approach to commissioning preventative services in response to assessments of threat, harm, risk and vulnerability.
- Enabling greater joint working between local authorities, emergency services and local police forces, including formal integration of back office functions; and
- Delivering savings by undertaking more shared procurement.

The changing nature of demand

Operationally fire and rescue services and police forces face very different challenges. Both emergency services are experiencing a shift in traditional core demand (e.g. fighting fires or investigating crime) to demand related to issues such as vulnerability, which is often more complex and resource intensive.

What is driving this governance review? (cont.)

Fire service demand

Nationally fire demand has decreased. Between 2005/06 and 2015/16 there has been a 52% decrease in the number of primary and secondary fires attended, although a 5% increase has been recorded over the past two years^(j). Whilst improvements in prevention have been realised nationally (freeing capacity for other purposes), the picture is not mirrored locally. SFRS experienced a stable total number of incidents between 2008/09 and 2015/16^(k). However, primary and secondary fires have decreased over the same period.

Adult social care

In October 2015, the Fire and Rescue service, together with NHSE, PHE, Age UK, and the LGA, signed a new consensus to encourage local action to prevent or minimise service demand and improve the lives of citizens with long-term conditions⁽ⁿ⁾. As a result, the Fire Service will increase the number of 'Safe and Well' checks (670,000 completed in 2015 nationally) to help the most vulnerable and those with complex conditions. Free Safe and Well checks are offered by SFRS to anyone over the age of 65. Surrey has 18.7% of citizens over the age of the 65 compared to a national average of 18%^(l). An aging population places increased demands on the fire and rescue service, and SFRS is in a position to feel these demands keenly.

Police service demand

Policing demand has shown a similar trend to fire. Since 2010, crime as measured by the Crime Survey of England and Wales (CSEW) has reduced by 37%. This headline masks changes in the nature and complexity of demand.

Local demand however, is creeping back up, with police recorded crime (excluding fraud) increasing in Surrey by 8% over the last 12 months to March 2017. Based on the ONS data, all offence types have seen an increase over the 12 months to March 2017, with the exception of non-domestic burglary and drug offences that have fallen by 7% and 13%, respectively. Possession of weapons saw the largest percentage increase (42%) over the 12 month period ending March 2017.

After adjusting for population size, Surrey has the lowest rate of total recorded crime (excluding fraud) in the South East, and is 27% below the national average^(m).

Moreover, analysis conducted by the College of Policing also indicates that the majority of police demand is not actually crime. In Surrey, 45% of calls received do not relate to a police incident or crime. The College's analysis shows police resources are increasingly focused on demand which is more complex and resource intensive, such as protecting vulnerable people and complex safeguarding. The root causes of such demand require a much more integrated approach.

The inclusion of cyber enabled crimes within the CSEW (an additional 5.6m offences, nearly half of all crime) will also create significant demand on police resourcing. Effort and resource implications locally will be most felt around prevention, safeguarding the vulnerable and supporting victims. Increasing transparency and public scrutiny will require most forces to reprioritise and invest resource to improve the service to victims of these offences.

- Note:
- (j) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/546094/fire-statistics-monitor-infographic-hosb0916.jpg
 - (k) Public Safety Plan 2016-2025
 - (l) <https://www.surreyi.gov.uk/Viewpage.aspx?C=basket&BasketID=288&cookieCheck=true&JScript=1>
 - (m) <https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/bulletins/crimeinenglandandwales/yearendingmar2017>
 - (n) Consensus Statement on Improving Health & Wellbeing between NHSE, PHE, LGA, Chief Fire Officers Association and Age UK

What options have other PCCs taken?

As can be seen from the table opposite, the vast majority of PCCs have already made their decision on which governance option to pursue.

Just eight PCCs have opted to submit a local business case to the Home Office to become the Fire and Rescue Authority for their area. In all cases, the governance rather than the single employer option has been selected (see pages 27-30 for detail on each option).

The PCC for Essex is the only PCC to become a Police, Fire and Crime Commissioner (PFCC) to date. A number of other local business cases for the governance option will be subject to independent review following objections from county councils/FRAs during the consultation period.

Since the table was compiled by Police Professional, the following decisions have been made by PCCs:

- Sussex - has given the FRAs two years to improve joint working and deliver £7m of savings. If progress can't be made then the PCC will pursue the governance option.
- Hampshire – decision still pending.
- Gloucestershire – no change pursued.
- Wiltshire & Dorset – we are not aware of any proposed changes at this stage. The FRA covers two PCC geographies which adds complexity.
- Lancashire and Lincolnshire – we are not aware of proposed changes to fire governance.

Force	PCC	Party	Decision - Yes/No
Durham Constabulary	Ron Hogg	Labour	No change
Cumbria Constabulary	Peter McCall	Conservative	No change
Derbyshire Constabulary	Hardyal Dhindsa	Labour	No change
Devon and Cornwall Police	Alison Hernandez	Conservative	No change
Leicestershire Police	Willy Bach	Labour	No change
Nottinghamshire Police	Paddy Tipping	Labour	No change
South Yorkshire Police	Alan Billings	Labour	No change
Suffolk Constabulary	Tim Passmore	Conservative	No change
Thames Valley Police	Anthony Stansfeld	Conservative	No change
Warwickshire Police	Philip Seccombe	Conservative	No change
West Midlands Police	David Jamieson	Labour	No change
West Yorkshire Police	Mark Burns-Williamson	Labour	No change
Cleveland Police	Barry Coppinger	Labour	No change
Dorset Police	Martyn Underhill	Independent	No decision yet
Gloucestershire Constabulary	Martin Surl	Independent	No decision yet
Hampshire Constabulary	Michael Lane	Conservative	No decision yet
Lancashire Constabulary	Clive Grunshaw	Labour	No decision yet
Lincolnshire Police	Marc Jones	Conservative	No decision yet
Surrey Police	David Munro	Conservative	No decision yet
Wiltshire Police	Angus Macpherson	Conservative	No decision yet
Avon and Somerset Constabulary	Sue Mountstevens	Independent	Sit on authority
Bedfordshire Police	Kathryn Holloway	Conservative	Sit on authority
Cheshire Constabulary	David Keane	Labour	Sit on authority
Humberside Police	Keith Hunter	Labour	Sit on authority
Merseyside Police	Jane Kennedy	Labour	Sit on authority
Northumbria Police	Vera Baird	Labour	Sit on authority
Sussex Police	Katy Bourne	Conservative	No decision yet
Kent Police	Matthew Scott	Conservative	Sit on authority
Essex Police	Roger Hirst	Conservative	Yes
Hertfordshire Constabulary	David Lloyd	Conservative	Yes
Norfolk Police	Lorne Green	Conservative	Yes
North Yorkshire Police	Julia Mulligan	Conservative	Yes
Northamptonshire Police	Stephen Mold	Conservative	Yes
Staffordshire Police	Matthew Ellis	Conservative	Yes
West Mercia Police	John Campion	Conservative	Yes
Cambridgeshire Constabulary	Jason Ablewhite	Conservative	Yes

Table source: Police Professional, 12 September 2017
<http://www.policeprofessional.com/news.aspx?id=30318>





The local context

Organisational overview

Policing and fire and rescue services across Surrey are delivered by Surrey Police and Surrey Fire and Rescue Service. The current FRA is Surrey County Council. Key information regarding each organisation is provided in the table below.

Criteria	Surrey Police	Surrey Fire and Rescue Service	SCC
Status and Workforce	<p>Surrey Police employs 1,944 police officers, supported by a total workforce of a further 1,745 (16/17)^(a)</p> <p>The total workforce is due to reduce further from 3,689 to 3,397 (8%) by the end of 19/20^(a)</p> <p>Headquarters are in Mount Browne, Guildford.</p> <p>David Munro is PCC for Surrey. David's Police and Crime Plan focusses on cutting crime, supporting victims, tackling the threat of terrorism and cost-effectiveness</p>	<p>Surrey Fire and Rescue Service (SFRS) employs over 600 whole-time and on-call firefighters, supported by 104 back office staff and 140 volunteers across 26 fire stations^(e).</p> <p>It is headquartered in Wray Park, Reigate.</p> <p>Fires in Surrey are reducing, with an 11% fall in primary fires and a 32% fall in outdoor fires from 11/12 to 15/16. Road Traffic Collisions however increased by more than 15% over the same period while primary fires in single occupancy homes increased by 10%.</p>	<p>SCC administers the main services provided to the citizens of the county of Surrey. There are 81 councillors with committees, panels and cabinets for a wide range of affairs.</p> <p>The Council is participating in the Public Service Transformation Network, which aims to spread innovation and share learning.</p> <p>The Council employs 23,000^(d) staff across its services.</p>
Service Delivery	<p>Policing of the county aims to make Surrey 'the safest county is can be.'^(b)</p> <p><u>3 Strategic aims</u></p> <ul style="list-style-type: none"> • pursue offenders to prevent & detect crime • protect vulnerable people • prevent crime and disorder <p><u>3 Commitments</u></p> <ul style="list-style-type: none"> • to instill 'confidence to be the best you can be' • to demonstrate 'empowered and trusted leadership at all levels • deliver 'organisational justice'. 	<p>To provide a professional and well supported Fire and Rescue Service which reduces community risk in order to save lives, relieve suffering, protect property and the environment</p> <p>SFRS provides services from 26 fire stations to around 1.2m people covering an area of 1,663km², and attends around 10,805 incidents per year^(e). SFRS provides a range of services classified as either prevention, protection or response as well as post-incident services.</p>	<p>Around 50% of SCC's expenditure is on Children, Schools and Families (CSF). Other major services include Adult Social Care, Environmental Planning and ORBIS. SCC spends around 6% of revenue budget on SFRS^(c).</p> <p>The council's strategic goals are to:</p> <ul style="list-style-type: none"> • Improve the well being of the residents of Surrey • Ensure the economy of Surrey remains strong and sustainable • Give residents a straightforward experience of Council services

Organisational overview

Criteria	Surrey Police	Surrey Fire and Rescue Service (SFRS)	SCC
Quality Review	<p>According to the 2016 PEEL review, Surrey Police has a “good” rating for efficiency, effectiveness and legitimacy.</p>	<p>The 2015 Peer Review Report highlighted a number of strengths. Areas for improvement included:</p> <ul style="list-style-type: none"> • Re-balance the response-orientated focus of SFRS. • Enhance joint working between SFRS and the council. • Broaden the availability and nature of information on outcomes and performance delivered by SFRS. • Explore the further potential offered by volunteers . • Increase the opportunities for the community use of SFRS assets. 	<p>£450m in savings have been achieved since 2010^(b).</p> <p>Only 37% of Surrey residents believe SCC is providing “value for money” in the council’s latest quarterly resident opinion survey despite 93% of residents being satisfied with their area as a place to live and 59% being satisfied with the way services are run ^(c).</p> <p>Areas of improvement include:</p> <ul style="list-style-type: none"> • More consistent use of performance tracking tools • Better workload management and embedding best practice in project and programme management approaches • Only 33% of residents believe that they can influence SCC decisions ^(c).
Financial Summary	<p>Surrey Police’s budget has reduced by around 14% between 10/11 –14/15, leaving the second lowest funding per head of population in England and Wales.^(a)</p> <p>Balancing the operating budget depends on drawing down from reserves, and there appear to be some challenges to achieving savings targets. The capital plan is in deficit from 18/19^(d).</p>	<p>SFRS is currently expecting a £0.3m overspend in 17/18 due to underdelivery of savings^(e). Although still expecting to achieve its overall £10.2m savings target to 20/21, a significant shortfall is also expected in 18/19^(f).</p> <p>Beyond the targeted savings, the SFRS MTFP assumes a significant reduction in staff costs^(g) which may be challenging to achieve while maintaining service levels.</p>	<p>At the end of 16/17 current liabilities were 1.77 x current assets, and included £141m short-term borrowing^(h). Further to this a recent meeting of the SCC Budget Sub-Group noted the potential for a £24m overspend in 17/18⁽ⁱ⁾.</p> <p>Although backed up by a large amount of reserves, only £21.3m^(j) were not earmarked at y/e 16/17, leaving a potentially challenging financial position.</p>

(a) <https://www.surrey.police.uk/about-us/priorities-and-direction/>
 (b) P.20, Surrey County Council Statement of Accounts 2016/17
 (c) [Surrey County Council Residents survey 2017](#)
 (d) P.25, Surrey Police Medium Term Financial Plan 2016/17 to 2020/21 as at Period 9
 (e) Fire & Rescue July 2017 Month End Budget Monitoring Report
 (f) Fire Updated Savings 2017-8-25

(g) P2, Expenditure on “staffing” Surrey Fire and Rescue Service MTFP
 (h) P26, Surrey County Council statement of accounts 2016/17
 (i) P4, Budget Sub-Group Report June – July 2017
 (j) P76, Surrey County Council statement of accounts 2016/17
 (k) [SFRS Performance Report 16/17](#)

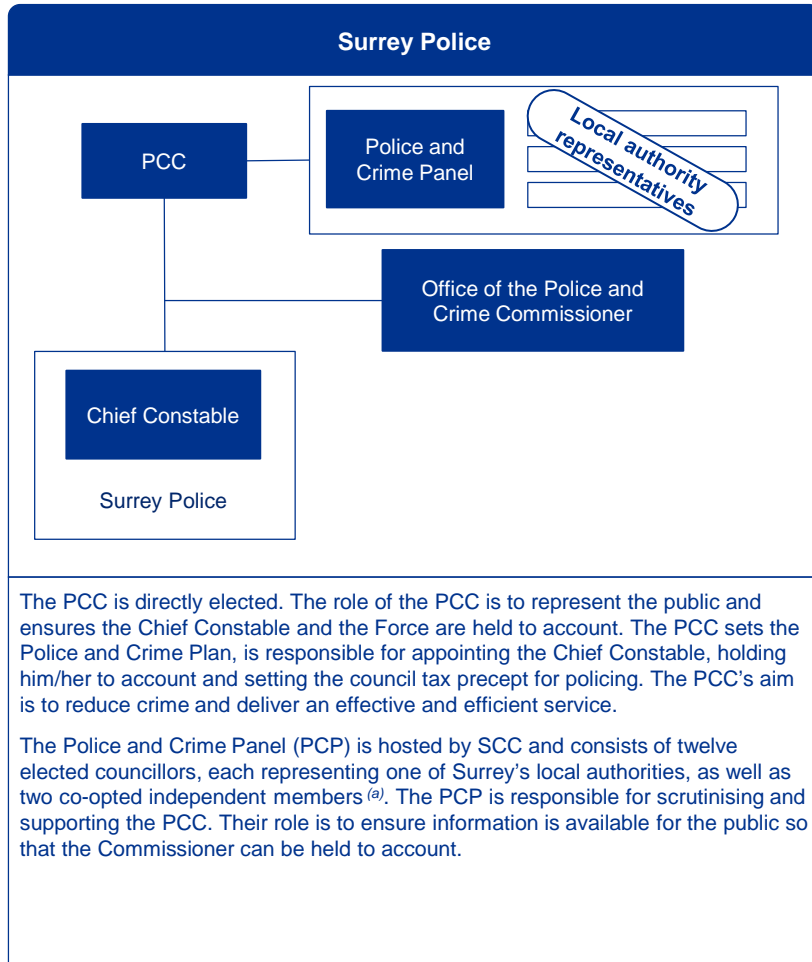
Organisational overview – finances

Criteria	Surrey Police	Surrey Fire and Rescue Service (SFRS)
Assets	<p>Total long term assets y/e 16/17: £87.1m Total current assets y/e 16/17: £47.3m</p> <p>Land and Buildings The NBV of land and building assets in 2016/17 was £62.8m, with a further £5.1m held as surplus assets.</p> <p>Vehicles The NBV of vehicle assets 2016/17: £12m.</p> <p>Are assets being maintained? The Net Book Value (NBV) of total assets dropped by 3% between y/e15/16 and y/e 16/17. Within this, the value of Vehicles dropped by £0.6m, 5% of the 15/16 value.</p> <p>A total of £12.5m capital investment is included in the Fleet Management Plan from 16/17 to 20/21, however £1.2m of this is noted to be unfunded, which may point to a risk of degrading condition towards the end of the current MTFP.</p>	<p>Total long term assets y/e 16/17: Not available Total current assets y/e 16/17: Not available</p> <p>Land and Buildings Total book value of fire stations and land is £22.9m and £25.5m respectively, £48.5m in total ^(b).</p> <p>Vehicles, equipment and appliances The total NBV of vehicles, equipment and appliances of £9.7m as of y/e 16/17^(b).</p> <p>Are assets being maintained? All buildings in the SFRS property portfolio are in fair or good condition, with the exception of Staines Fire station, which is being closed. The majority of the portfolio is freehold.</p> <p>37% of the items on the SFRS vehicles, equipment and appliances list have reached the end of their useful economic life, and a further 13% have 3 years or less remaining. This includes 91 of the 174 vehicles included on the list. The SFRS appears to have £3m approved capex between 17/18 to 20/21, which will be funded by borrowing, to fund works to vehicles, equipment and appliances, of which £1.3m is for vehicles specifically. It is unclear whether this is judged sufficient to recover the degrading condition.</p>

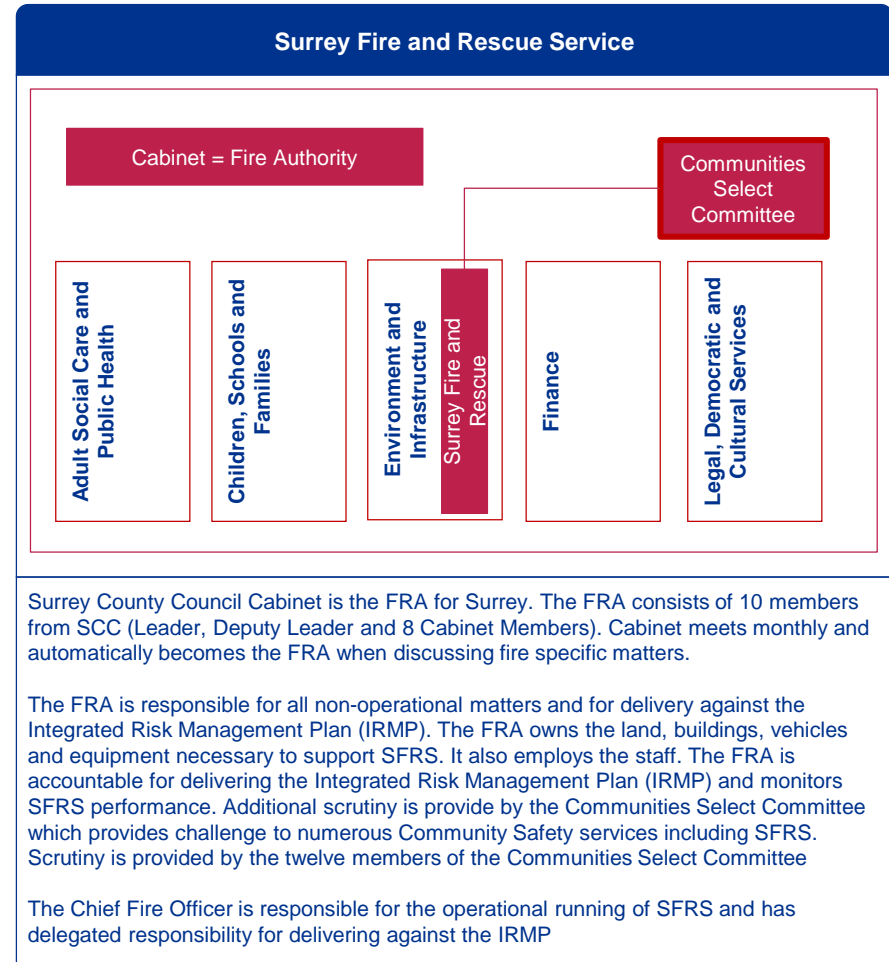
Organisational overview - finances

Criteria	Surrey Police	Surrey Fire and Rescue Service
Liabilities	<p>Long term liabilities y/e 16/17: £1.9bn</p> <p>This appears to relate entirely to an unfunded pension scheme. Any shortfalls in funding for this are met by the Home Office.</p> <p>The constabulary doesn't appear to hold any long-term borrowing at present, so may have some flexibility in borrowing to fund its capital programme.</p> <p>Current liabilities y/e 16/17: £26.4m*</p> <p>Current liabilities have reduced slightly since y/e 15/16, and at 56% of current assets do not appear to present a concern.</p> <p>* Excludes note in the 16/17 Surrey County Council (SCC) Annual Report that SCC held £37m of short term borrowings on behalf of the Surrey PCC. This is not explained further in the report.</p>	<p>Long term liabilities y/e 16/17: £637m, Firefighters pension only</p> <p>The firefighters pension scheme operates on an unfunded basis like police officer pensions. It is recognised on the balance sheet but liabilities are met by government. SFRS may have funded its capital programme through a portion of the borrowing held by SCC. Apportioning total SCC borrowing at the same proportion of SCC assets represented by SFRS assets suggests long term borrowing attributable to SFRS of around £13.2m.</p> <p>Current liabilities y/e 16/17: Full information not available</p> <p>SCC current liabilities were 1.77 x current assets, and included £141m short term borrowing. This reflects the SCC strategy to use internal cash resources to finance capital expenditure rather than borrowing externally. A fuller interpretation of SCC liabilities and what may apply to SFRS is included in appendix 14.</p>
Reserves	<p>Total usable reserves y/e 16/17: £27.2m Total unusable reserves y/e 16/17: (£1.8bn)</p> <p>As noted above, the MTFP assumes that usable reserves are drawn down to fund the Plan, stopping once a level of 3% of revenue expenditure budget is reached. The general fund balance reduced by £2.8m from y/e 15/16 to y/e 16/17 and is expected to continue to reduce until 19/20.</p> <p>The unusable reserves balance relates almost entirely to the unfunded pension scheme discussed above.</p>	<p>Total usable reserves y/e 16/17: Full information not available Total unusable reserves y/e 16/17: Full information not available</p> <p>Although SCC appears to have a healthy useable reserves balance of £341.1m, more than half is drawn from capital receipts and capital grant which may be hypothecated to fund capex.</p> <p>Of the other half, all but £21.3m are earmarked, leaving little resilience against what could be significant overspending given that a recent update on savings progress suggested that the council is £21m behind target.</p> <p>A fuller interpretation of SCC reserves and what may apply to SFRS is included in appendix 15.</p>

Overview of current governance



Note: (a) Surrey Police Crime Panel (SCC website).



