



HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY

Purpose: Decision

Date: **THURSDAY 22 MARCH 2018**

Title: INITIAL BUSINESS CASE INTO THE PROPOSED CREATION OF A NEW COMBINED FIRE AUTHORITY TO INCLUDE HAMPSHIRE, SOUTHAMPTON, PORTSMOUTH AND THE ISLE OF WIGHT AUTHORITIES

Report of Chief Fire Officer

EXECUTIVE SUMMARY

1. This report provides Members with an initial business case to inform a decision on whether to proceed with public consultation in order to construct a full business case on the proposed creation of a new Combined Fire Authority (CFA) consisting of Hampshire, Southampton, Portsmouth and the Isle of Wight.
2. The report requires Members to consider the initial business case and recommends that the next step is to proceed with consultation. If both HFRA and Isle of Wight Council decide to proceed then each authority will run separate consultation exercises in Hampshire and the Isle of Wight and construct a full business case on the proposal. The final decision about whether to proceed to create a new CFA will be made by each Authority in the future, based on a full business case, which will include the outcomes of the Hampshire and Isle of Wight consultation exercises.
3. This report seeks approval from Members to delegate authority to the Chief Fire Officer to carry out a consultation exercise and develop a full business case.
4. For the purpose of creating an initial business case, the benefits and risks associated with the creation of a new CFA have been categorised into the following headings: Operational, Organisation (including our people), Public Safety, Financial and Legal. The risks and benefits associated with these categories are explained in more detail within the report at appendix A.
5. Initial investigations into the creation of a new CFA have identified three main benefits:
 - (a) Increased resilience and capacity operationally and organisationally.

- (b) Safer communities.
 - (c) Efficiency in scale and reduction in duplication.
6. The Home Office have been engaged throughout investigations. They have confirmed that a new CFA would result in a new Combination Scheme being created pursuant to section 2 of the Fire and Rescue Services Act 2004.

BACKGROUND

7. On 21 February 2017, both the Isle of Wight Council (IWC) and the Hampshire Fire and Rescue Authority (HFRA) agreed to an investigation into the extension of the current CFA to include the Isle of Wight Fire and Rescue Service (IWFRS.) Members of the HFRA and IWC asked the Chief Fire Officer to investigate a business case for both HFRA and IWC for further consideration and decision.
8. The report presented to the HFRA on 21 February 2017 is provided as background papers and provides details of the current Strategic Partnership, Delivering Differently in Partnership (DDiP), between the IWC and the HFRA and explains the rationale for investigating options for future governance.
9. That report set out areas to be explored during the investigation. The following have been considered throughout this piece of work:
 - Blue light services aligned to geographical boundaries and the benefits gained from driving partnership working including the current Blue Light Collaboration programme which focuses on operational areas that can be delivered in partnership to create efficiencies and safer communities and the benefits of blue light services covering the same geographical area.
 - The benefits that shared expertise, innovation, knowledge and use of resource's can bring to gain greater effectiveness and create safer communities.
 - The effectiveness and impact of existing partnerships and relationships.
 - The identity of both fire and rescue authorities and the uniqueness of the challenges faced by the IWFRS as an island Authority.
 - The Financial implications for both Fire and Rescue Authorities including council tax, savings and financial benefits.
 - The duties within the Policing and Crime Act 2017 and the Fire Reform Agenda.
 - Blue light services aligned to geographical boundaries linking with the Sustainability and Transformation Plan (STP).
 - The Isle of Wight Fire Service Review and how the review links to the options considered within this report.

METHODOLOGY

10. A team of officers from HFRS and IWC have worked together to carry out an analysis of the Operational, Organisation (people), Public Safety, Financial and Legal risks and benefits. Details of the risk and benefits can be found at appendix A.
11. An initial data gathering exercise has been carried out which looked at all aspects of HFRS and IWC work, including Fleet, Property and the Shared

Services partnership. A full business case would include a more detailed data gathering exercise and analysis.

12. The IWFRS is a department of the IWC which is fully embedded into the council's operations. A key component of the investigation has been to identify the true cost of the IWFRS. The IWFRS doesn't collect a separate precept for the fire and rescue service, and is funded through business rates, government grant and council tax. The HFRA is a combined fire authority, as it covers more than one local authority area and can set and collect council tax from local residents.

