

report

meeting	NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY		
date	9 September 2005	agenda item number	5

JOINT REPORT OF THE CHAIR AND CHIEF FIRE OFFICER

GOVERNANCE

1. PURPOSE OF REPORT

To provide Members with information relating to the consolidated work of Members and Officers to determine the revised Governance arrangements for the Authority.

2. BACKGROUND

2.1 Members will be aware that the original Governance report presented to the Authority in June 2005 was referred to a Working Group to conclude. The outcome of the Working Group discussion was presented as a report to the Authority in July, at which Members sought clarification on certain aspects of the report. Those issues informed Member discussions on 15 August 2005, ahead of this report being presented to the September meeting of the Authority.

2.2 Contained within the July Governance report are a number of imperatives for revising the Governance arrangements of the Authority, not least of which are the results of the Comprehensive Performance Assessment, the relevant detail of which is in subsequent paragraphs. Whilst acknowledging the fact that the implications of this report include the creation of additional Committees, increased administrative support and revenue costs, the risks associated with non-engagement on this issue are considered greater.

3. REPORT

3.1 It is important to recognise that the Authority has begun a process of reform of its governance arrangements with a view to arriving at arrangements that enable it to demonstrate the leadership and strategic role expected of it by Government, and of itself by Members' own express desire to engage fully in the process of Fire and Rescue Service reform. Key to the future success of the Fire Authority is the ability to demonstrate that the services it provides have a real impact on the well being and quality of life of the communities it serves.

3.2 In terms of informing the governance discussion, it is appropriate to remind Members of the status of the original Fire Authority report and the issues arising from the July Authority meeting at which the Authority agreed the following recommendations :

- (1) that the proposed governance arrangements be approved in principle ;
- (2) that the Chief Fire Officer and the Monitoring Officer submit a detailed Governance model and revised constitution to the next meeting ;

- (3) that the option to appoint an independent panel to assess remuneration be adopted ;
 - (4) that the Chief Fire Officer submit a report to the next meeting on the financial, staffing and delivery implications of revised governance ;
 - (5) that any new governance arrangements be subject to a 12 month review.
- 3.3 It is worth reiterating that Members have agreed the original proposal in principle. This report is written therefore on the basis of addressing the issues raised at the July Authority meeting, in order to demonstrate that the proposals are 'fit for purpose'.
- 3.4 In addition, the Chief Fire Officer and Monitoring Officer have reviewed the projected timetable for implementation of this proposal, including revisions to the Standing Orders of the Authority. Subject to the proposal being agreed at this meeting a further report will be presented at the October meeting containing the proposed revision to Standing Orders and terms of reference. The outcome of the remuneration panel deliberations will be reported to a future meeting of the Authority once the recommendations are received. Implementation of the new structure and the appointment of Members to Committees would be dealt with at the December meeting. That deadline would be timely because of the opportunity to implement the new arrangements to deal with the outcomes of the Community Plan (LRMP) consultation and the 2006/07 precept preparation.

4. COMPREHENSIVE PERFORMANCE ASSESSMENT

- 4.1 One of the key drivers for the governance discussion is the Comprehensive Performance Assessment (CPA). CPA focused on the performance of the organisation at the corporate level and included such aspects as leadership, strategic performance and most notably "governance and management".
- 4.2 Members are aware that the outcome for Nottinghamshire and City of Nottingham Fire & Rescue Authority from the CPA process was a rating of "FAIR". In terms of the nine areas inspected the Fire & Rescue Authority scored well in five, below average in two and failed to meet the minimum requirements in two. These were :
- Performance Management ;
 - Governance & Management.
- 4.3 In terms of 'governance and management', a score of '1' was not commonplace. Only three out of the forty seven Fire & Rescue Authorities audited nationally received such a low score. Alongside Nottinghamshire were Lincolnshire (whose overall assessment was "Poor") and Milton Keynes & Buckinghamshire whose overall assessment was "Weak"). Nottinghamshire was the only Fire & Rescue Authority rated "Fair" to score a '1' in 'governance and management'.
- 4.4 As a consequence of the performance within this area, a more detailed analysis of 'governance and management' outcomes has been undertaken and cross-referenced with those Fire & Rescue Authorities who also scored '1'. As a means of identifying good practice, Fire and Rescue Authorities that scored '4' were also identified for analysis (Kent and Medway, Warwickshire, and Merseyside).
- 4.5 The CPA process now requires the Authority to produce an "Improvement Plan" which has to be submitted to the Office of the Deputy Prime Minister (ODPM). The expectation is that the Improvement Plan will clearly identify how the Authority intends to move from its existing position to one which will meet future CPA scrutiny.

