

Fire and rescue authority voluntary combinations:

A guide

Fire research series 5/2011



Fire and rescue authority voluntary combinations: **A guide**

Michael Wright and Joscelyne Shaw
Greenstreet Berman Ltd

March 2011
Department for Communities and Local Government

Acknowledgements

We would like to acknowledge and thank Devon and Somerset Fire and Rescue Service for contributing to the development of this document, including Chief Fire Officer Lee Howell, Deputy Chief Fire Officer Neil Gibbins, Phil Martin, Ralph Howle, Kevin Woodward, Mike Pearson, Jane Sherlock, Paul Slaven and Councillor Bernard Hughes. Their insights, experience and opinions were gratefully drawn on by the authors of this document.

This guide was commissioned under the previous administration.

© Queen's Printer and Controller of Her Majesty's Stationery Office, 2011

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: psi@nationalarchives.gsi.gov.uk.

This document/publication is also available on our website at www.communities.gov.uk

If you require this publication in an alternative format please email:
alternativeformats@communities.gsi.gov.uk

Any enquiries regarding this document/publication should be sent to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

March 2011

ISBN: 978-1-4098-2784-9

Contents

Section 1	Introduction	8
1.1	This guide	8
1.2	Why combine?	8
1.3	Fire and Rescue Services Act 2004	9
1.4	Scope of this guide	9
Section 2	Main steps towards voluntary combination	11
2.1	Introduction	11
2.2	Summary of key steps towards and subsequent to combination	13
2.3	Combination strategy	19
Section 3	Stage 1: Options appraisal	23
3.1	Overview	23
3.2	Initial fire and rescue authority engagement and preliminary options appraisal	24
3.2.1	What are the drivers for and benefits of change?	24
3.2.2	Exploring agreement in principle to consider combination	24
3.2.3	Selecting options for full options appraisal	24
3.2.4	Identifying and screening combination options	25
3.3	Management of options appraisal	25
3.3.1	Arrangements	25
3.3.2	Scheduling of fire and rescue authority decisions	26
3.4	Options appraisal outline	26
3.4.1	Range of options	26
3.4.2	Key issues	27
3.4.3	Options appraisal structure	27
3.5	Feasibility assessment	28
3.5.1	Introduction	28
3.5.2	Impact of harmonised precept	29
3.5.3	Strategic fit	30
3.5.4	Political balance of authorities	30
3.5.5	Feasibility of meeting transition costs and resource needs	31

3.6	Costs and benefits of each option	31
3.6.1	Introduction	31
3.6.2	Assessing benefits	32
3.6.3	Potential benefits to be considered	33
3.6.4	Estimating costs	37
3.6.5	Costs versus benefits (net cost-saving)	37
3.6.6	Potential risks of each option	38
3.6.7	Comparing benefits, risks and costs	39
3.7	Engagement and communications during options appraisal	40
3.7.1	Introduction	40
3.7.2	What are the aims of engaging at this stage?	41
3.7.3	Key parties to engage in options appraisal	41
3.7.4	What are the key issues?	41
3.7.5	How to engage with these key people and organisations?	42
3.7.6	Responding to and using feedback	44
3.7.7	Communicating decisions	44
3.8	Gateway review (0): Strategic assessment	44
Section 4	Stage 2: Full business case	46
4.1	Introduction	46
4.2	Project management of business case	47
4.2.1	Fire authority members scrutiny group	47
4.2.2	Joint combination management team	49
4.3	Full business case outline	49
4.3.1	Business case	49
4.3.2	Combination option outline	51
4.4	Business case assessments	52
4.4.1	Benefits	52
4.4.2	Operational assurance	53
4.4.1	Identifying and assessing efficiencies	54
4.4.3	Risk assessment	54
4.4.4	Impact of harmonised precept	54
4.4.5	Due diligence and liabilities	56
4.4.6	Financial transfers	57
4.4.7	Transition costs	57
4.4.8	Cost benefit analysis	57

4.5	Stakeholder engagement and communications during business case stage	59
4.5.1	Overview	59
4.5.2	Aims of engagement at this stage	59
4.5.3	Key interested parties at this stage	59
4.5.4	Key issues to communicate at this stage	60
4.5.5	Methods at this stage	61
4.5.6	Responding to and using feedback	64
4.6	Fire and rescue authority decision	64
4.7	Communicating the decision	64
4.8	Gateway review (1, 2 and 3)	65
Section 5	Stage 3: preparation for combination	66
5.1	Introduction	66
5.2	Combination management team and tasks	66
5.2.1	Overview	66
5.2.2	Screening and prioritising essential activities	67
5.2.3	Delivery plan	69
5.2.4	Transition funding	69
5.2.5	Tracking and monitoring	69
5.2.6	Planning actions and tools	69
5.3	Organisational plans outline	70
5.3.1	Departmental plans – people, roles and budgets	70
5.3.2	Appointment of staff and redundancies	70
5.3.3	Senior management appointments	71
5.3.4	Maintenance and procurement plans	71
5.3.5	Insurance	71
5.3.6	Reconciliation of key policies and procedures	71
5.3.7	Year 1 integrated risk management plan and corporate plan	72
5.3.8	Asset, resource and estate transfers	72
5.4	Facilitating organisational change	73
5.4.1	Introduction	73
5.4.2	Brand and corporate image	73
5.4.3	Review of management and working styles	73
5.4.4	Working together	73

5.5	Grant settlement	74
5.6	Statutory instruments	75
5.6.1	Introduction	75
5.6.2	Overview of process	75
5.6.3	combination scheme	77
5.6.4	Distinction between combination on fire and rescue authorities' initiative, and on Secretary of State's initiative	78
5.6.5	Combination on fire and rescue authorities' initiative	78
5.6.6	Combination on the Secretary of State's initiative	79
5.6.7	Final stages common to all combinations	80
5.6.8	Passage of Combination Order	80
5.6.9	Fire and rescue authority ratification	80
5.7	Shadow fire and rescue authority	81
5.7.1	Fire authority members scrutiny group	81
5.7.2	Introduction to shadow fire and rescue authority	81
5.7.3	Composition of fire and rescue authority	81
5.7.4	Role during combination	82
5.7.5	Key tasks	82
5.7.6	Members workshops	83
5.8	Stakeholder engagement and communications during combination stage	83
5.8.1	Aims of engagement at this stage	83
5.8.2	Key interested parties at this stage	84
5.8.3	Key issues to communicate as preparing to combine	84
5.8.4	Methods of communication with staff as preparing to combine	84
5.8.5	Methods of communication with external parties as preparing to combine	86
5.8.6	DCLG consultation on revocation	88
5.8.7	Precept consultation	88
5.9	Gateway reviews (4) Readiness for service	89

Section 6	Stage 4: Post combination implementation	90
6.1	Overview	90
6.2	Management of combination implementation	90
6.2.1	Creation or retention of a combination implementation team	90
6.2.2	Post combination implementation team	90
6.3	Post combination activities, plans and communications	91
6.3.1	Essential activities	91
6.3.2	Planning	91
6.3.3	Communications	92
6.4	Evaluation	92
6.4.1	Tracking progress, costs and benefits	92
6.4.2	Post combination gateway reviews (5): Operations review and benefits realisation	93
Section 7	Further reading	94
Section 8	Appendix A: combination case checklist	95
Section 9	Appendix B: Ready reckoner	97
Section 10	Appendix C: Risk matrix and risk register	99
10.1	Options risk assessment	99
10.2	Combination risk register	101
Section 11	Appendix D: Operational assurance combination impact assessment	105
Section 12	Appendix E: Consultation and engagement	112
12.1	Drivers for consultation	112
12.2	Guidance on consultation and engagement	113
12.3	Communications and engagement strategy	114
12.4	Identifying and profiling your interested and affected parties	115
12.5	Managing expectations	118
12.6	Methods of involvement	119
12.7	Developing a communication plan	121
Section 13	Appendix F: Specimen statutory instrument	123

Section 1

Introduction

1.1 This guide

This document offers practical guidance on voluntary combinations between fire and rescue authorities. Consideration of whether combination is an appropriate step to take, and whether it has the potential to offer benefits to the constituent fire and rescue authorities, is a matter which only those fire and rescue authorities can decide upon. The aim of this document is to facilitate consideration of the various options of combination and, if combination is decided upon, to explain and ease the process of obtaining the statutory consent of the Secretary of State, of preparing for combination – including the passage of a Statutory Instrument through Parliament – and in due course of effecting the combination itself.

Sections 2 and 3 of the *Fire and Rescue Services Act 2004* set out the Secretary of State's powers for creating combined fire and rescue authorities as well as consultation requirements and various other criteria for creating a combined authority. However, that is not the full story – any potential 'voluntary combination' must consider a very wide range of issues, not least the financial implications

We use the word 'combination' to describe the voluntary transfer or combination of the functions and the assets (and liabilities) of two or more separate fire and rescue authorities. This will result in all of the existing fire and rescue authorities dissolving and being replaced by a single new fire and rescue authority.

Of course, many of the benefits of 'combination' may be achievable by sharing resources, i.e. where the two authorities remain separate but share function/services/resources. This may be in standalone areas such as human resources functions and IT, or sharing of two or more services. The term 'sharing resources' is used here for the occasion where some functions of two or more fire and rescue authorities are 'operationally' shared. Some parts of the guidance in this document may also apply to when fire and rescue authorities wish to share resources, but the guide has been written primarily for voluntary combinations.

1.2 Why combine?

Combination of fire and rescue authorities has the potential to offer the following types of benefits:

- increasing organisational capacity and resilience by pooling resources
- enabling further service improvement, again by pooling resource and expertise
- increased political influence by virtue of being larger
- enabling efficiencies, such as by reducing duplication in support services, reducing the ratio of senior management to staff, increasing purchasing power and reducing accommodation and maintenance costs.

At the same time, combination may be associated with costs and risks, such as reduced staff morale due to loss of identity and costs of integrating IT systems. In addition, combinations may be more feasible where the cost per head of each fire and rescue authority is closer, there is political support for combination and the fire and rescue authorities are geographically and operational similar. Therefore, an informed assessment is required by fire and rescue authorities of the particular drivers and benefits of combination and how these compare to the costs and risks. These judgements and issues are elaborated in Section 3 of this guide.

1.3 Fire and Rescue Services Act 2004

Sections 2 to 5 of the *Fire and Rescue Service Act 2004* set out the legislative framework for combined fire and rescue authorities. Some key points are noted below. Section 2 of the Act states that:

“The Secretary of State may by order make a scheme constituting a fire and rescue authority for the combined area of two or more existing fire and rescue authorities.

(2) A scheme under this section may be made only if it appears to the Secretary of State that, in the interests of—

(a) economy, efficiency and effectiveness, or

(b) public safety,

there should be a single fire and rescue authority for the combined area.”

As provided for by Section 2 of the Act, a combination scheme can made where fire and rescue authorities themselves submit a voluntary proposal to that effect, as well as by the Secretary of State’s own initiative. It is with voluntary schemes that this document is

largely concerned. Such schemes will be subject to the Secretary of State's power to vary or revoke them by order, but before doing so the Secretary of State must consult in line with requirements in the *Fire and Rescue Service Act 2004*. As stated in Section 3(1), a combined fire and rescue authority must be constituted as a body corporate.

1.4 Scope of this guide

The document covers the entire process of a voluntary combination from the time the option is first identified to implementation of organisational changes after combining. This includes financial, legal, organisational and other aspects of combination.

The document has been written for use primarily by fire and rescue authorities senior management, fire and rescue authority members and other persons involved in assessing, planning and managing a combination. It may also be of interest to other people who have an interest in or wish to be consulted or involved in the assessment, planning or implementation of a combination.

The structure of this guide provides an overview followed by the four main stages of voluntary combination – options appraisal, full business case, preparation for combination, and post combination implementation. The appendices provide additional guidance and checklists.

Section 2

Main steps towards voluntary combination

2.1 Introduction

Combination is likely to be a major exercise and so it is recommended that it is treated as a “major project” or programme with suitable management, communications, planning and resourcing from the outset. There are a number of discrete steps in the process, which this document follows chronologically.

It is likely that the first step towards combination will be recognition by one or more fire and rescue authority(s) that it might be in the interests of the fire and rescue authority(s) to combine. This typically entails considering the fire and rescue authority’s financial, operational and performance needs and objectives and judging that combination may assist in achieving these objectives. Next, senior management and representatives of elected members of fire and rescue authorities conduct initial exploratory discussions and preliminary options appraisals to identify one or more fire and rescue authority with whom it may be feasible to combine. The feasibility of combination is likely to be dependent on political support of the fire and rescue authorities, the acceptability of any changes in council tax, organisational and geographic “fit” and having the resources to combine and the benefits likely to be accrued from sharing resources/functions.

It is advisable for the senior management of fire and rescue authorities to consult with key interested and affected parties (such as elected fire and rescue authority members, DCLG and staff) at the earliest opportunity, once the feasibility of combination has been established, to identify and address queries and issues.

If one or more feasible options have been identified, the second step will require fire and rescue authorities to consider developing a full business case and appropriate engagement with interested and affected parties. The business case, in addition to describing the combination proposal, will wish to consider and assess the costs and benefits of combination as well as identify risks and impacts on operations and performance.

If the fire and rescue authorities decide to proceed towards combination, step three will see a wide range of preparations to be completed covering legal, financial and organisational matters. Key points include producing a draft combination scheme and where necessary obtaining parliamentary approval of a statutory instrument, creation of a shadow combined fire and rescue authority, calculating and agreeing grant settlements, and arranging financial, contract and asset transfers.

Finally, combination is likely to be the start of another phase of substantive activity aimed at integrating people, systems and procedures. It is recommended that resources and plans should be allocated in proportion to the magnitude of changes required as part of the ongoing integration, as opposed to assuming that the integration of the fire and rescue authorities will occur without direction.

Timescales

The timescale for a combination may be planned by working backwards from the start of operation on the 1 April. The beginning of a new financial year is the date from which central government grant funding to a new legally constituted fire and rescue authority would start and so is the date that combination would become effective.

For full combination, working backwards from 1 April:

- The statutory instrument (also termed the combination order) giving effect to the new combination scheme must be laid before parliament by October, to allow 40 sitting days for parliament to consider the statutory instrument, for it to fit with the financial settlement timetable for the subsequent financial year (starting from 1 April)
- The statutory instrument must provide for a “shadow” fire and rescue authority to come into being prior to 1 April (usually in the preceding mid-November). The “shadow” Authority should be empowered to undertake all functions necessary to enable the full combined Authority to come into effect from 1 April
- Fire and rescue authorities will want to engage the Department for Communities and Local Government (DCLG) in their initial review and developing the business case which will need to be completed no later than nine months prior to combination. That timetable will support a final ministerial decision and confirmation of an agreed combination scheme no more than seven to eight months prior to combination (i.e. around August/September prior to combination).

Therefore, all legal and financial planning must be achieved by the autumn prior to combination. Preceding this, options appraisals, business cases, stakeholder engagement and agreement to proceed between fire and rescue authorities must be achieved.

It is therefore likely that combination will take about two years from the outset of an options appraisal. This is further discussed in Section 2.3.

2.2 Summary of key steps towards and subsequent to combination

Table 1 and Figure 1 provide an overview of the key stages of work and indicative timings for full combinations. The combination process is presented in four main stages, each of which is likely to be needed for combination. The timing of each stage will depend on the scale of potential changes associated with the combination. We have also noted which stages apply when fire and rescue authorities are considering sharing resources, as opposed to a full combination, but the timings, the level of consultation and the level of detail of business cases are likely to be less if fire and rescue authorities are only sharing resources.

- 1. Assessing the potential for combination** (options appraisal) – this stage identifies that combination is an option and assesses its potential feasibility – culminating in a decision on whether or not to further consider the possibility of combination;
See Section 3 of this guide. Up to six months.
- 2. Producing a full business case** – this stage produces a full business case and involves interested and affected parties in considering options and proposals – culminating in a decision on whether or not to combine;
See Section 4 of this guide. Up to nine months.
- 3. Preparing for combination** – this stage covers a wide range of legal, financial and organisational actions required to combine two or more fire and rescue authorities;
See Section 5 of this guide. Up to nine months.
- 4. Integrating fire and rescue authorities after combination** – this stage entails an ongoing process of integrating people, processes and policies of the combined fire and rescue authorities;
See Section 6 of this guide. Up to three years.

Figure 1: Overview of stages and indicative timing of Voluntary combination

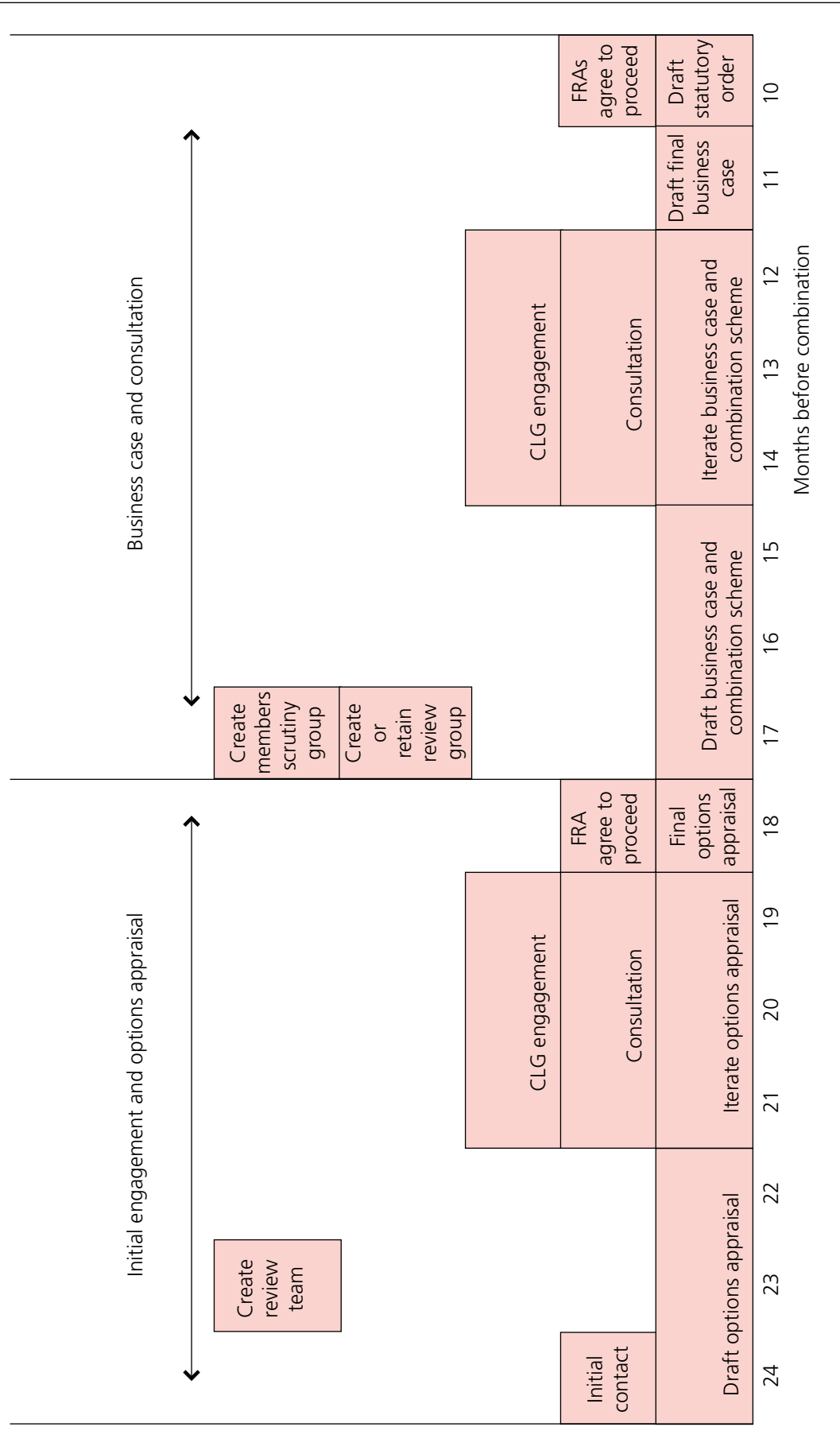


Figure 1: Overview of stages and indicative timing of voluntary combination (continued)

