

Isle of Wight Fire Authority

Report on the scope for increased joint working and possible merger with Hampshire Fire and Rescue Service

4 October 2005

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1 Executive Summary

Background

- 1.1 The Isle of Wight Fire Authority (IoWFA) has commissioned RSM Robson Rhodes to conduct an initial independent review of the options available for increasing joint working with Hampshire Fire and Rescue Authority (HFRA).
- 1.2 This study is being undertaken at the request of the Office of the Deputy Prime Minister (ODPM) and forms part of IoWFA's improvement planning in response to its recent corporate CPA and Integrated Risk Management Planning, together with its overall modernisation agenda.

Terms of reference

- 1.3 The terms of reference for this study was to explore, at a strategic level, the options for the service to increase collaborative working – or even merge – with Hampshire Fire and Rescue Service (HFRS). In doing this, we have explored three options:
 - Option 1 Retain the status quo by collaborating on an adhoc basis
 - Option 2 Enter into formal collaborative arrangements for the delivery of agreed, prescribed areas of the service
 - Option 3 Full combination of the two services
- 1.4 It is important to note that this study does not constitute a formal business case. We define the strengths and weaknesses of each option within this report and the viability of the options. It is then for the Council to take a decision on its preferred way forward. Once this decision has been taken, a formal business case could then be produced to include a full cost benefit analysis (in conjunction with HFRS).
- 1.5 This report represents the outcome from the review and should help to inform the Council's decision making in this area.

Findings

- 1.6 The situation we have identified during this study is that the IoWF&RS (the Fire Service) is performing strongly operationally (as per figures available from national PIs and previous Fire Service Inspectorate Reports) but, like many authorities, has yet to fully address some of the corporate actions required to fully embed the modernisation agenda.
- 1.7 We are aware that the Service has undergone changes at a senior level within the organisation and it is consequential of the period of the instability, which preceded, and which impacted upon, the services recent Comprehensive Performance Assessment (CPA).
- 1.8 The Service now appears to be making good progress in addressing the weaknesses arising from CPA. And it is evident that it has the support from the County Council (of which the Service is a part) in doing this. It is also beginning to develop a strong direction and corporate strategy, which are being implemented successfully.
- 1.9 What has also become very clear to us during this review is the dedication and commitment from elected members, senior officers, front line, support staff and unions to continue to improve the level and quality of service the IoWF&RS provides on the Island.
- 1.10 It is important to reflect on the actions currently being taken by the County Council to drive service efficiencies and continuous improvement, as these plans will have a direct impact on the Fire Service. In particular, we are mindful of the fact that the Council is currently in the process of developing options to secure a private sector strategic partner to help drive the transformation of its support/back office services and in turn help to deliver improved front line services.
- 1.11 The IoWFRS has plans in place to improve the value for money of its services and is reviewing these internally. As part of its approach to Integrated Risk Management Planning, the Fire Service is reviewing the crewing system in use at its main fire station in Newport, again there may be options to provide increased value for money from an alternative crewing system and the Fire Service is currently investigating these options.
- 1.12 The IoWFRS is also working closely with its neighbours within its Region (particularly Hampshire) to explore the benefits to be achieved through greater collaboration and the region is in the process of seeking funds from the ODPM to support this (through its Capacity Building Fund).
- 1.13 Whilst the scope of our study did not extend to a review of the operational performance of HFRS, we have included some of their recent results for comparison purposes. It is interesting to review current optional performance figures. Whilst the two services operate on a very different scale, with differing demographics, both services perform well against national PIs. There are no PIs where HFRS appears to perform significantly better than IoWF&RS.

Options appraisal

Option 1 - Retain the status quo by collaborating on an adhoc basis

- 1.14 This would provide stability, as the status quo is maintained. This means that the collaboration that currently exists between the two authorities would continue to be managed under the existing, largely informal, arrangements. IoWFRA would remain part of the Safer Communities Directorate within the Council and would continue to utilise its services for functions such as finance, HR, property and IT. There would be no control or power ceded from the Council and no impact on current staffing or management arrangements.

Option 2 - Formal collaboration

- 1.15 This would increase and strengthen the level of collaboration between the two fire services through the use of more formal mechanisms in a number of service areas. HFRA would therefore become accountable to IoWFRA for the services that it is 'contracted' to deliver. This option is similar to option 1 insofar as there would be no loss of strategic control over the running of the IoWF&RA as it would remain part of the Safer Communities Directorate within the Council. There would also be little, or no, impact on management arrangements although there would likely be some impact on support staff. There would need to be some further work undertaken to establish which areas should be included in any increased collaboration. These are likely to include: training, procurement, IT, vehicle maintenance, support services, and the control centre.

Option 3 – Full combination

- 1.16 This would result in the merger of the two organisations into a single fire authority. This option represents the most radical departure from the current arrangements and is likely to mean that the IoWFRA would no longer be part of the Council. Therefore control over the IoWF&RA would move to HFRA with the accompanying impact on political governance and management arrangements. It is probably that vast majority of non-operational activities would be conducted centrally in Hampshire although firefighting staff would by necessity need to remain on the island.

