

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	JOINT POLICE & FIRE COLLABORATION COMMITTEE		
DATE:		REPORT NO:	CFO/021/16
PRESENTING OFFICER	CHIEF FIRE OFFICER CHIEF CONSTABLE		
RESPONSIBLE OFFICER:	CHIEF FIRE OFFICER CHIEF CONSTABLE	REPORT AUTHOR:	JOHN MCNEILL HELEN CORCORAN
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TITLE OF REPORT:	BLUE LIGHT COLLABORATION - CORPORATE SERVICES UPDATE		

APPENDICES:	
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Purpose of Report

1. To inform members of the progress made to date with regard to the Emergency Services Collaboration Programme, review of Corporate Services.

Recommendation

2. That Members;
 - a. Approve the Programme Board decision to move to the development of an interim/outline business case in all areas of Corporate Services where opportunities for collaborative working have been identified.
 - b. Provide the Programme Board with direction as to whether or not the PCC office and staff are to be considered as being "in scope" when developing a business case for collaborative working. (*para 17*)

Introduction and Background

3. At its meeting on 19th October 2015 the Joint Police and Fire Collaboration Committee ("the Committee") considered report. CFO/087/15

4. The Committee approved the recommendations of the report and requested that the Chief Fire Officer (CFO) and Chief Constable (CC) undertake a full opportunities assessment in line with the methodology detailed within the Guiding Principles.
5. On 22nd January the Collaboration Project Team presented the outcomes of the Opportunities Assessment process to the Corporate Service Review Programme Board
6. The Corporate Services Review Board is jointly chaired by DCFO Garrigan (MFRS), and DCC Cooke (Police).
7. Collaboration Project leads - John McNeill (MFRS) and Helen Corcoran (Police) provide updates to the Board.
8. Following initial scoping and the completion of an opportunities assessment for each of the different Corporate Services areas it has been confirmed that each organisation delivers a number of similar transactional services although the methods, systems utilised (including ICT, Finance and HR), and processes applied are significantly different. This is also true of staff terms and conditions.
9. That said the opportunities for collaboration between the two organisations will now be further explored to consider the most appropriate options and the most suitable method and timescale to facilitate this transition where appropriate.
10. The main issues and considerations for Corporate Services collaboration which will require further examination during the development of the interim/outline business case include:

Outsourced/In-house Provision

- MFRA has outsourced provision for ICT , Facilities Management, , Treasury Management, Internal Audit and the management of the Finance/HR/Payroll & Procurement ICT systems whereas Merseyside Police provide these functions 'in-house,'
 - Effective from April 2016 MFRA approved a new five year ICT contract with Telent.
 - Merseyside Police has outsourced provision for its payroll and clothing stores function both of which are provided 'in-house' by MFRA
 - Both organisations have outsourced elements of the provision for their pensions function, albeit with different providers.
11. Many of the outsourced functions are on contracts of varying duration up to 5 years, some of which have just begun. This may potentially make collaboration difficult or delay when the collaboration could be implemented. Further work needs to be undertaken to understand the benefits and risks of outsourced provision compared with 'in-house' services and vice versa for each of the different functions. Consideration also needs to be given to whether either model is more suitable for collaboration and if so, if any outsourced provision can be extended to deliver a more efficient service, taking in to account the penalties associated with terminating any contracts early.

ICT Systems

12. Each organisation uses different ICT systems for most of the functional areas. Further work needs to be undertaken to review the existing ICT systems to see if any are suitable for delivery of the corporate services function for both organisations or if new ICT systems are required.

