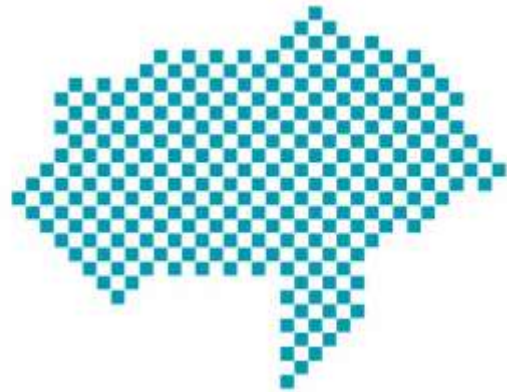


**Police and Crime
Commissioner
North Yorkshire**



WORKING BETTER TOGETHER

Options to improve collaboration between Fire and
Police services in North Yorkshire

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FOREWORD

Dear Friends, Residents and Colleagues,

Over the past five years or so, at my advice surgeries, events and in correspondence, I have on very many occasions heard the public say that they would like to see more joint working between different 'authorities' in their local area, and that it makes common sense to do so. Indeed, all of us involved in providing services to the public know the value of working with a wide range of partners because it leads to a better service for individuals and improved outcomes for all involved.



Across North Yorkshire, we have a good track record of working together, and there are some excellent examples. We have mental health nurses in the police control room and out on the beat with officers, and fire fighters providing 'safe and well' checks for elderly people in their homes in support of social and health care providers. We are increasingly sharing premises and business administration with one another. Our joint community safety teams and projects, such as 'No Wrong Door', supporting very vulnerable children are winning national awards.

Whilst some good work is already underway, in January this year a new legal duty to collaborate between the three emergency services – Fire, Ambulance and Police – was enacted by Parliament. But unlike similar initiatives previously, this goes further. It provides an opportunity to assess whether collaboration can be made simpler and done faster in the public interest, specifically by joining up how policing and fire and rescue services are overseen.

Back in 2013, the fire service and police in North Yorkshire recognised that opportunities existed to improve public outcomes and signed a 'statement of intent' to collaborate. We set out a wide range of activities which we felt could be done better together. But if we're frank, success has been slow to come, and limited in scale. I see this new duty to collaborate as a catalyst for change. Now is the time to reinvigorate that spirit of co-operation and collaboration, in the interest of the public of North Yorkshire. This business case has been prepared with that purpose.

Much work has been done in drawing up my proposals. We have looked across the country at best practice and emerging innovation. We have contrasted that with the progress made here in North Yorkshire, and while we have some note-worthy successes, this work has shown that not only could we be moving at a faster pace, but that it is necessary to increase the pace if we are to bring about *real* change in achieving *better outcomes for the public* in North Yorkshire.

The assessment shows that by joining up governance we can accelerate the pace and scale of collaboration. By working better together, not only can we improve services and tailor them to the needs of our communities, but we can create significant opportunities to save money – money that can be reinvested in frontline services. This would allow us to do even more to protect those who are vulnerable and make us all and our communities, rural and urban, safer and stronger.

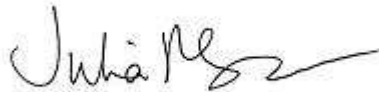
Let's be clear, firefighters would remain as firefighters, and police officers as police officers. The two services would continue to have distinct roles, identities and finances – one service's savings would not fund the other. But by sharing oversight, barriers that have stifled progress to date can be overcome, and the two services can work much better together, achieving much more for the public.

For example, rather than each service having its own buildings, often within a mile or two of each other, we could bring them together creating 'Community Safety Stations', possibly with the ambulance service as well. We could also bring together our back-office support teams to provide a more efficient service with greater ability to share data, knowledge and understanding. By doing these things, which has been impossible to date, we could release money to create better community-based frontline services, thereby preventing harm and crime, and boosting community safety support structures and resilience.

All public services are facing financial pressures, so it is incumbent on us to pull together, put the politics to one side, pool our sovereignty and put the public first, who, quite rightly, expect us to seek out every opportunity to protect frontline services. This business case demonstrates that bringing the two services under one Commissioner would be most likely to achieve this within the specific circumstances facing North Yorkshire, at the greatest pace, the greatest scale, and with a minimum of risks.

I believe that this is possible, and, from the extensive consultation that I have undertaken to gather your views and feedback on this proposal, you clearly agree with me. I have listened to your thoughts and comments and this is reflected in this revised version which I will now submit to the Home Secretary, asking her to make an order transferring governance to a single Police, Fire and Crime Commissioner.

Thank you.

A handwritten signature in black ink, appearing to read 'Julia Mulligan', with a long horizontal flourish extending to the right.

Julia Mulligan
Police and Crime Commissioner for North Yorkshire

1 INTRODUCTION

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 responsibilities for fire and rescue services in their area.¹ In describing the measures, Brandon Lewis, former Police and Fire Minister, said that *“by overseeing both police and fire services, I am clear that PCCs can drive the pace of reform, maximise the benefits of collaboration and ensure best practice is shared.”*²

This Local Business Case (LBC) assesses the scale of opportunity for closer working between police and fire in North Yorkshire, and then considers which of the joint governance options would be most likely to deliver the greatest range of opportunities at the greatest pace and with least risk, in the interest of public safety. This LBC has been prepared by the Office of the Police and Crime Commissioner for North Yorkshire.

1.1 Status of this document

This LBC has been prepared for consideration by the PCC and for formal public consultation in North Yorkshire. It has been developed in consultation with the Strategic Reference Group which was appointed to ensure that the Local Business Case is fully informed, adequately resourced and can make the very best recommendation in the interests of economy, efficiency and effectiveness, or public safety. It has been prepared by the Office of the Police and Crime Commissioner and their external advisers, based on information provided by North Yorkshire Police (NYP), North Yorkshire Fire and Rescue Authority (NYFRA), North Yorkshire Fire and Rescue Service (NYFRS) and information in the public domain.

Depending upon the view taken by the PCC after consultation, further versions may be developed, or this version may also form the LBC submission to the Home Secretary for consideration.

The Policing and Crime Act places a duty on the local Fire and Rescue Authority and Service to cooperate with PCCs in the development of the LBC. The OPCC would like to thank NYFRA and NYFRS for their assistance in providing data, information and feedback for the development of this LBC.

Representatives from the following organisations have been engaged with during the development of the LBC:

- North Yorkshire Fire and Rescue Authority
- North Yorkshire Fire and Rescue Service
- North Yorkshire Police
- North Yorkshire County Council (CYCC)
- City of York Council (CYC)
- Yorkshire Ambulance Service
- Fire Officers Association
- Fire Brigades Union

¹ HM Parliament, [Policing and Crime Act 2017](#)

² Brandon Lewis (2017), [Fire Minister's speech to Reform](#)

- Police Superintendents Association of England and Wales
- Police Federation of England and Wales
- UNISON

For avoidance of doubt, this business case is for the PCC and does not necessarily reflect the views of those engaged with at this stage.

1.2 New governance options

To facilitate better collaboration and improve emergency services, the Fire and Rescue Services Act 2004 (as amended by the Policing and Crime Act 2017) proposes three alternative options to the status quo (the 'Do Nothing' model) that are now available to PCCs.

If a PCC submits a proposal, and it appears to the Secretary of State that it is in the interests of economy, efficiency or effectiveness, or that it is in the interests of public safety, she can make an order for the person who is the PCC in a police area to also become the fire and rescue authority (s.4A). The legislation also allows for two other governance models: for the PCC to become a member of the existing Fire and Rescue Authority (the Policing and Crime Act 2017 s.7) or for the functions of the Fire and Rescue Authority to be delegated to the Chief Constable (Fire and Rescue Services Act 2004 s.4H).

In North Yorkshire these options would mean:

1. Representation model

The PCC is represented on a Fire and Rescue Authority (and its committees) in their police area with full voting rights, subject to the consent of the Fire and Rescue Authority. In North Yorkshire, this would see the PCC join NYFRA and become one of 17 voting members.

2. Governance model

The PCC takes on legal and overarching responsibility for the provision of the fire and rescue service(s) in their area. Individual services retain their operational independence, budgets, their Chief Fire Officer or Chief Constable, and their own staff. In North Yorkshire, this would see the PCC becoming the NYFRA.

3. Single Employer model

The PCC would become the NYFRA but, in addition, fire and rescue functions are delegated to a single Chief Officer for policing and fire. Within this model, the services remain distinct front line services with separate budgets, albeit with increasingly integrated management and support services.

This LBC, therefore, assesses the strategic, operational and financial benefits that closer collaboration and shared governance could deliver for the police and the fire and rescue services in North Yorkshire.

It then considers each of the governance options available under the legislation and assesses whether one of these options would be more likely to deliver these benefits at greater pace and scale and support the improvement of emergency services in North Yorkshire. It also considers whether the potential benefits are sufficient to warrant such a change, given the cost of change.

1.3 Assessment of governance options

This LBC uses the HM Treasury 'five case model'³ for business cases. This approved methodology underpins all major government business decisions helps to ensure that key, relevant criteria and options are

³ <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

considered. It also permits criteria such as ease and speed of implementation and existing collaborative arrangements to be considered and factored in to the option appraisal and consultation process. This LBC also uses the recent Association of Police and Crime Chief Executives (APACE) guidance, which has used the HMT standard to develop some tailored guidelines for PCCs who are producing business cases concerning the Policing and Crime Act.⁴

The purpose of this business case is to assess which governance option would be most likely to deliver the necessary pace and scale of collaboration between the two services to improve their effectiveness, efficiency and economy to the benefit of public safety in North Yorkshire. It is not to provide a detailed case for progressing each opportunity. Each would require a further assessment to detail the financial and non-financial benefits and costs, and set out their implementation.

The five cases are:

- **Strategic Case** – sets out the legislative and strategic context for NYP and NYFRS collaboration and governance, summarises the case for change and sets out the opportunities and strategic risks. This provides the context, and critical success factors, for appraising the options. The Strategic Case does not recommend a particular option.
- **Economic Case** – appraises the governance options (including the ‘Do Nothing’ model), against the critical success factors that will help the PCC to decide and the Office of Police and Crime Commissioner (OPCC) to inform the Home Secretary’s appraisal of a proposal if and when submitted. The Economic Case identifies the ‘preferred option’.

The implications of implementing the preferred option are then set out in the remaining three cases:

- **Commercial Case** – sets out the commercial, HR and resourcing implications of the preferred option.
- **Financial Case** – sets out the affordability and accounting implications of the preferred option. The Financial Case reflects the benefits and costs to the organisations.
- **Management Case** – outlines how the preferred option can be delivered, including more detailed planning, consultation requirements and communications approach.

These final cases will be developed further before submission of the final Local Business Case to the Home Office, but their substantive points relevant to public consultation are set out here.

⁴ http://apace.org.uk/documents/APACE_Police_Fire_Business_Case_Guidance.pdf

2 EXECUTIVE SUMMARY

This summary brings together the main analysis and findings, which are explored in more detail in the rest of the document.

2.1 Strategic Case

The strategic case sets out the context and drivers for change. It does not assess the governance options, but provides information that is material to that assessment set out in the Economic Case.

1. The strategic case for a change to the current model of governance of police and fire and rescue services in North Yorkshire is clear. Given the structure, size and budgets of the two organisations, and the shared challenges in demand and finances that they face, closer working is inevitable.

Covering over 3,000 square miles, the county of North Yorkshire consists of seven districts and boroughs and the City of York, and ranges from isolated rural settlements and farms to market towns and larger urban areas such as York, Harrogate and Scarborough. Overall it is sparsely populated, but the population is increasing steadily. In particular, the number of people in the older age groups is increasing at a higher rate than the average in England. This has significant implications for vulnerability and for pressures on services.

The City of York is a university city and therefore has a different demographic make-up to North Yorkshire; the highest proportion of people in York is within the 20-24 bracket, followed by the 25-29 group.⁵ Population growth in York has been even stronger than across the county.

The county has two tier-one authorities, with North Yorkshire County Council covering the seven districts and boroughs, and the City of York Council covering the City of York.

North Yorkshire Fire and Rescue Service (NYFRS) and North Yorkshire Police (NYP) cover all seven districts and the City within their combined boundaries. They are conterminous and service the needs of over 813,000 residents, as well as considerable numbers of seasonal visitors.⁶

The large and rural nature of the county brings significant challenges for public services, including policing and fire and rescue services. Pressures come from providing services to isolated and/or sparsely populated areas as well as densely populated urban areas, addressing both rural and urban poverty, particularly as public demand and expectation remains high.

Requirements on our police and fire and rescue services are changing, with increasing time spent on non-crime and non-fire incidents. More resource is required to support vulnerable people, in a place-based approach, regardless of who is the service provider. Ensuring that the right community services are available to protect vulnerable people, and retain community resilience to support them, is a particular challenge with which police and fire and rescue services are increasingly being asked to deal.

These challenges are set in the context of increasing strains on public finances. Budgets continue to fall, both in fire and rescue and policing, as well as for health, social care and local government. Other agencies, and the public, increasingly look to policing and fire and rescue services to provide extra support and plug gaps.

⁵ <http://www.healthyyork.org/the-population-of-york/specific-population-profiles/frail-elderly.aspx>

⁶ <http://www.justiceinspectrates.gov.uk/hmic/peel-assessments/peel-2016/north-yorkshire/key-facts/>

Nationally, there is a continued drive for efficiencies, and, to avoid cuts to frontline services and respond effectively to the changing needs of the public, police and fire and rescue services will have to increasingly work together.

2. However, while there has been some collaboration to date, this has been limited in ambition, has progressed slowly, and has been led tactically rather than having been strategically developed.

In 2013, NYFRA and NYP signed a Statement of Intent to collaborate, recognising the need to work better together. While this has been a long-standing commitment to collaborate, and set an ambitious strategy and programme, progress has been slow and limited to date. Previous programmes of work have not developed momentum and pace, in part due to fragmented governance (although NYFRA have established a Collaboration Committee since the beginning of work on this business case).

Collaboration that has occurred is largely tactical in nature and has predominantly focussed on support services, i.e. transport and logistics, estates and procurement, and some particular frontline initiatives around community safety and road safety (see Table 1, 'current state'). However, this has been relatively small-scale and is fragmented in nature, developing at an operational level with no clear vision or strategy. One barrier to a greater pace and scale of collaboration has been issues of sovereignty over individual services within each organisation.

Given this, and the increasing pressures, all parties agree that there is a need for change to accelerate the pace and scale of collaboration.

3. There are considerable drivers for change, with evidence showing that more joined up governance accelerates collaboration.

There is a clear steer from the Government, as well as from the national fire and policing bodies, for increased collaboration between the two services and with wider partners.

The Policing and Crime Act 2017 is the latest of several pieces of legislation over the last two decades which has called for closer working between the emergency services. This latest Act, while reinforcing the message, goes further than those previously, setting out the option to consider a change in governance as a route to speeding up and scaling up collaboration. Statements from Government ministers make it clear that the status quo is not an option.

Currently, the organisations are governed and organised differently, with the Fire and Rescue Authority governing NYFRS and the PCC holding the Chief Constable to account for policing. A number of national reviews have highlighted weaknesses in fire governance, and the PCC model has been demonstrated to have increased scrutiny, public engagement, transparency and innovation in policing.

Service reviews have also noted the clear need for change. HM Inspectorate of Constabulary stated in 2014 that collaboration between police forces, as well as with wider partners, remains complex and fragmented. The National Audit Office (NAO) suggested in 2015 that Fire Authorities rely too heavily on information from senior fire officers without independent information to help their deliberations, such as that enjoyed by PCCs through their independent offices. The NAO reflected that this finding was similar to that which they had observed amongst Police Authorities prior to the move to PCCs.

In 2012 the Knight Review of Fire and Rescue Authorities advised that shared governance and closer working and sharing of teams would unlock further savings, and observed that a similar model to PCCs could enhance public accountability. The Thomas Report on Fire and Rescue Service staff stated in 2016 that the greatest opportunity to drive economies to reinvest in frontline services would be to bring together support functions collaboratively across services.

Research from the UK and internationally, shows that complex and fragmented governance structures create one of the greatest barriers to effective collaboration. As best practice examples develop, evidence shows that bringing governance closer together accelerates the pace and scale of collaboration and is more likely to deliver benefits to the efficiency and effectiveness of services, and therefore to public safety. More

specifically, evidence from other countries shows that significant benefits can be forged by bringing fire and police services under a single governance body.

Studies have also shown wider benefits of transparency and engagement resulting from the PCC model moving from bureaucratic to democratic accountability. The NAO, for example, found in 2014 that PCCs are able to make decisions faster and are more transparent than the committees they replaced, with significantly greater public engagement. They also increase innovation, respond better to local priorities, and achieve better value for money.

In a context where budgets are tight, efficiencies have already been extracted to considerable extent from both organisations. Further economies, if they are not to start cutting frontline numbers, can only be found by increased collaboration. The public expect this, especially as their demand for policing and fire services is changing, broadening to include a range of demands which are outside the 'traditional' purview of these services. This places new challenges on frontline policing, especially in dealing with sensitive welfare and health issues. Greater transparency and accountability is therefore requisite, for which studies suggest that the inclusion of PCCs in governance of fire and rescue would increase public accountability of that service.

4. Local collaboration could and should go much deeper and faster.

In preparation for this business case, a set of further prioritised opportunities for collaboration have been identified. A bottom up approach was adopted, and at initial workshops with frontline practitioners an ambitious set of priorities was put forward. However, in further discussions to assess and flesh out those ideas, that ambition has been scaled back. The 'Current identified collaboration priorities' column in Table 1 sets out the relatively limited scale of collaboration that could be agreed by the two organisations at this time.

The PCC also has a vision for a more strategic transformation of police and fire collaboration that can deliver genuine change, focussing on outcomes for the public rather than organisational sovereignty. This is set out in Table 1 under the 'Transformation vision' column. This agenda will require strong cross-organisational leadership to implement, especially given the issues around sovereignty that have formed one barrier to greater pace and scale of collaboration in the past.

These are all initial ideas at this stage and would be subject to further assessment. It should be noted, however, that any of these ideas would maintain at a minimum the existing Fire Cover Review and Integrated Risk Management requirements of both services. However, examples of similar collaboration from other parts of the country show the benefits to community resilience, public safety, and the protection of vulnerable people that these transformational ideas might bring. Future governance of police and fire therefore needs to be able to support delivery of this vision and accelerate the pace and scale of collaboration to achieve the greatest possible improvement to public safety.

While there is no current risk to public safety that has been identified, given the current context, this acceleration is vitally necessary to enable continued improvement of the services to the public of North Yorkshire, further reducing harm, improving resilience and effectiveness, and increasing value for money. These benefits are the ones which must be realised from reinvesting savings into frontline services. Greater transparency and accountability will be important in this, and can be delivered. There are opportunities for the changes that the PCC model has delivered in policing to be applied to fire and rescue, contributing to improved effectiveness of service delivery.

Any change also needs to be capable of being implemented successfully and not put public safety at risk. It also needs to ensure that the clear and separate roles of policing and fire are retained, sufficient fire cover is provided, and that links with wider community, health, social care and local government partners are maintained or enhanced.

Table 1: Potential collaboration – current state versus the vision for transformed services

Theme	Current state	Current identified collaboration priorities	Transformation vision
Strategic commissioning	<p>Currently fire and police plans are developed separately</p> <p>Separate commissioning budgets. Use of volunteers not co-ordinated or shared</p> <p>Intelligence sharing takes place in some areas (operational not strategic)</p>	<p>Development of joint priorities for collaboration</p> <p>Sharing data and intelligence on communities and incidents on a local, tactical level basis to support planning and response. This would include data and intelligence on specific individuals, premises and homes and would involve reciprocal fire and police information access.</p>	<p>Fully integrated strategic development and risk management, including joined up research and public consultation</p> <p>Joint commissioned services and budgets to respond to public need through joined-up services and support</p> <p>Systematic data sharing of intelligence and vulnerability to support more aligned strategic decision making across communities.</p>
Improved Prevention and demand management	<p>Community Safety hubs in Scarborough, Selby and York</p> <p>Road Safety joint initiatives and campaigns (95 Alive)</p>	<p>Improved co-ordination and reach of Safe and Well checks:</p> <ul style="list-style-type: none"> • Joint police and fire community interventions • One safe and well assessment across fire and police, specialist training and clearer role definition • Use of volunteers to support the role in wider local activity e.g. leafletting, door knocking • Volunteer community contact points for police and fire jointly (potential reduction of demand on control centre) 	<p>A single approach to community safety across police and fire through a jointly funded Community Safety Service, tailored to the needs of people and communities, including single, jointly funded, community safety roles</p> <p>Alignment with health and local authority partners through Health and Wellbeing Board and Mental Health Care Concordat</p> <p>Accelerated use of shared data and intelligence to dynamically map vulnerability to better target and pro-actively deliver increased primary prevention and early intervention work and jointly commissioned services across rural and urban areas for those who need it most</p> <p>Roll-out of community safety hubs, and expansion and diversification (central/local) to bring in greater range of partners and improve resilience for local communities</p>
Effective Joint Response	<p>Joined-up tactical response to incidents where required</p> <p>Local Resilience Forum and JESIP</p>	<p>Fire would also take on forced entry, in addition to police.</p> <p>Extension of first responder fire role to police (e.g. through firearms officers that have defib kit being deployed as appropriate).</p>	<p>A truly joint control room for a more effective response to the public by the right service at the right time:</p> <ul style="list-style-type: none"> • Fully integrated operations and system • Shared staff roles, training and rotas <p>First responder as part of community safety roles, especially to improve resilience in rural areas</p>
Shared support services	<p>Co-location of transport and logistics functions and driver training</p> <p>Shared transport and logistics manager</p> <p>Co-location of fire and police in Bedale and plans for Ripon</p>	<p>Colocation of transport and logistics resources and further integration of teams.</p> <p>Shared finance, procurement, IT, transport and estates teams.</p> <p>In-flight and pipeline opportunities identified for estates collaboration, including shared HQ.</p> <p>Joined-up training and learning and development for officers, firefighters and staff</p> <p>Shared procurement service, starting with products which share common specifications e.g. stationery, fuel</p>	<p>Creation of a community safety estate – single estates strategy with multi-purpose estate, single investment strategy</p> <p>Wider collaboration through One Public Estate to create local community safety hubs integrating health estate and designated community assets where appropriate.</p> <p>New models of shared enabling services delivery across police and fire, such as through a third entity.</p> <p>Greater integrated specialist training (e.g. mental health) across both services.</p> <p>Where appropriate, single ICT strategy and systems</p>
Shared management roles	None	None identified	<p>Combined or reduced senior management roles across fire and police, particularly around corporate, non-operational roles, where it makes business sense to do so. In addition, it is assumed that governance roles can be shared across fire and police (S151 Officer and Monitoring Officer roles). Any changes would be phased in line with existing staff retirements or natural attrition.</p>

2.2 Economic Case

Taking into account the context and drivers set out in the Strategic Case, this case sets out the economic appraisal for each option. This includes a qualitative assessment against the 'critical success factors' (CSFs) (see section 3.4) agreed through this process, and an assessment against the four tests in the legislation.

It is important to remember that the purpose of this assessment is to consider which governance option is most likely to achieve the greatest acceleration of the pace of collaboration, the greatest scale of ambition, and the greatest degree of transparency and accountability.

It does not provide a detailed business case for each collaboration opportunity, which would need to happen subsequently.

This case is not being made on a basis of public safety alone. It balances the benefits against the deliverability of the option in the specific context of North Yorkshire and how it mitigates against strategic risks, to determine which option will provide the most effective, efficient and economic service to the benefit of public safety without creating any risk to public safety.

The Do Nothing model will continue the current pace and scale of change, furthering collaboration on the current ad hoc, tactical basis, but bringing no step-change in delivery. The Government and local stakeholders throughout this process have not considered this to be a viable option and as such this LBC has been prepared on the understanding that a change to the status quo is required.

The Representation model would bring tangible changes, with the PCC becoming the 17th voting member on the NYFRA and having a formal vote in the new Collaboration Committee. Whilst this model could contribute to delivering the priority opportunities identified and bring additional external scrutiny to fire matters, the option is unlikely to drive a significant change in the pace or scale of collaboration. The legislation describes it as the PCC's "involvement" in the Fire and Rescue Authority. As a governance model it would continue to require multiple decision-making mechanisms and relies upon joint agreement of objectives and priorities. It would not therefore deliver significant savings, making it more difficult for police and fire to meet the financial and operational challenges set out in the Strategic Case. It is however low-risk and could be a stepping stone to more significant changes in the future. This model would not harm public safety, but it would not bring extensive improvements to public safety either.

The Governance model would bring a material change. Based on the evidence set out in the Strategic Case, it would speed up the pace of collaboration within police and fire, and with other partners, due to simplified, aligned decision-making structures. It could make transformational change more likely, with a greater likelihood of enabling joint commissioning strategies and cross-organisational investment and resourcing decisions, bringing with it greater likelihood of achieving improvements to services for the public. It would bring more significant financial benefits that could be re-invested in frontline services. It would also enable the mechanisms used by the PCC to engage with the public to apply to fire, and increase scrutiny of fire and rescue matters. There will be some implementation costs and risks, but they are considered manageable. This model would not harm public safety, and could bring significant improvements in public safety.

The Single Employer model could bring greater benefits than the Governance model, through providing the means to achieve deeper integration of fire and police assets while maintaining operational separation. Joint management structures would create greater joined up operational practice, and could move the services from two organisations to a single community safety service in the future. It would bring significant savings that could be reinvested in frontline services. However, it also brings significant delivery and strategic risks. Therefore, while it could bring significant improvements to public safety, there is a risk that it could harm public safety if it results in disruption for the residents of North Yorkshire.

Under the Governance model and Single Employer model, the role of the Police and Crime Panel would also need to be expanded to enable it to take on scrutiny roles relating to fire matters. It would also not be possible to revert to the Representation model if these models are not found to be effective.

A summary of the analysis is provided below. Detail as to the evidence base for each assessment is set out in the Economic Case. The estimated financial benefits of each model are a mix of direct financial implications from the change and also the benefits that the change could enable, where it is possible at this stage to make estimates, based on management assumptions. Separate investment cases would need to be made for the enabling opportunities.

Table 2: Summary economic appraisals

Critical success factors		Models (High/Medium/Low assessment)			
Critical success factor	How the test is met	Do nothing	Representation	Governance	Single Employer
Accelerates scale, pace and effectiveness of collaboration	The governance option can accelerate and enable more effective collaboration and deliver tangible public safety and vulnerability prevention benefits to reduce harm, improve resilience and effectiveness, and increase value for money	L	L	H	H
Brings benefits in terms of transparency and accountability	The governance option can improve transparency, accountability, visibility, and consistency of decision-making for the public, stakeholders and NYP and/or NYFRS	L	L	M	M
Is deliverable	The governance option can be implemented successfully	H	H	M	L
Mitigates strategic risks	The governance option can mitigate strategic risks	M	H	H	L
CSF summary assessment		L - 2 M - 1 H - 1	L - 2 M - 0 H - 2	L - 0 M - 2 H - 2	L - 2 M - 1 H - 1
Net present value (£)⁷		£0.1m	£1.3m	£6.6m	£7.5m
Assessment against statutory tests		[7] ✓✓ ✓✓ ✓✓ ✓	[9] ✓✓ ✓✓ ✓✓ ✓✓ ✓	[10] ✓✓ ✓✓ ✓✓ ✓✓ ✓✓	[8] ✓✓ ✓✓ ✓✓ ✓✓

Based on the assessment of the options against the critical success factors and the four tests of public safety, effectiveness, economy and efficiency, the preferred option is the Governance model.

⁷ Note – this refers only to the benefits from the prioritised opportunities identified in the second column of Table 1 and potential management changes in fire and rescue. It is not possible at this stage to estimate financial benefits from the Transformation Vision.

It is assessed that this model is most likely to achieve the greatest acceleration of the pace of collaboration, the greatest scale of ambition, and the greatest degree of transparency and accountability, bringing meaningful savings, whilst being deliverable and sufficiently mitigating against strategic and public safety risks.

It is therefore most likely to deliver the transformation vision for collaboration against the context and drivers set out in the Strategic Case. It is most likely to further enhance and improve public safety within the specific context of North Yorkshir.

2.3 Commercial Case

Implementing the Governance model will require the Secretary of State, using powers in the Fire and Rescue Services Act 2004, to make the PCC the FRA for North Yorkshire.

The Governance model would have commercial implications, since it would involve transferring assets and liabilities, and novating contracts. The most significant of these will be the PFI for Easingwold (NYFRS's training centre). In addition, the disbanding of the current NYFRA will affect existing contractual arrangements with NYCC for the provision of finance, committee and legal services. The Office of the PFCC would take responsibility for democratic services, and over time these other contracts may be brought into a joint arrangement with North Yorkshire Police, using in-house staff with external support as required, but there will need to be further assessment of these changes and transitional arrangements put in place with NYCC.

The Governance model would also require staff to transfer from the existing NYFRA as their employer, to the new FRA, led by the PCC, under Cabinet Office Statement of Practice (COSoP).

These changes are considered manageable.

2.4 Financial Case

We estimate that the direct costs of implementation will be ~£120k. We expect these costs will be funded from the PCC's earmarked reserves. We forecast a small saving in operational costs as a direct result of a change to the governance model, which will partially offset implementation costs. Applying inflation to 2016/17 budget figures, the total annual expenditure that could be controlled by the PFCC would be of the order of £170m in 2018/19. Financial benefits shown in the economic case would, wherever possible, be re-invested in frontline services.

2.5 Management Case

The Management Case describes the arrangements and plan for managing implementation of the proposed models successfully. Based on current assumptions, the earliest realistic target implementation date for the new governance arrangements would be 1 April 2018.

Implementation of the changes would rely on ongoing engagement with stakeholders, including staff and their representative bodies.

In considering the equality impact of the changes, it is likely that none of the governance changes would affect any group or sector of the community differentially. However, this will need to be tested as part of the consultation and an equality impact assessment completed prior to formal submission of the Local Business Case to the Home Office.

After implementation a Police, Fire and Crime Plan would be developed that would set out how efficiency and effectiveness could be improved in order to protect frontline services. Business cases, including staff and union consultations, would be developed for community safety and prevention services and to create a third entity to provide enabling services to NYP and NYFRS. The estates strategies of both organisations would be reviewed to develop a single 'community safety estate' strategy that would seek to bring in other

partners as well. Data analysis and the implementation of data sharing structures would be put in place to strengthen collaborative working. A change review would be initiated to start discussions around the future senior management structure of NYFRS to identify where efficiencies might be made, though this would be implemented through natural attrition.

2.6 Conclusion

This LBC sets out the case for change and, in particular, how governance can drive the pace and scale of change. The preferred option, the Governance model, will bring benefits to the pace and scale of collaboration, the way in which the public are engaged in the delivery of fire and rescue services and is relatively low risk versus some of the other options. The Governance model will allow for acceleration of the existing programme of work in estates and further shared functions around support services, releasing benefits which could be used to invest in frontline services. The new model will provide a secure platform for emergency service reform in North Yorkshire. It does not pose any risk to public safety.

3 STRATEGIC CASE: THE CONTEXT AND CASE FOR CHANGE

The Strategic Case sets out the legislative and strategic context for NYP and NYFRS collaboration and governance, summarises the case for change and sets out the opportunities and strategic risks. This provides the context and critical success factors for appraising the options. The Strategic Case sets out the context and drivers for change.

Introduction

The Strategic Case sets out the legislative and strategic context for NYP and NYFRS collaboration and governance, summarises the case for change and sets out the opportunities and strategic risks. This provides the context and critical success factors for appraising the options. The Strategic Case sets out the context and drivers for change. It does not assess the governance options, but provides information that is material to that assessment set out in the Economic Case. The Strategic Case does not recommend a particular option.

The Strategic Case is set out in four sections. The first section looks at the local context – the current makeup of the two organisations, their governance models and practices, their financial health, and the extent of current collaboration.

The second section details the drivers for change at a national and local level. It looks at national policy direction, service reviews and research evidence into the governance barriers to collaboration and into the impact on policing of the change to PCCs from Police Authorities. It also considers continuing financial pressures, and the change in public expectations and demands being experienced by both services.

The Strategic case then considers the local case for a change to the current model of any kind. It looks at local performance, financial considerations, and demand change, and the factors within these with which any future governance model must be able to deal. It then sets out the opportunities and visions for collaboration identified during the development of this business case, considering the possible impact of such opportunities for the public of North Yorkshire were they to be implemented.

Finally, the Strategic case sets out the critical success factors that are used in the Economic Case to assess the governance options, and the strategic risks which governance options must mitigate.

3.1 The local context

This section describes the local context for change, including the current emergency services landscape.

3.1.1 Introduction to North Yorkshire and City of York

Covering over 3,000 square miles, the county of North Yorkshire ranges from isolated rural settlements and farms to market towns and larger urban areas such as York, Harrogate and Scarborough. Outside of urban centres and market towns, North Yorkshire is sparsely populated, with 55% of the population living in rural areas and 17% of the population living in areas which are defined as super sparse (less than 50 persons/km).⁸ The population of the county has increased steadily, by 6% from 2001 to 2015, but is set to

⁸ North Yorkshire Joint Strategic Needs Assessment, 2015

grow less than the England average overall. The number of people in the older age groups within North Yorkshire is increasing at a higher rate than the England average.

The City of York is a university city and therefore has a different demographic make-up to North Yorkshire; the highest proportion of people in York is within the 20-24 bracket, followed by the 25-29 group.⁹ Population growth in York has been strong, between 2001 and 2011 York grew more than Yorkshire and Humber or England (9.4% compared with 6.2% and 7.2% respectively).¹⁰

Politically, North Yorkshire has two tier-one authorities – North Yorkshire County Council, which covers the Boroughs of Harrogate and Scarborough and the Districts of Richmondshire, Hambleton, Ryedale, Selby and Craven, and the City of York Council, which covers the City of York.

North Yorkshire and York are affluent overall, with pockets of deprivation. In North Yorkshire there are 18 (lower super output) areas amongst the 20% most deprived in England, the majority of which are in Scarborough district, two in Craven, one in Selby and one in Harrogate.¹¹ Scarborough also has higher than national average rates of child poverty and public health issues. Although York is the third least deprived city out of their national peer group of 64, York has pockets of very deprived areas which are masked by York's overall prosperity.¹²

North Yorkshire currently ranks as the safest county in England¹³, in terms of crimes per every 1000 people (45.3), North Yorkshire is also the fourth safest local force area in the UK.¹⁴ However, there are also pockets of higher-crime areas, and all areas of North Yorkshire continue to have significantly higher rates of people killed and seriously injured on the roads when compared with the national average.

The ageing population is leading to a number of long term health conditions and increasing numbers of people who are frail and vulnerable, which in turn can lead to risks around fire safety and crime. The North Yorkshire Fire and Rescue Service Integrated Risk Management Plan notes that the largest single 'at risk' group in the home is the elderly.¹⁵ Home Office customer segmentation analysis around those groups which are most likely to be affected by 'serious and organised crime' cites older people, living in rural or semi-urban areas as 'digitally vulnerable'. These residents have high levels of offline protection, however inexperience with technology makes them vulnerable to online crime and fraud.¹⁶

The large and rural nature of the county, coupled with the rising and aging population, brings significant challenges for public services, including policing and fire and rescue services, particularly as public demand and expectation remains high. A public consultation developed to inform the 2017 Police and Crime Plan found that the public want to see a focus on customer service and experience, a visible policing presence, they have a concern around preventing crime and a need to protect the most vulnerable in society. Crimes which cause the most concern are burglary and anti-social behaviour, while over the last five years, concern has grown most regarding online crime, fraud and child sexual exploitation.¹⁷

⁹ <http://www.healthyyork.org/the-population-of-york/specific-population-profiles/frail-elderly.aspx>

¹⁰ https://www.york.gov.uk/info/20037/statistics_and_information/79/census

¹¹ North Yorkshire Joint Strategic Needs Assessment, 2015

¹² <http://www.healthyyork.org/what-its-like-to-live-in-york/deprivation-and-prosperity.aspx>

¹³ <https://northyorkshire.police.uk/news/north-yorkshire-remains-the-safest-place-in-england/>

¹⁴ <https://www.justiceinspectorates.gov.uk/hmic/crime-and-policing-comparator/>

¹⁵ Integrated Risk Management Plan, NYFRS, 2013/14 – 15/16

¹⁶ Serious and Organised Crime Protection: Public Interventions Model, Home Office

¹⁷ North Yorkshire Police and Crime Plan Consultation, buzzz, December 2016

Standalone public service delivery and silo working may not be able to deliver against these expectations. Simplified and more joined up local emergency services will be required to meet the changing needs of communities.

3.1.2 Local emergency services in North Yorkshire

North Yorkshire Fire and Rescue Service (NYFRS) and North Yorkshire Police (NYP) cover seven districts and the City of York within their combined boundaries. They are conterminous and service the needs of over 809,200 North Yorkshire and York residents.¹⁸

The North Yorkshire Fire and Rescue Authority (NYFRA), through the North Yorkshire Fire and Rescue Service, is responsible for delivering a number of services, including fire response services and other emergency incidents. The service also has a trusted role in community safety, prevention activity and in enforcing fire safety legislation. NYFRS also shares collaborative initiatives with Yorkshire Ambulance Service (YAS), NYP, other Yorkshire and the Humber FRSs and Cornwall FRS.

North Yorkshire Police is operationally responsible for the policing of the whole of North Yorkshire. It shares a number of collaborative initiatives with North East region forces (Cleveland, Durham, Northumbria, Humberside, West Yorkshire and South Yorkshire) as well as NYFRS and YAS.¹⁹

Both North Yorkshire Fire and Rescue and Police work closely with both North Yorkshire and City of York councils as well as 7 district councils and the YAS. North Yorkshire’s characteristics also require police and fire to work closely with maritime and mountain rescue services, and two national park authorities.²⁰ The delivery landscape is therefore relatively complex and unique.

There is not any identified risk to public safety from the way in which NYFRS is currently run. However, the below assessment finds that there are significant opportunities to improve public safety through collaboration.

3.1.3 North Yorkshire fire and police service overview

North Yorkshire Fire and Police organisational summaries are shown below:

Table 3: Fire and Police organisational summary

	NYFRA	NYP (Chief Constable) / PCC (including OPCC)
Net expenditure (16/17)	£29.2m ²¹	£140.2m
Staff (16/17)	Total: 779 298 FTE whole-time staff 380 retained firefighters (headcount)	Total ²² : 2,605 FTE, 9 FTE in the OPCC 1,375 FTE Officers

¹⁸ Office of National Statistics, mid-2015 population estimate

¹⁹ <http://www.northyorkshire-pcc.gov.uk/police-oversight/governance/decisions/collaboration-agreements/>

²⁰ North Yorkshire Moors and Yorkshire Dales

²¹ Figures are draft and unaudited at time of writing

²² As at 31 March 2017

	NYFRA	NYP (Chief Constable) / PCC (including OPCC)
	77 FTE support staff 15.5 FTE control room staff	1,040 FTE staff* 181 FTE PCSOs (*of which 183 control room staff)
Coverage	North Yorkshire County Population: 602,300 ²³ City of York Population: 206,900 38 fire stations (5 whole time shift stations, 7 day crewed stations, 24 retained stations, 2 volunteer stations) and one HQ	North Yorkshire County Population: 602,300 ²⁴ City of York Population: 206,900 68 buildings (including 34 stations and one HQ)
Governance	North Yorkshire Fire and Rescue Authority (16 members)	Police and Crime Commissioner Chief Constable
Costs of Governance²⁵	Estimated at ~£139k (76k for member direct costs and training, £40k for finance and audit costs, 23k for committee services and Monitoring Officer) (based on 15/16 actual data). This is detailed at Appendix 8.1.	Total 17/18 OPCC budget is £911k (includes PCC direct costs and OPCC staffing costs of £512k, statutory officer functions of £304k and services to the community of £94k). This is detailed at Appendix 8.1.

North Yorkshire Fire and Rescue Authority

NYFRS is governed by the North Yorkshire Fire and Rescue Authority, a Combined Fire and Rescue Authority which covers the areas of NYCC and CYC, an arrangement that has been in place since April 1996.²⁶

The Fire and Rescue Authority directs and monitors the role of NYFRS, and has the ultimate responsibility, as a corporate body, for decision-making on fire and rescue matters across the local authority areas of NYCC and CYC, in line with the Fire and Rescue Services Act, 2004.²⁷ NYFRA membership comprises of 16 locally elected representatives: 12 from NYCC and 4 from CYC. Members are appointed by the local authorities after each local election. NYFRA is supported by a Treasurer, Monitoring Officer (provided by

²³ Office of National Statistics, mid-2015 population estimate

²⁴ ibid

²⁵ It should be noted that the costs of governance of the NYFRA and PCC are not directly comparable. A significant amount of the FRA's statutory responsibilities are delegated to officers who are authorised to discharge specific functions, whereas the PCC has a small team that manages day to day responsibilities as well as independent scrutiny of the constabulary and the chief constable.

²⁶ <https://www.northyorksfire.gov.uk/about-us/who-we-are/fire-authority>

²⁷ <http://www.northyorksfire.gov.uk/about-us/who-we-are/fire-authority>

NYCC) and also other treasury management, committee and legal services provided by NYCC (see Table 5).

NYFRA has a number of committees to support its work; their duties are listed below and more details are held at Appendix 8.2.²⁸ The Fire and Rescue Authority also has a newly formed Collaboration Committee. The Appeals Committee and Appointments Committee meet only as required.