OPERATIONAL

13. In considering the operational benefits of the creation of a new CFA it has been identified that there could be an enhanced operational resilience and capacity for the Fire and Rescue Service.
14. A new CFA could provide employees with the opportunity to fully benefit from shared operational learning and knowledge and would allow for the simplification of organisational processes, some of which are misunderstood by the blurred lines of the current strategic partnership.

ORGANISATIONAL (PEOPLE)

15. The strategic partnership has resulted in the establishment of good relationships between the two Authorities, however a more stable platform, to ensure the continued success of these relationships, would be assisted by the creation of a new CFA.
16. Both Authorities have their own individual strengths which if combined into a new CFA could allow for the consistent and continued improvement of reputation and profile, locally and nationally.
17. The current Strategic Partnership between the HFRA and the IWC has been successfully operating for three years and has delivered benefits to both Authorities. A new CFA could provide the opportunity for increased and shared organisational resilience and capacity, organisational learning and knowledge. A larger organisation could provide greater learning and development opportunities for staff, assisting with retention rates and high performance.

PUBLIC SAFETY

18. The HFRS vision is to make life safer by ensuring safer communities and delivering the best possible services. The creation of a new CFA and the bringing together of two organisations into a larger Service would allow for the alignment of safety campaigns and greater consistency of safety messages to the public.

19. A new larger CFA and enhanced organisational and operational capacity could allow for enhanced cutting-edge delivery of services to communities and businesses across the whole of Hampshire and the Isle of Wight.

FINANCIAL ANALYSIS

20. From the initial investigations, it is clear that the overall business case for the creation of a new CFA must go well beyond only the financial considerations. A detailed financial analysis would need to be included in a full business case. At this stage, however each authority's finance officers have undertaken a high level financial analysis, together with a range of technical calculations, that provides data against which to consider the overall initial business case.
21. The approved net budgets for HFRA and IWFRS for 2018/19 are shown in the table below.

	£'000
HFRA	64,727
IWFRS	7,160

22. The costs above represent a like for like comparison of the total cost of providing fire and rescue services for both authorities.
23. The key assumptions made in undertaking the financial analysis are detailed below:
 - Baseline figures have been calculated for 2018/19.
 - Funding transfer will be based on the estimated IWFRS service costs for 2018/19 less agreed savings amounting to £278,000.
 - No transfer of debt, direct overheads or provision for repairs and maintenance. These costs have been assumed to remain with the council along with equivalent council tax income. In total these are estimated to amount to £1.025 million but are apportionments of the council's total costs which are not separately identifiable to the fire and rescue service.
 - Funding equivalent to the value of Fire Revenue Support Grant plus a share (5.65 per cent) of retained and top up business rates to transfer to the new combined authority (this is a technical adjustment and would need to be confirmed with government).
 - An equivalent share of reserves and balances and any earmarked funding for capital spend to be transferred, as at the date of transfer along with all existing IWFRS assets.
24. The process of creating a new CFA is both technical and complex on the financial side and has to ensure that no organisation would be in a worse financial position than it otherwise would have been.

25. One of the key benefits to the IWC would be the transfer of significant property (around £3 million in capital) and fleet liabilities that would otherwise need to be met, along with the opportunity to make some revenue savings in overheads without the equivalent loss of council tax income.
26. For a potential new CFA, the transfer of these liabilities may be offset to some extent by the additional council tax revenue arising through council tax harmonisation, together with the potential to make greater efficiencies as a larger CFA. It is anticipated that this will provide sufficient funding headroom to meet the liabilities and to gain greater control over how improvements to the estates and vehicles are achieved.