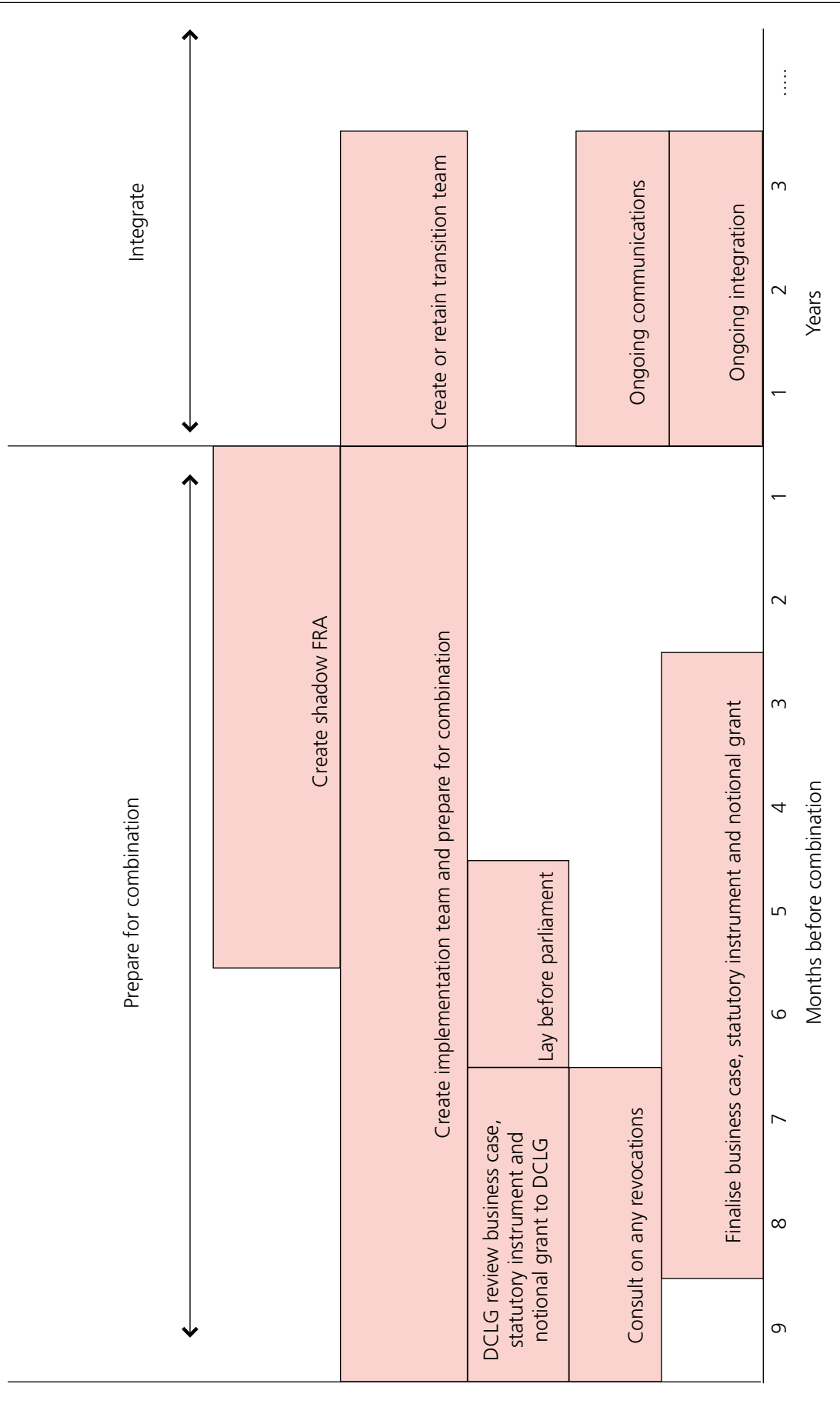


Table 1: Indicative sequence and timing of key step				
Stage	Necessary for sharing resources?	Phase of activity	Description of activity	Indicative timing
Options Appraisal: Assessing potential for combination (Section 3)	Yes	(i) Initial engagement	<ul style="list-style-type: none"> Initial fire and rescue authority engagement on agreement in principle to consider combination option Preliminary review of feasibility 	24 to 22 months prior to combination
	Yes	(ii) Options appraisal	<ul style="list-style-type: none"> Create cross border review team Produce options appraisal Targeted consultation 	Months 22 to 16 prior to combination
Business case and consultation (Section 4)	Yes	(i) Develop business case and consultation plan	<ul style="list-style-type: none"> Create members scrutiny group Develop a draft business case Engage DCLG Widen consultation 	Months 16 to 12 prior to combination
	No need for Statutory Instrument or submission of business case to DCLG	(ii) Undertake full business case, draft statutory instrument and submission to DCLG	<ul style="list-style-type: none"> Finalise business case and draft the combination scheme in discussion with DCLG Submit to DCLG, receive comments and finalise 	Finalised 9 to 12 months prior to combination at latest
	No	(iii) DCLG initial review and case to minister	<ul style="list-style-type: none"> DCLG receive business case and draft combination scheme; Initial DCLG review Case to minister 	Finalised 9 to 12 months prior to combination

Table 1: Indicative sequence and timing of key step (continued)				
Stage	Necessary for sharing resources?	Phase of activity	Description of activity	Indicative timing
Preparation for combination (Section 5)	No	(i) Preparation of fire and rescue authorities for combination	<ul style="list-style-type: none"> • combination implementation plan and management team • Finalisation of combination scheme by fire and rescue authority and of statutory instrument by DCLG; • Grant settlement • Revocation of existing combination (if relevant) <ul style="list-style-type: none"> ○ Consultation (12 weeks) ○ Revocation • Ministers comments/decision on Combination Order • Final DCLG checks on combination Scheme and SI • Final ministerial approval of Combination Order • Creation of shadow fire and rescue authority 	Completed by September/October in year prior to combination date
	Yes		<ul style="list-style-type: none"> • Communications and consultation • Organisational changes <ul style="list-style-type: none"> ○ Brand and corporate image ○ Departmental plans ○ Reconciliation of key policies and practices 	In period up to combination (month 9 to date of combination)
	No	(ii) Passage of Combination Order SI	Lay before Parliament	

Table 1: Indicative sequence and timing of key step (continued)

Stage	Necessary for sharing resources?	Phase of activity	Description of activity	Indicative timing
Preparation for combination (Section 5) (continued)	No	(ii) Passage of Combination Order (statutory instrument)	Lay before parliament	Submitted in October in year prior to combination date
The new combined fire and rescue authority (Section 6)	Yes	Day 1 of combination	<ul style="list-style-type: none"> Welcome by new management New positions announced 	1st April at end of year 2
	Recommended	(i) Post combination	<ul style="list-style-type: none"> Create a transitional or post combination implementation management team, plan and process Ongoing communications Ongoing reconciliation of policies and procedures Organisational change management Evaluation 	Year 1 to 3 of the combined fire and rescue authority

2.3 Combination strategy

The time and resource required for each stage will depend, in part, on the aims of the combination and the fire and rescue authorities' combination strategy. Therefore, it is recommended that a combination strategy is developed which:

- identifies key aims of combination
- maps out the key stages of assessment, consultation/communication and preparation
- identifies key actions per stage
- determines the resources and managerial arrangements needed to fulfil the combination process
- assesses risks to the combination process and outcomes along with mitigating actions.

Whilst this guide provides advice on each of these, each combination is likely to require its own specific strategy. Some considerations are noted below.

Balancing options appraisal and business case stages

The options appraisal and business case stages involve similar and overlapping activities, such as assessing benefits, costs and risks. The fire and rescue authorities have the option of:

- completing a brief options appraisal and relatively more intensive business case
- completing a more in depth options appraisal, thereby enabling a shorter business case stage.

For a full combination, an appropriate business case evidence base, approved by the fire and rescue authorities, needs to be submitted to DCLG at least nine months prior to combination to support ministerial consideration of the combination scheme proposal. Therefore, fire and rescue authorities may plan to complete the options appraisal and business case, along with suitable consultation work, in the previous 12 to 15 month period. This is not necessary for sharing resources.

Extent of organisational changes associated with combination

The resources required to plan and implement a combination will be influenced by 1) the aims of the combination and 2) the strategy for integrating the organisations.

- if the aim is to implement major organisational changes and efficiencies as part of the combination, such as on the day of combination or within the first few months, this may require relatively more resource to be devoted to zero based budgeting, public consultation and change management prior to combining/merging

- if the combination involves more limited organisational changes on the day of combination, this may require less time to be devoted to consultation and change management prior to the combination.

If major organisational changes are envisaged as part of the combination, the fire and rescue authorities may wish to manage the combination as a “change programme” rather than as a lower scale “project”. If the combination is associated with relatively less change, a commensurate level of management may be sufficient. It is equally possible that the fire and rescue authorities choose to defer major organisational changes until after the combination, to enable a faster combination.

In the case of major organisational changes, such as fewer operational staff and resources, this is likely to entail formal public consultation with a minimum 12 week consultation period. Time and resource would need to be allocated to this exercise.

Other considerations

Fire and rescue authorities should assess the potential barriers to the success of the combination. Identifying these at an early stage and considering if and how they can be overcome will inform the judgement on whether or not to proceed with the combination but also facilitate combination. Barriers may include:

- fears and concerns of interested and affected parties are not recognised or addressed
- inadequate communication with interested and affected parties;
- culture clashes between fire and rescue authorities
- poor preparation for combination
- integration of it systems, policies and procedures
- inadequate resourcing of the combination preparations.

The time required for a combination may be reduced by:

- early engagement between existing fire and rescue authorities to agree in principle key issues, including:
 - senior management structure and roles
 - any significant efficiencies
 - formation of a combination management team.
- involving accountants or other financial experts in assessing the ‘true’ costs of county fire and rescue authorities, including estimating the impact of combination on council tax for full combinations

- for full combination, the fire and rescue authorities producing a draft combination scheme order using the DCLG template in parallel to the full business case
- ensuring effective communications and engagement of interested and affected parties.

Local government elections

The fire and rescue authorities may also wish to avoid scheduling a full combination in the period leading up to a local election or coinciding with elections.

Balancing consultation across the four stages of combination

There are a number of drivers for consultation at each combination stage as outlined in Section 7.1.

It is recommended that an overview is taken of the extent and purpose of consultation at each stage, to achieve a proportionate approach to consultation that balances out the extent of consultation at each stage.

DCLG is only responsible for consultations on revocation of existing combinations and if the Secretary of State was to make a combination scheme. Fire and rescue authorities are responsible for all consultations regarding voluntary combinations.

- consultation may address options, their costs, benefits and risks at both the options appraisal and business case stages – as fire and rescue authorities move from a longer list to a shorter list of options
- consultation on the impact on council tax may be needed at options appraisal (if the impact can be assessed at that stage), business case and preparation for full combination stages. there may also be demand for a precept consultation
- consultation is required as part of the integrated risk management planning process, especially if there are potential changes to operational resources
- consultation (by DCLG) will be required if an existing combined fire and rescue authority needs to be revoked
- consultation with staff is required if there are any redundancies or changes to terms and conditions.

An overall consultation strategy may include, for example:

- having a targeted consultation at the options appraisal stage, with a wider consultation at the business case stage
- combining a precept consultation with the business case consultation

- combining the integrated risk management plan consultation with the business plan consultation if they coincide – or with communications during preparation for combination if they coincide.

Thus, the extent of consultation at each stage is planned and balanced to avoid “consultation” fatigue and duplication. Further advice on consultation at each stage is given in each of the subsequent sections of this document, with general advice on consultation in Section 12.

Section 3

Stage 1: Options appraisal

3.1 Overview

The aims of this initial stage include:

- assessing the feasibility and potential value of a combination
- comparing the combination option against other options
- securing initial involvement of interested and affected parties.

This section of the guide provides:

- advice on the issues to consider during the initial engagement of fire and rescue authorities and the content of preliminary options appraisal (Section 3.2) that leads up to the decision on whether or not there is agreement in principle to further consider a combination
- advice on the management of the options appraisal (Section 3.3)
- an outline of the options appraisal (Section 3.4)
- advice on feasibility assessment method (Section 3.5)
- advice on appraisal of costs, benefits and risk of options (Section 3.6)
- advice on consulting interested and affected parties on the decision on whether or not to further consider the combination option and to gain their input into the options appraisal (section 3.7), which for full combination includes seeking early feedback from DCLG regarding whether the potential combination would satisfy the criteria laid out in the *2004 Fire and Rescue Services Act* and would not conflict with any current or potential central government policy.

A preliminary options appraisal may be completed to inform initial fire and rescue authorities engagement with a fuller options appraisal completed once there is agreement in principle to explore options. It is recommended that the fire and rescue authorities complete some initial engagement to check if there is agreement in principle to explore options before setting up a management team for a fuller options appraisal.

The options appraisal, once finalised, would be submitted to the current fire and rescue authorities and/or county councils along with records of interested and affected parties' feedback, for their consideration and decision on whether or not to proceed to the full

business case stage. The decision at this stage is whether or not to produce a full business case for combination and within this which combination option to consider.

3.2 Initial fire and rescue authority engagement and preliminary options appraisal

3.2.1 What are the drivers for and benefits of change?

The drivers that might prompt a combination include a need to improve one or more of the following:

- organisational performance, such as conduct of community fire safety work and ability to implement change
- operational performance, such as ability to provide specialist operational resources
- efficiency, resourcing and funding, such as achieving budgetary savings
- organisational resilience, such as ability to handle staff absence and respond to major incidents.

Do these apply to the organisations in question?

It is expected that senior management of one or more fire and rescue authority will consider the drivers for change, the benefits (as elaborated in section 3.6.3) of change and feasibility (as elaborated in Section 3.5) of combination and from this deduce that combination may be required. An initial judgement of these points may lead to initial engagement between fire and rescue authorities.

3.2.2 Exploring agreement in principle to consider combination

Initial engagement, with senior management of fire and rescue authorities, chairs of fire and rescue authorities and county council Fire and Rescue Service portfolio holders (as relevant), to find out if there is agreement, in principle, to further explore the option of a combination is recommended. Before investing significant time and resource in a full options appraisal the options of increasing shared resources and closer collaboration may also be explored at this time.

3.2.3 Selecting options for full options appraisal

At the outset, discussions may occur between all neighbouring fire and rescue authorities to identify feasible options for combination. These options may then be taken forward into a fuller options appraisal. It is a matter of judgement which potential combination options are taken forward to a fuller options appraisal. For example, out of a list of four fire and rescue authorities, the initial options appraisal may identify combination of two fire and rescue authorities as an option.

Thus, the preliminary engagement and options appraisal may consider (say) four fire and rescue authorities, whilst the subsequent full options appraisal may consider two of these in more detail.

3.2.4 Identifying and screening combination options

The initial engagement might explore in broad qualitative terms whether there is a 'prima facie' case for a combination considering the following points:

- Does combination offer benefits in respect of public safety, efficiency and organisational resilience etc?
- Expenditure per head of population (magnitude of changes in council tax) – would the reconciliation of council tax be acceptable to elected members and the electorate?
- Is there likely to be political support for a combination amongst elected members?
- Ability to form a single senior management team – can agreement be reached on senior management roles in a combined authority?
- Geographical alignment – is there sufficient geographical alignment for a combination to be operationally practical?
- Organisational similarity – is there sufficient similarity in terms such as mix of duty systems, performance, management and types of incidents attended?

This engagement may take the form of exploratory discussions. The main outcome would be an agreement to complete a fuller options appraisal/cross border review.

These discussions can be informed by a preliminary options appraisal. The preliminary options appraisal could provide approximate estimates of the costs and benefits of each option and an initial assessment of the impact on council tax.

3.3 Management of options appraisal

3.3.1 Arrangements

There are at least two ways forward at this point. One is for each fire and rescue authority to complete its own options appraisal. This may be favoured where a fire and rescue authority is considering whether it wishes to consider the option of combination prior to approaching another fire and rescue authority(s). The second approach is for a joint cross border review. This is more likely to be of value where two or more fire and rescue authorities have already identified the potential for combination and are jointly assessing this option.

The form and content of assessment is likely to be similar in the case of an options appraisal and a cross border review. An initial options appraisal may be completed by one fire and rescue authority to inform their decision making prior to engaging with other fire and rescue authorities. In the case of a cross border review or options appraisal, a joint team may be formed and the options appraisal completed collaboratively.

To enable a joint review to proceed some preliminary steps include:

- creating a cross border project board, such as with Chief Fire Officers, representatives of elected members and one or more senior manager
- initial sharing of aspirations and objectives of each fire and rescue authority to establish mutual interest in combination
- scoping out and agreeing in principle key elements of the organisational structure and senior management arrangements in a combined fire and rescue authority.

3.3.2 Scheduling of fire and rescue authority decisions

On finalising the options appraisal and any summary of consultation responses, it is recommended that the meetings of the respective fire and rescue authorities be aligned as close as possible to allow decisions to be published with minimum delay, such as within 24 hours of one another.

3.4 Options appraisal outline

3.4.1 Range of options

Combination is only one option for fire and rescue authorities. Other options include:

- 1) Increased collaboration and sharing of resources,
- 2) No change, and;
- 3) Implementing changes within the fire and rescue authorities independently of other fire and rescue authority (s).

In addition, the preliminary options appraisal may consider more than one combination option. For example, it may consider combining fire and rescue authority 'X' and fire and rescue authority 'Y', and fire and rescue authority 'x' and fire and rescue authority 'Z'.

Whilst combination can offer benefits such as increased organisational resilience, they also incur transition costs and risks. In addition, the achievement of benefits is dependent on points such as having clear aims and objectives and adequate resources to manage the combination. Therefore, prior to embarking on combinations, the feasibility, benefits and risks should be assessed as well as the transition costs and actions needed to achieve

combination objectives. This would form an options appraisal or cross border strategic review and, if positive, can feed into a business case and then into a combination delivery plan.

3.4.2 Key issues

In order to assess the combination option(s), it is necessary to:

- assess the feasibility of a combination, including compatibility of funding needs; the strategic fit of the organisations; geographical alignment and cultural / political considerations
- consider the drivers and context for change and then define the potential aims and objectives of the combination
- identify and estimate tangible and less tangible potential benefits and risks
- develop a review of the similarities and differences in each fire and rescue authority's systems, organisational arrangements and procedures
- assess the costs and resource implications of the transition, and whether these can be satisfied
- complete some initial engagement with key interested and affected parties, so as to explore their potential support and response to a combination proposal.

Consideration should be given to applying the methods and principles in the HM Treasury's Green Book (options appraisal) in assessing costs and benefits.

As noted above, a preliminary options appraisal may be completed by one or more fire and rescue authority to inform initial discussions on the feasibility of a combination, with a fuller options appraisal developed once agreement in principle has been reached on the feasibility of a combination. The content of the options appraisal is likely to be very similar, with the exception that the initial options appraisal may (1) include a wider range of options; (2) it may rely on judgements and (3) be of less detail.

3.4.3 Options appraisal structure

It is recommended that the Options Appraisal document has the following sections:

- introduction and context – covering purpose and status of the options appraisal and why it is being completed
- options being considered – listing the options and why these have been chosen
- appraisal method
- appraisal outcomes per option – presenting any ratings, cost benefit analyses and a narrative covering qualitative issues
- conclusion and recommendations
- appendices – for any detailed analyses and consultation responses.

3.5 Feasibility assessment

3.5.1 Introduction

Prior to assessing a combination option in more detail, it is recommended that the feasibility of each combination option is assessed. A number of combination options might exist, such as between fire and rescue authority 'X' and fire and rescue authority 'Y', or between fire and rescue authority 'X' and fire and rescue authority 'Z'. A checklist of feasibility issues is noted below with a scoring scheme. This may be applied to all options including no change.

Table 2: Feasibility checklist					
Issue	Definitely not feasible	Possibly not feasible	Uncertain	Feasible	Very feasible
	-2	-1	0	1	2
Impact on council tax (precept)					
Strategic fit of:					
Operational performance					
Risk profiles					
Working practices					
Geographical alignment					
Culture					
Political balance of authorities					
fire and rescue authority & senior management support for option					
Meeting implementation costs of option					

3.5.2 Impact of harmonised precept

Are the council tax (or equivalent) levels close enough for harmonisation of council tax to be acceptable to residents and elected members in each fire and rescue authority area?

This consideration is likely to be pivotal and second only to the political support for combination by respective fire and rescue authorities.

It may be necessary to provide a provisional illustration of the likely effect on council tax of a combined service at this stage. As the calculation may be protracted in the case of county council Fire and Rescue Service, the full assessment may be completed as part of the full business case. A provisional assessment may be produced with relatively wide margins of error as part of an initial feasibility assessment.

An estimate is required of how much the cost per property would change if the fire and rescue authorities combined and their notional council tax was harmonised. For example:

- the cost would increase by £0.50 in one fire and rescue authority and fall by £0.20 in another fire and rescue authority
- the cost would rise by 0.1 per cent of the current band D council tax in one fire and rescue authority and fall by 0.05 per cent in another fire and rescue authority.

It is recommended that the change in cost is estimated in absolute terms.

There are no guidelines on what level of harmonisation is feasible. The acceptability of a change in council tax is a matter of judgement for fire and rescue authorities, other council members and the electorate (who might be consulted on the precept later in the process). However, as a rule of thumb:

- changing council tax levels (band D for example) by more than £10 per property may be challenged by elected members and members of the public
- changing council tax levels by a few pounds per property (a few per cent in the cost of the fire and rescue authorities, or about 0.01 per cent to 0.2 per cent of overall council tax) is more likely to be accepted, if there are recognised and quantifiable benefits to a combination.

It is recommended that an estimate is made as part of the preliminary options appraisal and discussed with fire and rescue authority members. As the notional fire and rescue authority cost is uncertain, it is recommended that an upper and lower estimate is derived along with a best estimate.