Table 4: NYFRA corporate structure

Governance Board	Purpose	Meeting Frequency
Fire Authority	Main decision-making body for all fire and rescue services.	4 per year
Audit and Performance Review Committee	Monitors, and receives reports on the performance of the Authority in respect of Government standards, the Authority's own Code of Governance, and monitors how the organisation is performing against its targets.	4 per year
Standards Sub-Committee	Promotes and maintains high standards of conduct in the Authority.	2 per year
Collaboration Committee	Established April 2017. Will work on behalf of the Authority to work across a wide range of partners to deliver collaboration projects. The Fire Authority Chair is the only voting member of the Fire Authority on this committee. The PCC sits on this committee and will, subject to consultation and agreement, also receive 1 vote.	6 per year
Pensions Board	Assists the Authority in its role as a scheme manager of the Fire Fighters' Pension Scheme.	1 per year
Appeals Committee	Hears and determines appeals against the decision of officers, where provision exists for appeals to a Member level body.	Ad hoc
Appointments Committee	Determines an appropriate recruitment package within existing policies as regards salary, benefits and removal expenses in respect of vacancies for the Chief Fire Officer/Chief Executive and his/her Directors. Evaluates, from time to time, the terms and conditions of these posts.	Ad hoc

North Yorkshire County Council and the City of York provide the following services to North Yorkshire Fire and Rescue Authority:²⁹

Table 5: Services provided to NYFRA by NYCC and City of York

Contractor	Title of Agreement	Description	Annual contract value (£)	Length of Contract
NYCC	Building Maintenance Contract Support	Building Maintenance including provision of Help Desk facility and measurement, valuation and invoice preparation of the Building Maintenance Contract works. Contract accessed through NYCC	£110,000	1 year
NYCC	Committee Services SLA and Legal Services SLA	Provision of committee and legal services	£81,570	3 years
NYCC	Finance SLA – Finance	Provision of financial ledger, treasury management, risk management	£55,017	3 years

²⁸ http://www.northyorksfire.gov.uk/useruploads/files/governance/2017-01-30_-_fire_-_members_handbook.pdf

²⁹

http://www.northyorksfire.gov.uk/useruploads/files/financial_information/contracts/contracts_2017/procurement_register_for_contracts_050217_.pdf

Contractor	Title of Agreement	Description	Annual contract value (£)	Length of Contract
NYCC / City of York	Internal audit	Provision of internal audit services	£25,000	1 year
NYNET via NYCC	IT services	Wide Area Network provision	£95,000	1 year
NYCC	Finance SLA – Payroll	Managed payroll system	£21,252	1 year

North Yorkshire PCC

The Police and Crime Commissioner (PCC) is elected to hold the Chief Constable of North Yorkshire to account for the delivery of policing in North Yorkshire. The PCC has a wider duty to bring together community safety and criminal justice partners to reduce crime and support victims across North Yorkshire. The PCC is a separate legal entity to North Yorkshire Police and is an elected representative with key statutory responsibilities that include:

- Securing the maintenance of an efficient and effective local police force; and
- Holding the Chief Constable of North Yorkshire Police to account for the exercise of his functions and those of persons under his/her direction and control.

In addition, the PCC has retained responsibility for some enabling back office services; estates and logistics, technology, organisation and development and corporate communications functions for the wider force. The Chief Executive of the Office of the PCC is responsible for delivery of these services.

The PCC's corporate structure is shown below.

Table 6: PCC's corporate structure

Structure	Purpose	Meeting Frequency	Chair
Executive Board	Formal strategic board for NYP, directing delivery of, and assessing progress against, the Police and Crime Plan, and monitoring budgets and financial plans. Decision making responsibility rests solely with the PCC.	Bi-monthly	PCC
Public Accountability Meeting	PCC holds Chief Constable to account through public scrutiny for the efficiency, effectiveness and performance of the police.	Monthly	PCC
Joint Independent Audit Committee	Provides assurance and audit of corporate governance	Quarterly	Independent chair

The PCC has informal meetings with Chief Officers every week, and is able to take decisions outside of formal meetings.

The Chief Constable also has organisational meetings to facilitate the delivery of policing services.

The PCC and the Chief Constable are also members of the Regional Collaboration Board for the Yorkshire and Humberside region, and the Evolve Joint Governance Board for the Durham, Cleveland and North Yorkshire partnership. The Commissioners, Chief Constables, Chief Executives and other relevant staff and officers meet regularly to ensure these police services are working well together and to forward collaboration strategy and practice where possible.³⁰

³⁰ <https://www.northyorkshire-pcc.gov.uk/police-oversight/governance/regional-governance/regional-collaboration/>

North Yorkshire Police and Crime Panel

The Police and Crime Panel (PCP) provides checks and balances on the work of the PCC. The Panel scrutinises how the PCC carries out her statutory responsibilities providing constructive challenge, but also supporting the Commissioner in her role in enhancing public accountability of the police force. NYCC is the responsible authority for the North Yorkshire Police and Crime Panel. The Panel comprises: one elected representative from each of the district authorities; one from the County Council and two from the City of York. In addition, three individuals that have been co-opted, of these two are independent 'community' members and one is an elected member.³¹ NYCC received £66,180 in grant from the Home Office for the 2016/17 financial year to be able to support the Panel.

North Yorkshire Police

The Chief Constable of North Yorkshire Police is operationally responsible for the policing of the whole of North Yorkshire.³² He has a statutory responsibility for the control, direction and delivery of operational policing services provided by North Yorkshire Police. The Chief Constable is held to account by the Police and Crime Commissioner for North Yorkshire.

3.1.4 Current collaboration picture

NYFRA and NYP have had a long-standing commitment to collaborate, but progress has been slow and there is no formal governance to drive such collaboration (although a new committee has recently been established by NYFRA). In December 2013, both organisations confirmed their commitment for collaboration in a vision and Statement of Intent for Improving Public Safety.³³ The vision was as follows³⁴:

“The aim of this programme of work is to deliver by 2020 a Police Service and a Fire & Rescue Service for North Yorkshire and the City of York which retain their respective identities, legislative duties, powers and responsibilities, and governance arrangements, but which share an integrated suite of business support and community safety prevention services where it makes sound operational and business sense to do so. The communities of North Yorkshire and York will continue to enjoy discreet Police and Fire & Rescue Services but will see two of their blue light services functioning as a virtual combined service in terms of business support and prevention.”

Specifically, this sought to gain opportunities for collaboration in terms of:

- Operational synergies in the services provided, particularly those that prevent harm to our communities;
- Similarities in organisational culture of 24-7 emergency services provision across a wide and diverse geography;
- A shared context in relation to national funding reductions and a need to cut non-frontline costs;
- A co-terminous boundary that encompasses a large and logistically challenging territory;
- An innovative approach to service re-design;
- Parallel work developing across the country between Fire and Police Services.

The Statement of Intent goes on to say that:

³¹ <http://www.nypartnerships.org.uk/pcp>

³² <https://northyorkshire.police.uk/content/uploads/2015/08/Top-level-Forcewide-Organisation-Structure-Chart-May16-Update-1.pdf>

³³ <http://www.northyorkshire-pcc.gov.uk/content/uploads/2013/12/Statement-of-Intent-221113-FINAL.pdf>

³⁴ Fire and Police Steering Group, Monday 8 July 2013

“This alliance, whilst not exclusive of other partnering opportunities that may offer a greater return on investment, would create a principal partner position through to 2020 and beyond. This partnership will exploit all opportunities for the sharing of services in the functions of:

- *Community Safety*
- *Command and Control*
- *Training Facilities*
- *Transport Management*
- *HR / Personnel Services*
- *Training & Development*
- *Finance*
- *Estates including a shared Headquarters in the northern area*
- *Health and Safety*
- *Communications*
- *Planning*
- *IT*
- *Data Management*
- *Legal Services*

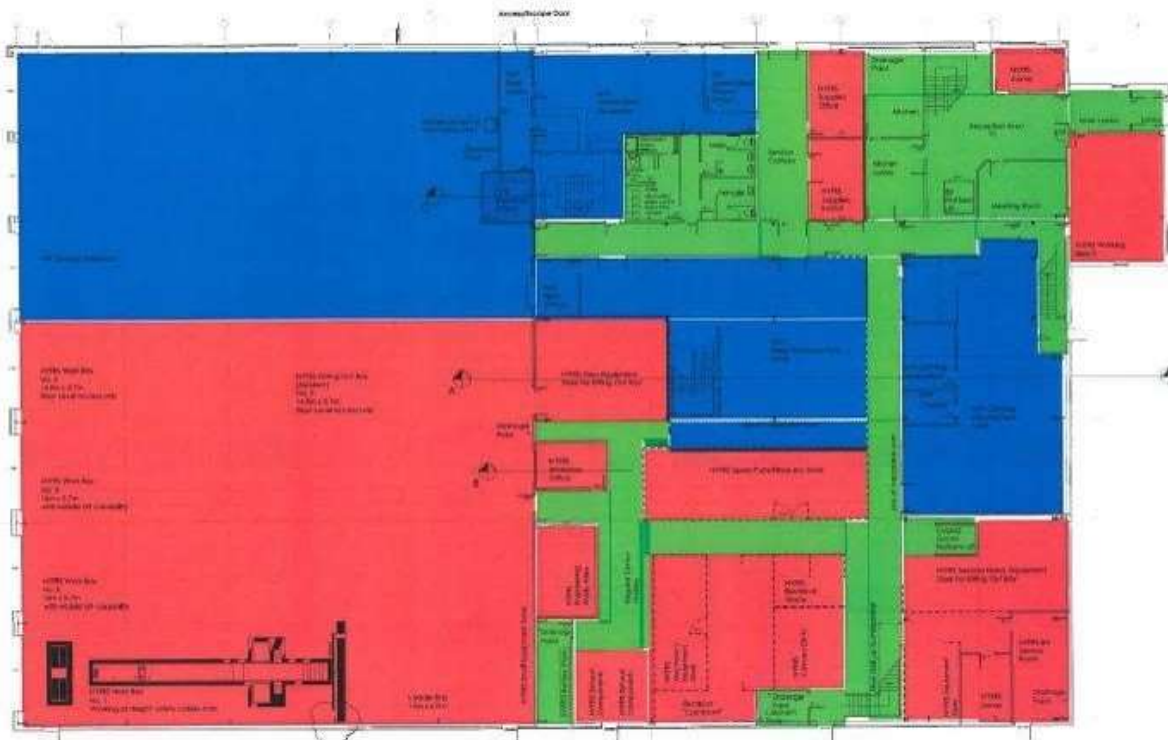
The scoping, costing and delivery of these opportunities, will be governed under joint scrutiny arrangements through a Programme Board and Steering Group. Any disputes or changes to the scope will be dealt with at these forums.”

At the time, much was made of this agreement, with joint press statements and joint interviews with the press by the PCC and Chair of NYFRA. The stated objectives would significantly contribute to improving public safety in North Yorkshire. A Strategic Steering Group (comprising the Chief Constable, Deputy Chief Constable, PCC, Chief Executive of the OPCC, Chair of the Fire Authority and Chief Fire Officer) was set up to direct progress against a programme of collaborative work that included a third entity to deliver support services, estates and fleet, training, and the expansion of joint community safety services. However, the opportunities identified in the Statement of Intent and vision outlined above, have not yet been delivered under the collaborative approach and the Steering Group meetings ended in May 2014. This is despite a successful Police Innovation Fund bid to provide funding for the investigation of creating a Support Services Delivery Model, or third entity, which would have seen support services provided to each service by an independent organisation.

An external contractor was commissioned to draw up the specification for the third entity which was delivered in February 2014, recommending a wholly-owned company with the PCC, Chief Constable and NYFRA as members. The concept did not move forward, with minutes from Steering Group meetings in March and May 2016 showing that there were a wide range of possible approaches and neither service was willing to commit to the idea.

Of the list of possible areas of collaboration outlined above, some progress has been made. Estates and fleet collaboration has progressed. There is now a limited joint estates strategy where certain projects have been identified for co-location of fire and police stations and in some cases this includes YAS as well. A flagship project is the Joint Transport Logistics Hub in Thirsk where fleet servicing requirements have been co-located. However, as the image below shows, integration is limited with services occupying separate halves of the site, with some shared areas. In practice, currently two separate teams are working in two garages on the same site. While discussions are on-going, there is currently no sharing of staff or management of these services. Figure 1 below shows the NYFRS areas as red, NYP areas as blue and joint areas as green.

Figure 1: NYFRS and NYP joint Transport Logistics Hub, Thirsk



Work on sharing training and development services was also initiated and stalled.

The agreement to undertake further joint community safety services was based on a successful, albeit not formally evaluated, pilot carried out in the predominantly rural Bedale and Richmond area. On the basis of this it was agreed that the joint working model needed to be tested in an urban context, and the decision was made to integrate the pilot into the Community Safety Hub in Scarborough. This hub allows for information to be shared within a collaborative, co-located office space to improve joined-up response to individual cases, although work is now carried out independently by each service rather than together as was the case in the rural pilot. Collaborative initiatives have therefore fallen short of the vision set out by the Statement of Intent for closer, more integrated support functions to date. They have predominantly focussed to date on some specific initiatives within back office services i.e. transport and logistics, estates and procurement and some particular frontline initiatives, around community safety and road safety. These are summarised in Table 7.

Table 7: Current NYFRS and NYP collaboration initiatives

Collaboration initiative	Partners	Detail
Transport and Logistics - Thirsk	NYP and NYFRS	Co-location of NYP and NYFRS Transport and Logistics functions.
Shared Transport and Logistics Manager	NYP and NYFRS	Shared post across NYP and NYFRS on a fixed term basis. This arrangement was ended by NYFRS on 31/03/17, but as of 15/06/17 discussions have restarted.
Co-location and estates sharing	NYP and NYFRS (possibly YAS)	Co-location of fire and police at Bedale since 2003. Plans in place for co-location of fire and police at Ripon, possibly with the Ambulance Service.
Integrated Community Safety Hub - Scarborough	NYFRS, NYP and other agencies	NYFRS Community Safety Officers, NYP and other agencies work out of the centrally located town hall and as such are able to communicate more effectively with one and other when providing a multi-agency approach to preventative measures and other issues. The success at Scarborough is now being

		extended into other areas with the creation of hubs in York, Harrogate and Selby.
Driver training – Coxwold House, Easingwold	NYP and NYFRS	Relocation of police driver training to the NYFRS training centre in Easingwold (a PFI site with an adjacent building that has spare capacity).
Procurement	NYFRS and NYP	Joint procurement for some services.

In addition to the initiatives outlined above, NYFRS, NYP and other agencies have been working together through the 95 Alive York and North Yorkshire Road Safety Partnership. This is a partnership with local authorities, introduced in line with statutory requirements as part of the Road Traffic Act 1988. It works to educate, inform and train, with the aim of lowering the number of road casualties across York and North Yorkshire.

While the Statement of Intent suggests that more could have been achieved in the last three years, these initiatives have produced some positive outcomes, although many are only in early development. An independent evaluation of the Scarborough Borough Council Community Impact Team (CIT) in October 2016³⁵ provided a positive appraisal of the work undertaken in the Scarborough hub, especially around engaging with the community *“old entrenched suspicions of those who have been seen in the past as authority figures has changed in response to the considerable efforts out in communities by the CIT.”*

Collaboration has been more extensive with partners outside of North Yorkshire to date. NYP has worked with other North East region forces since ~2012 on joint initiatives and NYFRS shares collaborative initiatives with Yorkshire Ambulance Service (YAS) and the other Yorkshire and the Humber FRSs and Cornwall FRS. Details of these activities can be found in Appendix 0.

Spend on collaboration by North Yorkshire Police is, however, below the national average. North Yorkshire Police forecast³⁶ that it would spend £4.2m in 2016/17 on collaboration with other police forces. This is 2.9% of its net revenue expenditure (NRE), which is lower than the England and Wales average of 11.9%. Data provided to HMIC for an upcoming inspection shows an increasing spend on collaboration, 4.4% of NRE in 16/17 rising to 5.9% of NRE in 17/18.³⁷ In terms of collaboration with non-police organisations, NYP forecast that it would spend £0.3m in 2016/17 on collaboration. This is 0.2% of net revenue expenditure (NRE), which is lower than the England and Wales average of 3.4%. There is no national benchmarking on the level of collaboration for fire, but an estimate from NYFRS Finance is that a comparable figure for NYFRS (on collaboration with all agencies, including non-fire) is ~6% of expenditure. Based on this data therefore, NYFRS currently delivers a greater proportion of its services in joint delivery models with other agencies than NYP, but still represents a small percentage of its overall expenditure.

It should also be noted that whilst collaboration can bring significant benefits in terms of scale, more efficient use of resources, improved non-financial outcomes and sometimes financial benefits, it also brings complexities in delivery. It requires a robust benefits realisation process to be in place to enable the success of the initiative to be measured. This needs to be supported by efforts to support culture change and the appropriate data and intelligence. Longer term, it requires effective governance and performance frameworks to be in place for the shared service to continuously improve and to ensure that the service still meets the outcomes required. These are all learnings of a recent NYP review of collaboration. On review by the PCC at the NYP Corporate Delivery and Scrutiny Board, it was concluded that one of the difficulties of

³⁵ Scarborough Borough Council Community Impact Team (CIT). External evaluation report by Professor Bryan R. M. Manning. 14th October 2016

³⁶ [PEEL: Police efficiency 2016 - An inspection of North Yorkshire Police](#)

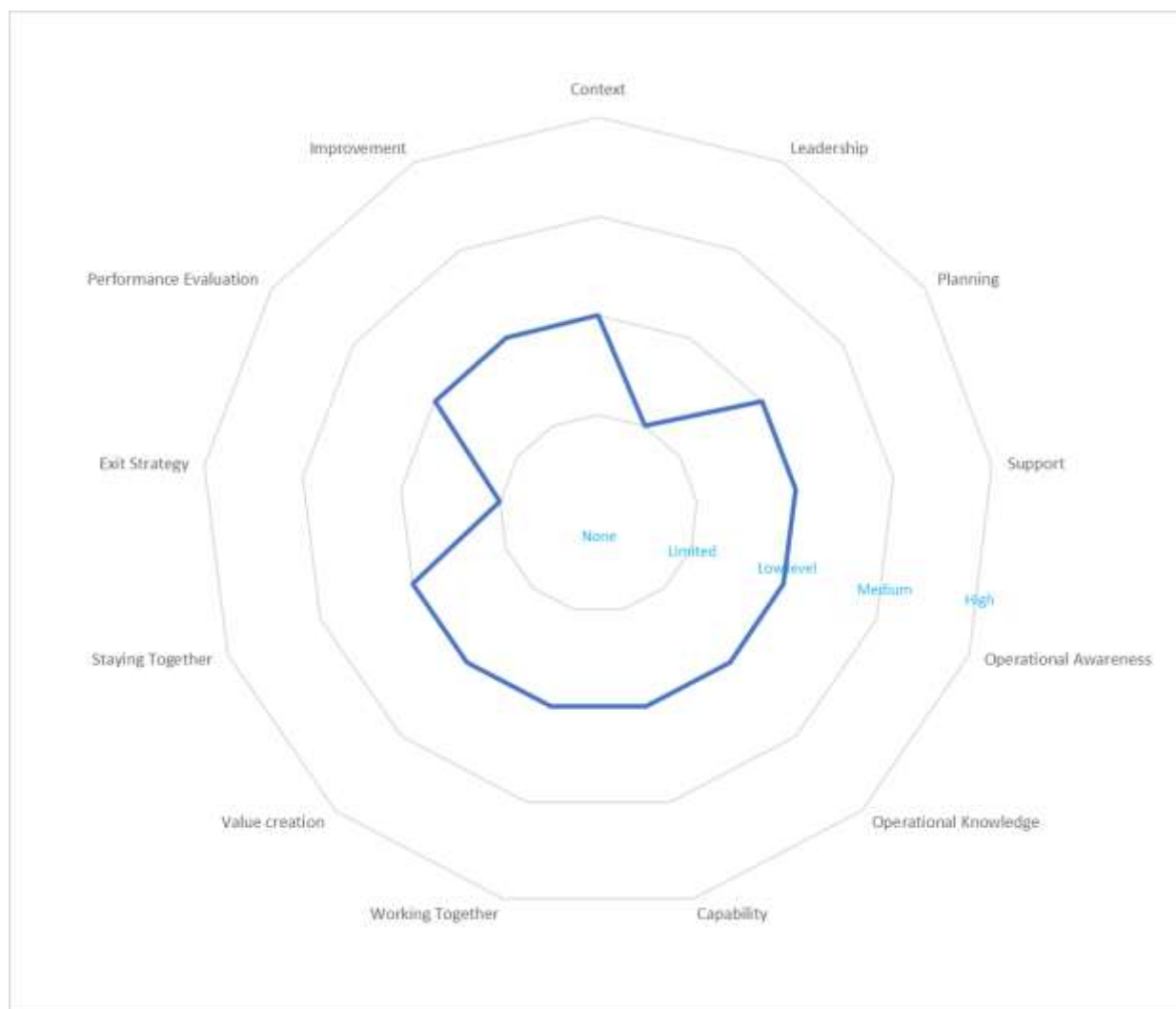
³⁷ NYP return for HMIC; NYP Finance. Note that this does not include expenditure in relation to national police schemes such as NPAS.

collaboration even between police services is the involvement of multiple governance bodies.³⁸ The experience of NYFRS and NYP to date can be drawn on to ensure sustainable development of future collaboration, as well as the experience of other local public partners in local government and health who have significant experience of collaborating.

An assessment of the current state of collaboration using the ISO 44001:2017 collaboration maturity matrix demonstrates the current barriers to collaboration.³⁹ This is the international standard on collaborative business relationship management systems which specifies requirements for the effective identification, development and management of collaborative business relationships within or between organisations. It allows for self-assessment of the maturity of collaborative relationships in an organisation or group of organisations, highlighting weaknesses that need to be addressed and strengths that can be built on. It considers the context of the organisation, leadership, planning, support, operational awareness, operational knowledge, capability, working together, value creation, staying together, exit strategy, performance evaluation and improvement.

The relationship between North Yorkshire Fire and Rescue Service and North Yorkshire Police does not score highly.

Figure 2: ISO 44001:2017 collaboration maturity assessment of NYFRS and NYP



³⁸ Corporate Performance, Delivery & Scrutiny Board, April 2017

³⁹ International Organisation for Standardisation, ISO 44001:2017

Attempted merger of NYFRA with Humberside Fire and Rescue Authority

NYFRA has also independently recognised the opportunities for improved resilience and cost reduction through collaboration. During 2016, it reviewed options independently for potential wider collaboration. This included considering a merger with Humberside FRA (HFRA) in order to improve resilience and reduce costs in governance and management. Following feasibility work and review of a business case, a Special Meeting of HFRA on 11 November 2016 agreed to “...not progress the option of a ‘fire-fire’ merger with North Yorkshire Fire and Rescue Authority but ... [to] continue to explore all collaboration opportunities with North Yorkshire Fire and Rescue Authority short of a full merger”.⁴⁰

This leaves the opportunity to achieve greater efficiency and effectiveness through enhanced collaboration within North Yorkshire between fire and police, and fire, police and wider partners, as well as for the fire service to collaborate with other fire services on specialist functions.

Appetite for collaboration

Although the Statement of Intent still holds, the PCC, Chief Constable and NYFRS all now have a more ambitious agenda around collaboration, albeit not currently joint, to build greater resilience within their services to protect and serve communities in North Yorkshire, a purpose they both share.

NYFRA recently initiated a joint Collaboration Committee, shortly after the Policing and Crime Act was given Royal Assent, with health services, NYP and other local emergency services providers. In February 2017, the Fire and Rescue Authority agreed a ‘Collaboration Vision and Mission’⁴¹ for NYFRS:

- For York and North Yorkshire to become a beacon of best practice for collaboration, that will improve outcomes for all of its citizens; and
- To realise the full potential of collaboration by the FRS with a wide range of partners to deliver improved public safety and wellbeing outcomes for the citizens of York and North Yorkshire in the most efficient and effective way.

It is also evidenced in the PCC’s recent Police and Crime Plan⁴² which states that “we will reach out to partners and drive innovation forward to enhance policing, public protection, community safety and local justice services.... [We will] Fully embrace the opportunities presented by the 2017 duty to collaborate between ‘blue light’ services to deliver a more efficient and effective response that improves public safety and the resilience of services in our community.”

3.1.5 PCC’s vision for local policing

The latest Police and Crime Plan has a renewed focus on supporting the most vulnerable in North Yorkshire, which will provide a focus for partners to engage with. In order to meet this objective it describes a local policing model that must engage local partners to keep the residents of North Yorkshire safe and prevent harm. In particular, this instils a focus on ‘primary prevention’ - “we will have a specific emphasis on ‘primary prevention’, by which we mean intervening earlier alongside the most appropriate partners, to prevent potential harm or the escalation of problems”⁴³ through a neighbourhood policing model.

At the core of this, is an approach to early intervention and prevention, as recently emphasised by the Chair of the National Police Chiefs Council (NPCC). “If we are to think wisely about demand then we need to think

⁴⁰ [http://www.humbersidefire.gov.uk/uploads/files/HFA_\(Special\)_Mins_111116.pdf](http://www.humbersidefire.gov.uk/uploads/files/HFA_(Special)_Mins_111116.pdf)

⁴¹ NYFRA, Collaboration Report, 17th February 2017

⁴² NY Police and Crime Plan, 2017-2021

⁴³ NY Police and Crime Plan, 2017-2021

about the whole system – we need to work with partner organisations to take mainstream policing upstream, focusing on prevention and early intervention.”⁴⁴

A recent review of neighbourhood policing also defined a successful neighbourhood policing model as one which:

- Engages with all sections of the community;
- Focusses on prevention and early intervention work to stop issues escalating;
- Focusses activity on repeat calls for service (victim / offender and location) reducing overall demand on NYP;
- Develops problem solving approaches to focus on threat, harm, risk and vulnerability that supports victims and communities and targets offenders;
- Works closely with partners developing integrated ways of working through delivery models such as troubled families, integrated offender management, the no wrong door programme and safeguarding arrangements including mental health;
- Uses the skills of volunteers, special constables and watch scheme members and work with other voluntary sector organisations for the benefit of the community.

Existing NYP strategic plans are clear that keeping the local public safe cannot be delivered in isolation.

3.1.6 Local context summary

NYFRS and NYP cover the same North Yorkshire and York boundary, the same populations and needs, which are overall rural, with a few urban areas and the City of York. The organisations are governed and organised differently, with the Authority model governing fire and rescue services and the PCC holding the police Chief Constable to account. There is no identified risk to public safety in the way NYFRS is currently run. A Statement of Intent in 2013 marked the ambition for collaboration between NYFRS and NYP and the start of a process to collaborate on specific initiatives where possible (community safety, estates and some procurement). However, the work completed through this process has been limited to date and greater ambition and opportunity now exists. Significant opportunities to improve public safety were identified within this collaboration programme. Future governance arrangements need to be capable of supporting this greater ambition.

3.2 Drivers for change

There are policy, efficiency, financial and operational trends at national and local level that are also driving the need for increased collaboration between fire and police services and the need to consider changes in governance.

3.2.1 The national policy agenda for closer emergency service collaboration

There is a strong policy driver for closer working between emergency services. In the Conservative Party manifesto of 2015, the government committed to deliver greater joint working between the police and fire service. As part of implementing this commitment, the Home Office took over ministerial responsibility for fire and rescue policy from the Department for Communities and Local Government in January 2016. In January 2017, the Policing and Crime Act received Royal Assent. It places a high-level duty to collaborate upon all three emergency services (including the ambulance service) in order to improve efficiency or effectiveness.⁴⁵ The Conservative Party manifesto in 2017 set out an increased role for PCCs in co-ordinating community

⁴⁴ *“We Must ‘Re-Imagine’ Policing In The UK”* - Police Foundation's annual John Harris Memorial Lecture – NPCC Chair Chief Constable Sara Thornton (2015)

⁴⁵ <https://www.gov.uk/government/collections/policing-and-crime-bill>

safety provision, with plans for PCCs to sit on local Health and Wellbeing Boards and taking on greater co-ordination of the criminal justice system.

The Act also enables PCCs to form part of the governance of their local fire and rescue authority either through sitting on the fire and rescue authority, or taking overall responsibility for fire and rescue services. This is subject to tests to ensure that changes will deliver improvements in economy, efficiency and effectiveness; or public safety.

In setting out the measures, the then Home Secretary said that she believed “*that it is now time to extend the benefits of the Police and Crime Commissioner (PCC) model of governance to the fire service when it would be in the interests of economy, efficiency and effectiveness, or public safety to do so*”⁴⁶. The nature of that change would be “*bottom up, so that local areas will determine what suits them in their local area*”.⁴⁷

It is also envisaged that there will be a national inspectorate for fire and rescue, similar to Her Majesty’s Inspectorate of Constabulary (HMIC). This is likely to increase scrutiny and transparency of fire and rescue service effectiveness and performance, and drive the adoption of standards that enable better comparative assessment of performance.

The case for change was reinforced by the Policing and Fire Minister, Brandon Lewis, in a speech to the Association of PCCs (APCC) and the National Police Chiefs’ Council (NPCC) in November 2016, where he said that “*while collaboration between the emergency services is showing an encouraging direction of travel, it is not consistent across the country and we need to be doing more to ensure collaboration can go further and faster and to not get trapped into saying ‘we don’t do that around here’.... 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... I expect the pace and ambition of collaboration to increase and for it to become the norm.*”⁴⁸ He made it clear that the Government will not be willing to accept the ‘status quo’ where there is a compelling case for enhancing police and fire collaborative initiatives.

The ‘Policing Vision 2025’ - set out by the APCC and NPCC in November 2016 - also sets out a number of areas where closer collaboration with local partners, including other emergency services, can help improve public safety and deliver value for money. These include ensuring a whole system approach locally to public protection, and a whole place approach to commissioning preventative services in response to assessments of threat, risk and harm and vulnerability. It also highlights the opportunities for enabling business delivery through shared services.⁴⁹

Delivery of the national policy agenda requires effective governance that can drive change locally at pace. There is an opportunity for North Yorkshire to work towards delivering the benefits of joint working between emergency services to improve outcomes for local people.

3.2.2 A drive towards increased efficiency and effectiveness, to improve service delivery

There have been a number of major reviews of fire and rescue and police services in recent years that have also highlighted the need for change, including greater collaboration and the importance of effective, enabling governance to achieve this.

⁴⁶ <http://www.publications.parliament.uk/pa/cm201516/cmhansrd/cm160307/debtext/160307-0001.htm>

⁴⁷ <http://www.publications.parliament.uk/pa/cm201516/cmhansrd/cm160307/debtext/160307-0001.htm#1603078000001>

⁴⁸ <https://www.gov.uk/government/speeches/brandon-lewis-speech-to-apcc-npcc-joint-summit-on-emergency-services-collaboration>

⁴⁹ Policing Vision 2025, November 2016, NPCC and APCC

The Knight review of efficiencies and operations in fire and rescue authorities⁵⁰

In December 2012, the then Government commissioned Sir Ken Knight, the outgoing Chief Fire and Rescue Advisor (2007 to 2013), to conduct an independent review of efficiency in the provision of fire and rescue in England. His report 'Facing the future: findings from the review of efficiencies and operations in fire and rescue authorities in England', published in May 2013, noted that: *"efficiency and quality can be driven through collaboration outside the fire sector, particularly with other blue-light services"* and recommended that: *"national level changes to enable greater collaboration with other blue-light services, including through shared governance, co-working and co-location, would unlock further savings"*. The review highlighted the need for greater collaboration and less customisation in fire and rescue service provision.

He noted that £17 million could be saved if authorities adopted the leanest structure in their governance types, and that Authority Members needed *"greater support and knowledge to be able to provide the strong leadership necessary to drive efficiency. Scrutiny of authorities and services varies considerably, some more robust than others"*.

The review did not make any firm conclusions on governance but observed that elected PCCs were introduced because police authorities were not seen as providing enough scrutiny and accountability to the public and that *"a similar model for fire could clarify accountability arrangements and ensure more direct visibility to the electorate."* He added that if PCCs were to take the role, the benefits would need to be set out clearly both in financial terms and in increased accountability and scrutiny for the public.

The Thomas review of conditions of service for fire and rescue staff in England⁵¹

Adrian Thomas was appointed to investigate further the barriers to change that had been suggested by Sir Ken Knight. The Thomas report was published on 3 November 2016, although his work (largely completed by February 2015) preceded the publication of the Policing and Crime Act. North Yorkshire Fire and Rescue Service was visited as part of his fieldwork, although he notes that the report should be read as applying to all 46 authorities.

He noted that *"the economies of scale driving greater opportunities for operations, communication, and use of resources/staffing, together with the elimination of duplication (particularly in the introduction of new technology, equipment or working practice) are all powerful arguments for reducing the number of authorities. But the greatest opportunity must be in bringing together support functions and decreasing the ratio of managers to staff."*

He also spoke of the 'formality and inflexibility' which fire authorities together with their sub-committees could introduce (46 fire and rescue services have approximately 800 elected councillors sitting on fire authorities or associated committees), which he believed *"could cause further resistance to any future change"*. Chief Fire Officers interviewed spoke of *"the burden of managing this weighty political oversight"*.

The National Audit Office report on the financial sustainability of fire and rescue services⁵²

Published in 2015, the National Audit Office report found inadequacies with local and central accountability and scrutiny mechanisms. It stated that authority members would want to take advice from their chief fire officer, and receive briefings from the services' senior managers, and whilst this provided them with technical information, it did not necessarily provide them with an independent technical basis on which to assess it. The report identified that elected members need technical support to enable them to make independent

⁵⁰ Sir Ken Knight (2012), Facing the future: findings from the review of efficiencies and operations in fire and rescue authorities in England, Home Office

⁵¹ Adrian Thomas (2016), [Conditions of service for fire and rescue staff: independent review](#) Home Office

⁵² Financial sustainability of fire and rescue services, NAO, 2015

judgements on the strategies and performance of their service. These findings are similar to those reached by HMIC and the Audit Commission in 2010 when jointly inspecting police authorities. They concluded that, while most police authorities were effective in scrutinising everyday performance and holding forces to account in delivering their priorities, most were not taking a sufficiently strategic lead in shaping policing in the longer-term or doing enough to drive collaboration.⁵³

HMIC report on policing in austerity

In 2014, the HMIC published 'Policing in Austerity: Meeting the Challenge', which commended police forces for the way they had responded to the challenge of austerity but noted that collaboration was complex and fragmented and not materialising in the majority of forces.⁵⁴

This overview of reviews is not exhaustive but, in summary, suggests that there have been several reviews over recent years that have independently highlighted the need for reform within the fire and rescue service nationally. In addition, it has been found that the benefits of emergency services collaboration, including collaboration across police forces, are not being fully realised. The Policing and Crime Act 2017 allows for something which no previous legislation on collaboration has done, however, which is a wholesale change in governance to streamline decision making and facilitate closer working.

3.2.3 There is significant evidence that governance is a critical enabler of successful collaboration

There is a body of research on what is required for collaboration to be effective, and governance is a key component. Single, streamlined governance can accelerate reform and improve public visibility, although research suggests there are limits to the degree of acceptable integration between police and fire.

National good practice

Research into the effectiveness of fire and police across the country has identified a number of governance barriers to achieving sustainable collaboration. Changes in governance may therefore be necessary to driver deeper and more effective collaboration in North Yorkshire.

Research as part of the Emergency Services Collaboration Working Group indicates that complex governance involving multiple organisations is likely to make it harder to deliver significant collaboration initiatives quickly and effectively. There are examples nationally where savings have been made as a result of collaboration where a "*robust governance architecture*" has been a strong enabler of collaboration but that "*large-scale collaborations and the related investment and change programmes are usually complex and often challenging*".⁵⁵

The report acknowledged that another strong enabler of collaboration was the importance of retained brand identity: "*All three blue light services have easily recognisable identities in the public, and media perception is that, although they may suffer ups and downs, the services are generally strong and respected. Retaining the best features of these identities whilst working towards closer collaboration and shared resources was seen as important*".⁵⁶

The evidence suggests that governance structures, be they local or national, can serve to facilitate or frustrate collaboration in equal measure. It is essential therefore, that collaboration is underpinned by a

⁵³ Learning Lessons: an overview of the first ten joint inspections of Police Authorities, HMIC and the Audit Commission, 2010

⁵⁴ Policing in Austerity: Meeting the Challenge, HMIC, 2014

⁵⁵ <http://publicservicetransformation.org/images/articles/news/EmergencyServicesCollabResearch.pdf>

⁵⁶ Ibid

greater alignment of governance structures to ensure the success of any further and future joint working and ultimately greater integration.

The government response to the Home Affairs Select Committee (HASC) also noted in relation to governance that: *“As the Committee itself has recognised, PCCs have provided greater clarity of leadership for policing within their areas and are increasingly recognised by the public as accountable for the strategic direction of their police forces...In driving collaboration, in pursuing Commissioner-led campaigns, and through their increasingly prominent multi-agency leadership role, it is clear that the PCC model is now making a difference in many areas in England and Wales”*.⁵⁷

International good practice

There is international good practice and some evidence about the benefits of integrated governance between police and fire in achieving improvements in service delivery, but that deeper integration between fire and police presents risks and has been less successful.

Gerald T. Gabris et al⁵⁸ explored various models of service consolidation in local government and found that the speed of decision-making, transparency, visibility, and accountability of an elected official has brought a dividend to the depth and breadth of collaboration, with improvements in public service and public confidence.

Wilson and Weiss also found in their 2009 study of consolidations in the US⁵⁹ that the control through a single governance structure was highlighted by many of those involved as a key driver in achieving coherent consolidation.

In other cases, the evidence is less conclusive: a 2015 Wilson and Grammich study⁶⁰ reported that *“in recent years, a growing number of communities have consolidated their police and fire agencies into a single “public-service” agency. Consolidation has appealed to communities seeking to achieve efficiency and cost-effectiveness”*.

However, they also found that *“some communities have even begun to abandon the model. Exploring the reasons for disbanding can help cities considering the public-safety model determine whether it is right for them.”*⁶¹ One reason is preserving ‘brand identity’ – the ICFA noted that *“the fire/EMS service typically enjoys a position of trust in the community that transcends fear of authority or reprisal. Law enforcement’s mission to prevent crime from different threats creates varied public opinion and re-action, including being perceived as a threat.”*⁶² This suggests that there will be public limits to the value and acceptability of police and fire integration.

⁵⁷ The Government Response to the 16th Report from the Home Affairs Select Committee 2013-14 HC 757: Police and Crime Commissioners: progress to date, December 2014

⁵⁸ Alternative Service Delivery: Readiness Check: Gerald T. Gabris, Heidi O. Koenig, Kurt Thurmaier, Craig S. Maher, Kimberly L. Nelson, Katherine A. Piker, Alicia Schatteman, Dawn S. Peters, Craig Rapp 2015

⁵⁹ Public Safety Consolidation: What Is It? How Does It Work? Jeremy M. Wilson, Alexander Weiss et al: Be on the Lookout: A continuing publication highlighting COPS Office community policing development projects 2 August 2012

⁶⁰ Deconsolidation of Public-Safety Agencies Providing Police and Fire Services: J. Wilson & Clifford A. Grammich; International Criminal Justice Review 2015, Vol. 25(4) 361-378 2015

⁶¹ Ibid

⁶² International Association of Fire Chiefs Position: Consolidation of Fire/Emergency and Law Enforcement Departments and the Creation of Public Safety Officers ADOPTED BY: IAFC Board of Directors on January 23, 2009

3.2.4 There are continuing financial pressures

Police and fire services have already dealt with, and continue to face major financial pressures which means that both services must continue to consider different delivery approaches, such as collaboration or new operating models.

Fire and rescue funding national picture

Funding for fire and rescue authorities has fallen significantly between 2010-11 and 2015-16. Funding for stand-alone authorities fell on average by 28%. Once council tax and other income is taken into account, stand-alone authorities received an average reduction in total income ('spending power') of 17% in real terms.⁶³ The National Audit Office noted in November 2015 that the sector had coped well to date with financial challenges, although commented that investment in prevention activities has reduced as a whole between 2010 and 2015.⁶⁴

Furthermore, there are major changes to local government funding taking place. Nationally, the Government is committed to a manifesto pledge to introduce 100% local retention of business rates by the end of this Parliament. Plans for local authority revenue funding in the interim were set out in the 2016-17 local government finance settlement which provided funding details up to 2019-20. The settlement as a whole involves a 7.8% (2% per annum) real-terms cut in spending power (council tax plus government grants including business rates) from 2015-16 to 2019-20. This is an easing in revenue income pressures experienced to date by authorities.⁶⁵

Police national financial picture

In the October 2010 spending review, the Government announced that central funding to the police service in England and Wales would be reduced in real terms by 20% in the four years from March 2011 to March 2015.⁶⁶ In 2014, HMIC commended forces for the way they had responded to the challenge of austerity in minimising the effect of cost reductions on the services that the public received. They noted, however, that extensive collaboration was not materialising in the majority of forces, although they recognised that it was a complex and fragmented picture.⁶⁷

On 25 November 2015, the then Chancellor announced that police spending would be protected in real terms over the forthcoming Spending Review period, when precept was taken into account. The then Minister of State for Policing, Crime and Criminal Justice noted that *"police forces are working more closely than ever before to reduce costs and duplication, and have started to work more closely with other emergency services through co-location and collaboration in areas such as fire and mental health."*⁶⁸

Since then, the Government has been clear that existing arrangements for distributing core grant funding to police force areas in England and Wales need to be reformed. These arrangements are complex, outdated and reflect a picture of policing risk and demand which has moved on and – fundamentally – are borne out of the interaction between separate Home Office and DCLG funding formulae which can no longer be updated. The Minister of State for Policing and the Fire Service wrote to all PCCs on 14 September 2016 setting out plans for continuing work to review these arrangements, focussed on developing a new Police Core Grant Distribution Formula. The first stage of this work has been a period of detailed engagement with the policing

⁶³ Impact of funding reductions on fire and rescue services, NAO, November 2015

⁶⁴ Ibid

⁶⁵ Local Government Overview, NAO, October 2016

⁶⁶ <https://www.justiceinspectors.gov.uk/hmic/wp-content/uploads/policing-in-austerity-meeting-the-challenge.pdf>

⁶⁷ Ibid

⁶⁸ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-12-17/HCWS426/>

sector and relevant experts and any final decisions on implementation of a new formula will follow during 2017 and come into place in April 2018.⁶⁹

3.2.5 Public expectations for quality and transparency of services are higher than ever

Set alongside the financial pressures, social, technological and demographic changes mean that the public of today expect more than ever of our public services. As described by Reform in 2015, *“expectations have never been higher. In almost every area of life, there is more choice, more readily, more digitally available, more attuned to our needs, more personalised and less patronising than ever before. We must make it so with public services too.”*⁷⁰ Services need to be cost-effective and sustainable for the future, but also faster and more responsive to people’s needs.