COUNCIL TAX

27. In investigating the initial business case, one of the key issues to consider in the potential creation of a new CFA is achieving council tax harmonisation across the whole of the area covered by the CFA. For Isle of Wight residents there would be a need to take out the IWFRS element from the general IWC tax precept for all IWC services and replace it with a new, separately identifiable precept for the new CFA. Effectively, residents will see this as a separate line on their bills in the same way as they do for police services.
28. A notional IWFRS council tax amount has been calculated by taking the net expenditure amount (£6.125 million), excluding overheads and then deducting that proportion of revenue support grant and business rate income it is estimated relates to the provision of that service. The notional council tax figures are annual figures for a band D property.
29. This gives a notional council tax for the IWFRS of £63.51, which is £2.23 lower than the 2018/19 council tax for HFRS of £65.74. A potential new CFA would need to agree with government a process of council tax harmonisation across the area so that all residents covered by the service are making the same contributions to it. There are a number of different options that can be applied; if, for example, council tax was harmonised at the higher of the two levels, this would give the new CFA additional income of around £118,000 per annum, which will help to offset some of the liabilities identified with the IWFRS.
30. At this stage therefore, it is felt that the financial situation provides a positive opportunity to enter a public consultation exercise, the finer details of the financial analysis will need to continue as part of the development of a full business case.
31. The team carrying out the investigations, which consists of officers from both Hampshire and the Isle of Wight, has been funded from existing budgets. Should there be agreement to proceed to public consultation and the creation of a full business case, a joint team would continue this work and be resourced from existing budgets.

32. Should there be a further decision to create a new CFA, following consultation and creation of a full business case, then an implementation team will be required to deliver the project and the resourcing of this would be considered as part of the full business case. Discussions with the Home Office will continue to determine whether any financial support for implementation is available.

LEGAL IMPLICATIONS

33. Advice from the Home Office has clarified that a change in the governance model of the HFRA and the fire and rescue service which sits within the IWC would result in a new Combination Scheme being created as stipulated in section 2 of the Fire and Rescue Services Act 2004. A new Combined Fire Authority (CFA) would be established consisting of Hampshire County Council (HCC), Portsmouth City Council (PCC), Southampton City Council (SCC) and the Isle of Wight Council (IWC). A new Combination Order would be created for the new CFA. This would be carried out by Home Office lawyers in conjunction with HFRA and IWC legal representatives.
34. In relation to staff transfers, identified IWFRS staff and all HFRA staff would transfer into the new CFA. Further advice from legal teams will be sought around this aspect of the creation of a new CFA.
35. The detailed legal implications of the creation of a new CFA, including things such as the transfer of assets and contract management would be explored in more detail by legal professionals and would form part of a full business case

GOVERNANCE AND LEADERSHIP

36. A new CFA would be made up of Members from the Councils of Hampshire, Portsmouth, Southampton and the Isle of Wight who would make decisions on fire related matters. The make up of a new CFA is likely to be calculated as set out in the current Combination Order. This is based (so far as practicable) on the number of members from each Constituent Authority being proportionate to the number of electors in that Constituent Authority's area, relative the number of electors in the other Constituent Authorities' areas.
37. The improved efficiency and effectiveness of Fire Authorities across the Country came into the spotlight when the then Home Secretary Theresa May gave her Fire Reform speech in May 2016. If created, a new Combined Fire Authority consisting of Hampshire, Portsmouth, Southampton and Isle of Wight must recognise the importance of the principles of Fire Reform and

continue to operate in the most efficient and effective way. This sentiment was reflected in the outcomes of HFRA's Governance Review in 2016, which saw the size of the Authority reduced from 25 to 10 Members.

38. Recent electorate data supplied by Hampshire, Portsmouth, Southampton and Isle of Wight Authorities, suggests that a new CFA of 11 members would meet the requirements described in paragraph 36 above, whilst at the same time ensuring a new CFA that is efficient and effective in accordance with the principles identified in HFRA's Governance Review. It is proposed that consultation should take place with the Constituent Authorities and other relevant stakeholders seeking a view on a preferred proposed governance model for a new CFA of 11 Members consisting of eight Members from Hampshire County Council, one Member from Portsmouth City Council, one Member from Southampton County Council and one Member from the Isle of Wight Council.
39. The Police and Crime Commissioner currently participates in HFRA meetings as an invited guest. Under a new CFA, this invitation would continue. There are no plans for this arrangement to change although the PCC can now ask to become a voting member and HFRA can agree to this.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

40. Hampshire Fire and Rescue Service's (HFRS) aim is to be the best fire and rescue service in the Country. We are focused on ensuring we deliver the best possible services to our communities and make life safer for everyone. We are committed to developing our Service placing efficiency, effectiveness and public safety at the heart of all our decisions.
41. Continuing with the development of a full business case and public consultation supports our Safer and Stronger priorities and our vision to create a safer Hampshire.