It is clear that these expectations place a responsibility on the Authority to agree robust governance and performance management arrangements.

5. 'FIT FOR PURPOSE' STRUCTURE

- 5.1 Key to demonstrating the appropriateness of the proposed structure is a comparison with other Fire and Rescue Authorities and Local Authorities' arrangements. As has already been highlighted in the foregoing paragraphs, analysis of those Fire and Rescue Authorities that were rated 'excellent' has been undertaken. It is also important to reiterate the fact that the proposed structure is directly aligned to the business planning framework, the major corporate reference areas and, in due course, the performance management framework.
- 5.2 In terms of other Fire and Rescue Authorities, in addition to those referred to above (Kent and Medway, Warwickshire, Merseyside) information was gathered from Hampshire and Stoke on Trent and Staffordshire. It is clear from the detail provided that those Authorities, including the 'excellent' ones from the CPA process, have more committees than this Authority currently has. In fact, there are Authorities within the list identified that have more committees than are proposed for this Authority.
- 5.3 In order to provide some, albeit limited, comparison with other Local Authorities, the governance arrangements for Gedling and Rushcliffe Borough Councils were examined. Both authorities operate on the 'Cabinet' model. It is worth emphasising that, as detailed in the previous report to the Authority, the proposition is based on the established Local Authority Cabinet/Scrutiny model, **adapted to reflect the unique constitution and composition of Combined Fire and Rescue Authorities**. Whilst it is recognised from the outset that the two Borough Councils referred to each have 50 Members, the numbers serving on Committees etc. are proportional to that total. For example, the Development and Control Committee at Rushcliffe comprises 25 Members (50%) of the full Council. It is also important to highlight the role of portfolio holders in other Local Authorities.
- 5.4 An examination of the Nottinghamshire Police Authority shows that, whilst there are constitutional differences and only 17 Members on the Authority, there are 10 Panels in addition to the full Authority, including Performance, Community Engagement, and Policy & Planning.

6. PERFORMANCE REVIEW

Having considered the draft terms of reference of the Performance Monitoring Committee, it is now considered appropriate to remove the potential for the objectivity associated with its role to be clouded by a direct relationship with the Policy and Strategy Committee. The original proposal recommended that the Performance Monitoring Committee Chair was an ex-officio member of the Policy & Strategy Committee. It is therefore recommended that the Performance and Monitoring Committee reports directly to the Full Fire Authority. The final structure chart is attached as Appendix A to this report.

7. POLITICAL BALANCE

- 7.1 On the issue of political balance, the Authority has previously recognised the option to waive its application to Committees or Sub-Committees. This is contained within the Local Government and Housing Act 1989, Section 17. It is important to note the reasons why such an option should be considered within this proposal.
- 7.2 The introduction of a substantial number of new Members as a result of the May elections, coupled with the outcomes of external assessment, provide an opportunity for the Authority to enter into new arrangements that meet the needs of the Service

and Public. Innovation and legal compliance need not be mutually exclusive factors in the determination of those arrangements. Members of the Authority have often referred to the notion that the Fire and Rescue Service is not a 'political football'. Members of the Authority are not directly elected to it, therefore the governance arrangements can reflect the fact that this is not a 'traditional' local authority.

7.3 Members have also expressed their desire to see the Authority adopting the following principles for its operation :

- Openness and transparency ;
- Inclusiveness ;
- Power-sharing ;
- Public service values and objectives ;
- Adding value to the community and council task ;
- Members as champions

7.4 The proposal provides a real opportunity to achieve that end. The alternative to the above is one based on recognised political structures and practices. The Cabinet / Scrutiny model referred to above using Gedling and Rushcliffe as examples, have Cabinets comprised of the majority group alone who also chair all committees. Given the principles outlined in the previous paragraph that would not appear to be the preferred option for the Authority.

7.5 If political balance is retained the structure would require committees of six. This option would require some Members to 'double up' in order to populate the Committees. The commitment for the minority groups under these arrangements is greater due to the limited number of Members on the Authority.

7.6 Political balance can be waived provided that no Member of the Authority votes against the proposal. Abstentions would still allow any such proposal to come into effect. In the event that any Member present at the meeting votes against the proposal, then Committees and Sub Committees will be formed using the political balance rules. In that event it is highly likely that the Policy and Strategy Committee would only comprise of Members from the majority group.