A reform agenda nationally was set out in 2010 to develop principles for making government more open, innovative and digitised.⁷¹ The public sector has responded to this positively, with residents able to access open data and be more involved in local public services in many more ways than ever before.

Both fire and PCC governance models need to meet assurance and transparency requirements.

A key part of the FRA’s Governance Framework is the Local Code of Corporate Governance. The Code concentrates on six ‘core principles’ with which any local authority should be able to demonstrate compliance, one of which is around the ‘the taking of informed and transparent decisions which are subject to effective scrutiny and risk management.’ As regards the transparency of information, amongst other requirements, the code requires the FRA to⁷²:

- Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording criteria, rationale and considerations on which decisions are based;
- Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints;
- Ensure that those making decisions whether for the Authority or a partnership are provided with information that is relevant timely and gives clear explanations of technical issues and their implications;
- Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.

PCCs however have additional express legal obligations to ensure transparency such as the duty required by statute to publish documents and information as set out in the Elected Local Policing Bodies (Specified Information) Order 2011 and the Elected Local Policing Bodies (Specified Information) (Amendment) Order 2012. Specifically they need to publish data on the following questions:

- Who is your PCC and what do they do?
- What do PCCs spend and how do they spend it?
- What are the PCC’s priorities and how are they delivered?
- How do PCCs make, record and publish their decisions?
- What policies and procedures govern the Office of PCC?
- Provision of public access to a Register of Interests.

⁶⁹ <https://www.northyorkshire-pcc.gov.uk/decision-notice/042017-medium-term-financial-plan-201718-202021-capital-plans-201718-202021/>

⁷⁰ Public services: from austerity to transformation, Reform, 2015

⁷¹ <https://www.gov.uk/government/speeches/future-of-government-services-5-public-service-reform-principles>

⁷² Audit and Performance Review Committee, Annual Governance Statement, April 2016

Alongside transparency requirements, PCCs have also demonstrated that they can act as a catalyst for wider service transformation, acting as a driver and initiator of change, and providing stronger independent leadership, scrutiny and challenge. They have achieved this through simplifying decision-making, good risk management and engagement with wider partners. A Police Foundation report in 2016⁷³ stated that PCCs had “*unlocked innovation in policing policy*” and that having a “*full time public official focused on public safety*” had led to new ways of doing things. The report highlighted five ways in which PCCs have unlocked innovation:

- Increased collaboration – through greater partnership working with other agencies, criminal justice diversion and joint commissioning of services
- Use of soft power – through being an elective official with a public a voice to influence leaders of partner agencies
- Leveraging the evidence base – through their remit to try new things and ability to commission robust evaluations of new initiatives
- Increased public engagement – through more open dialogue with the public and catalysing broader debate
- Use of technology – through increasing visibility through more agile and mobile working, digital evidence capture and digital public contact.

Closer governance between fire and rescue and policing could therefore drive public service transformation harder and faster. Potential benefits include the development of more innovative integrated service delivery to address the causes of offending behaviour early, before escalation that requires more costly public service intervention, and the further development and extension of services across North Yorkshire. The various governance options’ ability to enable this is considered in more depth later in the Economic Case.

Studies have also shown wider benefits of transparency and engagement resulting from the PCC model. The National Audit Office (NAO) reviewed police accountability in 2014. In reviewing the PCC governance model they found that “*A single person may be able to make decisions faster than a committee and could be more transparent about the reasons for those decisions*”.⁷⁴ Similarly, in *Tone from the Top* in 2015, the Committee on Standards in Public Life reported that “*PCCs represent a deliberate and substantial strengthening of... policing accountability. The model is one of ‘replacing bureaucratic accountability with democratic accountability’*”.⁷⁵ In addition to speed and transparency of decision-making, the NAO outlined further potential benefits around the “*scope to innovate, to respond better to local priorities and achieve value for money*”.⁷⁶ They also noted the significant increase in public engagement which police and crime commissioners have delivered, compared with police authorities (over 7,000 pieces of correspondence are received by PCCs per month, and there are 85,000 website hits).

3.2.6 Changing public need nationally for fire and rescue and policing services

The nature of local public need, and therefore the response from fire and rescue as well as police forces nationally, is adapting. The number of fire incidents has been reducing for a number of years and is at all time low. Rather, an increasing demand on firefighters’ time is major environmental or road traffic incidents and support in the community. In addition, global warming and the global terror threat will bring new and more complex roles for both fire and rescue and policing services. Although crime is falling overall, ‘non-

⁷³ The Police Foundation (2016), [Reducing crime through innovation: the role of PCCs](#)

⁷⁴ <https://www.nao.org.uk/wp-content/uploads/2014/01/Police-accountability-Landscape-review.pdf>

⁷⁵ Committee for Standards in Public Life, *Tone from the Top*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/439208/Tone_from_the_top_-_CSPL.pdf

⁷⁶ Ibid

crime' incidents are demanding an increasing proportion of police time. Across both services, there is more focus on the most vulnerable in our society and a greater awareness of how much public service time is used by a small minority in the community with the greatest need.

Changing public need for fire and rescue services

In relation to fire and rescue, incidents attended by fire and rescue services in England have been on a long-term downward trend, falling by 42% over the ten-year period from 2004/05 to 2014/15⁷⁷ and fire-related deaths and casualties have also been on a long-term downward trend.⁷⁸ This is attributed to a range of factors including building regulations change, fire safety enforcement, fire prevention work, public awareness campaigns, standards to reduce flammability such as furniture regulations, and the growing prevalence of smoke alarm ownership in homes (rising from 8% ownership in 1998 to 88% working ownership in 2013/14⁷⁹). The FRS also has resilience responsibilities as defined in the National Framework⁸⁰ which means they must provide minimum levels of community resilience and safety.

In addition, there was a 22% increase in the number of non-fire (also known as Special Service) incidents attended by FRS's nationally between 2014/15 and 2015/16. Thus, 29% of incidents attended by FRSs in 2015/16 were non-fire, the highest proportion since non-fire incidents were first recorded in 1999/00. The most common type of non-fire incident was attending a road traffic collision in 2015/16. But there was also a marked increase in co-responder medical incidents (where FRSs have a formal agreement in place with the ambulance service to respond to medical incidents), which increased by 83% between 2014/15 to 2015/16.⁸¹ All these necessitate close working with other emergency services and statutory bodies.

Changing public need for policing

While crime in England and Wales has fallen by more than a quarter since June 2010⁸², a College of Policing analysis of demands on policing⁸³ found evidence to suggest that an increasing amount of police time is now directed towards public protection work, such as managing high-risk offenders and protecting vulnerable victims. In her presentation to the APACE-PACCTS Seminar on the 7 October 2016, Chief Constable Sara Thornton, chair of the National Police Chiefs Council (NPCC), highlighted how the police are increasingly taking on these broader responsibilities:

- "Non-crime" incidents reported account for 83% of all calls;
- 15%-20% of reported incidents are linked to mental health and mental health incidents absorb between 20-40% of police time;
- There was an 11.5% increase in public safety and welfare incidents between 2010-14;
- 273,319 missing persons were reported in 2012/13, at an estimated cost of £362m per annum;
- Offenders managed by the Multi Agency Public Protection Authority (MAPPA) have increased by a third in the last 5 years.

3.2.7 Drivers for change summary

Nationally, the agenda that has been set for closer working between emergency services is clear, in particular the closer relationship between fire and police services nationally, both in terms of central government accountability as well as performance management. Furthermore, the requirements on our emergency services is changing, along with the demographic profile, increasing complexity of need in

⁷⁷ DCLG (2016), [Fire Statistics Monitor: England, April to September 2015](#)

⁷⁸ DCLG (2015), [Fire Statistics Monitor: England, April 2014 to March 2015](#)

⁷⁹ DCLG (2015), [English Housing Survey 2013 to 2014: fire and fire safety report](#)

⁸⁰ DCLG (2012), [Fire and rescue national framework for England](#)

⁸¹ Home Office (2016), [Fire statistics monitor: April 2015 to March 2016](#)

⁸² Crime Survey for England and Wales, year ending December 2015

⁸³ http://www.college.police.uk/Documents/Demand_Report_21_1_15.pdf

communities, and changing demands (increasing time spent on non-crime and non-fire incidents). As such, service delivery needs to be increasingly focussed on preventing need than responding to it, with local public service delivery focussed on working holistically with the same communities that they serve.

3.3 The case for change in North Yorkshire

This section sets out how North Yorkshire needs to respond to the drivers for change described above. It assesses the case for change in North Yorkshire, and the 'critical success factors', which have been agreed through this business case process as tests of a successful case for governance change.

3.3.1 NYFRS and NYP's responses to the efficiency agenda locally

NYFRS' peer review and an HMIC inspectorate review for NYP both praise the changes that have been made in North Yorkshire to improve performance and deal with the efficiency challenge in a sustainable manner. However, there remain significant challenges to address.

Fire peer and fire cover review

The latest NYFRS 'Fire Peer Challenge Report'⁸⁴, undertaken in July 2013, found that overall the number of incidents the service responds to had significantly reduced over the last decade and that the number of fatalities remained at a low level over the same period. It stated that the service was in a strong position financially, recommending that the service work with other agencies to ensure joined up decision making in areas that contribute to the service's priorities.

As a recommendation of the 2013 Fire Peer Challenge Review, during 2014 and early 2015, NYFRS carried out a review of fire cover across North Yorkshire and the City of York. This sought to take into account the impact of a significant reduction in incidents over the last 10 years. It agreed a new service and deployment model for the number of fire engines / specialist fire vehicles / equipment, where fire stations would be located and how quickly fire engines could respond to an emergency call. The main change resulting from the Fire Cover Review has been the introduction of smaller fire engines, known as Tactical Response Vehicles (TRVs), at Harrogate, Malton, Northallerton, Ripon, Scarborough and Tadcaster. These will replace one standard shift or day crewed fire engine, will be crewed by a reduced crew of 2 or 3 firefighters, and are being phased in between 2016/17 and 2020/21.⁸⁵ In the areas where they are based, TRVs will be the primary deployed engine in most cases.

NYFRS performance

The local North Yorkshire key performance indicators for 2015/16 provide a more recent indication of performance against a number of main areas of focus for the NYFRA with each KPI RAG assessed against its annual, 3 year and 10 year target:

⁸⁴https://www.northyorksfire.gov.uk/useruploads/files/plans_reports_strategies/fire_peer_challenge_final_peer_challenge_report_030813.pdf

⁸⁵ Fire Cover Review Implementation Update, NY Fire and Rescue Authority, June 2016

Table 8: NYFRS 15/16 performance dashboard⁸⁶

Key Performance Indicators	5 year average 2007/12	Annual Target 2015/16	Actual 2015/16	Performance 2015/16	Performance 3 Year Trend	Performance 10 Year Trend
Number of accidental fire deaths	2	2	6	Red	Red	Red
Number of accidental fire injuries	25	24	30	Red	Green	Red
Number of road traffic deaths at incidents attended by the FRS	30	28	22	Green	Green	Green
Number of road traffic injuries at road traffic collisions attended by the FRS	400	365	301	Green	Red	Green
Number of accidental primary fires	990	850	869	Amber	Red	Green
Number of deliberate primary fires	340	300	181	Green	Green	Green
Number of malicious calls	149	122	136	Red	Green	Green
Number of false alarms from automatic fire alarm apparatus	2508	2221	1465	Green	Green	Green
RDS availability	95.49%	95%	90.42%	Red	Red	Red
Number of working days lost due to sickness absence for wholetime uniformed staff	6.6	6	8.23	Red	Green	Green
Number of working days lost due to sickness absence for all staff	7.3	6	7.9	Red	Green	Green

Green indicates that performance was on or better than the target

Amber indicates that performance was worse than target but better than the previous year's performance

Red indicates that performance was worse than the target and worse than the previous year's performance

These performance measures indicate that six of the KPIs were below the annual 2015/16 target and worse than the previous year's performance. This includes the number of accidental fire deaths and injuries, the number of days lost to sickness and RDS availability. NYFRS's performance in relation to accidental fire deaths and RDS availability are also below target for the annual, 3 year and 10 year performance targets. Those KPIs relating to road traffic collision deaths and false alarms, however, are performing above expectation for the annual, 3 year and 10 year performance targets.

Recently produced 2016/17 data shows a continued decrease in activity overall versus a five year average. The exceptions to this continue to be around road traffic collision deaths and false alarms. It should be noted that this data has not been issued yet on the NYFRS website. Also, it presents a new set of indicators and no targets, therefore it is not possible to compare directly to all of the 2015/16 indicators.

⁸⁶ <http://www.northyorkshirefire.gov.uk/about-us/performance/performance-indicators>. The current year performance is put into context by the 3 year (medium term) and the 10 year (long term) trends. The annual target is not a figure that NYFRS is aiming to achieve, but a maximum that NYFRS hopes to undercut each year, except in the case of Retained Duty System availability where success is measured by a higher figure than the target.

Table 9: NYFRS 16/17 performance dashboard⁸⁷

Key Performance Indicators	Actual 2016/17	5 year average 2011/16	Forecast vs 5 year average
Number of accidental fire deaths	1	3	Green
Number of accidental fire injuries	26	41	Green
Number of road traffic collisions at incidents attended by the FRS (killed or seriously injured)	98	92	Red
Number of accidental fires	1,121	1,352	Green
Number of deliberate fires	522	617	Green
Number of rescues – from fires (# people)	16	35	Green
Number of rescues – from road traffic collisions (# people)	173	198	Green
Number of rescues – animals	71	103	Green
Flooding – attended by the FRS	122	272	Green
Number of malicious calls	87	172	Green
Number of false alarms from automatic fire alarm apparatus – attended by the FRS	2,420	2,770	Green
Number of false alarms from automatic fire alarm apparatus – not attended	997	555	Green

Green indicates that performance better than the 5 year average
Amber indicates that performance was in line with the 5 year average
Red indicates that performance was worse than the 5 year average

NYP PEEL assessment and performance

HMIC’s PEEL assessment of North Yorkshire Police in 2016/17 assessed North Yorkshire as “Good” overall at working efficiently to keep people safe and reduce crime in North Yorkshire. HMIC found North Yorkshire Police to have a very good understanding of present demand and a good understanding of potential future demand.⁸⁸ The report commented that *“the force’s medium-term financial and people plans are well aligned with the force’s analysis of demand. Governance arrangements are in place to enable management and monitoring of the finance and people plans. Internal and external audit arrangements are in place and provide a high level of confidence that the force will implement these plans successfully”*.⁸⁹

North Yorkshire is the safest county in England. NYP’s corporate performance statistics as at March 2017 show that crime and anti-social behaviour are in line with, or lower than 2015/16. Public and victim satisfaction is also high, in line with, or slightly lower than last year. Comparisons with 2014/15 data should be seen in the context of improved crime recording, increased reporting of historical crimes and a significant rise in criminal damage which correlates with changes in crime recording rules meaning reports must be made within 24 hours rather than 72 hours. Within the crime statistics, NYP has two long standing crime trends of note; an increase in recording of ‘other’ (non-rape) sexual offences, and violence without injury. There is also a long-term downward trend for killed and seriously injured (KSI) casualties.

⁸⁷ NYFRS Performance Team (not published on the NYFRS website as at 7/06/17)

⁸⁸ <https://northyorkshire.police.uk/content/uploads/2016/11/under-embargo-peel-police-efficiency-2016-north-yorkshire.pdf>

⁸⁹ <http://www.justiceinspectorates.gov.uk/hmic/peel-assessments/peel-2016/north-yorkshire/efficiency/>

Table 10: NYP March 2017 performance dashboard⁹⁰

Performance indicator	March 2017	Difference to 15/16	Difference to 14/15
Total crimes recorded	36,818	-1.2%	6.3%
Victim based crimes recorded	32,894	-1.6%	7.8%
Anti-social behaviour incidents reported	29,868	1.0%	-3.2%
Killed seriously injured casualties	63	-38.8%	-27.6%
% victims satisfied	82.4%	-1.1%	-3.1%
% public who believe NYP / Councils deal with Crime and ASB	66.9%	-0.6%	-1.6%
% public who are confident in NYP	83.9%	1.4%	2.8%

In summary, NYFRS and NYP have both responded well to the efficiency agenda in recent years, embarking on specific change programmes and evidencing the effective management of demand. However, the national drivers towards increased efficiency and greater performance management for fire and rescue services are likely to bring increasing pressure on both services locally and performance may be difficult to maintain unless different approaches are taken.

3.3.2 The local response to the financial picture

Both NYFRS and NYP have managed to keep their budgets broadly constant in recent years, despite facing significant cuts to grant funding. This level of sustainability is likely to become harder to manage, as central government pressure is likely to continue in the near term, and there are knock-on effects from pressures for health and social care services locally.

NYFRS local financial picture

The net actual expenditure for NYFRS for the last five years is as follows, from the audited accounts (up to 15/16 as 16/17 is still draft). The financial position for NYFRS will therefore have remained consistent over a period of 10 years from 2012-13 to 2021-22 representing a reduction in budgets in real terms.⁹¹

Table 11: NYFRA net actual expenditure 2012/13-2016/17

Year (£m)	2012-13	2013-14	2014-15	2015-16	2016-17
North Yorkshire FRS	29.6	30.6	30.1	30.1	29.2
Year-on-year change %		3%	-2%	0%	-3%

The medium term financial plan to 2021/22 is as follows⁹²:

Table 12: NYFRA Medium Term Financial Plan 2017/18-2021/22

Year (£m)	2017-18	2018-19	2019-20	2020-21	2021-22
North Yorkshire FRS	29.9	30.1	30.3	30.8	30.0

⁹⁰ Corporate Performance & Scrutiny Group, 25th March 2017

⁹¹ https://www.northyorkshire.gov.uk/useruploads/files/revenue_estimates,_capital_programme_and_precepts.pdf

⁹² ibid

Within the above net figures, savings of £2.5m have been made already in the period 2013/14 to 2015/16. It is estimated that further base budget reductions may need to be made from 2020/21 as per the predicted central government grant reduction of 7.5%. NYFRA is reflecting national financial pressures and managing their budget through:

- a consistent recent leaver profile (mostly retirees) reducing the overall base budget of staffing costs. This is estimated to reduce the number of firefighters by about 30 by 2021/22
- income generation which is reinvested in the service (interest on cash balances)
- sales of vehicles
- young firefighters' scheme
- life courses and the PFI grant
- Section 31 grant income
- other smaller grant incomes
- a reserve level of c.£6m

NYFRS net expenditure is lower relative to other England combined authorities, at £37.42 per head (based on 15/16 CIPFA data) versus the average of £38.71.⁹³ NYFRS compares higher than the total England average, at £35.14 (includes counties, metropolitan FRSs and Wales).

NYP local financial picture

The annual cost of policing and commissioning services in North Yorkshire (includes funding for policing, commissioned Services and the OPCC) over the last five years is as follows⁹⁴:

Table 13: Policing and Commissioning annual expenditure 2012/13-2016/17

Year (£m)	2012-13	2013-14	2014-15	2015-16	2016-17
North Yorkshire Police and PCC	136.7	133.5	139.0	137.8	140.2
Year-on-year change %		-2%	4%	-1%	2%

NYP has demonstrated effective savings plans in the face of reducing government budgets (£20m in cash terms or nearly £30m in real terms since 2010/11). It has achieved £28m of savings since 2010/11 already, allowing it to keep budgets static on average over the period. By 2020/21, NYP needs to find a further £5.5m in budget reductions annually. The force is also cheaper than the national average by 7p per person per day, at 48p, according to the latest PEEL assessment.⁹⁵

A reduced comparative level of spend on police officers means that compared to their peer group, North Yorkshire has a lower spend on visible and non-visible front line staff (£5.6m less than peers). However, support services costs are greater than North Yorkshire's peers (14% higher expenditure on business support services versus its peer group). HMIC notes that within North Yorkshire, there is still potential for savings through reforming the business support functions, with benefits reducing duplication and other administrative expenditure.⁹⁶

⁹³ Fire and Rescue Service Statistics, 2016-17 Estimates, CIPFA

⁹⁴ <https://northyorkshire.police.uk/about/finance/budget/>

⁹⁵ <http://www.justiceinspectors.gov.uk/hmic/peel-assessments/peel-2016/north-yorkshire/>

⁹⁶ <http://www.justiceinspectors.gov.uk/hmic/wp-content/uploads/north-yorkshire-2016-value-for-money-profile-summary.pdf>

An 'Affordability Programme' was established during 2015/16 to look at how the organisation and operations could best be delivered within budgetary constraints. NYP has managed budgets in the following way to date⁹⁷:

- Savings from existing collaboration work
- Transformation of services
- Estate rationalisation and renewal
- Investment in technology to improve efficiency and resource management
- Workforce modernisation and makeup

The financial impact of national funding changes has also been lessened through a better than expected funding settlement, lower than expected pay and non-pay inflation costs and continued strong growth of the local tax base. Coupled with the savings plans described above, this has created the opportunity and capacity for targeted investment, to deliver improved services and deliver against the Police and Crime Plan objectives.

Local public sector financial picture

In line with the national picture, other local public sector agencies have been impacted by successive reducing settlements and increasing demand for services in recent years.

NYCC has estimated the total savings requirement to meet the reductions in government funding (as well as costs) at ~£174m over the nine years from 2011-12 to 2019-20. This is equivalent to reducing spending power by ~34% over the decade, while dealing with increasing demand for services. To meet the challenge of substantially reduced government funding, this is expected to convert to a further savings target of ~£44m over the next three years, with a current shortfall of £22m.⁹⁸

CYC is delivering a balanced budget for 2016/17 with savings proposals totalling £6.5m, equivalent to 5.5% of the net budget. It is also projecting a further £23m reductions are required in the medium term (from 2016/17 to 2019/20).⁹⁹

In health, in the year-end 2015/16 performance and financial assessment conducted by NHS England, one out of the five CCGs in North Yorkshire and York was rated 'inadequate' (Vale of York CCG was put in special measures in 2016)¹⁰⁰ and three of the five were rated 'requires improvement', with one outstanding (Harrogate and Rural district). Four out of five CCGs were rated 'good' on finance, however it remains a challenging picture.

In summary, both fire and rescue and police have succeeded in managing budgets despite significant reductions in government funding. However, both services face further pressures and there continue to be pressures in demand owing to the changing demographic profile, as well as the knock-on effect of more significant financial pressures in both local government and health services locally. Despite these pressures, it is anticipated that the future funding position will continue to be managed as it has been previously, and therefore that any savings will be re-invested back into protecting frontline and priority services. As such, it is unlikely that financial benefits will need to be a key driver to collaboration or further integration of services but that it will be increasingly challenging to maintain or improve effectiveness and public safety without new models of delivery, which governance of police and fire and rescue must drive.

⁹⁷ Medium Term Financial Plan (MTFP) 2016/17 to 2019/20, July 2015

⁹⁸ <http://www.northyorks.gov.uk/article/31556/Budget---questions-and-answers>

⁹⁹ Financial Strategy 2016-17, York City Council

¹⁰⁰ <https://www.england.nhs.uk/2016/07/operational-performance/>

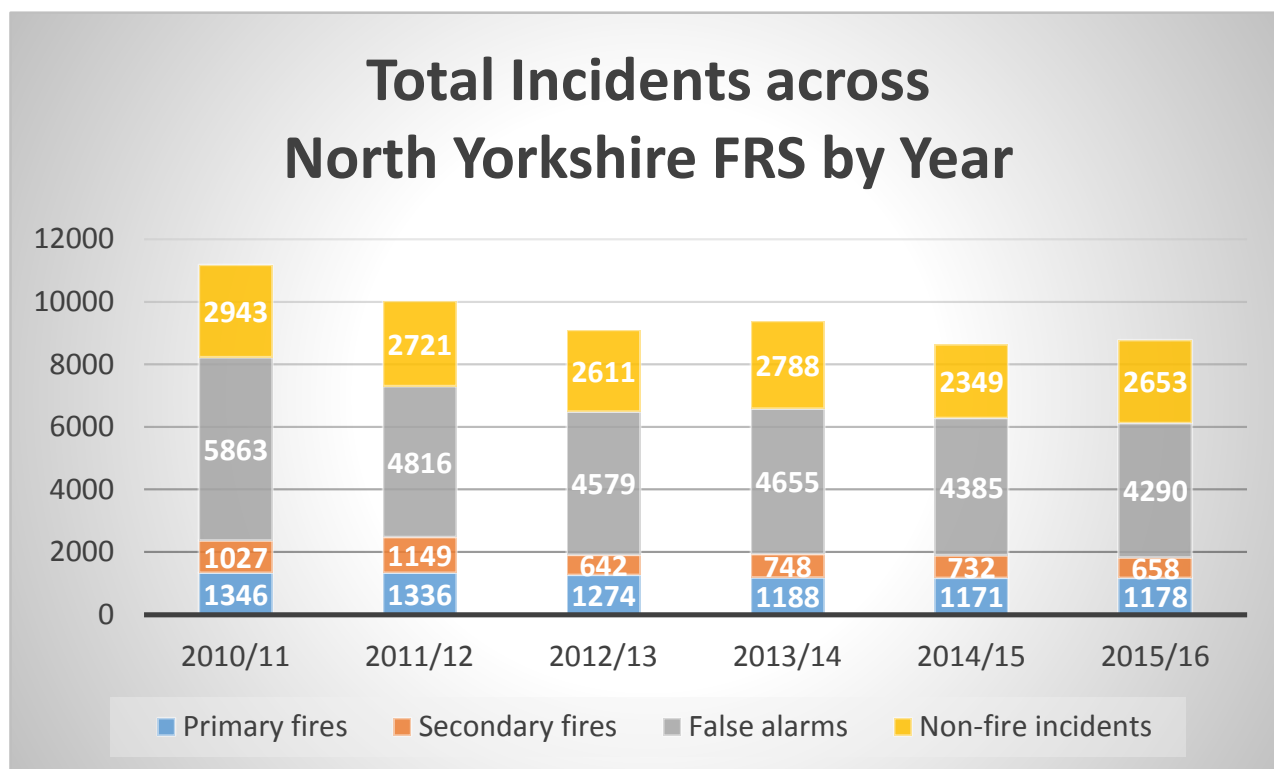
3.3.3 Fire and police priorities are increasingly around community needs and a focus on the most vulnerable

The changing nature of demand for fire and police services is bringing police and fire into contact with each other more frequently, and increasing the case for greater collaboration between the two emergency services as well as with health and other partners. The fact that fire and police services are conterminous in North Yorkshire means that the agencies serve the same communities, making the opportunity for and impact of closer working between fire and police even more powerful.

The demand for services is changing locally, and creating more complexity of response

The national pattern of reduced demand for fire-related incidents is similar in North Yorkshire, where the five year trend since 2010/11 has seen an overall reduction of 22% in the total number of incidents¹⁰¹:

Figure 3: NYFRS incidents 2010/11-2015/16



Over the same period both primary fires (-13%) and secondary fires (-44%) have decreased. Non-fire incidents (e.g. road traffic collisions, malicious calls, flooding, animal rescue) have decreased by 10% since 2010/11 and although there was an increase of 12% between the period 2014/15 and 2015/16, this was predominantly due to the significant increase in flooding incidents (+98%) in response to the severe 2015 Boxing Day floods.

Although incidents are reducing over the long term, the data do not highlight the increasing complexity of incidents that are taking place. For example, the flooding in December 2015 was one of the largest deployments of water rescue and pumping assets across the UK. The arrangements put in place by NYFRS were praised by an Inquiry into the floods for the level and complexity of the logistical planning and manner in which NYFRS were able to work.¹⁰²

¹⁰¹ Ibid

¹⁰² York Flood Inquiry report

Against a national picture of budget tightening, falling crime rates but higher protection activity, North Yorkshire faces the same pressures as other forces. Total overall crime in North Yorkshire declined by 3.3% between 2011/12 and 2016/17, but rose by 6.6% between 2014/15 and 2016/17. This is partly due to significant increases in safeguarding crime trends since 2014/15 where NYP has experienced an increase in reports of domestic violence with and without injury (+35%), stalking and harassment (+69%), violence with injury (+44%), sexual offence/rape (+22%), hate crime (+44%) and child abuse (+38%)¹⁰³. There were also changes in crime recording practices which affected the data. The nature of these complex safeguarding investigations not only require considerable police resource but will also require close working with other statutory agencies.

There is an increasing local public need to protect and prevent escalation for the most vulnerable

Additional to increasing complexity of demand, there is a need to increase focus on protecting those considered as the most vulnerable in society and ensure that intervention takes place early in order to reduce demand upstream and maximise public value.

Fire priorities have shifted in recent years to be more focussed on prevention activity to advise and educate, for example introducing community safety initiatives to reduce the incidences of fires, road traffic accidents and other life threatening hazards. NYFRS is involved in 95 Alive, community safety hubs across North Yorkshire, home safety visits, smoke alarm fitting, school visits and educational programmes for children and outdoor safety advice specific to North Yorkshire's environment.

The PCC uses her commissioning budget to focus on community safety and wellbeing, spending £2,957,000 in 2016 on victims (via independent victims advisors, Stop Hate UK, domestic and sexual abuse, counselling and talking therapies services, restorative justice service, sexual assault forensic services, targeted child sexual exploitation service, parents' liaison service) and other services (substance misuse, mental health street triage services, youth commissioners, and youth offending).

The demand for, and type of work that fire and police services undertake has changed in recent years, and continues to change, which is bringing police, fire and other statutory agencies into closer contact with each other more frequently, increasing the case for greater collaboration. Whilst reliable quantitative data does not exist, we know that there is a high degree of overlap between police, fire, ambulance and local authorities in providing services to the same vulnerable communities. Further collaboration between agencies around joint priorities would support a joined-up approach that will provide greater efficiency and effectiveness, allow reinvestment in emergency services and improve public safety and outcomes for residents. This, coupled with the fact that the needs of local communities are changing and increasingly demanding a joined-up response from local public services, means that there is a need to drive faster on collaboration and integration. Governance will be a critical component of this change.

3.3.4 Locally, collaboration has achieved some positive outcomes, but could go much deeper and faster

As described in Section 3.1.4, NYFRS and NYP have started to collaborate more, but there is recognition that more could and needs to be done, and a great wealth of opportunity to create more efficient ways of working and service communities in a more joined-up way.

Since the Statement of Intent was agreed by the parties, NYP and NYFRS (and in some instances YAS) have collaborated in a number of areas. Earlier, we described the history of this, which set out an attempt to develop a coherent programme of work, with appropriate governance in place, to steer genuine change. However, there was no single entity responsible for driving the programme of work forwards or for conducting proper evaluation of pilot projects and other work and this ended within one year. Steering Group minutes point to a clear ambition and programme upfront, which then did not progress as planned in some

¹⁰³ NYP 6 year demand trends, NY Performance Team

areas (e.g. lack of progress around training and development is noted). One of the reasons for this appears to be a desire to gain clarity of roles between respective organisations in any collaboration model and a reluctance to move towards multi-agency delivery models.

The Steering Group was a strategic committee meeting of senior management and officers, it met infrequently and there was inconsistent attendance. Therefore, despite the initial ambition, the Steering Group was simply unable to work at the pace and in a way that was able to bring about the required change to meet the vision agreed. Steering Group meetings lapsed after May 2014 (after less than one year) and the programme of work set out as part of the Statement of Intent has largely remained undelivered.

As a consequence of the previous programme of work not having progressed, there is now no overall strategic direction for joint working between the police and fire service. This 'stalemate' has led to a more tactical approach, which has delivered some ad hoc initiatives in specific service areas. These have progressed either organically outside the formal governance processes (once they no longer need the involvement of multiple governance body discussions) or they have evolved from previous initiatives. However, both have fallen short of the vision set out by the Statement of Intent for closer, more integrated support functions. They have predominantly focussed to date on support services i.e. transport and logistics, estates and procurement and some particular frontline initiatives, around community safety and road safety. Since work started on this business case, NYFRA has established a Collaboration Committee to improve collaboration between fire and other emergency services and it is intended that the PCC (but not the Chief Constable) will have voting rights on the committee. This is assessed further in the Economic Case.

One of the factors behind the failure to deliver significant benefit from collaboration to date has been the impact of fragmented governance between police and fire and the inability of the governance mechanisms to ensure collaboration develops momentum and pace. It should be noted, though, that there are other factors which are considered also to have impeded progress, including cultural differences between police and fire services and different strategic priorities. Any change in governance must also help enable these issues to be addressed.

Although collaboration is increasing, we know that it is not yet as developed as in some other parts of the country.¹⁰⁴ Data described earlier in this case showed that NYP does not collaborate as much as its peers. There is no national benchmarking on the level of collaboration for fire, but an estimate from NYFRS Finance is that a comparable figure for NYFRS is ~6%, higher than the NYP figure but still only a small proportion of overall expenditure (excluding pensions).

In summary, there is an ambition for greater collaboration (which is clearly articulated in the PCC's Police and Crime Plan and through NYFRA's strategic objectives, and was agreed as part of the Statement of Intent). However, sovereignty over individual services has proven to be a barrier to the pace and scale of change. To date, change pursued via the 'collaboration' model of governance, has produced modest successes and fallen far short of transformational. The future governance arrangements need to be capable of *driving* the collaboration agenda rather than simply overseeing its product, and of doing so at a pace and scale expected and deserved by our communities. All parties consulted to date believe that the current governance arrangements are not up to the job. The question therefore remains which of the options for changed governance offers the best prospect for transformational change.

3.3.5 Opportunities for transforming collaboration across emergency services in North Yorkshire

The PCC has a vision for a strategic transformation of police and fire collaboration that can deliver genuine change and address the challenges and opportunities described above. At its heart that vision has an objective to deliver joined-up preventative services for North Yorkshire and ensure that the frontline is

¹⁰⁴ Through this process, workshops have been held with NYFRS and NYP stakeholders which have identified a wide variety of both new areas for collaboration, as well as extensions of existing initiatives. These workshops used the national examples from the Emergency Services Collaboration Working Group as reference projects.

protected by improving the efficient and effective use of emergency services assets, estates and support services.

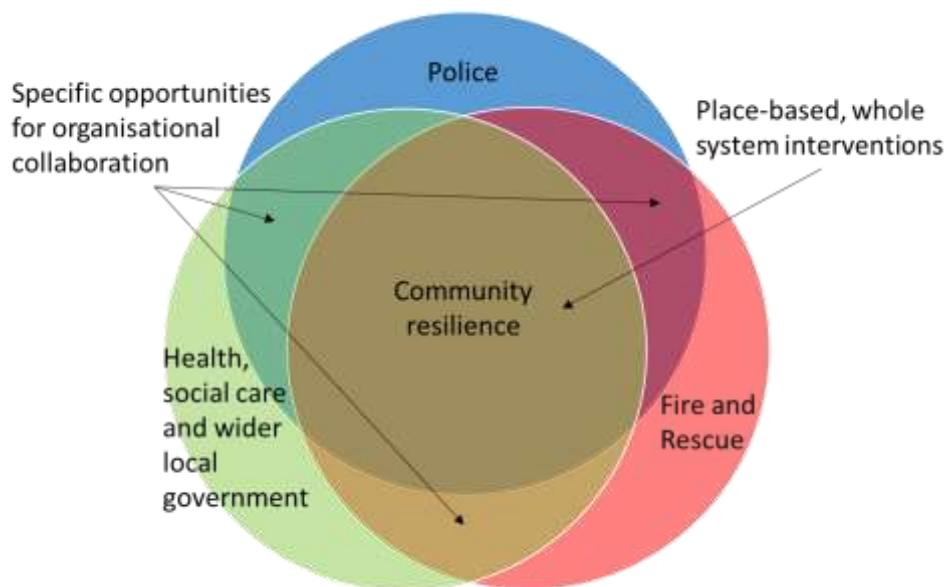
This vision is premised on the fact that in the increasingly difficult context of delivering public services, to provide the best possible service to the people of North Yorkshire, there must be a focus on outcomes for the public rather than on organisations. An organisational perspective sees organisational leaders putting their service before the need of the public, whereas an outcomes perspective would see increasingly greater overlap of service delivery through greater collaboration to improve community resilience and public safety.

These two approaches are outlined in the following two diagrams:

Figure 4: Organisational-led collaboration



Figure 5: Outcome-led collaboration



An initial understanding of the range of collaboration opportunities was developed with operational staff and officers from NYFRS and NYP in a set of four workshops covering different areas: response, prevention and

early intervention, support services and information and data sharing. These workshops developed a long-list of possible areas for collaboration, which were shortlisted based on the scale and benefit and ease of implementation. This short-list was agreed at a Strategic Reference Group meeting on 2nd March 2017. Both organisations have recognised the importance of closer working with local health services and NYFRS in particular are developing a number of proposals for closer working including, around early intervention for health risk (e.g. smoking cessation and alcohol reduction), cost effective use of NYFRS assets for health and social care interventions (e.g. assisting patients to stay at, or return home) and emergency response (e.g. extending the Emergency First Response scheme).¹⁰⁵ Any closer working or changes in governance between fire and police, therefore, must also ensure health collaboration is maintained, at a minimum, or preferably enhanced.

The PCC's vision and the priorities identified by NYP and NYFRS are shown in the Table 14.

The identified priority opportunities have been discussed with senior staff and officers from NYFRS and NYP to define them in more detail and understand the benefits associated. These are initial ideas at this time, and indicate the potential possibilities for collaboration – they are not part of agreed NYFRA or NYP plans and no supporting business case exists yet for each. All would be subject to separate investment cases, and where necessary, consultation. More work has been completed through this process to review the possible and relative level of financial and non-financial benefit of each priority opportunity. The collaboration opportunity assessment matrix is detailed in Appendix 0.

The ideas put forward in the workshops were ambitious, and it was clear that those at the frontline of each organisation could see the benefits of greater, more strategic collaboration on a wider scale. Opportunities discussed included multi-agency roles in response and prevention, shared teams and joint systems and teams for control. However, during discussions with senior officers and staff, the level of ambition was pegged back. The final, prioritised, list of potential opportunities shown in Table 14 would represent a change in the way that both NYFRS and NYP work. However, many of the opportunities will not require a step change in delivery or outcomes, and represent a limited view of the potential opportunity when compared with the PCC's vision, particularly regarding the potential for a place-based, multi-agency community safety service.

Work to date has not managed to achieve a joint view of the potential for transformational change which goes beyond existing organisational boundaries and towards the PCC's strategic vision. It is clear that any design and implementation of collaboration in North Yorkshire needs to be led and governed through strong, cross-organisational leadership and integrated strategies and plans. More work will be required to develop a blueprint for genuine change that is bought into by both NYFRS and NYP.

¹⁰⁵ Health Engagement Strategy, NYFRA, February 2017

Table 14: North Yorkshire fire and police collaboration opportunities

Theme	Current state	Current identified collaboration priorities	Transformation vision
Strategic commissioning	<p>Currently fire and police plans are developed separately</p> <p>Separate commissioning budgets. Use of volunteers not co-ordinated or shared</p> <p>Intelligence sharing takes place in some areas (operational not strategic)</p>	<p>Development of joint priorities for collaboration</p> <p>Sharing data and intelligence on communities and incidents on a local, tactical level basis to support planning and response. This would include data and intelligence on specific individuals, premises and homes and would involve reciprocal fire and police information access.</p>	<p>Fully integrated strategic development and risk management, including joined up research and public consultation</p> <p>Joint commissioned services and budgets to respond to public need through joined-up services and support</p> <p>Systematic data sharing of intelligence and vulnerability to support more aligned strategic decision making across communities.</p>
Improved Prevention and demand management	<p>Community Safety hubs in Scarborough, Selby and York</p> <p>Road Safety joint initiatives and campaigns (95 Alive)</p>	<p>Improved co-ordination and reach of Safe and Well checks:</p> <ul style="list-style-type: none"> • Joint police and fire community interventions • One safe and well assessment across fire and police, specialist training and clearer role definition • Use of volunteers to support the role in wider local activity e.g. leafletting, door knocking • Volunteer community contact points for police and fire jointly (potential reduction of demand on control centre) 	<p>A single approach to community safety across police and fire through a jointly funded Community Safety Service, tailored to the needs of people and communities, including single, jointly funded, community safety roles</p> <p>Alignment with health and local authority partners through Health and Wellbeing Board and Mental Health Care Concordat</p> <p>Accelerated use of shared data and intelligence to dynamically map vulnerability to better target and pro-actively deliver increased primary prevention and early intervention work and jointly commissioned services across rural and urban areas for those who need it most</p> <p>Roll-out of community safety hubs, and expansion and diversification (central/local) to bring in greater range of partners and improve resilience for local communities</p>
Effective Joint Response	<p>Joined-up tactical response to incidents where required</p> <p>Local Resilience Forum and JESIP</p>	<p>Fire would also take on forced entry, in addition to police.</p> <p>Extension of first responder fire role to police (e.g. through firearms officers that have defib kit being deployed as appropriate).</p>	<p>A truly joint control room for a more effective response to the public by the right service at the right time:</p> <ul style="list-style-type: none"> • Fully integrated operations and system • Shared staff roles, training and rotas <p>First responder as part of community safety roles, especially to improve resilience in rural areas</p>
Shared support services	<p>Co-location of transport and logistics functions and driver training</p> <p>Shared transport and logistics manager</p> <p>Co-location of fire and police in Bedale and plans for Ripon</p>	<p>Colocation of transport and logistics resources and further integration of teams.</p> <p>Shared finance, procurement, IT, transport and estates teams.</p> <p>In-flight and pipeline opportunities identified for estates collaboration, including shared HQ.</p> <p>Joined-up training and learning and development for officers, firefighters and staff</p> <p>Shared procurement service, starting with products which share common specifications e.g. stationery, fuel</p>	<p>Creation of a community safety estate – single estates strategy with multi-purpose estate, single investment strategy</p> <p>Wider collaboration through One Public Estate to create local community safety hubs integrating health estate and designated community assets where appropriate.</p> <p>New models of shared enabling services delivery across police and fire, such as through a third entity.</p> <p>Greater integrated specialist training (e.g. mental health) across both services.</p> <p>Where appropriate, single ICT strategy and systems</p>
Shared management roles	None	None identified	<p>Combined or reduced senior management roles across fire and police, particularly around corporate, non-operational roles, where it makes business sense to do so. In addition, it is assumed that governance roles can be shared across fire and police (S151 Officer and Monitoring Officer roles). Any changes would be phased in line with existing staff retirements or natural attrition.</p>

Possible benefits from enhanced collaboration

Through this process, NYP and NYFRS have reviewed the potential for financial and non-financial benefits to be achieved from the priority opportunities. The section below includes those priority opportunities from the Table 14 which were deemed to hold the greatest potential benefits.

