

**White Paper: Reform of Fire and Rescue Authorities in Wales - consultation on reform of the Fire and Rescue Authorities in Wales’ governance and funding arrangements**

The consultation was published on 13<sup>th</sup> November 2018. The consultation closes on 5 February 2019.

It is recommended that in order to get a fuller picture of the proposals, that you refer to the consultation document:

<https://beta.gov.wales/sites/default/files/consultations/2018-11/181112-reform-of-fire-and-rescue-authorities-in-wales.pdf>

**Chapter 1 The Case For Change**

**Key issues noted**

“Reform of the current governance, finance and performance management arrangements for Fire and Rescu Authorities should:

- Preserve the current high standards of service and allow the Fire Service to sustain and enhance it to the fullest extent possible.
- Create clear and effective leadership of, and accountability for, the development and delivery of fire and rescue services.
- Create genuine external accountability for FRA budget and spending decisions, while recognising the particular features of resourcing emergency services.
- Encompass the changing role of the service and provide clear, fair and sustainable funding mechanisms for it.
- Increase the expertise and capability of FRAs to provide strategic leadership, to sustain effective collaboration and to hold senior officers to account.
- Provide for Fire and Rescu Authoritie members to be fewer in number, but to have a more clearly defined remit and the capability to carry it out.
- Include a new performance management system which should better reflect the particular operating contexts and challenges which FRAs face.
- Be as limited in scope as possible, and avoid any changes to front-line operations or resources.’

Chapter 1 – Consultation Questions:

1. Do you agree the objectives for reform are appropriate and important?
2. Are there other objectives that the reform programme should pursue?

Chapter 1 – Gwynedd Council draft response:

**It is noted that the governance arrangements and ensuring Democratic accountability in the white paper only refers to the Fire and Rescue Authorities. For several other bodies that provide a public service (such as the Ambulance Service, Health Authority),**

**there are no democratic accountability procedures. Why does Welsh Government single out the Fire and Rescue Service?**

**In light of the current situation with this public body and the specific consultation on reforming the governance and finance arrangements of the North Wales Fire and Rescue Service, we have considered the proposed direction.**

**It is difficult to argue against the principle of basing any changes on the need to improve the service's ability to maintain current successes and build on them, whilst understanding long term challenges and responding accordingly. Furthermore, it is difficult to disagree with the need for public bodies to be accountable to those they serve in a clear way, whilst ensuring clear, democratic arrangements.**

**However, the connection between the argument for change and the proposals in terms of democratic structures has not been presented clearly. There may be room to change the current democratic accountability arrangements, especially the role of elected members and the financing arrangements for the service. In addition, clarity would have to be ensured on the way in which practical arrangements would ensure delivery of the principles.**

**We are of the opinion that the main change is the change to the Fire and Rescue Service's funding arrangements. Currently, the Fire and Rescue Service charges a levy on the relevant authorities. Despite consulting on the increase, it is the service itself that determines the size of the budget.**

## **Chapter 2 Designing a New System**

### **Key issues noted**

- it is important to maintain that Fire and Rescue Service 'brand' and the core skills and values of firefighters. That means FRAs should remain as separate and distinctive entities. They should have their own governance and funding arrangements, although these will need to be reformed to allow them to maximise collaboration with other organisations.'
- Fire and rescue services should not be transferred to the control of Police and Crime Commissioners (PCCs), as is taking place in parts of England.'
- transferring control of the Service back to local authorities should not happen
- current pattern of three FRAs should remain.
- there is no case for changing the current boundaries of FRAs.
- The current relationship between FRAs and the Welsh Government is complex. The Welsh Government's National Framework for Fire and Rescue Services contains objectives and priorities for FRAs, and the Welsh Ministers can issue directions to FRAs which fail to act in

accordance with it, but it is only guidance to which FRAs should 'have regard'. The Welsh Government has no control at all over FRAs' plans, performance or budgets.