Local business strategies

The table below highlights the key strategic aims of each organisation. As can be seen, there is close alignment across all organisations.

Criteria	Surrey Police	SFRS	SCC
Prevention	Working proactively to prevent crime by targeting the most disruptive people, places and issues, and implementing sustainability solutions, is fundamental to Surrey Police's approach.	As well as providing an emergency response service, the service focuses effort on education and prevention, including raising awareness amongst the most vulnerable in our community. This aim is to minimise and, where possible, prevent damage to property, heritage, the environment and, most of all, serious injuries and loss of life across Surrey.	The Community Safety Board (CSB) is chaired by the Police and Crime Commissioner for Surrey, and its membership includes a wide range of partners that work together to provide strategic leadership on issues that affect the whole of Surrey.
Protection	Focussing on risk and vulnerability is central to the work of Surrey Police. Their policing response must have the necessary capacity and capability, as well as the flexibility to respond to the wide range of risk and vulnerability, from child sexual abuse to organised crime.	The Protection team seeks to deliver advice in the workplace and target the heart of the business community with initiatives and forums which provide information on fire safety, arson prevention, false alarms and sprinklers.	The SCC is investing in the region of an extra £4.9m to protect the vulnerable and ensure the response to victims of sexual offences, domestic abuse and child abuse continues to improve.
Respond	Surrey Police will work with other police forces to collaborate specialist policing services that can be delivered for a reduced (sic) at a regional level, but still enable the force to effectively respond to threat, harm and risk.	Collaborating with other emergency services and other partners, SFRS provides a multi-agency response to incidents such as widespread flooding and other water rescue incidents and emergencies that may involve hazardous or radioactive materials.	The SCC works to ensure that if a major incident occurs in the county, the people of Surrey are prepared and essential services are restored as quickly as possible.
Engagement	Surrey Police have developed a <i>Citizens in Policing Strategy</i> to provide an established and valued volunteer culture embedded within the organisation, enabling the Police to make Surrey safer together with its communities.	Crime is tackled in every local district and borough area by Community Safety Partnerships. These partnerships are made up of a wide variety of organisations all working together to make Surrey a safer place.	The SCC is committed to delivering great value for Surrey residents however the challenges faced are stark. The effectiveness of how the SCC's vision is delivered is determined to a significant extent by the quality of its communications and engagement.
Efficiency & Effectiveness	Surrey Police is focused on delivering a cost-efficient policing service through effective management of our resources and assets aligned to demand where possible, and by seeking best value through our contracts, supplier relationships and procure activity.	Increased demand for Council services, for example, adult social care services, means greater efficiencies are required of all Council services, including the Fire and Rescue Service.	The Financial Strategy 2017-20 clearly sets out the Council's approach to financial management. It provides the basis for sound financial governance and long term sustainability and supports the delivery of the Corporate Strategy.



Current collaboration

Current Collaboration: Overview

Collaboration across emergency services is being pursued where it makes financial and organisational sense to do so. The picture is complex and involves a range of police to police, fire to fire, ambulance to police/fire and whole blue light collaborative arrangements. The diagram overleaf illustrates this complexity and also shows that a number extend beyond the boundaries of Surrey and Sussex.

It should be noted that the commitment to, and success of collaboration in the county to date is mixed.

A summary of key collaborations is provided below:

ESCP

The most wide reaching agreement was formed in 2014 when six local partners created the 'Emergency Service Collaboration Programme' (ESCP). The six local partners are:

- Surrey Fire and Rescue Service (SFRS)
- West Sussex Fire and Rescue Service (WSxFRS)
- East Sussex Fire and Rescue Service (ESxFRS)
- Surrey Police
- Sussex Police
- South East Coast Ambulance (SECAmb)

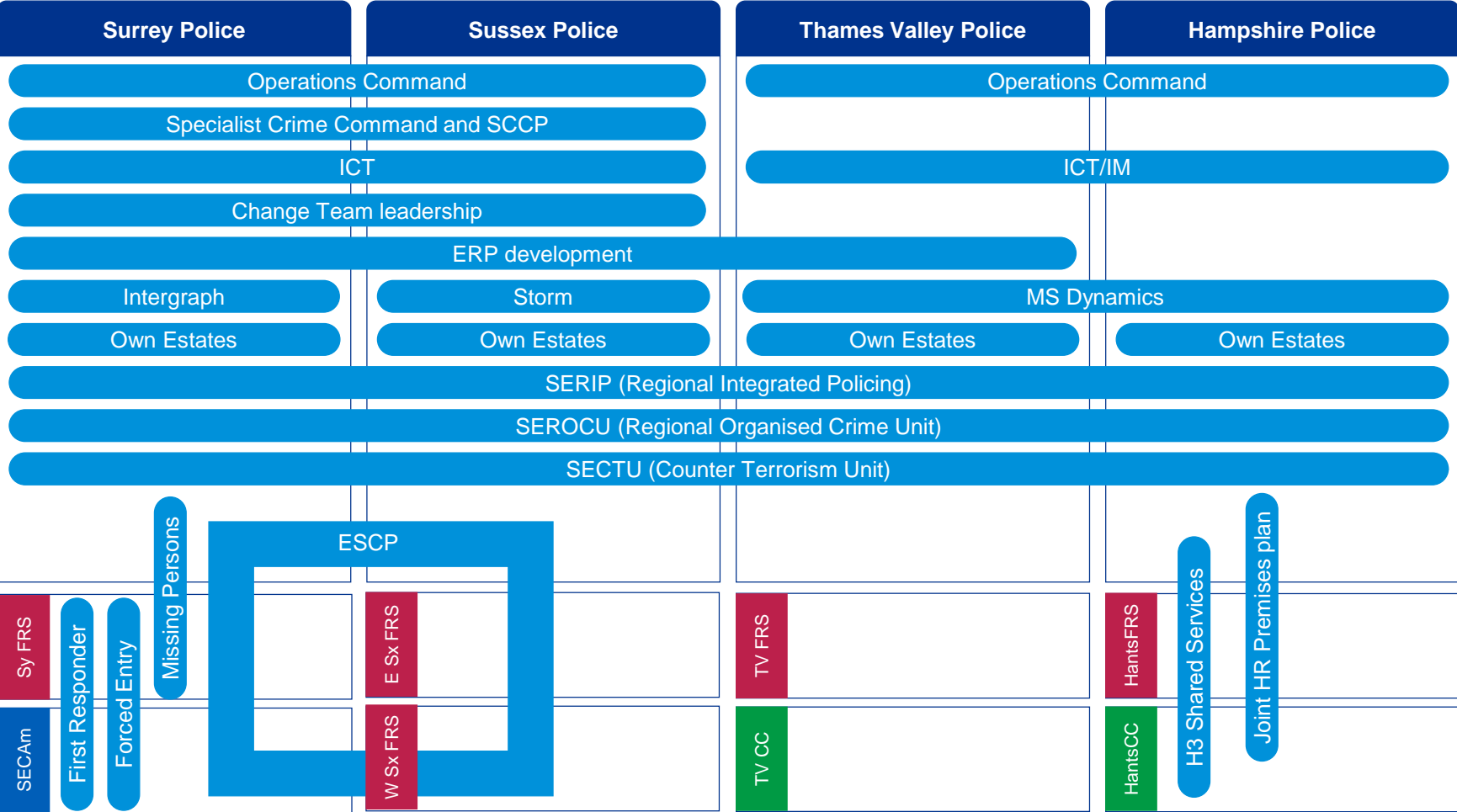
ESCP has been mainly focused on operational synergies. This has been reflected in the programme governance, which has largely been operationally focused and has had limited political involvement or direction. The purpose of ESCP is to co-design service delivery to reduce costs, improve resilience and remove duplication ^(a). It is being funded using £5.96m awarded by Government in 2014.

In March 2016 they were awarded the Gold Award for 'Working Together' at the Improvement and Efficiency Social Enterprise (iESE) for the following early deliverables

- Co-responding - SFRS launched a county-wide trial co-responder scheme under which SECAmb can request deployment of the fire service personnel to particular health emergencies in the community, such as cardiac arrests. The co-responding trial has provided over 300 SFRS personnel with training in emergency and trauma care skills, winter warmth assessments and defibrillator training. Additional medical equipment, including defibrillators, has been provided on all fire engines, managers' cars and four wheel drive vehicles. SFRS attended 2,832 co-responding incidents in 2016/17.
- Gaining entry project - Under the separate 'wider work trial', SFRS has taken on responsibility from Surrey Police to respond to calls from SECAmb to gain entry to properties where there is a concern for the safety of the occupant. SFRS is able to respond within 10 minutes on average, can usually gain access with less damage to property and can free police resources for other urgent calls.
- Missing persons agreement - The gaining entry approach was extended to a missing person's pilot scheme, which allows SFRS and SECAmb to help the police search for high risk missing people, who are often the very young, very old or those with potential mental ill health.

Current Collaboration: Overview (cont.)

The diagram below illustrates the complexity of current blue light collaborative arrangements.



Current Collaboration: Overview (cont.)

In 2017 the ESCP refreshed its governance arrangements and key themes. The themes are;

- Operations
- Operational Support
- Integrated Transport Function (ITF)
- Joint Contact Control and Dispatch (JCCD)

Of the four themes, the ITF project has progressed most. The other three are still in development stage.

Joint Transport

A unifying factor for the ESCP partnership was the £5.96m 2014 transformation funding awarded to pursue a joint transport project. This was to save an estimated £3.4m across all partners per year with a break even point of 2018/19 (source: <http://www.cfoa.org.uk/18662>).

The project has been delayed. SECAMB is no longer within project scope as they are concentrating on their 'Make Ready Centres'. In the meantime, Surrey and Sussex Police have progressed and created the 'Joint Transport Function' (JTF) which is supported by a Joint Procurement Board

A business case detailing how to apportion the remaining £5.17m capital has been submitted and is pending agreement and review. This is likely to build upon the Police JTF infrastructure creating a hub and spoke model around 4 locations, using similar back office and support arrangements. Benefits calculations are still pending.

- (a) Public Safety Plan 2016-2025
- (b) Surrey Fire and Rescue working in partnership: <https://www.surreycc.gov.uk/people-and-community/surrey-fire-and-rescue/about-surrey-fire-and-rescue/surrey-fire-and-rescues-aims-plans-and-governance/surrey-fire-and-rescues-priorities-plans-and-governance/surrey-fire-and-rescue-working-in-partnership>
- (c) <http://www.qualitywatch.org.uk/indicator/ambulance-response-times>

ITF (current and updated version of JTP)

The Integrated Transport Function (ITF) project aimed to merge the procurement and maintenance of emergency vehicles across Surrey, reducing the cost of vehicles, staff and impact on the environment.

A January 2016 report from the SCC's Executive Director for Communities and Public Protection recommended the merger of the management of the Council's vehicle fleets and procurement of a new maintenance framework that is aligned with the merged fleet set-up. The framework that existed in January 2016 was due to expire in June 2016. The report's recommendation considers only the fleets of the Council and FRS. It contained three projects: Workshops, Fuel and Telematics

Workshops (Business Case stage)

SCC's specialist fleet will be moved to FRS workshops and non-specialist FRS fleet will be moved into a new joint maintenance framework

Work has been split into two phases. The first phase will take two years to complete with two sites for heavy and light fleets. Phase 2 will follow with work on two additional sites for WSxFRS and ESxFRS. Both the Police and SFRS are expected to have transitioned to new sites by the end of Stage 2 of Phase 1. SECAMB has its own "make-ready" programme and is not involved.

Fuels (Pilot stage)

Procurement for commissioning/decommissioning of tanks is being trialed at three sites to uncover likely issues and determine the best model of operation. The project enables access to bulk fuel in Sussex and Surrey sites plus upgraded number of fuel tanks.

Bunkered fuel will be available at a much wider range of sites and will reduce the need to purchase from commercial forecourts. The aim of the ongoing trial is to confirm financial scalability, refine legal criteria, refine the ongoing procurement and supply chain management process and report on any issues.

Current Collaboration: Overview (cont.)

Telematics (pending agreement on supplier specifications)

This is about joint procurement of vehicle 'black boxes'. A practical assessment has been completed and a supplier has been found. The next step is to receive confirmation that specifications are correct and secure funding for a trial scheme.

Surrey and Sussex Police – Policing Together Programme

Surrey Police and Sussex Police have been formally collaborating since 2013 in order to meet funding challenges and improve services. The 'Policing Together' programme is well established. Collaboration includes:

- Joint Specialist Crime Command
- Joint Operations Command
- Joint Corporate and People Services
- Joint ICT and a shared Digital Enablement Programme
- A number of shared leadership posts

The programme is governed through a formal structure, with the PCC's represented on the Policing Together Board. Supporting boards and committees include the Joint Audit Committee, Joint Transport Board, Joint Procurement Board and Joint Business Strategy Board

Between April 2011 and March 2016 Surrey Police saved £4.6m through collaboration with Sussex. An additional £8-10m of savings are projected before March 2019

Sources:
<https://sussex.police.uk/about-us/priorities-and-direction/>
<https://mycouncil.surreycc.gov.uk/mgConvert2PDF.aspx?ID=38475>
<https://sussex.police.uk/media/4875/neilroberts.pdf>
 David Paul, SERIP lead jointly funded
<http://www.surrey-pcc.gov.uk/wp-content/uploads/2017/03/17-a-JAC-Collaboration-Update-Report-March-2017-Draft-0-1.pdf>

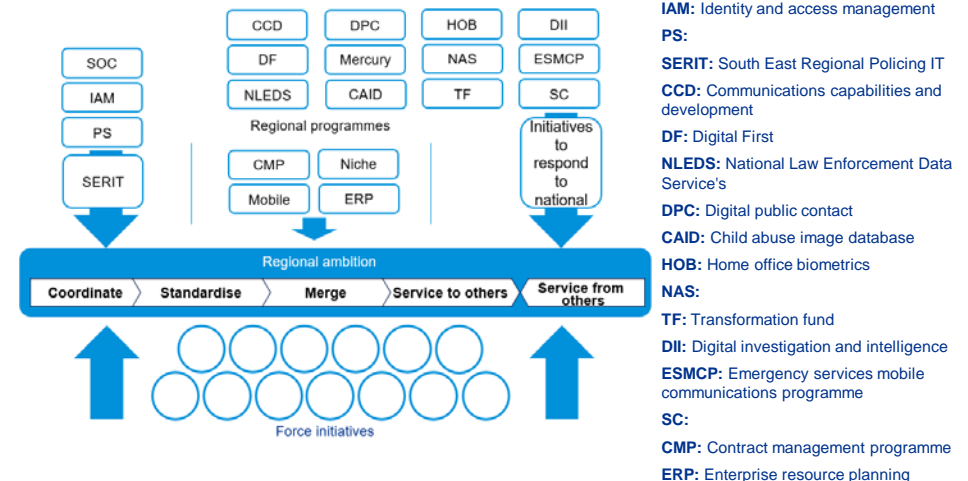


South East Regional Integrated Policing

The South East Regional Integrated Policing (SERIP) programme is an ambitious programme to converge key policing, business functions and technology systems across four police forces (Sussex, Surrey, Hampshire and Thames Valley Police).

The diagram below illustrates the wide scope of the programme and highlights that policing organisations are primarily focused on police to police collaboration as the primary way to improve services and reduce costs. The Programme has been given £1.6m from the Home Office Police Transformation Fund.

Significant projects are already underway, with a single Enterprise Resource Planning system being implemented across Surrey, Sussex and Thames Valley Police. Hampshire and TVP are also implementing a shared command and control platform which Surrey and Sussex will eventually transition to.



Current Collaboration: Overview (cont.)

Fire to fire service collaboration

ESCP progress has been slower than partners would have preferred and with the Transformation Funding now allocated to capital builds, there is no current provision for further ESCP funding. The ESCP programme has a number of part-developed projects which would have no coordinated support. A Resource Options Analysis paper has been sent to the Chief Officers, which firstly requests confirmation of funding until March 2018 and secondly requests that partners contribute funding for programme resources for FY2018/19. At programme level, funding for ESCP is uncertain. SECamb, ESxFRS, WSxFRS and SFRS have pledged funds. Sussex and Surrey Police have now confirmed withdrawal of discreet funding.

Stakeholders have cited the sheer number of organisations as the primary reason for the lack of progress. This is supported by the fact that collaborative progress that has been made has mainly been between two organisations rather than the ambitious coordination between the six in ESCP. The following pinch points are likely to be present in all collaborative initiatives, but are amplified when so many stakeholders need to agree to proceed:

- Tactical differences regarding to deployment methodologies
- Tactical differences emanating from the various software and infrastructure
- Culture differences and resistance to change, including different level of union engagement and support
- Stakeholder engagement, commitment and buy-in
- Distribution of benefits to partners

With ESCP's future uncertain, SFRS has stated its intention is to now formalise arrangements for what is being called '3XFRS' or 'tri-fire' collaboration. With a narrower scope the likelihood of success is improved, added to which 'fire' have yet to realise the real and sustainable benefits of tri-fire collaboration.

There is renewed impetus to move fire to fire collaboration forward

There have been past discussions on fire to fire collaboration. In 2007 a feasibility study for a 'South East Central' FRA concluded that "considerable savings" were realisable should West Sussex (WSxFRS), East Sussex (ESxFRS) and SFRS combine. It stated that estate, procurement, control, leadership and personnel value "could only be realised and reassigned through a merger" which would create the second largest FRS in the country.

Several elements have come together recently which makes collaboration across the three FRS's more likely including:

- The development of this options appraisal together with the Sussex PCC's own options appraisal has renewed interest in cross border fire collaboration and sparked invigorated dialogue between the neighbouring FRS's.
- The Cabinet member for Communities, which includes SFRS, has a personal and genuine interest and expertise in the fire service, and is keen to explore innovative ways to make SFRS sustainable.

Current Collaboration: Overview (cont.)

- Exhaustion of the Fire Transformation funding behind ESCP and subsequent withdrawal of discreet funding by Surrey and Sussex Police from the programme. This is serving as a useful point for reflection for partners to review their collaboration ambitions.
- The expiration of ESCP as a vehicle for collaboration coordination, a new streamlined fire group could emerge with a more focused remit and fewer stakeholders to appease.

Recent discussions

The pace of fire to fire collaborative discussions has increased over the summer. Priority areas of focus are:

- Securing the ESCP ITF project where all three FRS have agreed in principle to a Joint Fire Transport/Engineering Function. This will use the same back office and support and work alongside the police for fleet maintenance and repair.
- Opportunities to share the same mobilising software for 999 call taking and dispatch
- The potential for joint regional Technical Rescue teams (e.g. Urban Search and Rescue)

Other areas for tri-fire collaboration that have been identified include:

- Joint Stores (procurement of equipment and uniform). It was noted in the Sussex Police/Fire business case that both ESxFRS and WSxFRS procure different appliances and associated kit, as does SFRS. Sharing procurement would not only save on back office costs, develop the opportunity for economies of scale but also can more easily share resources across geographies.

- Joint Health and Safety teams.
- Joint Fire investigation teams.
- Joint Prevention teams.
- Joint performance data and analytics.
- An over the border station, assets and resources allocation based upon response modelling.

How might the different governance models affect tri-fire opportunity?

Option	Pros	Cons/Risks
1	Clarity of vision: Police concentrate on regional policing solutions, particularly the significant investments already in progress, Fire looking regionally to WSxFRS and ESxFRS collaboration which is largely regarded as the ideal collaboration by most stakeholders	Slow collaboration likely between SFRS, ESxFRS and WSxFRS collaboration due to political pressures, varying governance models and historical collaborative appetite
2		
3	Tri-fire collaboration is possible under PCC governance and would be managed just as any other collaboration	A tri-fire merger may be complicated by PCC governance due to issues of co-terminus boundaries.
4		As per option 3. Additional complexity of determining the operational leadership of fire when police and fire are under the leadership of a single Chief Officer.

Current Collaboration: Overview (cont.)

Other collaboration of note

Outside of the main collaborative programme structures, there have been a number of tactical successes across the different organisations:

- Surrey Police have implemented a ‘Hear and Solve’ programme alongside the Surrey and Borders Partnership NHS Foundation Trust. It allows a desk based team to provide advice on certain emergency calls without the need for police attendance. Mental Health practitioners cover all late shifts 7 days a week in the emergency call centre. This has resulted in reduced police deployment and more specialist support for Surrey residents (source: <https://www.local.gov.uk/sites/default/files/documents/national-overview-emergen-fee.pdf>).
- SFRS perform Safe and Well visits as part of the Surrey County Council service (8,883 in 2016/17). SFRS carry out these interventions in people’s homes to reduce their risk from fire and to provide referrals in regards to other safety aspects.
- SFRS Occupational Health is currently backfilled by Surrey and Sussex Police. The target date for further integration with the Police is in April 2018 (July 2018 for ESxFRS).
- An MoU was signed by Surrey Police, Sussex Police, ESxFRS and SFRS (WSxFRS agreement awaits) to share drones. The project is led by Sussex Police and will allow the Police and FRS to operate their own drones
- ESxFRS have moved in to Sussex Police HQ and work is being done on sharing back-office functions.
- Surrey and Sussex recruitment have run an e-recruitment campaign for ESxFRS, and have removed remove 17 posts as a result.

Source: <http://www.surrey-pcc.gov.uk/wp-content/uploads/2017/03/17-a-JAC-Collaboration-Update-Report-March-2017-Draft-0-1.pdf>

There have also been some missed opportunities

A good example of a missed opportunity relates to a business case and operating model for integrated blue light services in the region from 2014. It outlined recommendations and plans for a joint control room and associated ICT for Surrey Police, Sussex Police, SFRS, WSxFRS, ESxFRS and South East Coast Ambulance (SECAM) Service. The Sussex OPCC bought the recommended land at Crawley and SECAM moved in but this has not progress beyond this stage.