Achieving these opportunities, especially if they were expanded to the opportunities outlined in the transformational vision, have the potential to greatly improve public safety by providing a more effective and efficient service. From examples in other areas, evidence suggests that they would increase community resilience, building stronger and safer communities; protect both those vulnerable to harm, by preventing and reducing risk, and those vulnerable to causing harm, by preventing risk and diverting them into prevention programmes; and reduce harm, crime and demand on the emergency services through proactive prevention. Savings gained from these impacts and from closer collaboration on enabling and support services could be reinvested into frontline services, further improving public safety.

Given the context of the pressures currently being experienced, any future governance model would need to be able to deliver these opportunities at pace, and realise the greatest scale of ambition, while continuing and enhancing wider collaboration with other partners, in order to achieve improvements to public safety.

Community vulnerability multi-agency role – safe and well

An effective safe and well service, delivered by both the fire and rescue and police services in coordination could bring benefits in terms of positive outcomes for residents, overall reduced demand for local public services (including for volumes of calls through the NYP control centre), more efficient use of resources and wider intelligence benefits, contributing to improving public safety.

This has not been costed at this stage and details of the non-financial benefits would be realised locally are not feasible as a detailed business case would need to be developed. However, other areas of the country can provide some proxies that indicate what might be possible.

In Greater Manchester, 'Safe and well' is a person-centred home visit carried out by both operational and non-operational staff (Community Safety Advisors) by the Greater Manchester Fire and Rescue Service (GMFRS). The visit expands on the scope of previous home safety checks by focussing on health and crime prevention, as well as fire prevention. GMFRS has completed benefits analysis to estimate the level of financial benefit to various agencies. Benefits cited include avoided costs of fractures from avoided falls, reduced drugs dependency, avoided fatalities to smoking and avoided fire fatalities. The primary finding from the cost-benefit analysis is that, for every £1 spent on Safe and Well, partners as a minimum are set to save the fiscal equivalent of £2.52 in benefits (in year and recurrent) through demand reduction. From this saving, the programme will 'pay back' its own costs within two years. Overall costs of the service amounted to £2.1m in the first year. The NHS benefits to the largest extent from the programme, with 85% of the benefits accruing to it. 11% of the benefits benefit GMFRS with 3% to the local authorities.¹⁰⁶

In Leicestershire, fire, police and paramedic services have joined up through the 'Blues Projects', to provide a similar, place-based service. Small, mixed teams work with partners – such as the local council, housing groups, GPs, pharmacies, schools and community groups – and residents in specific communities that create significant demand on the emergency services to reduce the number of emergency calls. They do so by helping to create a healthier, safer and more secure community by educating and directing residents to appropriate services via a home visit service and specific campaigns. They can help residents with home security, vehicle security, home safety, fire safety, child safety and health and wellbeing. They are also trained to offer help with loneliness, anxiety, depression and dealing with antisocial behaviour, tailoring each home visit dependent on the needs of the resident.¹⁰⁷

¹⁰⁶ Analysis of Impact and Outcomes for Safe and Well, GMFRS and New Economy, July 2016

¹⁰⁷ See Braunstone Blues website <http://www.leicestershire-fire.gov.uk/your-safety/general-wellbeing/blues-projects/braunstone-blues/>.

In Cornwall, Tri-Service Safety Officers provide a similar service to the Leicestershire example, except that one person has delegated powers from all three emergency services in order to carry out home-visits in a particular area and respond to certain emergency situations on behalf of all. This provides extra resource for response cover for each service, but also provides a dedicated prevention service to local residents, helping to reduce harm, crime and calls to the emergency services. Provisional cost savings outlined in their initial evaluation document suggest an hourly rate saving of £38p/h across the three services, with savings from demand reduction and prevention work being even higher, though this is of course difficult to measure.¹⁰⁸

These examples, amongst others, demonstrate the potential of innovative thinking in delivering community safety services. Over time, closer working between police and fire could develop into a single community safety service, commissioned from fire and police budgets, focussing on prevention, harm reduction and diversion that would improve public safety further.

Forced entry

If NYFRS took on the delivery of forced entry services it is envisaged that there would be a benefit from intervening earlier, more efficient use of resources and lower costs to board up properties. There may be a financial benefit based on policing time costing on average more on a unit cost basis than firefighter deployed time, however this would be dependent on the precise deployment model and dependent on the crew type deployed. There is also a cost saving to the public, as fire service entry methods are often cleaner and do less damage than police entry methods. The Fire and Rescue services in South and West Yorkshire already perform this function for the Yorkshire Ambulance Service in their areas so this would not be difficult to implement.

Control room

While appreciating the differences in roles and functions of the control room staff in the two emergency services, a joint control room capability may nevertheless bring benefits of greater resilience for both NYFRS and NYP, the ability to share data and intelligence on incidents and communities more easily, and potential benefits from co-location e.g. from a shared estate.

In terms of volumes, NYFRS has around 70,000 calls per annum, with 11,000 of those incident related. NYP has around 300,000 calls, 70,000 of which are 999.¹⁰⁹ For NYFRS this equates to ~8 calls per hour and for NYP, ~34 calls per hour. Based on analysis of costs, NYFRS spends ~£12 per call and NYP spends ~£22 per call.

NYFRS currently has an external contract in place to deliver the command and control system which expires in 2023/24, and also has a resilience arrangement in place with Cornwall Fire and Rescue Service. Therefore this would not be a short term opportunity, but could bring operational and financial benefits over the longer term.

There are examples, such as in Kent, where collaboration on joint control rooms is progressed. As yet this has only gone as far as co-location, but Kent will soon use the same command and deployment software, call-scripting and automatic call distribution which will facilitate a move towards joint staffing. Building in police technology, such as Mobile Asset Utilisation Data and mapping systems allows KFRS to deploy the nearest appliance to the incident, reducing response times. Kent Police and Kent FRS report improved joint working, joint incident command and deployment, and improved resource management, all of which contribute to improving public safety.

¹⁰⁸ Tri-Service Safety Officer: Final Report, June 2016

¹⁰⁹ 16/17 data for NYFRA, Non-incident related calls are internal to NYFRS i.e. do not include switchboard calls, and include calls such as crew changes and notification of incidents. 2016 data for NYP. NYP data are calls answered, rather than presented.

Shared estates

Sharing the estate could bring benefits of a rationalised estate, higher utilisation of the existing estate, benefits from shared maintenance contracts and wider knock-on benefits through co-location of staff. It is assumed that through a review of both NYFRS and NYP estates strategies, the opportunity would be taken to look at a joint estate, to deliver 'community safety services' to the people of North Yorkshire, instead of the current approach of each standalone service looking at its own needs. This could lead to both capital disposals and revenue savings. For the purposes of this business case, a number of assumptions are made, which are subject to further collaboration business case analysis prior to implementation. It should be noted that any plans will maintain at a minimum the existing Fire Cover Review and IRMP requirements.

Financial benefits have been estimated based on a comparison of the NYFRS and NYP estates plans, and assumptions around the possible opportunities for sharing existing sites. This assumes that there are around 8 viable schemes for sharing of the estate to 2023/24. In all cases it is assumed that NYP would free up existing capacity and share an existing NYFRS fixed site. It is estimated that ~£2.0m would need to be spent on refurbishing and modifying host sites and that NYP could achieve capital receipts from disposals in the existing estate of ~£1.5m. Recurrent benefits would also be possible, with an assumption that NYFRS could reduce its running costs by ~10% per annum, based on NYP sharing fixed costs, and that NYP could reduce its running costs by ~40% per annum, based on increasing utilisation and sharing costs.

A further opportunity would be around sharing headquarters. NYP is moving into a new headquarters in Northallerton in June 2017. In 2016, discussions took place around the possibility of NYFRS moving in, on expiration of its current leased accommodation in Northallerton in 2021/22. NYFRS took a decision not to do so in 2016, however the NYFRS is now actively considering this opportunity in the future. If this could be revisited, this may mean a further financial benefit of up to £260k per annum (total cost of NYFRS' current lease arrangement).¹¹⁰

It is estimated that delivery of the above eight schemes, in addition to a shared HQ would achieve total financial benefits of between £0.2m - £1.3m dependent on the number of shared schemes and the pace of change (see detailed assumptions in the Appendix 0).

Significantly more benefits could potentially be realised over the long-term from a genuinely integrated community safety estate, through the development of a long-term integrated investment strategy. This could also accelerate the development of sharing with health partners and provide more joined-up services to the public.

Shared senior management positions

It is anticipated that a change in governance could lead to some combined or reduced senior management roles across fire and police, particularly around corporate, non-operational roles. In addition, it is assumed that governance roles can be shared across fire and police (S151 Officer and Monitoring Officer roles). Any changes would be phased in line with existing staff retirements or natural attrition. It is assumed that changes may be able to achieve between £250k - £390k per annum, dependent on the scale and pace of change. As with other benefits, these are subject to more detailed business case analysis.

Shared support services functions

Table 14 describes the potential for shared enabling support services across transport and logistics, estates, training and development and procurement. In addition, the long-list of potential collaboration opportunities included shared functions for IT, HR and Finance. Sharing enabling support services would bring economies of scale in purchasing and in delivery of transactional services, greater resilience and access to a wider set of expertise. Looking at the wider potential for financial benefits from shared services in the public sector, PA Consulting's research has found that standardisation of activities across organisations can achieve a

¹¹⁰ 16/17 NYFRS Revenue and Capital Budget

revenue cost saving of 10-15%. Shared service arrangements, and outsourcing, has the potential to provide an additional 10-15% saving. A review of the potential benefits of sharing the transport and logistics function conducted by Eversheds for NYFRS and NYP in 2014, found that potential savings of ~3% could be found from sharing functions.

Cautious estimates have been made for scope and scale of savings in North Yorkshire at this stage, in advance of detailed business case analysis, ranging from 0.5% to 5% of in-scope expenditure. As PA's research has shown, however, more savings could be possible if more innovative models, such as development of a third entity providing support services across fire and police, were developed. For the purposes of this high-level LBC, in-scope expenditure is based on budgets for estates, transport, IT, procurement and finance. The total NYFRS 16/17 budget gross service expenditure is ~£7m per annum, whilst total NYP actual 16/17 gross expenditure for the same services is ~£15m. We have made a high level assessment of 'addressable' expenditure i.e. expenditure which could involve duplication across NYFRS and NYP and where there therefore may be opportunities for joint roles or joint purchasing (this includes staffing costs, supplies and services costs). Premises costs have been excluded as they are included in the above estates opportunity. This results in a total 'addressable' spend of £13.9m (£3.4m for NYFRS and £10.5m for NYP). Total estimated benefits under each model have therefore been estimated at between £70k per annum and £690k per annum based on the degree of change. These are intended as an indication of the potential, based on benchmark analysis, with further analysis required on a service by service basis to review the actual opportunity within individual collaboration business cases.

The ability of future governance models to deliver at pace and scale both the priority opportunities and the longer-term vision is assessed in the economic case.

3.3.6 Potential wider benefits from changes to police and fire governance in North Yorkshire

As described above, Fire Authorities and PCCs are both responsible for the conduct of public business and for spending public money, and are accountable for ensuring that business is conducted in accordance with the law and applicable proper practices. They must also be transparent in their decision making and ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Framework Delivering Good Governance in Local Government, published by CIPFA in association with SOLACE in 2007 sets the standard for governance in local government (including Fire Authorities and PCCs) in the UK. Both NYFRA and the PCC are subject to the Nolan Principles of Public Life.

NYFRA governance is based on CIPFA's Framework for Delivering Good Governance in Local Government and the latest external audit for 2014/15 found no significant weaknesses in governance arrangements. The Fire and Rescue Authority produce an Annual Governance Statement and an Annual Statement of Assurance. The latest external audit report included an unqualified opinion on the Authority's 2014/15 Statement of Accounts and concluded that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Internal audit by Veritau Limited for 2015/16 issued 7 High Assurance reports, 2 Substantial reports and 1 Reasonable Assurance report. They also gave an annual audit opinion of substantial assurance. Fire matters are also part of local authority governance, with FRS issues a standing agenda item at Area Committee meetings in NYCC.

NYPCC also has an Annual Governance Statement¹¹¹, which for 15/16 was also unqualified. The NYPCC external audit also provided an unqualified opinion and its internal RSM Audit Opinion Report for 2015/16 provided three Substantial Assurance scores and one Reasonable Assurance score out of the four pieces of work reviewed (the scale is Substantial Assurance, Reasonable Assurance, Partial/Limited Assurance, No Assurance).

While existing governance arrangements for fire and rescue and policing in North Yorkshire are therefore considered to be effective from an assurance perspective, there are significant differences in practice

¹¹¹ Annual Governance Statement, 15/16, PCC for NY and CC for NYP

between the transparency and engagement methods used by the PCC and the committee methods used by the FRA.

A summary of the differences in visibility and engagement between the Authority and PCC model in North Yorkshire is shown below. This shows that the engagement model for the PCC is in practice more proactive in its interaction with the public than the Authority model and there is a higher level of public engagement. The NYFRA engages more through existing local authority forums, whereas the PCC model engages more directly with communities.

Table 15: Summary of NYFRA and PCC level of visibility and engagement

Theme	FRA	PCC
Accessibility of meetings	<ul style="list-style-type: none"> • Most take place at NYFRS Easingwold • Advertised on website • Agenda, papers and minutes available online and public can attend • Contact details given for FRA Secretariat but need to look at agenda on how to make statement or ask question, and need to give advance notice 	<ul style="list-style-type: none"> • Corporate Performance, Delivery and Scrutiny Board Meetings are live-streamed and open to public engagement via social media. Questions can be emailed ahead of time or tweeted live. Videos are available in perpetuity • Meetings and forthcoming events advertised on website and by poster in local areas and via the North Yorkshire Community Messaging system • Agenda, papers and minutes available online
Frequency of open meetings	<ul style="list-style-type: none"> • 10 open meetings in 2016 where minutes available • Created a Collaboration Committee in 2017 which will meet more frequently 	<ul style="list-style-type: none"> • 34 open meetings in total in 2016, of which minutes were available for 33
Public attendance	<ul style="list-style-type: none"> • Records not kept on attendance or public questions asked, but shown in minutes 	<ul style="list-style-type: none"> • Approximately 100 view each live-streamed meeting either during or in the days following the meeting • 5 x individuals are recorded as having attended the Police and Crime Panel in person to ask a question since 2013. Of these, 1 person has attended Panel seven times and another has attended twice
Correspondence received to governance bodies	<ul style="list-style-type: none"> • No data kept on correspondence sent to the FA 	<ul style="list-style-type: none"> • About 70-100 pieces of public correspondence received a month by the PCC, 1FTE member of staff handles • This includes enquiries, complaints, policy questions and service requests
Complaints	<ul style="list-style-type: none"> • Complaints and compliments can be made online. In 2016/17, 33 complaints and 47 compliments were received 	<ul style="list-style-type: none"> • Complaints regarding the conduct of officers are managed by the Chief Constable through the Professional Standards Department, though the PCC will manage the complaints process from April 2018. In 2016/17 331 complaints were recorded, and there were 325 compliments. • Complaints regarding the Chief Constable are managed by the OPCC. In 2016/17 3 were recorded. • Complaints regarding the PCC are managed by the Police and Crime Panel. In 2016/17 2 were recorded. • The OPCC deal with non-official complaints about service and the organisation as part of their everyday correspondence (see above).

Theme	FRA	PCC
Public participation in consultation	<ul style="list-style-type: none"> • Consultation on Fire Cover had 1,125 online survey responses, 20 letters/emails and 70 attendees at 18 events. A similar number of attendees attended NYFRA's meeting for Fire Cover decision-making • Consultation on recent budget proposals and the possible increase in Council Tax of up to 1.99% received 2 responses • 486 responses received to the Health Strategy consultation 	<ul style="list-style-type: none"> • Proactive research used: Consultation on PCP 2017 involved staff survey, online survey (767 responses), including in foreign languages, and a representative sample of 1,000 telephone and in-street interviews • Precept consultation of 1,610 (representative survey of 800 by phone or in-person, and online survey)
Outreach (including hard-to-reach groups) by governance bodies	<ul style="list-style-type: none"> • No specific NYFRA outreach work. Outreach is undertaken by NYFRS as part of its prevention work • NYFRS's website (including pages about NYFRA but not NYFRA documents) offers a language translation service enabling webpages to be translated into over 100 different languages. 	<ul style="list-style-type: none"> • 33 advice surgeries in 2016 all around NY – 84 people attended • Speaking events e.g. recent Women's Institute event (450 attendees), York University event and Youth Commission work • Use of market research – 1,000 taxpayers polled over collaboration issues • Regular surveys – customer experience, victims of crime and rural crime surveys
Engagement through local authorities	<ul style="list-style-type: none"> • FRS has a regular slot and papers on NYCC Area Committee meetings that the public can attend. Papers submitted on 21/27 occasions in 2016 and FRS attended 13 times. Questions put to FRS are usually from councillors rather than the public • Attendance once a year at the City of York Council's Scrutiny Board • NYFRS chairs the Safer York Partnership 	<ul style="list-style-type: none"> • Regular attendance at District Council Overview and Scrutiny committees • Ad hoc attendance at District, City and County Executive/Cabinet meetings as invited • Engagement through the Police and Crime Panel
Openness of decision-making	<ul style="list-style-type: none"> • Notice of all decisions to be made by NYFRA are posted online ahead of the meeting. • All interests posted online • Decisions are public but contained in minutes and not searchable • Some matters discussed confidentially (3 in 2016) with most published later • 217 requests under the Freedom of Information Acts responded to in 2016/17 • Summaries of proceedings of four meetings of Appeals Committee also available 	<ul style="list-style-type: none"> • Specified information orders a statutory requirement • All interests and decisions posted online, with search functionality

In addition, the OPCC brings significant independent scrutiny to policing performance and strategy development. It employs 8 people specifically to support the PCC's focus on scrutiny and governance, and the PCC meets formally with the Chief Constable every month. In comparison, unlike some other fire authorities, NYFRA does not have access to independent scrutiny support aside from the formal statutory roles of Monitoring Officer and Section 151 officer, although it can commission external support. Monitoring

Officer spend was just approximately £1,100 in 2016¹¹². In addition, the Fire Authority and the Audit and Performance Review Committee met formally four times each, for a total of 6.50 hours and 3.52 hours respectively in 2016.¹¹³

As Parliament has recognised, there are opportunities for the improvements that the PCC model has delivered in policing to be applied to fire, changes which could help introduce further innovation and improve public engagement and transparency contributing to improved effectiveness of service delivery.

By way of example, there are a number of areas in which the PCC in North Yorkshire has brought about an accelerated pace of change. Although it is impossible to say whether these would have taken place under the former Police Authority, it is believed that the changes below represent a step-change, which would have been unlikely under previous models given the experience of their ways of operating.

- Stage 2 staffing arrangements for enabled services, have led to changes to services including introducing professional staff for specific areas of expertise (rather than using officer posts for support services), joint posts across forces and investment in technology.
- Introduction of a commissioning team to invest in victim services and mental health services (introduction of Section 136 suites, leading to a reduction in vulnerable people with mental health considerations being detained in custody).
- New collaborative partnerships with other police forces.
- Local community safety consolidation of strategic partnering arrangements so that there was a move from eight partnerships to two, streamlining partner involvement.
- Initiating a rural crime network and taskforce.

Local evidence of public opinion

Local evidence also suggests that residents of North Yorkshire are in favour of fire and police collaboration, and have indicated a preference for this to be governed by the PCC. A brief consultation conducted by the OPCC in August 2016 (carried out by 'the buzzz', a consultancy), surveyed 1,050 North Yorkshire residents aged between 18-75 through a combination of telephone and face-to-face interviews.¹¹⁴ This was carried out in light of NYFRA's move to merge with Humberside FRA. The high-level results show that:

- 62% of respondents believed that greater integration between police, fire and ambulance is a good way to manage available resources and budgets;
- 49% of respondents preferred greater collaboration between police and fire services in North Yorkshire, over fire and fire collaboration between Humberside and North Yorkshire;
- When asked who should manage the collaboration, 56% believed that the PCC was best placed, versus a committee of elected councillors. 30% of respondents had a 'strong' preference.

The report also noted that *"the public's main concern ... seems to focus on falls in service levels, funding cuts and issues around leadership and specifically what this means in terms of response and efficiency. This research makes it clear that most people understand the benefits of change but are cautious about the motives of change."*

A full public consultation has been carried out in line with the PCC's statutory duties set out in the Fire and Rescue Services Act 2004, schedule 1A. This shows that there is clear support for a transfer of governance to the PCC, as set out in section 4.7.1.

¹¹² Provided by NYFRS

¹¹³ Analysis of published minutes on the NYFRS website

¹¹⁴ Public consultation on fire and rescue services and police collaboration, Buzzz, August 2016, <https://www.northyorkshire-pcc.gov.uk/documents/public-consultation-fire-rescue-service-police-collaboration/>

3.4 Critical Success Factors

Any changes in governance must meet the tests in the legislation of being in the interests of:

- Economy, efficiency and effectiveness; or
- Public safety.

These tests are not defined in more detail in the legislation; Parliament has left them to be specified against local drivers for change by PCCs. In North Yorkshire there is not a case for change on public safety alone as there is no identified risk to public safety in the current governance arrangement. However, it has been identified that there is room to improve public safety through increases in collaboration that drive economy, efficiency and effectiveness.

While the link between governance and improved outcomes may not always be a direct one, in North Yorkshire, we have translated these tests into the following design principles for this business case based on the assessment above on the drivers and case for change in North Yorkshire:

- Whether a change in governance would drive economies, efficiency and effectiveness in both police and fire services by significantly accelerating the pace and efficacy of collaboration between these services and their wider partners, to the benefit of public safety.
- Whether a change in governance would deliver wider benefits relating to transparency and accountability.

These factors for change, if proven, have to be balanced against the complexity that could be involved in making the change, which could result in temporary disruption and performance impact that inevitably attends any organisational change. Any option will therefore need to demonstrate that it mitigates any risk to public safety.

In order to assess the possible options, a set of Critical Success Factors (CSFs) has been identified and agreed for any change in governance in North Yorkshire. The CSFs are closely linked to the statutory tests, and represent the attributes essential to the successful delivery of the any governance change – in the next section, the possible future governance options will be assessed against these.

Table 16: Critical success factors for change

CSF number	Critical success factor	How the test is met	Test	Public safety	Effectiveness	Economy / efficiency
1	Accelerates scale, pace and effectiveness of collaboration	The governance option can accelerate and enable more effective collaboration and deliver tangible public safety and vulnerability prevention benefits to reduce harm, improve resilience and effectiveness, and increase value for money	How well the option: <ul style="list-style-type: none"> • Improves public safety and vulnerability prevention • Brings efficiencies and resilience to NYP and/or NYFRS and/or local public services, including acceleration of change • Delivers value for money (see overall option quantitative assessment) 	✓	✓	✓
2	Brings benefits in terms of transparency and accountability	The governance option can improve transparency, accountability, visibility, and consistency of decision-making for the public, stakeholders and NYP and/or NYFRS	How well the option provides benefits of transparency and accountability		✓	

CSF number	Critical success factor	How the test is met	Test	Public safety	Effectiveness	Economy / efficiency
3	Is deliverable	The governance option can be implemented successfully	How well the option: <ul style="list-style-type: none"> Meets the likely availability of funding Matches the level of available skills and capacity required for successful delivery Minimises delivery risks 	✓	✓	✓
4	Mitigates strategic risks	The governance option can mitigate strategic risks	The impact of strategic risks e.g.: <ul style="list-style-type: none"> Loss of public trust Compromise to links with health / local government services Risk of losing resilience 	✓	✓	✓

3.4.1 Strategic risks, constraints and dependencies

There are a number of strategic risks in a change to governance against which the options need to be assessed. The most significant of these are that:

- Public trust in fire and rescue services may be compromised - this has greater risk for some governance options than others. As noted above, the fire and rescue service has a “*very strong trusted identity*”¹¹⁵ and it is felt by some that too close working or integration with the police could endanger this. Initial indications in some areas that have created shared roles in the UK have not yet seen this impact, although there may be limits of acceptable integration which have not yet been implemented in the UK. Research has shown that all three blue light services have easily recognisable identities in the public, and media perception is that, although they may suffer ups and downs, the services are generally strong and respected and “*retaining the best features of these identities whilst working towards closer collaboration and shared resources*”¹¹⁶ is important. Each option needs to be assessed against the risk of public trust being lost.
- Broader links to wider community safety, health or social care partners may be compromised – some concern has been expressed that moving fire and police closer together may compromise collaboration with other partners, especially health. However, the PCC’s responsibilities and commissioning powers also extend to community safety and changes to governance will not prevent joint community safety initiatives, or either service from collaborating with wider partners. The Policing and Crime Act 2017 expressly provides for new collaboration agreements with ambulance services and initial discussions with the Yorkshire Ambulance Service as part of this work indicated that simplified or shared governance between fire and police may improve joint working with health.
- Links with local authorities and district councils may not be maintained, democratic challenge from a committee representing a wide range of opinions may be lost, and scrutiny and challenge of the single decision maker may vary.
- The Police and Crime Panel may not have the capability or resources, to exercise a broader scrutiny role, if required.
- Fire and rescue receives less attention in a shared governance model – and careful measures would need to be taken to ensure the PCC has sufficient support and expertise to ensure effective governance of fire while also fulfilling her responsibilities for policing and crime.

¹¹⁵ Firefighters are second most trusted profession, IFSEC, 2015

¹¹⁶ Research into Emergency Services Collaboration, Parry et al, 2015

- Potentially strong resistance from fire unions - risk of industrial action is greater for some governance options than others, which could risk public safety.

There are also a number of constraints and dependencies that affect the options under review:

Constraints:

- Under any of the governance options, funding will remain separate between police and fire, with a requirement for separate financial reporting;
- If the PCC wishes to introduce some of the options in the legislation sequentially (e.g. start with Governance model and then later move to a Single Employer model), then a further business case and consultation is likely, unless this intention is stated in the initial business case and consultation.

Dependencies:

- Changes will require local authority agreement and some require an order by the Home Secretary, plus, if local agreement is not forthcoming, further independent scrutiny of the business case.

3.5 Conclusions

This section has set out a range of national and local drivers for change. Any governance arrangements for police and fire and rescue must be capable of meeting the national policy drivers, and enabling fire and rescue and policing services to work effectively together to meet the financial and operational challenges they face. Although fire and rescue and policing services are already working together in a number of areas in North Yorkshire, this work is tactical and has evolved in an *ad hoc* way with no formal programme of work in place to drive the pace of change. Historical attempts to make collaboration work locally on a broader scale have so far been unsuccessful, with the reality of the governance arrangements proving unable to match the strategic intentions of the governance bodies. There remain tangible further opportunities for greater collaboration which should realise greater benefits for local communities and public safety. However, these are limited by issues of organisational sovereignty and culture. If the level of transformational change in collaboration that is necessary in North Yorkshire is to be achieved it will require a clear strategic vision and delivery through strong cross-organisational leadership.

National and international best practice recognises that effective governance is a key enabler of collaboration and of greater organisational effectiveness. There is a risk that further significant benefits of police and fire collaboration may not be realised within the existing governance model but the unanimous view of all consulted is that the existing arrangements will not suffice. However, there are inevitably risks and costs attached to making any change and the ability of each of the different governance options to deliver the necessary improvements to collaboration whilst mitigating risks are considered in the Economic Case, the next section.

4 ECONOMIC CASE: THE OPTIONS ASSESSMENT

This Economic Case assesses the governance options introduced by legislation, against the option of making no change to governance. It considers how well the options could accelerate the pace and scale of collaboration to address the issues and support delivery of the opportunities identified in the Strategic Case. It also considers the extent to which each option could mitigate the strategic risks identified.

4.1 Introduction to the options

For North Yorkshire, the legislation translates into four potential governance options:

- The Do Nothing model – retaining current governance arrangements;
- The Representation model – with the PCC becoming more involved as an additional member of the NYFRA and having a formal vote (Policing and Crime Act 2017);
- The Governance model – with the PCC assuming the role of the FRA (by order of the Secretary of State under the Fire and Rescue Services Act 2004);
- The Single Employer model – building on the Governance model to appoint a single Chief Officer across the police and fire and rescue services (also requiring a separate order of the Secretary of State).

The following sections describe each option in turn and sets out:

- A description of the option
- An assessment of the option against the critical success factors outlined in the Strategic Case, establishing the likelihood of realising the opportunities. This includes quantification of the economy and efficiency benefits and the extent to which the option:
 - Accelerates the necessary scale, pace and effectiveness of collaboration
 - Brings benefits in terms of transparency and accountability
 - Is deliverable
 - Mitigates strategic risks
- A summary assessment of option against the tests of public safety, effectiveness, economy and efficiency, assessed according to the approach described below.

4.1.1 Qualitative assessment of each option

The qualitative assessment reviews each option against each of the CSFs as described in Section 3.4 attributing a low, medium, high rating against each CSF.

A summary assessment of each option is also made against the tests in the Policing and Crime Act 2017. As described in Section 3.4, these tests are not defined in more detail in the legislation, leaving them to be specified against local drivers for change by PCCs. The link between governance and improved outcomes may also not always be a direct one. In North Yorkshire, therefore, we have translated these tests into CSFs for this business case.

This Economic Case concludes with a recommendation for the preferred option.

4.1.2 Approach to economic appraisal

A net present value (NPV) for each option has been calculated for ten years including 2017/18 (year 0). Only financial benefits and costs have been included in the NPV calculation – we have not attempted to measure the economic value of interventions. The NPV must therefore be viewed alongside the non-financial benefits of a change in governance.

Costs and benefits have been assessed in terms of their 'direct' and 'indirect' impact on governance. 'Direct' costs and benefits are those which can be directly attributable to the governance change (i.e. associated with those activities through which the FRA or PCC exercise their governance and scrutiny roles). 'Indirect' costs and benefits are those which can be indirectly attributable to the governance change, such as a faster pace in delivery of collaboration.

Direct costs and benefits have been estimated as below, with detailed assumptions at Appendix 0:

- One-off implementation costs associated with governance change e.g. project costs including project team and professional advice e.g. consultation advice
- Recurrent implementation costs associated with governance change e.g. additional governance resources required
- Direct governance benefit related to the FRA no longer being required in some options and some associated governance costs no longer being required

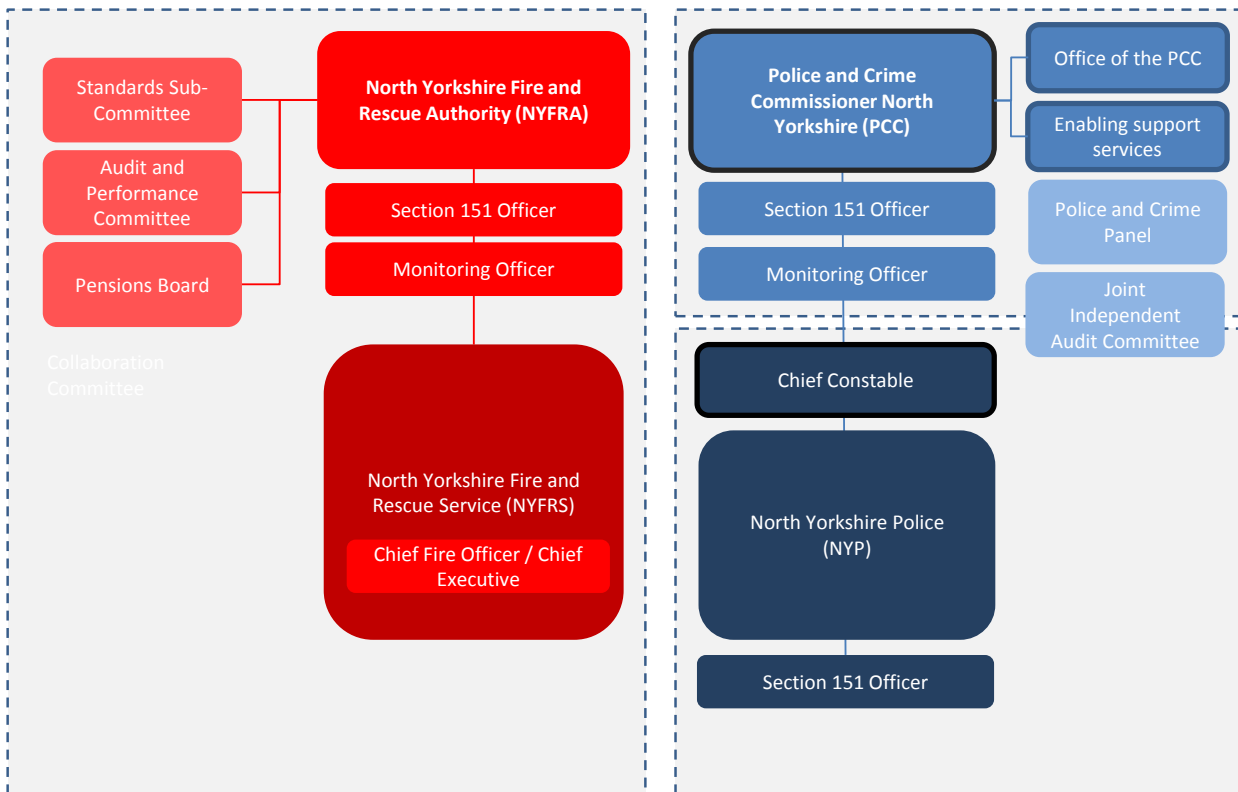
Assumptions have been made in the estimation of 'indirect' financial benefits in this business case, drawing upon the research on the impact of governance on collaboration described in the strategic case, and also the specific opportunities in North Yorkshire. These are described in Section 3.3.5 of the Strategic Case and in detail as part of each option.

4.2 Do Nothing model

4.2.1 Description of option

This option assumes that existing governance arrangements of the PCC, Chief Constable (CC) and NYFRA remain in place. The organisations would still be under the statutory duty to collaborate (including more widely across the emergency services) as set out in the Policing and Crime Act 2017. The impact of this option is illustrated below.

Figure 6: ‘Do nothing’ model – the existing governance arrangements would remain in place



Notes: 1. A corporation sole is a public office (created usually by an Act of Parliament) that has a separate and continuing legal existence, and only one member (the sole officeholder). Contracts made with a corporation-sole continue from one officeholder to his or her successor. The PCC and Chief Constable are corporations sole.



4.2.2 Implications of the change

With no change to make, there would be no implementation impact on the different areas of the business.

4.2.3 Assessment against each criterion

An assessment of this option against the CSFs is provided below.

CSF 1: Accelerates scale, pace and effectiveness of collaboration

Test: The governance option can accelerate and enable more effective collaboration and deliver tangible public safety and vulnerability prevention benefits to reduce harm, improve resilience and effectiveness, and increase value for money

This option would enable continuation of existing planned collaboration at the current rate, improving public safety and prevention through existing plans. It is assumed that the newly-created Collaboration Committee would support closer working between fire and police, as well as other partners. Therefore, some of the

collaboration opportunities identified in Table 14, could be achieved, as long as both the PCC and NYFRA agree to plans on a case-by-case basis and agree on objectives and priorities. We have made some assumptions in this business case about which opportunities could and would likely to be achieved, based on feedback and broader evidence (shared estates in line with the current direction of travel). However, as evidenced in the Strategic Case, studies have consistently shown that delivery of collaboration is inherently more challenging in a multi-governance model, and the PCC would not be able to exert formal influence in this model. Similarly, the Chief Constable will not have a formal role on this committee (and the PCC cannot represent the Chief Constable). In addition, it is unlikely to accelerate collaboration significantly as proposals would continue to need to go through separate police and fire governance structures, as the Collaboration Committee only has formal decision-making rights for fire and rescue. Further, collaboration opportunities with health partners would also continue to require multiple governance bodies to sign-off.

More ambitious opportunities that move beyond collaboration and closer to shared functions are also likely to be more difficult to achieve in this model, because of the complexities of decision-making.

No stakeholders consulted to date have favoured this option, believing it will not be sufficient to achieve the degree of collaboration desired between police and fire. The Government have also made it clear that the status quo is not an option.

Figure 7 shows the assessment against CSF 1 as described in the Strategic Case. This looks at the tests agreed, and reviews the degree to which benefits from collaboration could be accelerated through this option.

Figure 7: Assessment against CSF 1

		Likelihood of additional benefits to the status quo (low / medium / high)					
		Early intervention and prevention	Estates integration	Shared support services	Health collaboration	Other wider collaboration opportunities	Overall assessment
Do nothing	Improves public safety and prevents vulnerability	Medium	High	Medium	Medium	Low	L
	Brings efficiencies and resilience	Low	Medium	Low	Medium	Low	L

Key

- High
- Medium
- Low

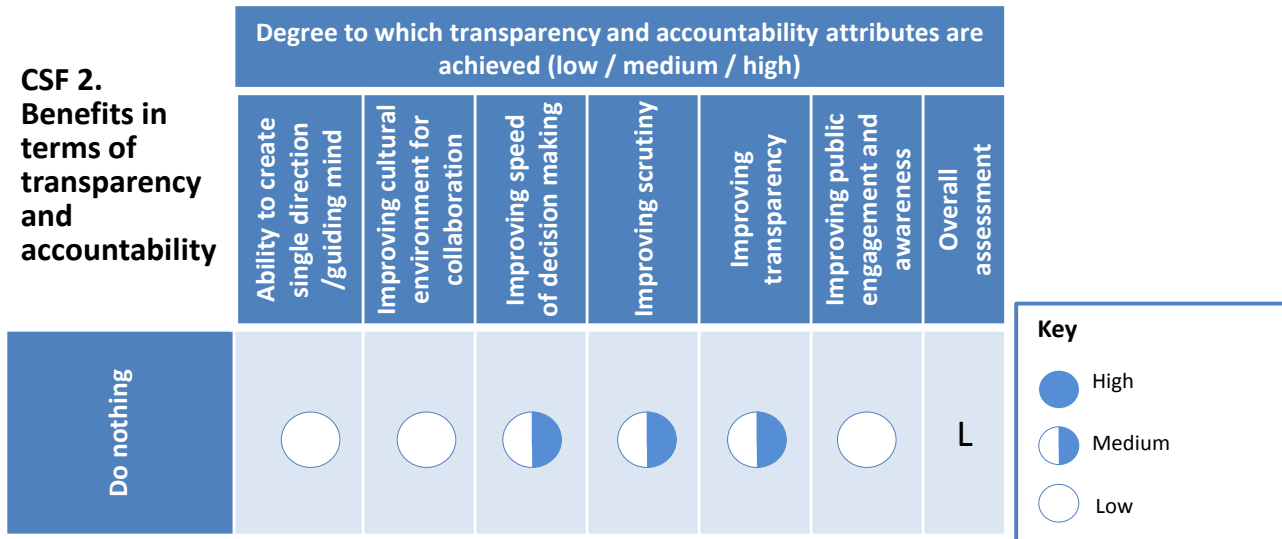
CSF 2: Brings benefits in terms of transparency and accountability

Test: The governance option can improve transparency, accountability, visibility, and consistency of decision-making for the public, stakeholders and NYP and/or NYFRS

The formal mechanisms of transparency and accountability of the FRA would remain the same as today, in line with CIPFA’s Framework for Delivering Good Governance in Local Government and meeting external audit requirements. The new Collaboration Committee is in place, which may bring additional independent cross-agency scrutiny to decision-making, and could increase pace of decision-making; however this will not increase the public’s engagement and the PCC has no formal voting rights on this committee under this option.

Figure 8 shows the assessment against the transparency and accountability CSF 2, broken down by particular governance attributes. It will deliver few benefits.

Figure 8: Assessment against CSF 2

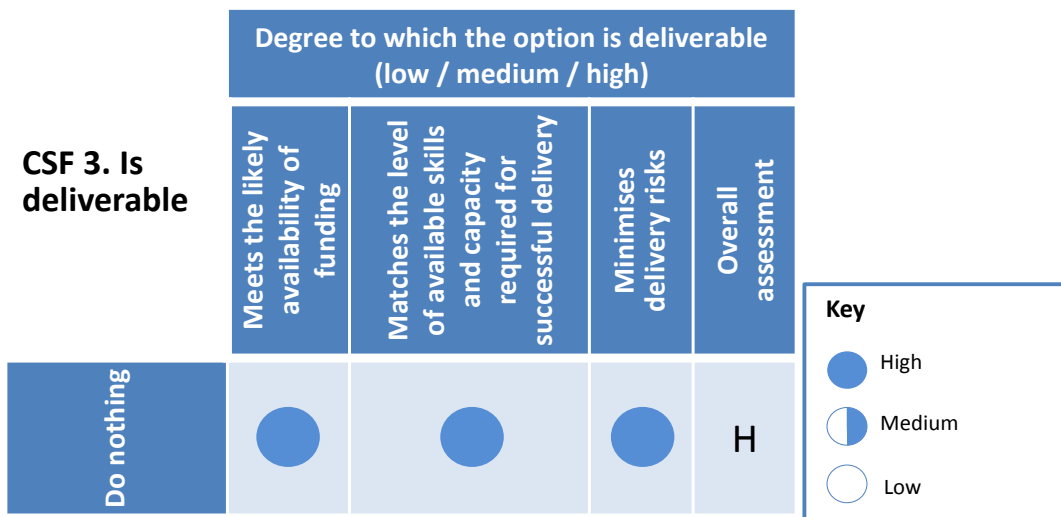


CSF 3: Is deliverable

Test: The governance option can be implemented successfully in terms of meeting the likely availability of funding, matching the level of available skills and capacity required for successful delivery and minimising delivery risks

This represents the status quo position and is therefore in line with medium term financial plans and with the current planned level of available skills and capacity. There would be no formal consultation requirements and no governance change, therefore this option has a low delivery risk.