- It is also noted that control should largely continue at the current level, and new arrangements should also reflect the legitimate but limited national interests in the development and delivery of the Service. It may be more appropriate for that to entail clarifying and tightening up the current status of the National Framework and the related performance management arrangements. We are not persuaded that extensive and direct involvement by government in the day-to-day governance of the Service would be justified.'

Chapter 2 – Consultation Questions:

3. Do you agree that FRAs should remain as separate and distinct entities, with the same boundaries as now?
4. Do you agree that transferring control of fire and rescue services to Police and Crime Commissioners or local authorities would not be appropriate?
5. Do you agree that there are legitimate but limited national interests in the Service that need to be reflected in its governance arrangements?

Chapter 2 – Gwynedd Council draft response:

**Chapter 2 of the consultation states the reason why the current arrangements should not change. There are some mixed messages, however, when pushing to retain the separateness of authorities (question 3), whilst also emphasising the national interests (question 5).**

**We agree that no clear benefit would stem from having one Fire and Rescue Service for the whole of Wales and that current arrangements should be maintained: three Authorities with no change to current boundaries. The current boundaries of the North Wales Fire and Rescue Service coincides with the boundaries of the six Local Authorities and Betsi Cadwaladr University Health Board; and a great deal of work is taking place and being developed on this regional basis. We must ensure a strong voice for North Wales, with a service based on a strong understanding of the area and the needs of the area served.**

**We also agree that Fire and Rescue Service should not transfer to the management of the Police and Crime Commissioner. If a move were made toward this model, it must be noted that there would be further implications, as the Police and Crime Commissioner comes under the jurisdiction of the Home Office, which has not been devolved, even though the service itself has been devolved. Such a situation would not be ideal, and combining responsibilities for the services could lead to confusion about roles, powers and responsibilities.**

**We also agree that responsibility of the Fire and Rescue Service should not be directly transferred to Local Authorities. Breaking up a service that works regionally across the six regions of North Wales would be unreasonable. It would lead to a loss of the regional collaborative element, and the benefit that stems from that, and it would be far, far, less effective and efficient. It is anticipated that it would be necessary to**

**establish a joint-committee to manage the service, without a clear benefit stemming from such an arrangement.**

**We have already stated our opinion that the Fire and Rescue Services should continue to be separate entities in order to address local demands (this differs vastly between north Wales and the other two areas), and retain local expertise. We place an emphasis on providing services locally, and accept any national interests that emerge in the wake of national policies in the field.**

## **Chapter 3 Governance and Membership**

### **Key issues noted**

- local authorities should continue to nominate members, though some important changes need to be made.
- each local authority should nominate one member of the Fire and Rescue Authority (which would lead to 6 members in North Wales)
- the member nominated should not be a ‘backbench’ member
- The member should be a Cabinet Member. To facilitate such change, it may be necessary to remove the current restriction on cabinet members receiving an extra salary.
- FRAs should also have non-executive members to assist decision-making, their numbers should be modest – 2 in north Wales. The most straightforward approach would be for the Welsh Ministers to appoint non-executive members on the basis of fair and open competition. They are also open to FRAs appointing their own non-executive members, provided there were an agreed process and set of criteria for this.’
- if and when legislative change were possible, we believe the best means of generating accountability would be to separate the role of the FRA from that of the Fire and Rescue Service (FRS) itself. The latter would be formally responsible for all aspects of service provision. It would be headed by a statutory Chief Fire Officer who had all of the service delivery functions which currently vest in the FRA, as well as the power to employ staff and own assets. The FRA, by contrast, would hold the Chief Fire Officer and FRS to account. It would not make decisions itself, but would endorse the most major decisions such as setting a budget, publishing a strategic plan or significantly reshaping front-line capacity.’

Chapter 3 – Consultation Questions:

6. Do you agree that local authorities should continue to nominate FRA members?
7. Do you think that local authorities should nominate one FRA member each, drawn from their cabinets?
8. Do you believe any changes are needed to the size and remuneration of council cabinets, if their members were also to serve on FRAs?
9. Do you agree that FRAs should also have non-executive members?
10. Who should appoint non-executive members of FRAs?
11. Do you have any views on the longer term proposal that responsibility for the service should vest in a statutory Chief Fire Officer, with FRAs fulfilling a scrutiny and oversight role? If so, would that require any change to membership arrangements?
12. Do you have any other proposals for how to reform FRA governance which meet the criteria in Chapters 1 and 2?