What are the lessons learnt from collaboration in Surrey?

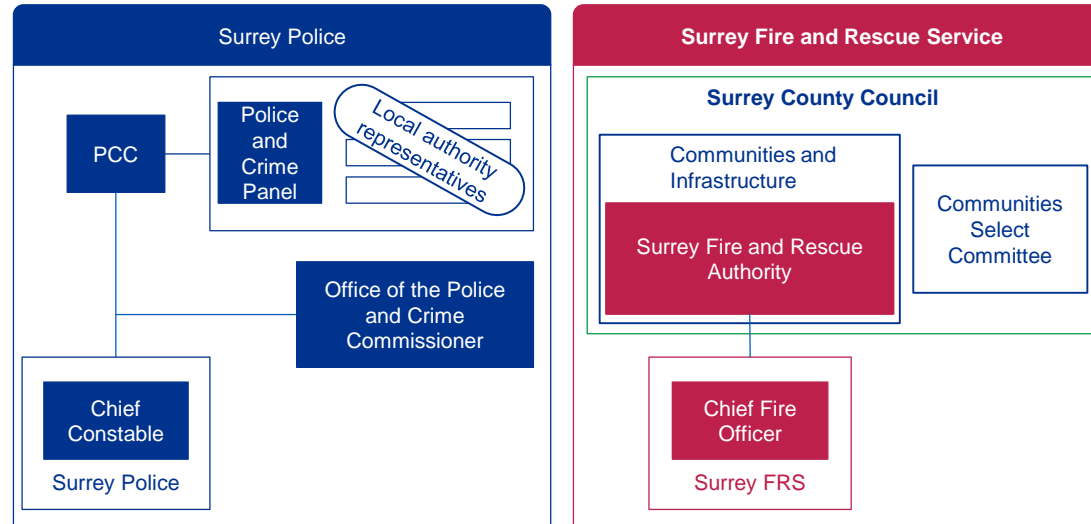
- Collaboration is possible and has resulted in tangible results in many areas.
- Collaboration between fewer stakeholders is easier and more likely.
- Having the right decision makers attending the meetings results in progress.
- Projects where the scope has been extensive and far reaching have not delivered the desired results. Consequently stakeholders enthusiasm wains.



Options description & analysis

Option 1: No change

The PCC could choose not to take any action to change the formal governance arrangements for SFRS. This means SCC would continue to govern SFRS. SCC Cabinet would continue to act as the FRA, with the Cabinet member for Communities responsible for day to day political governance. The Communities Select Committee would continue to scrutinise performance, finance and risk monitoring



Option 2: PCC representation on FRA

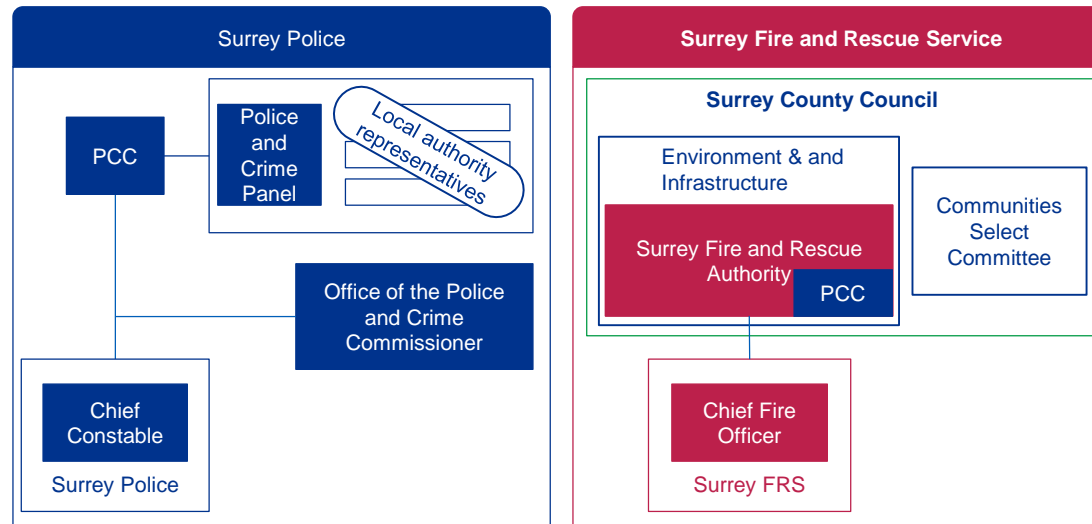
Under this option the Police and Crime Commissioner would take a place on the existing FRA. In practice it could be envisaged that the PCC would join either the County Council Cabinet as a non-executive member on the occasions that the Cabinet acts as the Fire Authority and / or joins the Cabinet Panel for Environment and Infrastructure as a non-executive member for matters specifically relating to community safety and fire. Such a non-executive membership is not a new construct as Kay Hammond previously attended Cabinet in this capacity.

Within this committee, the PCC would be able to influence such matters as integration of police and fire operational resources and strategic management of a joint 'blue-light' estate, whilst also embedding the police's strategic alignment more closely with the preventative and early-intervention focus of SCC / SFRS. It would represent a minimum of an additional day of the PCCs time per month.

The democratic nuances and voting rights of the PCC would be subject to further review and would clearly require agreement from the County Council. It is assumed that the PCC would be bound by SCC's protocols and regulations whilst serving in a non-executive capacity with potential referral to both SCC standards procedures and the Police and Crime Panel in the event that complaints or investigations are raised. No formal public consultation is required for this option.

There would be no implications for budgets, assets, liabilities or workforce.

It should be noted that legislation is not yet in place to enable this option.

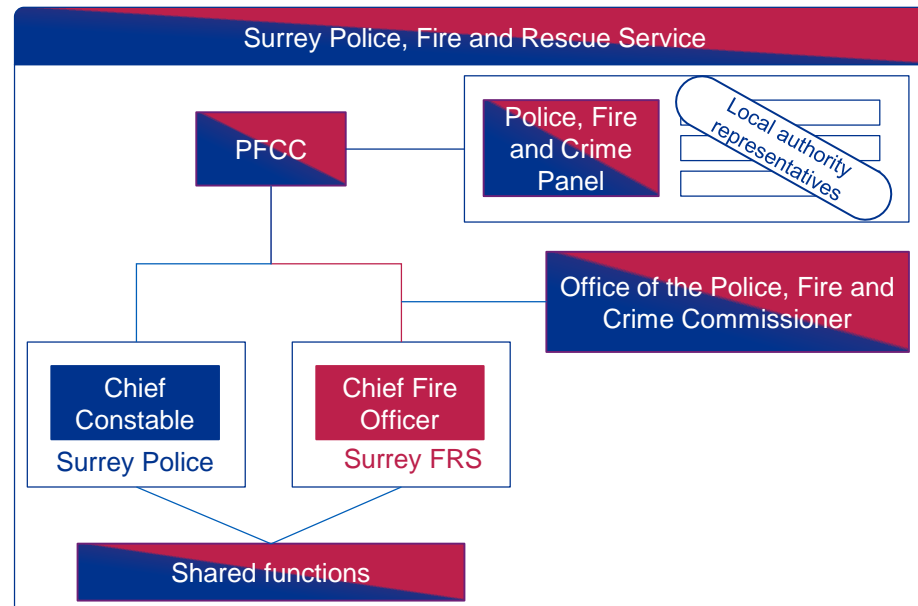


Option 3: PCC becomes FRA

The existing FRA will be abolished and its functions transferred to the Police, Fire and Crime Commissioner (PFCC), along with fire and rescue personnel, property, rights and liabilities. The PFCC will be the employer of all fire and rescue staff. Just like now, the Chief Fire Officer would have operational responsibility for the fire and rescue service. The Chief Constable will continue to employ all police staff and have control over police officers. Sections 326-329 of the Policing and Crime Act also provide Police and Crime Panels with powers to scrutinise the fire and rescue functions of a PCC.

Under this option, the police service and the fire & rescue service will remain two distinct organisations. The option would create a separate corporation sole for the new FRA. The PFCC would be responsible for setting a fire precept. Funding of the police and fire and rescue service would remain separate.

The configuration of shared services could be subject to negotiation and contractual variation pending the preferences of SCC, SFRS and the PCC.



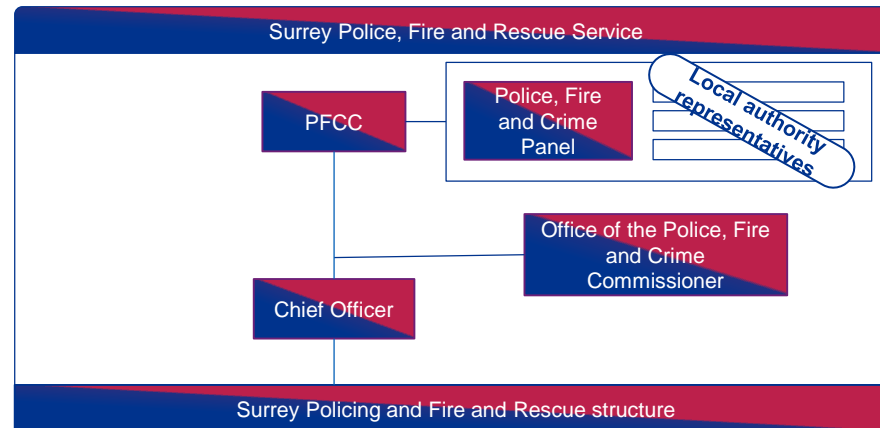
Option 4: Single employer

Within this model Surrey Police and SFRS would become a single organisation. The PCC would take on responsibility for the combined service and become the Police, Fire & Crime Commissioner (PFCC). As such, the budgets, assets, liabilities and workforce of SFRS would transfer from SCC. The PFCC would also set the precepts for policing and fire in Surrey.

The PFCC would delegate responsibility to a single Chief Officer who would oversee the organisation. The Chief Officer would appoint a senior team to lead the relevant service operations, under their command.

Under this model, police and fire services would remain distinct front line services, retaining the distinction between operational policing and fire-fighting. Section 37 of the Fire and Rescue Services Act 2004 will continue to prevent a police officer from being a fire-fighter. Similarly, there is no intention to give fire-fighters the power of arrest or any other core policing powers. However the joint fire/police workforce and shared senior management team would increase the flexibility and adaptability of resources whilst fostering further opportunities for efficiency and integration.

The PFCC would also be required to maintain separate police and fire budgets and accounts.





Analysis of options

Methodology used

Appendix 1 shows the overall approach KPMG has taken to assess which governance option provides the most benefit for the citizens of Surrey.

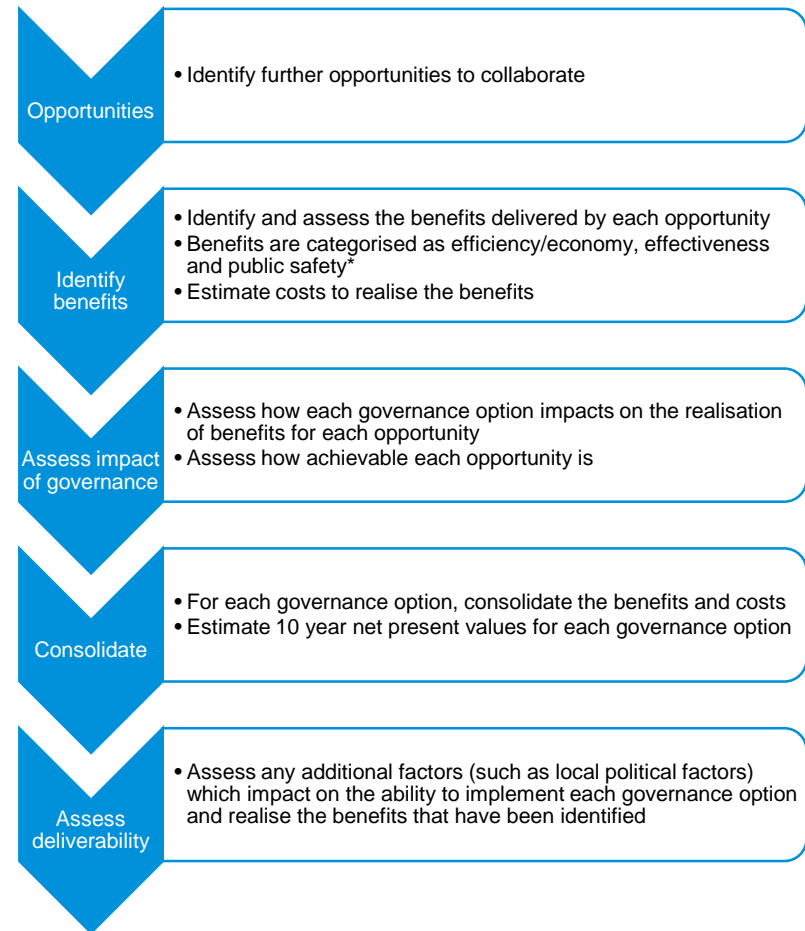
From discussions with stakeholders, analysis of financial and performance baselines, and comparison to police/fire collaboration in other areas, a long list of collaborative opportunities has been identified. Association of Police and Crime Commissioner Chief Executives guidance states that opportunities must be assessed against the following criteria:

- Efficiency – the proposal produces quantifiable efficiencies.
- Effectiveness – the proposal maintains or improves the services provided to local people and communities.
- Economy – the proposal optimises public value.
- Public Safety – the proposal makes Surrey safer, stronger and more resilient.

The potential of each opportunity to positively or negatively impact these criteria has been assessed. Where financial savings are associated with the opportunity, these have been estimated and calculations are provided in the appendices. Estimated costs to implement each opportunity have also been calculated.

How each governance model impacts on the realisation of these benefits has then been assessed and consolidated, with further analysis of how deliverable each governance option is. Stakeholders contributed to this assessment at a workshop (see appendix 16).

Appendices 12 and 13 highlight key assumptions and risks relevant to the options analysis.



Headlines

The available financial benefits from police/fire collaboration aren't that big

Based on our assessment of the collaborative opportunities, the financial benefits are between £1.06m (option 1/2) and £1.82m (options 3/4) per year. In our view, this level of savings does not make a material difference to the saving plans of the organisations. We also believe that some of the bigger opportunities (such as shared call handling and dispatch) could be progressed under any governance option as SCC need to examine all opportunities to make savings.

The governance model is attractive to SFRS

The governance model is attractive to many fire stakeholders because it establishes a transparent fire precept and potentially lessens the likelihood of budget reductions to SFRS (due to SCC pressures). It also retains the fire brand and identity. However, given there are concerns on SFRS's ability to realise the savings identified in the MTFP, the PCC would become accountable for developing and implementing plans to balance the budget.

It would increase the likelihood of joint strategic projects being delivered, including the development of a joint estates delivery plan. However, as already stated the financial benefits are relatively small and there are significant risks which could outweigh the effectiveness and public safety gains. These include:

- Ability to manage the change – there is a lack of capacity (and perhaps capability) in all organisations to take this change on. In particular, police resources are fully utilised on the existing change programme and there is a concern further change puts these plans at risk.
- Possible liabilities from SFRS– these haven't been quantified but there are significant pensions liability as well as a possible transference of council debt proportion. For instance SCC's current liabilities are 1.77 times more than its current assets. A relevant proportion of this debt would transfer to the PCC.

The single employer model is risky

Some stakeholders expressed a view that if there was a change of fire governance, the single employer model should be pursued as this provides the most flexibility to deliver the available benefits. However, in addition to the same risks identified under the governance model, there is the risk of industrial action. It is likely the FBU would object about the loss of identity, loss of strategic control and influence of the Chief Fire Officer. This could result in strike action.

Benefits can be delivered under options 1 and 2

Options 1 and 2 allow Surrey Police to focus on its significant change programme and identify how to close the £13m savings gap in the medium term. It minimises the risk of these projects not delivering and inadvertently putting effectiveness and public safety at risk. In the short term, securing an efficient and effective policing service to the citizens of Surrey is the primary concern.

From SCC's perspective, options 1 and 2 provide the most flexibility but means SFRS's budget is likely to be reduced. Overall SFRS's outlook within SCC is that of financial instability; its assets are likely to be reduced, budgeting will be centralised and fire loses more autonomy of its future.

However, options 1 and 2 do not rule out the delivery of benefits from collaboration. If anything there was an openness at SCC member and officer levels to explore all available opportunities and a financial imperative to do so. We estimate there is only a £3.6m difference in the savings that could be delivered over a 10 year period between options 1/2 and 3/4.

Options 1 and 2 also allow the reinvigorated collaboration between SFRS and ESxSFRS/WSxSFRS to mature. Almost every stakeholder interviewed cited closer collaboration between the three fire services as the better solution to SFRS financial challenges. As ESCP has now realigned to focus on this opportunity, a clear vision and direction is being set for collaboration, which could end in a single FRS.

Overview of each option

	Broadly the same impact on public safety, effectiveness or economy/ efficiency as now. Hard to achieve
	A small improvement in public safety, effectiveness or economy/ efficiency Achievable but requires focus
	Significant Improvement in public safety, effectiveness or economy/ efficiency Relatively easy to achieve

Option 1: No change	
Impact on public safety	Impact on effectiveness
Economy/efficiency: £7.5m over 10 years	
Achievability	
<p>Pros</p> <ul style="list-style-type: none"> No service disruption. Clarity of vision: Surrey Police concentrate on regional policing collaboration. SFRS pursue regional collaboration with WSxFRS and ESxFRS. Both are regarded as preferred options by most stakeholders. Opportunities between Surrey Police and SFRS can continue to be pursued without governance change, partially driven by SCC's financial challenge.. Retains public trust in SFRS brand. <p>Cons</p> <ul style="list-style-type: none"> Continued tension that collaboration partners are facing different intensities of financial pressures and therefore potential collaborative projects may be less of a priority than the Surrey Police and SCC budget challenges. SFRS resources are likely to be reduced based on SCC's vision of aligning firefighter resources to demand rather than risk. Citizens may perceive this to be a reduction in public safety. SFRS continue to be subject to financial instability due to the financial challenges faced by SCC. Collaboration between SFRS, ESxFRS and WSxFRS may be slow due to political pressures, varying governance models and the historical collaborative appetite. 	
Overall assessment	

Option 2: PCC representation on FRAs	
Impact on public safety	Impact on effectiveness
Economy/efficiency: £7.5m over 10 years	
Achievability	
<p>Pros</p> <ul style="list-style-type: none"> Clarity of vision as per option 1. SCC has indicated it would welcome the PCC on the FRA, so relatively easy to achieve. PCC can formally influence police/fire collaboration and increase the likelihood that opportunities will be pursued. PCC obtains a greater understanding of fire operations which can inform the Police and Crime Plan. Minor scrutiny benefits as the PCC brings a different viewpoint. Retains public trust in SFRS brand. <p>Cons</p> <ul style="list-style-type: none"> All cons as per option 1. Represents additional political risk for PCC as he is formally part of a governance structure that is likely to reduce fire service resourcing. PCC has one vote and may feel unable to sufficiently influence collaboration at a strategic level. 	
Overall assessment	

Option 3: PCC becomes FRA	
Impact on public safety	Impact on effectiveness
Economy/efficiency: £11.17m over 10 years	
Achievability	
<p>Pros</p> <ul style="list-style-type: none"> Formally joins up the Police and Crime Plan with the Integrated Risk Management Plan, so Surrey Police and SFRS are working to a single strategic direction. Increased accountability once PFCC is elected to deliver IRMP and Police & Crime Plan. Formal governance increases the likelihood that collaboration opportunities will be pursued, particularly operational and prevention collaboration (e.g. use of fire capacity to attend police calls). Separate fire precept makes fire funding more transparent. <p>Cons</p> <ul style="list-style-type: none"> All organisations lack the change capacity required to deliver this level of organisational change. High risk of disruption to Surrey Police's ability to close its £13m budget gap. It would also be a similar distraction to SCC. It is unlikely that SFRS would transfer with a balanced MFTP and as such the PCC would need to make savings that echo those planned by SCC, resulting in the same perceived reduction in public safety as options 1 and 2. Transferring the back office from Orbis is complex. Negotiation with SCC is required and timing would need to be sensitive to current SSTVP ERP change timelines. Public may lose some trust in the fire brand. 	
Overall assessment	

Option 4: Single employer	
Impact on public safety	Impact on effectiveness
Economy/efficiency: £11.17m over 10 years	
Achievability	
<p>Pros</p> <ul style="list-style-type: none"> All pros as per option 3. In addition it provides more flexibility to deploy resources to joint strategic aims and objectives. As an option 4 trailblazer, potential access to funding / resources from interested national bodies such as College of Policing and Fire Service College. <p>Cons</p> <ul style="list-style-type: none"> All cons as per option 3. FBU are likely to object, with potential for industrial action because of the national policy objection. Terms and conditions would need to be reviewed for harmonisation over a period of time creating disruption. Potential risk that firefighting capabilities become less valued under the leadership of a single chief officer, who has responsibility for both policing and fire and rescue. Fire and rescue continues to account for relatively little demand and risk in comparison to policing. 	
Overall assessment	

Estimated financial costs and benefits

The table below provides an overview of the summary costs and benefits associated with each governance model. Estimates for annual revenue savings at peak, capital receipts and implementation costs are in real terms. Detailed calculations on the costs and benefits are provided in appendices 3-10. Appendix 11 provides the discounted cash flow and net present value calculations for each option.

It should be stressed that these estimates are indicative and would need to be validated as this work progresses. Equally the benefits have not been subject to sensitivity analysis.

At this stage, the savings are best interpreted as a indicator of financial benefits of the governance options relative to each other.