Figure 9: Assessment against CSF 3



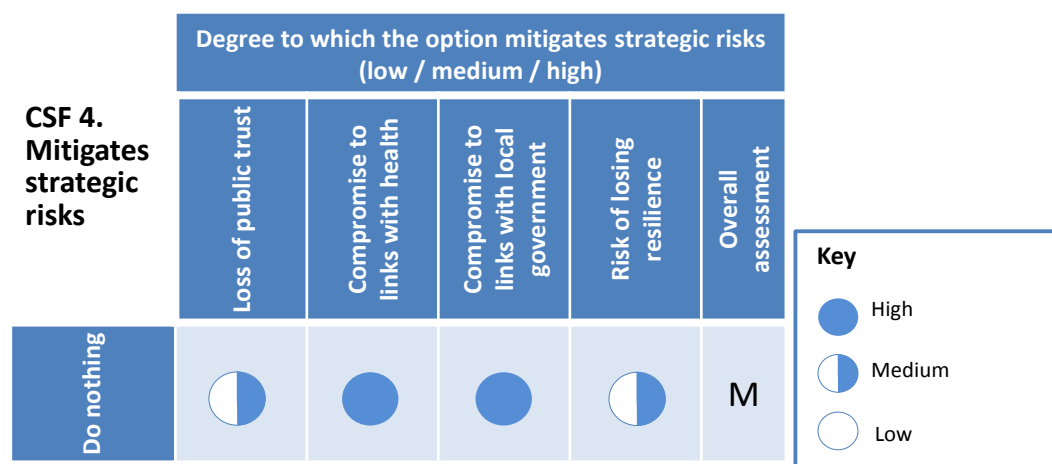
CSF 4: Mitigates strategic risks

Test: The governance option can mitigate strategic risks with the option, including the loss of public trust, compromise to links with health, compromise to links with local government and risk of losing resilience

Under this option, there are not anticipated to be any risks that concerns over the different roles of police and fire, and potential impact on public trust, will materialise, as formal governance will remain distinct and unchanged. The presence of the PCC on the Collaboration Committee presents an opportunity for improved and some small-scale simplified engagement with other partners. Links to local authorities will be maintained

through existing structures. However, under this option, opportunities to ensure a joined up and simplified governance between police and fire to health partners will remain limited as there will continue to be separate decision-making and no changes to formal governance.

Figure 10: Assessment against CSF 4



4.2.4 Economic assessment

Table 17 represents the net change versus baseline costs as a result of a change in governance. Costs are shown as negative and savings are shown as positive in Table 17.

This option would incur no additional implementation costs versus the current position, and would achieve benefits from the shared estate. Of the possible 8 pipeline estates schemes, it is assumed that a joint estate would be achieved for 3 schemes in the 10 year period (assumption based on the 3 highest priority schemes). This option would achieve benefits of £0.2m over a 10 year period and an NPV of £0.1m.

Table 17: 'Do nothing' model – economic appraisal (£k)

Year	0	1	2	3	4	5	6	7	8	9	Total
Financial year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
Implementation costs - recurrent	-	-	-	-	-	-	-	-	-	-	-
Implementation costs - one-off specialist support	-	-	-	-	-	-	-	-	-	-	-
Direct governance benefit	-	-	-	-	-	-	-	-	-	-	-
Shared estates	-	(280)	(30)	70	70	70	70	70	70	70	180
Shared senior management posts	-	-	-	-	-	-	-	-	-	-	-
Shared enabled support services	-	-	-	-	-	-	-	-	-	-	-
Total	-	(280)	(30)	70	70	70	70	70	70	70	180
Total – direct	-	-	-	-	-	-	-	-	-	-	-
Total - indirect	-	(280)	(30)	70	70	70	70	70	70	70	180
NPV											101

4.2.5 Summary assessment against of this option

The Do Nothing model has been assessed above against the CSFs agreed in Section 3.4. A summary is shown below. In addition, we have developed an assessment against the tests in the Policing and Crime Act 2017, based on the definition in Section 3.4.

Table 18: Summary qualitative assessment against CSFs and statutory tests

Critical success factors			Statutory tests	
Critical success factor	How the test is met	Do nothing (High / medium / low)	Economy / efficiency / effectiveness	Public safety ¹¹⁷
Accelerates scale, pace and effectiveness of collaboration	The governance option can accelerate and enable more effective collaboration and deliver tangible public safety and vulnerability prevention benefits to reduce harm, improve resilience and effectiveness, and increase value for money	L	✓	N/A
Brings benefits in terms of transparency and accountability	The governance option can improve transparency, accountability, visibility, and consistency of decision-making for the public, stakeholders and NYP and/or NYFRS	L	✓	N/A
Is deliverable	The governance option can be implemented successfully	H	N/A	✓✓
Mitigates strategic risks	The governance option can mitigate strategic risks	M	✓	✓✓
Net present value (£k)		£0.1m	N/A	

Public Safety

This model poses no immediate risk to public safety as it is deliverable and mitigates the strategic risks. However, as this model is unlikely to improve collaboration or bring benefit to the effectiveness or efficiency of services it could possibly harm public safety in the long term.

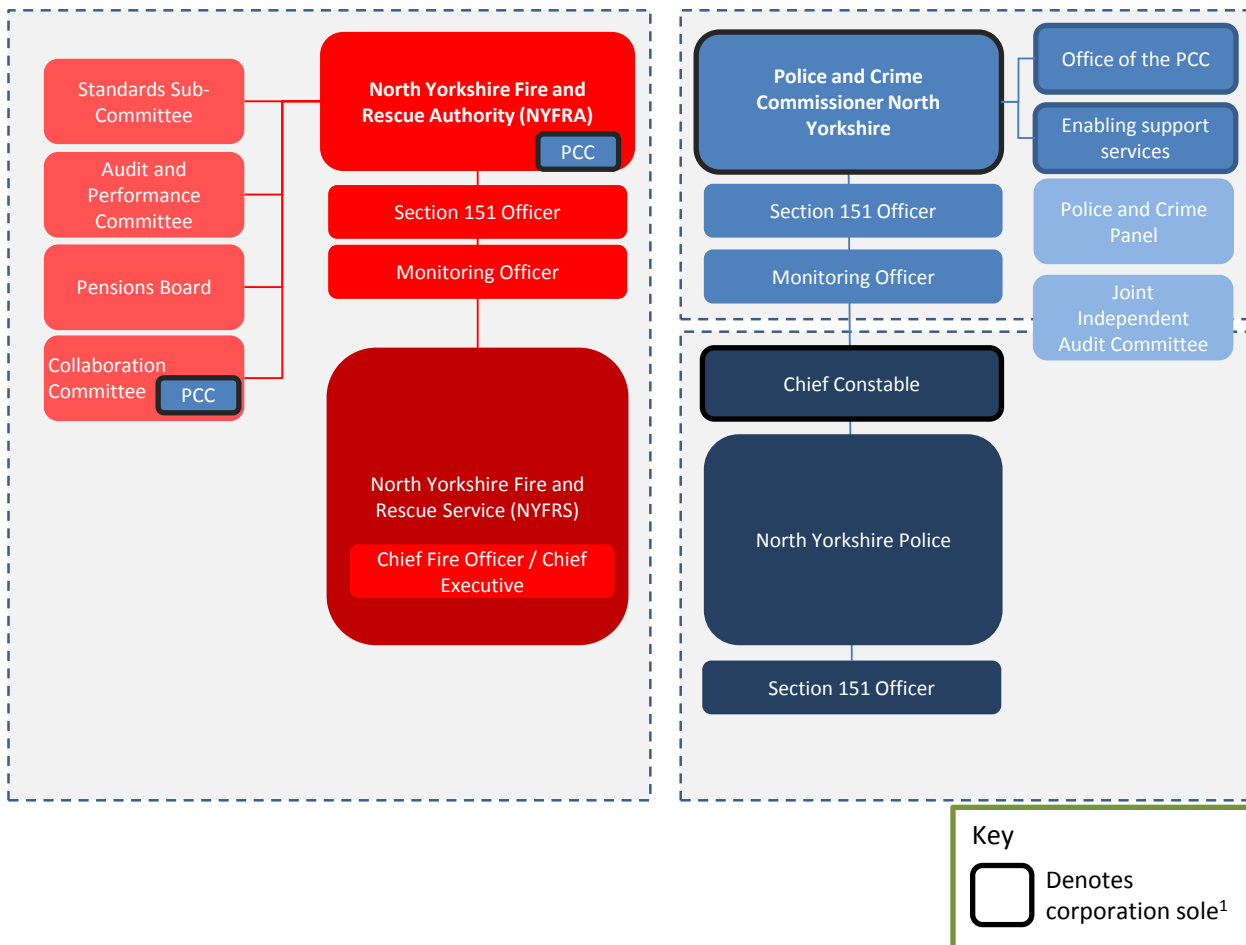
¹¹⁷ It should be noted that this LBC does not seek to make a statement on public safety in relation to the degree to which collaboration or governance will directly impact on it. Therefore we will not make an assessment against CSF1 and CSF2. We will make an assessment of the degree to which deliverability and risk could impact on public safety on each option.

4.3 Representation model

4.3.1 Description of option

This option uses the powers set out in the 2017 Act to allow the PCC to become involved in the Fire and Rescue Authority by being represented on the Authority or any of its committees with full voting rights, subject to agreement of the Fire and Rescue Authority. The PCC will also be represented on the newly-created Collaboration Committee of the NYFRA. The Home Office has recently indicated that a short period of public consultation will be required to give effect to the powers in the Act as far as they apply to Combined Fire and Rescue Authorities.¹¹⁸

Figure 11: Representation model – PCC is represented on the FRA (or its committees) in their police area with full voting rights, subject to the consent of the FRA



4.3.2 Implications of the change

This section describes the implications of the change and the assumptions which have been made in this LBC for this option.

¹¹⁸ Letter from Home Office to Fire and Rescue Authorities, April 2017

Table 19: Implications of the change

Theme	Implication
Overarching	<ul style="list-style-type: none"> • The PCC will sit on the FRA and be a voting member, with one vote, in addition to the existing membership. • The change requires agreement from NYFRA and a review of the existing members of the FRA to ensure that the political balance remains. • There would be scope under this option to create an integrated fire and police plan and risk strategies, and a single commissioning approach. • This option does not preclude moving to Governance model at a later date, should it prove to be insufficient to drive collaboration at the required pace and/or to achieve wider benefits.
Staffing, assets and liabilities	<ul style="list-style-type: none"> • There would be no direct impact on staffing, asset and liabilities; there would be no changes to roles or resources as a direct consequence of the governance arrangements, except for additional responsibilities for the PCC. • There may be a need for a small amount of additional capacity in the OPCC to help the PCC with the new commitments (see below). • Under this option, it is possible that there would be scope for: <ul style="list-style-type: none"> – A shared Section 151 and Monitoring Officer role across the FRA and PCC, subject to consultation. – Shared fire/police governance support. – An integrated fire and police plan and risk strategies, and single commissioning approach. – Some shared enabling support functions.
Governance and approval	<ul style="list-style-type: none"> • No formal public consultation is required to implement this option. • Requires amendment to Government legislation to enact this option.
Implementation timescales	<ul style="list-style-type: none"> • This could be delivered as soon as the legislation is in place, and therefore we assume could take place from September 2017. This will need to be kept under review.
Direct costs and financial benefits	<ul style="list-style-type: none"> • There will be some additional recurrent costs associated with the additional workload for the Office of the PCC (we have assumed 0.5 FTE of a Policy and Scrutiny Officer, at a cost of ~£17k per annum). There will be no direct governance savings.
Indirect costs and financial benefits	<ul style="list-style-type: none"> • Of the possible 8 pipeline estates schemes, it is assumed that all schemes could take place, however that 4 schemes start one year later than could be possible, and 2 schemes start 2 years later than could be possible. It is assumed that a shared HQ would also be implemented, assuming that ongoing discussions result in this outcome. • It is assumed that marginal benefits might be achieved through shared services, equivalent to several joint posts or purchasing arrangements to 0.5% of in-scope expenditure, or £70k per annum. This would be an extension of current arrangements e.g. a shared transport manager has already been in place last year.

4.3.3 Assessment against each criterion

CSF 1: Accelerates scale, pace and effectiveness of collaboration

Test: The governance option can accelerate and enable more effective collaboration and deliver tangible public safety and vulnerability prevention benefits to reduce harm, improve resilience and effectiveness, and increase value for money

This option would enable continuation of planned collaboration and ensure that the PCC has a formal opportunity to influence the shaping and improvement of future collaboration opportunities that come formally before the NYFRA or the Collaboration Committee. The PCC would also have a formal (albeit limited) role in approving future strategies and budgets for NYFRS, which might help to reduce the risk of inappropriately non-aligned strategies. PCC representation could also bring additional external scrutiny or additional weight to collaboration discussions. The Collaboration Committee will bring additional time and scrutiny in considering local collaboration. It may also simplify interactions for other partners. This is the option currently preferred by the Fire and Rescue Authority.

Based on discussions with stakeholders, analysis of the collaboration priorities identified during this work, and the evidence base set out in the Strategic Case on the role of governance in enabling effective collaboration, it is assessed that this model would support delivery of aspects of the collaboration agenda between fire and police, which are likely to bring long term qualitative and quantitative benefits. Under this option, many of the priority opportunities for collaboration as identified in Table 14, could be achieved in line with the current direction of travel, but only if both the PCC and NYFRA agree on objectives and priorities. Those opportunities which are not yet in flight, such as shared support services functions, are unlikely to take place. As described above, it would be possible to create shared support roles between police and fire under this model (as under any governance option). However, as the strategic case showed, previous discussions on these types of options in North Yorkshire have not led to change, and they are inherently more complex to achieve through multiple governance routes.

Figure 12: Degree of potential collaboration change under Representation

Early intervention and prevention	Joint commissioning of specific interventions to target a specific community need: <ul style="list-style-type: none"> • Extended road safety prevention
Effective joint response	Opportunities to improve joint response for specific targeted interventions and where there are response synergies: <ul style="list-style-type: none"> • Joint forced entry service
Shared support	Opportunities for shared enabling service functions where there are efficiencies to be gained, with an early emphasis on: <ul style="list-style-type: none"> • Joint transport and logistics assets and teams • Shared estates - HQ and operational • Joint procurement

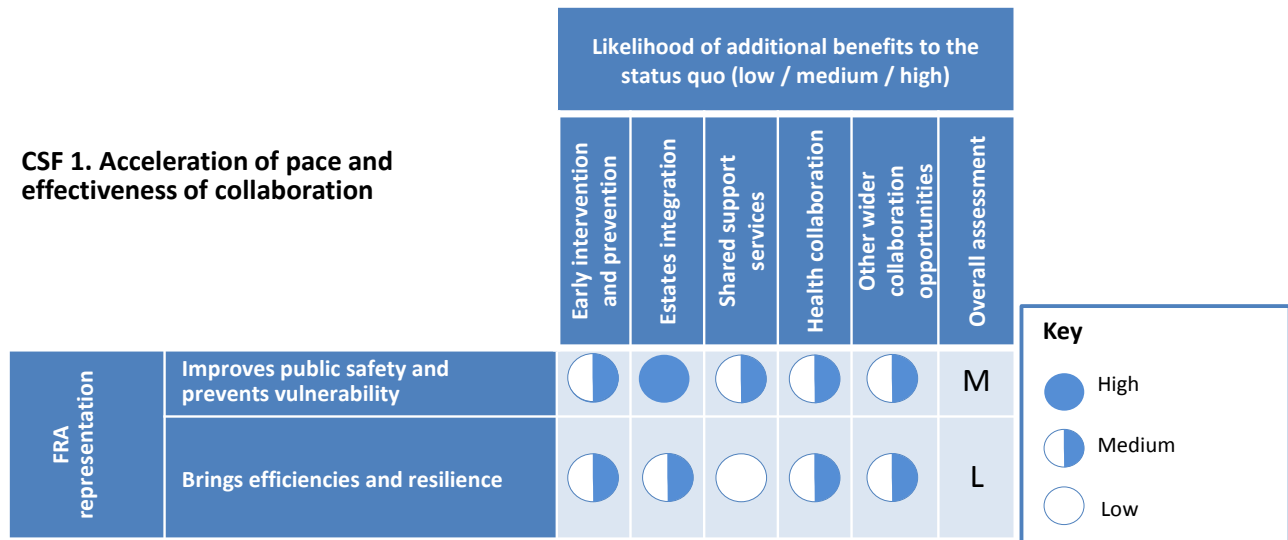
As evidenced in the Strategic Case, studies have consistently shown that delivery of collaboration is inherently more challenging in a multi-governance model, and the PCC would not be able to exert significant formal influence in this model. Similarly, the Chief Constable will not have a formal role on this committee (and the PCC cannot represent the Chief Constable). In addition, it is unlikely to accelerate collaboration significantly as proposals would continue to need to go through separate police and fire governance structures, as the Collaboration Committee only has formal decision-making rights for fire and rescue. Similarly, collaboration opportunities with health partners would also continue to require multiple governance bodies to sign-off.

The Representation model would also make development and delivery of the more strategic vision set out in Table 14 more challenging. Development of single commissioned services, innovative delivery models and integrated estates would be challenging under a fragmented governance model and also higher risk to sustain as they would remain dependent upon continuing joint support for the changes.

The difference in practice therefore between the ‘Do Nothing’ model and this option is difficult to discern. While more ambitious, transformational opportunities that are needed to move beyond collaboration and closer to shared functions are likely to continue to be more difficult or slower to achieve in this model.

Figure 13 shows the assessment against the CSFs as described in the Strategic Case. This looks at the tests agreed, and reviews the degree to which benefits from collaboration could be accelerated through this option.

Figure 13: Assessment against CSF 1



CSF 2: Brings benefits in terms of transparency and accountability

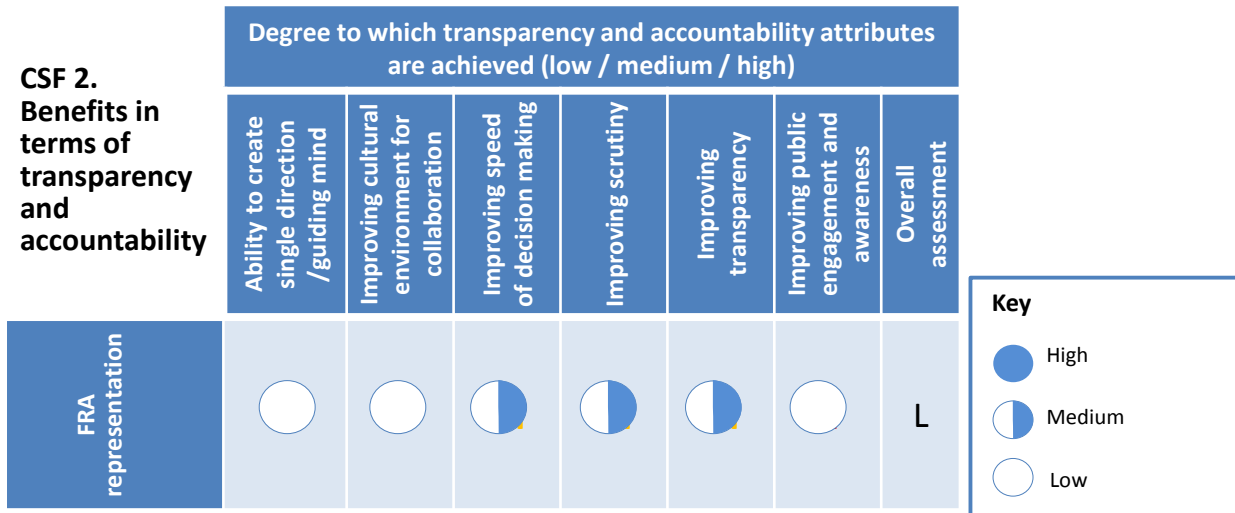
Test: The governance option can improve transparency, accountability, visibility, and consistency of decision-making for the public, stakeholders and NYP and/or NYFRS

The formal mechanisms of transparency and accountability of the FRA will remain the same as today under this option, in line with CIPFA’s Framework for Delivering Good Governance in Local Government and meeting external audit requirements. The new Collaboration Committee is also in place, which may bring some additional independent scrutiny to decision-making, and could make some difference to the pace of decision-making on collaboration matters. In addition, the PCC would be able to contribute formally on fire matters, bringing additional outside scrutiny.

The Chair of the Fire Authority at the time of the beginning of this process recognised in interview that the FRA did not meet frequently enough, and indicated that he wished to increase the frequency of meetings through the Collaboration Committee in order that it could accelerate decision-making, and also improve aspects of scrutiny. It is of course possible that the PCC’s presence on the NYFRA could act as a catalyst to introduce the types of pro-active public engagement the PCC has undertaken in policing. However, changes in NYFRA leadership as a result of the recent local elections, and the fact that no formal proposals have yet been made at the NYFRA, mean that this has not been assessed as probable at this stage.

Figure 14 shows the assessment against the transparency and accountability CSF 2, of the additional benefits that the Representation model could bring, broken down by particular governance attributes. The option is assessed as low because it does not bring a material change to the status quo position on the governance attributes below.

Figure 14: Assessment against CSF 2



CSF 3: Is deliverable

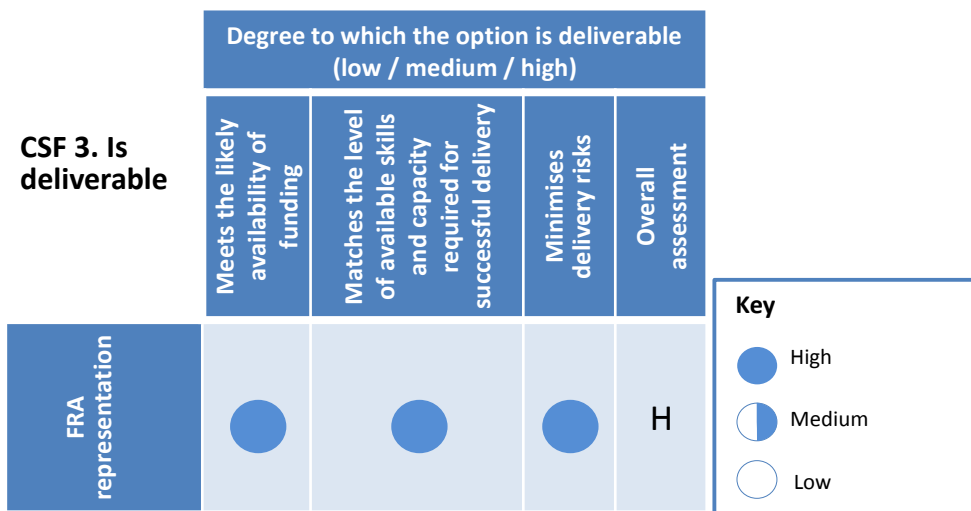
Test: The governance option can be implemented successfully in terms of meeting the likely availability of funding, matching the level of available skills and capacity required for successful delivery and minimising delivery risks

Implementation of this option would be straightforward and quick with no HR or commercial implications, although it requires the Government to enact the relevant parts of the legislation. There would be no formal consultation requirements. Therefore, no one-off project costs to implement the change have been assumed.

PCC representation would bring an increased workload for the OPCC, and therefore it is assumed that a small amount of additional resource would be required as part of the change. There would be no overall governance savings under this option as existing mechanisms for the NYFRA and PCC would continue.

This option is currently supported by the existing NYFRA and so would be easy to implement. It could also be a stepping stone to Governance or the Single Employer model in the future.

Figure 15: Assessment against CSF 3



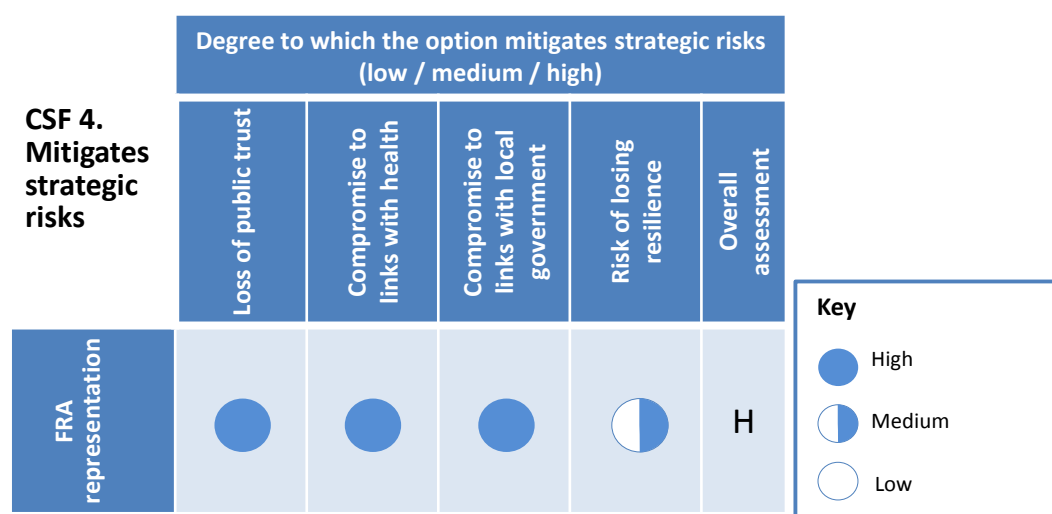
CSF 4: Mitigates strategic risks

Test: The governance option can mitigate strategic risks with the option, including the loss of public trust, compromise to links with health, compromise to links with local government and risk of losing resilience

Under this option, the risk arising from concerns over the different roles of police and fire, and potential impact on public trust, are unlikely to materialise, as the role of the PCC in fire governance will be limited and one voice among many. As with the Do Nothing model, the presence of the PCC on the Collaboration Committee presents an opportunity for improved and some simplified engagement with other partners. Links to health partners and local authorities will be maintained through existing structures. There will be some opportunities to ensure a joined up and simplified governance between police and fire to health partners and the perceived risk that fire priorities will move away from health collaboration is low.

In addition, closer alignment between fire and police should bring greater resilience to both services, however residual resilience risk is likely to remain and the ability of police and fire to meet operational and financial challenges is likely to be harder to achieve without the necessary drive for deeper and faster collaboration.

Figure 16: Assessment against CSF 4



4.3.4 Economic assessment

Table 20 below represents the net change versus baseline costs as a result of a change in governance. Costs are shown as negative and savings are shown as positive in Table 20. Inputs to this table are shown in Appendix 8.5.

This option would achieve benefits of £1.6m over a 10 year period and an NPV of £1.3m.

Table 20: Representation model – economic assessment (£k)

Year	0	1	2	3	4	5	6	7	8	9	Total
Financial year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
Implementation costs - recurrent	(9)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(162)
Implementation costs - one-off specialist support	-	-	-	-	-	-	-	-	-	-	-
Direct governance benefit	-	-	-	-	-	-	-	-	-	-	-
Shared estates	-	(280)	50	(30)	200	220	220	210	290	290	1,170

Year	0	1	2	3	4	5	6	7	8	9	Total
Shared senior management posts	-	-	-	-	-	-	-	-	-	-	-
Shared enabled support services	-	70	70	70	70	70	70	70	70	70	630
Total	(9)	(227)	103	23	253	273	273	263	343	343	1,639
Total – direct	(9)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(162)
Total - indirect	-	(210)	120	40	270	290	290	280	360	360	1,800
NPV											1,280

4.3.5 Summary assessment of this option

The Representation model has been assessed above against the CSFs agreed in Section 3.4. A summary is shown below. In addition, we have developed an assessment against the tests in the Fire Services Act 2004 (as amended) tests based on the definition in Section 3.4.

Table 21: Summary qualitative assessment against CSFs and statutory tests

Critical success factors			Statutory tests	
Critical success factor	Economy / efficiency / Effectiveness	Economy / efficiency / Effectiveness	Economy / efficiency / effectiveness	Public safety ¹¹⁹
Accelerates scale, pace and effectiveness of collaboration	The governance option can accelerate and enable more effective collaboration and deliver tangible public safety and vulnerability prevention benefits to reduce harm, improve resilience and effectiveness, and increase value for money	L	✓✓	N/A
Brings benefits in terms of transparency and accountability	The governance option can improve transparency, accountability, visibility, and consistency of decision-making for the public, stakeholders and NYP and/or NYFRS	L	✓	N/A
Is deliverable	The governance option can be implemented successfully	H	N/A	✓✓
Mitigates strategic risks	The governance option can mitigate strategic risks	H	✓✓	✓✓

Public Safety

As this model is both deliverable and shown to be able to mitigate strategic risks, it does not pose a risk to public safety. However, as it is unlikely to improve the scale or pace of collaboration, and therefore not

¹¹⁹ It should be noted that this LBC does not seek to make a statement on public safety in relation to the degree to which collaboration or governance will directly impact on it. Therefore we will not make an assessment against CSF1 and CSF2. We will make an assessment of the degree to which deliverability and risk could impact on public safety on each option.

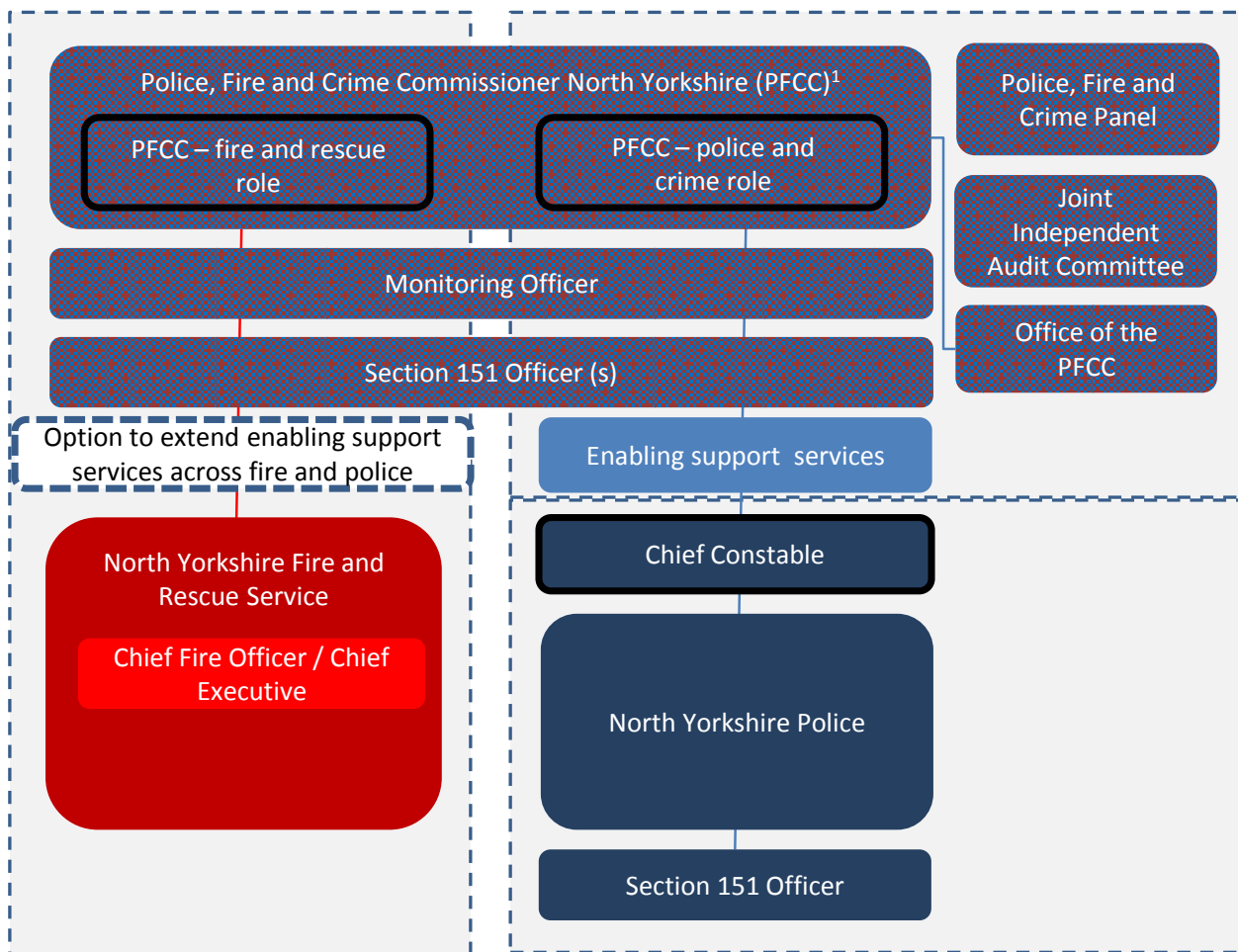
significantly improve the effectiveness or efficiency of services, it is unlikely to bring great improvement to public safety either.

4.4 Governance model

4.4.1 Description of option

This option uses the powers set out in the Act to allow the PCC to take on the role of the Fire and Rescue Authority (FRA). Under this option, known in the Act as the “Governance model”, the FRA will be abolished and its functions transferred to the Police, Fire and Crime Commissioner (PFCC). There will technically still be three legal entities as the PFCC is two corporations sole: the PFCC conducting PCC functions; the PFCC conducting Fire and Rescue Authority functions, employing fire staff; and the Chief Constable. NYFRS and NYP will continue to have their own Chief Officers. The PFCC would have governance responsibility for both NYFRS and NYP.

Figure 17: Governance model – PCC takes on responsibility for the fire and rescue service; individual services retain their operational independence, their Chief Fire Officer and Chief Constable, and their own staff



Notes: 1. The PFCC has 2 corporations sole – one in the PCC role and one in the FRA role.

Key



Denotes corporation sole

4.4.2 Implications of the change

This section describes the implications of the change and the assumptions which have been made in this LBC for this option.

Table 22: Implications of the change

Theme	Implication
Overarching	<ul style="list-style-type: none"> • The PCC would become the Police Fire and Crime Commissioner (PFCC) and the employer of all fire and rescue staff, and holder of assets and contracts. The Chief Fire Officer will continue to have operational responsibility and day-to-day responsibility for the leadership of NYFRS. The Chief Constable will also continue to employ staff in line with current arrangements. The distinction between operational policing and fire-fighting will be maintained, with the law preventing a full-time police officer from being a fire-fighter. • The PCC continues to be both a corporation sole for policing and crime and a separate corporation sole for the FRA functions. Operation of governance of fire would however be changed to resemble the PCC model in policing, with more frequent meetings and no committees • The Office of the PFCC would need to be expanded and restructured to take on the role of governance of NYFRS and enhanced collaboration. • Following hand-over, the members of NYFRA will step down from their role and governance support arrangements will transfer to the Office of the PFCC. • The Police, Fire and Crime Panel will continue to provide oversight of the PCC including with the additional remit. The PCP has estimated that this would increase costs, although it is assumed in this business case that any reasonable additional costs (if agreed) continue to be grant funded by the Home Office (this assumption has not been confirmed formally by the Home Office yet). • Under this option, there is an assumption that over time, it is likely that there would be: <ul style="list-style-type: none"> – A shared Section 151 officer across the FRA and PCC, subject to consultation. – A modified Chief Fire Officer / Chief Executive role to maintain the fire aspect to the role and merge aspects of the corporate support role with current enabling support services provided by the Chief Executive and Monitoring Officer of the PCC for NYP. – Shared fire/police governance support (while recognising the different governance models between police and fire given the separate statutory role of the Chief Constable). – An integrated fire and police plan and risk strategies, and single commissioning approach.
Staffing, assets and liabilities	<ul style="list-style-type: none"> • The PCC would need to carry out a detailed review of the contracts, assets, liabilities, etc. of NYFRA prior to transfer and there would need to be a transfer of contracts, assets and liabilities to the new entity. Initial legal advice suggests that this should be relatively straightforward, however formal due diligence would need to take place on novation or change control terms that could delay implementation or create complexity. • For NYFRS staff, there would need to be a staff consultation process relating to the transfer of their employment, which would take place following Cabinet Office Statement of Practice (COSOP) procedures. • There will be no changes to terms and conditions arising directly from the change in governance.

Theme	Implication
Governance and approval	<ul style="list-style-type: none"> This option requires formal public consultation then scrutiny of a business case (by the Home Office) before approval by the Home Secretary and secondary legislation to enact the change. The degree of scrutiny will depend upon the level of local support there is for change.
Implementation timescales	<ul style="list-style-type: none"> Based on current advice and guidance, it is assumed that this option can be implemented within one year of going out to consultation i.e. April 2018 based on current plans.
Direct costs and financial benefits	<ul style="list-style-type: none"> There will be some additional recurrent costs associated with the additional workload for the Office of the PCC (estimated as 1 FTE of a Policy and Scrutiny Officer) and additional costs of taking on FRA governance responsibilities at an estimated cost of ~£64k per annum. There will be one-off requirements for specialist implementation resources (e.g. project management, consultation advice and potential additional audit costs), estimated to cost ~£121k. There will be a reduction in expenditure of direct fire governance costs of ~£100k pa, based on no requirement for member direct costs, training or committee services.
Indirect costs and financial benefits	<ul style="list-style-type: none"> Of the possible 8 pipeline estates schemes, it is assumed that a joint estate would be achieved for all schemes in the 10 year period, in the timescales set out by stakeholders as possible. It is assumed that a shared HQ would also be implemented. It is assumed that it would be possible to combine some senior management roles across fire and police particularly around corporate roles. There is also an assumption that there would be a shared Section 151 Officer between NYFRA and PCC and that the Monitoring Officer role would be covered by the PCC's CEO. It is assumed that these changes might achieve benefits of £250k recurrently. Any changes would be phased in line with existing staff retirements or natural attrition and would be subject to consultation. It is assumed that benefits might be achieved through shared services, equivalent to a number of joint posts or purchasing arrangements to 4% of in-scope expenditure, or £550k per annum. This is based on the assumption that a number of shared posts could be achieved across services, subject to consultation, based on analysis of existing structures.

4.4.3 Assessment against each criterion

The assessment of this option is described below.

CSF 1: Accelerates scale, pace and effectiveness of collaboration

Test: The governance option can accelerate and enable more effective collaboration and deliver tangible public safety and vulnerability prevention benefits to reduce harm, improve resilience and effectiveness, and increase value for money

This option would enable collaboration of a different scale than has been possible previously, with the ability to align priorities and budgets and share resources more easily. Under this option, the PCC would be able to move closer towards her transformational vision by delivering a fire / police whole system approach to prevention and early intervention. These could be supported by a more strategic approach to use of data and intelligence to inform the commissioning of services. Wider integration of control room and enabling support services (due to some police enabling services being managed by the Chief Executive of the OPCC) would

also be more possible, although this would represent a significant change and incur implementation costs. This may, in future include a range of delivery options, including further review of a new delivery model such as a third entity, as described earlier in the Strategic Case. A separate business case would be required to assess the case for such a change. This option will bring benefits in terms of resilience, flexibility in access to resources, thus making it easier to deliver front line services such as joint response and early intervention and prevention. In delivering collaboration, the PCC could act as a driver of change and transformation. Over the longer term, staff teams working together over time would also be likely to collaborate more, bringing more benefits and impacting on cultural barriers.

Figure 18: Degree of collaboration change possible under Governance model

Early intervention and prevention	Whole-system fire and police preventative service model across targeted communities
Effective joint response	Wider service and system integration for control rooms
Shared support	Wider shared support / enabling services, where applicable e.g. joint IT systems. Also, shared learning and development
Aligned strategic commissioning	Integrated data and intelligence to support integrated strategic planning and response across communities

Under this option, it is also more likely that the opportunities to create shared governance roles across fire and police will be taken promptly, and the PCC would move to create streamlined governance structure which operates at the speed of the required activity and aligns with the model adopted in policing. With a single decision-maker it is also more likely that over time opportunities will be seized to create shared support roles where there is a good business or cost reason to do so.

It is also considered, based on the evidence provided in the Strategic Case about how single governance can accelerate decision-making, that the pace of collaboration is more likely to increase. A single decision maker will ensure that there is aligned political will and ambition.

A single governance approach could also simplify collaboration arrangements with other partners, such as health and local authorities, reducing duplication and enhancing the ability of both services to collaborate more effectively and efficiently. It would reduce the number of decision makers needed in discussions and be able to join up discussions across the services. Initial engagement with health partners has indicated that this is anticipated by partners already.

Figure 19 shows the assessment against the CSFs as described in the Strategic Case. This looks at the tests agreed, and reviews the degree to which benefits from collaboration could be accelerated through this option.