CONSULTATION

42. If Members agree to proceed with the creation of a full business case to inform a future decision about the proposed creation of a new CFA, there will be a requirement to carry out an appropriate consultation exercise. It is anticipated consultation would run for 12 weeks, aimed at the public and key stakeholders including the current constituent authorities and the Police and Crime Commissioner. Consultation responses would then be analysed and considered by HFRA and IWC along with the full business case and any other relevant information in October or November 2018. There would be two separate consultation exercises carried out, one by HFRA in Hampshire and one by the IWC on the Isle of Wight.
43. This report seeks delegation to the Chief Fire Officer in consultation with the Chairman to finalise the consultation for Hampshire, carry out the process and report back to Members in October 2018.
44. Engagement has taken place with the Home Office to ensure they are aware of the work currently being carried out. The Home Office welcomed the investigations into the proposed creation of a new CFA and were supportive of the direction of travel that both the HFRA and IWC are progressing.

COLLABORATION

45. Hampshire Fire and Rescue Authority and the Isle of Wight Council have already established a successful strategic partnership through the Delivering Differently in Partnership (DDiP) which was created in April 2015. The partnership has been operating for nearly three years and has seen benefits to both Authorities and the communities we serve. Both HFRA and IWC are committed to ensuring the most efficient and effective governance models are in place that will benefit the residents of both the Isle of Wight and Hampshire.
46. The Policing and Crime Act 2017 places a duty on both Authorities to collaborate and engage with other blue light partners where it is in the interest of effectiveness, efficiency and public safety. Both Authorities are committed to ensuring the continued engagement with our blue light partners.
47. A Blue Light Collaboration Programme has been established between HFRS, Hampshire Constabulary (HC) and South Central Ambulance Service (SCAS). The programme is governed by a Blue Light Collaboration Board and continues to be an excellent demonstration emergency services collaboration. A change in governance model for HFRA and IWFRS would not affect the momentum of the Blue Light Collaboration Programme and would provide benefits of being co-terminus with Hampshire Constabulary boundaries.

48. The IWC has a vision about a ‘one public service’ on the Island. Through the strategic partnership with IWFRS, HFRS officers are fully engaged with these discussions and are establishing relationships across blue light and public sector partners. HFRS are committed to helping deliver the ‘one public service’ vision on the Island and enabling closer working with Hampshire Constabulary and Isle of Wight Ambulance Service. A change in governance arrangements may provide more strategic capacity within the fire and rescue service to help move this vision forward.

RESOURCE IMPLICATIONS

49. The team carrying out the investigations, which consists of Officers from both Hampshire and the Isle of Wight, has been funded from existing budgets. Should there be agreement to proceed to public consultation and the creation of a full business case, a joint team would continue this work and be resourced from existing budgets.
50. Should there be a further decision by both Authorities, following consultation and consideration of a full business case, to create a new CFA, an implementation team will be required to deliver the project and the resourcing of this would be considered as part of the full business case. Discussions with the Home Office will continue to determine whether any financial support for implementation is available.

EQUALITY IMPACT ASSESSMENT

51. A stage one equality impact assessment has been carried out which assesses the impact of the eight protected characteristics as outlined in the Equality Act 2010. The assessment has identified a potential impact on any employees and Fire Authority Members with a disability, should there be a need to travel to the Isle of Wight for any reason.
52. If Members approve the recommendations with this report, a stage two equality impact assessment would be carried out to identify if any employees and Authority Members are affected and if so, consult with them and provide a plan for support.

OPTIONS

53. Option 1: Subject to the IoW Council’s decision, each Authority will carry out separate consultation exercises with relevant stakeholders (including the public) in Hampshire and the Isle of Wight about the proposal to create a new CFA consisting of the Authorities of Hampshire, Portsmouth, Southampton and the Isle of Wight and develop a full business case, which will include the outcome of the consultation.