	Option 1 – no change	Option 2 - PCC representation on FRAs	Option 3 – PCC becomes FRA	Option 4 – Single employer
Estimated annual revenue savings (at peak)	£1.06m	£1.06m	£1.82m	£1.82m
Estimated capital receipts	£1.66m	£1.66m	£1.66m	£1.66m
Estimated implementation costs	£0.7m	£0.7m	£2.34m	£2.34m
Estimated 10 year net present value	£7.5m	£7.5m	£11.17m	£11.17m
Difference from Option 1 (base case) over 10 years	N/A	No change	+£3.64m	+£3.64m

Summary of opportunities assessed

Achievability of each opportunity

The next two pages summarises our assessment of how achievable it is to implement each governance model and realise the benefits identified for each opportunity.

The table below shows our assessment of whether the benefits associated with each opportunity can be delivered under each governance model. As can be seen there are some opportunities where the benefits are unlikely to be realised without a change of governance. A good example would be the financial savings possible from a joint training site. Although technically achievable under options 1 and 2, there are so many external variables (e.g. sale of HQ sites) that the multiple stakeholder discussions are likely to stall progress. Under option 4 in comparison, the requirements for a training site are a single collective problem that will require a single organisational solution.

Whilst options 3 and 4 increase the likelihood of realising the benefits of the opportunities, the financial savings available aren't particularly big for each.

The table on the next page highlights other factors which impact how achievable it is to implement each governance model. These take account of factors such as political appetite and the actual ability of each organisation to effectively manage the changes.

A summary assessment of achievability is then provided which combines these two assessments.

	Option 1	Option 2	Option 3	Option 4
Estates Integration	Yellow	Yellow	Green	Green
Fire attending police calls	Red	Red	Yellow	Yellow
Shared contact, command and control	Yellow	Yellow	Yellow	Yellow
Shared back office	Red	Red	Yellow	Yellow
Joint Training Site	Yellow	Yellow	Green	Green
Combined Intelligence Function	Yellow	Yellow	Yellow	Yellow
Governance	Red	Red	Yellow	Yellow



Hard to achieve



Achievable but will require focus



Relatively easy to achieve

Other factors impacting achievability

The points highlighted below represent wider considerations and implications of each governance model.

Option 1 – no change	Option 2 - PCC representation on FRA	Option 3 – PCC becomes FRA	Option 4 – Single employer
<ul style="list-style-type: none"> The financial situation of SCC is so severe there is a need to drive forward savings opportunities regardless of governance No change from a situation many stakeholders are comfortable with New cabinet member has experience of and a genuine interest in SFRS, having previously trained as an on-call firefighter. Good timing to make a strategic alignment as both fire and police are making significant estate changes and are facing financial challenges. Some estates are already shared between fire and police, so the door is open to collaboration. Fire looking regionally to WSxFRS and ESxFRS collaboration which is largely regarded as the ideal collaboration by most stakeholders. This option allows this collaboration to happen 	<ul style="list-style-type: none"> The financial situation of SCC is so severe there is a need to drive forward savings opportunities regardless of governance This option formalises the PCCs influence and enables the PCC to support or object to decisions on public record. Some estates are already shared between fire and police, so the door is open to collaboration. It is unlikely SCC would not collaborate further on estate integration given its financial situation Virtually no change from a situation many stakeholders are comfortable with New cabinet member has experience of and a genuine interest in SFRS having previously trained as an on-call firefighter. Good timing to make a strategic alignment as both fire and police are making significant estate changes and are facing financial challenges. Fire looking regionally to WSxFRS and ESxFRS collaboration which is largely regarded as the ideal collaboration by most stakeholders. This option allows this collaboration to happen 	<ul style="list-style-type: none"> Surrey Police is mid way through a large scale transformation including ERP, Estates and ICT. To jeopardise this progress would severely impact the Police's sustainability and performance in the future All organisations lack the change capacity required to deliver this level of organisational change. High risk of disruption to Surrey Police's ability to close its £13m budget gap. It would also be a similar distraction to SCC. It is unlikely that SFRS would transfer with a balanced MFTP and as such the PCC would need to make savings that echo those planned by SCC, resulting in the same perceived reduction in public safety as options 1 and 2. Fire discretionary capacity more likely to be protected under PCC if financial value to public purse can be demonstrated. 	<ul style="list-style-type: none"> Given the effort required to integrate the organisations, it is almost certain it will disrupt Surrey Police's ability to close its current £13m budget gap. It is likely to impact SFRS's ability to meet its own MTFP. Surrey Police is mid way through a large scale transformation including ERP, Estates and ICT. To jeopardise this progress would severely impact the Police's sustainability and performance in the future This is more complex than option 3. All organisations lack the change capacity required to deliver this model. Some of the opportunities will be difficult to achieve and require considerable effort. High likelihood of FBU opposition and call for industrial action

When combined with our assessment of how achievable it is to implement each collaborative opportunity, we have assessed the achievability of each option as follows.

Option 1 – no change	Option 2 - PCC representation on FRAs	Option 3 – PCC becomes FRA	Option 4 – Single employer
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Estates integration

Both SFRS and Surrey Police have advanced plans for estates rationalisation and therefore opportunities for co-location are relatively limited. Appendix 3 details our analysis of potential to further integrate. This analysis suggests Dorking Fire Station looks to have the most potential for realising savings

Dorking Fire Station - Current

With the possible sale of Wray Park (SFRS HQ) and Mount Browne (Police HQ) it was originally assumed that a joint HQ site would deliver large benefits. However, Wray Park capital is likely to be retained by SCC and any joint HQ with Surrey Police would represent a cost, as compared to the alternative SCC site offered (a floor at County Hall).

Currently SFRS is not a consideration in Surrey Police Estate Strategy development

Dorking Fire Station (approx. value £1.7m) is a fully utilised site in reportedly 'good' condition.

Dorking Fire Station - Proposed

A potential site for a replacement Police HQ in Dorking is currently owned by SCC and leased to Aviva. Freehold purchase after the current lease expires (in 2021) is being explored by Surrey Police. An estimated £20-30m capital investment (in addition to income from sale of Mount Browne) would be required for Surrey Police to develop a new HQ (potentially borrowed or secured in a joint venture with SCC).

Should SFRS deem the site as operationally suitable, SFRS could relocate the current fire station to the new Surrey Police HQ, realising capital receipts of £1.7m)

There is no reason why this opportunity couldn't be realised under options 1 and 2. As it involves capital investment and long term commitment however, the likelihood of success increases with option 3 where the PCC can mandate the development. And benefits increase with option 4 where the Chief Constable can optimise the collective workforce at an operational level to best serve the Dorking locality.

We have assumed a minimum 4-5 year lead in time to a new site for Police HQ. Putting the start date for this opportunity to be 2022/23. It is assumed costs could be absorbed in the current capital investment estimates.

Governance option	Economy/Efficiency	Effectiveness	Public safety	Achievability
1 – no change	£1.7m capital receipt			
2 – representation	£1.7m capital receipt			
3 – governance	£1.7m capital receipt			
4 – single employer	£1.7m capital receipt			



Broadly the same impact on current effectiveness or public safety
Hard to achieve



Small increase in effectiveness or public safety
Achievable but requires focus



Significant increase in effectiveness or public safety
Relatively easy to achieve

Estates integration

Supporting rationale

The following table provides the rationale for the RAG rating.

Governance Option	Pros	Cons
1	<ul style="list-style-type: none"> Some sites are already shared between fire and police, so the door is open to collaboration. It is unlikely SCC would not collaborate further on estate integration given its financial situation. 	<ul style="list-style-type: none"> Not a quick win (estimated date of 2022/23) No power to mandate further integration therefore it may take longer to achieve. Fully dependant on agreements rather than governance. SFRS fully dependant on an Estates strategy currently in its infancy with a minimum 4-5 year lead in time. As only one fire station is integrating with police (rather than the whole fire estate) any operational synergies required for increased effectiveness or public safety would be limited to Dorking only. Therefore minimal/no public safety / effectiveness improvements.
2	<ul style="list-style-type: none"> As option 1 The PCC would have voting rights and therefore be more directly able to influence SFRS estate decisions. 	<ul style="list-style-type: none"> As option 1. PCC would have one vote only, which may not give sufficient influence over decision making
3	<ul style="list-style-type: none"> Facilitates development of a joint estates strategy Enables the PCC to mandate the move of Dorking Fire Station to a joint site 	<ul style="list-style-type: none"> Distraction of additional fire discussion and specifications may disproportionately disrupt closure of the Surrey Police's budget gap, putting additional pressure on the funding for the Dorking site Inclusion of an operational fire station may increase the cost of the design.
4	<ul style="list-style-type: none"> As option 3 Allows for the Chef Constable to optimise the collective workforce at an operational level to best serve the Dorking locality if the move to a joint site is successful 	<ul style="list-style-type: none"> The likelihood of industrial action presents a risk of delay in making the move to this option, which could subsequently delay the success of any estate integration actions

Fire attending police incidents

Current

Successful prevention strategies and fire safety policies in place have seen a fall in demand for traditional fire services (e.g. between 2011/12 and 2015/16 the total number of fires fell by 21%). Consequently SFRS has a significant level of discretionary capacity which it can apply to other related activities. On this basis, in April 2016 a six month pilot was run in which SFRS was to attend minor road traffic collisions (RTC) and obstructions on behalf of Surrey Police.

Although the project was supported at a Chief Fire Officer level there was limited 'buy in' from rank and file firefighters and the Fire Brigades Union (FBU). This resulted in a number of changes to the original project scope, and the obstructions element of the pilot being removed after only 8 days. Following the removal of the obstructions element, the benefits were severely reduced and on average SFRS attended only 1 minor RTC per week instead of the police.

At the conclusion of the pilot in October 2016, the decision was made by the ESCP Operations Board not to continue with the pilot.

Proposed

Assuming change management and service-wide buy in can be achieved, the opportunity is still valid. Not only do firefighters have the discretionary capacity to respond to other emergency calls but they are a more cost effective and arguably in some cases more appropriate resource to deploy.

Based on 1 months extrapolated police call data, it is estimated that Police attend just under 500 incidents regarding 'Animals' and 'Obstructions' which could be appropriate for fire deployment. The majority of these are highway disruption. Assuming fire could respond to all these calls, policing headcount could be reduced, saving the equivalent of £128k a year (appendix 4).

SCC's vision is to more closely match SFRS resources to demand and therefore reduce discretionary capacity. Under options 1 and 2, fire capacity may not exist in the future to pursue this opportunity. The pilot has already been show it was not achievable under current governance. Under options 3 and 4, the single governance and strategy makes this achievable, although the risk of FBU objection and firefighter buy-in would still remain.

Governance option	Economy/Efficiency	Effectiveness	Public safety	Achievability
1 – no change	£0 per year			
2 – representation	£0 per year			
3 – governance	£128k per year			
4 – single employer	£128k per year			



Broadly the same impact on current effectiveness or public safety
Hard to achieve



Small increase in effectiveness or public safety
Achievable but requires focus



Significant increase in effectiveness or public safety
Relatively easy to achieve

Fire attending police incidents

Supporting rationale

The following table provides the rationale for the RAG rating.

Governance Option	Pros	Cons
1	<ul style="list-style-type: none"> No FBU objections to role differentiation No additional training, guidance or communication required to change process for call handlers or SFRS 	<ul style="list-style-type: none"> SCC's vision is of a more streamlined fire service, whose resourcing matches demand. Therefore overall firefighter FTE numbers will reduce and little discretionary capacity may remain, making this difficult to achieve.
2	<ul style="list-style-type: none"> As option 1 	<ul style="list-style-type: none"> As option 1
3	<ul style="list-style-type: none"> Fire discretionary capacity more likely to be protected under PCC if financial value to public purse can be demonstrated. Invokes an agreed single view of threat, harm and risk between fire and police and the most appropriate resources to be deployed, arguably improving public safety and effectiveness. Estimated marginal police saving of £128k, which could be realised by not replacing officers posts lost through retirement or attrition. 	<ul style="list-style-type: none"> Strict guidelines would need to be developed for call handlers to determine what is and is not appropriate for fire attendance. Training may be required. Proper change management including communication plan would be required to ensure buy-in throughout the ranks Potential conflict should a fire specific incident require attendance and nearest fire appliance is attending a 'police' call. Fire capacity is unquantified. FBU may object as they did in the 2016 pilot.
4	<ul style="list-style-type: none"> As option 3 As a single employer, it provides the most flexibility to deliver this opportunity as the Chief Officer can mandate which service is most appropriate / value for money. 	<ul style="list-style-type: none"> As option 3

Shared contact, command & control

Current

SFRS call handling and control room is in the newly developed Salfords and handles approximately 17,000 calls per year. Based on SFRS HR data, 20 FTE are employed in the control and mobilising function. The annualised cost is approximately £1m. The cost per call is approximately £62.60 (£1m / 17,000)

Surrey Police manage approximately 489,000 calls a year, 25% of which are 999 calls and 75% 101 calls. They also manage 26,000 online communications a year. The budget for the Contact and Deployment function is £13.9m with an establishment of 388 FTE. The cost per call is approximately £28.40 (£13.9m / 489,000 calls).

Proposed

This proposal would look at integrating the control rooms, possibly converging on common technology and sharing resource. Whilst a number of complexities would need to be overcome, Surrey Police leadership estimate that the volume of fire calls could feasibly be absorbed in current police staffing levels. Given fire calls account for 3% of the calls Surrey Police currently handle, this is realistic. The convergence of police and fire onto the common Emergency Services

convergence of police and fire onto the common Emergency Services Network (ESN) also supports the logic of shared contact, command and control.

Benefits could be derived from Salfords control site being repurposed. Ultimately however, the biggest opportunity would be realised through a reduction in contact, command and control headcount. We have assumed fire demand can be absorbed within current Surrey Police resource levels and therefore annual savings of £1m are achievable (appendix 5). Given relatively high levels of attrition in contact centre environments, the financial savings could be achieved through workforce turnover as opposed to redundancies. This option would involve a change in Terms and Conditions and is likely to be opposed by the FBU.

Options 3 and 4 are most likely to deliver savings, although the political will could still exist to deliver this opportunity under options 1 and 2, especially considering significant financial challenges. Initially, Surrey Police could act as the replacement fall back site for SFRS fire after Wray Park closes.

Governance option	Economy/Efficiency	Effectiveness	Public safety	Achievability
1 – no change	£851k per year			
2 – representation	£851k per year			
3 – governance	£1.06m per year			
4 – single employer	£1.06m per year			



Broadly the same impact on current effectiveness or public safety
Hard to achieve



Small increase in effectiveness or public safety
Achievable but requires focus



Significant increase in effectiveness or public safety
Relatively easy to achieve

Shared contact, command & control

Supporting rationale

The following table provides the rationale for the RAG rating.

Governance Option	Pros	Cons
All Options	<ul style="list-style-type: none"> • Fall Back arrangements could be moved as an interim / short term / only steps with minimal cost or disruption • Co-located contact centre could be created under all options. Savings could be made if Salfords site is re-purposed resulting in financial efficiencies • Co-location has benefits for interoperability between fire and police, this will be bolstered further when the ESN roll-out means they can shared radio functionality • Synergies with SFRS could be built around the partnership support (e.g. mental health) within Surrey Police contact centre • The most economic opportunity is that of a shared contact functions between SFRS and Surrey Police. This would involve an omni-competent workforce who could answer fire and police calls. Police are confident their existing workforce volumes could absorb the fire call volumes. This would save SFRS £1m annually. Given relatively high levels of attrition in contact centre environments, the financial savings could be achieved through workforce turnover as opposed to redundancies. • Enables a single view of threat, harm and risk to be taken and the most appropriate resources to be deployed, arguably improving public safety and effectiveness. • Good timing to make a strategic decision and commitment on this opportunity as additional specifications can be built into Surrey contact estates specification 	<ul style="list-style-type: none"> • Dependent on Police timescales, finding a suitable replacement site for contact after Mount Browne is sold • If a shared contact centre with Surrey Police is arranged, another fall back location will be required. This could be the Sussex FRS joint operations centre. • Decommissioning what is a newly refurbished control room. Would need balance original investment and benefits plan. • WSxFRS and ESxFRS have a joint operations centre in Haywoods Heath. If SFRS merge contact centres with Surrey Police then it limits the collaborative scope for Tri-fire. If Tri-fire were to all adapt the same mobilising ICT system it would enable far more flexibility of service provision • Retraining all call handlers to dispatch both fire and police, plus agreed deployment protocols • Both fire and police may require an IT change to ensure they are dispatched using the same system. This may require adapting existing systems, for which there will be a configuration and training costs. It may be sensible to time such a move with the adoption of a new ICT system (either SmartSTORM or the Microsoft Dynamics System currently being developed between Thames Valley and Hampshire) • Cost of change, including TUPE, consultation and Communication • The multi-skilled element of may require a change in Terms and Conditions and is likely to be opposed by the FBU. • Could be concerns that capacity and capability is diminished and impacts on effectiveness and public safety • Short term disruption and potential impact on workforce morale as the joint delivery organisation would be created.

Shared contact, command & control

Supporting rationale

The following table provides the rationale for the RAG rating.

Governance Option	Pros	Cons
1	<ul style="list-style-type: none"> Implementing: 1) SFRS fall-back at Surrey police is highly achievable with minimal investment, 2) Co-locating in Surrey Police Contact centre is all very feasible with no change Previous ESCP projects which have only had 2 partners have been achieved 	<ul style="list-style-type: none"> Will require written commitment and governance of the project with ability for both sides to hold each other to account Shared Contact function with omni-competent call handlers is harder without governance change because of the complex arrangements, costs and benefit regarding: <ul style="list-style-type: none"> Convergence of technology. Development of deployment protocols. Cross training of call handlers and dispatchers. Exit/termination penalties for existing arrangements
2	<ul style="list-style-type: none"> As option 1, but voting rights of the PCC increases the likelihood of integrating roles and realising financial savings. 	<ul style="list-style-type: none"> Practical challenges as highlight in option 1.
3	<ul style="list-style-type: none"> Practical challenges highlighted in option 1 are easier to manage with single strategic leadership 	<ul style="list-style-type: none"> Would require the establishment of formal agreements between Surrey Police and SFRS to share roles or create joint delivery organisations.
4	<ul style="list-style-type: none"> As a single employer, it provides the most flexibility to deliver this opportunity as all employees are part of a single organisation. Practical challenges highlighted in option 1 are even easier to manage when resources are all part of the same organisation. 	<ul style="list-style-type: none"> Likely very strong FBU objections

Shared back office

Current

SFRS back office services are provided through 'Orbis' which is an integrated business services function for Surrey and Sussex County Councils. Brighton and Hove City Council recently confirmed that they will join the partnership in April 2018. Orbis consists of the following functions: IT & digital, HR & organisational development, property services, procurement, finance and business operations.

This integration enables SFRS to benefit from perceived economies of scale and efficiencies. SCC levied a corporate recharge of £3.2m to SFRS for the services shown in appendix 6. This is roughly 3% of the overall cost of ORBIS to SCC (£95.6m in 2016/17).

There are few formal SLAs or KPIs established to measure quality or service performance for SFRS.

Surrey and Sussex Police operate a shared service centre. Together with Thames Valley Police, the three forces are developing an ERP system which will include HR, learning & development, payroll, finance (including fleet and procurement) and a duties resource management. This system will underpin the development of a more efficient and customer focused shared service.

Proposed

Benchmarks (see appendix 6) show that economy/efficiency can be improved if back offices services can be delivered in line with the 25th percentile of organisations.

Savings could be achieved under all options, but we have assumed there won't be sufficient drive under options 1 and 2. Under options 3 and 4, the PCC could transfer the back office services into the Surrey and Sussex Police shared service. This would only make sense after ERP has been introduced and therefore is a medium term option.

In the short term, the PCC could renegotiate a service agreement with ORBIS to reduce costs and deliver the appropriate level of service. This would benefit SCC, by providing revenue certainty and minimising disruption for a number years. Implementing SLAs as part of the renegotiation would also enable SFRS to better understand the service required in the future. The rationale for the RAG assessment is provided overleaf.

Governance option	Economy/Efficiency	Effectiveness	Public safety	Achievability
1 – no change	£0 per year			
2 – representation	£0 per year			
3 – governance	£370k per year			
4 – single employer	£370k per year			



Broadly the same impact on current effectiveness or public safety
Hard to achieve



Small increase in effectiveness or public safety
Achievable but requires focus



Significant increase in effectiveness or public safety
Relatively easy to achieve

Shared back office

Supporting rationale

The following table provides the rationale for the RAG rating.

Governance Option	Pros	Cons
1	<ul style="list-style-type: none"> No disruption and therefore no impact on current effectiveness or public safety. It could be argued this option does not increase the cost pressure on SCC. 	<ul style="list-style-type: none"> Unlikely that potential savings would be realised, unless SCC focus on a programme of efficiency improvement in ORBIS services. SFRS are unlikely to receive a better service than at present.
2	<ul style="list-style-type: none"> As option 1 	<ul style="list-style-type: none"> As option 1
3	<ul style="list-style-type: none"> Short/medium term savings are possible. If SLAs are introduced as part of renegotiation, it would provide SFRS with a better understanding of the services and volumes it needs. Creates some pressure on SCC to develop a more efficient service. It also provides Surrey and Sussex Police with comparative information to improve their shared services. 	<ul style="list-style-type: none"> PCC does not have a viable alternative, if SCC were unwilling to renegotiate. Costs could be incurred to move to other third party arrangements whilst ERP is implemented. Savings are predicated on being amongst the best performing organisations and may not fully reflect some of the specific resource requirements (such as detailed knowledge of grey and green book).
4	<ul style="list-style-type: none"> As per option 3 	<ul style="list-style-type: none"> As per option 4

Joint training site

Current

Both fire and police HQ sites are also their main training facilities. Both HQs are due to be sold and both services require a suitable training site.

Wray Park HQ is the main training facility for SFRS. The budget for The centre provides a range of facilities to provide realistic training including: several classrooms, lecture theatre, accommodation block for students, office space for the training department, “fire house” where students train with Breathing Apparatus (BA) in an environment where they are subjected to live fires, heat and smoke, two towers, a drill yard, and confined space training. Wray Park is being sold as an SCC asset and the plans for training site provision have yet to be released.