Employment Considerations:

13. Further work needs to be undertaken in consultation with internal Legal Services and HR Departments to identify and consider the most suitable employment model based on the chosen delivery function. These models may include:
 - Lead Organisation
 - Host Organisation
 - Public/Public Partnership
 - Separate Legal Entity
14. Staff from each organisation currently have different nationally agreed contractual terms and conditions, which are more often than not supplemented by a set of local conditions of service. Additionally employees will also have different contractual pension schemes in place. As these are statutory national terms and conditions, any decision is to change all or some of these conditions this will require a period of negotiation with the relevant representative bodies. If agreement is not achieved through negotiation enforced change could result in industrial action or poor staff retention.
15. There is also the possibility of encountering equal pay claims for roles of equal value, as well as the potential for comparability of roles and regrade applications which will inevitably have a cost implication

Vetting

16. Each organisation operates different levels of vetting. The majority of MFRA staff are vetted to Level 2 and Merseyside Police Staff are vetted to a minimum of level 3. Further work will need to be undertaken to understand the implications of vetting and the potential risk on employment contracts should the decision be taken to extend this requirement across all corporate service areas.

Cost Apportionment

17. Further work needs to be undertaken in consultation with the Finance Departments to develop an appropriate cost apportionment model for any corporate service options deemed suitable for sharing. Based on current regulations any model needs to ensure no cross subsidisation takes place when monies raised via the Fire and Police precepts are utilised to fund the relevant specific services.

Legal Services

18. The Force Solicitor / Director of Legal Service have identified an issue in relation to their practising certificates in that they only allow them to practice for their respective organisations and therefore anticipate difficulties in providing services for each other's organisations. Further work needs to be undertaken to explore the issues in more detail and identify if any measures can be put in place to overcome this issue.

Office of Police and Crime Commissioner

19. MFRA Director of Legal Services performs the statutory role of Monitoring Officer for Merseyside Fire and Rescue Authority and the Treasurer provides the statutory Section 151 Officer position for the Authority. Similar functions are performed by staff in the Office of the Police and Crime Commissioner. Consideration should be given to whether these roles should be considered 'in scope' as work progresses to an outline business case.

Implementation Approach

20. In developing an interim/outline business case for a Shared Corporate Services function further work needs to be undertaken to identify the most appropriate implementation model. It may be easier for certain functions to collaborate earlier and other functions which are more complex to collaborate later due to contractual or technical issues i.e. ICT contracts / systems.
21. Merseyside Police is currently conducting a significant review of all aspects of their delivery model in order to achieve an estimated £20 million savings which are still required as part of the Government's Comprehensive Spending Review. A decision has been taken to place the internal work relating to any Corporate Services restructure on hold whilst collaboration with MFRA is explored.
22. MFRA has identified an equivalent £11m savings target of which a minimum of £7m has been earmarked as savings to come from non-firefighter costs. MFRA has commenced implementing changes to deliver these savings, including a plan to deliver £1.5m savings from Support Service & Senior Management costs.

Equality and Diversity Implications

23. Any identified deliverables arising for the programme will be subject to a full Equality Impact Assessment throughout the development process and compliance with the requirements of the Equality Act 2010 will be maintained.

Staff Implications

24. It is recognised that there is the potential for significant impact on the staff from both organisations, however this cannot be fully gauged until further analysis has taken place and will be considered within any outline business case
25. A Communication and Engagement Plan details the approach to be taken in keeping staff fully informed of the process.
26. MFRA and Merseyside Police will continue to consult with all relevant stakeholders
27. All consultation with the Representative Bodies will be conducted through the normal procedures in accordance with National employment law timescale requirements, Formal consultation will be planned and coordinated 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

28. The Police and Crime Bill, the Government's Response to the Enabling Closer Working between the Emergency Services and the passing of the Cities and Local Government Devolution Act 2016 place significant requirements on the collaboration programme. These issues are discussed on a separate report to this meeting.

Financial Implications & Value for Money

29. Cost benefit analysis demonstrating increased efficiencies will be an integral consideration of the Collaboration Programme.
30. A joint financial modelling package is being developed by the collaboration leads, with support from Merseyside Fire and Rescue Authority and Merseyside Police Finance Officers

Risk Management, Health & Safety, and Environmental Implications

31. Each project work stream will be 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'

32. 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/073/15

Cities and Local Government Devolution Act

Police and Crime Bill

Enabling closer working between the Emergency Services –
Consultation and Response.

GLOSSARY OF TERMS

MFRA	M erseyside F ire and R escue A uthority
MFRS	M erseyside F ire and R escue S ervice
PCC	P olice and C rime C ommissioner