

Fire and Rescue Governance in Surrey – PCC Decision Report

Summary

Following a comprehensive exercise to examine the best option for future governance of the Fire & Rescue Service in Surrey, I have decided that I will not, for the time being, pursue a change in current arrangements. I am prepared however, to look again in six months' time if there is not demonstrable evidence that Surrey Fire & Rescue service is engaging in better collaboration with colleagues in Sussex and elsewhere. Whilst I have identified a number of potentially significant benefits that would be delivered if governance transferred from Surrey County Council in its capacity as Fire Authority to me as Police & Crime Commissioner, I am also aware of a number of risks inherent in doing so that outweigh the benefits for Surrey residents at this point in time.

In reaching this decision, I believe there should be a more focused and ambitious effort to enhance blue-light collaborative activity in Surrey. I am clear that retaining the existing governance arrangements does not mean that we simply accept the status quo. I have been encouraged that, through my work to examine fire governance, a spotlight has been shone on how the Fire & Rescue Service in Surrey could work more closely and collaboratively with other fire services to make improvements for the public. Notably, I have seen of late an appetite for Surrey Fire & Rescue Service to seize more opportunities for joint working with its neighbouring fire services in East and West Sussex. Surrey and Sussex Police have provided a blueprint for collaborative working that fire could mirror to draw out both efficiencies and operational benefits. It is my intention to ensure that this momentum for closer and more innovative working arrangements between fire services is maintained.

Importantly, by not pursuing a change in governance at this time, Surrey Police will be better placed to focus on its already ambitious and complex programme to deliver £13m of savings over the next three years and to continue its emerging collaborative efforts with other police forces across the region. There will of course be opportunities to consider new tactical collaborations with fire, but I do not wish to distract the Force from its crucial change programmes. I am also confident that Surrey County Council are now better informed to lead and explore how the fire service could work more creatively with others to the advantage of Surrey residents. I would expect this work to be pursued with rigour and focus and to demonstrate tangible activity within the next six months. I look forward to seeing plans as they develop.

Background

In February 2017, I established a project to look at options for the future governance of Surrey Fire & Rescue Service. With the support of key stakeholders such as Surrey Police, Surrey County Council, Surrey Fire & Rescue Service and the Fire Brigades Union, I wanted to explore whether there was a case to change governance arrangements for Surrey Fire & Rescue service to make the service more efficient and effective or to improve public safety.

The Policing and Crime Act, which received Royal Assent in January 2017, built on the Government's commitment to enable fire and police services to work more closely together and to enhance the role of Police & Crime Commissioners. Specifically, the Act places blue light services under a duty to collaborate and provides the framework for Police & Crime Commissioners to take on the governance of the local fire and rescue service where there is a strong local case to do so. Surrey County Council currently discharges the role of Fire & Rescue Authority for the county. Whilst we have an established Emergency Services Collaboration Partnership overseeing joint working between

the three emergency services, it was my view that strategic leadership had been lacking, savings to date were small and that more could be done to drive benefits for the public.

With the support of stakeholders, I commissioned KPMG to undertake an independent and impartial options analysis over the summer. This examined the range of governance options set out in the Act, assessing each to determine whether they would improve the economy, efficiency, effectiveness or public safety of services in the county. The options analysis allowed me to obtain an ‘honest voice’ from various partner agencies to better inform my decision-making.

The Options Analysis

KPMG considered the costs, benefits and risk for the four different options set out for fire and rescue governance in the Policing and Crime Act 2017:

- Option 1 (‘no change’): in Surrey’s case, staying with Surrey County Council as the Fire and Rescue Authority
- Option 2 (the ‘Representation Model’): for the Police & Crime Commissioner to become a member of the existing Fire and Rescue Authority
- Option 3 (the ‘Governance Model’): for the PCC to become the Fire and Rescue Authority, keeping two separate Chief Officers for Police and Fire
- Option 4 (the ‘Single Employer Model’): for the PCC to become the Fire and Rescue Authority and appoint one Chief Officer in charge of both police and fire services

Under all four options, there is a requirement in the legislation for blue light services within an area to collaborate and look for opportunities for joint working, improved services and savings.

The options were then assessed against four main criteria:

- Impact on public safety
- Impact on effectiveness
- Economy/efficiency
- Achievability

A RAG (Red, Amber, Green) grading was given for each of the criteria and against each governance option, as well as on overall RAG grade. The overview of the options analysis is as follows:

Criteria/ Option	Option 1: No Change	Option 2: Representation	Option 3: Governance	Option 4: Single Employer
Public Safety	Yellow	Yellow	Yellow	Yellow
Effectiveness	Yellow	Yellow	Yellow	Yellow
Economy/ Efficiency	Yellow	Yellow	Yellow	Yellow
Achievability	Yellow	Green	Yellow	Red
Overall	Yellow	Green	Yellow	Red

Key:

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

Overall, the analysis found that there were benefits to be gained in moving Fire & Rescue governance to the PCC under either Option 3 or Option 4. These include the potential for greater

operational and preventative collaboration between police and fire services, with a single strategic direction and increased accountability via oversight from a PCC.