Figure 19: Assessment against CSF 1

		Likelihood of additional benefits to the status quo (low / medium / high)					
		Early intervention and prevention	Estates integration	Shared support services	Health collaboration	Other wider collaboration opportunities	Overall assessment
Transfer of functions (Governance)	Improves public safety and prevents vulnerability	High	High	Medium	High	Medium	H
	Brings efficiencies and resilience	High	High	Medium	Medium	Medium	M

Key

- High
- Medium
- Low

CSF 2: Brings benefits in terms of transparency and accountability

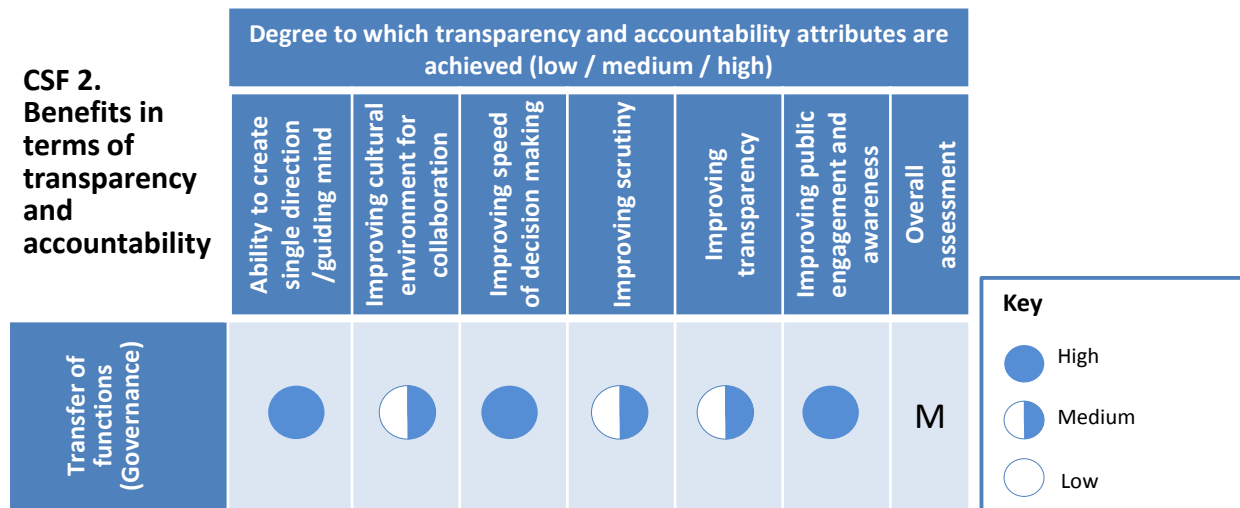
Test: The governance option can improve transparency, accountability, visibility, and consistency of decision-making for the public, stakeholders and NYP and/or NYFRS

This option could also enable the changes that the PCC model has brought to policing to apply to fire and rescue services. There would be increased public engagement through a directly elected PFCC who would put in place similar accountability and engagement arrangements for fire as exist currently for police. This can contribute to the increased effectiveness of emergency services to understand and meet public expectations. It would mean:

- Direct and joined-up access to PFCC through police and fire public surgeries (FRA matters are discussed currently at local NYCC Area Committee meetings), making it easier for the public to raise concerns.
- Easier access to public meetings (PCC’s Corporate Performance, Delivery and Scrutiny is live streamed and questions can be posed on social media such as Twitter live whereas the public can attend or pose questions in advance to the FRA).
- Independent technical resources within an OPFCC who would provide additional capacity and capability to provide effective independent scrutiny and challenge to decision-making, although this would incur additional costs.
- Speed of decision making is likely to increase as PCC formal governance is more frequent than the NYFRA with weekly and monthly decision-making meetings.
- It is likely to raise the public profile of fire governance, as the PCC role has been shown to raise the profile of police governance. There would be a single, democratically accountable person responsible for fire governance, with a clear port of call for people to contact and a visible public presence.

Figure 20 shows the assessment against the transparency and accountability CSF, broken down by particular governance attributes. The option is assessed as medium because it will bring a material change to the status quo position on the governance attributes below.

Figure 20: Assessment against CSF 2



CSF 3: Is deliverable

Test: The governance option can be implemented successfully in terms of meeting the likely availability of funding, matching the level of available skills and capacity required for successful delivery and minimising delivery risks

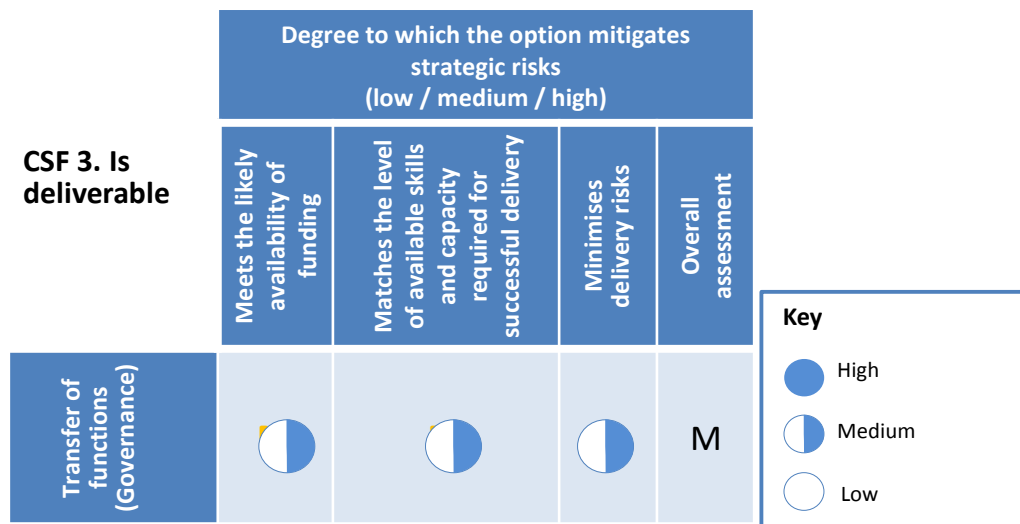
This option represents a transformational change, versus the limited change in the Representation model. Formal public consultation, an order from the Secretary of State and secondary legislation would be required to enact the change, and staff consultation will be required to engage on, and manage the change, including engagement with representative bodies.

There will be additional costs – a one-off implementation cost and ongoing costs. There will be an ongoing requirement for additional support to the OPFCC as part of the OPCC, to ensure that the PFCC can sustainably increase her remit. The Police and Crime Panel has indicated that it is also likely to need additional funding for the additional remit. It is assumed currently that this will be funded by the Home Office as part of existing arrangements (if agreed), but no formal guidance has been received on this matter to date. In addition, there will be one-off requirements for specialist implementation resources (e.g. project management and consultation advice).

Implementation challenges can be expected, due to transfer of staff, assets, contracts and liabilities to the new PFCC entity, although this is relatively low risk as there will be no changes to terms and conditions arising from the change of governance. There is also a risk that the complexity of novating PFI contracts to the new OPFCC could result in delay and additional cost, although an initial review of the contract suggests that this is low risk.

The Governance model could be a stepping stone to the Single Employer model, however a new order of the Secretary of State, as well as a separate business case and full public consultation, would be required to enact that model. It is worth noting that it would be possible to revert to the Representation model from the Governance model by subsequent legislation (by statutory instrument using the positive resolution procedure under s.180 of the Policing and Crime Act 2017). The reason for clarifying this is because it has featured in the responses of local authorities.

Figure 21: Assessment against CSF 3



CSF 4: Mitigates strategic risks

Test: The governance option can mitigate strategic risks with the option, including the loss of public trust, compromise to links with health, compromise to links with local government and risk of losing resilience

Closer integration and strategic joint commissioning of early intervention, prevention and response activities across fire and police, will present a greater opportunity for the police and other public sector partners to further benefit from the strong fire identity. It should also bring faster access to a greater number of resources, thus bringing further resilience.

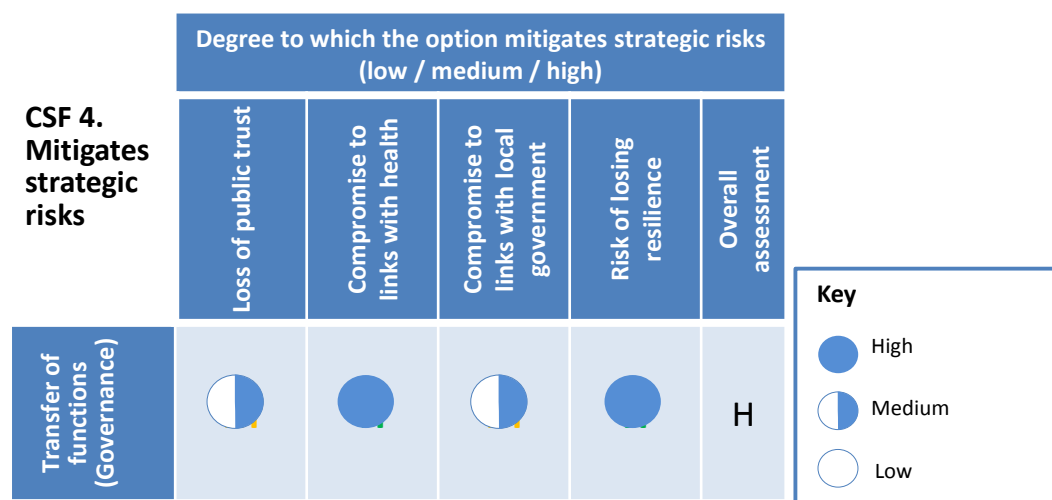
Conversely, where the fire and rescue service are taking on more responsibilities as part of integrated services, there is a risk that activities are perceived to be involved in law enforcement and therefore there may be a risk of loss of trust – this risk would need to be measured on an individual collaboration business case basis, as there is no evidence yet from elsewhere that this is the case. While there may be a risk for fully integrated operational roles, public consultation in other areas has indicated that shared governance is not a public concern (see Section 3.2.3).

There is unlikely to be an impact on existing fire and police partnerships with other agencies and all collaboration opportunities would be subject to a detailed business case which would need to consider this risk. Conversely, closer fire and police governance may strengthen partnerships with other agencies or make it easier to engage with fire and police, particularly around place-based early intervention and prevention. Also, it may present new opportunities for partners, for example around the estate.

However, there is a long term risk that strategic commissioning becomes more geared towards achievement of police objectives than fire and that local authority links, currently enabled by the role of councillors in the governance of fire and access to local authority resources, will be damaged. The PCC will need to put appropriate resource into maintaining links with local government (City of York, County and Districts). If this could be done in a joined up way, so that police and fire issues are considered together, it could improve emergency services links overall. A publicly-elected Police, Fire and Crime Commissioner would have a mind to the overall public need and the outcomes that should be delivered, incorporating both services at the same time. From a community safety outcomes approach they would be able to approach such discussions with a mind to how the two services can provide a response rather than thinking about each separate organisation.

There is also a risk that there is a perceived lack of separation and therefore lack of challenge between police and fire, particularly when it comes to allocation of cost. The PCC would need to put robust controls and independent scrutiny of the cost allocations in place.

Figure 22: Assessment against CSF 4



4.4.4 Economic assessment

Table 23 represents the net change versus baseline costs as a result of a change in governance. Costs are shown as negative and savings are shown as positive in Table 23. Inputs to this table are shown in Appendix 8.5.

This option would achieve benefits of £8m over a 10 year period and an NPV of £6.6m.

Table 23: Governance model – economic assessment (£k)

Year	0	1	2	3	4	5	6	7	8	9	Total
Financial year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
Implementation costs - recurrent	-	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(576)
Implementation costs - one-off specialist support	(60)	(60)	-	-	-	-	-	-	-	-	(121)
Direct governance benefit	-	100	100	100	100	100	100	100	100	100	900
Shared estates	-	(280)	(30)	70	220	270	210	290	290	290	1,330
Shared senior management posts	-	25	50	250	250	250	250	250	250	250	1,825
Shared enabled support services	-	350	450	550	550	550	550	550	550	550	4,650
Total	(60)	71	506	906	1,056	1,106	1,046	1,126	1,126	1,126	8,009
Total – direct	(60)	(24)	36	36	36	36	36	36	36	36	204
Total - indirect	-	95	470	870	1,020	1,070	1,010	1,090	1,090	1,090	7,805
NPV											6.6

4.4.5 Summary assessment of this option

The Governance model has been assessed above against the CSFs agreed in Section 3.4. A summary is shown below. In addition, we have developed an assessment against the tests in the Fire and Rescue Services Act 2004, based on the definition in Section 3.4.

Table 24: Summary qualitative assessment against CSFs and statutory tests

Critical success factors			Statutory tests	
Critical success factor	Economy / efficiency / Effectiveness	Economy / efficiency / Effectiveness	Economy / efficiency / effectiveness	Public safety ¹²⁰
Accelerates scale, pace and effectiveness of collaboration	The governance option can accelerate and enable more effective collaboration and deliver tangible public safety and vulnerability prevention benefits to reduce harm, improve resilience and effectiveness, and increase value for money	H	✓✓	N/A
Brings benefits in terms of transparency and accountability	The governance option can improve transparency, accountability, visibility, and consistency of decision-making for the public, stakeholders and NYP and/or NYFRS	M	✓✓	N/A
Is deliverable	The governance option can be implemented successfully	M	N/A	✓✓
Mitigates strategic risks	The governance option can mitigate strategic risks	H	✓✓	✓✓
Net present value (£)		£6.6m	N/A	

Public Safety

This model is shown to be able to mitigate strategic risks. While there are some challenges to delivery it is demonstrated that these would be eminently manageable and that they are low risk. As such this model does not pose any risk to public safety. Furthermore, given that it is likely to significantly improve the effectiveness and efficiency of services it is likely to considerably improve public safety in the future.

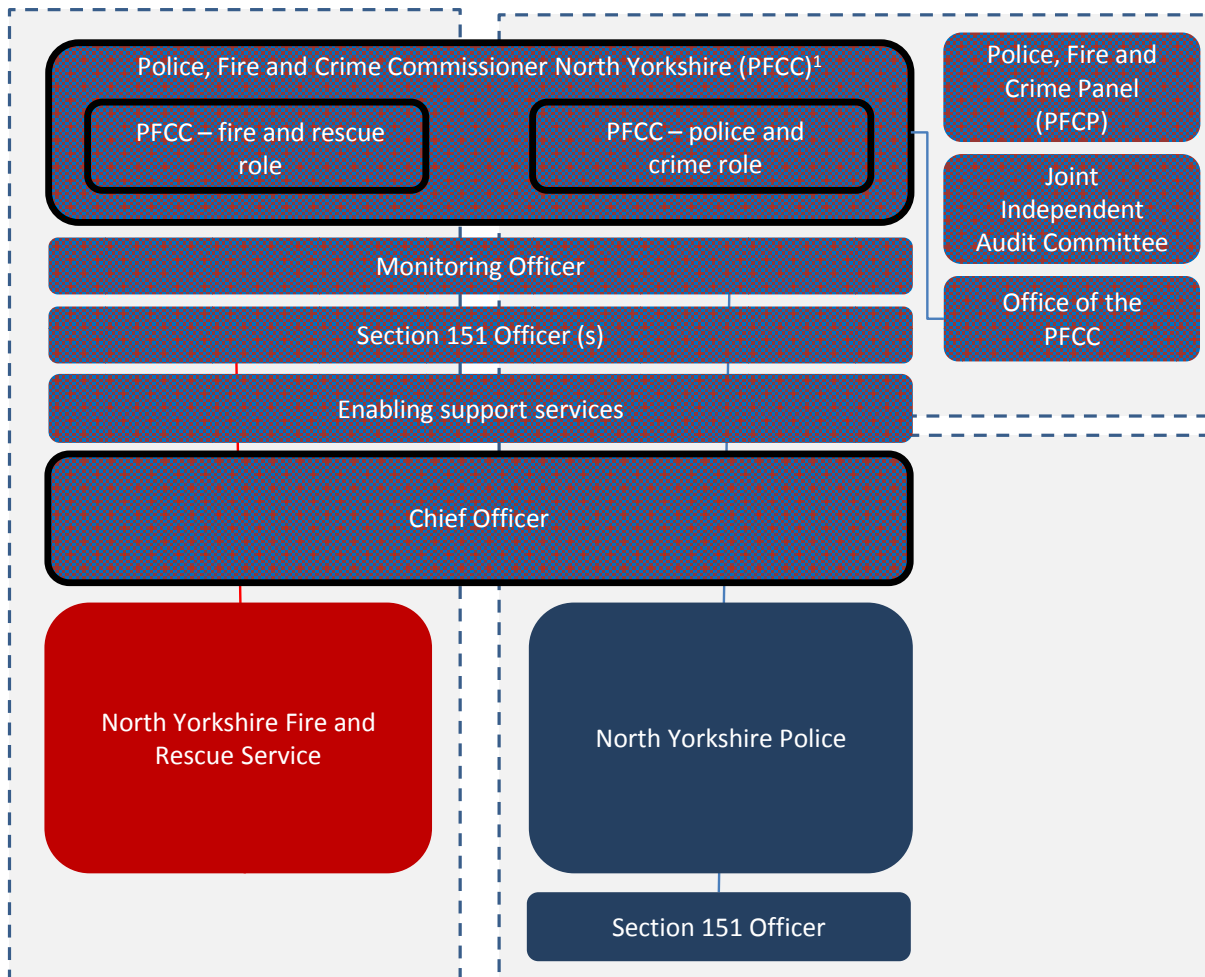
¹²⁰ It should be noted that this LBC does not seek to make a statement on public safety in relation to the degree to which collaboration or governance will directly impact on it. Therefore we will not make an assessment against CSF1 and CSF2. We will make an assessment of the degree to which deliverability and risk could impact on public safety on each option.

4.5 Single Employer model

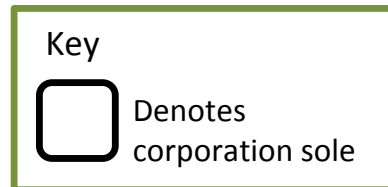
4.5.1 Description of option

Under this option, the PCC takes on the role of NYFRA and creates a Single Employer for both police and fire personnel under a single Chief Officer. The PCC becomes the Police Fire and Crime Commissioner (PFCC).

Figure 23: Single Employer model – fire functions are delegated to a single Chief Officer for policing and fire; services remain operationally distinct



Notes: 1. The PFCC has 2 corporations sole – one in the PCC role and one in the FRA role.



4.5.2 Implications of the change

This section describes the implications of the change and the assumptions which have been made in this LBC for this option.

Table 25: Implications of the change

Theme	Implication
Overarching	<ul style="list-style-type: none"> • The PCC would become the Police Fire and Crime Commissioner (PFCC) • A Chief Officer would be appointed as head of both NYFRS as well as NYP, employing both fire and police personnel. The PCC continues to be a corporation sole and a separate corporation sole would exist for the FRA functions. • There will continue to be two separate precepts and funding streams for fire and policing. Budgets need to be accounted for separately, however there is flexibility to pool funds. • The Office of the PFCC would need to be expanded and restructured to take on the role of scrutiny of NYFRS and enhanced collaboration. • The Police, Fire and Crime Panel will continue to provide oversight of the PCC including with the additional remit. The PCP has estimated that this would increase costs (as per the Governance model). • Following hand-over, members of NYFRA will step down from their role. Governance support arrangements will transfer to the Office of the PFCC. • The Integrated Risk Management Plan would be integrated across two emergency services.
Staffing, assets and liabilities	<ul style="list-style-type: none"> • The Chief Officer would appoint a senior fire officer to lead fire operations and a deputy chief constable to lead police operations, under their command. The distinction between operational policing and fire-fighting will be maintained, with the law preventing one person being both full-time police officer and fire-fighter remaining in place. However, as now, fire fighters can become specials or PCSOs. • There is scope to share the Section 151 and Monitoring Officer roles, subject to consultation. Wider shared roles and greater sharing of support services are a possibility, subject to consultation. • All fire personnel would transfer under CoSOP arrangement (this could be a one or two-step process) and there could be harmonisation of terms and conditions over time in some areas. • Under this model, the PCC would need to decide if she intended to make changes to terms and conditions, which are likely to be required in order to gain the full benefits and also mitigate risks of pay inequality. Any complexity would lead to a longer and more risky staff transfer process than under the Governance model, which could delay delivery of benefits. The risk of industrial action is considered high. This would lead to wider disruption, including a risk to public safety, delays to other changes and increases in costs. • Transfer of staff to the single Chief Officer is considered to be legally complex but achievable. • There would be an option to transfer contracts, assets and liabilities from the former Fire and Rescue Authority to the Chief Officer or to the new Fire and Rescue Authority entity. • Further work would also be needed on how complaints and professional standards would be managed under a Single Employer. Current arrangements differ significantly between police and fire. Fire would be subject to Police codes on disciplinary matters. There is likely to receive a high degree of interest from staff and unions on how this would operate.

Theme	Implication
Governance and approval	<ul style="list-style-type: none"> • As with the Governance model, this option requires formal public consultation then scrutiny of a business case by the Home Office before approval by the Home Secretary and secondary legislation to enact the change. The degree of scrutiny will depend upon the level of local support there is for change. • Once approval for this option is given, the PFCC could take on the role of the Fire and Rescue Authority and establish a single employer. • It is likely that this would take place as a two-step process, with the Governance model being the first stage. If the PCC does not implement the Single Employer model within a short period of time (a year or less) advice is that this would require additional consultation and a further local business case, as well as enabling secondary legislation.
Implementation timescales	<ul style="list-style-type: none"> • It is estimated that delivery of this option would take at least six months and potentially twelve months longer than the Governance model due to the potential impact on staff making consultation more complex, appointment of the single chief and deputies and any other required organisational restructuring to enable the Single Employer model to take effect.
Direct costs and financial benefits	<ul style="list-style-type: none"> • There will be some additional recurrent costs associated with the additional workload for the Office of the PCC (we have assumed 1 FTE of a Policy and Scrutiny Officer) and additional costs of taking on FRA governance responsibilities at an estimated cost of ~£64k per annum. • There will be one-off requirements for specialist implementation resources (e.g. programme and project management, consultation advice, professional HR and legal advice and potential additional audit costs), estimated to cost ~£390k. • There will be a reduction in expenditure of direct fire governance costs of ~£100k pa, based on no requirement for member direct costs, training or committee services.
Indirect costs and financial benefits	<ul style="list-style-type: none"> • Of the possible 8 pipeline estates schemes, it is assumed that a joint estate would be achieved for all schemes in the 10 year period, in the timescales set out by stakeholders as possible (starting the estates programme once this option is implemented, in 2019/20). It is assumed that a shared HQ would also be implemented. • It is assumed that it would be possible to combine some senior management roles across fire and police particularly around corporate roles. There is also an assumption that there would be a shared Section 151 Officer between NYFRA and PCC and that the Monitoring Officer role would be covered by the PCC's CEO. These changes might achieve benefits of £390k recurrently. Any changes would be phased in line with existing staff retirements or natural attrition and subject to consultation. • It is assumed that benefits might be achieved through shared services, equivalent to a number of joint posts or purchasing arrangements to 5% of in-scope expenditure, or £690k per annum. This is based on the assumption that a number of shared posts could be achieved across services, subject to consultation, based on analysis of existing structures.

4.5.3 Assessment against each criterion

CSF 1: Accelerates scale, pace and effectiveness of collaboration

Test: The governance option can accelerate and enable more effective collaboration and deliver tangible public safety and vulnerability prevention benefits to reduce harm, improve resilience and effectiveness, and increase value for money

This option would enable transformational collaboration of a different scale than previously possible, with the ability to align budgets and share resources more easily. It drives the single point of accountability and decision-making down a further level, to the Chief Officer, which is likely to increase the scope for increased sharing of fire and police roles, and also simplify decision-making even further. Under this option the PCC would be able to move closer towards her vision of community policing by delivering a fire / police whole system approach to prevention and early intervention. These could be supported by a more strategic approach to use of data and intelligence to inform the commissioning of services. Wider integration of control room and enabling support services (owing to some police enabling services being managed by the Chief Executive of the OPCC) would also be more possible. This may, in future include a range of delivery options, including further review of a new delivery model such as a third entity, as described earlier in the Strategic Case. However, this would represent a significant change and incur implementation costs. This will likely be a deeper level of integration over time, than under the Governance model.

This will bring benefits in terms of resilience, flexibility in access to resources, thus making it easier to deliver front line services such as joint response and early intervention and prevention. In delivering collaboration, the PCC and Chief Officer could act as drivers of change and transformation. However, maintaining two separate precepts may inhibit the level of collaboration that can be achieved to meet the PCC's vision of a truly integrated preventative service.

Figure 24: Degree of collaboration change under Single Employer

Early intervention and prevention	Whole-system fire and police preventative service model across targeted communities
Effective joint response	Wider service and system integration for control rooms
Shared support	Wider shared support / enabling services, where applicable e.g. joint IT systems. Also, shared learning and development
Aligned strategic commissioning	Integrated data and intelligence to support integrated strategic planning and response across communities

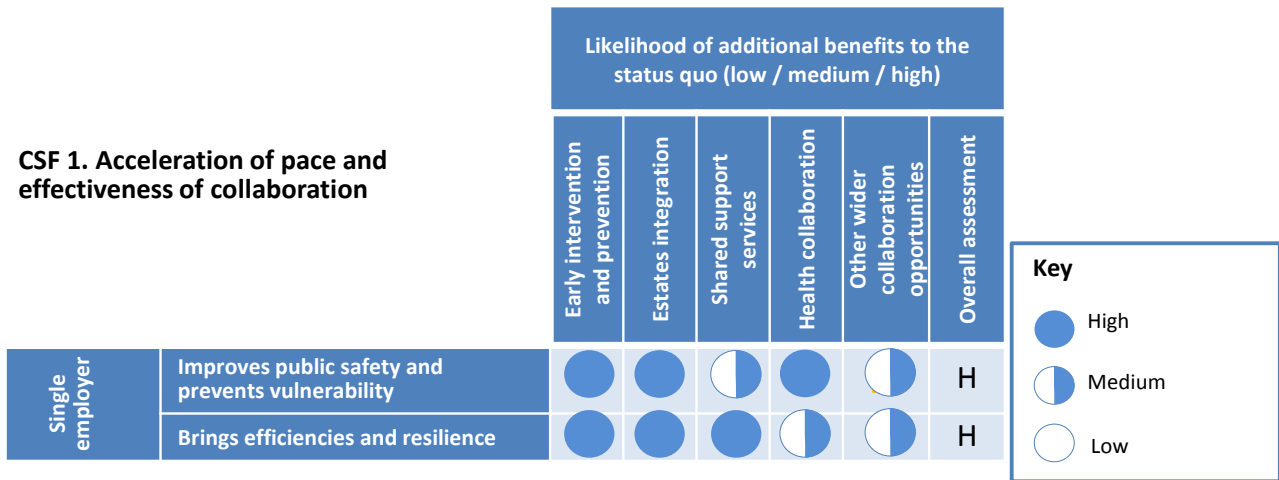
Based on the evidence provided in the Strategic Case about how single governance can accelerate decision-making, it is also considered that the pace of collaboration is more likely to increase. A single decision maker will ensure that there is aligned political will and ambition, supported by a single Chief Officer. Initial engagement with health partners has also indicated that a single governance approach could also simplify collaboration arrangements with other partners, reducing duplication.

A single decision maker will ensure that there is aligned political will and ambition and therefore there should be faster access to additional resource, bringing resilience to both fire and police services.

Over the longer term, staff teams working together over time would be likely to collaborate more, bringing more benefits and impacting on cultural barriers over time.

Figure 25 shows the assessment against the CSFs as described in the Strategic Case. This looks at the tests agreed, and reviews the degree to which benefits from collaboration could be accelerated through this option.

Figure 25: Assessment against CSF 1



CSF 2: Brings benefits in terms of transparency and accountability

Test: The governance option can improve transparency, accountability, visibility, and consistency of decision-making for the public, stakeholders and NYP and/or NYFRS

There would be no material difference to the Governance model in terms of the operation of the PFCC role, however it is also possible that the existence of a single Chief Officer might also increase visibility. There would be increased public engagement through a directly elected PFCC who would put in place similar accountability arrangements for fire as exist currently for police. This can contribute to the increased effectiveness of emergency services to understand and meet public expectations. It would mean:

- Direct and joined-up access to PFCC and potentially the single Chief Officer through police and fire public surgeries (FRA matters are discussed currently at local NYCC Area Committee meetings), making it easier for the public to raise concerns.
- Easier access to public meetings (PCC’s Corporate Performance, Delivery and Scrutiny is live streamed and questions can be posted on social media e.g. Twitter live, whereas the public can attend or pose questions in advance to the FRA).
- Independent technical resources within an OPFCC who would provide the capacity and capability to provide effective independent scrutiny and challenge to decision-making, although this would incur additional costs.
- Speed of decision-making is likely to increase as PCC formal governance is more frequent than the NYFRA with weekly and monthly decision-making meetings and there would only be one Chief Officer to engage with.
- It is likely to raise the public profile of fire governance, as the PCC role has been shown to raise the profile of police governance. There would be a single person responsible for fire and police governance, as well as for fire and police operational delivery, with a clear port of call for people to contact and a visible public presence.

Figure 26 shows the assessment against the transparency and accountability CSF, broken down by particular governance attributes. The option is assessed as medium because it will bring a material change to the status quo position on the governance attributes below.

Figure 26: Assessment against CSF 2

CSF 2. Benefits in terms of transparency and accountability	Degree to which transparency and accountability attributes are achieved (low / medium / high)						
	Ability to create single direction /guiding mind	Improving cultural environment for collaboration	Improving speed of decision making	Improving scrutiny	Improving transparency	Improving public engagement and awareness	Overall assessment
Single employer	High	Medium	High	Medium	Medium	High	M

Key

- High
- Medium
- Low

CSF 3: Is deliverable

Test: The governance option can be implemented successfully in terms of meeting the likely availability of funding, matching the level of available skills and capacity required for successful delivery and minimising delivery risks

This option represents a much greater change than the other options. As per the Governance model, a formal public consultation and secondary legislation would be required to enact the change, and staff consultation will be required to engage on, and manage the change, including engagement with unions and staff associations. The implementation would be complex, with two stages, first a move to the Governance model, and as a second phase the Single Employer model. This would bring with it complexities in implementation, including greater risk of industrial action. The fire unions, in particular the FBU, have highlighted in public documents that they do not agree with the Single Employer model. Staff may also see this as a significant upheaval at a time of other major change in both organisations. Should this translate into industrial action, it presents public safety risks.

There will be additional costs – a one-off implementation cost and ongoing costs. There will be an ongoing requirement for additional support to the OPFCC as part of the OPCC, to ensure that the PFCC can sustainably increase her remit. The Police and Crime Panel is also likely to need additional funding for the additional remit. There will also be one-off requirements for specialist implementation resources (e.g. programme and project management, consultation advice, professional HR and legal advice and additional audit costs).

Also the joint Chief Officer role will need the appropriate experience and skillset to have operational accountability for both fire and policing operations. This is untested at this stage as it has not been done in the UK before.

Figure 27: Assessment against CSF 3

		Degree to which the option is deliverable (low / medium / high)			
		Meets the likely availability of funding	Matches the level of available skills and capacity and required for successful delivery	Minimises delivery risks	Overall assessment
CSF 3. Is deliverable	Single employer				L

Key

- High
- Medium
- Low

CSF 4: Mitigates strategic risks

Test: The governance option can mitigate strategic risks with the option, including the loss of public trust, compromise to links with health, compromise to links with local government and risk of losing resilience

In line with the Governance model, closer integration and strategic joint commissioning of early intervention, prevention and response activities across fire and police, will present a greater opportunity for the police and other public sector partners to further benefit from the strong fire identity. It should also bring faster access to a greater number of resources, thus bringing further resilience.

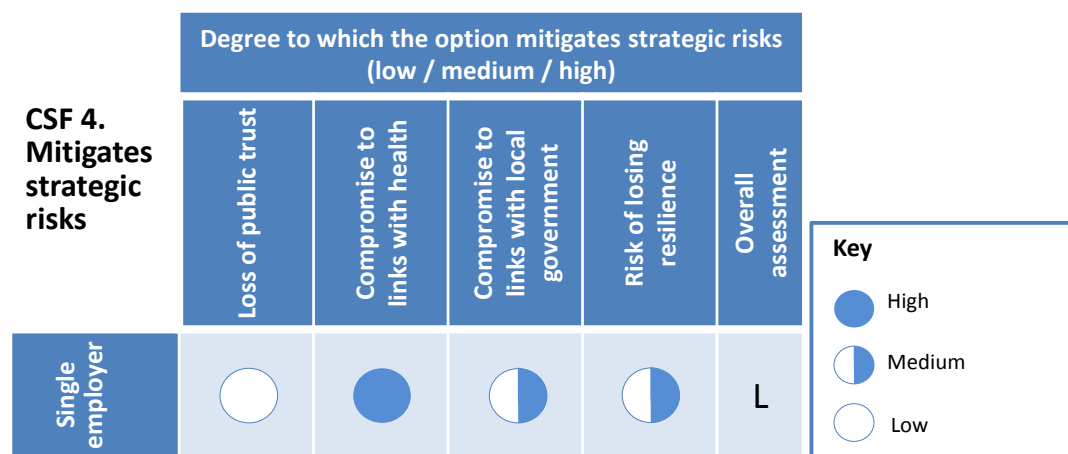
Conversely, where fire are taking on more responsibilities as part of integrated services, there is a risk that activities are perceived to be involved in law enforcement and therefore there may be a risk of loss of trust – this risk would be greater under the Single Employer model than the Governance model (as described in the Strategic Case, similar roles have been abandoned in some parts of the US because of these concerns). This is because the same Chief Officer would cover both police and fire.

There is unlikely to be an impact on existing fire and police partnerships with other agencies and all collaboration opportunities would be subject to a detailed business case which would need to consider this risk. Conversely, closer fire and police governance may strengthen partnerships with other agencies or make it easier to engage with fire and police, particularly around place-based early intervention and prevention. Also, it may present new opportunities for partners, for example around planning the estate.

However, there is a long term risk that strategic commissioning becomes more geared towards achievement of police objectives than fire. Also, the PCC will need to put appropriate resource into maintaining links with Local Government (City of York, County and Districts). If this could be done in a joined up way, it would improve emergency services links overall.

If there is any integration of governance roles in the future as part of this option e.g. the Monitoring Officer or Section 151 Officer role, there is a risk of conflict of interests and appropriate governance processes would need to put in place to ensure separation of FRA and PCC roles within a single FTE.

Figure 28: Assessment against CSF 4



4.5.4 Economic assessment

Table 26 represents the net change versus baseline costs as a result of a change in governance. Costs are shown as negative and savings are shown as positive in Table 26. Inputs to this table are shown in Appendix 8.5.

This option would achieve benefits of £9.2m over a 10 year period and an NPV of £7.5m.

Table 26: Single Employer model – economic assessment (£k)

Year	0	1	2	3	4	5	6	7	8	9	Total
Financial year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
Implementation costs - recurrent	-	-	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(512)
Implementation costs - one-off specialist support	-	(195)	(195)	-	-	-	-	-	-	-	(389)
Direct governance benefit	-	-	100	100	100	100	100	100	100	100	800
Shared estates	-	-	(280)	(30)	70	220	270	210	290	290	1,040
Shared senior management posts	-	-	50	390	390	390	390	390	390	390	2,780
Shared enabled support services	-	-	690	690	690	690	690	690	690	690	5,520
Total	-	(195)	301	1,086	1,186	1,336	1,386	1,326	1,406	1,406	9,239
Total – direct	-	(195)	(159)	36	36	36	36	36	36	36	(101)
Total - indirect	-	-	460	1,050	1,150	1,300	1,350	1,290	1,370	1,370	9,340
NPV											7,500

4.5.5 Summary assessment of this option

The Single Employer model has been assessed above against the CSFs agreed in Section 3.4. A summary is shown below. In addition, we have developed an assessment against the tests in the Fire and Rescue Services Act 2004, based on the definition in Section 3.4.

Table 27: Summary qualitative assessment against CSFs and statutory tests

Critical success factors			Statutory tests	
Critical success factor	How the test is met	Single Employer (High / medium / low)	Economy / efficiency / effectiveness	Public safety ¹²¹
Accelerates scale, pace and effectiveness of collaboration	The governance option can accelerate and enable more effective collaboration and deliver tangible public safety and vulnerability prevention benefits to reduce harm, improve resilience and effectiveness, and increase value for money	H	✓✓✓	N/A
Brings benefits in terms of transparency and accountability	The governance option can improve transparency, accountability, visibility, and consistency of decision-making for the public, stakeholders and NYP and/or NYFRS	M	✓✓	N/A
Is deliverable	The governance option can be implemented successfully	L	N/A	✓
Mitigates strategic risks	The governance option can mitigate strategic risks	L	✓	✓
Net present value (£)		£7.5m	N/A	

Public Safety

This model would significantly improve the effectiveness and efficiency of services and therefore is likely to improve public safety in the long term. However there are considerable risks in implementation affecting the deliverability of the option, and there are concerns about its ability to mitigate the strategic risks. As such there is a risk that this model would harm public safety in the short to medium term.

4.6 Summary appraisal

Table 28 summarises the models from the perspectives of:

- Each of the CSFs, based on the commentary and high level L/M/H assessment;
- The economic appraisal (NPV £m);
- High-level assessment against the statutory tests.

The Governance Model and Representation Model are the options which rated highest against the CSFs, therefore are those most likely to deliver the benefits set out in the Strategic Case. The Do Nothing model does not represent a change, and the Single Employer model represents a number of significant risks and deliverability challenges. Assessment against the statutory tests also rates the Governance model more highly. From an economic point of view, both Governance and Single Employer are expected to bring higher

¹²¹ It should be noted that this LBC does not seek to make a statement on public safety in relation to the degree to which collaboration or governance will directly impact on it. Therefore we will not make an assessment against CSF1 and CSF2. We will make an assessment of the degree to which deliverability and risk could impact on public safety on each option.

levels of benefit versus other options, however the delivery risks outweigh the financial benefits on the Single Employer model.

Table 28: Summary of evaluations

Critical success factors		Models			
Critical success factor	How the test is met	Do nothing	Representation	Governance	Single Employer
Accelerates scale, pace and effectiveness of collaboration	The governance option can accelerate and enable more effective collaboration and deliver tangible public safety and vulnerability prevention benefits to reduce harm, improve resilience and effectiveness, and increase value for money	L	L	H	H
Brings benefits in terms of transparency and accountability	The governance option can improve transparency, accountability, visibility, and consistency of decision-making for the public, stakeholders and NYP and/or NYFRS	L	L	M	M
Is deliverable	The governance option can be implemented successfully	H	H	M	L
Mitigates strategic risks	The governance option can mitigate strategic risks	M	H	H	L
CSF summary assessment		L - 2 M - 1 H - 1	L - 2 M - 0 H - 2	L - 0 M - 2 H - 2	L - 2 M - 1 H - 1
Net present value (£)		£0.1m	£1.3m	£6.6m	£7.5m
Assessment against statutory tests		[7] ✓✓ ✓✓ ✓✓ ✓	[9] ✓✓ ✓✓ ✓✓ ✓✓ ✓	[10] ✓✓ ✓✓ ✓✓ ✓✓ ✓✓	[8] ✓✓ ✓✓ ✓✓ ✓✓

A sensitivity analysis has also been carried out on the preferred option, the Governance option, to test whether the quantitative results stated above would change if the costs and quantitative benefits in the appraisal were to change. The following sensitivities were tested:

1. Recurrent implementation costs increase by 100%
2. Only 50% of the direct governance benefit and indirect collaboration benefits are achieved

Sensitivity 1, results in an NPV of £6.1m and therefore does not materially affect the appraisal. Sensitivity 2 results in an NPV of £3.5m which is still higher than the Representation option. In order for the Governance option to bring lower benefits than the Representation option, it would need to achieve less than ~15% of the modelled direct and indirect benefits in this business case. It should be noted that this reflects the quantitative benefits only.

4.7 Preferred model

Based on the assessment in sections 0 to 0 above, the Do Nothing model will continue the current unacceptable pace and scale of change, furthering collaboration on the current ad hoc, tactical basis, but bringing no delivery or additional strategic risks. Stakeholders through this process have not considered this to be a viable option. Representation will bring some tangible changes, with a new Collaboration Committee, however this is not expected to drive a materially different step change in the level of collaboration and the type of governance employed. It is however low-risk.

The Governance model will bring a material change, with greater likelihood of joint commissioning strategies and greater flexibility in resourcing, bringing with it greater likelihood of achieving financial and non-financial benefits. Although this brings with it some risk, this is not believed to be as great as under the Single Employer model. The Single Employer model could bring greater benefits than the Governance model, however it also brings significant delivery and strategic risk. The Governance model therefore offers most of the benefits of the Single Employer model and at lower risk to implement. It is the model which would most benefit public safety.

Based on the assessment of the options against the critical success factors and the four tests the preferred option is therefore the Governance model.

In the following sections, we consider the Commercial, Financial and Management Cases for the preferred option.

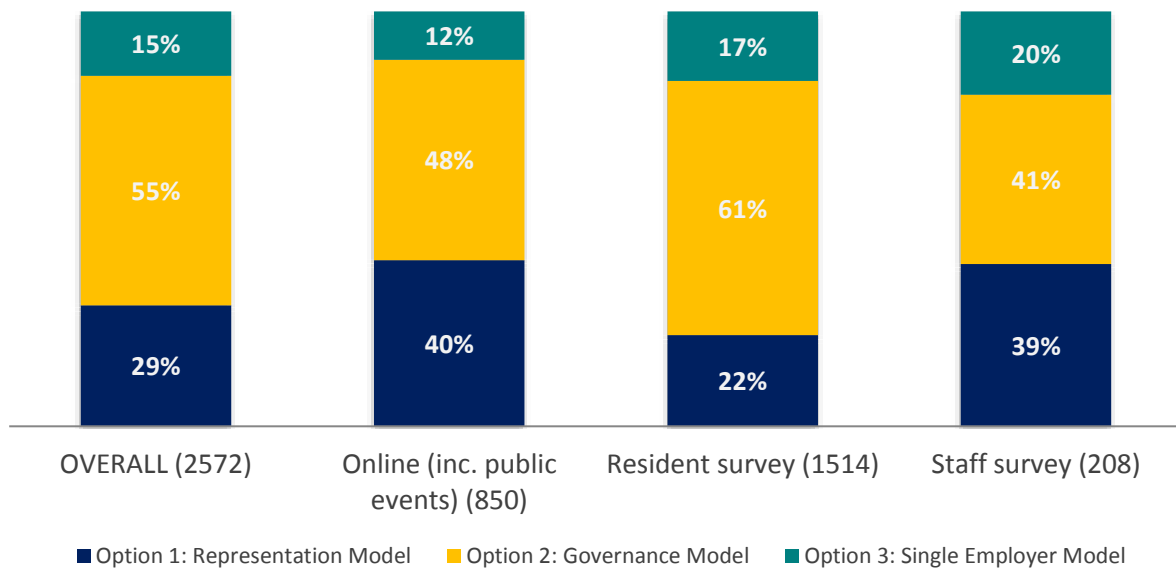
4.7.1 Public Consultation

A full consultation was launched on 17 July 2017 running for 10 weeks to seek the views of the public, workforce, local authorities and partners on the preferred option. On launch statutory consultees were notified. The LBC was published along with consultation materials and videos via a dedicated website www.telljulia.com. A number of communications and media releases were circulated to advertise the consultation to the public, and reminders were regularly circulated during the period of the consultation. A series of public events were held across North Yorkshire. Details of the consultation can be found in the consultation report in Appendix 8.6. Details of the statutory basis of the consultation can be found in section 7.2.1.