Section 4.4.5 discusses this further.

3.5.3 Strategic fit

It is important to consider the following issues:

- operational performance
- risk profiles – do the fire and rescue authorities have similar risk profiles – such as motorway networks, major incident risks, as well as property fire risks?
- working practices – for example do they have similar shift systems?
- geographical alignment – for example do their fire and rescue authorities share a border?
- cultural fit – do they have a similar mix of retained and whole time duty system staff?

The extent to which two or more fire and rescue authorities need to be similar in these respects is a matter of judgement. On the one hand, a high level of similarity may facilitate a smoother integration of the organisations after combination. On the other hand, the driver for combination may be to enable fire and rescue authorities to share resources and thereby improve the performance of one of them.

In addition, it would be expected that working practices, policies and procedures would be harmonised after combination. Therefore, it is unnecessary for these to be the same prior to combination. Finally, fire and rescue authorities can introduce joint working, shared resources and policy harmonisation in the period leading up to combination in order to achieve an element of similarity between the fire and rescue authorities. This may include, for example, sharing resources, sharing officers as cover for absence and joint training.

Consideration may also be awarded to alignment with police and/or health authorities. There may be some benefits to partnership working if the boundaries of the new fire and rescue authority aligned to a police or health authority. However, this is considered to be a secondary criterion compared to those noted above.

3.5.4 Political balance of authorities

Consideration should be awarded to the current political profiles of each fire and rescue authority or county council. In particular, to what extent is the political representation on each fire and rescue authority or county council similar, for example a similar mix of Conservative, Liberal and Labour elected members? Political representation does not have to be the same or even similar. However, this may be a consideration for fire and rescue authority elected members and so deserves consideration at this stage and may be an issue for early engagement between fire and rescue authorities and county councils.

3.5.5 Feasibility of meeting transition costs and resource needs

The achievement of benefits from combinations is dependent on a number of key actions and the avoidance of potential risks. These actions should be scoped out in order to:

- check whether resources are in place to assure a successful combination
- inform the judgement of whether interested and affected parties will accept the actions needed to integrate organisations.

It is important to have a realistic understanding of the changes needed to integrate the organisations. Therefore, a preliminary review might be needed of the extent to which each of the following will need to be changed to enable combination:

- IT systems
- administration processes
- organisational structures
- operating procedures.

Having scoped out the potential range and the approximate cost of such changes, the resources needed to implement the changes should be approximated.

The costs of combination cannot be capitalised where two or more fire and rescue authorities volunteer to combine. Therefore, these costs must be met out of revenue or reserves.

3.6 Costs and benefits of each option

3.6.1 Introduction

A five step process is recommended whereby:

- 1) The benefits are identified and rated
- 2) The costs are identified and estimated
- 3) The costs and benefits are compared to derive net benefits (benefits less costs)
- 4) The risks are identified (of no change as well as combination)
- 5) The costs, benefits and risks are then compared.

3.6.2 Assessing benefits

Defining objectives

Having identified the drivers for change, a set of objectives can be articulated. For example, objectives might include:

- to increase the ability of the fire and rescue authorities to manage major incidents
- to achieve efficiencies of 'x' per cent
- to improve the delivery of community fire safety
- and so on.

Rating each option against objectives

Each option can be assessed against the objectives. A possible rating scheme is illustrated below with some hypothetical results. The scoring should be accompanied by a written explanation of the reasons for each score.

Table 3: Example option appraisal				
Objective	Do nothing	Internal changes	Sharing resources with other fire and rescue authorities	combination with another fire and rescue authority(s)
To increase the ability of the fire and rescue authorities to manage major incidents	0	1	1	3
To achieve efficiencies of 'x' %	0	1	1	3
To improve the delivery of community fire safety	0	1	1	2
And so on				

Each option can be rated using a scale such as:

Descriptor	Score
Significant benefit	3
Moderate benefit	2
Minimal benefit	1
No effect	0
Minimal detriment	-1
Moderately detrimental	-2
Significantly detrimental	-3

The scores for each option can be added up to give an overall rating of each option.

The rating can be further developed by weighting the objectives according to their importance, such as from 1 to 3 (Low, Medium or High). For example, the three objectives could be weighted as Medium (2), High (3) and High (3) importance. The scores would be multiplied by the weightings and then added up for each option. For example, in the example above, the 'Increased collaboration' option could be scored as:

$$(2 \times 1) + (3 \times 1) + (3 \times 1) = 8$$

The combination option would be rated as:

$$(2 \times 3) + (3 \times 3) + (3 \times 2) = 21$$

3.6.3 Potential benefits to be considered

Some of the potential benefits are discussed below, to support their consideration in an options appraisal.

Combinations have the potential to offer greater value for money by increasing capacity at the same time as achieving efficiencies. Some potential benefits are noted below. The fire and rescue authorities should, through a process of informed judgement, assess which of these apply to them and rate the benefits.

Increased capacity – Would the option offer wider and deeper skills?

Potential benefits might include:

- pooling of specialist expertise, such as for fire investigation, community fire safety, fire safety engineering, urban search and rescue etc – where specialist expertise held by one organisation becomes available to another
- enabling a critical mass of resource to be created, such as community fire safety teams, arson prevention teams, training etc.

- attracting more job applicants due to the increased career opportunities in a larger organisation.

Consideration should be given to whether the integrated risk management plan has identified any activity that one or another fire and rescue authority would benefit from increased capacity.

Enabling continued modernisation and service development

Would a larger pool of staff including middle and senior managers enable the combined fire and rescue authority to identify and implement improvements to services? For example, would senior managers be able to devote a greater proportion of their time to identifying and implementing changes? A larger fire and rescue authority may have the critical mass of management to further implement modernisation.

In addition, the combination process can be used as an opportunity to review current practices and to introduce new working practices.

Sharing good practice

Would the combined fire and rescue authority be able to share good practice with one another to mutual advantage? For example, one fire and rescue authority may be a recognised leader in arson prevention and another leading in chemical, biological, radioactive, nuclear response.

The sharing of good practice may also be important where assessment has identified areas that could be improved.

Organisational resilience

Would the combination enable the organisation to better manage contingencies such as flu pandemics, staff sickness, financial constraints and major incidents? For example:

- With a larger number of whole time crews, would this enable easier cover in the event of staff absence?
- With a larger pool of officers would the fire and rescue authority be better able to command larger incidents?
- In the event that a specialist officer is unavailable, such as due to illness, would a larger fire and rescue authority be able to have a second officer available to provide cover?

- Would a larger resource enable the fire and rescue authority to respond more effectively to, for example, a protracted outdoor fire?

Regard should be had for whether the risk assessment completed for an integrated risk management plan, local resilience planning or corporate risk assessment has identified any risks that one or another fire and rescue authority would benefit from increased capacity.

Staff development, retention and succession

Would a larger organisation offer staff more opportunities to develop, and for promotion?

A larger organisation might:

- provide more opportunities for career advancement, encouraging and enabling staff development, progress and retention
- provide more opportunities for staff to gain wider experience in different roles
- enable staff to move from one duty system to another.

Improved ratio of support resources and management to front line service resources (efficiencies)

The combination of two or more fire and rescue authorities might enable efficiencies to be made where there is overlap or duplication of functions such as:

- management
- IT and administration
- support services
- specialist staff, such as fire investigation
- operational resources.

In addition, would a larger fire and rescue authority be able to achieve a higher ratio of operational staff to area managers and commanders?

Efficiencies might arise from, for example:

- using a single training centre
- reducing staffing in duplicated support services
- reducing the ratio of management to staff
- operating fewer buildings, such as a single headquarters.

In the case of combining a county council Fire and Rescue Service and a combined authority, there may be scope for the previous fire and rescue authority to deliver some of the support services, saving on the cost of support services previously provided by the county council. The realisation of this saving will depend on 1) the resources available to the previous combined fire and rescue authority and 2) whether efficiencies in the use of county council support services are cashable. It is possible that the county council savings will be limited unless it is possible to identify entire posts that can be eliminated.

In the case of two fire and rescue authorities combining, does this enable efficiencies by reducing duplication of services between the two existing fire and rescue authorities? If the two fire and rescue authorities have complete support services, does this offer a substantial efficiency by combining them?

Specialist resources

A larger fire and rescue authority may be in a better position to afford specialist resources such as urban search and rescue and water rescue units.

Improved purchasing power

Would a larger fire and rescue authority be able to negotiate superior terms with suppliers, have more bespoke equipment and afford more equipment? For example, would suppliers be more willing to tailor their equipment for the sake of a larger order?

Standalone authority

In the case of Fire and Rescue Services operating as part of county councils, does the transition to a standalone authority offer benefits? Benefits might include:

- a higher profile due to the size of the organisation
- elected members of a fire and rescue authority may be able to develop a greater understanding of fire and rescue authority activities than lead members from a county council, and in turn facilitate more effective management and direction of the fire and rescue authority
- fire and rescue authority may be able to achieve efficiencies through alternative provision of services rather than relying on shared county council services.

When reviewing the current arrangements, consideration can be awarded to whether the Chief Fire Officer reports to an officer of the council or is a director of (say) community safety. Would a combined fire and rescue authority provide the fire and rescue authority with more direct and higher level representation than in a county council?

3.6.4 Estimating costs

At this stage, only approximate cost estimates are needed. Indeed, it might not be possible or necessary to estimate costs at this stage. The options appraisal may rule out options through the rating of objectives and benefits, negating the need for a costing. A full costing of options could be deferred to the full business case.

Also the costing would be limited to those options considered to be feasible.

Some typical costs include:

- changes in IT systems
- redundancy or early retirement costs
- consultancy costs to support combination
- re-branding costs (uniform, badges, signs etc).

Appendix A at Section 8 provides a ready reckoner tool to help estimate costs. The costs estimated are based on professional judgement by systematically considering each cost heading for the fire and rescue authorities.

It is likely that there will also be an “opportunity cost” in respect of time devoted by staff to the combination process. An option is to estimate this cost and include it in the comparison.

3.6.5 Costs versus benefits (net cost-saving)

A preliminary comparison of costs and benefits should be made for each option (combination, shared resources, do nothing, internal changes). The estimate may be of the (say) total costs and benefits for three year period.

Table 4 provides a hypothetical example of the comparison. In this example, combination incurs greater costs but offers greater net benefits.

Table 4: Hypothetical cost benefit comparison of option			
Option	Implementation cost	Savings	Net benefits
No change	£0	£0	£0
Internal changes	£500,000	£600,000	£100,000
Shared resources	£550,000	£650,000	£100,000
combination	£1,000,000	£3,000,000	£2,000,000

As a preliminary assessment, it should be recognised that the costs and benefits may be accurate to within (say) plus or minus 30 per cent at this stage. The comparison should only be used to inform the decision on whether or not to further consider the combination option.

In addition, many benefits are intangible, such as improved resilience. Therefore, any presentation of costs and benefits should be augmented with a statement of the intangible benefits and costs, such as the aforementioned opportunity cost of staff time.

3.6.6 Potential risks of each option

Each option would be associated with a variety of risks. These risks should be identified and rated, and possible mitigating actions cited where possible. A risk matrix might be used to assess risks related to the combination as well as for other options such as No Change. A typical risk matrix is illustrated below. This may take the form of a PEST or PESTLE¹ risk analysis (political, economic, social and technological, and legal) risks associated with each option. A PESTLE analysis can be simple or complex. At the options appraisal stage, a judgement based assessment is suitable.

A score can be assigned to each risk level, as per Figure 2.

Figure 2: Typical risk matrix

Likelihood	High	3	6	9
	Medium	2	4	6
	Low	1	2	3
		Low	Medium	High
		Impact		

In the example shown in Table 5, the “No change” option has 6, 3 and 9 which equals an overall risk score of 18.

Table 5: Typical risk assessment for No change option

ID	Risk	Effect	Mitigation	Likelihood	Impact	Risk level
1	Inadequate command resources	Unable to effectively command a major incident	Increase recruitment	M	H	6

¹ <http://www.cipd.co.uk/subjects/corpstrtg/general/pestle-analysis.htm>

Table 5: Typical risk assessment for No change option (continued)

ID	Risk	Effect	Mitigation	Likelihood	Impact	Risk level
2	Lack of special rescue units	Unable to effect rescues in timely manner	Collaborate with other fire and rescue authorities	L	H	3
3	Funding shortfall	Breach funding limit	Reduce staffing levels	H	H	9
And so on						

Scores can be added up for each option and compared, as in the example shown in Table 6.

Table 6: Hypothetical risk scores per option

	Do nothing	Internal changes	Increased collaboration	combination with fire and rescue authority A
Overall risk score	18	6	5	2

Appendix C in Section 10 provides further advice on risk assessment.

3.6.7 Comparing benefits, risks and costs

A judgement is needed of whether the net benefits and change in risks justify the cost of combination. There may be several elements to this judgement, including:

- comparing estimated transition costs of the combination against estimated savings
- comparing net savings against risks
- comparing, qualitatively, benefits against the risks – taking account of the likelihood of benefits and risks materialising.

Tabulating conclusions

The risks, benefits and financial implications can be presented as a “score card”, as below, for each option.

Table 7: Comparison of costs, benefits and risks per option				
Factor	Do nothing	Internal changes	Increased collaboration	combination with fire and rescue authority A
Objectives (benefits)	8	10	15	21
Risk	18	9	5	7
Cost (savings)	0	-£100,000	-£100,000	-£2m

The costs might be estimated for a (say) 3 to 5 year period to show the overall net cost or net saving. It may also be useful to indicate the ongoing cost or saving once all combination costs have been incurred.

This comparison should be accompanied by a narrative explanation.

3.7 Engagement and communications during options appraisal

3.7.1 Introduction

A targeted engagement approach is recommended for the options appraisal stage, to ensure that the resources devoted to engagement are proportionate to the role of this stage. As the options appraisal stage may reject the combination option, a relatively limited engagement is advised. A broader engagement exercise is recommended for the full business case stage, if the combination option is taken forward.

It is recommended that once the options appraisal is launched that there is an element of public communication, such as press releases and briefings to local media. This will help to ensure that the purpose and status of the options appraisal is accurately reported.

It is also recommended that stakeholder engagement is initiated after the initial engagement between fire and rescue authorities and senior management. This is to ensure that engagement is not prematurely initiated prior to checking that there is agreement in principle to consider the combination option, i.e. there is no value in engaging on an option that is not considered feasible.

It should be noted that “involvement” is not the same as “statutory consultation”. Involvement entails determining the most suitable and appropriate form of informing, involving or engaging interested and affected parties in decisions. Statutory consultation should follow guidance on matters such as the minimum recommended response period (12 weeks) and use of consultation documents.

3.7.2 What are the aims of engaging at this stage?

Consulting with key interested and affected parties at the options appraisal stage can assist in identifying any likely risks and benefits associated with various options, as well as the potential impact in the immediate and longer term. Early engagement aims to:

- assess support for the consideration of options, including cross border
- gain an understanding of expectations of the combination process and explain interested and affected parties role within it
- identify concerns and issues regarding options
- address any legal requirements
- respond to any criticisms, as well as addressing any rumours/dispelling any myths in a timely manner.

Early engagement with key parties is essential in gaining their buy-in to the process, and ensuring that further effort is effective.

3.7.3 Key parties to engage in options appraisal

The key parties to be engaged at this stage of the process are:

- elected fire and rescue authority and county council members
- staff representatives
- business and residents forums and associations
- DCLG (for full combinations)
- local members of parliament.

This does not preclude consideration of the involvement of any others at this early stage.

3.7.4 What are the key issues?

At the options appraisal stage there are a number of key issues that the fire and rescue authority(s) may wish to cover with interested and affected parties, which can include:

- whether any risks or benefits have been over looked

- assessing the feasibility of each option, including harmonisation of council tax, political support and organisation fit
- what are the benefits and costs of each option
- whether the combination option is likely to meet the basic criteria for approval of a combination within the *2004 Fire and Rescue Service Act*
- what else should the fire and rescue authority(s) be attempting to achieve?
- what do interested and affected parties think about each option?
- whether interested and affected parties have any questions about any of the options
- whether there are any other options that would help achieve the fire and rescue authority objectives.

3.7.5 How to engage with these key people and organisations?

The following should be considered:

- What is the state of the relationship between the fire and rescue authority and interested and affected people?
- How experienced and knowledgeable are they in relation to the operation of a fire and rescue authority, e.g. elected members?
- Are there any other issues that may have a bearing on the process that need to be identified and taken into account?

This will help to determine to what extent the fire and rescue authority will need to pre-brief these key parties, and the extent to which they will need to be engaged during this process, e.g. a detailed face-to-face meeting compared to holding a series of meetings. As regards specific engagement methods, some options include:

- **Elected members:** It is likely that officers will wish to meet with them individually. Meeting with the Chairman (in the case of a fire and rescue authority) or Portfolio Holder (in the case of a county council) to explain and discuss consideration of options.
- **Staff and staff representatives:** Early communication with staff representative bodies (e.g. FBU, FOA, RFU, and Unison) is an important investment in the process. Initially the fire and rescue authority may wish to hold a series of meetings with representative bodies and possibly staff briefings.
- Staff will need to be informed of the process, and again, it may be more effective initially to present this in person rather than to communicate through the staff intranet or newsletters. It is important to take time to map out the process, what the objectives and the possible outcomes are, and how staff, staff representative bodies and others will have opportunities to provide views and opinions.

There are likely to be avenues where staff can raise questions either directly (e.g. through staff intranet) or indirectly (e.g. through meetings). Clarification and responses need to be made and communicated back to staff in a timely manner in order to avoid any misunderstandings, e.g. an FAQ section may be set up on the organisation's intranet for staff to access.

- **MPs:** It is suggested that time is taken to brief local MPs on the options appraisal stage, and the process as a whole. It is likely that this will occur as a set of face-to-face meetings. It is not advisable to expect invited MPs jointly to attend a single meeting.

Once interest and personal contact has been established with MPs, using alternative methods may be used to maintain contact and provide updates on developments, e.g. email updates, telephone calls, copies of relevant meeting minutes etc.

- **Central Government (DCLG):** for full combinations, with an indication of the support for an options appraisal at a local level, an informal approach may be made to central government through DCLG. The key issues to be established at this stage may include:
 - gaining support for the principles for the options appraisal
 - whether the combination option is likely to meet the basic criteria for approval of a combination within the 2004 Fire and Rescue Service Act
 - ensuring that there is no conflict with any emerging or potential central government agenda.

Further advice on engagement methods is offered in integrated risk management planning Guidance Note 2.

How to engage with local persons at the Options Appraisal Stage?

The fire and rescue authority should consider to what extent it wishes to consult with members of the public and businesses at the options appraisal stage.

One option is for "targeted" consultation specifically on the options. Targeted consultation may take the form of undertaking a series of focus groups or workshops with a representative sample of the community (residents and business). Alternatively, if the fire and rescue authority has any established community representative bodies, e.g. citizen forums or focus panels, these bodies may be asked specific questions and the results used to inform the process and discussions.

However, a wider consultation could be incorporated into another wider public consultation process, e.g. on an integrated risk management plan or a Strategic Plan², which as a formal consultation process would involve staff and representative bodies such as the Fire Brigade Union, and would ideally be held over a 12 week period in line with government guidance.

3.7.6 Responding to and using feedback

A summary of responses should be produced and published. The summary should provide a faithful representation of responses from each type of interested and affected party and the key points being made.

Consultation processes do not necessarily receive responses from all interested parties. In addition, the number of responses may not be proportionate and the opinion of any one type of interested party does not necessarily count for more or less than others irrespective of the number of affected persons. Therefore, consultation responses inform rather than determine fire and rescue authority decision making.

It is also recommended that the reasons for decisions are fed back to people, such as in a final options appraisal and summary statement. This may address some of the points raised by interested and affected parties.

3.7.7 Communicating decisions

When presenting the decisions reached at the end of the options appraisal stage, explanations of the decisions should be prepared and presented. It may be advisable to develop specific communication plans around key milestones and the announcement to interested and affected parties, e.g. the decision regarding which of the options will be pursued.

3.8 Gateway review (0): Strategic assessment

As noted³ by the Office of Government Commerce:

“The OGC Gateway Process examines programmes and projects at key decision points in their lifecycle. It looks ahead to provide assurance that they can progress successfully to the next stage; the process is best practice in central civil government, the health sector, local government and Defence.”

An option is to have a gateway review completed at this stage to check and inform your plans and work to date. A gateway review 0 is a programme-only review that investigates the direction and planned outcomes of the programme, together with the progress of its constituent projects.

² There may be reason to consult the public in general as part of a pre-options appraisal stage.

³ http://www.ogc.gov.uk/what_is_ogc_gateway_review.asp

Note

The remaining sections of this guide may be drawn on to support the implementation of shared resources but they have been written in the context of full combinations. The level of consultation and analysis to support shared resources is likely to be less than that implied here. Those sections that do not apply to sharing resources have been identified.

Section 4

Stage 2: Full business case

4.1 Introduction

Once the combination option has been provisionally proposed, the respective fire and rescue authorities and county councils are advised to formally announce that they are considering a combination, such as press releases and internal briefings.