Mount Browne is the main training site for Surrey Police. The centre includes training classrooms and associated facilities including space for driving school and specialist vehicles practical training including pursuits. They also provide initial police training, operational support, first aid, conflict training, leadership courses, technical investigations courses as well as core system ICT courses.

Propose

Training and development collaboration has been discussed within ESCP for a number of years. However it has yet to progress to scoping stage. With both fire and police in the market for a replacement training site, the opportunity exists for a joint site, perhaps even a JESIP training centre. Skills for Justice states that “the lack of joint training and exercising appears to be the biggest single barrier to interoperability” when referring to JESIP. Any future site would provide the opportunity to continue to improve the offer of realistic training environments and to unlock interoperability benefits aligning to JESIP principles.

We have not estimated the financial savings that could result from a single site due to a lack of confidence on the accuracy of investments and benefits.

However, savings could also be made in integrating training resources in the shorter term. A joint training team could save an estimated 14-15% of current admin costs (£173k in appendix 7). Arguably, this could be achieved under options 1 and 2, although the current integration of Surrey and Sussex Police’s L&D functions mean this would not happen for a number of years

Governance option	Economy/Efficiency	Effectiveness	Public safety	Achievability
1 – no change	£138k per year			
2 – representation	£138k per year			
3 – governance	£173k per year			
4 – single employer	£173k per year			



Broadly the same impact on current effectiveness or public safety
Hard to achieve



Small increase in effectiveness or public safety
Achievable but requires focus



Significant increase in effectiveness or public safety
Relatively easy to achieve

Joint training site

Supporting rationale

The following table provides the rationale for the RAG rating.

Governance Option	Pros	Cons
1	<ul style="list-style-type: none"> Dedicated training space for Surrey fire and police (potential for other partners too, potential income generation?) Collective management of the curriculum should result in streamlined blue light catalogue (e.g. leadership courses could be universal) Assumed 80% of reduced administration costs under options 3 and 4 can be realised (£138k) Potential for JESIP training and bluelight scenario training, positively impacting effectiveness and public safety downstream Joint training embeds JESIP principles, especially when dovetailed with ESN roll out 	<ul style="list-style-type: none"> Joint Learning and Development is an area which Surrey and Sussex police are exploring and any plans would need to fit in with their existing developments. There is a risk that fire would be the 'poor relation' in such a setup. Firm written commitment with agreed timescales and a method to hold each other to account may be useful to mitigate this risk, as may an associated cost sharing agreement. No site identified yet, although Gatwick has been mooted Finding the site will be potentially harder as the requirements list is more extensive the more partners involved There is a risk that the requirements for the two sites may not line up at the same time (dependency: sale and cash release from various sites), or that sufficient development capital may not be available The SCC replacement training provision after the sale of Wray Park has not been shared as yet. The plans could alter the outlook of a joint police/fire training site
2	<ul style="list-style-type: none"> As option1 	<ul style="list-style-type: none"> As option1
3	<ul style="list-style-type: none"> As option 1 Reduced administration costs, a 14-15% reduction of training staffing was assumed (£173k) As both organisations are under the same governance and scrutiny the likelihood of driving joint training forward increases 	<ul style="list-style-type: none"> No site identified yet, although Gatwick has been mooted Finding the site will be potentially harder as the requirements list is more extensive the more partners involved
4	<ul style="list-style-type: none"> As option 1, plus As they are one organisations under one Chief Officer decisions can be made quickly and investments can be easily balanced against organisational needs Chief Officer has control over all the estate and as such can more flexibly move resources round in the future as requirements change 	<ul style="list-style-type: none"> No site identified yet, although Gatwick has been mooted Finding the site will be potentially harder as the requirements list is more extensive the more partners involved

Combined intelligence function

Current

According to the 2016 HMIC VfM profile, Surrey Police had 132 FTE invested in intelligence functions (65 officers, 67 staff) at a cost of £6.6m.

SFRS also has an Intelligence Team comprised of 22 FTE and costing approximately £877k. This unit analyses current demographic information, partner data sets (e.g. adult social care), risk assessments and future trends to identify the changing landscape and community risk so that SFRS can plan for and mitigate these risks.

Proposed

There is a sound logic to integrate the intelligence functions. Not only could this result in cost savings, but arguably effectiveness and public safety would be improved. SFRS have a proven approach to the identification and mapping of risks, which complement policing intelligence and could bolster effectiveness and public safety. The intelligence unit could operate under local police or fire leadership, with preventative and early intervention activity targeted through a single view of threat, harm and risk in each area.

Estimated savings of £87k are realisable (appendix 8). Options 3 and 4 are most likely to deliver savings given all resources are under single control, although the political will could still exist to deliver this opportunity under options 1 and 2, especially considering significant financial challenges (we've assumed 80% of the savings can be realised). However the risk of FBU opposing is high in all options which results in changes to terms and conditions and/or staff reduction

Governance option	Economy/Efficiency	Effectiveness	Public safety	Achievability
1 – no change	£69k per year			
2 – representation	£69k per year			
3 – governance	£87k per year			
4 – single employer	£87k per year			



Broadly the same impact on current effectiveness or public safety
Hard to achieve



Small increase in effectiveness or public safety
Achievable but requires focus



Significant increase in effectiveness or public safety
Relatively easy to achieve

<https://www.local.gov.uk/sites/default/files/documents/fire%20peer%20challenge%20-%20Surrey%20Fire%20Peer%20Challenge%20-%20Final%20Report.pdf>

Combined intelligence function

Supporting rationale

The following table provides the rationale for the RAG rating.

Governance Option	Pros	Cons
1	<ul style="list-style-type: none"> Integration of SFRS and Surrey Police intelligence functions could occur without a governance change. We have assumed an 80% probability this would occur. There are potential benefits for public safety, effectiveness and efficiency – at the very least the police gain a bolstered community intelligence unit, however it is very possible they will see an increased understanding of their communities and SFRS analyse a wide data set including the Essex data. 	<ul style="list-style-type: none"> Fully dependant on agreements rather than governance.
2	<ul style="list-style-type: none"> As per option 1. This is the sort of initiative where a PCC on FRA would be helpful to bridge the gap between council partners (supplying the data) and fire/police who would analyse/use the data 	<ul style="list-style-type: none"> PCC has one vote amongst many, and therefore may not feel he is sufficiently able to influence decisions. Dependant on agreements rather than governance.
3	<ul style="list-style-type: none"> A single view of threat, harm and risk at a community level could prompt a joint plan and deployment of most appropriate resources arguably improving public safety and effectiveness. In turn this could yield indirect savings in community services Assumed 10% saving of SFRS intelligence personnel (£87k) 	<ul style="list-style-type: none"> FBU objection is likely as this involves a change in employee terms and conditions
4	<ul style="list-style-type: none"> As option 3, but likely full integration of intelligence unit into policing analytics resulting in potential resource efficiency savings and full expansion joint public safety and effectiveness benefits. Assumed 10% saving of SFRS intelligence personnel (£87k) 	<ul style="list-style-type: none"> FBU objection is likely as this involves a change in employee terms and conditions

Governance

Current

Each organisation is currently governed separately, with varying models of governance each incurring a certain level of cost.

- The PCC holds the Chief Constable of Surrey Police to account, and is scrutinised by the Police and Crime Panel.
- SFRA provides governance for SFRS, and consists of 10 members from SCC (Leader, Deputy Leader and 8 Cabinet Members). Cabinet meets monthly. A Communities Scrutiny Panel also meets 5 times a year to scrutinise various aspects of the councils work including SFRA.

The current cost of fire governance (member’s allowances and expenses) for SFRA is estimated at £93k per annum (see appendix 9).

Proposed

Based on discussions with the OPCC, it is clear that the office does not currently have the capacity to take on the oversight of the fire service. It is estimated that an additional OPCC executive role and a support officer post would be required, at an estimated annual cost of £105k.

Whilst under options 3 and 4, it may be possible to save the current cost of governance (£93k) by reducing member allowances, the reality is SCC members also perform other roles which would make this difficult.

Therefore we have assumed no cost savings from SFRS’s existing governance under options 3 and 4 but a £105k **increase** in the cost of governance due to additional roles in the OPCC from 2018/19 onwards.

Governance option	Economy/Efficiency	Effectiveness	Public safety	Achievability
1 – no change	Same			
2 – representation	Same			
3 – governance	Increase of £105k per year			
4 – single employer	Increase of £105k per year			



Broadly the same impact on current effectiveness or public safety
Hard to achieve



Small increase in effectiveness or public safety
Achievable but requires focus



Significant increase in effectiveness or public safety
Relatively easy to achieve

Governance

Supporting rationale

The following table provides the rationale for the RAG rating

Governance Option	Pros	Cons
1	<ul style="list-style-type: none"> No change from a situation many stakeholders are comfortable with New cabinet member has experience of and a genuine interest in SFRS. She previously trained as an on-call firefighter. Familiar drumbeat of fire governance through monthly Cabinet meetings Council checks and balances are inbuilt to the governance system, reducing likelihood of knee-jerk reactions 	<ul style="list-style-type: none"> SFRS is not a top priority within SCC Stakeholder perception that scrutiny by members is light touch Decision making is tied into monthly cabinet meetings, which makes decision capability slower. Current governance likely ill-prepared for increased inspection through HMICFRS
2	<ul style="list-style-type: none"> PCC has a voice on FRA and is able to formally drive forward blue light collaboration and therefore arguably improve effectiveness and public safety. Continues to build trust at the political level. PCC arguably brings a broader perspective and a broader electorate PCC is able to formally and publicly influence matters related to fire 	<ul style="list-style-type: none"> Duplication of costs across organisations and potentially a marginal increase in costs from PCC attendance at FRA meetings. PCC has one vote amongst many, and therefore may not feel he is sufficiently able to influence decisions. Police and fire service interests may not be aligned. Pace of fire governance driven by monthly meeting structure.
3	<ul style="list-style-type: none"> Fire matters are more prominent under PFCC governance Able to govern broader public safety agenda Quicker speed of decision making Increased accountability once PFCC is elected to deliver IRMP and Police & Crime Plan PCC experience of HMIC inspections well placed to respond to impending fire equivalent Separate fire precept makes fire funding more transparent 	<ul style="list-style-type: none"> Limited scrutiny powers of the Police and Crime Panel Capacity of the PFCC and his Office. Estimated cost of £105k to increase capacity. Police and Crime Panel will require fire service expertise to provide appropriate governance Potentially less transparent because of police and crime panel selection Loss of checks and balances of slower committee structure within SCC?
4	<ul style="list-style-type: none"> As option 3, plus Single point of operational accountability 	<ul style="list-style-type: none"> As option 3 Additional risk of union action which could create short term disruption.

Joint fleet strategy

Current

The Surrey Police Fleet comprises 867 vehicles, including 639 cars and 182 vans, and already operates in a combined fleet with Sussex Police through the Joint Transport Service (JTS). The SFRS fleet comprises 174 vehicles, including 122 cars and 21 vans.

The Surrey and Sussex JTS Asset Management Plan notes the aspiration to develop closer working relationships with East Sussex, West Sussex and Surrey Fire & Rescue Services, including:

- A joint fuel management solution
- Joint vehicle recovery
- Joint vehicle accident vehicle repair contracts

A new fuel management solution is currently being piloted across all Police bunker sites and is due to expand to cover all Fire and Rescue East Sussex, West Sussex and Surrey in mid-2018.

A new police maintenance site at Crawley Down will allow the closure of existing police workshops at Astley House, Horsham and Godstone, with services due to be extended to support SFRS by mid-2018. The Joint Change Board has noted slow progress in identifying a solution that integrated SFRS from the start, leading to the decision to progress Crawley Down independently.

The next site identified for development by the JTS is Stonebridge. Funding earmarked in principle includes £0.5m from the Fire Transformation grant. The JTS already conduct some maintenance work on behalf of SFRS but this appears minor, at ~£75k/annum in total for all third parties.

The extent of financial benefits resulting requires further investigation:

- The SFRS July month end report notes delayed delivery of Joint Transport initiatives, with £4.5m of funding pushed back.
- £0.2m SFRS 17/18 savings expected from Blue Light collaboration on fleet have been replaced by other savings. There doesn't appear to be an expectation of delivery in later years.

- No other SFRS savings appear to be attributable to joint fleet initiatives.
- No clear reference to savings attributable to joint fleet initiatives is included in the Police MTFP or August 2017 MTFF Board update
- Plans for the Police workshop spaces being closed once Crawley Down becomes operational are also unclear. Godstone is significant, with the vehicle workshop occupying more than 1000m²

Proposed

SFRS has access to funding to create a joint police and fire maintenance site, however putting this into practice has been delayed.

Given the existing mechanisms to promote to joint maintenance and fuelling, and the successful collaboration between Surrey and Sussex Police, the key focus for both police and SFRS should be ensuring that the initiatives proceed to time and budget, and that any potential savings and capital receipts resulting from the initiatives are being captured.

Expansion of the joint procurement performed by the JTS to the SFRS may also be beneficial where the entities use the same vehicles (the Vauxhall Astra for example).

Other options considered include:

- Car sharing between Surrey Police and SFRS: given that both entities appear to use the same types of vehicle, there may be possibilities to share spare capacity, thereby reducing the overall number of vehicles required. This has been discounted due to the distance between bases and the complexity of matching availability with need.
- Expanding joint maintenance: if capacity is available, it may be beneficial for the Police to increase the amount of maintenance they provide to SFRS (or vice versa if capacity sits within SFRS). Assessing this requires further data on available capacity and rates charged.

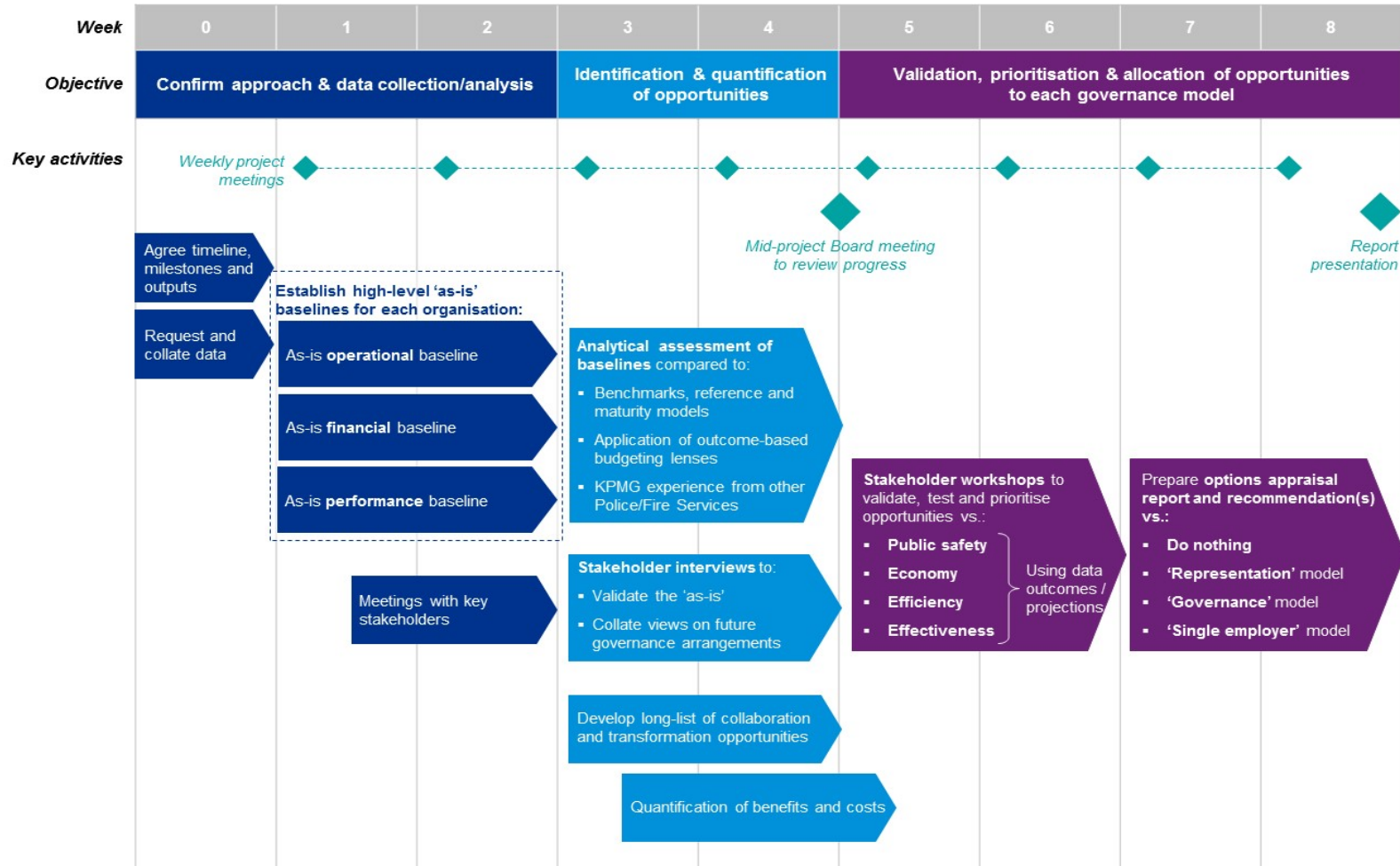
No further savings from fleet collaboration have been estimated for the options appraisal.



Appendices

Appendix 1

KPMG approach



Appendix 2

Stakeholders engaged

Stakeholder engaged with	Organisation
David Hodge, SCC Leader	SCC
David McNulty, exiting Chief Exec	SCC
Trevor Pugh, Director of Environment and Infrastructure	SCC
Denise Turner-Stewart, Cabinet member for Communities	SCC
Ann Charlton, Director of Legal, Democratic & Cultural Services	SCC
Sheila Little, Finance Director for Orbis and S151 Officer for SCC	SCC
Helen Atkinson, Director Adult Social Care	SCC
Andy Tink, Senior Principal Accountant	SCC
Jane Last, Lead Manager for Community Partnerships & Safety	SCC
John Stebbings, Chief Property Officer	SCC
Russell Pearson (CFO)	SFRS
Sally Wilson (Head of Intelligence and Mobilising)	SFRS
Rachael Lake (Chair)	Communities Select Committee

Stakeholder engaged with	Organisation
David Munro, PCC	OPCC
Alison Bolton, Chief Executive	OPCC
Ian Perkin, Treasurer	OPCC
Johanna Burne, Senior Policy Officer	OPCC
Paul Rees, Chair of Audit Committee	OPCC
Nick Ephgrave (Chief Constable)	Surrey Police
Gavin Stephens (DCC)	Surrey Police
Paul Bundy, Head of Finance	Surrey Police
Judy Gavan, Estates	Surrey Police
Steve Barry, ACC	Surrey & Sussex Police
Neil Roberts, CIO	Surrey & Sussex Police
Daisanne Summersfield, Head of Shared Business Services	Surrey & Sussex Police
Jane Harwood, ACO People Services	Surrey & Sussex Police
Michelle Grondona, Head of Surrey Change Delivery Team	Surrey & Sussex Police
David Paul, SERIP Lead	SERIP

Stakeholder engaged with	Organisation
Mark Arkwell (Strategic Lead) & Alex Jenkins (Programme Office)	ESCP
Stuart Murray	Surrey Police, Unison
Melanie Warnes & Paul Campbell	Surrey Police Federation
Jane Armitage	SCC, Unison
Steve Schooling, Chair of FOA	SFRS
Richard Jones, FBU Rep for SE	FBU

Appendix 3

Analysis of opportunities to share estate

Fire Station	Comments on fire station	Nearby Police station	Rationale	Potential
Banstead Fire Station	This is leased from Surrey Police with a lease expiry in 2018. There is a plan to close this station.	Banstead Police Station	The Fire Station is already on leased ground from the police land but is due to close. It is unclear whether a replacement tenant has been secured.	RED
Camberley Fire Station	Fully utilised and in good condition.	Camberley Police Post	The Police Post and Fire Station are on opposite sides of town, however colocation may be beneficial if the financial situation becomes severe.	RED
Chertsey Fire Station	This is fully utilised and also been setup as a Bronze Command Control for major incidents	Chertsey Garage	The police site is listed as a garage, store and archive. Subject to confirmation of what is being stored at this site it may be beneficial to consider whether this could be collocated at an appropriate site.	AMBER
Chobham Fire Station	Retained. Fully utilised and in good condition.	No nearby Police Stations	There are no nearby Police Stations.	RED
Cranleigh Fire Station	Retained. Fully utilised and in good condition. Going through installation of gas powered heating during 17/18.	Cranleigh Police Post at the leisure centre	The Police Post is leasehold, therefore no capital savings are available. The strategic aim for the Police Station is to be in a community building however this site is less than half a mile from a retained fire station, so there may be scope to combine the sites.	AMBER
Dorking Fire Station	Fully utilised and in good condition.	Mole Valley DC Co-Location	This Fire Station sold and replaced within a combined site on completion of a new Police HQ nearby.	GREEN
Dunsfold Fire Station	Retained. Fully utilised and in good condition	No nearby police stations	There are no nearby Police Stations	RED
Egham Fire Station	Fully utilised and in good condition.	Egham Police Post at Fire Station	Egham Police Post is already located at the fire station.	RED
Epsom Fire Station	Underutilised and in need of refurbishment. There is a plan to move the station, however the location hasn't yet been confirmed.	Epsom and Ewell Police Post located in Epsom Town Hall	No obvious benefit given that the fire station is to be moved. Further consideration once the new location of the fire station is identified may be beneficial.	RED
Esher Fire Station	Planned for closure (subject to consultation) with the fire engine and crew will moving to Walton Fire Station	Elmbridge BC Co-location	The Fire Station is due to be closed.	RED
Farnham Fire Station	Fully utilised but requires redecoration and replacement of windows.	Farnham Police Post at Fire Station	Farnham Police Post is already located at the Fire Station	RED
Godalming Fire Station	Retained. Fully utilised and in good condition. Heating system replacement is planned for 17/18.	Police Post located in Waverley council offices	The Police Post is leasehold, therefore no capital savings are available. The strategic aim for the Police Station is to be in a community building. The fire station is 0.2 miles away from the police site.	AMBER
Godstone Fire Station	Fully utilised and in good condition.	Godstone RPU base	Police site already closing as part of Mount Brown development	RED
Gomshall Fire Station	Retained. Fully utilised and in good condition.	No nearby police stations	There are no nearby Police Stations	RED