If this option is chosen, a full business case including the outcome of the two public consultation exercises and further detailed data analysis would be

brought back to the IWC and the HFRA in October 2018 for decisions about whether to proceed with the proposal to create a new CFA.

54. Option 2: Maintain existing strategic partnership arrangements and do not explore further the proposal to create a new CFA.
55. If this option is chosen, it would indicate that a creation of a new CFA is not the preferred option. A review of the current strategic partnership, DDiP, would be required.

RISK ANALYSIS

56. Risk Management practices have been applied throughout the investigation of the creation of a new CFA.
57. The two options explained in appendix A clearly set out the risks associated to them and would be developed further as part of a full business case.

CONCLUSION

58. Based on the information within this report, it is recommended that option one is approved by Members. Initial investigations have demonstrated that through the proposed creation of a new CFA there could be many benefits realised and further investigation and consultation on this option and the creation of a full business case would be the next step.

RECOMMENDATION

59. That the HFRA delegate authority to the Chief Fire Officer, in consultation with the Chairman, to carry out consultation on the proposed creation of a new CFA consisting of the Authorities of Hampshire, Portsmouth, Southampton and the Isle of Wight.
60. That the HFRA delegate authority to the Chief Fire Officer to create a full business case, to include the outcomes of consultation, to be brought back to the Authorities in October 2018 for decisions about whether to proceed with the proposal to create a new CFA.

APPENDICES ATTACHED

61. Appendix A: risks and benefits analysis
Appendix B: Police and Crime Commissioner letter

BACKGROUND PAPERS

62. [Hampshire Fire and Rescue Authority report, 21 February 2017; Potential to expand the existing Combined Fire Authority of Hampshire, Portsmouth and Southampton to include the Isle of Wight Fire Authority](#)

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Appendix A: risks and benefits analysis

	Option 1: Carry out a consultation exercise considering the creation of a new CFA consisting of the Authorities of Hampshire, Portsmouth, Southampton and the Isle of Wight.	Option 2: Maintain existing arrangements		
	Benefits:	Risks:	Benefits:	Risks:
Operational	<ul style="list-style-type: none"> A new CFA could provide an enhanced resilience and capacity facility for operational employees. Both Hampshire and Isle of Wight employees currently enjoy the benefits of shared operational learning and knowledge. It is felt that a new CFA could ensure that the sharing of operational learning and knowledge continues. The Strategic Partnership between the HFRA and the IWC has been successfully operating for three years and has delivered benefits to both Authorities. The creation of a new CFA could build on the operational benefits realised under the existing partnership. 	<ul style="list-style-type: none"> The creation of a new CFA could pose challenges with regards to geography. The ability to travel from one location to another, especially in an emergency situation is more difficult. Ensuring the most efficient mode of transport is always available will be extremely important for the success of a new CFA. Each Authority currently has different Integrated Risk Management Plans (IRMP). There are also different priorities, response standards and performance indicators. Ideally these could be aligned but this could take some time to work through and there could be a period where two Authorities could remain separate and still have separate plans. 	<ul style="list-style-type: none"> Remaining as two separate organisations would maintain each organisation's focus in the short term. There would be no distractions from a change in governance. If organisations were to remain as two separate entities, each organisation would maintain their own independence 	<ul style="list-style-type: none"> Creating a new CFA could create capacity and resilience, if the status quo remained there would not be the opportunity to increase capacity and resilience. Existing relationships do not continue to develop.