At this point, the combination is subject to a full business case, consultation on revoking any existing combination and approval by the Secretary of State. Therefore, the announcement is of a *proposal* to combine rather than of a confirmed combination plan.

The announcement, typically as press releases and internal briefings, could cover:

- the proposal to combine
- the reasons for seeking combination
- the schedule of work and indicative timescales
- any key proposals that have been formulated, such as headquarters location;
- key points yet to be decided, such as name of the combined authority, headquarters location
- how to submit any questions or seek further information
- details of any planned consultation.

It is likely that a draft business case (including an outline of the combination proposals) would be developed and consulted on with staff, members of the public, fire and rescue authority members, businesses, DCLG (for combination) and others. The draft business case may be revised in response to consultation and further assessment by the fire and rescue authorities.

On conclusion the business case would be submitted to fire and rescue authorities for a decision on whether to combine and then submitted for ministerial review as part of the preparation for combination.

This section of this guide provides advice on:

- the management of the business case (Section 4.2)
- the structure and content of the business case and outline of the combination proposals (Section 4.3)
- how to assess the costs, benefits and other aspects of the potential combination (Section 4.4)
- engagement of interested and affected people at this stage (Section 4.5).

4.2 Project management of business case

4.2.1 Fire authority members scrutiny group

Membership

A group comprising elected members of each authority could be created. The composition of this group would be decided by the respective fire authorities and (if relevant) county council fire service portfolio holders. At the discretion of the members, they may choose to:

- have equal representation of members from each of the fire and rescue authorities
- match the number of members to the population served by each of the fire and rescue authorities.

As this is a scrutiny group, membership may be in the region of, for example, six members.

The selection of individuals for the group is also a matter for members to decide. They may aim that members are representative of the political composition of respective authorities, as far as this is possible given the size of the scrutiny group and availability of members.

Role

The group's role is likely to include:

- scrutinising the proposed combination, the business case and implementation plans
- scrutinising and agreeing financial aspects of the combination, particularly the acceptability of changes in council tax, transfer of assets and estates, notional first year cost of the combined authority, transition costs and payments from county councils to the combined authority for services previously rendered by the county council
- communicating developments back to their respective fire and rescue authorities and/or councils

- briefing of political parties, including any minority political groups
- participating in consultation activities, such as with members of parliament, other elected members, employee representatives, businesses and members of the public
- putting key decisions to fire and rescue authorities and/or councils for their approval
- creating the shadow fire and rescue authority
- contributing to and agreeing the draft combination scheme for the new combined authority.

An option is for each member of the scrutiny committee to have one or more focus topic, such as staff pay and conditions or council tax impacts.

As the business case moves towards conclusion, the members of the scrutiny group are likely to need to engage more widely with the full fire authority and county council, including members' seminars, party political briefings and scrutiny committees.

Key questions for fire and rescue authority members include:

- Is the combination in the best interests of public safety, efficiency, economy and effectiveness?
- Are the proposed fire and rescue authorities compatible in terms of culture, aims, operational practices and funding base?
- Have and are interested and affected parties being consulted and involved?
- What are the risks, benefits and impacts of combination and has a suitable and sufficient assessment been made of these?
- Have the full costs of combination been estimated and can these be afforded?
- Has suitable due diligence been completed regarding liabilities and financial elements of the combination?
- Have suitable governance arrangements for the combination been developed?

Outline shadow fire and rescue authority

Whilst the shadow fire and rescue authority does not need to be formed until the Preparation stage, current fire and rescue authorities may wish to have foresight of the political balance and composition of the proposed fire and rescue authority. Therefore, the members' scrutiny group may usefully outline a potential fire and rescue authority as part of the business case.

4.2.2 Joint combination management team

A joint team with members from each fire and rescue authority may be formed, if not already formed at the options appraisal stage, to help develop the full business case and to handle associated key activities. Key roles include:

- finance and accountancy
- corporate services
- operations.

It is recommended that a business case manager be appointed with responsibility to plan, manage and report on progress.

Key lines of work include:

- communications and engagement
- elaborating the combination option
- financial assessments
- operational assurance, risk assessments and review of benefits
- scoping out delivery of the recommended option
- producing the business case document and updating it in response to further work and feedback from consultations.

4.3 Full business case outline

4.3.1 Business case

This is likely to be a further development of the options appraisal but may be limited to the combination proposal or may cover two or more shortlisted options. It would also differ in that it would outline proposed organisational changes as well as providing the business case for the combination. In addition, the options appraisal may have identified further costs and benefits that should be incorporated into a full business case.

Document structure

It is recommended that the business case has the following sections:

- Summary
- Introduction
- Overview of each fire and rescue authority
- Drivers and context for change
- Business case method

- Summary of options:
 - combination option: laying out potential organisational structure and proposals for assets, policies etc
 - other options: a summary of any other shortlisted option being considered.
- Results per option:
 - benefits
 - operational assurance
 - risks
 - financial implications
 - impact on council tax
 - financial transfers
 - transition costs
 - savings
 - cost benefit analysis, including optimism bias.
 - feedback from staff, members of the public, business etc (once received).
- conclusions and recommendations; including comparison of options
- delivery of recommended option – how the recommended option would be delivered, including members’ scrutiny committee, programme management, schedule, legal aspects, workforce planning and communications, and post combination integration plans
- section 5 provides an outline of combination preparation actions that can be used to scope out delivery of recommended option aspects of the business case
- appendices – any detailed analyses such as operational assurance, organisational charts, detailed risk analyses and cost benefit analyses.

It would also be appropriate to provide summaries⁴ (in Appendices) of feedback and opinion provided by staff, members of the public, business etc from any consultation or involvement activity that has been carried out.

⁴ An example of a Consultation Analysis can be found at the National Archives:
http://webarchive.nationalarchives.gov.uk/+/www.dh.gov.uk/en/Consultations/Responsestoconsultations/DH_066020 .

4.3.2 Combination option outline

The business case should include an outline of the combination proposals.

Name

One or more options on the name of the combined authority should be proposed.

Fire and rescue authority membership

An outline of the new fire and rescue authority membership should be developed, particularly the number of members per authority. The detailed procedures, governance and terms of reference are not required at this stage.

Organisational structure

This should include:

- an organisation chart showing senior management structure, departments and units within departments
- any new area structures, such as if area commands are revised.

At this stage, the roles and aims of each department do not need to be specified in detail.

Staffing implications

Any changes in staffing levels, duty systems or crewing systems associated with the combination should be laid out along with proposals on associated consultation procedures.

Operational changes

Any significant changes in operational practices or resources associated with the combination should be laid out, such as

- changes in amount or targeting of fire safety prevention or protection work
- combination of specialist teams
- sharing of specialist resources
- changes in crew levels
- changes to fire station and other fire cover resources.

Principles guiding combination of policies and procedures

The principles guiding how policies and procedures will be harmonised should be outlined, such as identifying best practice in each respective fire and rescue authority and basing new policies on this.

Assets

Proposals on key assets should be outlined, such as

- location of the new combined fire and rescue authority headquarters
- retention or disposal of facilities such as training centres, offices, equipment etc.

4.4 Business case assessments

4.4.1 Benefits

The identification of benefits is unlikely to differ greatly from those in the Options Appraisal except in that they would be updated to take account of any feedback from interested and affected parties and new work by the fire and rescue authorities.

Comparing strengths and weaknesses

The assessment of potential synergies and sharing good practice may be further developed by tabulating each fire and rescue authority’s strengths and weaknesses.

Table 8: Comparing strengths and weaknesses – spotting opportunities to share good practice				
Theme	fire and rescue authority A		fire and rescue authority B	
	Strengths	Weaknesses	Strengths	Weaknesses
Leadership				
Strategy				
Governance & management				
Resources				
Capacity				
Performance management				
Achievement of objectives				
Achievement of improvement				
Future plans				

4.4.2 Operational assurance

An option is to assess the operational impact of the combination by use of the Operational Assessment toolkit⁵.

This may be achieved by staff from each fire and rescue authority attending a workshop to rate impacts. The process may be peer reviewed.

Table 9 provides some hypothetical summary results for the fire and rescue authorities as is and in the event of combination. In this example, it is judged that Fire And Rescue Authority A will be able to improve its community risk management and prevention work by combining resources with Fire And Rescue Authority B. In order to provide support for these ratings, it is recommended that a short summary of the current performance of each fire and rescue authority on each key area of enquiry is produced and a statement of how the combination might impact it.

Table 9: Operational assurance review (with hypothetical results)				
	fire and rescue authority A		fire and rescue authority B	
Key line of enquiry	Current score	Score for combination option	Current score	Score for combination option
Community risk management	D	E	A	A
Prevention	D	E	A	A
Protection	E	A	A	A
Response	E	E	E	E
Health and safety	E	E	E	E
Training and development	A	A	A	A
Call management and incident response	A	A	A	A

⁵ <http://www.communities.gov.uk/documents/fire/pdf/opatoolkit.pdf>

4.4.3 Identifying and assessing efficiencies

Any efficiencies should be assessed in greater detail to provide firmer estimates of the financial savings arising from the combination. This is likely to entail:

- mapping out a potential organisational structure – so as to identify the number of senior and middle management required (and so identify any reductions in roles)
- assessing if an economy of scale can be achieved in support functions and other areas of staffing
- reviewing potential for reducing supplier costs through larger orders or consolidation of suppliers.

4.4.4 Risk assessment

The risk assessment completed at the options appraisal stage should be further developed and updated to reflect feedback from consultations.

4.4.5 Impact of harmonised precept

The assessment of the impact on council tax should be updated and finalised as part of the full business case.

Estimating notional fire and rescue authority costs for a county Fire and Rescue Services

As county council Fire and Rescue Service share support functions with their host county council it is necessary to develop a notional Fire and Rescue Service cost. It is important that the initial estimate of the notional Fire and Rescue Service cost is comprehensive, as understatement or over statement may subsequently result in rejection of the combination on false grounds.

The notional cost for the county Fire and Rescue Service needs to include:

- capital financing, lease costs and debt costs
- financial reserves
- support service costs, e.g. human resources, property maintenance and corporate services
- Fire and Rescue Service's element of county council financial reserves
- costs for shared accommodation.

It is recommended that:

- an accountant or similar competent person be tasked with developing the notional fire and rescue service cost estimate

- a detailed assessment of the costs incurred by the county council in operating the fire and rescue service is completed as early as possible in the process.

In the case of county councils, Fire and Rescue Service support services are provided centrally. In addition, the Fire and Rescue Service may share buildings, financial reserves, insurances and capital financing. Therefore, time needs to be scheduled to allow an estimate to be produced of the notional Fire and Rescue Service costs.

In some cases this may entail estimating the proportion of, for example, Human Resource time devoted to the Fire and Rescue Service and calculating a pro rata cost, such as 5 per cent of total human resource cost. If time and costs have not been recorded against the Fire and Rescue Service, another option is to pro rata county council support costs per employee.

Next, the effective change in Fire and Rescue Service costs needs to be assessed. In the event of a combination, the county council may not be able to achieve a cashable savings for, for example, a reduced demand on human resources. That is, reducing demand by (say) 5 per cent may not equate to a whole post. On the other hand, a combination may allow costs to be reduced by making use of the Human Resources of the other fire and rescue authority(s). Thus, ideally, the notional cost of the combined fire and rescue authority would be estimated, allowing for cashable efficiencies, and used to assess the impact on precepts.

Finally, the ultimate impact on the future fire and rescue authority grant needs to be assessed. This is not simple as the grant is influenced by floors and damping. For combinations, it is recommended that the fire and rescue authorities liaise with DCLG to estimate a future grant settlement, drawing on a notional grant settlement for the new fire and rescue authority. The notional grant settlement may be based on the estimate cost of the combined fire and rescue authority. DCLG may be able to advise on how, at the next grant review, the new grant may be settled.

Presenting notional council tax impacts

Table 10 provides an example presentation of notional council tax impacts, using hypothetical data. Given the uncertainties in this calculation, an upper and lower estimate should be offered along with the “best estimate”.

Table 10: Impact on council tax of combined fire and rescue authority (hypothetical data)			
	Lower estimate	Best estimate	Higher estimate
Combined fire and rescue authority			
Budget	£50,000,000	£51,000,000	£51,500,000
Grant	£21,500,000	£21,930,000	£22,145,000
Precept on council tax	£28,500,000	£29,070,000	£29,355,000
Council Tax (band D)	£60.00	£60.50	£61.00
Impact on fire and rescue authority A			
Notional council tax	£59	£59.50	£60
Change in notional council tax	£1	£2	£3
Indicative council tax (band D)	£1,200	£1,202	£1,203
Per cent impact	0.08%	0.16%	0.25%
Impact on fire and rescue authority B			
Notional council tax	£62	£63	£64
Change in notional council tax	-£1	£0	£1
Indicative council tax (band D)	1050	1051	1052
Per cent impact	-0.1%	0.0%	0.1%

4.4.6 Due diligence and liabilities

The fire and rescue authorities should estimate what assets and liabilities will be transferred to the new combined fire and rescue authority. The aims of this task include:

- agreeing transfers with current fire and rescue authorities
- assuring the financial position and liabilities of the new fire and rescue authority.

There is an element of due diligence here, i.e. checking that the new fire and rescue authority will not be taking on unforeseen or unsustainable liabilities without appropriate reserves or insurances. Therefore, it is important to check and verify what liabilities will be transferred over by each fire and rescue authority to the new fire and rescue authority and that suitable reserves and insurances are in place. This requires:

- identifying outstanding insurance, litigation or employment claims, estimating their value and probability of being realised
- identifying any substantial pending capital or revenue costs, such as replacement or refurbishment of buildings
- identifying any substantial environmental liabilities, such as contaminated land or buildings.

4.4.7 Financial transfers

Transfers from county councils may include:

- transfer of part of a county council's financial reserves to the new combined fire and rescue authority
- compensation payments for any fire and rescue authority assets to be retained by the county council
- liabilities, including what element of liabilities would be retained by the county council and what would be carried over to the fire and rescue authority
- elements of county council grant to be transferred to the new fire and rescue authority, in lieu of support costs such as human resources.

Where two or more fire and rescue authorities combine, the new reserves and liabilities should be stated and reviewed.

4.4.8 Transition costs

It is unlikely that transition costs can be capitalised for voluntary combinations. These costs must be met from fire and rescue authority revenues or reserves. These need to be assessed as part of the full business case.

4.4.9 Cost benefit analysis

A full cost benefit analysis should be completed as part of the full business case. It is recommended that:

- an accountant is involved in the cost benefit analysis
- The Treasury Green Book⁶ guidance is referred to.

HM Treasury advises that "The Green Book methodology should be used to make an economic assessment of the social costs and benefits of all new policies projects and programmes including the economic assessment of regulations under regulatory impact analysis. As recommended by the Green Book all spending proposals should be accompanied by a proportionate and well structured business case."

⁶ http://www.hm-treasury.gov.uk/data_greenbook_index.htm

This should include a year by year projection of transition costs and savings as illustrated in Table 11.

Table 11: Example cost benefit table (hypothetical data)				
	Year 1	Year 2	Year 3	End of year 3 cumulative
Costs				
Uniform, badge & signage	£300,000	£0	£0	£300,000
IT integration	£100,000	£0	£0	£100,000
Redundancy costs	£0	£200,000	£400,000	£600,000
Sub total	£400,000	£200,000	£400,000	£1,000,000
Savings				
Staffing	£0	£800,000	£1,800,000	£2,600,000
Maintenance	£100,000	£100,000	£100,000	£300,000
IT	£0	£100,000	£100,000	£200,000
Sub total	£100,000	£1,000,000	£2,000,000	£3,100,000
Net cost saving	(£300,000)	£800,000	£1,600,000	£2,100,000

Optimism bias and sensitivity analysis

The HM Treasury Green Book advises on the assessment of optimism bias. The Green Book states that “Many project parameters are affected by optimism – appraisers tend to overstate benefits, and understate timings and costs, both capital and operational”.

This involves:

- judging the extent to which costs might be underestimated and savings overestimated, such as by 25 per cent
- applying these judgements to the estimated costs and benefits
- recalculating the costs and benefits, and reviewing the revised outcomes.

An option is to do a worst case scenario of costs and savings, as a bounding case.

If information is available from other combinations, this can be used to inform the optimism bias assessment.

4.5 Stakeholder engagement and communications during business case stage

4.5.1 Overview

Communications should start upon deciding to consider the combination option further. Initial communications should state the decision and outline the next steps (i.e. the business case), and how and when parties will be involved and consulted on the business case. This can take the form of a press release and internal briefings.

It is likely that a wider or large consultation process will be carried out at this stage (compared to the options appraisal stage), commensurate with the point that this stage of work may lead to a decision to combine.

4.5.2 Aims of engagement at this stage

It is recommended that engagement should at this stage aim to:

- check whether there are any substantive omissions, errors or alternatives to proposals
- seek feedback on agreement of main proposals
- solicit and address any concerns
- solicit and address any questions.

A draft business case can be used to initiate involvement, stating that the business case may be updated in response to consultation.

4.5.3 Key interested parties at this stage

The key interested and affected parties at this stage of the process are:

- staff and representative bodies
- elected members of fire and rescue authorities and county councils
- local residents and businesses
- DCLG (for full combinations)
- other neighbouring fire and rescue authorities
- other emergency services and partner agencies, such as police, ambulance, health and social services – such as via existing forums, local strategic partnerships and crime and reduction partnerships.

Though these interested and affected parties have been identified as key at this stage of the process, this should not preclude consideration of whether any others should be involved in this stage.

Additional bodies that may need to be informed during this stage include:

- other partner agencies
- Chief Fire Officers Association
- Local Government Association
- other fire and rescue authorities.

4.5.4 Key issues to communicate at this stage

Staff

Key issues would include:

- omissions, gaps and errors in the business case
- any questions or concerns
- feedback regarding:
 - proposed combined fire and rescue authority name
 - headquarters location
 - asset and finance transfer proposals
 - any change in operational procedures and policies
 - any changes in terms of employment, pay and conditions
 - any major proposed efficiencies
 - arrangements for the new fire and rescue authority.

Elected members

Key issues would include acceptability of:

- change in council tax
- proposed combined fire and rescue authority name
- headquarters location
- asset and finance transfer proposals
- any change in operational procedures and policies
- any major proposed efficiencies
- transition costs
- arrangements for the new fire and rescue authority.

Local persons and businesses

Key issues would include feedback on:

- change in council tax
- proposed combined fire and rescue authority name
- headquarters location
- any change in operational procedures and policies
- any major proposed efficiencies.

Department for Communities and Local Government

Key issues would include acceptability of:

- evidence of benefits in respect of:
 - economy, efficiency and effectiveness, or
 - public safety.
- asset and finance transfer proposals
- governance and other proposed arrangements for the new fire and rescue authority.

4.5.5 Methods at this stage

Staff and representative bodies

As before, it is advisable to consider how to communicate effectively with staff representative bodies (e.g. Fire Brigade Union, Fire Officer's Association, Retained Firefighters' Union, and Unison) and staff.

Both staff representatives and staff should be made aware of the outcome of the options appraisal stage, i.e. that there is the intention to consider the business case for combination, at the same time as other key parties. This should be announced internally to the fire and rescue authorities before any press release or other information is put out into the public domain. The timing should also be simultaneous in terms of the organisations concerned, and this may require internal meetings where such key decisions will be reached to be aligned.

It is recommended that representative bodies are asked to form a joint (cross border) group in order to provide joined up feedback and input to the stakeholder engagement process.

Once the process has been announced it is essential to keep staff up to date on key developments/ milestones in the process using an array of methods such as:

- undertaking scheduled briefings with staff and staff representative bodies, e.g. staff seminars (on issues of importance), senior managers' briefings (after every strategic meeting)
- making information available through the intranet/internet, with a dedicated page for the process
- newsletters produced regularly to inform staff on latest developments, and also stored on the intranet, posted on staff notice boards
- letters to staff updating them on any significant decisions, the content of which may be approved by the project board
- email address for staff to send questions or queries to, and which will be answered by a member of the project board.

Feedback on the development of the business case should be given to staff representative bodies and staff in a timely manner. It is important that information is communicated to staff in general as well as staff representative bodies, and that there is not a reliance on staff representatives to disseminate information.

Key issues that may need to be addressed include:

- ensuring that they are well briefed on the process and the development of the business case
- gaining an understanding of their expectations of the process and their role within it
- identifying concerns and issues regarding the proposed combination
- addressing any legal requirements
- responding to any criticisms, as well as addressing any rumours/dispelling any myths in a timely manner.

Elected members

It is important to keep elected members up to date on developments and key milestones during the business case review, which may be done by undertaking scheduled briefings.

Furthermore, elected members need to be consulted on the content of the business case, which may be achieved by making information available in advance of meetings to facilitate input and discussions.