However, any move to change governance at this point in time brings with it significant risk. Surrey Police and Surrey County Council are facing substantial financial challenges. The Force has a £13 million funding gap to 2020/21. It is also delivering a number of large-scale and complex change projects including a major £50m ICT programme, a new estates strategy and an Enterprise Resource Planning system in partnership with two other forces. Increasingly, Surrey Police's focus is on further collaboration with other police forces in the region to draw out greater savings. Joint working with fire, whilst part of its overall strategy for collaboration, is not seen as imperative to meeting the financial challenge. Indeed, by concentrating the Force's limited resources on delivering a change of governance to fire may jeopardise its ability to deliver those programmes on which it is reliant to balance its budget and improve operational effectiveness.

Surrey County Council's financial challenge is greater still. It must make £104m savings this financial year alone with just £83m of those identified to date. Whilst Surrey Fire & Rescue will need to play its part in delivering savings (£10.2m expected by 2020/21 from an annual budget of £44m), Surrey County Council does not see police and fire collaboration as central to closing its budget gap.

There is no doubt that the personnel of Surrey Fire & Rescue Service Fire Service are facing a difficult and uncertain future. Like every area of Surrey County Council, there is an expectation that savings will need to be made. A change in governance has been seen as an attractive proposition for some fire stakeholders as it is deemed first and foremost as a means to protect the frontline and consequently ensure public safety is maintained. Furthermore, some see a change in governance as decreasing the likelihood of budget reductions, establishing a distinct and transparent precept for fire and a way of retaining the fire service's brand and identity.

The financial benefits of police/fire collaboration under Options 3 or 4 are estimated to be around £1.82m per year over a 10 year period. Options 1 or 2 could yield financial benefits of £1.06m per year. KPMG's view is that the level of savings achieved by changing governance does not make a material difference to the savings plans of the organisations concerned. It also concludes that some of the bigger opportunities (such as shared call handling) could be progressed under any governance option. Few major financial or service benefits have been identified through co-location of police and fire teams or rationalisation of buildings. Both the County Council and Surrey Police have established plans in place for the future of their estate.

Option 1: "No change" does not mean no change!

Even without a change in governance, I believe there should be a more focused and ambitious effort on blue-light collaborative activity in Surrey. A decision not to change governance arrangements does not mean that we simply accept the status quo. There should be a greater emphasis by all emergency services to consider, jointly, what represents a better service to the public as a whole. Collaboration should not solely be about saving money, but about looking for new and creative ways to improve.

The Surrey-Sussex Emergency Services Collaboration Programme has been in place since 2014 and has had some limited success. In spite of the programme receiving £5.8m in transformation funding, it has suffered in my view from a lack of coherent political or operational focus and the complexity inherent in bringing together multiple partners. The future of the programme is now at risk due to uncertainties over its future funding and variable confidence by some stakeholders in its governance.

Previous studies have suggested that considerable savings could be realised if the fire services across the region worked more closely together. I have previously had little confidence that fire

collaboration stood much chance of success, but I am now encouraged that the options analysis work both here and in Sussex has sparked a renewed interest. There is an impetus among all partners to consider how the Fire & Rescue Service in Surrey could work more closely and collaboratively with other fire services - notably its neighbours in East and West Sussex.

With its narrower scope, the likely success of fire-with-fire collaboration is improved, added to which 'fire' have yet to realise the real and sustainable benefits of tri-fire collaboration. Whilst we must not lose sight of where fire and police could do more together, the most substantial benefits appear to be achievable through fire colleagues working together and, in the longer term, with the ambulance service who are seen as more natural partners.

Surrey and Sussex Police have provided a blueprint for collaborative working without a change in governance that fire could mirror to draw out both efficiencies and operational benefits. I want to see the recent enthusiasm for closer and more innovative working arrangements between fire services maintained and Surrey County Council's Leader, the Chief Constable, Chief Fire Officer and Fire Brigade's Union support this direction of travel.

Next Steps

If we are now to succeed in driving this change where we have previously failed, I would expect real and tangible activity over the next six months. Specifically, I would like to see a declaration of intent between the three Chief Fire Officers across Surrey and Sussex to work more closely in collaboration, endorsed by their respective fire authorities. I would also want to see an outline project plan – highlighting those areas where fire can work collaboratively, the likely timescales and indicative costs and savings. The police service should play its part in supporting this work. I would want to ensure that governance of not only fire collaboration but wider blue-light collaboration is more effective than at present. Lastly, I will encourage Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) to consider an early inspection of Surrey Fire & Rescue Service to determine its effectiveness in a structured and comparable way. Without this demonstrable progress, I would wish to revisit my decision around Option 1 in six months' time.

Conclusion

My hope is that, through undertaking this research into the future of fire governance, there is greater clarity and focus around how Surrey Fire & Rescue Service may become more efficient and effective and importantly, how it may seek to improve public safety in the face of budgetary difficulties. I wish to thank those who have taken part in this project. Partners have been willing to engage in the process, discuss and debate the options, provide data and give their views. The same cannot be said in some other parts of the country. My thanks in particular go to KPMG and to those in Surrey County Council, Surrey Fire & Rescue Service, Surrey Police and my own office who have worked hard to provide data and information to inform the options analysis. This has helped ensure that our decision making is made on a sound basis, taking into account all the available information.

David Munro
Police & Crime Commissioner for Surrey
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