

24 May 2010

The future of national functions

Summary

This report sets out a proposal for the LGA Group to take on some of the national fire service functions currently carried out by CLG and its agencies. John Tizard, Director of the Centre for Public Service Partnerships, who is leading the work to develop proposals on behalf of CLG, LGA and CFOA will update the Committee on his latest thinking.

Recommendations

Members are asked to agree *in principle* that the LGA Group seeks to take over some of the functions currently carried out by CLG set out in **Appendix 1**, in accordance with the guiding principles set out at para 4 to inform future negotiations.

Action

As determined by Members.

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The future of national functions

Background

1. Last year CLG, LGA and the Chief Fire Officers Association started to look at how the 46 Fire and Rescue Authorities (FRAs) in England might collectively take ownership of key activities, currently carried out by CLG and its agencies, and make 'national' level decisions on how best to drive the service forward. There is currently no mechanism for the Fire and Rescue Service to make national level decisions, and the tendency has been for these to rest with central Government.
2. At its meeting on 18 January, the Committee discussed issues around the possible transfer of fire service functions to the local government sector. Members were concerned that such an approach might create a further quango-type body, and were similarly concerned over the number of bodies currently involved in national decision making on fire services issues. However, members welcomed any initiative that belonged to the sector and afforded Fire and Rescue Authorities more responsibility over local issues, and the opportunity to carry out work on behalf of the sector.
3. Some members of the Committee attended a workshop arranged by CLG in January. The workshop agreed that further work needed to be done to explore further the model(s) for a new national approach and to start to look at how that might be taken forward in terms of governance arrangements, funding, legal considerations and so on. The aim is to make recommendations to the incoming Secretary of State and FRAs (through the LGA) in the summer.
4. The governing principles behind this work are to achieve an improved delivery chain, within existing financial resources, which could accommodate different FRA structures and be appropriately accountable. Our analysis is that:
 - Some functions would be more effective if delivered nationally;
 - A national approach would facilitate consistency;
 - The body of good practice could be significantly enhanced through a national approach;
 - Economies of scale could be achieved, and
 - Duplication of effort and expenditure could be removed.

Current position

5. Currently there is no single organisation outside central government which could immediately take on all these national functions, and discussions have moved to considering what alternative arrangements might be put in place. The

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Government's original position was to set up a new quango to do this; however, having been persuaded that this would be expensive and less accountable than the current arrangements, it is seeking alternative options.

6. John Tizard, Director of the Centre for Public Service Partnerships has been commissioned to take forward the work. The LGA has contributed some research resource to the project, specifically to look at the different kinds of organisations (called 'delivery vehicles') that exist that could be used as a model for this kind of local – national partnership. The sector is therefore in a strong position to come forward with a new model of delivery. The range of functions currently sitting with CLG is broad (see **Appendix 1**).

Option – the LGA Group takes on some of the national functions

7. A number of options are under active consideration, ranging from a smaller scale National Policing Improvement Agency-type organisation to a local authority owned company or social enterprise. However we believe there are a number of factors in favour of the LGA Group taking on some of these functions:
 - the Group already exists and has all 46 English FRAs in membership;
 - top slice arrangements for funding are already in place;
 - the range of similar work currently carried out across the Group, by the IDeA, LACORS, Leadership Centre and LGE, provides a solid platform to build on;
 - this is an important and high profile service area for local government and one which is committed to self improvement;
 - political accountability is available through the Safer Communities Board, as delegated to the Fire Services Management Committee. This would provide oversight of programme delivery within the Group and also provide direct accountability to FRAs (through the Fire Forum) for activities.
8. A thorough feasibility study would be needed to assess constitutional, legal, financial and reputational risks. There are some functions which we believe are potentially 'toxic' (such as procurement, contract management and the Fire Service College) or wholly operational (e.g. some of the national resilience activity) where the LGA would not add value and where the projects are sufficiently delayed and over budget to cause an unacceptable level of risk of liability exposure to the Group. In the main the activities can generally be seen as low risk (being existing core Group business but leading to an increase in the volume of work and requiring some specialist knowledge). **Appendix 1** sets out our initial analysis of where the functions CLG is offering could sit.
9. It would be possible for these functions to be delivered by the Group acting as a strategic commissioning organisation, with access to capacity and professional expertise through our advisers, credible and influential to FRAs and wider stakeholders. It is, however, widely accepted that arrangements do not need to

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change overnight and so an incremental approach, starting relatively small, and building capacity and expertise over time would be the right approach.

10. A successful outcome to a transfer to the LGA Group of those national functions on offer by CLG would have two further benefits. It would support a transfer of those areas of work not currently on offer (such as performance and intervention and greater influence over matters such as the fire fighters pension scheme) that we would want to transfer over in the future. It would also provide evidence to support future transfers of activity from the centre in other service areas.

Next steps

11. If members agree to pursue this proposal we will:
 - brief the Fire Forum membership;
 - write to CLG setting out our 'offer', with a suggestion to pilot one or two functions, on a service level agreement basis, before a final decision is made. This would go to the new Minister and might give us an indication of how willing CLG are to cede power to the sector going forward;
 - provide input to the stakeholder workshop due to take place on 10 June. Two or three members of the Committee will be invited to attend and we will present the outcome of our negotiations with CLG for wider discussion and challenge.

Financial Implications

12. None identified - any transfer of functions would have to be resourced by a simultaneous transfer of resources from CLG, subject to a thorough risk assessment by LGA Group before agreement could be reached. Part of our offer might identify efficiencies that would make our offer more attractive to CLG.

Implications for Wales

13. None identified as these functions are England only.

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