Local persons (communities served)

At this stage of the process the engagement with interested and affected parties in the community served may be widened. This may be done by:

- providing information on the process and the draft business case
- gathering feedback through an online survey or consultation questionnaire
- enabling people to ask questions either by feedback form, email or at meetings
- conducting focus groups with representative samples of residents and businesses
- inviting people to attend meetings or open house events at stations at which the draft business case can be presented, questions asked and feedback gathered directly or by questionnaire
- issuing a consultation document and asking for feedback on specific questions and issues.

Press releases may be issued to the local media and on the organisations' internet/intranet sites, as approved by the Chief Fire Officers, informing of key decisions reached in the process. A view may be taken as to whether Chief Fire Officers may be interviewed by the press.

Subsequently, a summary of the feedback received during the public consultation process should be published and distributed which includes how the fire and rescue authority has sought to address the issues raised.

Department for Communities and Local Government

It is valuable to maintain contact with central government, i.e. the minister through civil servants. Key issues that may need to be addressed with these stakeholders include:

- ensuring that they are well briefed on the process and the business case
- seeking any early feedback on the business case, particularly:
 - draft proposals regarding grant settlement
 - whether the combination meets the basic criteria
 - whether draft proposals for the fire and rescue authority are acceptable.
- gaining an understanding of their expectations of the process and their role within it.

As required face-to-face meetings may be arranged with civil servants as a means of establishing an understanding of the process and needs of these stakeholders.

Additional interested and affected parties

The Chief Fire Officer may keep partner organisations, members of parliament and other local strategic bodies informed of developments in the process by letter or with briefings at meetings when appropriate.

4.5.6 Responding to and using feedback

As before, a summary of responses should be produced and published along with a response to feedback and reasons for final proposals.

4.6 Fire and rescue authority decision

The decision on whether or not to proceed to the next stage of combination rests, at this stage, with the constituent fire and rescue authorities and (as applicable) county council members. Upon completion of the full business case and stakeholder engagement, the proposed combination would be voted on by the respective fire and rescue authorities and councils.

In the case of county councils, the business case may be presented to a scrutiny committee prior to presentation to a full county council. This is a useful opportunity to identify and address any final issues before final submission of the business case.

Whilst the decision to proceed is one for fire and rescue authority and council members, it is recommended that the acceptability (in principle) of proposals is checked with DCLG (for full combinations) to avoid delays in the next stage.

4.7 Communicating the decision

It is again recommended that the meetings of the respective fire and rescue authorities be aligned as close as possible to allow decisions to be published with minimum delay, such as within 24 hours of one another.

As before, the decision should be communicated (as press releases and internal announcements) along with an explanation of the reasons and an acknowledgement of consultation responses.

4.8 Gateway review (1, 2 and 3)

The fire and rescue authorities may choose to seek one or more gateway review at this stage, as below.

Process Review 1: Business justification

This first project review comes after the strategic business case has been prepared. It focuses on the project's business justification prior to the key decision on approval for development proposal.

Process Review 2: Delivery strategy

This review investigates the outline business case and the delivery strategy before any formal approaches are made to prospective suppliers or delivery partners.

Process Review 3: Investment decision

This review investigates the full business case and the governance arrangements for the investment decision. The review takes place before a work order is place with a supplier and funding and resources committed.

The fire and rescue authorities may choose to complete one or more of these reviews at this stage.

Section 5

Stage 3: Preparation for combination

5.1 Introduction

A wide range of tasks need to be completed to enable combination. Key tasks include:

- developing specific proposals for combination of assets, people and procedures
- agreeing grant settlement with DCLG (for full combinations)
- creation of a shadow fire and rescue authority
- for full combination, preparing combination scheme and supporting DCLG in the production of the statutory instrument.

This section of the guides provides:

- advice on the management and planning of the preparation for combination (Section 5.2)
- the content of a combination plan (Section 5.3)
- advice on initial management of change (Section 5.4)
- advice on the grant settlement process (Section 5.5)
- advice on creation of a shadow fire and rescue authority (Section 5.7)
- an overview of the process of producing the statutory instrument and passage through parliament (Section 5.6), covering both the fire and rescue authority and DCLG's roles (for full combinations)
- advice on engaging interested and affected people at this stage (Section 5.8).

5.2 Combination management team and tasks

5.2.1 Overview

It is recommended that a delivery team is formed to manage the transition to the point of combination.

Delivery team

A team may be formed to plan how to achieve the combination (as envisaged in the business case) and to deliver combination activities. This team may comprise of roles such as:

- planning
- communications
- corporate services
- operations.

It is recommended that there is a project or programme manager with responsibility for directing the preparation for combination.

Roles of the delivery team

Key roles would include:

- identifying essential activities to achieve the combination
- producing a schedule of activities
- securing transition funding
- delivering these activities or co-ordinating their delivery by others
- ensuring departmental heads contribute to delivery of the combination process
- tracking and reviewing progress.

This team should include the cited fire and rescue authority staff. The need for external support should be considered, in particular whether the fire and rescue authorities possess experience in change management, project / programme management and communications.

5.2.2 Screening and prioritising essential activities

It is important to identify those activities that must be completed prior to combination and those that are better delivered after combination. The combination team should list and then screen actions to produce a viable set of combination actions. These actions might be grouped into workstreams or discrete projects.

Essential combination activities

Activities that are likely to be essential to enabling the combination include:

- creating the shadow fire and rescue authority and associated procedures, governance, rules and roles
- securing governmental approval for the combination, including:
 - for full combinations, finalising the grant settlement and agreeing this with DCLG

- for full combinations, drafting the combination scheme and agreeing this with DCLG
- engaging with members of parliament and ministers (if needed).
- asset and liability transfers:
 - agreeing any financial settlements between fire and rescue authorities and county councils, such as for debt liabilities, insurance claims liabilities
 - asset and estate transfer plans
 - set up new insurance policies
 - reconciliation of contracts and suppliers.
- securing transition funding
- Year 1 plans for the new combined fire and rescue authority:
 - roles within future senior management team
 - new organisational structures and departmental plans, including budgets, department roles and staffing
 - procurement and maintenance plans (major items)
 - alignment of key operational policies and arrangement, such as command and control
 - operational assurance plans for transition period.
- branding and uniform
- headquarters
- communication.

It is a matter of judgement and timing how far to seek to harmonise systems and procedures prior to combination. Policies and procedures that might impact public or firefighter safety might need to be reconciled prior to combination, such as whether differences in hand signals or driving procedures could cause accidents.

A notional fire and rescue authority grant value is required by October of the year preceding the combination to inform the Local Government Finance Settlement. This includes calculation of any grant transfer from a county council to the new fire and rescue authority. If these values were not concluded as part of the business case, they must be completed during preparations for combination.

It is advised that there is benefit in producing dummy accounts for the notional fire and rescue authority for the year preceding combination. This may assist with timely reporting in the first year of combination.

5.2.3 Delivery plan

The essential activities and workstreams should be formed into a delivery plan with:

- activity description and deliverables
- milestones
- persons responsible for leading each activity
- a risk register
- a schedule, and
- key check points.

The combination preparations should be split by the delivery team into meaningful and manageable projects or workstreams.

5.2.4 Transition funding

At the earliest opportunity the transition costs need to be identified, quantified and agreed.

5.2.5 Tracking and monitoring

It is recommended that:

- a schedule of work is produced and progress tracked on at least a monthly basis
- the risk register is maintained
- a log of emerging issues is created and actions tracked.

5.2.6 Planning actions and tools

Tools such as MS office projects may be used to record, track and update project plans, such as GANT charts. In addition, the PRINCE2¹ method may be applied. **PRINCE2** (**PR**ojects **IN** **C**ontrolled **E**nvironments) is a process-based method for effective project management.

Key tools include:

- a Gant chart listing all key tasks and their start and end dates, and any dependencies between them
- resource plan – time needed per task with named responsibilities
- transition funding plan – noting all lines of expenditure and budgets.

¹ <http://www.prince2.com/what-is-prince2.asp>

5.3 Organisational plans outline

5.3.1 Departmental plans – people, roles and budgets

Extent of pre-planning organisational changes

The extent of assessment and planning for organisational changes will be influenced by the aims of the combination, particularly the extent to which efficiencies are to be achieved at the point of combination, as follows:

- If the primary aim is to achieve early efficiencies, this might require more in depth assessment of organisational changes. For example, a zero based budgeting approach may be adopted
- If the primary aim is to pool resources and/or improve organisational resilience rather than achieve efficiencies, whilst departmental plans and structures are still needed, there may be relatively less need to plan organisational changes prior to combination.

Departmental plans may be developed by:

- listing the departments and their activities
- identifying where the roles of departments match or differ between the fire and rescue authorities
- agreeing new consolidated departmental boundaries and roles.

This tends to be achieved by facilitating meetings between respective departments and by independent review of whether a new configuration of departments is required.

Departmental plans

The departmental plans may include:

- new organisational structures
- department head and management roles
- budgets
- department roles
- staffing
- main year 1 activities.

5.3.2 Appointment of staff and redundancies

The new organisational structure will have staffing implications. Transfer of staff and appointments and any redundancies, must comply with the consultation and associated requirements of the *Employment Protection Act 1995*, *Employment Rights Act 1996*

and Collective Redundancies and Transfer of Undertakings (Protection of employment) Amendment Regulations 1995.

5.3.3 Senior management appointments

The shadow fire and rescue authority leads senior appointments. The appointment process needs to follow recognised transparent procedures. At their discretion they may:

- invite external applicants
- acquire external input on pay and conditions.

5.3.4 Maintenance and procurement plans

The maintenance and procurement plans of each fire and rescue authority need to be aligned, including reconciliation of suppliers. This is aided by creating a contracts register, identifying where the same supplier is used (where contracts can be merged), identify renewal dates (so contracts can be consolidated) and strategic contracts that need to be assured.

5.3.5 Insurance

It is likely that the fire and rescue authorities will need to:

- produce a list of assets to be held by the new fire and rescue authority
- develop a risk profile
- agree a common risk management process
- provide a claims history for each fire and rescue authority
- identify any outstanding insurance claims that will be inherited from existing fire and rescue authorities.

With this information, a new set of insurance policies need to be agreed and arranged for implementation at the point of combination.

5.3.6 Reconciliation of key policies and procedures

Operational policies, procedures and equipment

Key operational policies and procedures may need to be compared to identify where safety critical items need to be harmonised prior to combination to avoid incidents, such as communication procedures, firefighting methods, driving methods etc.

Pre determined attendances

Pre determined attendances may need to be reviewed and harmonised to avoid confusion or mismatch of operational practices.

Job evaluation

If the roles of managerial and supervisory staff differ significantly, it may be necessary to complete a job evaluation. This may lead onto a reconciliation of job roles, salary and terms across the new fire and rescue authority (upon implementation).

It is also likely that contracts, collective agreements, travel/expenses and salary will need to be reviewed and harmonised.

5.3.7 Year 1 integrated risk management plan and corporate plan

A full or outline integrated risk management plan is needed for the first year of the new fire and rescue authority. This would be developed through the normal process but with the difference that the fire and rescue authority may liaise and agree a common integrated risk management plan.

There are at least two options here, depending on the aims of the combination. One option is to defer any substantive change in integrated risk management plans until the combination is achieved.

If combination entails substantial change in operational, community fire safety or fire safety policy and practice, an option is to produce an outline plan, with a commitment to complete a further review upon combination. This option has the advantage of enabling resources to be focused on implementing the combination rather than diverting them to a substantial integrated risk management plan review.

Another option is to use the opportunity of the combination to review and revise the integrated risk management plans.

This is a matter of judgement for the fire and rescue authorities.

5.3.8 Asset, resource and estate transfers

All assets and estates need to be listed and agreement reached on those which will be part of the new fire and rescue authority. Issues may include:

- disposal of duplicate assets or buildings
- payment for assets/estate retained by a county council
- replacement of current property.

In the event that two or more county council fire and rescue authorities combine, they will need to create new dedicated support services. This may involve transfer of some support staff from constituent county council departments and/or recruitment of new staff.

5.4 Facilitating organisational change

5.4.1 Introduction

The combination of two or more fire and rescue authorities will present significant management of change issues. It is recommended that the management of change is started during the preparation for combination.

Some options are noted below.

5.4.2 Brand and corporate image

Fire and rescue authorities may wish to consider the priority awarded to preparing the new brand of the fire and rescue authority, including:

- designing a new badge/emblem
- adopting a single uniform
- designing and procuring new signage.

5.4.3 Review of management and working styles

It is recommended that management and working styles are compared prior to combination. For example:

- managers may have multiple roles in one fire and rescue authority and more specialist in another
- a move from a matrix to a more hierarchical structure may be associated with changes in working styles, roles and behaviours
- managers may move from a geographic to a functional focus.

The impact of changes in organisational structure and roles on working styles should be identified, recognised and advised to staff. This may require re-orientation training and redefinition of roles.

5.4.4 Working together

Fire and rescue authorities may wish to prepare staff from each fire and rescue authority to work with one another by implementing one or more of the following:

- meetings and events: enabling staff from each fire and rescue authority to meet and engage
- implementing sharing of resources:
 - sharing officers, such as to provide absence cover
 - sharing facilities, such as training facilities
 - sharing specialist services, such as fire investigation officers and specialist rescue units.

By creating opportunities for staff to meet and work together prior to combination, this can reduce the cultural barriers and fears that can accompany combination of organisations.

It is also possible that staff will work together to develop departmental plans and integrated risk management plans. This would provide a further opportunity for people to become acquainted. Clearly, if the departmental plans involve efficiencies, this would not necessarily be a suitable opportunity to develop working relationships.

5.5 Grant settlement

Only for full combinations.

If a combination occurs when the grant has been settled, such as year 1 of a three year settlement, it is not possible to revise the grant settlement. This is because funding is allocated using, amongst other tools, relative risk formula, so changing one fire and rescue authority will change all other fire and rescue authorities.

If two or more combined fire and rescue authorities combine during a three year settlement, their grants can be combined.

In the case of a county fire and rescue authority combining prior to a three year grant settlement, this may require an agreement to be reached between DCLG and the county council on the amount of the county council's formula grant that will be spent on the fire and rescue authority function and for this amount to be transferred to the combined fire and rescue authority until the fire and rescue authority is included in the national settlement. It is likely that the combined fire and rescue authority will need to estimate a year 1 budget (a notional grant) and agree this with DCLG. The budget would be used as the notional grant settlement for the new fire and rescue authority until the next round of grant settlements for all fire and rescue authorities. This approach requires willing local co-operation and would not work if the county council and the shadow authority could not agree how much of the county's formula grant should be transferred to the combined fire and rescue authority.

The alternative, for combining county fire and rescue authorities, is to calculate an indicative formula grant, using the standard grant formula, and split the sum pro rata between the constituent authorities. The combined fire and rescue authority would be assessed along with other fire and rescue authorities in the next three year grant settlement. However, it should be noted that the indicative grant would take a significant amount of time to calculate. Therefore, it is recommended that the fire and rescue authorities consult with DCLG during the business case stage to agree an appropriate way forward.

If the combination coincides with a grant review, the combined fire and rescue authority would be assessed along with all other fire and rescue authorities using the common indicative formula grant. This would require the combination to be foreseen in due time to allow the fire and rescue authority to be included, such as 12 to 18 months in advance of combination.

5.6 Statutory instruments

5.6.1 Introduction

Only for full combinations.

The current powers for combinations of fire and rescue authorities are set out in section 2 of the *Fire and Rescue Services Act 2004*.² These replaced the powers in section 5 of the *Fire Services Act 1947*.³

A combination involves the creation of a new body, which becomes the fire and rescue authority for the area of two or more existing fire and rescue authorities. It is possible to have a combination involving three (or more) fire and rescue authorities, and/or involving one or more existing combined fire and rescue authorities. It is not possible, however, to use the combination powers to redraw the boundaries of fire and rescue authority areas so that, for example, a combined fire and rescue authority is created for the whole of the area of fire and rescue authority X and part of the area of fire and rescue authority Y. The combined fire and rescue authority is created by a “combination scheme”.

5.6.2 Overview of process

Having produced a business case and secured fire and rescue authorities agreement to proceed, the key steps include:

1) SUBMIT BUSINESS CASE AND COMBINATION SCHEME TO DCLG FOR INITIAL REVIEW AND CASE TO MINISTER

On receipt from the fire and rescue authorities of a business case and draft combination scheme DCLG will complete an initial review and submit a summary business case to the relevant Minister. The business case will need to satisfy the terms of the *Fire and Rescue Services Act 2004*, namely that the combination is in the interests of:

- (a) economy, efficiency and effectiveness, or
- (b) public safety.

² Except where stated otherwise, section references are to the Fire and Rescue Services Act 2004.

³ Most existing combined Fire and rescue authorities were created using the powers in the 1947 Act, and saved by s 4 of the 2004 Act.

Whilst the above points are the main criteria, DCLG and the minister may also comment on issues such as the transfer of assets, liabilities and financial reserves if they have not been satisfactorily addressed in the combination scheme.

Whilst the fire and rescue authorities' final business case would be presented to DCLG at this stage, it is recommended that DCLG are consulted at the options appraisal stage and during the drafting and iteration of the business case, to pre-empt subsequent delays.

The proposal will be reviewed by DCLG policy and legal advisors at this time, as well as by the Local Government Finance group. This involves checking compliance with the *Fire and Rescue Services Act 2004* and a completed DCLG consultation on revoking any existing combined fire and rescue authority combination scheme.

The DCLG review of the business case and production of a case to the minister may take a number of weeks, longer if there are substantive issues.

A draft combination scheme will need to be provided by the fire and rescue authorities with the Business Case, and it is advisable for the draft scheme to have been developed in discussion with DCLG and finalised by the fire and rescue authorities in parallel with reviewing the business case.

2) FINAL MINISTERIAL DECISION AND COMBINATION SCHEME ORDER

After receipt of minister's comments/decision, DCLG will complete final checks and create the draft statutory instrument (also termed the "Combination Order") to give the combination scheme effect. The draft combination scheme and statutory instrument will be submitted for final ministerial approval.

The proposal will be reviewed by DCLG policy and legal advisors at this time. This will involve checking compliance with the *Fire and Rescue Services Act 2004* on points such as that the Statutory Instrument covers points such as fire and rescue authorities powers and that grant settlement issues have been addressed.

The entire process of submitting a business case and having a final combination scheme and SI could be achieved in about two months if:

- 1) the business case is acceptable
- 2) a draft combination scheme is submitted with the business case; and
- 3) the draft combination scheme matches the template offered in this guide and has been subject to early discussion with DCLG.

The fire and rescue authorities' draft combination scheme will be used by DCLG to draft the Combination Order.

5.6.3 Combination scheme

A combination scheme is given effect by order made by (or on behalf of) the Secretary of State. The order is a statutory instrument, which is a type of delegated legislation.⁴ The process of signing the combination order (the statutory instrument) brings the scheme into force on the specified commencement date, i.e. it makes the scheme law. However, after the combination order is signed it is laid before parliament.⁵ Members of the House of Lords and the House of Commons may, within 40 sitting days after the order is laid, pass a resolution annulling it.⁶

An example of a combination order which has actually been made is set out in Appendix C.⁷ Contents of a typical combination scheme order include:

1. the name of the combined fire and rescue authority
2. operative words creating the combined fire and rescue authority as a body corporate
3. powers for the combined fire and rescue authority to appoint a Chief Fire Officer and treasurer
4. powers to compensate employees of the old fire and rescue authorities suffering loss as a result of the combination
5. the maximum number of members of the new authority, and the way in which the members are to be appointed (typically, by the constituent authorities in proportion to the relative numbers of local government electors)
6. provisions for membership to cease and for vacancies to be filled
7. rules on chairpersons and meetings
8. transfer of existing employees of the old fire and rescue authorities, and appointment of employees;
9. [if applicable, provisions for transitional equalisation of council tax]
10. provisions incorporating sections of the *Local Government Act 1972*, i.e.:
 - section 82(1) (validates acts by unqualified persons)
 - sections 101 to 104 (committees)
 - section 106 (standing orders)
 - sections 114 to 119 (employees)

⁴ Section 60(3).

⁵ Arranging for the signing and laying of the order is DCLG's responsibility: see para 19 below.

⁶ Section 60(5); Statutory Instruments Act 1946, s 5(1).

⁷ Devon and Somerset Fire and Rescue Authority (combination Scheme) Order 2006 (S.I. 2006/2790). <http://www.opsi.gov.uk/ii2006/20062790.htm>

- sections 120, 121 and 123 (acquisition and disposal of land)⁸
 - Part 6 of Schedule 12 (meetings of authority).
11. transfer of property, rights and liabilities from the old fire and rescue authorities. As well as general wording there may be provisions relating to specific properties or matters
 12. novation of existing contracts with the old fire and rescue authorities
 13. continuation, in the name of the combined fire and rescue authority, of existing proceedings involving the old fire and rescue authority(s)
 14. where one or more of the old fire and rescue authorities are themselves combined fire and rescue authorities, revocation of the combination scheme order(s) creating those combined fire and rescue authorities.

5.6.4 Distinction between combination on fire and rescue authorities' initiative, and on Secretary of State's initiative

The 2004 Act makes a distinction between two sorts of combination: those which give effect to a draft scheme submitted by the existing fire and rescue authorities, and those which are made on the Secretary of State's own initiative.⁹ This distinction is important because it affects the procedures that must be followed, and in particular whether it is necessary for DCLG to carry out consultation or hold an inquiry.