Chapter 3 – Gwynedd Council draft response:

**Current governance arrangements for the Fire and Rescue Service need to be reviewed. A request is made for democratic representation (five elected members from Gwynedd at present) to serve on the Fire and Rescue Authority Board. Democratic representation is based on the population of each local authority, and is based on political balance. Elected members from the different Authorities that sit on the Fire and Rescue Authority board are accountable and serve the Fire and Rescue Service itself. It is not a role in which the local authority is represented, and it does not represent the populations of the areas.**

**We agree that there is some room to adjust the numbers of elected members serving on the Fire and Rescue Authority board. However, we believe that they should be appointed by individual Councils. If Local Authorities ceased to nominate a member or members to the Fire and Rescue Authority, it is difficult to imagine a different way of identifying members to serve. We must remember that elected members from all the authorities bring local expertise and a local voice to the Fire and Rescue Authority, for the purpose of safeguarding the interests of their local constituents. They have also been democratically elected to represent their electorate.**

**We do not agree, however, with the suggestion that individual Authorities should nominate one member to serve on the Fire and Rescue Authority; with the nomination to be from amongst Cabinet Members.**

**We are unclear about the reason for suggesting that a specific role should be sought for the Cabinet Member on the Fire and Rescue Authority. Cabinet Members' workloads are already heavy, and a cabinet member's priority is to serve the people of his/her authority and ensure the best service for them. We must bear in mind that the Independent Remuneration Panel for Wales stated that Cabinet Members' salaries were based on a working week of approximately 40 hours (but not 9-5). The expected level of commitment for the Panel, therefore, suggests that they would be unable to cope with the additional expectations. Furthermore, the Panel has noted that no**

member should be awarded more than one higher salary. Again, this is based on the expectations and level of commitment by higher salary earners.

We do not believe that one member, and a Cabinet Member at that, is the right solution. Any committed member could acquire expertise in the field, especially given that back benchers may have a little more time to commit to the work. We also believe that more than one member is needed from the authority, bearing in mind that members represent large geographic areas and a large population. Appointing more than one member would also ensure representation for the electors at meetings of the Fire and Rescue Authority.

Nevertheless, if the idea of having a Cabinet Member as a member of the Fire and Rescue Authority were to go ahead, it would be necessary to consider legal changes to the size of the cabinet in order to cope with the additional demands. Furthermore, it would be necessary to consider the effect that paying higher salaries would have on the budget of the Fire and Rescue Authority; whilst ensuring that any changes to the arrangements would not lead to additional costs especially in the current economic climate and with ongoing savings. In addition, we would have to accept that membership of the Fire and Rescue Authority would not be based on the region's political balance.

With regard to non-executive members, one must question how the role would add value and ensure clarity about the requirements and the role, before pursuing this. However, if consideration were given to moving down this route, a transparent appointment process would have to be ensured; one that is clear to the public and is led by the body responsible for appointing them.

It is noted that "responsibility for the service should be in the hands of the statutory Chief Fire Officer". Does this relate to the administrative side of the service? The Fire and Rescue Authority usually determines the strategic direction and budget for the service. It must be emphasised that the ideas consulted upon are simply for establishing scrutiny and overview arrangements by placing the responsibility for the service in the hands of the statutory Chief Fire Officer, with the Fire and Rescue Authority, which is a step removed from the strategic and budget decisions, in the hands of elected members.

## Chapter 4 Funding

### Key issues noted

- Some of the possible future sources of FRA funding noted in the consultation are:
  - a. Contributions from local authorities, as now, but with some form of external control on, or agreement about, the level of such contributions. . . .