8. SUPPORT ARRANGEMENTS

8.1 To facilitate changes in governance arrangements, consideration must be given to the support structure currently in place. Having considered the arrangements in other Authorities that scored highly in the CPA process, it is evident that more support is required locally.

8.2 Three other Fire and Rescue Authorities were contacted. The figures supplied by them were as follows :

- £36,500 comprising fees paid to another local authority for Clerking and Monitoring Officer support and internal administrative support ;
- £44,000 comprising fees paid to another local authority for Clerking and Monitoring Officer support and internal administrative support ;
- £65,000 in salary costs for a wholly internal department that includes Clerking and Monitoring Officer provision, and administrative support. An unspecified amount is also included for Member training.

8.3 The Authority currently has an arrangement with the City Council for Clerking and Monitoring Officer provision at a cost of £19,000 per annum. What isn't currently

costed out is the HQ administrative time required to produce papers and support Member arrangements, much of which falls on the Chief Fire Officer's Secretary.

- 8.4 Based on the above and an estimation of the additional administrative support required, it is proposed that the Authority appoint a half time Grade post to provide administrative support to the new governance arrangements at £10,000 with on costs.

9. MEMBER COMMITMENT

- 9.1 Given the fact that the original proposal highlighted that within the new arrangements the full Authority could meet less frequently, the additional requirement on the majority of the Members' time is not increased. It is anticipated that the level of commitment from those Committee Chairs on the Policy and Strategy Committee would usually be no more than 1 meeting per month (4 x full Authority, 4 x Policy and Strategy, 4 x Committee).
- 9.2 The Appointments Committee is only responsible for the potential appointment of a maximum of six personnel (the Strategic Management Team). Given that the majority of the work of the existing Personnel Committee can be dealt with by the Human Resources Committee, the Personnel Committee workload will be reduced. The arrangement that the Committee meets at the rising of the Authority (as does the Personnel Committee now) could continue. The Equalities Group can be scheduled to meet at the rising of the Human Resources Committee.
- 9.3 All of these arrangements can potentially limit the impact on Members busy schedules. There needs however to be the recognition that, if the Authority is to engage more actively in the strategic development and management of the Service, there will undoubtedly be an increase in both workload and commitment.

10. CONCLUSION

- 10.1 The reasons for the need to change the existing governance arrangements have been recognised by Members. The imperatives for positive action are also clear: Government expectations supported by the CPA regime, ODPM expectations in terms of Service reform and a general desire on the part of Members of the Authority to provide positive not passive leadership at a time of major organisational change.
- 10.2 Based on the evidence, Officers are of the opinion that the proposed arrangements are fit for purpose, having re-assessed the original report, looked at other Authorities' arrangements, and having had discussions with Officers from other Services.

11. FINANCIAL IMPLICATIONS

The financial implications arising from this report are contained in Section 8.4 above.

12. PERSONNEL IMPLICATIONS

Personnel implications arising from this report are contained in Section 8.4 above, and would be subject to a detailed report to the Authority.

13. EQUALITY IMPACT ASSESSMENT

An equality impact assessment has not been completed at this stage. An impact assessment will be completed prior to any subsequent report being presented to the Authority.

14. RISK MANAGEMENT IMPLICATIONS

The adoption of a revised structure and the delegation of responsibility will further enhance the Authority's risk management processes and discharge the Authority's responsibility to improve performance based on the CPA outcomes.

15. RECOMMENDATIONS

It is recommended that Members :

- (a) Approve the revised governance structure set out in Appendix A to this report ;
- (b) Agree to waive political balance in the new governance structure in favour of inclusivity and transparency ;
- (c) Approve the proposed timetable and implementation provisions contained in Paragraph 3.4 of this report.

16. BACKGROUND PAPERS FOR INSPECTION

Fire Authority reports June 2005 and July 2005 ;
Audit Commission Comprehensive Performance Assessment report ;
ODPM publication "Local leadership, local choice" ;
ODPM publication "A share of the action" ;
ODPM publication "Political leadership under the new political management structures" ;
ODPM publication "The future of local government: developing a 10 year vision" ;
Government White Paper "Our Fire and Rescue Service" ;
Fire and Rescue Services Circular 13/2005 ;
Fire and Rescue services Act 2004 ;
Fire and Rescue Services National Framework 2005/06 ;
CPA for fire and rescue services (Audit Commission) ;
Governance structures from those Local Authorities referenced in this report.

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CHAIR OF FIRE & RESCUE AUTHORITY

Paul Woods
CHIEF FIRE OFFICER