5.6.5 Combination on fire and rescue authorities' initiative

It is expected that before making a formal proposal for a combination the existing fire and rescue authorities will involve local people, although there is no express statutory requirement to consult.

The existing fire and rescue authorities will jointly submit a proposal for combination, which must be accompanied by a draft combination scheme. The blank specimen scheme at Appendix C might assist fire and rescue authorities in drafting a combination scheme. Electronic copies can be made available on request.

The Secretary of State will then consider the proposal. If the proposal is accepted in principle, DCLG lawyers will liaise with the existing fire and rescue authorities' lawyers to agree the wording of the draft combination scheme. This may involve amendments to the draft combination scheme submitted by the existing fire and rescue authorities.

Where the existing fire and rescue authorities have submitted a draft combination scheme there is no statutory requirement on DCLG to carry out consultation.¹⁰ But where one of the fire and rescue authorities is a combined fire and rescue authority it will be necessary

⁸ See the power in Fire and Rescue Services Act 2004, s 3(3)(f).

⁹ Section 2(3)(a) and (b).

¹⁰ See s 2(5), which applies only to schemes under s 2(3)(b).

for DCLG to consult on revocation of the existing combination scheme.¹¹ The consultation must include:

1. Any fire and rescue authority which appears to the Secretary of State likely to be affected by the revocation
2. Any other authority which would, apart from the existing combination scheme, be a fire and rescue authority and which appears likely to be affected by the revocation
3. Any local authority all or part of whose area forms part of the area of the existing combined fire and rescue authority
4. Any other persons the Secretary of State considers appropriate.

There is no requirement to hold an inquiry in relation to a combination where the existing fire and rescue authorities submit a draft scheme, as long as the combination does not involve revocation of an existing combination scheme. This also applies where the combination does involve revocation of an existing combination scheme, as long as there is express agreement from the existing combined fire and rescue authority and any other authority which would, apart from the existing combination scheme, be a fire and rescue authority and would be affected by the revocation.¹² Even if such agreement is forthcoming, the Secretary of State may decide to hold an inquiry.¹³

5.6.6 Combination on the Secretary of State's initiative

Where the Secretary of State proposes to make such a scheme DCLG must consult:

- (a) the existing fire and rescue authorities in question
- (b) any local authority all or part of whose area forms part of the combined area; and
- (c) any other persons the Secretary of State considers appropriate.¹⁴

DCLG must also hold an inquiry, unless:

1. The existing fire and rescue authorities expressly agree to the combination;¹⁵ or
2. The scheme appears to the Secretary of State to be made solely to give effect to provisions relating to local government structural reorganisation;¹⁶ or
3. The Secretary of State considers that, in the interests of public safety, the combination scheme should be made without delay.¹⁷

¹¹ Section 2(6).

¹² Section 2(9)(b).

¹³ Section 2(9).

¹⁴ Section 2(5).

¹⁵ Section 2(9)(a).

¹⁶ Local Government and Public Involvement in Health Act 2007, Part 1 and Local Government Act 1972, Part 4: see Fire and Rescue Services Act 2004, s 2(9)(c).

¹⁷ Section 2(9)(d).

Any inquiry will be a local inquiry governed by section 250 of the *Local Government Act 1972*, which gives the person holding the inquiry power to summon witnesses, and gives the Secretary of State power to charge the relevant local authorities the cost of holding the inquiry.

Following any consultation and inquiry, the Secretary of State will make a final decision on whether to proceed with the combination. If it is decided to proceed, DCLG lawyers will draft the Combination Order (statutory instrument).

5.6.7 Final stages common to all combinations

When the voluntary combination scheme is ready to proceed, DCLG lawyers will draft the combination order which includes the combination scheme and the explanatory memorandum to be laid before parliament with the combination order. The main purpose of the explanatory memorandum is to help members of parliament and peers, especially members of the scrutiny committees, to understand the combination order which has been laid before parliament, but also to explain the combination order to members of the public.

DCLG officials will then submit the combination order for signature and lay it before parliament together with the explanatory memorandum. The combination order, and the combination scheme, will come into force on the date specified in the combination order, which will usually be 1 April, although there may be transitional provisions which take effect before the combination order comes fully into force.

5.6.8 Passage of Combination Order

The Combination Order will be laid before parliament. Members of parliament will have 40 sitting days to consider the order and in which to raise a resolution against it should they wish to do so.

An Order will typically be laid before parliament in October to come into force on the 1 April. This provides time for consultation on the local government financial settlement which will reflect the creation of the new fire and rescue authority and which also requires a Statutory Instrument to give it effect.

5.6.9 Fire and rescue authority ratification

On the day the Combination Order comes into effect, the fire and rescue authority comes into existence and ratifies the agreements drawn up by the shadow fire and rescue authority.

5.7 Shadow fire and rescue authority

Only for full combinations.

5.7.1 Fire authority members scrutiny group

For full combination, it is recommended that a fire authority members' scrutiny group be maintained during the combination phase and retain their oversight and scrutiny role, until the shadow fire and rescue authority is created.

It is likely that the members' scrutiny group would provide a lead on the creation of a shadow fire and rescue authority and continue working until the shadow fire and rescue authority is in place.

During the stage of preparing for combination, the members' scrutiny group would adopt new terms of reference, namely to help prepare for combination.

5.7.2 Introduction to shadow fire and rescue authority

A shadow fire and rescue authority needs to be created to take the necessary decisions to enable a legally constituted organisation to be established.

The shadow fire and rescue authority can be established after the combination scheme has been made and laid before parliament. Therefore, the shadow fire and rescue authority can be in place in the October to December period preceding the start of the first financial year of the new combined authority, presuming the combination scheme is approved by parliament.

However, it is suggested that the fire and rescue authorities develop draft procedures, governance arrangements, agree fire and rescue authority composition etc prior to this date, to enable the shadow fire and rescue authority to avoid delays to combination.

5.7.3 Composition of fire and rescue authority

The fire and rescue authority should be representative of the political composition of the constituent authorities and size of electorate. Thus:

- the number of members from each authority would be proportionate to the electorate of each authority
- the number of members from each political party would be proportionate to their representation on each authority.

The precise composition of fire and rescue authorities is a local decision reached by members of the local authorities, although the proposed composition is then subject to approval by the Secretary of State. This includes the questions of:

- the total number of members of a fire and rescue authority
- how to be politically representative, noting that the number of seats on a fire and rescue authority cannot be precisely representative, such as when there is a fire and rescue authority with 25 members but one party has (for example) 5 per cent of seats on constituent authorities (which equals 1.25 seats of a 25 member fire and rescue authority).

The number of members is a local issue for the fire and rescue authority.

5.7.4 Role during combination

Once formed the shadow fire and rescue authority would probably take over the role of the fire authority members' scrutiny group and continue the process of creating and agreeing fire and rescue authority procedures, governance and the draft combination scheme.

5.7.5 Key tasks

Key tasks include:

- appointing the new Chief Fire Officer and other senior managers, and agreeing their pay and conditions
- creating and agreeing fire and rescue authority procedures, governance arrangements
- checking and agreeing the proposed notional grant settlement
- agreeing the draft of the combination scheme
- participating in ongoing stakeholder engagement activities
- responding to emergent issues.

There are many examples of current fire authority constitutions that new fire and rescue authorities can refer to. Articles tend to cover:

- the organisation
- policy fire and rescue authority framework
- rules of debate
- policy committee
- performance and overview committee
- standards committee

- codes and protocols
- members' allowances
- financial regulations delegation scheme
- scheme delegation
- code of corporate governance.

An option is to have external scrutiny of fire and rescue authority senior management appointments, to ensure transparency and fairness.

5.7.6 Members workshops

It is suggested that members are briefed on the detail of the combination plans in members' workshops. This enables members to be informed and to explore the details of the plans.

5.8 Stakeholder engagement and communications during combination stage

5.8.1 Aims of engagement at this stage

At this stage of the process, there may be three elements to the communications and engagement strategy, namely:

- supporting DCLG consultation under section 4(5) of the fire and rescue services act 2004 with key stakeholders on the revocation of an existing fire and rescue authority combination (if applicable)
- a precept consultation
- on-going communication and engagement with interested and affected parties on the process towards combination.

In the case of staff, the aims of engagement at this stage include:

- securing their help in formulating valid and effective plans
- seeking agreement to specific matters, such as employment terms and job evaluations
- promoting support for the pending combination and the changes associated with it.

5.8.2 Key interested parties at this stage

Key parties at this stage include:

- staff and their representatives
- elected fire and rescue authority members
- residents and local businesses
- DCLG.

5.8.3 Key issues to communicate as preparing to combine

Some of the key issues that may need to be addressed in relation to the engagement on the process to combination include:

For all interested and affected parties:

- name of the fire and rescue authority, badge, signage and uniform
- any changes in staffing levels and roles
- any major changes in operational resources being implemented at time of combination
- whether any key actions have been overlooked in combination plans.

For staff and representatives:

- changes to terms and conditions
- changes to organisational structure, department roles
- terms, process and conditions for any redundancies.

For elected members:

- fire and rescue authority membership and arrangements.

For elected members, DCLG and members of the public/business:

- council tax.

Engagement with fire and rescue authority elected members is likely to be direct to the Members Scrutiny Committee and subsequent shadow fire and rescue authority.

5.8.4 Methods of communication with staff as preparing to combine

Information on the process should be proactively disseminated to staff, and will have an emphasis on being communicated face-to-face. There is much value in continuing any channels for communication established during this or a previous phase through into the post-combination phase.

An internal communication plan can be developed such that it outlines how communication with staff and members will occur during the preparation for combination in order to:

- keep them informed of developments
- seek their views on the process.

The groups of staff that this can be aimed at include:

- individual members of staff
- functional work teams
- managers
- representative bodies
- members of the fire and rescue authorities involved and any executive boards.

Table 12: Internal communication methods during preparation for combination

Method	Description
Seminars for staff and retained staff	<p>Provide a two-way means of communication.</p> <p>Attended by one or more members of the Project Board to:</p> <ul style="list-style-type: none"> • provide information • answer questions • receive feedback directly. <p>Can be held at Service HQ and other Divisional/Area HQs in the respective fire and rescue authorities.</p> <p>Opportunities made for retained staff to attend staff seminars in divisions/areas during the evening, with representatives and the Officer-in-Charge expected to cascade information to colleagues, with input on this from the Retained Liaison Officer.</p> <p>Summaries (briefing sheets) of the sessions should be produced and circulated.</p>
Senior Managers' briefings	<p>To brief on any issues arising out of Project Board and other key meetings as soon as possible.</p> <p>Senior management should be involved.</p>
Representative bodies	<p>It is suggested that a framework for joint consultation and negotiation is established.</p>
Senior officers' station visits	<p>Senior officers visit and brief staff on the progress of the combination during visits to the stations.</p>

Table 12: Internal communication methods during preparation for combination (continued)

Method	Description
Sounding Board (a vertical slice of staff from across the fire and rescue authorities)	This group can be created from volunteer representatives from all staff. Officers from each fire and rescue authority can then take the issues raised in the Sounding Board meeting and present them to the Management Group meeting. The responses to such issues can then be posted on the intranets of both organisations.
Joint meetings between staff of the fire and rescue authorities to combine	Consider opportunities to hold joint meetings, groups or a conference involving staff from the fire and rescue authorities involved. This creates the opportunity for staff to discover that concerns and working practices may be shared. It also may present an opportunity to “ask anything”, and help turn a corner in the process toward combination.

Other materials and means of communicating to staff include providing:

- details of strategic meetings, including dates, agendas and minutes of project board and members working parties (though sensitive information may be excluded)
- the project plan timetable with key milestones
- regular newsletters, e.g. produced monthly and available on the intranet and staff notice boards
- letters to staff on any significant decision
- email address to which staff can send any questions or queries about the process
- dedicated webpage on the intranet/internet containing all relevant information and history of the process – updated to reflect that the process has now moved to preparation for combination.

The authority may wish to evaluate your internal communication approach by undertaking a survey that would include a representative range of staff, to ensure that they have received and understood relevant materials and the process. Feedback captured during this process, and any other ad hoc discussions, e.g. station visits, should be used to inform and update the communications plan.

5.8.5 Methods of communication with external parties as preparing to combine

A range of methods can be used to inform the public and other external stakeholders on progress being made towards combination as illustrated in the table below. The extent to which engagement is required will be related to the magnitude of change associated with the combination. A higher level of engagement is likely to be required if combination

includes significant changes to resources, staffing levels and assets. Less external engagement may be needed if combination changes are more focused on (for example) employment terms and conditions and senior management.

Table 13: External communication methods during preparation for combination

Interested and affected party	Method of communication
The public (residents, businesses and third sector organisations)	Media – press releases; interviews Websites Relevant publications, e.g. local authority magazines, council tax summary booklet Face-to-face briefings with key local business, resident and third sector representative bodies
Partner organisations; local authorities and other public bodies	Letters/emails from CFOs Face-to-face meetings Updates at organised meetings, e.g. Local Strategic Partnership meetings Articles in trade press, e.g. Local Government Chronicle Websites
Central government	Letters/emails from CFOs Face-to-face briefings Evidence of consultation, e.g. staff newsletters, business case Regular updates on the combination project plan
Other fire and rescue authorities	Letters/emails from CFOs Face-to-face briefings Articles in fire service publications

Use of feedback from engagement

Feedback may be obtained in relation to the external communication strategy either directly, e.g. letters of support/complaint, requests for additional information, or indirectly, e.g. by reviewing articles in the local press, reviewing the responses received in relation to the public consultation, and should be used to update your communications and engagement plan.

5.8.6 DCLG consultation on revocation

If an existing fire and rescue authority needs to be revoked, a consultation will need to be undertaken by DCLG with key interested and affected parties within the area, i.e. they will need to be identified, informed and their views and opinions gathered in relation to this proposal.

In accordance of section 4(5) of the *Fire and Rescue Services Act 2004(a)*, this may include:

- fire and rescue authorities, including neighbouring fire and rescue authorities
- public bodies in the area, including local authorities and partner organisations
- the communities served (i.e. residents, businesses and third sector organisations)
- staff and staff representative bodies.

DCLG will consider if there are any other parties that will be affected by the revocation that will need to be included in the consultation process. Information may be made available in various forms to local interested and affected parties, for example:

- as a booklet with questionnaire included
- a formal consultation document.

The documents will draw on the final business case, such as the drivers or change, options, costs and benefits, impact on council tax and main organisational changes.

The extent of local fire and rescue authority involvement in disseminating the consultation should take account of the degree of consultation or involvement during the options appraisal or business case stage of work. If substantial consultation and engagement has already occurred, the extent to which the fire and rescue authorities or DCLG need to solicit further responses will be commensurately less.

It is recommended that the government guidelines on conducting a consultation process are followed so that there is an appropriate period of consultation, i.e. 12 weeks, and that a summary of views gathered with a response to them is published by DCLG.

5.8.7 Precept consultation

The fire and rescue authority(s) and / or county council may need to complete a precept consultation regarding the fire and rescue authority precept or the overall council tax in the first year of the new combined fire and rescue authority.

This may include consulting with:

- elected members
- citizen panels

- any person who contacts the local authorities about proposed council tax changes.

The consultation may include:

- meetings with elected members and residents/business associations and forums
- issuing a questionnaire to members of the public
- providing a consultation document.

The consultation should cover:

- what are the council tax options and how do these relate to the proposals
- support for potential change in council tax
- suggestions on how else to make savings or otherwise change fire and rescue authority precept.

One option is to include this precept consultation in the wider consultation on the business case, presuming that the impact on council tax is known at that time. Indeed, respondents may prefer to be consulted on the council tax as part of the wider business case consultation, to avoid “consultation fatigue”.

5.9 Gateway reviews (4) readiness for service

It is recommended that a Gateway 4 review is completed. This review focuses on the readiness of the organisation to go live with the necessary business changes, and the arrangements for management of the operational services.

Section 6

Stage 4: Post combination implementation

6.1 Overview

Whilst combination is the end of the legal process, it is the start of a phase of major organisational change. It is recommended that a commensurate level of resource and planning is allocated to the ongoing task of integrating the combined fire and rescue authorities.

This section of the guide provides:

- an overview of the management arrangements for post combination implementation (Section 6.2)
- an overview of key management tasks (Section 6.3)
- advice on ongoing evaluation of the outcome of combination (Section 6.4).

This section of the guide does not attempt to repeat guidance on management of change, which can be found in Further Reading (Section 7).

6.2 Management of combination implementation

6.2.1 Creation or retention of a combination implementation team

It is recommended that a post combination implementation plan is developed and co-ordinated by a management team. This may be the same team that managed the combination process or a new team.

It may be expected that post combination integration will take a number of years.

6.2.2 Post combination implementation team

The post combination implementation team could be a new team or a continuation of the combination delivery team.

Key roles may include:

- prioritising harmonisation activities
- ensuring activities are assigned to pertinent persons

- assisting in implementation of harmonisation activities
- tracking progress in harmonisation activities.

Harmonisation activities are likely to be carried out by the new departments, such as human resources harmonising employment terms. The combination implementation team can play the role of ensuring combination activities are planned, resourced and implemented.

The role of the post implementation team will depend in part on the extent of organisational changes associated with the combination. If the changes are relatively more substantive, the team may have more of a “change management” role. If the changes are relatively less substantive, the team may have a more limited “harmonisation” role.

6.3 Post combination activities, plans and communications

6.3.1 Essential activities

Essential activities may include:

- harmonising policies and procedures
- ongoing rebranding
- ongoing consolidation of suppliers, contracts and maintenance plans
- facilitating team building between workforces
- facilitating and managing organisational change
- integrating it and other systems
- ongoing communication.

6.3.2 Planning

The ongoing integration of fire and rescue authorities is likely to require an ongoing programme of organisational change and workforce integration. It is recommended that the integration of workforces is treated as an ongoing change process and managed accordingly. Further guidance on management of change is provided in Further Reading in Section 7.

It is also recommended that the same managed approach to preparing for the combination is maintained post combination, including:

- delivery plan
- Gant charts
- issue logs
- tracking actions.

6.3.3 Communications

Once the new organisation is in place, there remains a need for clear communications. It is advisable to maintain any two-way channels established during the earlier phases leading towards combination, e.g. frequently asked questions, regular staff seminars, monthly newsletters to staff, and briefings to members. This will help to keep staff and members up to date on the post combination phase as policies are reviewed and integrated and new procedures begin to embed within the organisation.

6.4 Evaluation

6.4.1 Tracking progress, costs and benefits

It is recommended that the process of tracking progress against each workstream is continued.

It is also recommended that there is a periodic review of actual costs and benefits against the forecast, as per Table 14.

Table 14: Actual versus forecast costs and savings (hypothetical values)					
	Year 1		Year 2		Total actual
	Actual	Forecast	Actual	Forecast	
Costs					
Uniform, badge & signage	£400,000	£300,000	£0	£0	£400,000
IT integration	£50,000	£100,000	£50,000	£0	£100,000
Redundancy costs	£100,000	£0	£100,000	£200,000	£200,000
Sub total	£550,000	£400,000	£150,000	£200,000	£700,000
Savings					
Staffing	£500,000	£0	£500,000	£800,000	£1,000,000
Maintenance	£100,000	£100,000	£100,000	£100,000	£200,000
IT	£0	£0	£100,000	£100,000	£100,000
Sub total	£600,000	£100,000	£700,000	£1,000,000	£1,300,000
Net (cost) saving	£50,000	(£300,000)	£600,000	£800,000	£550,000

6.4.2 Post combination gateway reviews (5): Operations review and benefits realisation

The fire and rescue authority may wish to have a final Gateway review. Gateway Review 5 confirms that the desired benefits of the project are being achieved, and the business changes are operating smoothly. The Review may be repeated at regular intervals during the lifetime of the new authority, at the discretion of the fire and rescue authority.

Section 7

Further reading

Fire and Rescue Service Operational Assessment Toolkit, April 2009. Communities and Local Government. <http://www.communities.gov.uk/documents/fire/pdf/opatoolkit.pdf>

The Green Book. Appraisal and Evaluation in Central Government. HM Treasury. http://www.hm-treasury.gov.uk/data_greenbook_index.htm

Code of practice on consultation. July 2008. Department for Business Innovation and Skills. <http://www.bis.gov.uk/files/file47158.pdf>

Change management. Chartered Institute for Personnel and Development. <http://www.cipd.co.uk/subjects/corpstrtg/chngemmt/chngmgmt.htm>

Employee communication. Chartered Institute for Personnel and Development. <http://www.cipd.co.uk/subjects/empreltns/comconslt/empcomm.htm>

Mergers and acquisitions. Chartered Institute for Personnel and Development. <http://www.cipd.co.uk/subjects/corpstrtg>

International Association for Public Participation, 2006. The IAP2 Public Participation Toolbox http://iap2.affiniscape.com/associations/4748/files/06Dec_Toolbox.pdf

DCLG, 2008. Creating Strong, Safe and Prosperous Communities: Statutory Guidance, Crown copyright, ISBN 9781409802433 <http://www.communities.gov.uk/documents/localgovernment/pdf/885397.pdf>

Better Regulation Executive, 2008. Code of Practice on Consultation, Crown copyright, URN 08/1097 <http://www.berr.gov.uk/policies/better-regulation/consultation-guidance>

Section 8

Appendix A: Combination case checklist

A checklist is provided below of key actions associated with combination.