- b. Direct grant funding from the Welsh Government. This would mean the current funding route via local authorities would end. In the context of continuing austerity, such funds could have to be ‘top-sliced’ from the local authority revenue support grant (RSG) in the first instance. . . .
  - c. A council tax precept, i.e. an extra charge on local council tax bills determined by the FRA, to pay for fire and rescue services. . . .
  - d. A combination of (a) or (b) and (c).’
- The preferred option is noted as modifying the current system of FRAs levying contributions from local authorities. This would provide greater accountability and control if FRAs are required to agree the level of funding each year with their constituent local authorities
  - It is also noted that in the event that agreement could not be reached, the Welsh Ministers would have a default power to arbitrate between the positions of the FRA and its constituent authorities. In practice this power would involve Welsh Ministers setting a budget by default if it appeared that an FRA could not agree a budget which fairly reflected the specific demands of operating an effective emergency service.’

Chapter 4 – Consultation Questions:
<p>13. Do you agree that FRAs and local authorities should agree the level of FRA funding each year, with a reserve arbitration power for the Welsh Ministers?</p> <p>14. Do you have any views on whether, and if so how, the funding model should change in the longer term?</p> <p>15. Do you have any other proposals for how to reform FRA funding which meet the criteria in Chapters 1 and 2?</p>
Chapter 4 – Gwynedd Council draft response:
<p><b>We agree that current arrangements for financing the Fire and Rescue service need to be reviewed. Despite increased consultation by the Fire and Rescue Authority, the Authority determines the size of its own budget, and the size of local authority contributions are not managed externally or challenged independently.</b></p> <p><b>Current arrangements are unclear for those who pay council tax and can lead to difficult decisions for elected members as they endeavour to ensure that any increases to council tax are as low as possible. The Fire and Rescue Authority may wish to increase its budget by 6%, which would lead to an additional levy of approximately 0.5% on council tax in Gwynedd. It is, subsequently, unclear for residents in the County that 0.5% of the increase they face is beyond the Council’s control.</b></p> <p><b>We are of the opinion that a move should be made toward a precept system for funding the Fire and Rescue Service. Collecting the funds on behalf of the Fire and Rescue Service would be an improvement on the current arrangements of a levy on the region’s local authorities.</b></p>

**A praecept would ensure consistency with the way in which resources are collected on behalf of the Police and Community Councils. Thus, ensuring transparency for those paying council tax when funding the Fire and Rescue Service.**

## Chapter 5 Performance Management

### Key issues noted

- It is proposed to create a new system under which:
  - a. The Framework would continue to be reviewed and reissued every 3-5 years, and would contain strategic objectives for the Service.
  - b. The current practice of developing the Framework in full collaboration with the FRAs and with firefighters' unions would also continue, as would the alignment of the Framework with the Wellbeing of Future Generations (Wales) Act 2015.
  - c. For each iteration of the Framework, FRAs would decide whether to adopt each of the objectives in it, to adopt them with local modifications, or not to adopt them at all. FRAs could also decide to include their own objectives if they wished.
  - d. Each FRA would then be required to publish a plan for the lifetime of that Framework, setting out the objectives they have adopted, and (if appropriate) reasons for not adopting others. That plan would also set out the means by which the FRA would monitor progress towards those objectives – which might in some cases be derived from the Framework itself.
  - e. Each FRA would also produce periodic progress reports. The timing of these would depend on the objectives they covered. An objective which reflected day-to-day operations would lend itself to annual (or even more frequent) reporting, whereas one relating to the long-term transformation of the Service would not.
  - f. Welsh Ministers would retain their current duty to report to the National Assembly every two years on progress in delivering the Framework, and their intervention powers.'

#### Chapter 5 – Consultation Questions:

16. Do you agree that the performance management system for FRAs should be grounded in the National Framework for Fire and Rescue Services?
17. Do you agree with the need for such a system to give FRAs flexibility on planning and reporting cycles, and on the sources of information about performance that they use?
18. Do you agree that the Welsh Ministers should retain their duty to report to the Assembly about delivery of the Framework, and their powers of intervention?

#### Chapter 5 – Gwynedd Council draft response:

**The performance management element of the service depends entirely on other changes to the governance and finance arrangements of the Fire and Rescue Service.**