Organisational (people)	<ul style="list-style-type: none"> Good relationships between the two Authorities already exist and continue to thrive. The creation of a new CFA could provide a more stable platform to ensure the continued success of relationships. There are currently two separate teams whose role is to provide internal and external communications. The creation of a new CFA could ensure consistent internal and external messaging and could result in one single Communications Strategy. Both Authorities have their own individual strengths which could be combined into a new CFA to improve reputation and profile locally and nationally. A new CFA could provide the opportunity for an increased and shared organisational resilience and capacity. The Strategic Partnership between the HFRA and the IWC has been successfully operating for three years and has delivered benefits to both Authorities. A new CFA could provide the opportunity for increased and shared organisational learning 	<ul style="list-style-type: none"> The new CFA could inherit a property portfolio that has a number of liabilities. Increased resource may be needed from a Health and Safety and Estates perspective in the short term. Each Authority is currently very different in its culture and identity. How the two organisations could be brought together ensuring staff from both Hampshire and the Isle of Wight are valued equally will take some time to work through. Learning can be sought from Devon & Somerset and Dorset and Wiltshire Fire and Rescue Services who have recently undergone a combination. The creation of a new CFA may result in an initial short-term increase in workloads as part of the implementation and move to business as usual. Teams have recently undergone a review to ensure they are working in the most efficient way financially and any extra work placed on them may need to be financed and resourced separately (in the 	<ul style="list-style-type: none"> Maintaining as two separate organisations would mean that liabilities from the IWFRS property estate would not be inherited. Maintaining as two separate organisations would there is no requirement to join existing teams. 	<ul style="list-style-type: none"> Maintaining as two separate organisations could have a negative effect on the progress of the current partnership If the existing arrangements were maintained both organisations would not be able to realise the benefits of becoming a new CFA. Separate strategies would still remain and duplication of work could continue to exist. Maintaining as two separate organisations and the subsequent review of DDiP, may not continue on the same trajectory as previous progress has demonstrated.
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	<p>and knowledge.</p> <ul style="list-style-type: none"> • The creation of a new CFA could acknowledge the importance both Authorities place on collaboration and partnership working and assist with meeting the duties set out in the Policing and Crime Act 2017. • A larger organisation could provide greater learning and development opportunities for staff assisting with retention rates and high performance. • Opportunities for staff to work flexibility across the Isle of Wight and Hampshire. 	<p>short term) or may require a re-prioritisation of existing workloads.</p> <ul style="list-style-type: none"> • Some areas of work carried out by the Authorities are complex and further investigation needs to be carried out to better understand how easy it will be to align them. The final alignment of teams may take some time if complex issues are uncovered such as aligning IT networks and re-negotiation of contracts. • Both Authorities currently have a number of contracts, partnerships, Service Level Agreements (SLAs) and Memorandum of Understandings (MOUs), some of which may have financial aspects, and it could take some time to unpick these for a new CFA. There could also be a potential cost and resource implications for the re-write, negotiation, exiting or entering of contracts. • The creation of a new CFA may require a considerable amount of implementation which could result in the 		
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		<p>disruption of business as usual work. Ensuring that an implementation team is resourced appropriately and can support current teams could help to eliminate any disruption.</p> <ul style="list-style-type: none"> • Current IT networks are different across HFRA and IWC. The cost of aligning networks and ensuring a full IT functionality are unknown and further investigation may be required to identify the full cost. 		
Public Safety	<ul style="list-style-type: none"> • The creation of a new CFA and the bringing together of teams and strategies would allow for the alignment of Communications Strategies. This could ensure a wider reach of safety campaigns and greater consistency of safety messages to the public. • A new larger CFA could allow for greater opportunity for enhanced cutting-edge delivery of services to communities and businesses across the whole of Hampshire and the Isle of Wight. • The Strategic Partnership currently in place has resulted in benefits to the communities in Hampshire and the Isle of Wight. 	<ul style="list-style-type: none"> • Current safety messages are relayed to the public in an inconsistent manner due an unaligned Communications Strategy. The public should receive safety messages in the most clear and effective way rather than in the current ad hoc way. 	<p>We have not identified any benefits to public safety should the status quo remain.</p>	<ul style="list-style-type: none"> • Maintaining as two separate organisations could mean that the public won't receive the all the potential benefits identified in the creation of a new CFA.