Table 15: combination checklist	
Programme management	
Has a strategy for the combination process covering all stages been developed?	
Has a joint management team been created for each stage of combination?	
Has a members' scrutiny group been formed and assigned terms of reference?	
Has a programme plan been developed and resources assigned?	
Risk register developed	
Have peer reviews or gateway reviews been scheduled for each stage of combination?	
Assessments	
Drivers and context for change been identified	
Feasibility assessment (council tax, political support, organisational fit, geographic alignment etc)	
Potential benefits of each option identified and rated	
Costs and savings been determined	
Impact on council tax been assessed	
Cost benefit analysis completed	
Operational assurance reviewed	
Risk of each option assessed along with mitigating actions	
Risks during combination assessed along with mitigating actions	
Legal and financial	
Shadow fire and rescue authority rules, procedures, composition and governance specified	
Draft statutory instrument	
Financial, asset and liability transfers have been determined	
Disposal of assets/retentions of assets been determined	
Grant settlement proposals been determined	
Transition costs been identified and funds been allocated	
Insurances arranged for combined fire and rescue authority	

Table 15: combination checklist (continued)	
Other preparations for combination	
Signage, uniform and badges redesigned	
Have organisational and department plans and budgets been developed?	
Have key policies and procedures that need harmonisation before combination been identified?	
Have essential IT and systems harmonisations been identified?	
Have maintenance and procurement plans for year 1 been drafted?	
Has a draft or outline year 1 integrated risk management plan for the new fire and rescue authority been developed?	
Have assessments and consultations on employment terms, job allocation, redundancies etc been completed?	
Communications and consultation	
Has a communications and consultation plan been developed?	
Have all interested and affected parties been identified and contacted, per stage of combination?	
Need for consultations identified and scheduled at each stage of combination	
Suitable methods of consultation determined	
Process for summarising and feeding back consultation responses developed	

Section 9

Appendix B: Ready reckoner

Table 16: Typical costs and savings		
Item	Comment	Value Cost or (saving)
Property		
What would the proceedings from sale of property for the fire and rescue authority?		
What would the ongoing saving in maintenance and insurance be from disposal of property?		
Staffing		
Would a combined fire and rescue authority have more or less:	Multiple number of posts by typical employment cost (salary, NI, overtime etc)	
Chief, deputy and assistant chief officers		
Group managers		
Area Managers		
Other operational roles		
Department managers		
Administration staff		
Other		
Support services		
What savings or costs would be incurred in:		
Staff	Multiple number of posts by typical employment cost (salary, NI, overtime etc)	
Combining IT systems		
Maintenance of equipment, facilities and property		

Table 16: Typical costs and savings		
Item	Comment	Value Cost or (saving)
Procurement		
What savings can be achieved in:		
IT licence fees		
Procurement of equipment		
Would the total cost of insurance be less for the combined fire and rescue authority?		
Transition costs		
Uniforms, signage		
Would change in staff incur redundancy costs?	Multiple number of posts by indicative redundancy cost per grade	
Combining IT systems		
Consultancy fees		
Is there a cost of purchasing any new buildings?		
Is there a cost of modifying or refurbishing existing property to accommodate combined staff?		

Section 10

Appendix C: Risk matrix and risk register

10.1 Options risk assessment

A common risk assessment should be completed for each option. Table 17 provides an example table with risks entered.

Each option can be assessed against these risks.

A score can be assigned to each risk level, as per

Figure 2. The matrix multiplies the impact and likelihood scores to give an overall risk level from 1 to 9.

Figure 3: Typical risk matrix

Likelihood	High (3)	3	6	9
	Medium (2)	2	4	6
	Low (1)	1	2	3
		Low (1)	Medium (2)	High (3)
		Impact		

Table 17: Potential risks and mitigation actions

Risk	Effect	Mitigation	Likelihood	Impact	Risk level
fire and rescue authority costs exceed grant, demands on council tax cannot be accepted					
Unable to exercise purchasing power over suppliers					
Unable to deliver suitable services to fulfil statutory duties to provide community fire safety, fire safety (protection) and response services					
Unable to provide range of specialist operational and public safety services required of a modern fire and rescue authority					
Unable to implement further service improvements					
Unable to contribute to collaborative working with other fire and rescue authorities					
Unable to deliver suitable training, equipment and supervision of staff					
Unable to recruit and retain suitably qualified and experienced staff					
Loss of fire and rescue authority identity amongst the community					
fire and rescue authority lacks political support					
Staff morale declines					
Unable to procure and implement new technology					
Unable to maintain compliance with regulations and statutory requirements					
Unable to provide effective leadership and governance					
Inadequate financial reserves to handle contingencies					
Inadequate staff to handle operational/civil contingencies and major incidents					

10.2 Combination risk register

It is recommended that a risk register is produced and maintained for the preparation for combination and post combination integration. An example is provided overleaf with some typical risks noted.

Table 18: combination risk register (with typical risks entered)

Risk	Effect	Mitigation	Likelihood (1 =low, 2 = moderate, 3 = high)	Impact (1 =low, 2 = moderate, 3 = high)	Risk level (1 = very low, 9 = very high)
combination process disrupts fire and rescue authority operations					
Fail to secure agreement for combination of interested and affected parties					
Unforeseen liabilities emerge after combination					
fire and rescue authority governance arrangements are inadequate					
Fail to secure Statutory Instrument in time for combination on target date					
Workforces do not engage with one another after combination					
Differences in operating policies and procedures create risk of incidents					
Fail to retain suitably qualified and experienced staff					
Representative bodies do not agree with proposed salary scales, alignment of roles, relocation conditions, redeployment and redundancy					

Table 18: combination risk register (with typical risks entered) (continued)

Risk	Effect	Mitigation	Likelihood (1 =low, 2 = moderate, 3 = high)	Impact (1 =low, 2 = moderate, 3 = high)	Risk level (1 = very low, 9 = very high)
Disruption or loss of services due to IT failures during integration					
Breach statutory requirements regarding employment, such as TUPE and redundancy					
Unable to agree harmonised policies, procedures, terms, insurance and establishment					
Staff are redeployed to positions that are not aligned to their skills					
Proposals seen as being driven by self interest of senior management					
Transition costs exceed expectations, adversely impact operations and/or cannot be afforded					
Fail to deliver efficiencies and improvements envisaged by combination					
Fail to agree financial transfers from each fire and rescue authority					

Table 18: combination risk register (with typical risks entered) (continued)

Risk	Effect	Mitigation	Likelihood (1 =low, 2 = moderate, 3 = high)	Impact (1 =low, 2 = moderate, 3 = high)	Risk level (1 = very low, 9 = very high)
Notional Grant is rejected by government					
Draft statutory instrument is rejected by government					

Section 11

Appendix D: Operational assurance combination impact assessment

Table 20 provides a table for recording an assessment of how combination may impact operational assurance. It uses the KLOE and key questions from the Fire and Rescue Operational Assessment Toolkit (April 2009) as a base. It is recommended that, for each key question:

- those changes associated with the combination and the work involved in combination which might impact each key area are identified
- the impact that these changes and work may have is determined and recorded
- the pre-combination and post combination assessments are entered.

Table 19 provides two example entries, one with a positive impact and one with a negative impact.

In the event of a negative impact the fire and rescue authority may wish to identify mitigating actions.

Table 19: Example entries for assessing impact of combination on operational assurance					
KLOE	Pre combination assessment	Changes that might impact this KLOE	How might changes impact this KLOE	Post combination assessment	Mitigation
1. Community Risk Management: How well is the Authority identifying and prioritising the risks faced by the community?					
1.1 Does the fire and rescue authority have an effective risk analysis process that reflects the diverse nature of the community and identifies and prioritises those most at risk through its integrated risk management plan?	D	Application of fire and rescue authority B's risk assessment toolkit	Improve risk analysis process	A	N/A
7. Call Management and incident support:					
7.3 Does the fire and rescue authority have effective transitional arrangements in place to take account of the move to Regional Control Centres?	E	Management resources will be applied to implementing the combination	Could disrupt transition to Regional Control Centre	D	Ring fence resource for RCC transition

Table 20: Example table for assessing impact of combination on operational assurance						
KLOE	Pre combination assessment	Changes that might impact this KLOE	How might changes impact this KLOE	Post combination assessment	Mitigation	
1. Community Risk Management: How well is the Authority identifying and prioritising the risks faced by the community?						
1.1 Does the fire and rescue authority have an effective risk analysis process that reflects the diverse nature of the community and identifies and prioritises those most at risk through its integrated risk management plan?						
1.2 Does the fire and rescue authority use the outcomes of its risk analysis effectively to plan and successfully implement and deliver prevention, protection, call management, incident support, response, health, safety, training and development activities within its integrated risk management plan?						
1.3 Does the fire and rescue authority have a robust process for measuring and evaluating the effectiveness and improving performance of its risk analysis process?						
2. Prevention: How well is the Authority delivering its community safety strategy?						
2.1 Has the fire and rescue authority clearly defined, planned and implemented a prevention strategy linked to its integrated risk management plan?						
2.2 Does the fire and rescue authority engage partners and stakeholders effectively in its prevention activities?						

Table 20: Example table for assessing impact of combination on operational assurance (continued)

KLOE	Pre combination assessment	Changes that might impact this KLOE	How might changes impact this KLOE	Post combination assessment	Mitigation
2.3 Does the fire and rescue authority have a robust process for measuring and evaluating the effectiveness and improving performance of its prevention activities?					
3. Protection: How well is the Authority delivering its regulatory fire safety strategy?					
3.1 Has the fire and rescue authority clearly defined, planned and implemented a regulatory fire safety strategy linked to its integrated risk management plan?					
3.2 Does the fire and rescue authority engage partners and stakeholders effectively in its protection activities?					
3.3 Does the fire and rescue authority have a robust process for measuring and evaluating the effectiveness and improving performance of its protection activities?					
4. Response: How well is the Authority delivering its response activities?					
4.1 Has the fire and rescue authority clearly defined, planned and implemented a response strategy linked to its integrated risk management plan?					
4.2 Does the fire and rescue authority engage partners and stakeholders effectively in its response activities?					

Table 20: Example table for assessing impact of combination on operational assurance (continued)

KLOE	Pre combination assessment	Changes that might impact this KLOE	How might changes impact this KLOE	Post combination assessment	Mitigation
4.3 Does the fire and rescue authority have a robust process for measuring and evaluating the effectiveness and improving performance of its response activities?					
5. Health and Safety: How well is the Authority ensuring its responsibilities for health, safety and welfare are met?					
5.1 Does the fire and rescue authority have clearly defined and effective arrangements to take account of its health, safety and welfare responsibilities?					
5.2 Do effective management structures and arrangements exist within the fire and rescue authority to support the development and implementation of health, safety and welfare activities?					
5.3 Has the fire and rescue authority established effective plans, challenging targets, procedures and practices in relation to health, safety and welfare?					
5.4 Does the fire and rescue authority have a robust process for measuring and evaluating the effectiveness and improving performance of its health, safety and welfare activities?					

Table 20: Example table for assessing impact of combination on operational assurance (continued)

KLOE	Pre combination assessment	Changes that might impact this KLOE	How might changes impact this KLOE	Post combination assessment	Mitigation
<p>6. Training and Development: How well is the Authority ensuring its responsibilities for training, development and assessment of its staff are met?</p>					
<p>6.1 Does the fire and rescue authority have clearly defined and effective policies to take account of its training, development and assessment responsibilities?</p>					
<p>6.2 Do effective management structures and arrangements exist within the fire and rescue authority to support the development and implementation of training, development and assessment activities?</p>					
<p>6.3 Has the fire and rescue authority established effective plans, challenging targets, procedures and practices in relation to training, development and assessment?</p>					
<p>6.4 Does the fire and rescue authority have a robust process for measuring and evaluating the effectiveness and improving performance of its training and development activities?</p>					
<p>7. Call Management and incident support: How well is the Authority delivering its Call Management and incident support activities?</p>					
<p>7.1 Does the fire and rescue authority have in place effective arrangements for delivering call management and incident support activities in place?</p>					

Table 20: Example table for assessing impact of combination on operational assurance (continued)

KLOE	Pre combination assessment	Changes that might impact this KLOE	How might changes impact this KLOE	Post combination assessment	Mitigation
7.2 Does the fire and rescue authority have a robust process for measuring and evaluating the effectiveness and improving performance of its call management and incident support activities?					
7.3 Does the fire and rescue authority have effective transitional arrangements in place to take account of the move to Regional Control Centres?					

Section 12

Appendix E Consultation and engagement

12.1 Drivers for consultation

There are three statutory drivers for consultation, namely:

- If an existing fire and rescue authority combination is to be revoked, the consultation requirement is limited to consulting (during the later combination preparations stage) on revocation with key interested and affected parties within that fire and rescue authority area only.
- On 1st April 2009 Section 138 of the 2007 *Local Government and Public Involvement in Health Act*¹⁸ brought into force the Duty to Involve. This takes the form of an addition to the best value provisions of the Local Government Act 1999 and applies to all best value authorities in England. Best value authorities include fire and rescue authorities. This duty is an addition to existing consultation requirements, it requires local authorities to look further at how they involve local people, looking at how easily people can access and understand information and tailoring the information to different audiences to support involvement.

Best value and local authorities must consult a balanced selection of the individuals, groups, businesses or organisations the authority considers likely to be affected by, or have an interest in, their actions and functions. Authorities must not discriminate in the way they inform, consult or involve local people. They must promote equal opportunities for people to engage and get involved. The duty is wide-ranging and applies to the delivery of services, policy, and decision making.

- Consultation is required as part of the integrated risk management planning process¹⁹, especially where there are proposed changes to operational resources, call management or operational policies. Guidance note 1 states that “Consultation with the community you serve and your staff will be an essential element in the preparation of an integrated risk management plan”. Guidance note 2²⁰ provides further advice on consultation. If the combination involves

¹⁸ http://www.opsi.gov.uk/acts/acts2007/ukpga_20070028_en_1

¹⁹ <http://www.communities.gov.uk/fire/developingfuture/integratedriskmanagement/guidancenote1/>

²⁰ <http://www.communities.gov.uk/fire/developingfuture/integratedriskmanagement/guidancenote2/>

changes to integrated risk management plan or related matters, this may require consultation.

Notwithstanding the latter involvement and consultation requirements, it is recommended that there is early engagement with interested and affected parties at the options appraisal stage. Effective engagement with interested and affected parties is critical for data gathering, the identification of key issues, and the development of sustainable and workable solutions. Done properly, it can contribute to communication and cooperation, help build trust, strengthen partnerships and improve decision-making. But as stated in integrated risk management plan guidance note 2, “Consultees presented with a fait accompli are more likely to react negatively to proposals for change.”

12.2 Guidance on consultation and engagement

The Better Regulation Executive (BRE) has produced good practice guidance on consultation. It states that you should, in undertaking a consultation process:

- identify and engage with a diverse range of interested and affected parties
- assess and manage risks
- use appropriate informal and formal methods of communication; and,
- evaluate the process.

DCLG, 2008. Creating Strong, Safe and Prosperous Communities: Statutory Guidance, Crown copyright, ISBN 9781409802433
<http://www.communities.gov.uk/documents/localgovernment/pdf/885397.pdf>

The Department for Communities and Local Government has also produced guidance on the duty to inform, consult and involve those likely to be affected by or interested in an issue. The duty to involve seeks to ensure that local people have greater opportunities to have their say. It came into force 1 April 2009.

The duty defines the term “local persons” to refer to those likely to be affected by or interested in, a particular authority function. The terms are not a reference to local residents, but include:

- people who work or study in the area
- visitors
- service users
- local third sector groups
- businesses
- anyone else likely to be affected by, or interested in, the function.

The phrase “representatives of local persons” refers to a mix of local persons, i.e. a selection of the individuals, groups or organisations considered likely to be affected by, or interested in, the authority function. In the context of the duty the representative does not refer to formally elected or nominated members of the community, e.g. councillors.

Better Regulation Executive, 2008. Code of Practice on Consultation, Crown copyright, URN 08/1097 <http://www.berr.gov.uk/policies/better-regulation/consultation-guidance>

12.3 Communications and engagement strategy

Develop a strategy

It is recommended that a communications and engagement strategy is developed for the period from the start of the options appraisal to the ongoing post combination stage of integration. For each stage, the strategy should lay out:

- communication aims
- key issues to communicate on
- who to communicate with
- methods of communication
- timings
- role of engagement in the combination decision making process
- who will manage and participate in communications.

Some critical factors to consider in planning your communications and engagement strategy include:

- How can you ensure effective engagement without incurring high levels of cost or stakeholder fatigue?
- What is the most effective way of making use of limited resources and time for the process?
- How can the process be shown to be inclusive and fair?

The scope and magnitude of the consultation you undertake should be proportionate to the nature and extent of any changes proposed.

Responsibility for communication and engagement strategy

It is important to consider who will be delivering the message during the process. It is suggested that there is clear responsibility resting with one member of the project team.

Some key aspects that need to be considered include:

- being able to ensure clear and consistent messages, both internally and externally to the organisation(s)
- ensuring that “messages” given carry conviction
- providing and articulating opportunities to listen to and engage parties throughout the process, and clarifying the extent to which this may influence any decision making.

Who are your interested and affected parties

To ensure that all key parties are included within communications activities, it can be useful to produce a matrix and profile, recognising that this will reflect people both internal and external to the organisations involved (see Section 7.4).

12.4 Identifying and profiling your interested and affected parties

To ensure that all key interested and affected parties are included within communications activities, it can be useful to produce a stakeholder matrix and profile. It is important to recognise interested and affected parties are both internal and external to the organisations involved.

The guiding principle in deciding how extensively you consult is that any person or organisation that might have a legitimate interest in the process, or who may be affected by it, should have the opportunity to express their views.

The table below indicates the possible range of interested and affected parties that may be engaged in the process overall, and can serve as a starting point.

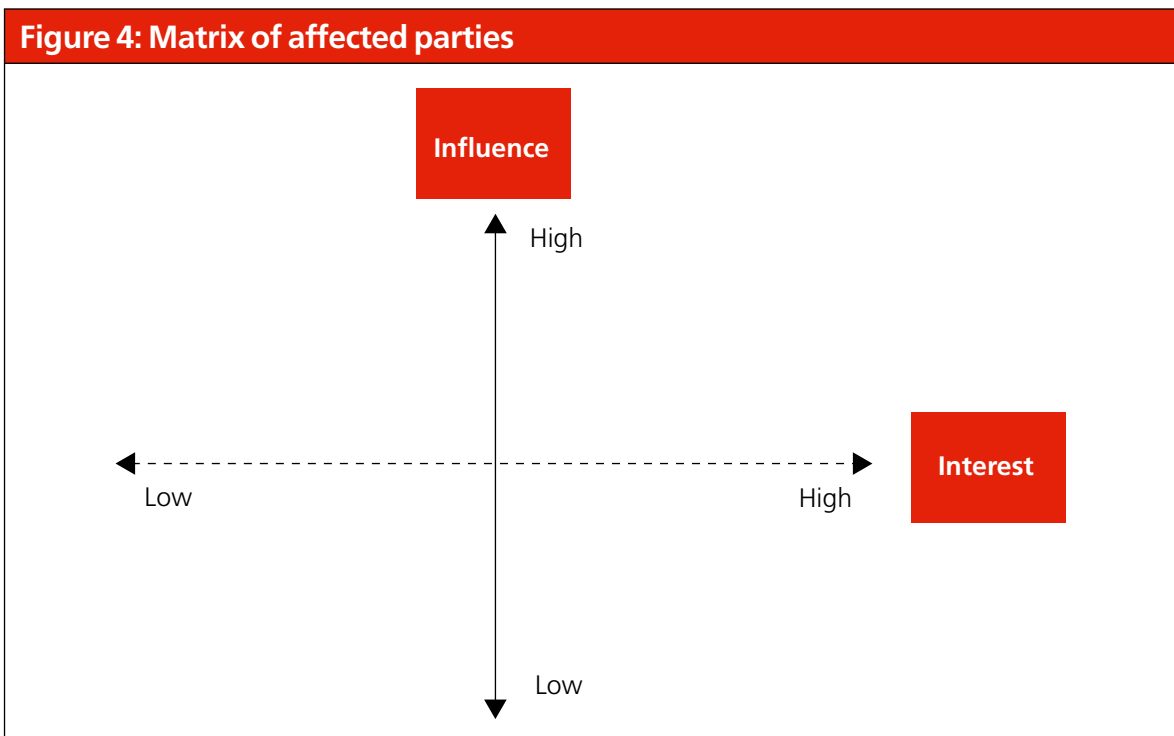
Table 21: Matrix of typical interested and affected parties	
Internal interested and affected parties	
Staff	Individuals Functional work teams/business units Managers (senior and middle)
Members	fire and rescue authority Executive Board Members Working Party/teering Group Shadow Combined fire and rescue authority
Representative bodies	Full-time staff representatives Retained staff representatives
External interested and affected parties	
Public	Residents Resident groups, e.g. Rate Payers Associations Community groups, e.g. Age Concern, Child Accident Prevention Trust
Businesses	Individual business owners Business groups and forums, e.g. local Chamber of Commerce
Media	Local media National media
Partner & local government interested and affected parties	Emergency services Local authorities Local Government Association Local Strategic Partnership groups NHS
National government interested and affected parties	Fire Minister Department for Communities and Local Government Regional Government organisations Members of Parliament
fire and rescue authority interested and affected parties	Chief Fire Officers' Association Individual fire and rescue authorities, and Local Authorities with responsibility for Fire, particularly those who are neighbours Fire Service College Fire related forums and associations, e.g. Institution of Fire Engineers, Arson Control Forum etc.
Other interested and affected parties	Operators of shared fire and rescue authority resources, such as shared training centres or control centres

In analysing the interested and affected parties (people or organisations), it is important to consider what is their interest and influence on your organisation, how might they be impacted by the process or the outcome of the process, and therefore what their key expectations and needs may be, and if there are any potential issues that may be worth noting. It is useful to undertake such a mapping exercise with a number of people from within your organisation, e.g. the project management team.