■ Not recommended
 ■ Potential but not likely
 ■ Opportunity



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Appendix 3

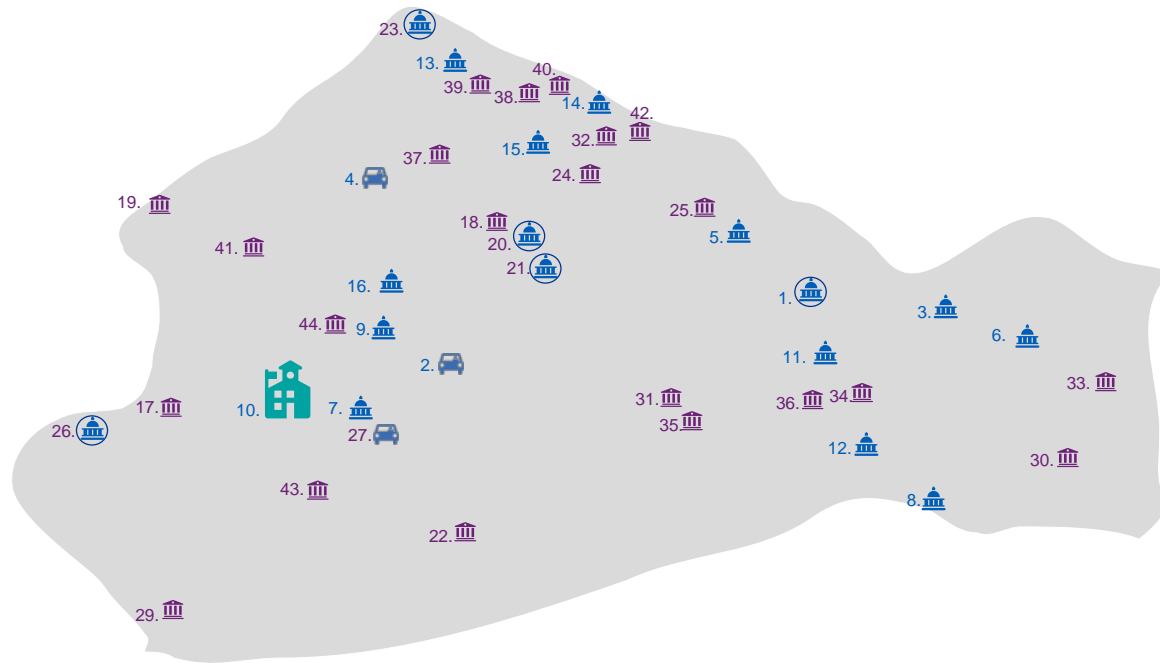
Analysis of opportunities to share estate

Fire Station	Comments on fire station	Nearby Police station	Rationale	Potential
Guildford Fire Station	Fully utilised and in good condition. This is newly built and therefore difficult to expand	Guildford Police Station	Had Guildford Fire Station not so recently been built, it would have been an excellent candidate for a Police/Fire joint site. However Guildford Police includes a custody suite, 600 staff and car parking spaces. There is not enough space to expand Guildford fire station.	RED
Haslemere Fire Station	Fully utilised and in good condition.	Haslemere Police Post at Borough Council locality office	There are no capital savings, in addition the strategic aim for the Police Station is to be in a community building. The fire station is 0.1 miles from the police station.	AMBER
Leatherhead Fire Station	Fully utilised and in good condition.	No nearby police stations	There are no nearby Police Stations	RED
Lingfield Fire Station	Retained. Fully utilised and in good condition.	Lingfield Police Post at Lingfield and Dormansland Community Centre	The strategic aim for the Police Station is to be in a community building, however the Fire Station is only 0.5 miles from the Police Station.	AMBER
Oxted Fire Station	Retained. Fully utilised and in good condition.	Oxted Police Post, District Council Offices	The strategic aim for the Police Station is to be in a community building. The Fire Station is 0.2 miles from the Police Station.	AMBER
Painshill Fire Station	Fully utilised and in good condition.	Cobham Police post at Painshill Fire Station	The police are already located in Painshill Fire Station	n/a
Reigate Fire Station	Fully utilised but requires redecoration.	Reigate Police station	The Police Station is already closing as part of the Mount Browne development	RED
Salford Fire Station and Salford Control	Fully utilised new build, in good condition. The control centre is above the fire station, and currently only 50% occupied.	Salford Custody Unit	It is unclear whether the site will become fully occupied in the near future. In addition, a custody suite and interview suite would be necessary in order to replace the exiting police site.	AMBER
Staines Fire Station	Due for closure when the new Fordbridge Fire Station is opened. The site is leasehold and requires major refurbishment.	Staines Police Station Probation Offices Staines	The Fire Station is due for closure when the new Fordbridge Fire Station is opened.	RED
Sunbury Fire Station	Due for closure when the new Fordbridge Fire Station is opened	Sunbury Police Station is closed, with the site being sold.	The Fire Station is due for closure when the new Fordbridge Fire Station is opened	RED
Walton Fire Station	This is to be refurbished and become a whole-time Fire Station with the Esher Fire Station closure (subject to consultation)	Walton South Police Post	The Fire Station is becoming a wholetime Fire Station and the Police Post appears to be closed.	n/a
Woking Fire Station	Fully utilised new build, in good condition.	Woking Police Station	The Police Station is in scope for wider plans around future police estate.	n/a
HQ Reigate Wray Park	Not fully utilised, reasons include ongoing issues with the duct extract system.	Reigate Police Station	This is not included as part of Fire Station assets	n/a

■ Not recommend
 ■ Potential but not likely
 ■ Opportunity

Appendix 3

Police site locations in Surrey



Key:

 Police station

 Headquarters

 Council building/civic centre/town hall

 Already located with fire

 Garage

Freehold

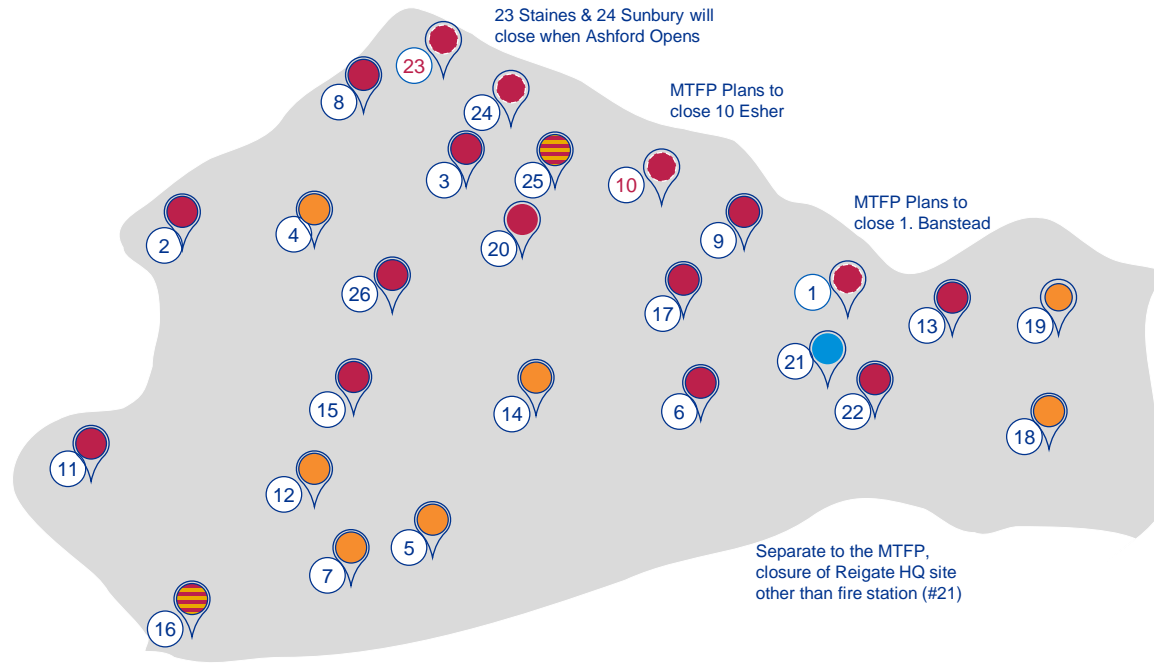
1. Banstead PS
2. Burpham TFU Base
3. Caterham PS
4. Chertsey
5. Epsom PS (Vacant/ closed)
6. Godstone RPU base
7. Guildford PS
8. Horley PS
9. Knaphill i/v suite
10. Mount Browne
11. Reigate PS
12. Salfords Custody unit & i/v suite
13. Staines PS
14. Sunbury PS (Vacant/ Closed)
15. Weybridge i/v suite
16. Woking PS

Leasehold

17. Ash Police Post
18. Byfleet Police Post
19. Camberley Police Post
20. Chobham Police Post
21. Cobham Police Post
22. Cranleigh Police Post
23. Egham Police Post
24. Elmbridge BC Co – location
25. Epsom and Ewell BC Co – location
26. Farnham Police Post
27. Fleet Services
28. Force Archive
29. Haslemere Police Post
30. Lingfield Police Post
31. Mole Valley DC Co – location
32. Molesey Police Post
33. Oxted Police Post
34. Redhill Aerodrome dog school office
35. Redhill Police Post
36. Reigate and Banstead BC Co-location
37. Runnymede BC Co-location (Long lease)
38. Shepperton Police Post
39. Spelthorne BC Police Post
40. Sunbury Police Post
41. Surrey Heath BC Co – location
42. Walton South Police Post
43. Waverley BC Co-location
44. Woking BC Co-location

Appendix 3

Fire station locations in Surrey



Key	Fire station
	Wholetime (18)
	Retained (7)
	Variable crewing (2)
	MTFP proposed closures
	Headquarters
Banstead & Staines	Leasehold
Remaining	Freehold

- 1 Banstead fire station
- 2 Camberley fire station
- 3 Chertsey fire station
- 4 Chobham fire station
- 5 Cranleigh fire station
- 6 Dorking fire station

- 7 Dunsfold fire station
- 8 Egham fire station
- 9 Epsom fire station
- 10 Esher fire station
- 11 Farnham fire station
- 12 Godalming fire station

- 13 Godstone fire station
- 14 Gomshall fire station
- 15 Guildford fire station
- 16 Haslemere fire station
- 17 Leatherhead fire station
- 18 Lingfield fire station

- 19 Oxted fire station
- 20 Painshill fire station
- 21 Reigate fire station
- 22 Salfords fire station
- 23 Staines fire station
- 24 Sunbury fire station
- 25 Walton fire station
- 26 Woking fire station

Appendix 4

Fire attending Police Calls calculations

1 months data of Police Incidents for Animals and Obstructions which could warrant fire response

Final classification	Initial Classification		
	Animals	Obstructions	Total
CONCERN FOR SAFETY		2	2
HIGHWAY DISRUPTION	17	421	438
HORSES	10		10
RTC/INCIDENT - DAMAGE ONLY		17	17
VEHICLE NUISANCE / INAPPROPRIATE USE		9	9
WILDLIFE	15		15
Total	42	449	491

Assuming 1 hour per incident, number of hours per year required (491 x 12)
5,892

Estimated opportunity cost for police (£2.81 x £491 x 12)

Police cost per hour	Police cost per month to attend 491 incidents	Annualised
£21.81	£10,708.71	£128,504.52

Estimated fire discretionary capacity per year

Assumed hours per day discretionary, shift	Number of wholetime fire stations,	Hours per day discretionary, SFRS (2 hours x 18 fire stations)	Hours per year discretionary, SFRS (36 x 365 days)
2	18	36	13,140

Assumptions

It is assumed £128k of savings per year can be realised under options 3 and 4 only. Savings will be realised by removing vacant police officer posts as officers retire or from attrition.

To realise these savings it has been assumed £30k of costs will be incurred. This is an estimate of project management costs, costs to train call handlers to deploy firefighters and training costs for firefighters to attend certain call types.

It has been assumed costs will be incurred in 2018/19. It is also assumed 6 months of benefit (£64k) is delivered in 2018/19, with a full year's benefit (£128k) delivered in 2019/20 onwards.

Appendix 5

Shared contact, command & control

Police Contact Centre

	Estimated 999 calls	Estimated 101 calls	Total calls
Summer	72000	207000	279,000
Winter	54000	156000	210,000
Total p.a.	126,000	363,000	489,000
% split	26%	74%	

Total Operating Budget for Contact and Deployment	£13,900,000
Establishment	388 FTE
Cost per call (budget / # calls)	£28.43

Source: Head of Surrey Contact

Fire Contact Centre

	Estimated 999 calls volume (2016)	# people on duty per shift
2016	17,000	4

Budget including 2% pay award 2016	£1,063,935
Establishment	21.5 FTE
Cost per call (budget / # calls)	£63.58

Source: 26c Historical data on 999 volumes Source: 26g Control Staff costs

Estimated savings

The Surrey Police contact management portfolio holder estimates that fire service demand can be absorbed within current staffing levels. Therefore all current fire service posts have been assumed as realisable savings (£1.064m).

In reality, the realisation of savings would come from not replacing posts made vacant from attrition.

It has been assumed this saving is more realisable under options 3 and 4, as the resources are under the control of the PCC. However, given SCC's financial situation it has been assumed there is an 80% chance this could be achieved under current governance or option 2.

To realise these savings it has been assumed £500k of costs will be incurred. This breaks down as £300k of project management costs over two years and an estimated £200k to configure the a common command and control system for the fire service. These will require full validation.

It has been assumed this will take 18-24 months to implement. Therefore, savings have been assumed to be realised in 2020/21. Costs would be incurred in 2018/19 and 2019/20.

Appendix 6

Shared back office

Baseline

SFRS corporate recharges for ORBIS 2016/17

£'000s	TOTAL DIRECT COSTS	Shared Costs	TOTAL CORPORATE ALLOCATION
Property	1,807	576	2,383
Property Projects (one-off activity)	335	296	631
IMT	161	723	884
Audit	0	28	28
Finance	0	129	129
SSC Finance - Accounts Receivable	0	13	13
SSC Purchase & Accounts Payable	0	31	31
SSC HR & Payroll	0	132	132
Insurance	0	420	420
HR Casework & Policy	0	376	376
HR Training	0	9	9
Pension Team	0	107	107
Procurement	0	44	44
Subtotal - Managed and provided by Orbis	2,303	2,884	5,187
Legal Services	0	152	152
Leadership Team	0	6	6
Policy & Performance	0	23	23
Communications	0	134	134
Customer Service-Contact Centre	0	18	18
Total Allocation	2,303	3,216	5,520

Estimated savings

Estimated savings should be treated with caution. Comparison against selected KPMG benchmarks suggests that the ORBIS provision is in line with average costs. However, improvement of the service to the 25th percentile of government organisations could also offer savings, as shown opposite.

Benchmark costs for selected recharges

All benchmarks based on government organisations with fewer than 1,000 FTE unless otherwise stated				
	Average	75th percentile	25th percentile	Notes
Total cost to perform HR function per £1000 revenue	2.37	5.47	1.51	Gov orgs with less than 1000 employees (21 orgs)
HFRS budget (excl ORBIS recharges)	£ 31,800,000	£ 31,800,000	£ 31,800,000	
cost of HR	£ 75,366	£ 173,946	£ 48,018	
				Gov orgs with less than 1000 employees (15 orgs)
total cost of finance as % of revenue	1.54%	2.30%	1.06%	
HFRS budget (excl ORBIS recharges)	£ 31,800,000	£ 31,800,000	£ 31,800,000	
cost of finance	£ 489,720	£ 731,400	£ 337,080	
				Note this benchmark is all government organisations (92 orgs)
Total IT cost incl deprec/amort per £1000 revenue	36.06	43.05	18.29	
HFRS budget (excl ORBIS recharges)	£ 31,800,000	£ 31,800,000	£ 31,800,000	
cost of IT	£ 1,146,708	£ 1,368,990	£ 581,622	
Benchmark cost of back office	£ 1,711,794	£ 2,274,336	£ 966,720	
ORBIS recharge	£ 1,709,538	£ 1,709,538	£ 1,709,538	This comparison only includes HR, Finance and ICT
HR (SSC HR, payroll, HR casework & policy, HR training, pensions)	£ 624,235			
Finance (finance, SSC AP, SCC AR, audit)	£ 201,215			
IMT (HFRS spend)	£ 884,088			
Saving	£ 2,256	£ 564,798	-£ 742,818	

It is important to note the benchmark savings would be subject to further validation to ensure a true like for like comparison, for example taking account of additional ICT required by fire and rescue services. It should also be noted that SCC have developed plans to improve the efficiency of the ORBIS service by 14% and this may be reflected in a reduced recharge to SFRS in future years.

It is assumed a change of governance would be required to realise savings from this opportunity. In the short to medium term the best way to realise potential savings would be to review service levels/provision with ORBIS. The alternative of transferring the SFRS back office services into the collaborative Surrey and Sussex Police back office is a longer term option. It will require additional investment to configure the ERP solution for the fire service and would incur costs related to TUPE of relevant staff. The impact on SCC's fixed costs would also need to be considered.

Being realistic, we have assumed half of the savings (£370k) are possible under options 3 and 4 through such a review. To realise these savings it has been assumed £50k of project and legal costs will be incurred to facilitate the review. It has been assumed a full year's saving is achieved in 2020/21. Costs would be incurred in 2019/20.

Appendix 7

Joint training team savings

Current fire training spend (staffing)

	Staff Pay
Administrative Staff	£277,000
Fire Brigade Staff	£896,000
Total	£1,173,000
14-15% estimated saving	c£173,000

Source: SCC Detailed Fire Budget 2017

Estimated savings

We have not calculated any savings (or investments) associated with movement to a single police/fire training site. There are dependencies with the development of a new police HQ and as such it could be assumed a minimum of 4-5 years before a single training site would be a reality.

Savings from integration of training staffing could be realised more quickly. However, Surrey and Sussex Police are in the process of collaborating on L&D and it could be assumed the integration of fire training would take place after then.

Analysis from the 2016 LGA Shared Service Map suggest average savings of 23% from shared service arrangements. However, one third of partnerships realise savings of 10% or less. Therefore we have assumed 14-15% of the fire training staffing can be saved, generating annual savings of £173k.

It has been assumed this saving is more realisable under options 3 and 4, as the resources are under the control of the PCC. However, given SCC's financial situation it has been assumed there is an 80% chance this could be achieved under current governance or option 2.

To realise these savings it has been assumed £50k of project management costs will be incurred, plus 6 months redundancy (£86.5k).

It has been assumed costs are incurred in 2020/21, delivering 6 months saving in 2020/21 and a full year's thereafter.

Appendix 8

Shared intelligence

Joint intelligence staffing

	FTE	£
Surrey Police	132	£6.6m
SFRS	22	£877k
Assumed 10% of SFRS	2.2	£87k

Sources: HMIC VFM Profile 2016 & SCC Detailed Fire Budget 2017

Estimated savings

Analysis from the 2016 LGA Shared Service Map suggest average savings of 23% from shared service arrangements. However, one third of partnerships realise savings of 10% or less. Therefore we have assumed 10% of the fire intelligence staffing can be saved, generating annual savings of £87k.

It has been assumed this saving is more realisable under options 3 and 4, as the resources are under the control of the PCC. However, given SCC's financial situation it has been assumed there is an 80% chance this could be achieved under current governance or option 2.

To realise these savings it has been assumed £30k of project management costs will be incurred, plus 6 months redundancy (£43.5k).

It has been assumed costs are incurred in 2018/19, delivering benefits in 2019/20.