The consultation included an open survey, a representative survey, a staff survey and a series of public events across the county in each district, during which over 1400 people were engaged. Information leaflets were available in public libraries, police and fire stations and council buildings across the county, with a dedicated website providing the full details of the business case. Over 2500 people responded to the survey.

Full results of the consultation can be found in the consultation report in Appendix 8.6. In summary, over half (55%) of respondents prefer the Governance model. Around three out of ten (29%) prefer the Representation model, whilst around 15% prefer the Single employer model. Seven out of ten of all respondents (71%) are in favour of a transfer of governance (i.e. Governance or Single Employer model). The chart below demonstrates these figures and breaks the result down by survey type.

Figure 29: Consultation results



Taking the public consultation alone, 71% favour a transfer of governance, with 56% preferring the Governance model. Amongst the workforce, 61% favour a transfer of governance, with 41% preferring the Governance model.

The two tier-one local authorities, North Yorkshire County Council and the City of York Council, responded, objecting to the proposal. The PCC's response to their objections is included in Appendix 8.6.

5 COMMERCIAL CASE

The main commercial implications from adopting the Governance model for NYFRA are relatively straightforward and focus on the transfer of contracts, assets and liabilities from the old FRA to the new FRA, led by the PCC. This transfer will take place through a statutory transfer scheme.

In addition, the disbanding of the current NYFRA will affect existing contractual arrangements with North Yorkshire County Council for the provision of finance services, committee and legal services. The Office of the PFCC will take on these responsibilities, using in-house staff with external support as required, although there may need to be transitional arrangements in place with NYCC.

The Governance model requires NYFRS staff to transfer from the existing FRA as their employer, to the new FRA, led by the PCC, under Cabinet Office Statement of Practice (COSO P).

5.1 Commercial implications

5.1.1 Context

Contracts that support delivery of policing in North Yorkshire are held by the PCC, and contracts associated with delivery of Fire and Rescue Services are held by NYFRA. There will be no change to policing contracts. Existing Fire and Rescue Authority contracts will need to be transferred to the new PCC FRA.

To give effect to the Governance model, the Fire and Rescue Services Act 2004 (as amended) empowers the Secretary of State to make an order which makes the PCC the FRA for the area covered by the order. The order will also provide for the creation of a corporation sole as the FRA. This arrangement is intended to *“preserve the distinct legal identity of the fire and rescue service by creating the PCC-style FRA as a separate corporation sole, rather than transferring the fire and rescue functions to the PCC”*.¹²²

If the Secretary of State makes an order which makes the PCC the FRA for the area covered by the order, she may also make schemes transferring property, rights and liabilities from an existing FRA to the new PCC-style FRA (Section 4C (2) of the Fire and Rescue Services Act 2004, as inserted by paragraph 5 of Schedule 1 to the Act).

Assets and liabilities that can be transferred under a transfer scheme include:

- Property and rights and liabilities which could not otherwise be transferred
- Property acquired, and right and liabilities arising, after the making of the scheme
- Criminal liabilities

References to “property” above include the grant of a lease.

5.1.2 Commercial implications for the Governance model

This section outlines the high-level commercial implications of the Governance model.

¹²² HM Parliament (2016) Policing and Crime Bill: Explanatory Notes, para 307

- There will be a need for further examination of all existing assets, liabilities and contracts held by NYFRA to understand if there are complexities created by the transfer to the new PCC-style FRA, such as restrictions on novation or change control. The initial review of these areas and the experience of transfer from a Police Authority to PCC suggest that this is low risk.
- As the PFCC takes over the role of NYFRA, this will mean disbanding the current Authority and its sub-committees. The additional scrutiny responsibilities of the PCC will be supported by the OPFCC.
- NYFRA currently purchases support services from third party organisations and these contracts will need to be novated or ended. This includes contracts with NYCC for the provision of finance services, committee and legal services. It is assumed these will transfer to the PCC to begin with.
- The OPFCC will conduct a full review of its structure in order to meet its future requirements. The current expectation is that services will continue to be delivered in-house, with external support (such as legal services) purchased as and when required.

In the longer term, if enabling support services are brought together through collaboration arrangements, some of the supporting contracts may also change. The PCC has retained responsibility for some enabling back office services (estates and logistics, technology, organisation and development and corporate communications). As described in the economic case, there may be the potential in the future to bring additional fire services into these arrangements to achieve further benefits. Further work would be needed to fully understand the commercial implications of any change involving enabling services. There will also be commercial and contractual implications of making better use of the joint estate that will need to be understood and implemented depending upon the approach taken.

5.2 Staffing implications

Under the Governance model, all fire and rescue staff will transfer from the current NYFRA to the new FRA, led by the PFCC. The transfer will take place via the transfer scheme described in 5.1.1 (because references to 'rights and liabilities' includes rights and liabilities under an employment contract). The transfer will be governed by the Cabinet Office Statement of Practice (COSoP), protecting the terms and conditions of staff.

It will be for the PFCC and its Executive Board to consider whether any specific collaboration projects may require changes to standard terms and conditions – to improve public safety, effectiveness or efficiency – or whether the same result can be achieved by a collaboration agreement between the new FRA and Police with staff working together on different terms and conditions. Any additional changes will be subject to appropriate consultation.

Without standardisation, where staff are doing the same job, there could potentially be claims for breach of trust and confidence, discriminatory practice or equal pay. Initial legal advice obtained by the Police and Crime Commissioner for Essex suggests that such claims will be unlikely to succeed under the Governance model; however legal advice will need to be obtained for the local situation.

These issues will need to be considered as part of the wider collaboration programme, but under the requirements to consult during the transfer process, it is likely that unions and staff associations will seek assurances on terms and conditions.

6 FINANCIAL CASE

This Financial Case shows that the cost of implementing the Governance model is affordable within current budgets. We estimate that the direct costs of implementation will be £121k. These costs will be funded through the PCC's earmarked reserves, and offset by a saving in operational costs as a direct result of a change to the Governance model of £100k per annum. These savings will be shared across the PCC FRA and the OPCC.

In addition, the Governance model will enable further benefits through increased collaboration of circa £8m over 10 years, including recurring cashable benefits of circa £1m per annum. The change in governance arrangements will require the transfer of assets and liabilities and agreement on how shared costs and benefits will be apportioned.

6.1 Note about the Financial Case

The figures quoted in the Financial Case differ from those in the Economic Case because they include inflation. Figures in the Economic Case are presented at current prices (excluding inflation). For clarity, both sets of figures are shown here, however those including inflation should be used for the purposes of informing affordability and funding.

Note that VAT is also typically included in the Financial Case, but is not included here as both the OPCC and PCC FRA can recover VAT.

This business case assumes an implementation date of the 1st April 2018, however if this is not achievable, due to the requirement and timeframes for a Home Office evaluation process, then this would delay savings by approximately £40k per month and may have the impact of pushing back further some savings.

6.2 Implementation costs of the Governance model

The tables below show the estimated implementation costs. For comparison to the Economic Case, these are shown with and without inflation.

Table 29: Implementation costs and savings (£k, excluding inflation)

Financial year	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total
Implementation costs - recurrent	-	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(64)	(576)
Implementation costs - one-off	(60)	(60)	-	-	-	-	-	-	-	-	(121)
Direct benefit - governance	-	100	100	100	100	100	100	100	100	100	900
Total direct implementation costs	(60)	(24)	36	36	36	36	36	36	36	36	204

Table 30: Implementation costs and savings (£k, including inflation)

Financial year	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total
Implementation costs - recurrent	-	(66)	(68)	(69)	(70)	(72)	(73)	(75)	(76)	(78)	(646)
Implementation costs - one-off	(61)	(62)	-	-	-	-	-	-	-	-	(124)
Direct benefit - governance	-	104	105	108	110	112	114	116	119	121	1,009
Total direct implementation costs	(61)	(25)	38	39	39	40	41	42	43	44	240

All of the implementation costs are expected to be resource costs. Unless the PCC is able to secure Government funding for these costs, they will need to be met from the budgets of each organisation, with the majority likely to fall to the OPCC. The one off implementation costs will be funded from a PCC earmarked reserve and the recurring costs will be funded by the direct governance savings.

6.3 Accounting Implications

The same sets of statutory reporting will be required as are required as today:

- PCC Group – including the PCC and Chief Constables accounts.
- Chief Constable – separate accounts are maintained and these are also incorporated into the PCC group accounts.
- FRA – This covers all of the costs, assets and liabilities for the Fire Authority.

All of these accounts are currently prepared in line with the CIPFA Code of Practice on Local Authority Accounting.

Where services or assets are shared in delivery of police and fire duties (such as the OPFCC), the costs will need to be apportioned fairly between police and fire. This will be determined on a case by case basis.

No changes to treatment of VAT due to the change in governance are expected.

6.4 Impact of enabled net benefits

In addition to the direct costs and benefits outlined above, the indirect benefits from shared estates and shared enabling support services will further improve the financial position. The tables below show the estimated net benefit.

Table 31: Indirect costs and savings (£k, excluding inflation)

Financial year	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total
Enabled benefit - shared estates	-	(280)	(30)	70	220	270	210	290	290	290	1,330
Enabled benefit - shared senior management posts	-	25	50	250	250	250	250	250	250	250	1,825
Enabled benefit - shared enabled support services	-	350	450	550	550	550	550	550	550	550	4,650
Total benefits (direct and enabled)	-	95	470	870	1,020	1,070	1,010	1,090	1,090	1,090	7,805

Table 32: Indirect costs and savings (£k, including inflation)

Financial year	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total
Enabled benefit - shared estates	-	(290)	(32)	75	241	302	240	338	344	351	1,570
Enabled benefit - shared senior management posts	-	26	53	269	274	280	285	291	297	303	2,078
Enabled benefit - shared enabled support services	-	363	475	591	603	615	628	640	653	666	5,235
Total benefits (direct and enabled)	-	98	496	935	1,119	1,197	1,153	1,269	1,294	1,320	8,882

6.5 Impact on medium term financial forecasts

The overall impact of the direct and indirect costs and benefits are shown below. As the estimates are high level at this stage, we have not tried to estimate where the costs and benefits would fall. The majority of the costs and benefits would be resource and professional fees, but there would also be capital costs. All collaboration opportunities would be subject to individual business cases.

Table 33: Total direct and indirect costs and benefits (£k, including inflation)

Financial year	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total
Implementation costs - recurrent	-	(66)	(68)	(69)	(70)	(72)	(73)	(75)	(76)	(78)	(646)
Implementation costs - one-off	(61)	(62)	-	-	-	-	-	-	-	-	(124)
Direct benefit - governance	-	104	105	108	110	112	114	116	119	121	1,009
Enabled benefit - shared estates	-	(290)	(32)	75	241	302	240	338	344	351	1,570
Enabled benefit - shared senior management posts	-	26	53	269	274	280	285	291	297	303	2,078
Enabled benefit - shared enabled support services	-	363	475	591	603	615	628	640	653	666	5,235
Total net benefit (direct and enabled)	(61)	73	534	974	1,158	1,238	1,194	1,311	1,337	1,364	9,122

6.6 Impact on the organisations' financial positions

The Governance model would give the PCC influence over the budget of NYFRA as well as control over assets:

- Total budgets of £186m, based on 2017/18 budgets of £31m for NYFRA and £155m for PCC
- Total long term property, plant and equipment assets of £78m¹²³, £37m of which are for NYFRA and £41m for PCC

¹²³ Based on 16/17 Accounts

Based on current plans and forecasts, the total annual expenditure that could be controlled by the PFCC would be of the order of £175m in 2018/19:

Table 34: Summary forecasts for the organisations (£m including inflation)

Financial year	2018/19
NYFRA gross expenditure	31
PCC gross expenditure	153
Total expenditure potentially overseen by PFCC	184

The Fire and Rescue Authority has long term borrowing of £14m as at 31st March 2017 and in addition to this there are also liabilities in relation to a PFI scheme of £2.2m and £1.2m of Finance Lease obligations that will transfer to the PCC FRA.

The most significant financial liabilities that will transfer to the PCC FRA would be in relation to Pensions. The Fire and Rescue Authority participates in two pension schemes. Both schemes provide members with defined benefits related to pay and service. The schemes are as follows:

- Local Government Pension Scheme for non-uniformed employees, administered by North Yorkshire Pension Fund - this is a funded scheme, meaning that the Authority and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets.
- Firefighters Pension Schemes - these are unfunded, meaning that there are no assets built up to meet pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. There are currently three Firefighters' Pension schemes administered by the Authority:
 - Firefighters Pension Scheme 1992 (FPS) operated under the Firefighters Pension Scheme (Amendment) (No. 2) (England) Order 1992
 - New Firefighters Pension Scheme 2006 (NFPS) operated under the Firefighters' Pension Scheme (England) Order 2006
 - The Firefighters Pension Scheme 2015 as set out in the Firefighters' Pension Scheme (England) Regulations 2014 (SI 2014/2848)

Pension schemes are accounted for in accordance with IAS 19 Employee Benefits. IAS 19 is based upon the principle that an organisation should account for retirement benefits when it is committed to give them even if the actual giving will be many years into the future. This includes the recognition of a net asset/liability and a pensions reserve in the Balance Sheet and entries in the Comprehensive Income and Expenditure Statement for movements in the asset/liability relating to defined benefit schemes (with reconciling entries back to contributions payable for council tax purposes).

Based on the 2016/17 accounts a liability of £356m would transfer to the PCC FRA, of which £7.5m relates to the LGPS, which the PCC FRA will need to address over the coming years. The remaining £350m relates to the Firefighters scheme and these liabilities are, in effect, underwritten by the Government.

The business case assumes that there will be no changes, resulting from any change in governance, which will impact on the finances of Pensions. This was the experience of transitioning from a Police Authority governance structure to a PCC one and there is nothing in the legislation to suggest the transition to a PCC FRA will be any different.

7 MANAGEMENT CASE

The Management Case describes the arrangements and plan for managing implementation of the Governance model, including the governance arrangements, plans, stakeholder, risk and benefits management arrangements and an equalities impact assessment.

7.1 Governance and project management arrangements

7.1.1 Summary

The implementation of the governance changes will be overseen by the PCC and led by the CEO of the OPCC who will manage the change process internally.

The OPCC commissioned PA Consulting to support the development of the LBC, and MEL Research to support the conduct of the public consultation.

The transition process and change programme will be managed through a Transfer Governance Board, and structured through a series of workstreams set out below. A project team is being developed by the OPCC to manage and implement the change programme. This team will work closely with teams within NYFRS to progress the necessary work, and will align this work with other transformation and collaboration work.

The OPCC will recruit an additional Policy and Scrutiny Officer to cover a Fire service portfolio to support the PCC in scrutinising the Fire and Rescue Service.

Prior to implementation a detailed design of the PFCC oversight structure for fire and rescue will be developed. On transfer NYFRS will be incorporated into the PCC's corporate governance structure, with senior staff joining the Executive Board. The exact membership is to be determined. A public accountability meeting will be developed to scrutinise performance and service development.

7.1.2 Business Case development process

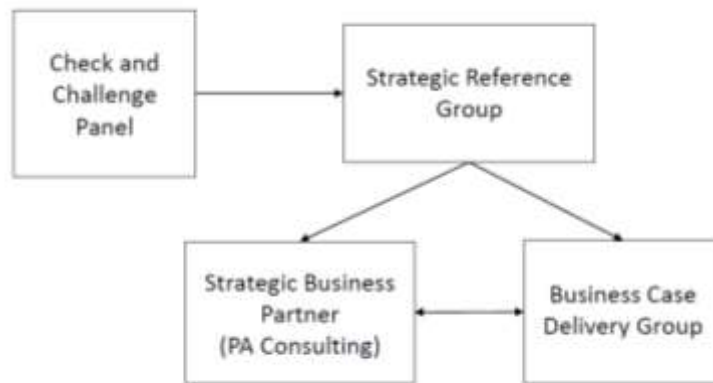
To engage with partners as early as possible in the process, the PCC set up an engagement structure to assist in developing the LBC outside of statutory necessity. This consisted of three groups alongside the business partner, PA Consulting. The Terms of Reference for each of these groups can be found under Appendix 8.7.

A Strategic Reference Group (SRG) consisted of the PCC and FRA Chair and their Monitoring Officers and Chief Finance Officers, the Leaders and CEOs of the two Tier-one Authorities, the Chief Constable and Chief Fire Officer, and the Chief Constable's Chief Finance Officer. The SRG was formed to ensure that the LBC would be fully informed, adequately resourced and could make the very best recommendation in the interests of economy, efficiency and effectiveness, and public safety.

A Check and Challenge Panel consisting of senior practitioners appointed by the PCC and FRA provided operational advice to the SRG on the development of the proposals, to check that proposals were realistic and operationally manageable.

A Business Case Development Group consisting of senior personnel enacted the wishes of the SRG and provided assistance to PA Consulting, giving access to data and staff as necessary.

Figure 30: Business case development structure



7.1.3 Transition management

The transition programme will be governed by the PCC and managed by the PCC’s CEO with support from the OPCC, and in close liaison between the OPCC, NYFRS, NYFRA and NYP. A dedicated Project Manager will be assigned to the programme, with additional business change support as required.

The purpose of the transition programme is to:

- Scope and deliver all proposed aspects of the preferred option within the Local Business Case for the PCC to take on legal and overarching responsibility for the provision of the Fire and Rescue Service in North Yorkshire.
- Provide resilience for the PCC and the North Yorkshire Fire and Rescue Service in the short-term while the preferred option within the Local Business Case is being considered by the Secretary of State and in delivering the requirements set out in the Business Case in the longer-term should the Secretary of State be minded to make an order.

The structure and management of the transition programme will work to ensure that the transition is:

- **Thorough** – using the Local Business Case and learning from national best practice we will ensure a comprehensive analysis is carried out and requirements are translated into the necessary changes in a timely and sequential manner
- **Timely** – we will carry out the necessary work to meet the deadlines set and get us to a place we need to be. Dates will be set out for delivery by the most accurate assessment until further clarification is provided by the Secretary of State following consideration of the Local Business Case and an independent assessment is made
- **Cost Effective** – work will be conducted to prepare the PCC, NY Fire and Rescue Service, NY Fire and Rescue Authority, North Yorkshire Police and all other partners impacted by the changes for transition by the set date. The Programme will be pragmatic with no more bureaucracy than necessary. Manageable workstreams will drive specific activities and report to a limited oversight hierarchy.
- **Inclusive** – each workstream will incorporate all relevant stakeholders to help drive and deliver the necessary activities to ensure a smooth transition. The transition will be in close liaison and consultation with all relevant partners and where practicable with the public

The Transition Programme will be divided into three management levels:

- Level One - Transition Board:
 - Chaired by the PCC’s CEO
 - Attendance to be confirmed as necessary, but with core attendees of the Chief Fire Officer, PCC’s CFO, NYFRS Treasurer, and the programme manager.

- The board will:
 - Agree Transition Programme objectives, key products, timetabling, staffing, reporting on workstreams and functional arrangements
 - Set communications strategy
 - Receive high level, overarching progress reports, and risk management by exception
 - Review reports or documents from other stakeholders or seek their attendance at the Board
 - Agree extraordinary resources
 - Resolve issues
 - Report to the Executive Board
 - Invite representatives from other bodies to provide additional information and assistance
 - Meet on a frequency agreed by the Board

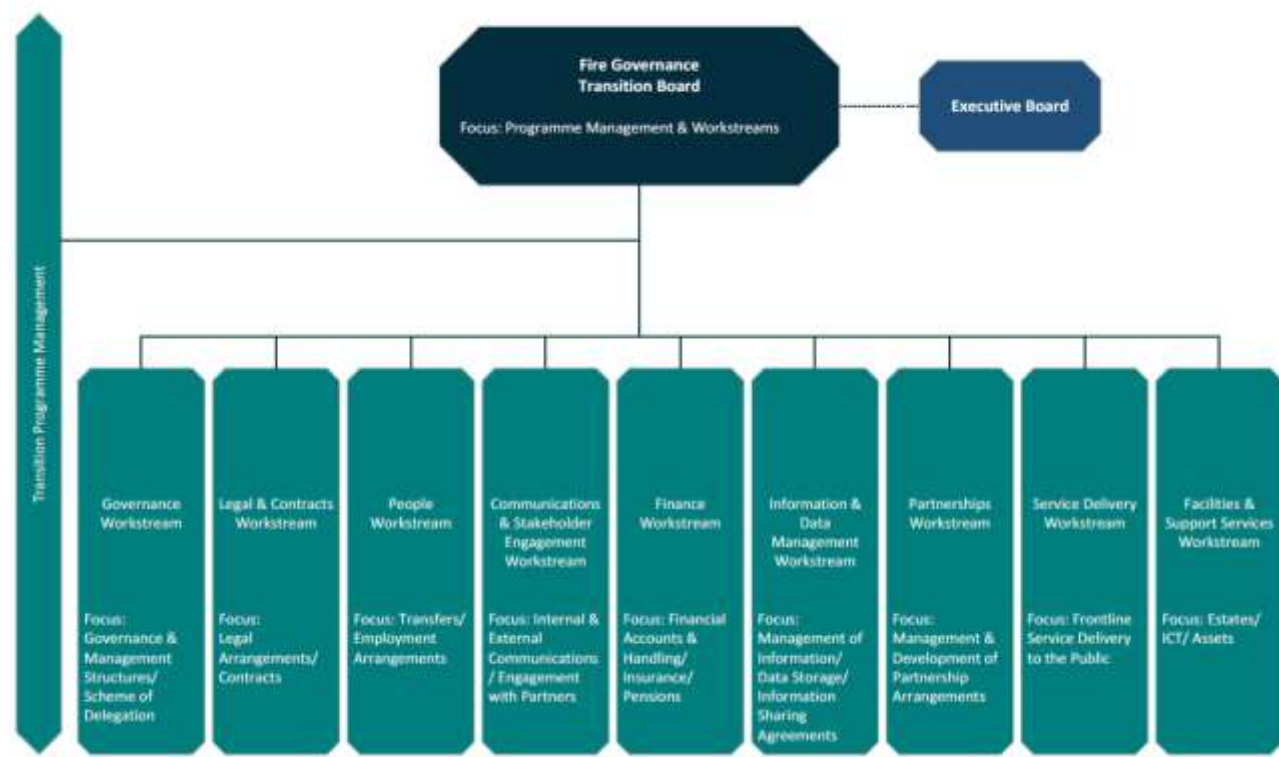
- Level Two - Workstreams:
 - All workstreams will involve North Yorkshire OPCC, North Yorkshire Fire and Rescue Service and any other parties deemed relevant to progress the activities within the specific workstream
 - Each workstream will have a lead
 - Each workstream will develop specific milestones, actions, timescales and work owners
 - Resources will be committed from respective organisation(s) to specific areas of work
 - Each workstream will develop a communications plan
 - A meeting/engagement timetable will be prepared for each workstream to progress the work in a timely fashion
 - All of the workstreams will report to the Transition Board and will highlight any significant risk, exception or resource demand to the Transition Board requiring immediate action
 - Workstreams will set up an appropriate form of communication and/or meeting structure to suit all parties involved

- Level Three – Specific Projects to support Workstream Development (*ad hoc*):
 - Where specific and detailed work is required to support the workstream development, individual projects will be set up with relevant stakeholders to progress the work
 - Each specific project will have a lead officer and will report updates to the Workstream
 - The workstream lead will assist in the development and delivery of any specific project

High level assumptions have been made about this work:

- OPCC in liaison with North Yorkshire Fire and Rescue Service will develop the Transition Board and Workstreams
- Resource and capacity will be found to assist in the delivery of the transition and where necessary, additional resources will be brought in via OPCC funding to support the work
- Administration to be supported and all documentation to be stored by the OPCC
- Lead Officers will be designated to each Workstream
- Workstreams will identify key projects to be developed
- There will be adherence to an agreed communications plan
- Meetings will have Terms of Reference
- A risk register will be set up and updated accordingly as work progresses

Figure 31: Fire governance transition management structure



The programme will be split into nine workstreams:

- Governance
- Legal and contracts
- People
- Communications and stakeholder engagement
- Finance
- Information and Data Management
- Partnerships
- Service Delivery
- Facilities and Support Services

Key activities will include:

- Governance structure and meetings – design and confirm the new board structure and identify how NYFRS will be managed
- Scheme of Delegation and statutory roles – Develop new PFCC scheme of delegation
- Staff consultation and transfer instrument – undertake a formal consultation of all staff on their transfer to the PFCC
- Communication plan – develop internal and external communication plan for transfer and implementation
- Police, Fire and Crime Panel – liaise with NYCC to ensure they develop the revised Terms of Reference for the Police, Fire and Crime Panel.

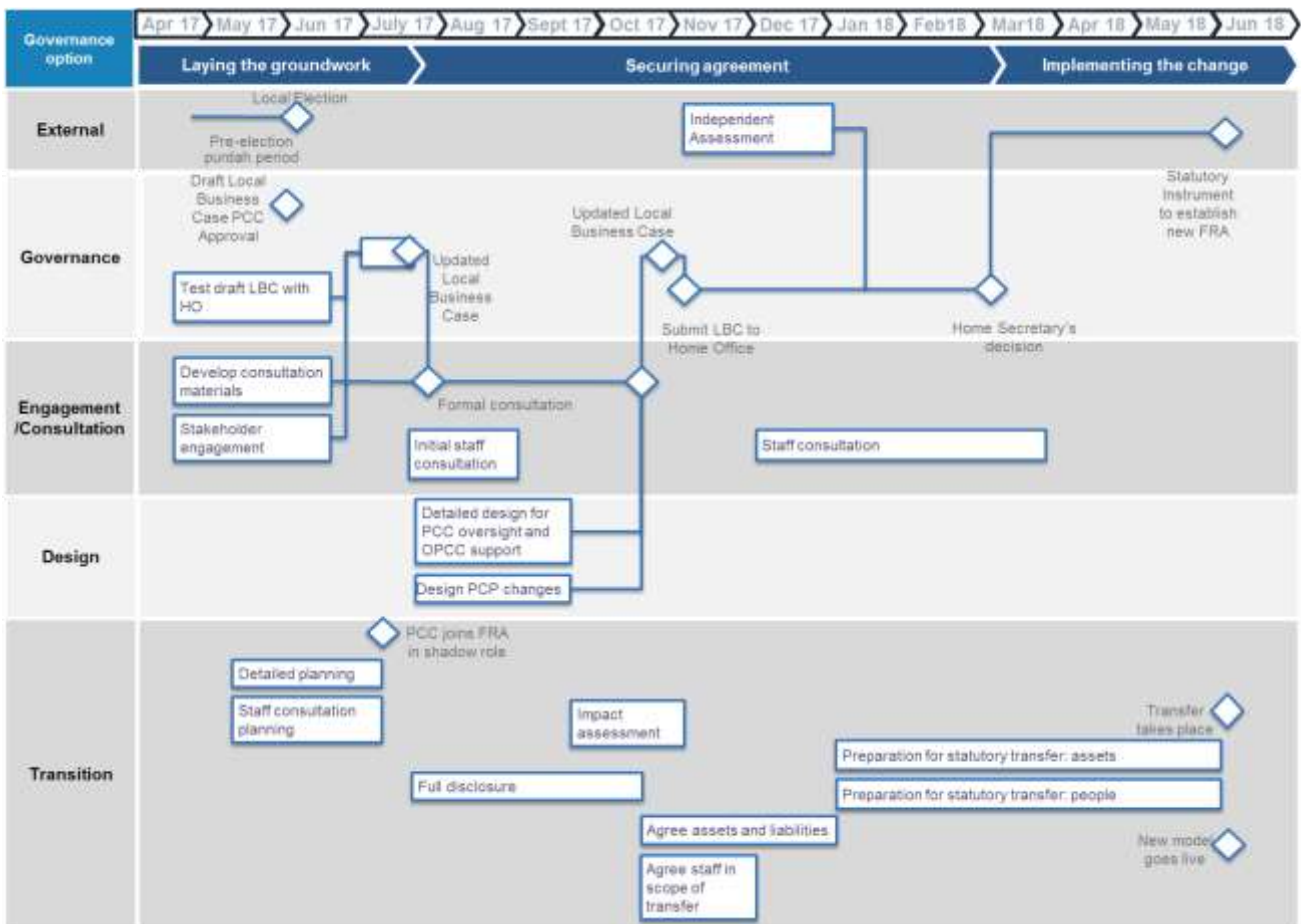
Prior to the Home Secretary's decision, should it be necessary, preparation work will take place to prepare for the transition process. This will involve regular meetings between the OPCC and NYFRS senior management and function leads. Work will be done to identify workstream leads and to develop their terms of reference. During this period the PCC will continue to engage with NYFRA, to attend their meetings, and

will take up a place on the NYFRA when legislation makes that possible. Full disclosure will allow for the preparation of the priority business development projects.

7.1.4 Implementation timeline

Figure 32 shows the likely timescales for implementation of the Governance model of approximately 14 months. This timeline is dependent on the timelines indicated by the Home Office being met at each stage. Subject to the Secretary of State making the order, the ambition is to transfer on the 1 June 2018 at the latest. This is due to the two Tier-one Authorities objecting to the proposal and triggering the Independent Assessment process. An earlier transfer date would be manageable, though this would not be earlier than 1 April 2018.

Figure 32: Governance model high level implementation plan



7.1.5 Transition planning assumptions

This plan is based on the following assumptions:

- The PCC engaged with NYFRA and Tier-one Authorities through the second quarter of 2017 on the emerging proposals alongside the further development of proposals and plan, including consultation documents, in order to be ready for formal consultation at the earliest opportunity.
- Satisfactory informal feedback from the HO was received following the general election purdah period post 9 June 2017.
- The PCC went out to consultation, with staff, the local authorities, other stakeholders and members of the public across North Yorkshire for a period of 10 weeks from 17 July 2017.
- Following the completion of the consultation period and appropriate consideration of the feedback received, a revised business case taking account of the matters raised and, in particular, those of the Tier

One Authorities, will be submitted to the Home Office for the Home Secretary's consideration and requested approval no later than 18 October 2017.

- Independent Assessment will take no longer than eight weeks.
- Home Office consideration of the LBC following the Independent Assessment will take no longer than eight weeks.
- That the Home Secretary makes an order under S.4A of the Fire and Rescue Services Act 2004 (as amended).
- Implementation of the Governance model will require the creation of a new Fire and Rescue Authority by statutory instrument. The Fire and Rescue Services Act 2004 gives the Secretary of State the power to make an order which makes the PCC the FRA for the area covered by the order. The order will also provide "for the creation of a corporation sole" as the FRA for the area specified in the order (s.4A). Finalisation of the Order will take no longer than two to three months.
- A statutory transfer scheme will be required to move staff, contracts and assets to the new FRA. We have assumed a staff consultation process of three months. The timing of this will be subject to discussion between the PCC and NYFRA.
- Current assumptions based on the timings specified by the Home Office, and factoring in Independent Assessment, the earliest target implementation date for the new governance arrangements is June 2018. Any further delay will see transfer take place in October 2018. It may be that the Independent Assessment and Home Office process is quicker, in which case the earliest manageable transfer would be April 2018.
- Transfer during the financial year is possible through defined CIPFA procedures and so does not constrain this timetable.

7.1.6 After transfer

On transfer, work will begin to realise the ideas set out in this business case.

- A Police, Fire and Crime Plan will be developed that would set out how efficiency and effectiveness could be improved in order to protect frontline services.
- Business cases, including staff and union consultations, would be developed for community safety and prevention services and to create a third entity to provide enabling services to NYP and NYFRS.
- The estates strategies of both organisations would be reviewed to develop a single 'community safety estate' strategy that would seek to bring in other partners as well.
- Data analysis and the implementation of data sharing structures would be put in place to strengthen collaborative working.
- A change review would be initiated to start discussions around the future senior management structure of NYFRS to identify where efficiencies might be made. Wherever possible this will be achieved through negotiation and natural attrition in the first instance.

On transfer a new corporate governance scheme will be implemented.

7.2 Stakeholder engagement

Implementation of the changes will rely on ongoing engagement with stakeholders, staff and trade unions. For the proposal to move forward, it will require further engagement with:

- **Local authorities** – a formal response has been received from NYCC and City of York indicating their objection to the proposal and therefore meaning the business case will be subject to independent assessment before the Home Secretary's decision. District Councils have also been consulted through the consultation process. Further consultation and engagement will be required during implementation to allay concerns and develop partnerships.
- **NYFRA** – Senior representatives of NYFRA have been consulted during the development of this LBC and continuing engagement will be required during implementation.

- **NYFRS** – Senior representatives of NYFRS have also been consulted during the development of this LBC and additional engagement will be required during implementation, as well as support in helping to manage engagement and communication with FRS staff.
- **Staff** – All staff working for NYFRS/NYFRA will be affected by any change in governance. Whilst some of the knock-on effects may be in perception alone this should not be underestimated and so engagement (and therein consultation) with this key group and representative bodies will be vital.
- **Police and Crime Panel** – discussion will be needed on the extended role and remit of the Police and Crime Panel and how this will work and potentially funded in practice.
- **Home Secretary** – If a decision is taken to proceed with the Governance model, following scrutiny of the LBC by the Home Office, it will be for the Home Secretary to consider and, if appropriate, approve the proposed change and the associated statutory instrument to give effect to the change.

The development of more detailed proposals on transfer for the collaboration opportunities will have benefited from input from a wide range of stakeholders from the public, county, city and district councils, local members of parliament and other local and regional partners through the public consultation exercise.

7.2.1 Public Consultation

There is a statutory requirement for the PCC to consult on the preferred option.

Legislation specifies that the PCC must:

- consult each relevant local authority about the proposal
- consult people in the commissioner’s police area about the proposal
- consult people appearing to the commissioner to represent employees who may be affected by the proposal
- consult people appearing to the commissioner to represent members of a police force who may be so affected

Furthermore, a PCC must “publish, in such manner as the commissioner thinks appropriate, the commissioner’s response to the representations made or views expressed in response to those consultations.”

A consultation strategy was developed once the PCC’s preferred option was clear, and shared with Local Authorities and the Strategic Reference Group prior to detailed planning to ensure partners were satisfied with the proposed methodology. The consultation strategy can be seen as part of the consultation report at Appendix 8.6.

A full consultation was launched on 17 July 2017 running for 10 weeks. The PCC commissioned MEL Research to conduct a representative survey in line with Market Research Society standards, and to provide independent and impartial quality control for surveying and reporting. On launch the above listed consultees were notified. The LBC was published along with consultation materials and videos via a dedicated website www.telljulia.com. A series of public events were held across North Yorkshire. Details of the consultation can be found in the consultation report in Appendix 8.6.

The consultation included an open survey, a representative survey, a staff survey and a series of public events across the county in each district, during which over 1400 people were engaged. Information leaflets were available in public libraries, police and fire stations and council buildings across the county, with a dedicated website providing the full details of the business case. Over 2500 people responded to the survey. A number of focus groups were held with key stakeholder groups to provide qualitative insight.

The consultation received the support of the public and of the workforce, but did not receive the support of the local Tier-one Authorities. Full details of the consultation results and the PCC’s response can be found in the consultation report at Appendix 8.6.

As the PCC did not receive the support of the Tier-one Authorities, this management case therefore plans for independent assessment to take place. As per statutory necessity details of the necessary documents and responses can be found as part of the consultation report at Appendix 8.6.

7.3 Risk management

Proactive risk management will form part of the transition to the Governance model, building on existing risk management arrangements adopted by the OPCC for current transformation activity in NYP. This means:

- Establishing and maintaining a risk log;
- Ensuring that each risk is owned by a named responsible individual;
- Carrying out regular risk reviews and setting target dates for mitigation;
- Providing strategic oversight of risks and mitigation by appropriate governance bodies based on clear thresholds for escalation.

It should be noted that any plans will maintain at a minimum the existing Fire Cover Review and IRMP requirements, and there will be no change to the NYFRS IRMP on transfer.

The following risks are associated with the PCC implementing the Governance model.

Table 35: Risks and mitigations

Risk	Owner	Mitigation
Senior management distraction during the implementation of changes	OPCC CEO CC and CFO	<ul style="list-style-type: none"> • Appoint appropriate governance to monitor the progress of implementation and balance demands against other priorities.
Requirement to transfer fire staff employment to new Fire and Rescue Authority, via a statutory transfer, causes industrial relations problems	PCC and CFO	<ul style="list-style-type: none"> • Early and ongoing engagement with staff and representative bodies. • Clear messaging that terms and conditions will be protected in the transfer.
That contract provisions, assets or liabilities are not well understood prior to transfer and therefore unforeseen costs arise post-implementation or unexpected delays in implementation occur	OPCC CEO	<ul style="list-style-type: none"> • A phase of due diligence will need to be undertaken during implementation, including detailed review of the PFI contract to ensure that novation clauses and existing commitments are understood
Oversight of fire performance is overshadowed by the requirements of police oversight	OPCC CEO	<ul style="list-style-type: none"> • Design of OPCC arrangements to extend robust oversight to the Fire and Rescue Authority.
Insufficient public scrutiny of the PCC's performance in respect of Fire and Rescue by the Police and Crime Panel	PCP	<ul style="list-style-type: none"> • Identify the changes that would be required to the remit of the NY Police and Crime Panel, including discussions with the Chair of the Panel, to ensure robust scrutiny of the PCC in relation to Fire.
PCC inherits plans for NYFRS part way through the financial year that have the wrong priorities or are unaffordable	PCC CFO	<ul style="list-style-type: none"> • PCC to seek observer status on NYFRA in advance of the changes to ensure visibility of planning processes.
Costs of change are higher than estimated	OPCC CEO CFO	<ul style="list-style-type: none"> • Costs are tested during the implementation phase and updated prior to submission of the business case to the Home Office

A risk register of implementing the Governance model is at Appendix 8.8. Risks will be managed by the named officer or their delegate and raised to the Transfer Governance Board or through the PCC's corporate governance structure as necessary.

7.4 Benefits management

Implementation of the changes will also need to be underpinned by proactive benefits management arrangements to ensure that the identified benefits are realised – but are challenged robustly to ensure they are real and tangible. They will be subject to external scrutiny and may eventually be scrutinised nationally through, for example, the National Audit Office and Public Accounts Committee. Oversight will have regard to the two types of benefit, detailed in the Economic Case above:

- Governance benefits (i.e. those benefits directly associated with improvements in the governance of the Fire and Rescue Service)
- Collaboration benefits (i.e. those benefits that flow from collaboration between the two services, which are enabled and more likely to be realised as a result of the governance changes)

The approach to benefits realisation includes:

- Establishing a benefits register;
- Identifying clear owners with responsibility for benefits realisation;
- Developing common benefits realisation plans;
- Regularly reviewing processes and challenge arrangements.

Benefits realisation will be monitored through the Executive Board and Public Accountability meetings.

7.5 Equality impact assessment

The Equalities Impact Assessment (EIA) is concerned with anticipating and identifying the equality consequences of a particular policy/service initiative and ensuring that as far as possible any negative consequences for a particular group or sector of the community are eliminated, minimised or counterbalanced by other measures.

An initial assessment conducted in June 2017 found that the proposed governance changes will not affect – directly or indirectly – any particular group or sector of the community differentially. The intention is to increase the level of public visibility and accountability in the governance of the Fire and Rescue Service through the new governance arrangements including the revised operation of the North Yorkshire Police and Crime Panel and the forms of public accountability that are associated with the office of PCC.

A full statutory public consultation has been conducted and the feedback assessed to verify that initial assessment and consider any equality and Human Rights issues. Overall the response was positive, and while there were a number of concerns raised by certain groups these are not related to a negative perceived impact on any protected characteristic.

Our final view from having completed a full EIA is that the proposed governance change will not affect any particular group or sector of the community differentially. As the change will increase visibility and accountability, and would improve the effectiveness, efficiency and economy of the services to the benefit of public safety, all sectors of society are likely to benefit.

A full Equality Impact Assessment is at Appendix 8.9. Each collaboration opportunity would be subject to its own business case before a decision is made to proceed. Each of these will need to complete an EIA to ensure the impact of any change to the service is fully understood.

It was raised by Councils that a full EIA had not been undertaken prior to consultation, however the business case produced for consultation did indicate the findings of the initial assessment conducted in June.

8 APPENDICES

8.1 Governance costs

8.1.1 NYFRA governance costs

Total annual costs of NYFRA's Corporate and Democratic Services is £278k per annum (based on 15/16 data). Direct expenditure is £149k. £127k of the total expenditure is indirect and relates to corporate recharges including the following:

- Finance and payroll (includes the S151 Officer role, the bulk of which is supporting senior management in preparation for papers for FRA)
- HR
- Management
- Overheads
- IAS adjustments

The above corporate recharges are calculated on the basis of staffing numbers and therefore are believed to overstate the true cost of governance. The section below is an NYFRA estimate of delivering governance services for the FRA.

Adjusted 15/16 governance costs

The first table below shows the total direct governance costs. The second below shows an adjustment based on legal services, which includes both legal advisory services to the NYFRA as well as Monitoring Officer costs, and therefore has been adjusted to reflect the Monitoring Officer role only.

