

<b>MERSEYSIDE FIRE AND RESCUE AUTHORITY</b>			
<b>MEETING OF THE:</b>	<b>JOINT FIRE AND POLICE COMMITTEE</b>		
<b>DATE:</b>	<b>19<sup>TH</sup> MAY 2017</b>	<b>REPORT NO:</b>	<b>CFO/027/17</b>
<b>PRESENTING OFFICER</b>	<b>CFO STEPHENS CC COOKE</b>		
<b>RESPONSIBLE OFFICER:</b>	<b>DCFO GARRIGAN DCC FOULKES</b>	<b>REPORT AUTHOR:</b>	<b>PAUL MURPHY HELEN CORCORAN</b>
<b>OFFICERS CONSULTED:</b>			
<b>TITLE OF REPORT:</b>	<b>BLUE LIGHT COLLABORATION PROGRAMME - CORPORATE SERVICES REVIEW</b>		

<b>APPENDICES:</b>	
--------------------	--

### **Purpose of Report**

1. To provide Committee members with an update on the progress of the Corporate Services Review Project.

### **Recommendation**

2. That Members note the content of the report.

### **Introduction and Background**

3. In September 2015 the joint Merseyside Fire and Police Committee agreed to explore potential collaboration opportunities between Merseyside Fire and Rescue Authority (MFRA) and Merseyside Police. One of the work streams established was the Corporate Services Review (CSR).
4. At its meeting on 2<sup>nd</sup> February members considered report CFO/014/17 and approved the recommendation to undertake further work to consider all of the Corporate Services functions as a collaborative approach between both organisations.
5. A Joint Chief Officer Group Meeting was held in February 2017 to discuss which of the Corporate Services functions should be focused on first. It was agreed that work should initially be undertaken on the Resources (HR, Finance, Procurement and Payroll and Pensions) and ICT functions. The Deloitte Report highlighted a number of potential benefits for the Resources Function including efficiency and financial savings that could be achieved. ICT is considered to be a key enabler for a collaborative approach across the other functions.
6. Following feedback from senior stakeholders in both organisations, Chief Officers also requested further work to be undertaken to consider any potential alternative

operating models for the Resources and ICT functions before a decision is made to progress to the Design business case phase.

7. Meetings and workshops have been held with senior representatives from ICT and the Resources functions as individual organisations to consider potential alternative operating models. These have been followed by joint meetings to present and discuss each organisation's alternative proposals or position on the Deloitte Report recommendations.
8. Both ICT Departments were in general agreement with the Deloitte proposals for a joint ICT Department as it is similar to any generic ICT Department under the industry standard ITIL guidelines with some slight changes which can be considered in more detail during the design phase. Further work and meetings are required for the Resources Function due to the complexity and number of functions involved across both organisations.
9. At the meeting on 2<sup>nd</sup> February 2017 members also supported and approved further work to be undertaken in conjunction with key stakeholders to consider the following areas:
  - Delivery Models
  - Employment Models
  - Governance Arrangements (Service Level)
  - Cost Apportionment Models
  - Transitional Arrangements and costs
  - Co-location and estate considerations
10. As expected discussions in these areas have been complex. Representatives from each organisation's Legal Services and HR Departments have been working to ensure the range of delivery and employment models and options are fully researched and developed. This includes consideration of any advantages and disadvantages of each model/option. As part of this work consideration will also need to be given to any significant differences between the organisations, for example differences in terms and conditions of employment.
11. Representatives from the Finance Departments have met to consider and discuss potential cost apportionment models. During the meetings, it was evident that for each of the cost apportionment methods discussed, there are potential merits and drawbacks. It will be important to evaluate each method against an agreed set of key principles or suitable criteria. The relative performance against each of these principles or criteria can then be viewed in-line with the priorities of each of the two organisations.
12. In agreeing any cost apportionment, consideration will also need to be given to one-off costs attributable to the implementation of any new shared Corporate Services provision. These include costs relating to redundancy or salary protection across the organisations, as well as any share of implementation costs incurred from such a project.

13. It is evident that further work will need to be undertaken on potential delivery models, employment models, governance arrangements (Service Level), co-location and estate considerations and transitional costs. The range of models and options for each area will be fully researched and developed including consideration of any advantages and disadvantages of each model/option in order to identify any potential preferred option(s) which would form part of the future business cases.
14. A road map which outlines the timeline for any design and build, HR processes, procurement and implementation phases required will be developed and agreed where appropriate.
15. Once agreed, this phase would consider the design and sizing of any new organisational structure, roles and responsibilities of each function and any future ICT architecture and ICT support applications for each functional area. As part of any future design and build phase a business case will be developed for each functional area for consideration by Chief Officers and the Police and Fire Committee.

---

#### **Equality and Diversity Implications**

---

16. Any identified deliverables emanating from the programme will be subject to a full Equality Impact Assessment throughout the process and compliance with the requirements of the Equality Act 2010 will be maintained.

---

#### **Staff Implications**

---

17. It is recognised that there is the potential for significant impact on staff from both organisations, however this cannot be fully gauged until full consideration of all options has been undertaken and a business case produced that identifies specific roles.
18. A Communication and Engagement Plan will detail the approach to be taken in keeping staff fully informed of the process
19. MFRA and Merseyside Police will continue to consult with all relevant stakeholders.
20. All consultation with the Representative Bodies will be conducted in accordance with employment law timescale requirements. Formal consultation will be planned and co-ordinated between the Fire and Rescue Authority and Police and Crime Commissioner/Chief Constable to ensure continuity of message to all employees and utilisation of internal best practice.

---

#### **Legal Implications**

---

21. As a result of the Cities and Local Government Devolution Act a Metro Mayor for the Liverpool City Region was elected on 4<sup>th</sup> May 2017. Fire and Police services will not be directly affected during the early stages of the Liverpool City Region planning.

22. All relevant legislation will need to be taken fully into consideration when establishing potential collaboration outcomes. The Collaboration Programme Team will liaise closely with the Legal Teams in each organisation as required. Legal advice will also be provided to the Chief Officer Board.

---

### **Financial Implications & Value for Money**

---

23. Cost benefit analysis will be an integral part of the Design and Build Phase of any business cases.
24. Cost apportionment model options will be developed by the collaboration leads, with support from Merseyside Fire and Rescue Service and Merseyside Police Finance Officers.
25. MFRA has already assumed £1m savings from their support services for 2017/2018 which will impact on the baseline costs and potential savings identified by Deloitte. These identified savings and any savings identified by Merseyside Police will need to be taken into consideration and allocated as a proportion to both organisations.

---

### **Risk Management, Health & Safety, and Environmental Implications**

---

26. The Corporate Services Review Project is being delivered in line with recognised project methodology. A risk register has been created which will be maintained by the Collaboration Programme Team.

---

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*  
*'Community First'*

---

27. The communities of Merseyside will continue to benefit from the best possible protection from its' Blue Light Services and put the community at the heart of everything we do.

---

### **BACKGROUND PAPERS**

---

Police and Fire Committee Report - CFO/014/17

---

### **GLOSSARY OF TERMS**

---

<b>CSR</b>	<b>Corporate Services Review</b>
<b>MFRA</b>	<b>Merseyside Fire and Rescue Authority</b>
<b>MFRS</b>	<b>Merseyside Fire and Rescue Service</b>
<b>ROADMAP</b>	An outline of the timescales, key activities, risks and resources required to implement any proposals. This supports the transformation of an

organisation from the current state to the future state.

**DESIGN  
AND BUILD**

Creating the processes, structures, resources and all associated arrangements required to successfully implement any collaboration proposals and the management of the implementation of those proposals.