	<p>The creation of a new CFA could further enhance these benefits and lead to safer communities.</p> <ul style="list-style-type: none"> • HFRS and IWFRS have already established arrangements for a shared fire control. 			
Financial	<ul style="list-style-type: none"> • A new CFA with a larger budget could provide additional financial resilience and capacity. • The current Emergency Services Mobile Communications Programme (ESMCP) national project will require individual Authorities to invest financially in new technological equipment to support the national infrastructure put in place. A new CFA could mean one single investment as opposed to two separate ones. • It is anticipated that there could be efficiency savings available in the long term for the new CFA. • Potential savings to IWC could be made. • The financial sustainability of HFRS could be greater as part of a larger CFA. 	<ul style="list-style-type: none"> • The total cost of implementation is not known. The full cost of implementation will be investigated and clarified should the full business case be progressed. • There is a property maintenance liability of approximately £3 million when the assets transfer into a new CFA. This may require some short and medium-term investment. • 	<ul style="list-style-type: none"> • Maintaining as two separate organisations would mean there could not be any incurrence of costs as there could be to implement the changes in governance and create a new CFA. • Maintaining as two separate organisations means there could be no transfer of property liability. 	<ul style="list-style-type: none"> • Maintaining as two separate organisations would mean that savings identified through the creation of a new CFA could not be achieved.
Legal	<ul style="list-style-type: none"> • Theresa May launched the Fire Reform agenda in May 2016 		<ul style="list-style-type: none"> • Maintaining as two separate organisations 	<ul style="list-style-type: none"> • Maintaining as two separate organisations

	<p>which focused on improved efficiency, effectiveness and public safety for Fire Authorities. The creation of a new CFA to ensure greater efficiency, effectiveness and public safety supports Home Office policy and the direction they expect with regards to collaboration.</p> <ul style="list-style-type: none"> • A new CFA would assist with partnership working in that it could make the boundary co-terminal with Hampshire Constabulary. • The Police and Crime Commissioner has set his expectation in his letter to the Chairman of the HFRA and the IWC. The creation of a new CFA would demonstrate that both Authorities are aligned with the PCCs views and current thinking. 		<p>could mean that the IWC could retain political control and accountability of the Fire and Rescue Service (FRS).</p>	<p>could not meet the 'successful coming together' that the Police and Crime Commissioner describes in the letter to HFRA Chairman dated 12 February 2018 and may result in a business case submitted by the Police and Crime Commissioner to look at future governance models.</p>
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Appendix B: Police and Crime Commissioner letter



Councillor C Carter
Chairman
Hampshire Fire & Rescue Authority
Hampshire County Council
The Castle
Winchester
SO23 8UB

Dear Chris,

12 February 2018

As agreed at the Police-Fire Governance Board on Thursday 8 February, this letter sets out the key points covered in the meeting and my thinking on the way forward.

Over the last six months I have taken the opportunity to review options presented to me by the Policing and Crime Act 2017 for governance of fire services within my area. I am grateful for your support in reviewing these options in a collaborative and co-operative manner, with the shared focus on achieving the best outcome for the people of Hampshire, the Isle of Wight, Portsmouth and Southampton.

I am proud that we are often evidenced as best in class when it comes to the improved effectiveness and efficiency we have achieved through collaboration. However we now need to challenge ourselves to pursue those opportunities that have been identified for further collaboration, but require greater effort to achieve.

It is clear that we all:

- have a common purpose in keeping our communities safer
- are in agreement that partnership matters, and is key to our ongoing and future success.

I am grateful to colleagues who expressed their confidence in the Fire Authorities' work and their advocacy of Option 2 and their invitation for me to join both Authorities.

Whilst some benefits of a change in governance (option three) are also identified, I believe that if our teams continue to work together many of these could be brought forward and delivered within the existing partnership and cooperative arrangement.

I heard, powerfully stated in the meeting, the potential risks from disrupting some plans that are already in progress.

I acknowledge the value from landing work in progress.

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As stated in the meeting, my proposals are that:

- we continue for the time being with the status quo (option one)
- I will maintain a watching brief whilst continuing to engage and support the fire authorities in the work they are doing.

Over the coming months there are a number of things I will continue to look for:

- successful coming together of the fire authorities which I understand we will hear good progress reports in March
- the new inspection regime with HMICFRS and the confirmation of ongoing excellent performance of our fire services
- the bringing together of further significant savings through the existing collaboration, which delivered so well in the past.

I would like to thank you again for your contributions to the gathering of the evidence that has led to this decision, and for your continued support for working together in a more collaborative way to keep our communities safer.

Best wishes,
Mike


cc: Cllr Dave Stewart
Olivia Pinkney
Neil Odin
John Metcalfe
James Payne