Conclusion

- 1.17 **At this stage, our study has revealed that all three of the options reviewed within the scope of this study would be viable and each is worth further consideration.**
- 1.18 **There are real benefits to be gained from working collaboratively and there is opportunity to increase the level of collaborative working with Hampshire, to build upon the good practice that already exists. It is the extent and nature of this relationship that needs to be explored more fully for the right decision to be reached.**
- 1.19 **There is insufficient evidence available at present to support a decision to combine fully with Hampshire, particularly as there is limited evidence to suggest that a full combination would lead to significant operational improvement. The level of financial savings which would be achieved is also unclear. These factors would need to be assessed more fully as part of a full business case.**

2 Introduction

Terms of reference

- 2.1 The Isle of Wight Fire Authority has commissioned RSM Robson Rhodes to conduct an initial independent review of the options available for increasing joint working with Hampshire Fire and Rescue Service.
- 2.2 This study has been undertaken at the direct request of ODPM and forms part of the Fire Authority's improvement planning in response to its recent corporate CPA.
- 2.3 The ODPM, through its Service Improvement Team, has overseen the process used to conduct the scoping study.
- 2.4 The terms of reference for the study were to assess the following four options:
- Retain the status quo
 - Collaborate on an adhoc basis
 - Enter into formal collaborative arrangements for the delivery of agreed, prescribed areas of the service
 - Full combination of the two services
- 2.5 **However, it quickly became apparent that there is already a significant level of collaboration between the two services and therefore option 1 and 2 have been combined to leave the following three options which have been assessed:**
- Option 1 Retain the status quo by collaborating on an adhoc basis
 - Option 2 Enter into formal collaborative arrangements for the delivery of agreed, prescribed areas of the service
 - Option 3 Full combination of the two services

Timescale

- 2.6 The study was undertaken over an extremely tight timescale. The study commenced on 21st September 2005 and was completed by 4th October 2005 (a duration of 2 weeks).

Approach

2.7 During the study we used a number of research methods. We conducted qualitative face-to-face interviews with the following individuals:

Isle of Wight

- Cllr. Barry Abraham, Cabinet Member for Safer Communities
- Cllr. David Williams, Commissioner for Safer Communities
- Paul Street, Assistant Chief Fire Officer, Isle of Wight Fire & Rescue Service
- Terry Stone, Intervention Manager, Isle of Wight Fire & Rescue Service
- Steve Apter, Safer Communities Manager, Isle of Wight Fire & Rescue Service
- Helen Gaches, Principal Accountant, Isle of Wight County Council

Hampshire

- Paul Carey-Kent, Deputy Treasurer, Hampshire County Council
- Alan House, Deputy Chief Fire Officer, Hampshire Fire and Rescue Authority
- David Howells, Director of Corporate Services, Hampshire Fire and Rescue Authority

2.8 We also conducted telephone interviews with:

- John Bonney, Chief Fire Officer, Hampshire Fire and Rescue Authority
- Mike Fisher, Chief Executive, Isle of Wight County Council

2.9 We reviewed a number of documents and performance and financial data including:

- Best Value Performance Indicators
- CPA assessment
- Budgets for 2005/06
- Detailed income and expenditure breakdown by cost centre
- CIPFA Statistics
- Isle of Wight Fire Authority, Integrated Risk Management Plan