Appendix 9

Existing governance costs - SCC allowance and expenses

	Basic allowance	Special responsibility allowance	Mileage claim	Misc travel	Subsistence	Grand total
Communities select committee	Divided by 9	Divided by 9	Divided by 9	Divided by 9	Divided by 9	£ 18,657
Rachael Lake	£ 1,378.44	£ 144.56				£ 1,523
Saj Hussain	£ 1,378.44					£ 1,378
Bob Gardner	£ 1,378.44	£ 167.00	£ 68.22	£ 2.00		£ 1,616
David Goodwin	£ 1,378.44		£ 54.00			£ 1,432
<i>Alison Griffiths</i>	£ 1,378.44					£ 1,378
<i>Richard Hampson</i>	£ 1,378.44					£ 1,378
Marisa Heath	£ 1,378.44	£ 111.00	£ 78.00	£ 3.00		£ 1,570
Jan Mason	£ 1,378.44					£ 1,378
<i>Cameron McIntosh</i>	£ 1,378.44					£ 1,378
<i>Lesley Steeds</i>	£ 1,378.44					£ 1,378
Barbara Thomson	£ 1,378.44	£ 144.56	£ 76.00			£ 1,599
Keith Witham	£ 1,378.44	£ 1,110.00	£ 152.89		£ 4.89	£ 2,646
Fire Pensions Board						
Nick Harrison	£ 12,406.00	£ 1,208.00	£ 981.00	£ 35.00		£ 14,630
John Orrick	£ 12,406.00		£ 1,226.00	£ 52.00		£ 13,684
<i>Richard Jones</i>	£ 12,406.00					£ 12,406
<i>Glynn Parry-Jones</i>	£ 12,406.00					£ 12,406
Cabinet member	Divided by 12	Divided by 12	Divided by 12	Divided by 12		
Denise Turner-Stewart	£ 1,878.74	£ 1,040.67	£ 148.42	£ 62.67		£ 3,130
Director of Communities and Infrastructure	Divided by 8					
Trevor Pugh - Director of Communities and Infrastructure	£ 18,110.38					£ 18,110
Total						£ 93,024

Source:

<https://www.surreycc.gov.uk/our-council/councillors-and-committees/members-allowances>. Note - any figures in italics are assumed. Trevor Pugh's allowance has been sourced from <http://www.getsurrey.co.uk/news/surrey-news/seven-surrey-county-council-bosses-12495399>

Appendix 9

Existing governance

The **Communities Select Committee** meets bi-monthly and scrutinises the following 9 broad topics. We have divided the governance cost by 9 assuming that all 9 topics are given equal emphasis:

1. Community Safety
2. Fire and Rescue Service
3. Cultural Services
4. Legacy and Tourism
5. Sport
6. Voluntary Sector Relations
7. Customer Services
8. Localism
9. Trading Standards and Environmental Health

Source: <https://mycouncil.surreycc.gov.uk/mgCommitteeDetails.aspx?ID=172>

The **Cabinet Member for Communities**, Denise Turner-Stewart, has the following 12 key areas of responsibility:

1. Community engagement (including local committees)
2. Community safety
3. Coroner's Service
4. Cultural Services (including libraries, heritage, arts and citizenship and registration)
5. Customer Services
6. Trading Standards
7. Emergency planning
8. Equalities
9. Major cultural and community events
10. Surrey Fire and Rescue Service
11. Sport
12. Volunteering and voluntary sector relations

We have divided the governance cost by 12 assuming that all 12 topics are given equal emphasis

Source: <https://mycouncil.surreycc.gov.uk/mgExecPostDetails.aspx?ID=629>

Environment and Infrastructure's purpose is to enable safe, reliable journeys and sustainable, prosperous places now and in the future. The Directorate is also responsible for 8 main services:

1. Waste Service
2. Highways and Transport Service
3. Place Development Service
4. Surrey Fire and Rescue
5. Emergency Management
6. Superfast Surrey Broadband
7. Trading Standards
8. Community Safety

We have divided the governance cost by 8 assuming that all 8 topics are given equal emphasis

Source: <https://www.surreycc.gov.uk/your-council/council-services/environment-and-infrastructure-directorate>

Appendix 9

Forecast costs of governance

Discussions with the OPCC suggest it does not have the capacity to take on the governance of the fire service. It has been suggested a senior role would be required to oversee the fire service, broadly equivalent to the current OPCC Chief Executive. An additional support officer post would also be required.

In scenario A, SCC is able to save the cash currently paid to members in allowances and expenses. This is unlikely given members have other responsibilities for SCC.

Therefore scenario B is more likely, resulting in an additional cost of £105,000. This would be incurred each year from 2018/19 under options 3 and 4.

Scenario A - Governance costs reduce at SCC in option 3 / 4

Estimated saving of SCC governance for SFRS	-£90,240
Additional PCC Chief Executive	£80,000
Additional support officer	£25,000
	£ 14,760

Scenario B - Governance costs do not reduce at SCC in option 3 / 4

Estimated continued costs at SCC spread across other directorates	£90,240
Additional PCC Executive	£80,000
Additional support officer	£25,000
Additional cost	£ 105,000

Appendix 10

Transition costs for options 3 and 4

Estimates have been made for the one off transition costs associated with changing to governance options 3 or 4. These would require full validation. Similarly, should these options be progressed the outline and full business cases are required to consider the transition costs incurred by SCC as part of any transfer. At this stage the indicative costs are based on all parties working constructively and transparently should options 3 or 4 be selected. Transition costs would increase if parties did not work transparently and constructively together.

Item	Assumed cost
Finance advice <ul style="list-style-type: none"> • Identification of assets and liabilities to transfer under options 3 and 4 • Preparation of the business transfer agreement 	£100k
Legal advice <ul style="list-style-type: none"> • Preparation of the business transfer agreement 	£100k
HR advice <ul style="list-style-type: none"> • Advice related to TUPE transfer and consultation • Support with consultation 	£100k
Pensions advice <ul style="list-style-type: none"> • Advice related to transfers out of Local Government Pension Scheme • Possible scheme valuation costs 	£100k
Project management costs <ul style="list-style-type: none"> • To plan the transition plan • To oversee the above activities • Establish the shadow FRA 	£100k
TOTAL	£500k

Appendix 11

Option 1 Net Present Value

<i>Option 1</i>	1	2	3	4	5	6	7	8	9	10	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
Transition Costs											£0
Remedial Costs											
Costs Associated With Opportunities											
Opportunity 1 - Estate integration											£0
Opportunity 2 - Fire attending police incidents											£0
Opportunity 3 - Shared contact, command and control	(£300,000)	(£200,000)									(£500,000)
Opportunity 4 - Shared back office											£0
Opportunity 5 - Joint training			(£136,500)								(£136,500)
Opportunity 6 - Shared intelligence	(£73,500)										(£73,500)
Opportunity 7 - Streamlined governance											£0
Investment (Outflow)	(£373,500)	(£200,000)	(£136,500)	£0	£0	£0	£0	£0	£0	£0	(£710,000)
Savings											
Opportunity 1 - Estate integration					£1,658,000						£1,658,000
Opportunity 2 - Fire attending police incidents											£0
Opportunity 3 - Shared contact, command and control			£851,200	£851,200	£851,200	£851,200	£851,200	£851,200	£851,200	£851,200	£6,809,600
Opportunity 4 - Shared back office											£0
Opportunity 5 - Joint training			£69,200	£138,400	£138,400	£138,400	£138,400	£138,400	£138,400	£138,400	£1,038,000
Opportunity 6 - Shared intelligence		£69,600	£69,600	£69,600	£69,600	£69,600	£69,600	£69,600	£69,600	£69,600	£626,400
Opportunity 7 - Streamlined governance											£0
Benefits (Inflow)	£0	£69,600	£990,000	£1,059,200	£2,717,200	£1,059,200	£1,059,200	£1,059,200	£1,059,200	£1,059,200	£10,132,000
Cash Position In Year	(£373,500)	(£130,400)	£853,500	£1,059,200	£2,717,200	£1,059,200	£1,059,200	£1,059,200	£1,059,200	£1,059,200	£9,422,000
<i>Present Value at 3.5% (Green Book Recommended)</i>	<i>0.96618</i>	<i>0.93351</i>	<i>0.90194</i>	<i>0.87144</i>	<i>0.84197</i>	<i>0.81350</i>	<i>0.78599</i>	<i>0.75941</i>	<i>0.73373</i>	<i>0.70892</i>	
DCF	(£360,870)	(£121,730)	£769,808	£923,032	£2,287,809	£861,660	£832,522	£804,369	£777,168	£750,887	£7,524,655
Cumulative cash flow	(£360,870)	(£482,599)	£287,209	£1,210,240	£3,498,050	£4,359,710	£5,192,231	£5,996,600	£6,773,768	£7,524,655	

Appendix 11

Option 2 Net Present Value

<i>Option 2</i>	1	2	3	4	5	6	7	8	9	10	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	£0
Transition Costs											£0
Remedial Costs											£0
Costs Associated With Opportunities											£0
Opportunity 1 - Estate integration											£0
Opportunity 2 - Fire attending police incidents											£0
Opportunity 3 - Shared contact, command and control	(£300,000)	(£200,000)									(£500,000)
Opportunity 4 - Shared back office											£0
Opportunity 5 - Joint training			(£136,500)								(£136,500)
Opportunity 6 - Shared intelligence	(£73,500)										(£73,500)
Opportunity 7 - Streamlined governance											£0
Investment (Outflow)	(£373,500)	(£200,000)	(£136,500)	£0	£0	£0	£0	£0	£0	£0	(£710,000)
Savings											£0
Opportunity 1 - Estate integration					£1,658,000						£1,658,000
Opportunity 2 - Fire attending police incidents											£0
Opportunity 3 - Shared contact, command and control			£851,200	£851,200	£851,200	£851,200	£851,200	£851,200	£851,200	£851,200	£6,809,600
Opportunity 4 - Shared back office											£0
Opportunity 5 - Joint training			£69,200	£138,400	£138,400	£138,400	£138,400	£138,400	£138,400	£138,400	£1,038,000
Opportunity 6 - Shared intelligence		£69,600	£69,600	£69,600	£69,600	£69,600	£69,600	£69,600	£69,600	£69,600	£626,400
Opportunity 7 - Streamlined governance											£0
Benefits (Inflow)	£0	£69,600	£990,000	£1,059,200	£2,717,200	£1,059,200	£1,059,200	£1,059,200	£1,059,200	£1,059,200	£10,132,000
Cash Position In Year	(£373,500)	(£130,400)	£853,500	£1,059,200	£2,717,200	£1,059,200	£1,059,200	£1,059,200	£1,059,200	£1,059,200	£9,422,000
<i>Present Value at 3.5% (Green Book Recommended)</i>	<i>0.96618</i>	<i>0.93351</i>	<i>0.90194</i>	<i>0.87144</i>	<i>0.84197</i>	<i>0.81350</i>	<i>0.78599</i>	<i>0.75941</i>	<i>0.73373</i>	<i>0.70892</i>	
DCF	(£360,870)	(£121,730)	£769,808	£923,032	£2,287,809	£861,660	£832,522	£804,369	£777,168	£750,887	£7,524,655
Cumulative cash flow	(£360,870)	(£482,599)	£287,209	£1,210,240	£3,498,050	£4,359,710	£5,192,231	£5,996,600	£6,773,768	£7,524,655	

Appendix 11

Option 3 Net Present Value

<i>Option 3</i>	1	2	3	4	5	6	7	8	9	10	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
Transition Costs	(£500,000)										(£500,000)
Remedial Costs											
Costs Associated With Opportunities											£0
Opportunity 1 - Estate integration											
Opportunity 2 - Fire attending police incidents	(£30,000)										(£30,000)
Opportunity 3 - Shared contact, command and control	(£300,000)	(£200,000)									(£500,000)
Opportunity 4 - Shared back office		(£50,000)									(£50,000)
Opportunity 5 - Joint training			(£136,500)								(£136,500)
Opportunity 6 - Shared intelligence	(£73,500)										(£73,500)
Opportunity 7 - Streamlined governance	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£1,050,000)
Investment (Outflow)	(£1,008,500)	(£355,000)	(£241,500)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£2,340,000)
Savings											£0
Opportunity 1 - Estate integration					£1,658,000						£1,658,000
Opportunity 2 - Fire attending police incidents	£64,000	£128,000	£128,000	£128,000	£128,000	£128,000	£128,000	£128,000	£128,000	£128,000	£1,216,000
Opportunity 3 - Shared contact, command and control			£1,064,000	£1,064,000	£1,064,000	£1,064,000	£1,064,000	£1,064,000	£1,064,000	£1,064,000	£8,512,000
Opportunity 4 - Shared back office			£370,000	£370,000	£370,000	£370,000	£370,000	£370,000	£370,000	£370,000	£2,960,000
Opportunity 5 - Joint training			£86,500	£173,000	£173,000	£173,000	£173,000	£173,000	£173,000	£173,000	£1,297,500
Opportunity 6 - Shared intelligence		£87,000	£87,000	£87,000	£87,000	£87,000	£87,000	£87,000	£87,000	£87,000	£783,000
Opportunity 7 - Streamlined governance											£0
Benefits (Inflow)	£64,000	£215,000	£1,735,500	£1,822,000	£3,480,000	£1,822,000	£1,822,000	£1,822,000	£1,822,000	£1,822,000	£16,426,500
Cash Position In Year	(£944,500)	(£140,000)	£1,494,000	£1,717,000	£3,375,000	£1,717,000	£1,717,000	£1,717,000	£1,717,000	£1,717,000	£14,086,500
<i>Present Value at 3.5% (Green Book Recommended)</i>	<i>0.96618</i>	<i>0.93351</i>	<i>0.90194</i>	<i>0.87144</i>	<i>0.84197</i>	<i>0.81350</i>	<i>0.78599</i>	<i>0.75941</i>	<i>0.73373</i>	<i>0.70892</i>	
DCF	(£912,560)	(£130,691)	£1,347,502	£1,496,266	£2,841,659	£1,396,781	£1,349,546	£1,303,910	£1,259,816	£1,217,214	£11,169,443
Cumulative cash flow	(£912,560)	(£1,043,252)	£304,251	£1,800,517	£4,642,176	£6,038,957	£7,388,503	£8,692,413	£9,952,229	£11,169,443	

Appendix 11

Option 4 Net Present Value

Option 4	1	2	3	4	5	6	7	8	9	10	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
Transition Costs	(£500,000)										(£500,000)
Remedial Costs											
Costs Associated With Opportunities											£0
Opportunity 1 - Estate integration											
Opportunity 2 - Fire attending police incidents	(£30,000)										(£30,000)
Opportunity 3 - Shared contact, command and control	(£300,000)	(£200,000)									(£500,000)
Opportunity 4 - Shared back office		(£50,000)									(£50,000)
Opportunity 5 - Joint training			(£136,500)								(£136,500)
Opportunity 6 - Shared intelligence	(£73,500)										(£73,500)
Opportunity 7 - Streamlined governance	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£1,050,000)
Investment (Outflow)	(£1,008,500)	(£355,000)	(£241,500)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£105,000)	(£2,340,000)
Savings											£0
Opportunity 1 - Estate integration					£1,658,000						£1,658,000
Opportunity 2 - Fire attending police incidents	£64,000	£128,000	£128,000	£128,000	£128,000	£128,000	£128,000	£128,000	£128,000	£128,000	£1,216,000
Opportunity 3 - Shared contact, command and control			£1,064,000	£1,064,000	£1,064,000	£1,064,000	£1,064,000	£1,064,000	£1,064,000	£1,064,000	£8,512,000
Opportunity 4 - Shared back office			£370,000	£370,000	£370,000	£370,000	£370,000	£370,000	£370,000	£370,000	£2,960,000
Opportunity 5 - Joint training			£86,500	£173,000	£173,000	£173,000	£173,000	£173,000	£173,000	£173,000	£1,297,500
Opportunity 6 - Shared intelligence		£87,000	£87,000	£87,000	£87,000	£87,000	£87,000	£87,000	£87,000	£87,000	£783,000
Opportunity 7 - Streamlined governance											£0
Benefits (Inflow)	£64,000	£215,000	£1,735,500	£1,822,000	£3,480,000	£1,822,000	£1,822,000	£1,822,000	£1,822,000	£1,822,000	£16,426,500
Cash Position In Year	(£944,500)	(£140,000)	£1,494,000	£1,717,000	£3,375,000	£1,717,000	£1,717,000	£1,717,000	£1,717,000	£1,717,000	£14,086,500
<i>Present Value at 3.5% (Green Book Recommended)</i>	<i>0.96618</i>	<i>0.93351</i>	<i>0.90194</i>	<i>0.87144</i>	<i>0.84197</i>	<i>0.81350</i>	<i>0.78599</i>	<i>0.75941</i>	<i>0.73373</i>	<i>0.70892</i>	
DCF	(£912,560)	(£130,691)	£1,347,502	£1,496,266	£2,841,659	£1,396,781	£1,349,546	£1,303,910	£1,259,816	£1,217,214	£11,169,443
Cumulative cash flow	(£912,560)	(£1,043,252)	£304,251	£1,800,517	£4,642,176	£6,038,957	£7,388,503	£8,692,413	£9,952,229	£11,169,443	

Appendix 12

Key assumptions

Org	Description
All	That the required legislation will come into force to enable option 2
Surrey Police	The Mount Browne is being sold, the estate plan currently only focuses on Surrey Police. Investment plans are somewhere in between £30-40m, and realisation will take 4/5 years at a minimum.
Surrey Police	Woking and Reigate Police stations are to be excluded from estate opportunities as they are part of the Building The Future plan
Surrey Police	Retention of leased community police posts are to be retained rather than moved into fire stations as there are visibility and partnership benefits from those locations. This assumption should be challenged if progressed to business case through footfall and referral analysis at each of those locations
Surrey Police	Police would welcome and benefit from wider community intelligence analysis. Assumption that Surrey Police does not currently include Essex data into their risk profile
Surrey Police	If personnel efficiencies would be made from a combined community safety unit it would come from a reduction in PCSOs. Assumption that this would be unpalatable as PCSOs are the cheaper resource and this would reduce Surrey Police's uniformed officer totals, which may be viewed negatively in regards to public safety by the public
Surrey Police	1 months 999 call data sample supplied is representative and suitable for extrapolation
Surrey Police / SFRS	Joint transport function and joint occupational health opportunities are already being pursued to a satisfactory level as to be excluded from this appraisal
Surrey Police / SFRS	There is no spare change capacity for a new major programme

Appendix 12

Key assumptions

Org	Description
SFRS	The Wray Park (SFRS HQ) estate is being sold/repurposed with the exception of Reigate fire station. SCC is reportedly intending to retain any capital. However there are presumably plans and/or potential investment funds which will become available for replacement facilities e.g. Training
SFRS	Assumed that as a baseline SFRS firefighters have approximately 2 hours 'discretionary capacity' time where they can choose how best to use their time and resources
SFRS	Assumed acceptable 999 calls for SFRS to attend rather than police 'Animals' (secondary classification 'highway disruption' and 'horses') and Obstructions (secondary classification concern for safety, highway disruption [majority, 86% of sample], damage only RTC and Vehicle nuisance)
SFRS	A joint training team would result in a 10% reduction in training personnel, figure derived from SFRS training cost personnel only
SFRS	FBU is likely to oppose option 4, as per their national policy on the basis of changed terms and conditions and merged budgets. Same likely outcome from omni-competence joint contact workforce. Industrial action may damage public perception of the change and negatively impact public safety in the short term. Likely to be compounded by recent financial withdrawn from SFRS contingency cover.
SCC	Environment and Infrastructure vision for a more streamlined service resourcing based on demand not risk is a realistic and likely future for SFRS if they remain within SCC governance
SCC	Allowances for select committee members and fire pension boards are the same, and reporting for Director for Environment and Infrastructure's salary is accurate as per http://www.getsurrey.co.uk/news/surrey-news/seven-surrey-county-council-bosses-12495399 .

Appendix 13

Key Risks

Risk Description	Mitigation
<p>Tri-fire collaboration does not progress, resulting in three fire services with unrealised collaborative opportunities and likely HMICFRS criticism. The timeframe for such collaboration is 2 years as set by the Sussex PCC police/fire business case.</p>	<p>SFRS to drive forward collaboration with ambitious timeframes and strictly quantified benefits. PCC, if on the FRA can aid this progress by keeping it on the agenda.</p>
<p>Sale of Wray Park and sale of Mount Browne are significantly out of sync, resulting in demands for estate at different points</p>	<p>Closely tie in estates plans with SCC and ensure all parties are fully briefed of everyone's progress so adjustments and commitments can be made accordingly.</p>
<p>Police are distracted by smaller scale fire collaboration projects and so do not achieve their primary transformation pledges around ERP, Estate and ICT.</p>	<p>Changes should occur through the use of MoUs and pilots which are then rolled out across the organisations. The costs and benefits should be closely monitored and communications must be very clear so as to clearly state the importance/prioritisation of the project, exactly what is expected and how big a benefits should be observed.</p>
<p>There is a loss of public trust in SFRS if it takes on more responsibility for delivering policing activities or shares additional locations with police</p>	<p>To retain public trust in the fire brand, a clear plan would be required to communicate the benefits SFRS bring to preventative police work or the attendance of certain incidents. This would ensure the fire brand continues to be associated with prevention rather than enforcement.</p>

Appendix 13

Key Risks

Description	Mitigation
Wider council cash flow issues necessitate immediate action to make further cuts, distracting from longer term planning and risking knee jerk decisions	SCC to be updated on a regular basis on the potential to exploit synergies between police and fire. PCC and SFRS to agree to ambitious time frames for progressing opportunities.
Savings plans prompt industrial action, resulting in delays to implementation and potentially damaging public trust in the force if negative media attention is generated.	Dialogue with relevant trade unions to be maintained from an early stage.

Appendix 14

SFRS liabilities

What are the liabilities?

The draft financial statements for Surrey CC disclose Property, Plant & Equipment assets totaling £1,760m in the Council's Balance Sheet. This includes £58m of assets, or approximately 3.3% of the total, that are directly related to the provision of Fire & Rescue Services.

The Council funds its capital expenditure budget through a combination of borrowing, grants and other sources such as reserves and third party contributions. Assuming that the funding for capital programmes relating to the Fire & Rescue Service was from the same sources as the rest of the Council's capital plan suggests that a proportion of the long term borrowing, grants and reserves relate to the assets associated with the Fire & Rescue Service.

Source of Capital funding	Total £'000	Apportionment to FRS (based on 3.3%) £'000
Long term borrowing	397,786	13,157
Capital grants unapplied	77,035	2,548
General capital reserve	5,264	174
Total		15,879

The Council has set aside provisions for costs that it expects to incur in the future but where there is uncertainty around either the timing of the expenditure or the amount.

The nature of the provisions are such that there will be an element of future costs that will relate to the Fire & Rescue Service. An estimate of the proportion that would relate to the FRS is set out in the table opposite.

Review of provisions

Provision	Amount	Proportion relating to FRS
Firefighters pension fund	£8,949k	This entirely relates to the FRS for the element of pensions relating to injury awards
Business rate appeals provision	£8,069k	Relates to the potential cost for business rate appeals. Per the 2015/16 DCLG funding formula, business rates funding for council = £93.9m; business rates funding for FRS = £10.6m. Element that relates to FRS estimated as £818k , based on proportion above.
Insurance liabilities	£5,162k	Relates to self-insurance and is considered to fully cover service risks. Element that relates to FRS estimated as £143k , based on proportion of gross revenue budgets.
Equal pay	£2,000k	Relates to the potential cost for claims for backdated equal pay award. Element that relates to FRS estimated as £163k , based on proportion of FTEs.
Redundancy	£2,279k	Element that relates to FRS estimated as £462k , based on proportions of expected staff cost decreases in MTFPs.
Other	£2,548k	No indication what these relate to therefore hard to determine whether they are Council-specific or should be apportioned.
TOTAL	£10,535k	Total (sum of £8,949k, £818k, £143k, £163k, £462k)

Appendix 15

SFRS Reserves

Earmarked reserves

- As at 31 March 2017, Surrey CC had a General Fund balance of £21,331,000. However, Surrey CC has a large amount of earmarked reserves, i.e. money that has previously been set aside and designated for future expenditure on a specific purpose.
- Some of these reserves the FRS will no longer have access to, such as the Vehicle Replacement and Equipment Replacement reserves, but there are other reserves, such as the General Capital reserve and the Budget Equalisation reserve, which appear to have been set up for general expenditure purposes rather than for a specific earmarked scheme or project.
- Given that these reserves are available to fund revenue budget shortfalls (in the case of the Budget Equalisation reserve) or to fund capital programmes (in the case of the General Capital reserve) across the whole Council there would seem to be a case for a proportion of those reserves be associated with the FRS function.
- Similarly, the Business Rate Appeals reserve is there to mitigate the impact of successful business rate appeals. This is on top of the £8m provision already in the Balance Sheet relating to business rate appeals. As part of the funding of the FRS is from business rates there would be a small impact on the FRS from successful appeals that this reserve has been set aside to fund. There would similarly seem to be a case for a proportion of this reserve to be specifically associated with the FRS function.