Table 22: Mapping interested and affected parties

Stakeholder	Degree of interest in organisation (High, Medium, Low)	Degree of influence over organisation (High, Medium, Low)	How will they be impacted on by the process?	Key expectations and needs (general)	Potential issues at this stage

Once you have done this, you can also map these interested and affected parties using a matrix, as shown below.



Undertaking this exercise will assist you in understanding who needs to be involved at this stage. From this point, you can start to consider:

- how they can be involved
- what information they may need, and how it can be best presented.

This will help you to ensure that there is effective stakeholder involvement in the process.

12.5 Managing expectations

When engaging with any stakeholder it is important to manage expectations and therefore make it clear:

- what stage of the process they are being involved in
- what their role in the process is, e.g. are they being informed (given information), consulted (opinions / views on an issue are asked for) or involved/engaged (ongoing dialogue on an issue)
- What will happen as a result of their input?

Trust is an important ingredient in this, as it relates to the level of disclosure required to develop a robust response.

It is important to recognise that different interested and affected parties will have different interests and influence over the objectives of the process, and any stage. Therefore, it may be more productive to engage with different interested and affected parties for different reasons, and to be explicit about this to all interested and affected parties involved.

Guiding principles

Due consideration of the involvement process should be made. The effectiveness of involvement should be considered in relation to:

- demonstrating a clear process for stakeholder engagement
- ensuring appropriate materials about the combination process are made available to all interested and affected parties
- identifying clear points in the process where stakeholder input will be sought
- identifying how interested and affected parties can give opinion during the process, e.g. in writing, at open events such as meetings or open house events
- identifying particular avenues of contact for interested and affected parties interested to know about the process etc., for example, providing contact name and details

- identifying how responses to the process will be evaluated and fed back to interested and affected parties.

Some critical factors to consider in planning your engagement:

- How can you ensure effective engagement without incurring high levels of cost or stakeholder fatigue?
- What is the most effective way of making use of limited resources and time for the process?
- How can the process be shown to be inclusive and fair?

These guiding principles should be used in every stage of the process towards combination.

It is important to articulate how input will be evaluated and decisions taken and this should be explicit to those interested and affected parties engaged in the process before any critical decisions are reached.

Communicating about the involvement process

It is important to communicate:

- the status of the options, e.g. they are options and no decision has been made yet
- the role of stakeholder feedback in the options appraisal and subsequent decision, i.e. the decision will be taken by the fire and rescue authorities and county council, having been informed by stakeholder opinion
- the key questions on which feedback is sought from interested and affected parties
- how people can get involved
- the deadline for responses from interested and affected parties.

12.6 Methods of involvement

There are a number of ways in which interested and affected parties can be involved in a consultation. This could be facilitated through an array of channels and should be considered in relation to undertaking a wide or targeting approach. In this way interested and affected parties can be involved directly or indirectly:

- directly (targeted contact with interested and affected parties): e.g. through existing fora, holding meetings and workshops in community centres
- indirectly (more widely / broad contact), e.g. facilitated through the web and other media sources such as radio interviews.

It is critical that effective communication takes place with interested and affected parties, and this means that the processes and outcomes should be clear to those involved from the outset. Furthermore, it is suggested that communication takes place in a way that reflects the interests of all parties involved in the process.

Tailor information to interested and affected parties

As the extent to which interested and affected parties become engaged in the process, it is important to remember to tailor your message to the specific audience concerned, e.g. outline the key benefits of combination for staff in ways that make it clear to them, such as increased opportunities for training and personnel development, better equipment, changes in benefits etc.

It is also important to ensure that these interested and affected parties are aware of the opportunities to be involved in the process and are well informed.

Methods to engage various audiences

There are various methods available to you to raise awareness of an issue and engage your interested and affected parties, as shown in the table below.

Table 23 Methods to engage various audiences	
Intention / aim	Possible method
Inform	Briefings at meetings Information flyers and information kiosks Central information contact points Press releases, press packets and articles in newspapers, magazines or newsletters Information repositories, e.g. libraries, GP surgeries, municipal halls Websites and intranets Documents in the public domain, e.g. progress reports, meetings minutes, summaries Events, e.g. station open days
Consult	Surveys, which can be conducted either online or by telephone, face-to-face or postal Focus groups Interviews
Involve	Meetings with existing groups Focus groups Citizen juries Workshops Deliberative dialogues

International Association for Public Participation, 2006.
 The IAP2 Public Participation Toolbox http://iap2.affiniscape.com/associations/4748/files/06Dec_Toolbox.pdf

12.7 Developing a communication plan

Having assessed who the interested and affected parties are, taking account of the different audience needs, the fire and rescue authorities can develop their communication plan. That plan should set out how and when to communicate with these interested and affected parties, and should be linked to the objectives of the stage of the process.

It may be useful to develop a separate communication plan that addresses internal and external interested and affected parties. However, those plans should be developed in parallel with each other, and take care to address any sensitive issues in an appropriate order.

In terms of planning for engagement, you should consider the following points:

- **Accessibility:** consider what is the appropriate method of engagement in relation to circumstances and the intended audience, and subsequently that the effectiveness of the method should be evaluated
- **Proportionality:** consider what resources will be required to inform, consult and/or involve appropriately – the extent of engagement should be proportionate to the significance of the issue to all parties, and relative to the benefits to be gained through involvement
- **Partnership working:** consider whether there is any added value of working with others when engaging the community
- **Coordination:** ensure that activities to inform, consult and/or involve do not take place in isolation but are as part of an integrated approach
- **Timing:** consider when to inform, consult and/or involve, remembering good practice suggests it should be as early as possible in the process.

Therefore, in developing your communication plan, you need to:

- outline the aim and objectives
- identify the interested and affected parties

- outline the key messages to those interested and affected parties, in relation to their involvement:
 - providing information on the process
 - consulting about the process
 - involving in the process.
- identify the methods that will be used to communicate those messages to the interested and affected parties, in relation to:
 - face-to-face (directly)
 - electronic/written (indirect).
- identify key milestones in the process
- determine how the approach will be evaluated.

Section 13

Appendix F: Specimen statutory instrument

Statutory Instrument (year) No. (number)

The (name) and (name) Fire and Rescue Authority (combination Scheme) Order (year)

STATUTORY INSTRUMENTS

date No. (number)

FIRE AND RESCUE SERVICES, ENGLAND

The (name) and (name) Fire and Rescue Authority (combination Scheme) Order (year)

Made date

Laid before Parliament date

Coming into force in accordance with Article 1

This Order is made in exercise of the powers conferred by sections 2 to 4 and 60 of the Fire and Rescue Services Act 2004 i

It appears to the Secretary of State that, in the interests of economy, efficiency and effectiveness, there should be a single fire and rescue authority for the combined area of the (name) and (name) fire and rescue authorities.

This Order is made to give effect to a draft scheme constituting a fire and rescue authority for that combined area which has been submitted to the Secretary of State by those authorities.

This Order also revokes the scheme made under the (name) Fire Services (combinationScheme) Order (date)ii

In accordance with section 4(5) of that Act, she has consulted with fire and rescue authorities, local authorities and other persons likely to be affected by the revocation of the scheme made under the (year) Order.

(name) Fire Authority and its constituent authorities agree to the revocation of that schemeⁱⁱⁱ

Accordingly, the Secretary of State makes the following Order:

Citation and commencement

1. —(1) This Order may be cited as the (name) and (name) Fire and Rescue Authority (combination Scheme) Order 2006 and shall come into force in accordance with paragraphs (2) and (3).

(2) This article and article 2 shall come into force on (date).

(3) Article 3 shall come into force on (date).

combination Scheme

2. The scheme set out in the Schedule to this Order, which shall be known as the (name) and (name) Fire and Rescue Authority combination Scheme, shall have effect.

Revocation and transitional provision

3. —(1) The (name) Fire Services (combination Scheme) Order (year) is revoked.

(2) The (name) and (name) Fire and Rescue Authority shall have power to do anything necessary for the purpose of winding-up the affairs of (name) Fire Authority.

(3) For the purpose mentioned in paragraph (2) any function which would have been exercisable by (name) Fire Authority on or after 1st April (year) but for the revocation effected by paragraph (1) may be exercised by (name) and (name) Fire and Rescue Authority.

Signed by authority of the Secretary of State for Communities and Local Government

(name)

Minister of State Department for Communities and Local Government

(date)

SCHEDULE

Article 2

THE (NAME) AND (NAME) FIRE AND RESCUE AUTHORITY COMBINATION SCHEME

PART 1

COMMENCEMENT AND INTERPRETATION

Commencement

1. This scheme shall come into force—

(a) for the purposes of constituting an authority as the fire and rescue authority for the combined area constituted by the scheme, and the performance by that authority of any functions necessary for bringing the scheme into full operation on 1st April (year), on the day on which article 2 of the (name) and (name) Fire and Rescue Authority (combination Scheme) Order 2006 comes into force, and

(b) for all other purposes, on 1st April (year).

Interpretation

2. In this scheme any reference to a paragraph or a part is a reference to a paragraph or a part of this scheme, and—

“the Authority” means the fire and rescue authority constituted for the combined area by virtue of paragraph 4;

“the combined area” means the area comprising the areas referred to in paragraph 3;

“constituent authority” means (name) County Council, and (name) County Council.

PART 2

GENERAL

The combined area

3. The areas of the (name) Fire Authority and (name) County Council become the combined area of the Authority.

The combined fire and rescue authority

4. —(1) There shall be constituted, for the purposes of discharging fire and rescue authority functions for the combined area, a body corporate to be known as the (name) and (name) Fire and Rescue Authority.

(2) The Authority shall be constituted in accordance with the provisions of Part 3 of the Scheme.

(3) The Authority shall appoint a Chief Fire Officer.

Financial provisions etc.

5. —(1) The Authority shall appoint a Treasurer.

(2) The Authority shall have the power to pay compensation to persons employed by (name) County Council and the (name) Fire Authority who in consequence of this scheme, or anything done under it, suffer direct pecuniary loss by reason of the determination of their appointments or diminution of their emoluments.

PART 3

COMPOSITION AND PROCEEDINGS OF THE COMBINED FIRE AND RESCUE AUTHORITY

6. —(1) Subject to sub-paragraph (2), the Authority shall consist of not more than 25 members.

(2) Where the minimum number of members of the Authority resulting from the operation of paragraph 7 would be greater than (number), the Authority shall consist of that number of members.

(3) Each member of the Authority shall be appointed by a constituent authority from its own members in accordance with this Part.

7. Each constituent authority shall, so far as it practicable, appoint such number of persons to be members of the Authority as is proportionate to the number of local government electors in its area in relation to the number of such electors in each of the other constituent authorities' areas.

8. A member of the Authority shall come into office on the date of his appointment and shall, subject to paragraphs 9 to 11, hold office for such period or periods as shall be determined by the constituent authority which appoints him.

9. A member of the Authority may resign his membership by giving notice in writing to that effect to the officer of the Authority whose function it is to receive such notice.

10. —(1) A member of the Authority who ceases to be a member of the constituent authority which appointed him shall cease to be a member of the Authority.

(2) A person shall be disqualified from being a member of the Authority if he holds any paid office or employment (other than the office of chairperson or vice-chairperson), appointments to which are or may be made or confirmed by the Authority, by any committee or sub-committee of the Authority, or by a joint committee or board on which the Authority are represented.

11. —(1) Subject to sub-paragraphs (3) and (4), if a member of the Authority resigns, becomes disqualified or otherwise ceases to be a member of the Authority before the expiry of his period of office, the constituent authority which appointed him shall appoint a one of its members to replace him.

(2) A member so appointed shall—

(a) come into office on the date of his appointment and,

(b) unless he resigns, becomes disqualified or otherwise ceases to be a member of the Authority, hold office for the remainder of the period for which his predecessor would have held office had he not resigned, become disqualified or otherwise ceased to be a member of the Authority.

(3) If a member of the Authority resigns, becomes disqualified or otherwise ceases to be a member of the Authority within six months before the end of his period of office, the constituent authority which appointed him shall not be required to appoint a member to replace him for the remainder of such period unless sub-paragraph (4) applies.

(4) This sub-paragraph applies where, on the occurrence of the vacancy (or in the case of a number of simultaneous vacancies, the occurrence of the vacancies) the total number of unfilled vacancies in the membership of the Authority exceeds one third of the number of members of the Authority referred to in paragraph 6.

12. —(1) The Authority shall elect a chairperson, and may elect a vice-chairperson, from among its members.

(2) The chairperson or vice-chairperson, if elected, shall, subject to paragraphs 9 to 11, hold office for such period not exceeding one year as the Authority shall determine and shall remain in office until his successor becomes entitled to act as chairperson or vice-chairperson.

(3) Sub-paragraph (2) shall not prevent a person who holds or has held office as chairperson or vice-chairperson, as the case may be, from being elected or re-elected to either of those offices.

(4) On a casual vacancy occurring in the office of chairperson or vice-chairperson, the Authority shall elect from its members a person to replace the chairperson, and may so elect a person to replace the vice-chairperson, as the case may be.

(5) The election of a chairperson under sub-paragraph (4) shall take place not later than the next ordinary meeting of the Authority following the occurrence of the casual vacancy.

13. The first meeting of the Authority shall be held as soon as it is practicable to do so and shall be convened by the Secretary to the (name) Fire Authority, and subsequent meetings shall be convened in such a manner as the Authority shall determine.

14. At a meeting of the Authority the quorum shall be one third of the total number of members of the Authority, or such greater number of members as the Authority may determine.

15. Sections 82(1), 99, 101 to 104, 106, 120, 121, and 123 and Part 6 of Schedule 12 of the Local Government Act 1972 shall apply to the Authority and its members as if references in those provisions to a principal council or a local authority, other than references to a parish council, were references to the Authority.

PART 4

OFFICERS AND EMPLOYEES OF THE AUTHORITY

16. There shall be transferred to employment by the Authority persons employed by (name) County Council and (name) Fire Authority wholly or mainly for the purposes of discharging fire and rescue authority functions.

17. The Authority may appoint such other officers and employees as it considers necessary for the efficient discharge of its functions.

18. The Authority may make arrangements with any constituent authority for the use by the Authority of the services of officers and employees of the constituent authority and for the making of contracts and payments on behalf of the Authority by the constituent authority.

19. Sections 114, 115, 116, 117(1), (2) and (3), 118 and 119 of the Local Government Act 1972 shall apply to the officers and employees of the Authority as if references in those provisions to a local authority, other than references to a parish council, were references to the Authority.

PART 5

PROPERTY, RIGHTS AND LIABILITIES

Property etc held solely for fire and rescue authority purposes

20. —(1) There shall be transferred from (name) County Council to the Authority any property which is held by them solely in connection with the discharge of fire and rescue authority functions, and rights and liabilities held or incurred by them in respect of that property.

(2) There shall be transferred from (name) County Council to the Authority any rights and liabilities held or incurred by them solely in connection with the discharge of fire and rescue authority functions in respect of—

- (a) any contract of employment with a person transferred in accordance with paragraph 16;
- (b) any contract for the provision of services or the delivery of goods;
- (c) the Firefighters' Pension Scheme as set out in Schedule 2 to the Firemen's Pension Scheme Order 1992iv
- (d) the Local Government Pension Scheme Regulations 1995v;
- (e) the Local Government (Discretionary Payments) Regulations 1996vi;
- (f) the Local Government Pension Scheme Regulations 1997vii
- (g) the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000viii
- (h) the Firefighters Compensation Scheme (England) Order 2006ix

21. There shall be transferred from the (name) Fire Authority to the Authority all property, rights and liabilities held or incurred by the (name) Fire Authority.

Property held partly for fire and rescue authority purposes and partly for other functions

22. Subject to paragraph 23, (property) in the County of (name), together with all land, rights and liabilities attached to (property) shall remain in the ownership of (name) County Council.

23. The (name) County Council and the Authority shall use their best endeavours within a period of six months from 1st April (year) to make arrangements for the continued use of such part of (property) by the Authority as may be agreed between them whilst it is needed for the discharge of fire and rescue authority functions and for the payment of compensation to the Authority by the Council arising out of the Council's retention of (property).

24. The (name) County Council and the Authority shall within a period of six months from the 1st April (year) use their best endeavours to—

- (a) identify any other property held by the Council partly for the discharge of fire and rescue functions and partly for other functions; and
- (b) make agreements which provide for the transfer to the Authority, or the retention by the Council, of any property so identified.

25. Where an agreement is made pursuant to paragraph 24 above for the transfer of any property to the Authority, the property shall on such date as shall be specified in the agreement for the purposes of this paragraph vest in that Authority.

Contracts

26. All contracts, deeds, bonds, agreements, licences and other instruments subsisting in favour of, or against, and all notices in force which were given or have effect as if given by or to, the (name) County Council as fire and rescue authority and the (name) Fire Authority shall be in full force and effect in favour of, or against, the Authority.

27. All rights and liabilities of (name) County Council arising out of agreements between the Council and (name) dated (date) or any ancillary agreements entered into after that last date in respect of the (name) are transferred to the Authority.

Proceedings

28. Any action or proceeding, or any cause of action or proceeding, pending or existing as at 1st April (year) by or against the (name) County Council as fire and rescue authority and the (name) Fire Authority may be continued, prosecuted or enforced by or against the Authority.

Arbitration

29. Any question as to the interpretation or application of any provision in the Scheme which relates to the vesting of any property, rights and liabilities may be determined by a person agreed on by the parties concerned, or in default of their agreement, by a person appointed by the Secretary of State for this purpose and any matter which falls to be agreed under the Scheme which is not so agreed, shall be determined by such a person.

30. Any determination under paragraph 29 above may make provision for the transfer of any property, rights or liabilities to an authority specified in the determination.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes a scheme constituting the (name) and (name) Fire and Rescue Authority for the combined the areas of (name) County Council, (which formerly constituted the combined area of the (name) Fire Authority) and (name) County Council.

The scheme comes into force on the same day as the Order comes into force for the purpose of doing anything necessary to bring the scheme fully into operation on 1st April (year).

In relation to the combined authority the scheme makes provision for:

- the composition and proceedings of the combined authority;
- financial matters;
- the discharge of its functions;
- the appointment of officers such as Chief Fire Officer and Treasurer;
- the transfer of staff, property, rights and liabilities in connection with the discharge of fire and rescue authority functions from (name) Fire Authority and (name) County Council; and
- the payment of compensation for loss suffered by any person in consequence of the constitution of the combined authority.

The Order provides for the revocation of the (name) Fire Services (combination Scheme) Order 1997 and makes transitional provision.

A full regulatory impact assessment has not been produced for this Order, as it has no impact on the costs of business, charities or voluntary bodies.

Notes:

i 2004 c. 21. The power of the Secretary of State under section 2 and 4 is, in relation to Wales, exercisable by the National Assembly for Wales by virtue of section 62

ii S.I. 1997/2698.

iii See section 4(7). The Secretary of State is, accordingly, not required to cause an inquiry to be held

iv S.I. 1992/129; amended by S.I. 1997/2309 and 2851, 1998/1010, 2001/3649 and 3691, 2004/1912 and 2006/1810

v S.I. 1995/1019; amended by S.I. 1997/1613 and 1998/530

vi S.I. 1996/1680

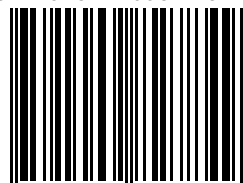
vii S.I. 1997/1612; amended by S.I. 1999/3438

viii S.I. 2000/1410

ix S.I. 2006/1810

ISBN: 978-1-4098-2784-9

ISBN 978-1-4098-2784-9



9 781409 827849