Figure 33: NYFRA governance costs

Baseline 2015/16 FA governance costs		Notes
Members direct costs	76,130	Allowances for members
Members training	27	
Bank charges	1,023	
External audit fees	31,927	
Finance SLA	7,210	
Legal Services SLA	11,527	Includes Monitoring Officer role, member related services and general NYFRS legal costs (i.e. those which are not governance related). Monitoring Officer role is charged on an hourly rate for attendance at meetings.
Committee Services SLA	21,488	Support costs in relation to the FA, charged at an hourly rate (includes team, printing etc.)
Total	149,332	

Source: as provided by NYFRS

Adjusted Baseline 2015/16 FA governance costs		Notes
Members direct costs	76,130	
Members training	27	
Bank charges	1,023	
External audit fees	31,927	
Finance SLA	7,210	
Legal Services SLA	1,153	Assumption, based on NYFRA estimates. The majority of this cost is legal expenses for the NYFRS in relation to employment issues. NYFRA has made an assumption that 10% is the Monitoring Officer time spent on NYFRA governance.
Committee Services SLA	21,488	
Total	138,957	

Assumptions based on Representation option

No change to the above adjusted baseline

Assumptions based on Governance (or Transfer of Functions) or Single employer option

2015/16 FA governance costs		Notes
Members direct costs		No member costs as the Fire Authority remit will be part of OPFCC
Members training		No member training as the Fire Authority remit will be part of OPFCC
Bank charges	1,023	
External audit fees	31,927	Still need separate accounts
Finance SLA	7,210	
Legal Services SLA		It is assumed that this role could be subsumed within the PCC Monitoring Officer role
Committee Services SLA		Meetings would no longer exist in current form
Total	40,160	

Governance change benefits (98,797)

8.1.2 OPCC costs

It should be noted that the costs of governance of the NYFRA and PCC are not directly comparable. A significant amount of the FRA's statutory responsibilities are delegated to officers who are authorised to discharge specific functions, whereas the PCC has a small team that manages day to day responsibilities as well as independent scrutiny of North Yorkshire Police and the chief constable.

Figure 34: OPCC costs

PCC FOR NORTH YORKSHIRE CORPORATION SOLE (OPCC)		
PRIVATE OFFICE FOR POLICE AND CRIME COMMISSIONER (OPCC)		
PCC Direct Costs		
PCC Salary costs including pension and NI contributions		79,000
PCC Travel and Subsistence e.g. mileage		9,500
PCC Telephony and Comms		400
Deputy PCC Salary costs including pension and NI contributions		52,000
OPCC - Staffing Costs		
Private Office Staffing		300,000
Other staffing costs - Travel		9,000
Other staffing costs - Subsistence		500
Courses and Conferences		4,500
Other staffing costs - Recruitment		5,000
OPCC - Premises and Office Activities		
Running Costs - Office Expenses		9,570
Accommodation - Premises Costs		32,840
Communications and IT Costs		10,000
PCC Private Office Total		512,310
STATUTORY OFFICER FUNCTIONS		
Chief Finance Officer (CFO - M Porter) - Employment & travel costs		50,500
Chief Executive Officer (CEO - J Carter)		145,000
CEO - APCCCE subscription		1,000
CEO - Travel & Subsistence		2,500
CEO - Communication		500
Courses and Conferences		1,000
Miscellaneous incl PATS Subscriptions		3,000
Independent Audit Committee Travelling		1,500
Independent Panel Members		1,500
Custody Visitors		8,500
External Audit		32,430
Internal Audit		34,000
APCC subscription		23,000
Statutory Officer Functions Total		304,430
SERVICES TO THE COMMUNITY		
Community Engagement - Hire of Premises		2,000
Community Engagement - Public Relations incl Web Site		10,000
Community Engagement - Conferences that the PCC organises		2,500
Community Engagement - Public Engagement		75,331
Community Engagement - Community Projects		2,000
Community Engagement - Interpreters for meetings		1,000
CAP - Honoraria		500
CAP - Travel		500
Services to the Community Total		93,831
TOTAL PRIVATE OFFICE FOR POLICE AND CRIME COMMISSIONER (OPCC)		910,571

8.2 NYFRA committee meetings

Table 36: NYFRA Committees

Committee	Meeting Frequency	Terms of Reference
Audit and Performance Review Committee	4 per year	<p>1) To monitor, and report to the Authority on, the performance of the Service against:</p> <ul style="list-style-type: none"> • The standards set by Government, including the National Fire and Rescue Framework and the Authority. • The Authority's Code of Governance in terms of implementation and compliance. <p>2) To develop and review the Authority's Business Management Framework, incorporating the Risk Management, Performance Management and Project Management frameworks, and to monitor the performance of the Authority against them.</p> <p>3) To oversee the work of Internal Audit and consider its findings.</p> <p>4) To oversee the work in respect of improvement planning and the Service's involvement in partnerships.</p> <p>5) To oversee the work in respect of specific service improvement reviews and associated improvement plans.</p> <p>6) To approve the final accounts.</p> <p>7) To consider the External Auditors' Management Letter, Audit Plan and any consequent reports and to report to the Authority on any action it considers necessary to take as a consequence of those issues.</p> <p>8) To monitor the exercise of delegated powers by officers.</p> <p>9) To develop and review the Authority Members' development programme.</p> <p>10) To oversee the production of the Authority's Annual Governance Statement and to make recommendations thereon to the Authority.</p> <p>11) To ensure effective scrutiny of the Treasury Management Strategy and Policies (as required by the CIPFA Code of Practice on Treasury Management).</p> <p>12) To carry out the Authority's standards functions, with a sub-committee of the Committee being responsible for standards and standards complaint handling issues.</p>
Standards Sub-Committee	2 per year	<p>1) To be responsible for standards and standards complaint handling issues.</p> <p>2) To have a role in relation to issues raised by or in relation to persistent and/or vexatious complainants.</p> <p>3) To grant dispensations to Members and Co-opted Members under the Local Ethical Framework, after consultation with the Independent Person. (Power to grant dispensations has been delegated to the Monitoring Officer, after consultation with the Independent Person, where the timescales are such that a Standards Sub-Committee meeting cannot be convened and where the Monitoring Officer has consulted every available Member of the Standards Sub-Committee, all of whom consent to the granting of the dispensation.)</p>
Pensions Board	1 per year	<p>The purpose of the Board is to assist North Yorkshire Fire and Rescue Authority in its role as a scheme manager of the Fire Fighters Pension Scheme. Such assistance is to:</p> <ol style="list-style-type: none"> a) secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme and; b) ensure the effective and efficient governance and administration of the Scheme.
Appeals Committee	Ad hoc	<p>To hear and determine appeals against the decision of officers, where provision exists for appeals to a Member level body, in respect of:-</p> <ol style="list-style-type: none"> a) dismissals; b) individual grievances (Principal Officers only); c) awards under the Firefighters' Pension Scheme.

Committee	Meeting Frequency	Terms of Reference
Appointments Committee	Ad hoc	<ol style="list-style-type: none"> 1) To exercise the functions set out below in respect of the Chief Fire Officer/Chief Executive and his/her Directors. 2) To determine an appropriate recruitment package within existing policies as regards salary, benefits and removal expenses in respect of vacancies in the above posts. 3) To appoint, as necessary, any recruitment consultants in respect of vacancies in the above posts. 4) Where a vacancy occurs in one of the above posts, to:- <ol style="list-style-type: none"> a) interview all applicants who meet the Personal Qualities and Attributes, and National Occupational Standards relevant to the post; or b) select a short-list of suitable applicants and interview those on that list; and (in either case) c) having carried out such interviews, either appoint one of the candidates to the vacancy, or decide not to appoint any of the candidates, but instead to take such further action in relation to the filling of the post as the Committee may determine. 5) To evaluate, from time to time, with the support of the Head of Human Resources as technical adviser, the terms and conditions of the above posts and make necessary changes to them.

8.3 Existing NYFRS and NYP collaboration

8.3.1 Collaboration between NYFRS and NYP

Table 37: NYP and NYFRS collaboration

Collaboration initiative	Partners	Detail
Transport and Logistics - Thirsk	NYP and NYFRS	Co-location of NYP and NYFRS Transport and Logistics functions.
Shared Transport and Logistics Manager	NYP and NYFRS	Shared post across NYP and NYFRS on a fixed term basis. This arrangement was ended by NYFRS on 31/03/17, but as of 15/06/17 discussions have restarted.
Co-location and estates sharing	NYP and NYFRS (possibly YAS)	Co-location of fire and police at Bedale since 2003. Plans in place for co-location of fire and police at Ripon, possibly with the Ambulance Service.
Integrated Community Safety Hub - Scarborough	NYFRS, NYP and other agencies	NYFRS Community Safety Officers, NYP and other agencies work out of the centrally located town hall and as such are able to communicate more effectively with one and other when providing a multi-agency approach to preventative measures and other issues. The success at Scarborough is now being extended into other areas with the creation of hubs in York, Harrogate and Selby.
Driver training – Coxwold House, Easingwold	NYP and NYFRS	Relocation of police driver training to the NYFRS training centre in Easingwold (a PFI site with an adjacent building that has spare capacity).
Procurement	NYFRS and NYP	Joint procurement for some services.

8.3.2 NYFRS collaboration (excluding collaboration with NYP)

Table 38: NYFRS collaboration excluding NYP

Collaboration initiative	Partners	Detail
Cornwall Control and Mobilising	Cornwall FRS	<ul style="list-style-type: none"> • Cornwall's Control Room receives calls and dispatches resources on behalf North Yorkshire (and vice versa), during busy periods.
Joint Fire Investigation Team	NYFRS, WYFRS, SYFRS, HFRS	<ul style="list-style-type: none"> • The regional fire investigation team comprises officers from each of the constituent fire authorities.
Emergency First Responders	NYFRS and YAS	<ul style="list-style-type: none"> • A pilot scheme designed to provide immediate first aid to people in life-threatening medical emergencies who live in rural communities. Uses a Retained Duty System, or 'on-call firefighters,' who already live and work in outlying areas, being deployed in a first responder capacity to medical emergencies in addition to ambulance crews. The firefighters will be deployed by YAS in the role of an Emergency First Responder to Red category calls, such as cardiac arrest patients, to provide time-critical care.
Financial services	North Yorkshire County Council	<ul style="list-style-type: none"> • SLA with the Council to provides some aspects of Treasury Management (i.e. investment of balances and TM Advisor), provision of the General Ledger and also Insurance advice and claims handling service.
Legal services	North Yorkshire County Council	<ul style="list-style-type: none"> • SLA to provide legal advice and democratic services (Authority secretariat)

Collaboration initiative	Partners	Detail
Pensions administration (operational staff)	West Yorkshire Pension Fund	<ul style="list-style-type: none"> • SLA
Pensions administration (non-operational staff) and payroll	North Yorkshire County Council	<ul style="list-style-type: none"> • SLA
A joint tender for Property Valuations	NYFRS, HFRS, NYP, SYP, WYP and Humberside Police	<ul style="list-style-type: none"> • Carter Jonas won the contract.
Operational guidance	NYFRS, WYFRS, SYFRS, HFRS	<ul style="list-style-type: none"> • A virtual team developing operational guidance, delivered through the regional FRS meeting structure
Hazardous Materials and Environmental Protection Officers	NYFRS, WYFRS, SYFRS, HFRS	<ul style="list-style-type: none"> • Regional delivery of training and regional response arrangements in place

8.3.3 NYP collaboration (excluding collaboration with NYFRS)

Table 39: NYP collaboration excluding NYFRS

Collaboration initiative	Partners	Detail
Dogs Support Unit	Evolve – Cleveland, Durham and NYP	<ul style="list-style-type: none"> • Live as of 1 August 2016
Director of Collaborative Legal Services	Evolve – Cleveland, Durham and NYP	<ul style="list-style-type: none"> • Appointment commences 30 January 2017.
Legal Services Collaboration	Evolve – Cleveland, Durham and NYP	<ul style="list-style-type: none"> • Business case for a shared legal services provision to be developed once Director of Collaborative Legal Services is in post.
Major Investigation Team	Evolve – Cleveland and NYP	<ul style="list-style-type: none"> • Live as of 1 November 2016
Substance Misuse Testing Service	Northumbria and NYP	<ul style="list-style-type: none"> • Ends April 2018
Procurement	YatH (HP, NYP, SYP, WYP)	<ul style="list-style-type: none"> • Live in 2010. SYP is the lead force (since 2013)
Scientific Support	YatH (HP, NYP, SYP, WYP)	<ul style="list-style-type: none"> • WYP is the lead force
Underwater Search	YatH (HP, NYP, SYP, WYP)	<ul style="list-style-type: none"> • In place from September 2012, Humberside is the lead force
Odyssey	YatH (HP, NYP, SYP, WYP)	<ul style="list-style-type: none"> • WYP is the lead force. Includes the Regional Organised Crime Unit, Intelligence Unit, Cyber Crime Unit, Protected Persons Unit, Asset Recovery Team and Government Agency Intelligence Unit. Since 2014
Regional Asset Recovery Team	NE Region (Cleveland, Durham, HP, Northumbria, NYP, SYP, WTP)	<ul style="list-style-type: none"> • WYP is the lead force, through Odyssey (above)
Regional Intelligence Unit	YatH (HP, NYP, SYP, WYP)	<ul style="list-style-type: none"> • Work commenced December 2015, blueprint for an Early Help Safeguarding and Support hub expected March 2017.
Firearms Training	YatH (HP, NYP, SYP, WYP)	<ul style="list-style-type: none"> • SYP is the lead force (since 2013)
Firearms operations	YatH (HP, NYP, SYP, WYP)	<ul style="list-style-type: none"> • Interoperability of teams and single Chief Officer lead since 2012.
Fleet	YatH (HP, NYP, SYP, WYP)	<ul style="list-style-type: none"> • Regional Fleet Board

Collaboration initiative	Partners	Detail
Technical Support Unit Direction and Control	YatH (HP, NYP, SYP, WYP)	<ul style="list-style-type: none"> WYP has direction of control of all resources
Core Capabilities	YatH (HP, NYP, SYP, WYP)	<ul style="list-style-type: none"> WYP is leading on the development of a business case for TSU, UCOL, UCF and OCG Mapping.
Disaster Victim Identification	NE Region (Cleveland, Durham, HP, Northumbria, NYP, SYP, WTP)	<ul style="list-style-type: none"> Regional DVI service, live as of 1 May 2016
CBRN	NE Region (Cleveland, Durham, HP, Northumbria, NYP, SYP, WTP)	<ul style="list-style-type: none"> Regional CBRN response. Go live began in May 2016, due to go live fully alongside national rollout of SOR in 2017.
Forensic Services	NE Region (Cleveland, Durham, HP, Northumbria, NYP, SYP, WTP)	<ul style="list-style-type: none"> Joint contract established November 2015
Special Branch and CT	NE Region (Cleveland, Durham, HP, Northumbria, NYP, SYP, WTP)	<ul style="list-style-type: none"> National review ongoing
National Police Air Service	Cleveland, Durham, NYP, SYP, WYP and NPAS	<ul style="list-style-type: none"> National collaboration in place since July 2015
ESMCP	All forces	<ul style="list-style-type: none"> Airwave replacement system, YatH forces working together to implement during 2017/18.
National Ballistics Intelligence Service (NABIS)	National	<ul style="list-style-type: none"> Ballistics examination of material and intelligence management Service live in 2009, but S22a agreement signed 2017
UK Protected Persons Unit (UKPPU)	National with YatH hub	<ul style="list-style-type: none"> WYP lead, started 2013 bringing together Witness Protection Units

8.4 Collaboration opportunity assessment – prioritisation matrix

The matrix below shows the relative benefits for each in-scope collaboration opportunity.

Figure 35: Collaboration opportunity assessment

Overall																	
Level of delivery risk	Medium	High	Low	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Low	Low	Low	High	
Confidence in opportunity at this stage	High	Low	Medium	Low	Low	Medium	Medium	High	High	Medium	High	Low	High	Low	High	Low	
Complexity of change	Medium	High	Low	Medium	High	Medium	Low	Medium	Medium	High	Low	High	Low	High	Medium	High	
Cost of change	Medium	Medium	Low	Medium	High	Medium	Low	Medium	Medium	Medium	Low	Medium	Low	Medium	Low	Medium	
Scale of non-financial benefit	Medium	High	Medium	Low	Medium	Medium	Medium	Medium	High	Medium	Low	Medium	Low	Medium	Medium	Medium	
Scale of financial benefit	Low	Medium	Low	Low	Medium	Medium	Low	Low	High	Low	Low	Low	Low	Low	Low	Low	
Speed of benefit	Medium term	Long term	Long term	Long term	Medium term	Medium term	Medium term	Long term	Long term	Medium term	Short term	Short term	Short term	Short term	Long term		
Implementation start date	18/19	18/19	17/18	17/18	18/19	17/18	18/19	17/18	16/17	18/19	16/17	18/19	17/18	18/19			
	Shared data and intelligence	Community Vulnerability Multi-agency Role (Safe and well visits)	Road safety	Rural intervention	Control room: opportunities for joint processes and estate	Community Vulnerability Response Role (forced entry)	First responder scheme	Shared transport and logistics	Shared estates	Shared learning and development	Shared procurement	Shared corporate functions (sharing HR / IT / Finance teams) ¹	Shared corporate functions (sharing Estates functions) ¹	Shared corporate systems (IT) ¹			

Note: subsequent to workshops, some shared services were added as potential areas of focus, which might be possible under a change in governance, but not in the current model

8.5 Financial modelling assumptions

This section describes the financial modelling assumptions for each governance option.

8.5.1 Overarching financial modelling assumptions

Economic case

- The HM Treasury discount rate of 3.5% has been applied to real terms prices to calculate a net present value
- Year 0 start date for NPV calculations starts at April 2017
- All costs are assumed to be flat in real terms
- Benefit assumptions cover a 10 year period, unless otherwise stated

Financial case

For the financial case, costs are uplifted for inflation based on the ONS GDP deflators as at Dec-16:

- 2017/18: 1.5%
- 2018/19: 2.1%
- 2019/20: 1.8%
- 2020/21: 1.9%
- 2021/22 onwards: 2.0% (based on inflation target)

<https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-december-2016-quarterly-national-accounts>

8.5.2 Estates assumptions

- Capital investment across 8 different schemes - £2.0m
- Capital receipts from disposals of NYP sites - £1.5m
- Total current NYFRS recurrent expenditure across 8 schemes - £200k per annum
- Total NYP recurrent expenditure across 8 schemes - £350k per annum
- No attempt has been made at this stage to assess the operational benefits or viability of the proposals
- No attempt has been made to assess whether the capital funding is available for the proposals, and borrowing costs have not been included
- Capital costs for alterations / refurbishments are estimates. All figures are rounded
- Capital receipts for disposals for NYP are based on recent market valuations
- All floor areas and space requirements for new buildings and altered buildings are estimated
- Co-location dates are estimated based on NYP estates strategy dates but these currently have no standing in NYFRS
- The team has made an assumption that the projects are technically viable, but no work has been done to verify this

8.5.3 Shared support services assumptions

Table 40: Support service assumptions

Area	NYFRS	NYP
Finance and Administration	£1,135,457	£1,168,083
Technical services	£2,268,362	£9,305,640
Total	£13,877,542	

8.5.4 Representation model

Table 41: Governance benefit and implementation costs

Type	Cost / benefit	£	Assumption
Governance - recurrent	Governance benefit	£0	NYFRA still exists
Governance - recurrent	Governance cost	£17k	0.5 FTE of a Policy and Scrutiny Officer

Table 42: Shared estates

Type	Cost / benefit	£	Assumption
Enabled	Capital cost	£2.016m	Based on projects in Thirsk, Acomb, Stokesley, Easingwold, Ingleton/Bentham, Grassington, Leyburn, Pateley Bridge and Headquarters.
Enabled	Capital benefit	£1.458m	<ul style="list-style-type: none"> Savings arise from shared estates projects reviewed by NYFRS and NYP
Enabled	Net revenue benefit	£953k	<ul style="list-style-type: none"> Conservative estimate of £290k recurring saving possible, if projects are delivered Expected reduction in overall running costs for both services of around 25-30% against current costs
Enabled	HQ benefit	£780k	<ul style="list-style-type: none"> HQ benefit is a conservative assumption of £130k per annum saving (from 2021/22), equivalent to half the current lease cost of Fire HQ and no saving in running costs
Total benefit		£1.175m	

Table 43: Shared senior management posts

Type	Cost / benefit	£	Assumption
Enabled	Shared SMT benefit	£0	While this would be possible within the Representation model it would not be possible to make any savings as the Fire Authority structure and responsibilities would require the same level of resource as is currently in place.

Table 44: Shared support services

Type	Cost / benefit	£	Assumption
Enabled	Benefit at 0.5% p/a	£69,388	Based on total support service costs across both organisations of £13,877,542.

8.5.5 Governance model

Table 45: Governance benefit and implementation costs

Type	Cost / benefit	£	Assumption
Recurrent	Governance benefit	£76,130	Member direct costs (based on 2015/16 costs) NYFRA no longer exists
Recurrent	Governance benefit	£27	Member training (based on 2015/16 costs) NYFRA no longer exists
Recurrent	Governance cost	£1,023	Bank charges (based on 2015/16 costs)
Recurrent	Governance cost	£31,927	External audit fees (based on 2015/16 costs)
Recurrent	Governance cost	£7,210	Finance SLA (based on 2015/16 costs)
Recurrent	Governance benefit	£1,153	Legal services SLA (based on 2015/16 costs) NYFRA no longer exists. Monitoring Officer becomes part of OPCC Monitoring Officer
Recurrent	Governance benefit	£21,488	Committee services (based on 2015/16 costs) NYFRA no longer exists

Type	Cost / benefit	£	Assumption
Total recurrent governance benefit		£98,797	
Recurrent	Implementation cost	£34k	1 FTE of a Policy and Scrutiny Officer
Recurrent	Implementation cost	£30k	Additional governance support costs in OPCC
Total recurrent implementation costs		£64k	
One-off	Project manager	£49k	1 FTE, based on NYP pay scales
One-off	Project support	£29k	1 FTE, based on NYP pay scales
One-off	Consultation advice	£25k	An estimate of external support required
One-off	Audit fees	£17.5k	An estimate, if additional accounts are required
Total one-off implementation costs		£121k	

Table 46: Shared estates

Type	Cost / benefit	£	Assumption
Enabled	Capital cost	£2.016m	Based on projects in Thirsk, Acomb, Stokesley, Easingwold, Ingleton/Bentham, Grassington, Leyburn, Pateley Bridge and Headquarters.
Enabled	Capital benefit	£1.458m	<ul style="list-style-type: none"> Savings arise from shared estates projects reviewed by NYFRS and NYP
Enabled	Net revenue benefit	£1.107m	<ul style="list-style-type: none"> Conservative estimate of £290k recurring saving possible, if projects are delivered Expected reduction in overall running costs for both services of around 25-30% against current costs
Enabled	HQ benefit	£780k	<ul style="list-style-type: none"> HQ benefit is a conservative assumption of £130k per annum saving (from 2021/22), equivalent to half the current lease cost of Fire HQ and no saving in running costs
Total benefit		£1.329m	

Table 47: Shared senior management posts

Type	Cost / benefit	£	Assumption
Enabled	Shared SMT benefit	£250k	<ul style="list-style-type: none"> • Possible to have 1 Treasurer and 1 Monitoring Officer across both organisations • Possible to have Principle Fire Officer Structure that has 2 Principle Fire Officers instead of 3 as some governance work currently undertaken would be absorbed by OPCC. • These assumptions will need to be tested as part of a review of the Senior Management Structure to ensure that they are deliverable and sustainable • Any changes are proposed to be phased in line with business need

Table 48: Shared support services

Type	Cost / benefit	£	Assumption
Enabled	Benefit at 4% p/a	£555,102	Based on total support service costs across both organisations of £13,877,542.

8.5.6 Single Employer model

Table 49: Governance benefit and implementation costs

Type	Cost / benefit	£	Assumption
Recurrent	Governance benefit	£76,130	Member direct costs (based on 2015/16 costs) NYFRA no longer exists
Recurrent	Governance benefit	£27	Member training (based on 2015/16 costs) NYFRA no longer exists
Recurrent	Governance cost	£1,023	Bank charges (based on 2015/16 costs)
Recurrent	Governance cost	£31,927	External audit fees (based on 2015/16 costs)
Recurrent	Governance cost	£7,210	Finance SLA (based on 2015/16 costs)

Type	Cost / benefit	£	Assumption
Recurrent	Governance benefit	£1,153	Legal services SLA (based on 2015/16 costs) NYFRA no longer exists. Monitoring Officer becomes part of PCC Monitoring Officer
Recurrent	Governance benefit	£21,488	Committee services (based on 2015/16 costs) NYFRA no longer exists
Total recurrent governance benefit		£98,797	
Recurrent	Governance cost	£34k	1 FTE of a Policy and Scrutiny Officer
Recurrent	Governance cost	£30k	Additional governance support costs in OPCC
Total recurrent implementation costs		£64k	
One-off	Programme manager	£126k	1 FTE, based on NYP pay scales, over 2 years
One-off	Project manager	£98k	1 FTE, based on NYP pay scales, over 2 years
One-off	Project support	£58k	1 FTE, based on NYP pay scales, over 2 years
One-off	Consultation advice	£40k	An estimate of external support required for public and staff consultation
One-off	Additional professional advice	£50k	Estimate of HR and legal advice required
One-off	Audit fees	£17.5k	An estimate, if additional accounts are required
Total one-off implementation costs		£390k	

Table 50: Shared estates

Type	Cost / benefit	£	Assumption
Enabled	Capital cost	£2.016m	Based on projects in Thirsk, Acomb, Stokesley, Easingwold, Ingleton/Bentham, Grassington, Leyburn, Pateley Bridge and Headquarters.
Enabled	Capital benefit	£1.458m	<ul style="list-style-type: none"> Savings arise from shared estates projects reviewed by NYFRS and NYP Conservative estimate of £290k recurring saving possible, if projects are delivered Expected reduction in overall running costs for both services of around 25-30% against current costs HQ benefit is a conservative assumption of £130k per annum saving (from 2021/22), equivalent to half the current lease cost of Fire HQ and no saving in running costs
Enabled	Net revenue benefit	£1.107m	
Enabled	HQ benefit	£780k	
Total benefit		£1.329m	

Table 51: Shared senior management posts

Type	Cost / benefit	£	Assumption
Enabled	Shared SMT benefit	£250k	<ul style="list-style-type: none"> Possible to have 1 Treasurer and 1 Monitoring Officer across both organisations Possible to have Principle Fire Officer Structure that has 2 Principle Fire Officers instead of 3 as some governance work currently undertaken would be absorbed by OPCC. These assumptions will need to be tested as part of a review of the Senior Management Structure to ensure that they are deliverable and sustainable Any changes are proposed to be phased in line with business need

Table 52: Shared support services

Type	Cost / benefit	£	Assumption
Enabled	Benefit at 5% p/a	£693,877	Based on total support service costs across both organisations of £13,877,542.

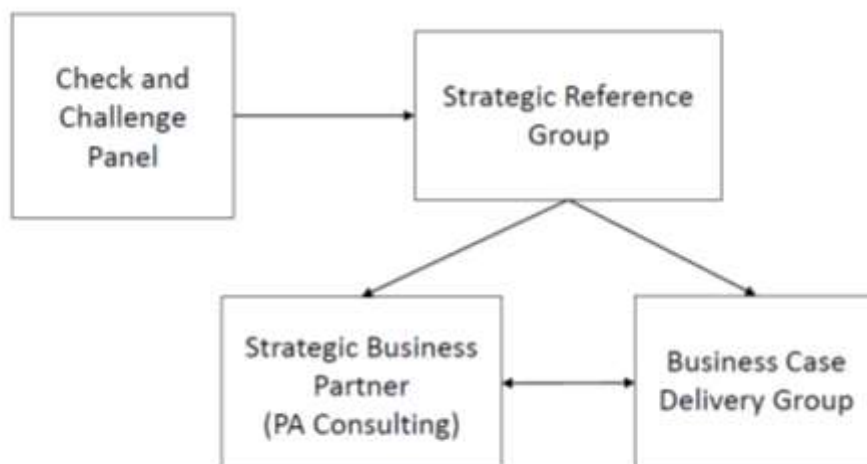
8.6 Public consultation report

See attachment.

8.7 Terms of Reference for Boards

The LBC process has been supported by the following structure.

Figure 36: Business case development structure



8.7.1 Strategic Reference Group terms of reference

- **Membership:** PCC, NYFRA Chair, Leader of North Yorkshire County Council, Leader of CYC, NYP Chief Constable, NYFRS Chief Fire Officer, PCC Monitoring Officer, NYFRA Monitoring Officer, Chief Executive of NYCC, Chief Executive of CYC, PCC Section 151 Officer, NYFRA Section 151 Officer
- **Meets:** Monthly or at presentation of options assessments and local business case.
- **Purpose:** To ensure that the local business case (under the provisions of S.6 Police & Crime Bill 2016) is fully informed, adequately resourced and can make the very best recommendation in the interests of economy, efficiency and effectiveness, and public safety.
- **Aims:**
 - To ensure that the strategic business partner appointed has access to all necessary information to inform the business case
 - To ensure that the business case is developed in compliance with the national guidance on Police and Fire Integration, HM Treasury's 'Green Book' model for public sector business cases and any other emerging best practice
 - To ensure the Business Case Delivery Group co-ordinates the work needed to enable and inform the development of the business case in a timely and efficient manner
 - To help ensure that communications by interested parties on the development and progress of the business case are clear, factual and accurate.
 - To be cognisant of learning emerging from both the Home Office Working Group and the development of other similar business cases being prepared nationally
 - To maintain a close working relationship with the 'Bluelight' Emergency Services Collaboration Working Group and ensure all relevant information is shared
 - To help interested parties identify and mitigate any risks in relation to the development of the business case
 - To consider and respond to recommendations of the Check & Challenge Panel

8.7.2 Check and Challenge Panel terms of reference

- **Membership:** D&DRFRS CFO, T&WFRS CFO, GMFRS Director of Corporate Support, former NYP ACC, WAS Chair, Civil Contingencies Secretariat Deputy Director, NY HMIC, NYFRA Monitoring Officer; PCC Chief of Staff, PCC Monitoring Officer

- **Meets:** Prior to presentation of options assessment reports and local business case.
- **Purpose:** The 'Check and Challenge Panel' will draw on each member's knowledge, skill and experience to advise the Strategic Reference Group.
- **Aims:**
 - Provide expert and objective scrutiny of the project's thinking and findings
 - Act as a critical friend to the Strategic Reference Group by providing insightful and invaluable feedback to help shape the very best business case for the public of North Yorkshire

8.7.3 Business Case Delivery Group terms of reference

- **Membership:** The following individuals or their deputies as appointed on a meeting-by-meeting basis: PCC Chief of Staff, NYP Head of Organisational Development, NYP Partnership Hub Superintendent, NYP Chief Finance Officer, NYFRS Assistant Chief Fire Officer, NYFRS Head of Finance and Administration, NYFRS Head of Risk Management
- **Meets:** Fortnightly
- **Purpose:** To facilitate the development of the local business case with the strategic business partner in response to the provisions made under S.6 Police & Crime Bill 2016, working to the timescales specified.
- **Aims:**
 - To act as points of contacts for the strategic business partner and to facilitate the business partner having access to all necessary information from members respective organisations to ensure the business case is as best informed as possible
 - To act as points of contacts for the individual interested parties and ensure that the appropriate lines of communication are provided to and from each parties respective governance structure
 - To identify with the business partner potential risks and issues
 - To ensure that communications by interested parties on the development and progress of the business case are clear, factual and accurate
 - To use any best practice and learning available from the group members
 - To take into consideration the collaboration opportunities identified by the Emergency Services Collaboration Working Group and other bodies where best practice may be emerging

8.8 Risk Register

Key:

Risk Rating			Accountable Owner	
No.	Likelihood	Impact		
			OPCC	Office of PCC: PCC's CEO accountable
1	Highly improbable	Negligible	CC	Chief Constable
2	Unlikely	Minor	CFO	Chief Fire Officer
3	Probable	Significant	PCP	Police and Crime Panel
4	Highly Probable	Severe	HO	Home Office

Owner	No.	Risk	Cause	Consequence	Inherent Risk		Control	Mitigation	Residual Risk	
OPCC/ C / CFO	1	SMT distraction during implementation of changes	Detail and extent of work to be completed requiring senior attention	BAU suffers	3	3	Transition management programme and board will spread workload and allow SMT to maintain a focus on BAU	Transition governance board will receive by exception. Further resource can be applied to business need	2	3

OPCC/ CC	2	Oversight of police impacted by focus on transfer	Extent of work needing to be undertaken and focus on developing strategy	Police scrutiny and accountability suffers	2	3	OPCC BAU monitored and staff roles clear to ensure continuation. Transfer programme management team in place to enable PCC to continue BAU	Police accountability meetings, themes and accountability work being planned in advance to ensure continuation	1	2
OPCC/ CFO	3	Transfer of employees to new FRA via statutory transfer causes industrial problems	Unions are dissatisfied with process and/or terms	Industrial action affects service	2	3	Engagement with staff and representative bodies started and planned	Regular communications about details of transfer	1	3
OPCC	4	Unforeseen costs or delays arise from not understanding nature of contracts, assets or liabilities	Lack of transparency or speed of providing information by NYFRS	Delays or costs impede transfer and the realisation of business case	2	2	Due diligence on key contracts undertaken. Full disclosure accepted and in process with further due diligence planned	Engagement between Monitoring Officers to resolve disputes. Legal advice on contracts, assets and liabilities can be commissioned	1	2
OPCC	5	Oversight of FRS overshadowed by oversight demand of police	Nature of business and demand on organisations being unbalanced	Development of FRS and services impeded; FRS feels neglected	1	3	Dedicated Policy and Scrutiny Officer within OPFCC; dedicated accountability meetings and FRS involved in corporate governance structure	Monitoring Officer to ensure balance	1	2
PCP	6	Insufficient scrutiny of PFCC's fire decisions by PFC Panel	Lack of time and resource	Public scrutiny of the PFCC's decisions on Fire is reduced	3	3	Discussions planned with PCP Chair and supporting officers to understand position and plan Panel's development	Assist PFCC in discussions with Home Office regarding resourcing	2	2
OPCC/ CFO	7	PFCC inherits plans for NYFRS part way through financial year that have the wrong	Insufficient influence in FRA; FRA unwilling to allow PCC to direct priorities once Home	Reform and change programmes are impeded by financial and strategic context,	3	4	PCC accepted invitation to join FRA; ongoing discussions between Monitoring Officers	Application to the Policing and Fire Minister	2	3

		priorities or are unaffordable	Secretary decision made	hindering realisation of business case						
OPCC	8	Costs of change are higher than estimated	Unforeseen circumstances or delayed process	Public confidence in process shaken; realisation of business case benefits impeded	2	2	Costs and benefits reviewed and updated in light of known position of Tier-one Authorities	Communication about process and impact	1	2
OPCC	9	Local Authorities and other partners feel that collaboration with FRS may diminish, risking planned benefits	Misunderstanding that transfer will mean exclusive relationship between FRS and Police	Mistrust and backing away from collaboration	2	3	Planned communication and engagement to ensure clear message and understanding of scope and alignment; active engagement on projects planned	Ensure partnership offers are attractive	1	2
OPCC	10	Judicial review of process	Mistrust in consultation process or Home Secretary's decision process	Delayed process impeding realisation of business case benefits	1	3	Continued communication between Monitoring Officers		1	3
OPCC	11	Benefits stated in business case are overstated	Assumptions in business case are not justified or robust	Benefits would need to be reassessed damaging public confidence, or sought from elsewhere	1	3	Benefits and assumptions are conservatively stated to minimise risk, and have been robustly scrutinised; regular oversight of benefit realisation and management	Regular communication on progress	1	3

OPCC	12	Local Authorities do not agree with the case for change, triggering the independent assessment process	Poor communication of rationale, misunderstanding, fear of change	Delay in transfer hinders realisation of benefits	3	3	Close collaboration during development of LBC to engage Local Authorities in case for change; close engagement with LAs during consultation; preparation for having to go through independent assessment	Engagement with Home Office to understand impact; realignment of benefits assumptions	3	2 Link 13
OPCC/ HO	13	Tight timescales mean transfer in first half of financial year is not possible	HO process is delayed	Realisation of business case benefits impeded	3	3	Advanced engagement with HO and clear indication of impact if risk realised	Regular communication on progress	2	3

8.9 Equality Impact Assessment

Police and Crime
Commissioner
North Yorkshire



EQUALITY AND HUMAN RIGHTS ASSESSMENT

Working Better Together: Options for improving collaboration between fire and police services

EQUALITY SECTION

1. What are the aims, objectives and intended outcomes of the initiative?

Summary

The local business case (LBC) sets out the PCC's proposal to recommend to the Home Secretary that an order is made under Section 4A of the Fire Services Act 2004 to transfer governance of the North Yorkshire Fire and Rescue Service to the PCC under the Governance model set out in the Policing and Crime Act 2017. The LBC finds that bringing the governance of police and fire services in North Yorkshire together will enhance collaboration between these and wider services, and improve the effectiveness, efficiency and economy of the services, ultimately improving public safety.

Background

The Policing and Crime Act 2017 introduces measures that place a statutory duty on emergency services to collaborate, and enables PCCs to apply to the Home Secretary for a transfer of governance of their local Fire and Rescue Service from the Fire and Rescue Authority to the PCC.

Scope

The scope of the LBC is only the transfer of governance of North Yorkshire Fire and Rescue Service. AS such this EIA only deals with the impact of this change.

The LBC also sets out a range of collaboration opportunities which could be implemented in the future, but which are not individually part of the assessment of this LBC. Many of these would have implications on the services which are provided to the public, staff and service users. All these collaboration opportunities would be subject to their own individual business case, and, at the time of preparing that business case, would be subject to a separate EIA.

Aim and objective

The LBC assesses the different options for governing North Yorkshire Fire and Rescue Service (NYFRS) set out in legislation. These are:

- The Representation model – the PCC becomes the 17th member of NYFRA

- The Governance model – the PCC replaces NYFRA, but the services retain their own chief officers
- The Single Employer model – the PCC replaces NYFRA, but one chief officer runs both organisations

Legislation requires that the LBC assess which model is most in the interests of efficiency, effectiveness and economy, or public safety, in North Yorkshire.

Outcome

The LBC finds that the Governance model will be the most beneficial in North Yorkshire. Evidence shows that this model will accelerate the pace and scale of decision making and collaboration, delivering a significant benefit for public safety. It also shows that the PCC model provides greater transparency, public accountability and is a more accessible model of governance with greater access for the public to the person who runs their services. Following public consultation, the PCC has decided to recommend a transfer of governance to the Home Secretary under Section 4A of the Fire Services Act 2004. The intended outcome of this initiative is therefore now to create a Police, Fire and Crime Commissioner (PFCC) and disband NYFRA.

This would see the PCC taking responsibility for fire services in North Yorkshire, becoming the employer of NYFRS personnel, and becoming the legal holder of all financial and commercial assets. The transfer of governance will not have a direct impact on the provision of fire services as this is only a transfer of governance and not a change in the service structure. Fire employees will have a new employer, and the PCC has confirmed that all staff will transfer on the same terms and conditions.

2. What research has been conducted or considered and who have you consulted with and why?

An assessment was conducted in June 2017. Given that there is no impact on services and that staff would transfer on their current terms and conditions, it was found that there would be no adverse impact on the equality or Human Rights of any person or protected characteristic.

To verify this assessment, a full consultation in line with statutory requirements has been undertaken. This has consulted the public, police and fire service employees and their representatives, partner organisations and local authorities. The consultation was open and anyone could respond. A comprehensive representative survey of the public of North Yorkshire was also conducted in line with Market Research Society standards providing a confidence rate of ±2.53% at 95% levels.

3. Could there be any implications for any of the protected characteristic groups as listed below?

Please provide details for all decisions – if a negative impact has been identified please state how this impact can be justified for the initiative.

	+ve	-ve	neut	Details
Age	Y			Having reviewed the proposal in light of the consultation result, there is no evidence that the Governance model would have a different or negative impact on any age group. Benefits accruing to the transparency and accessibility of the PCC would apply.
Disability	Y			Having reviewed the proposal in light of the consultation result, there is no evidence that the Governance model would have a

				different or negative impact on an individual or a group with disabilities. Benefits accruing to the transparency and accessibility of the PCC would apply.
Gender Reassignment	Y			Having reviewed the proposal in light of the consultation result, there is no evidence that the Governance model would have a different or negative impact on individuals undergoing gender reassignment. Benefits accruing to the transparency and accessibility of the PCC would apply.
Marriage and Civil Partnership	Y			Having reviewed the proposal in light of the consultation result, there is no evidence that the Governance model would have a different or negative impact on individuals who are married or in a civil partnership. Benefits accruing to the transparency and accessibility of the PCC would apply.
Pregnancy and Maternity	Y			Having reviewed the proposal in light of the consultation result, there is no evidence that the Governance model would have a different or negative impact on individuals who are pregnant or on or returning from maternity leave. Benefits accruing to the transparency and accessibility of the PCC would apply.
Race	Y			Having reviewed the proposal in light of the consultation result, there is no evidence that the Governance model would have a different or negative impact on any racial, national or ethnic group or individual. Benefits accruing to the transparency and accessibility of the PCC would apply.
Religion or Belief	Y			Having reviewed the proposal in light of the consultation result, there is no evidence that the Governance model would have a different or negative impact on individuals of any religion, belief, faith or culture. Benefits accruing to the transparency and accessibility of the PCC would apply.
Sex (Gender)	Y			Having reviewed the proposal in light of the consultation result, there is no evidence that the Governance model would have a different or negative impact on individuals of any gender. Benefits accruing to the transparency and accessibility of the PCC would apply.
Sexual Orientation	Y			Having reviewed the proposal in light of the consultation result, there is no evidence that the Governance model would have a different or negative impact on individuals of any sexual orientation. Benefits accruing to the transparency and accessibility of the PCC would apply.

HUMAN RIGHTS SECTION

1. Will the initiative engage anyone's Convention Rights?
No.
2. Will the initiative result in the restriction of a right?
No.
3. If any of the rights are Qualified Rights, you will need to undertake a balancing exercise : a) Is the restriction on the right lawful? Is there a law which allows you to make the initiative? b) What is the legitimate aim you are trying to achieve through this initiative? c) Is the restriction necessary and proportionate? Are you restricting one person's rights to protect the rights of another individual? Is there another way to achieve the aim identified in (b)?
N/A

Assessment carried out by :	Date :
Thomas Thorp, Policy and Scrutiny Manager	09/06/2017
Fraser Sampson, Interim Chief Executive Officer to the PCC	12/06/2017
Ruth Williams, Legal Officer (Equality and Human Rights)	16/10/2017

Review of Assessment :	Date :