



AUDIT RISK & ASSURANCE COMMITTEE

Date	21 June 2018
Report title	Devolution Deal - Update on Changes to Fire Service Governance
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Report to be/has been considered by	

Recommendation(s) for action or decision:

The Audit, Risk & Assurance Committee is recommended to:

1. Note the update provided.

1.0 Purpose

1.1 West Midlands Fire and Rescue Service (WMFRA) have been considering and consulting on changes to the governance model for the fire service for some time as part of the Government's direction for Fire Service reform and the high level duty placed on emergency services for greater collaboration. This Report updates the committee on the stage that the proposals have reached and reviews the actions to be taken over rest of the financial year.

2.0 Background

2.1 WMFRA commissioned an independent review and appraisal of future governance options for the Fire Service. A public consultation was subsequently held which in part looked at other governance models. The findings identified that a Mayoral Combined Authority model was preferred.

2.2 Following this in March 2017 the WMCA Board supported the WMFRA's broad proposal for the transfer of its functions to the Mayoral Combined Authority and discussions began between WMCA, the WMFRA and the Home Office on this proposed route.

2.3 A Governance Review and a Scheme were subsequently prepared and approved by the Board under the provisions of the Local Democracy, Economic Development and Construction Act 2009.

2.4 It is considered that the Mayoral Combined Authority model provides good opportunities for the joint transformation of public services to West Midlands Communities, providing value for money in the delivery of public safety. The benefits can be broadly summarised under four main themes: public safety delivered through a range of responses to emergency services, a workforce to support joined up services and reduce vulnerability, continued improvement and transformation, and operational independence.

2.5 Specific consultation was carried out with all Constituent Authorities through their governance processes and the proposals received unanimous support from each authority. A public consultation was also undertaken on the final proposals and reported to the WMCA Board on 25th May.

2.6 On 25th May the WMCA approved the final submission of the request to change the governance arrangements to the Secretary of State and the evidence and request to begin the formal process of drafting the appropriate Order has now been submitted.

3.0 Wider WMCA Implications

3.1 The WMFRA is currently an independent public authority. The proposed changes will bring significant changes to the way in which the corporate governance of the organisation is delivered. At this stage because time is short, the minimum changes necessary are proposed in order to reduce the impact on the organisations and in the short term it is primarily governance which will change rather than other things.

- 3.2 The WMFRA as an independent body will cease to exist. Staff will transfer to the Combined Authority under TUPE however at this stage it is intended to maintain existing staffing structures in order to preserve continuity. Consideration will be given in the future as to what changes and efficiencies are possible in the new arrangements however there is a demanding timescale to implement this by April 2019 and it is important that services to the public are not adversely affected in any way.
- 3.3 It is also important to note that a key feature of the arrangements is that the operational independence of the Chief Fire Officer(CFO) is preserved and that the CFO is responsible for the delivery of all the services currently the responsibility of the CFO and WMFRA.
- 3.4 The proposals contain the establishment of a Mayor's Fire Advisory Committee which will advise and assist the Mayor on the discharge of his duties. It has been agreed that Scrutiny and Review of the service will be undertaken by the Combined Authority's existing Overview and Scrutiny Committee. Audit duties will fall within the responsibility of ARAC however at this stage no scoping has been undertaken to establish the volume of work that may arise. It may be necessary to establish a sub-committee or similar arrangements to cover the work and to develop specific expertise in this area. Further discussion will need to be undertaken on this over the next few months including consultation with the Chair of ARAC as proposals emerge. It is hoped that the new arrangements will be ready to be discussed with the wider committee during the Autumn

4.0 Progress, options, discussion, etc.

- 4.1 We have begun to plan for implementation of the transfer of functions to the Combined Authority. There is much to be done over the next few months with a number of different work streams which have been identified. A joint Implementation team has been identified with colleagues from WMFRA and now that Board approval has been obtained to submit the request to the Home Office this work is beginning in earnest.

5.0 Financial implications

- 5.1 The costs of preparing the governance review that considered the business case for the proposed change in governance arrangements have primarily been met by West Midlands Fire and Rescue Authority with additional support provided by West Midlands Combined Authority Corporate Services team from within existing approved resources.
- 5.2 West Midlands Fire and Rescue Authority and West Midlands Combined Authority will now be engaging with stakeholders and partners and in particular the Home Office to ensure that the additional costs of delivering the proposed change in governance arrangements are quantified and appropriately funded and to understand the flexibilities available to minimise the impact of changes on council tax payers in the West Midlands region.
- 5.3 The existing pension arrangements for the Firefighters Scheme include an annual top up grant from MHCLG to fund the payment of retirement benefits due. West Midlands Combined Authority will be seeking assurance from central government that the existing arrangements to provide the top up grant will continue following the proposed change in governance arrangements.

5.4 The potential mechanism to ring-fence West Midlands Fire and Rescue Authority funding and existing reserves within West Midlands Combined Authority's accounts to protect essential fire services that was proposed as part of the recent public consultation exercise will be evaluated as part of the due diligence process that is now underway.

5.5 As noted a project team will be established and a project and resource plan developed including the identification of any transition costs and funding.

6.0 Legal implications

6.1 The proposals to change the WMFRA governance are undertaken pursuant to section 105 of the Local Democracy, Economic Development and Construction Act 2009 which allows responsibility for public services to be transferred between Authorities, including a Combined Authority. There are specific provisions in the 2009 Act (as amended) which set out the process for these changes and which are reflected in the commentary above.

6.2 Part of the work being undertaken as part of the Implementation project will be to ensure that risks, liabilities and obligations are all captured and dealt with appropriately. Although WMFRA represents a new area of work and responsibility we will have the support and expertise of existing staff who will be remaining in place to deal with the service.

7.0 Equalities implications

7.1 An Equalities Impact assessment was undertaken as part of the proposals and equalities issues will be part of the planning process leading to the transfer. The protection of vulnerable groups and individuals is obviously a key consideration in the provision of the existing services by WMFRA and will be continued under the new arrangements.

8.0 Other implications

8.1 none

9.0 Schedule of background papers

9.1 Report to Combined Authority Board 25th May 2017 "Governance of West Midlands Fire Service Public Consultation Outcomes Report

10.0 Appendices