Earmarked reserve	Balance at 31/3/16	Transfers in	Transfers out	Balance at 31/3/17
Schools Balances	46,681	5,542	(4,898)	47,325
Transfer of Schools Balances to Academies	4,193	-	(4,193)	-
Investment Renewals	8,846	1,550	(5,441)	4,955
Equipment Replacement	2,053	1,880	(3,264)	669
Vehicle Replacement	3,925	23	(3,948)	-
Budget Equalisation	13,063	19,321	(6,187)	26,197
Private Finance Initiative	5,065	-	(673)	4,392
Insurance	11,943	1,756	(5,953)	7,746
Eco Park Sinking Fund	11,736	-	(7,333)	4,403
Child Protection	1,120	-	(1,000)	120
Revenue Grants Unapplied	18,157	13,089	(18,157)	13,089
General Capital	5,238	157	(131)	5,264
Interest Rate	1,000	-	-	1,000
Economic Downturn	9,239	-	-	9,239
Revolving Investment & Infrastructure Fund	21,139	-	(10,000)	11,139
Public Health	2,674	(2,674)	-	-
Pension Stabilisation	1,139	-	(1,100)	39
Business Rate Appeals	1,258	-	-	1,258
Economic Prosperity	2,505	-	-	2,505

Appendix 16

Steering Group





On 19/09/17 the Stakeholder Steering Group for the Fire and Rescue Governance Project was attended by:

David Munro (Police and Crime Commissioner)
Alison Bolton (Chief Executive – OPCC)
Ian Perkin (Chief Finance Officer – OPCC)
Johanna Burne (Senior Policy Officer – OPCC)
Harriet McKenzie (PA – OPCC)
Stephen Barry (ACC – Sussex and Surrey Police)
Jane Harwood (ACO – Surrey Police)
Paul Bundy (Head of Finance – Surrey Police)
Russell Pearson (Chief Fire Officer – SFRS)
Sally Wilson (Service Improvement Manager – SFRA)
Richard Jones (Executive Council Member - Fire Brigades Union)
Simon Patter (Surrey Police Federation)
Stuart Murray (Branch Secretary, Unison – Surrey Police Branch)
Trevor Pugh (SCC - Strategic Director for Environment and Infrastructure)
Denise Turner-Stewart (SCC- Cabinet Member for Communities)
Vicky Lexton-Jones (KPMG)
Andy Lea (KPMG)

The group was split into two groups to discuss and RAG the four governance options against the following critical success factors:

- Impact on Public safety
- Impact of effectiveness of services
- Impact on effectiveness of governance
- Impact on economy / efficiency
- Achievability

Summaries of these group discussions are found on the following slides

	Broadly the same impact on public safety, effectiveness or economy/ efficiency as now. Hard to achieve
	A small improvement on public safety, effectiveness or economy/ efficiency Achievable but requires focus
	Significant Improvement on public safety, effectiveness or economy/ efficiency Relatively easy to achieve
	No consensus within the group

Appendix 16

Steering Group stakeholder responses: public safety

Option 1: No change	Option 2: Representation	Option 3: Governance	Option 4: Single Employer
<p>Pros</p> <ul style="list-style-type: none"> No service disruption Clarity of vision: Police concentrate on regional policing solutions, Fire looking regionally to Fire and to NHS devolution agenda / East and West Sussex fire collaboration which is largely regarded as the ideal collaboration by most stakeholders. Sussex PCCs business case could act as a catalyst for such collaboration. Majority of opportunities for improvement between Surrey Police and Surrey FRS could be achieved without governance change. This would involve police and fire to commit to pursuing these opportunities with a written agreement. 	<p>Pros</p> <ul style="list-style-type: none"> No service disruption Clarity of vision: Police concentrate on regional policing solutions, Fire looking regionally to Fire and to NHS devolution agenda / East and West Sussex fire collaboration. Sussex PCCs business case could act as a catalyst for such collaboration. Majority of opportunities for improvement between Surrey Police and Surrey FRS could be achieved without governance change. This would involve police and fire to commit to pursuing these opportunities with a written agreement. With the likely disbandment of ESCP this would place PCC in a good position to explore and pursue police/fire opportunities Better able to influence development of IRMP (Integrated Risk Management Plan) in alignment with police strategic aims 	<p>Pros</p> <ul style="list-style-type: none"> Formally joins up the Police and Crime Plan with the Integrated Risk Management Plan, so Surrey Police and SFRS are working to a single strategic direction Able to more proactively influence the public safety opportunities such as joint community safety teams and join up proactive communications: preventative work/teams (e.g. Safe and Well visits including police security advice) Expecting more detailed long term planning for fire rather than reactive to funding restrictions Expecting more sustainable, transparent, stable funding Augmenting services to police, mainly back office savings, emergency service based support service set up for shift work / pension Better direction and control over shared community / prevention work. Better for police and fire 	<p>Pros</p> <ul style="list-style-type: none"> Formally joins up the Police and Crime Plan with the Integrated Risk Management Plan, so Surrey Police and SFRS are working to a single strategic direction; resulting in closer and quicker joint working between fire and police e.g. even closer joint co-responding, joint contact centre More flexible resourcing for joint strategic risks Opportunity to join up proactive communications: preventative work/teams (e.g. Safe and Well visits including police security advice) Allow for collective risk profile and a more strategic approach across fire/police A single voice will be a stronger prioritisation of public safety activities. Chief officer uses resources where there is most risk to joint organisation and public as a whole
<p>Cons</p> <ul style="list-style-type: none"> Potential realisation of strategy for fire to continue to reduce in line with Strategic Director for Environment & Infrastructure's vision of minimal fire establishment. There is a risk of decreased public confidence in SFRS through the perception that reduced full time firefighters will adversely affect public safety. However have clearly stated that they would not make decisions that risk public safety. This concern of reduced public safety resulting from financial instability within SCC is echoed by many of the Senior Stakeholders Expected reduction of estate driven by SCC continued stretched financial position. However, if the future The PCC is now chairing the ESCP which is most likely to disband after March 2018 when the funding is used up and Sussex Police/PCC exit. Therefore any Fire/Police collaboration would need to be explored with new vigour under a new arrangements and new funding. No such plans are in place. 	<p>Cons</p> <ul style="list-style-type: none"> Likely strategy for fire to continue to reduce in line with Director of Fire and Rescue's vision of minimal fire establishment. There is a risk of decreased public confidence in SFRS through the perception that reduced full time firefighters will adversely affect public safety. SCC however have clearly stated that they would not make decisions that risk public safety. This concern of reduced public safety resulting from financial instability within SCC is echoed by many of the Senior Stakeholders Expected reduction of estate driven by SCC continued stretched financial position. PCC would be one voice of many and result in no more political influence than currently possesses but additional risk for SFRS performance 	<p>Cons</p> <ul style="list-style-type: none"> Potential for short term service disruption Still separate services with competing priorities Confidence is low a balanced Fire MTFP would transfer over, and as such the PCC may have to push savings targets to SFRS which may echo those of SCC, resulting in the same perceived reduction in public safety as in option 1 and 2. This time the public would blame the reduction on the Police/PCC move. 	<p>Cons</p> <ul style="list-style-type: none"> Short term service disruption Could result in long term disruption to existing police change investments, placing the service in significant financial difficulty should plans not be realised resulting additional cuts to public services.

Appendix 16

Steering Group stakeholder responses: effectiveness of services

Option 1: No change	Option 2: Representation	Option 3: Governance	Option 4: Single employer
<p>Pros</p> <ul style="list-style-type: none"> No short term disruption Majority of opportunities for improvement between Surrey Police and Surrey FRS could be achieved without governance change. This would involve police and fire to commit to pursuing these opportunities with a written agreement. Consensus that the most effective collaboration opportunity is between Surrey, East Sussex and West Sussex. If pursued this could result in far more effective service. The lack of consensus on this matter concerned the likelihood of this outcome. There is some evidence that collaboration is on the horizon. Opponents cite papers from 10 years ago which identify significant merger savings, which have not been acted upon and are questioning if another 10 years will make a difference. 	<p>Pros</p> <ul style="list-style-type: none"> No short term disruption PCC governance may reinvigorate ESCP and drive additional effectiveness opportunities (e.g. co responding) Better able to influence development of integrated risk management plan in alignment with police strategic aims in alignment with ESCP Majority of opportunities for improvement between Surrey Police and Surrey FRS could be achieved without governance change. This would involve police and fire to commit to pursuing these opportunities with a written agreement. With the likely disbandment of ESCP this would place PCC in a good position to explore and pursue police/fire opportunities Better able to influence development of IRMP (Integrated Risk Management Plan) in alignment with police strategic aims 	<p>Pros</p> <ul style="list-style-type: none"> Formally joins up the Police and Crime Plan with the Integrated Risk Management Plan, so Surrey Police and SFRS are working to a single strategic direction. Targeting resource by need, collectively using the preventative / intelligence fire and police capabilities Opportunity to erode duplication of effort between police / fire, particularly for preventative work Opportunity to push fire attendance of police incidents where appropriate Shared vision in threat harm risk and segmenting/supporting vulnerable communities 	<p>Pros</p> <ul style="list-style-type: none"> Formally joins up the Police and Crime Plan with the Integrated Risk Management Plan, so Surrey Police and SFRS are working to a single strategic direction; resulting in closer and quicker joint working between fire and police e.g. joint contact centre More flexible resourcing for joint strategic risks Opportunity to join up proactive communications: preventative work/teams (e.g. Safe and Well visits including police security advice)
<p>Cons</p> <ul style="list-style-type: none"> Potential realisation of strategy for fire to continue to reduce in line with Strategic Director for Environment & Infrastructure's vision of minimal fire establishment. Any changes would be subject to public consultation and SCC have reiterated the importance of making measured, value, risk assessed judgements when reconfiguring fire Any duplication of activities between police / fire (e.g. responding to same addresses, preventative work etc..) Police and Fire information remains separate. Risk assessments are not as comprehensive as they could be if taking into account whole intelligence picture and use of Essex data, floor plans etc.. 	<p>Cons</p> <ul style="list-style-type: none"> Likely strategy for fire to continue to reduce in line with Director of Fire and Rescue's vision of minimal fire establishment and provision, based upon demand not risk. Duplication of activities between police / fire (e.g. responding to same addresses, preventative work etc..) Police continue to attend incidents where fire may be more appropriate (e.g. obstruction in the road – tree or animal) Police and Fire information remains separate. Risk assessments are not as comprehensive as they could be if taking into account whole intelligence picture and use of Essex data, floor plans etc.. 	<p>Cons</p> <ul style="list-style-type: none"> Potential for short term service disruption Perceived loss of neutrality by the public, potentially losing some FRS benefits of access to 'hard to reach' communities 	<p>Cons</p> <ul style="list-style-type: none"> Short term service disruption Likely fire and police perceived as synonymous services. This loss of neutrality in the public's perception could erode some FRS benefits of access to 'hard to reach' communities Potentially naive use of fire expertise and specialist skills to attend police calls. Unlikely to be popular with firefighters; the older workforce expectations are to use their technical expertise to help public in emergency situations, younger workforce have been selected on the basis that a significant part of their work is preventative and focused on social care cross over prevention work. To lose any emphasis in this are may require significant retraining and buy-in from firefighter workforce and associated unions.

Appendix 16

Steering Group stakeholder responses: effectiveness of governance

Option 1: No change	Option 2: Representation	Option 3: Governance	Option 4: Single Employer
<p>Pros</p> <ul style="list-style-type: none"> New cabinet member has experience of and a genuine interest in SFRS. She previously trained as an on-call firefighter. Familiar drumbeat of fire governance through monthly Cabinet meetings Council checks and balances are inbuilt to the governance system, reducing likelihood of knee-jerk reactions 	<p>Pros</p> <ul style="list-style-type: none"> PCC brings a broader perspective PCC is able to formally and publicly influence matters related to fire 	<p>Pros</p> <ul style="list-style-type: none"> Fire matters are more prominent under PFCC governance Able to govern broader public safety agenda Quicker speed of decision making Increased accountability once PFCC is elected to deliver IRMP and Police & Crime Plan PCC experience of HMIC inspections well placed to respond to impending fire equivalent Separate fire precept makes fire funding more transparent 	<p>Pros</p> <ul style="list-style-type: none"> Fire matters are more prominent under PFCC governance Able to govern broader public safety agenda Quicker speed of decision making Single point of operational accountability Increased accountability once PFCC is elected to deliver IRMP and Police & Crime Plan PCC experience of HMIC inspections well placed to respond to impending fire equivalent Separate fire precept makes fire funding more transparent
<p>Cons</p> <ul style="list-style-type: none"> SFRS is not a top priority within SCC Stakeholder perception that scrutiny by members is light touch Decision making is tied into monthly cabinet meetings, which makes decision capability slower. This will be clearly felt now that Current governance likely ill-prepared for increased inspection through HMICFRS 	<p>Cons</p> <ul style="list-style-type: none"> PCC may feel unable to influence decisions, and yet has gained personal and political responsibility for them Practicalities of cabinet membership, with difficulties making the distinction between fire and broader public safety matters Difficult to determine what Cabinet discussions do not affect the balance of the fire service within the council Current governance likely ill-prepared for increased inspection through HMICFRS 	<p>Cons</p> <ul style="list-style-type: none"> Limited scrutiny powers of the Police and Crime Panel Capacity of the PFCC and his Office. Increase in capacity may be required. Police and Crime Panel will require fire service expertise to provide appropriate governance Reduction in checks and balances and delay in decision making inherent in council Potentially less transparent because of police and crime panel selection Will crime panel be any better than Scrutiny panel? Loss of checks and balances of slower committee structure within SCC 	<p>Cons</p> <ul style="list-style-type: none"> Limited scrutiny powers of the Police and Crime Panel Capacity of the PFCC and his Office. Increase in capacity may be required. Police and Crime Panel will require fire service expertise to provide appropriate governance Change may disrupt police's current strategic programme which involve IT, ERP and regional investments, the total of which eclipses the likely benefits extracted from police/fire collaboration Short term scrutiny of PFCC style governance would be likely due to stakeholders objecting Risk of Chief Officer's potential bias inhibiting objective governance as messages/concerns from the Senior Fire Officer would be filtered through the Chief Officer to the PFCC It is quite likely that SFRS will not be a priority for Surrey constabulary,

Appendix 16

Steering Group stakeholder responses: economy / efficiency

Option 1: No change	Option 2: Representation	Option 3: Governance	Option 4: Single Employer
<p>Pros</p> <ul style="list-style-type: none"> PCC governance may reinvigorate ESCP and drive additional effectiveness opportunities (e.g. co responding). Fire can focus on East and West Sussex collaboration which is largely regarded as the ideal collaboration by most stakeholders. Sussex PCCs business case could act as a catalyst for such collaboration. Depending on the success of these strategies, could have an improved long term outlook for efficiencies If additional capacity remains in SFRS, they can explore their potential contribution to the local government devolution agenda, aligning fire to health and ambulance 	<p>Pros</p> <ul style="list-style-type: none"> Better able to influence development of integrated risk management plan in alignment with police strategic aims in alignment with ESCP PCC best positioned to deepen understanding of fire, as well as to identify and pursue wider, more strategic collaborative opportunities between police, fire and local council. 	<p>Pros</p> <ul style="list-style-type: none"> Formally joins up the Police and Crime Plan with the Integrated Risk Management Plan, so SP and SFRS are working to a single strategic direction. Single strategic direction allows pursuit of efficiencies such as joint estate, back office Potential acceleration of shared procurement, estate and governance roles which could create efficiencies Potential for greater operational and prevention collaboration (e.g. use of fire capacity to attend police calls) There is no reason why West Sussex and East Sussex collaborative opportunities with SFRS couldn't be pursued under this option Combined governance enables PCC to determine where resources should be allocated for economic reasons . 	<p>Pros</p> <ul style="list-style-type: none"> Joint fire/police workforce and senior management team, increasing flexibility and adaptability of resource whilst fostering further opportunities for efficiency and integration. Strategic commitment from Police to include fire in their future strategy. Fire is built into estate, IT and ERP strategy, giving direction and focus As an option 4 trailblazer, potential access to funding / resources from interested national bodies such as College of Policing and Fire Service College Combined budget enables flexibility of staff movement and resource allocation for operational and budgetary reasons
<p>Cons</p> <ul style="list-style-type: none"> Majority of opportunities for improvement between Surrey Police and Surrey FRS could be achieved without governance change. This would involve police and fire to commit to pursuing these opportunities with a written agreement. Historically this has been slow and imbalanced in regards to varying commitment levels, strategic drivers and financial targets. Without ESCP collaboration between police and fire might therefore may need a formal codified duty to collaborate and ability to hold each other to account Continued tension that collaboration partners are facing different intensities of financial pressures and therefore potential savings for fire budget may be dwarfed by the police budget and fail to gain police momentum Duplication of activities between police / fire (e.g. responding to same addresses, preventative work etc.) continues as does associated cost West Sussex FRS collaboration has historically not been an available option Financial instability for fire as SCC deficit is likely to continue making financially challenging demands on fire service 	<p>Cons</p> <ul style="list-style-type: none"> Economy / efficiency dependant on ESCP revival under PCC chair and local will to drive it forward. Historically this has been slow and imbalanced in regards to varying commitment levels, strategic drivers and financial targets. Continued tension that collaboration partners are facing different intensities of financial pressures and therefore potential savings for fire budget may be dwarfed by the police budget and therefore gain police momentum Duplication of activities between police / fire (e.g. responding to same addresses, preventative work etc.) continues as does associated cost West Sussex FRS collaboration has historically not been an available option Financial instability for fire as SCC deficit is likely to continue making financially challenging demands on fire service 	<p>Cons</p> <ul style="list-style-type: none"> Budgets remain separate and operational delivery in no way automatically align. Still based on personal influence Negotiation with SCC regarding the Orbis services required. Timing consideration for back office services, moving from Orbis to Surrey set up would need to be sensitive to current change timelines for ERP 	<p>Cons</p> <ul style="list-style-type: none"> Change may distract police from balancing MTFP £13m budget gap Change may disrupt police's current strategic programme which involve IT, ERP and regional investments, the total of which eclipses the likely benefits extracted from police/fire collaboration. This is a significant concern Negotiation with SCC regarding the Orbis, TUPE and so forth. Timing consideration for back office services, moving from Orbis to Surrey set up would need to be sensitive to current change timelines for ERP

Appendix 16

Steering Group stakeholder responses: achievability

Option 1: No change	Option 2: Representation	Option 3: Governance	Option 4: Single Employer
<p>Pros</p> <ul style="list-style-type: none"> Clarity of vision: Police looking to police from through a regional lens, Fire looking regionally to Fire and to NHS devolution agenda PCC chairmanship of ESCP provides a vehicle to accelerate police and fire collaboration in Surrey No change cost 	<p>Pros</p> <ul style="list-style-type: none"> Minimal change investment required, mainly isolated to within OPCC. SCC has welcomed this option 	<p>Pros</p> <ul style="list-style-type: none"> With careful Union engagement and involvement, this option could be accepted as long as terms and conditions are protected 	<p>Pros</p> <ul style="list-style-type: none"> Many stakeholders have expressed the opinion that if governance is going to change, this option provides the most flexibility and is the best option to realise financial benefits
<p>Cons</p> <ul style="list-style-type: none"> ESCP is the available route for blue light collaboration. It has lost credibility through lack of progress and Sussex Police have withdrawn their support. Although it is hoped that the PCC may invigorate this initiative as he takes on the Chair, the continued tension of different strategic plans and financial situations means that progress is still likely to be slow. 	<p>Cons</p> <ul style="list-style-type: none"> Some additional costs within OPCC to manage additional responsibilities and process the additional data/information PCC needs to accept the political risk of being part of a fire authority which is likely to further reduce fire service budgets given the overall financial challenge facing SCC 	<p>Cons</p> <ul style="list-style-type: none"> All organisations lack the change capacity required to deliver this level of organisational change. External consultancy support seems likely. Risk disruption to Surrey Police's closure of £13m budget gap. Significant concern about timing PCC takes on the responsibility for closing SFRS's financial gap. Transfer of assets and liabilities from SCC would need to be determined, but SCC expects the appropriate share of debt to transfer Budgets remain separate and operational delivery in no way automatically aligns. Concern for how difficult it would be to isolate costs from SCC and not all budgets or people will transfer over leaving SFRS even less supported 	<p>Cons</p> <ul style="list-style-type: none"> All organisations lack the change capacity required to deliver this level of organisational change. External consultancy support seems likely. Concern it will stall / reverse progress from bigger more pressing programmes of investment Risk disruption to Surrey Police's closure of £13m budget gap. PCC takes on the responsibility for closing SFRS's financial gap. Transfer of assets and liabilities from SCC would need to be determined, but SCC expects the appropriate share of debt to transfer Budgets remain separate and operational delivery in no way automatically align Industrial action is a definite possibility Terms and Conditions would need to be reviewed for harmonisation Not the favoured option for SFRS leadership FBU will oppose because of the combined budget



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