3 Background: The Isle of Wight and Hampshire Fire Services

Current structure/staffing numbers

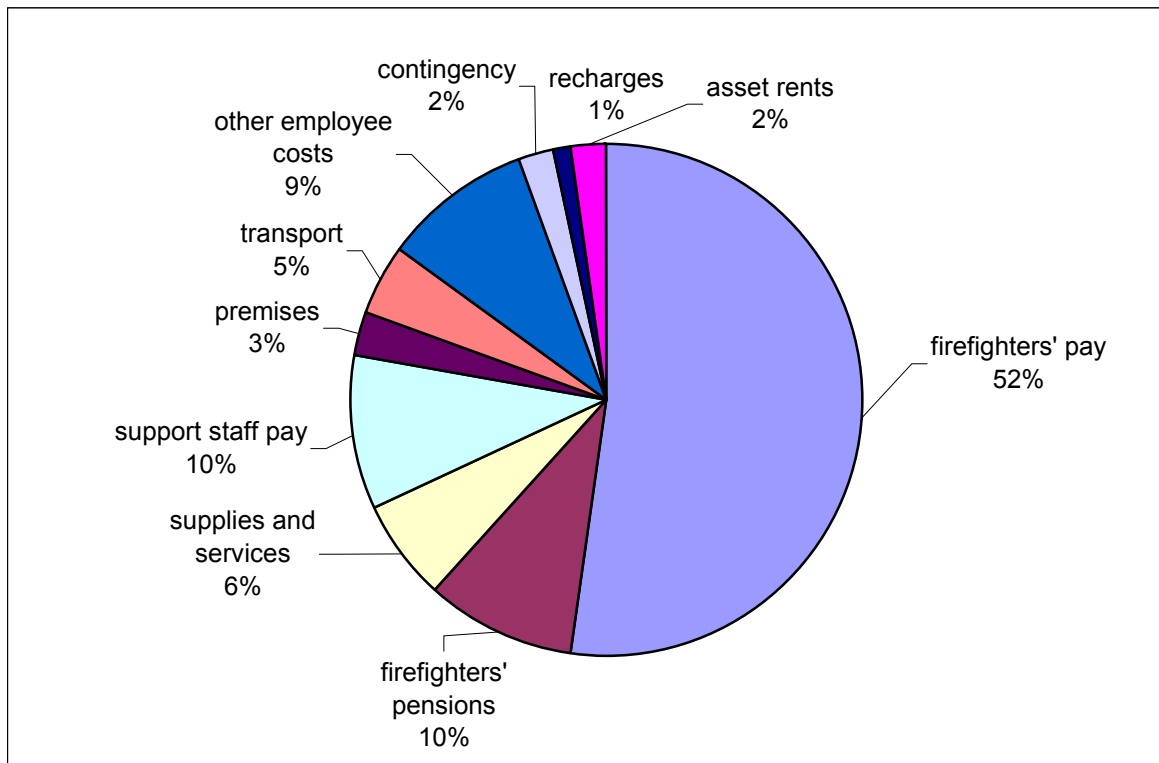
- 3.1 IoWF&RS is a county fire service. It employs 61 whole time firefighters and officers, 13 control room operators, 165 retained firefighters and 27 support staff. The service is heavily reliant on retained officer working the retained duty system. It operates one whole time fire station and nine retained stations on the island, one of which incorporates a training centre. This services a population on the island of 140,000, but this figure rises significantly during the summer months.
- 3.2 Until recently the Isle of Wight Fire Authority was one of the five corporate directorates within the Isle of Wight Unitary Council and the Chief Fire Officer reported directly to the Council's chief executive. However, under recent organisational changes the Fire Authority has become part of the Safer Communities Directorate thus reflecting the increased emphasis within the service on prevention and protection.
- 3.3 HFRA s a combined Fire Authority incorporating Hampshire County Council, Portsmouth City Council and Southampton City Council. In April 2004, it became a precepting authority, therefore, obtaining financial independence from the constituent local authorities. HFRA employs 783 whole time firefighters, 713 retained firefighters, 41 control room staff and 306 support staff. There are 52 fire stations within the Authority, 11 crewed 24 hours a day, 4 day crewed and 37 retained stations. This services a population of 1,653,500.
- 3.4 Although the Fire Authority is a stand-alone organisation it does access some services from Hampshire County Council through SLAs, these include payroll, legal services, architects, pensions and some IT services.

Current Costs

3.5 The total expenditure budget for 2005/06 for the Isle of Wight Fire & Rescue Services and Hampshire Fire & Rescue Services are outlined in the table below:

Expenditure Category	Description	Isle of Wight (£)	% of total spend	Hampshire (£)	% of total spend
Firefighters' pay	Firefighters' pay for whole time and retained staff and control room staff	3,802,506	51	31,370,000	48
Firefighters' pension	Pension charges plus FRS17 adjustments	693,862	9	10,113,000	15
Supplies and services	Includes materials, equipment, general supplies	464,704	6	6,886,000	11
Support staff pay	Chief & Deputy Chief Fire Officer, civilian support staff, manual workers	705,183	10	7,214,000	11
Premises	Includes building maintenance and utilities	191,408	3	2,520,000	4
Transport	Includes transport fleet charges, fuel costs and car allowances	337,349	5	2,164,000	3
Other employee costs	Includes £492,192 for training, the remainder being miscellaneous employee expenses e.g. travel.	673,996	9	1,441,000	2
Contingency & Adjustments		168,320	2		
Recharges	Corporate recharges within the County Council (see breakdown below).	79,665	1		
Asset rents	Charges in respect of capital assets i.e. buildings and vehicles.	286,776	4	4,122,000	6
Total		7,403,769	100	65,830,000	100

3.6 The percentage split between the different cost headings (2005/06) for the IoWF&RS is shown in the pie chart below:



3.7 Firefighters' pay and pensions with a combined total of £1,991,061 account for 62% of the overall budgeted spend.

3.8 Other main categories of employee costs are shown below:

Fire civilians	£503,098
Chief & Deputy Chief Fire Officer	£179,609
Control room staff	£511,369

3.9 The category 'Other Employee Costs' comprises training and other costs such as travel and expenditure. Training, at £492,000, makes up just over 70% of the total allocation.

3.10 Corporate recharges only account for around 1% of the total budgeted spend. The fire service is charged by the Isle of Wight Council for its share of services as shown below, and charges other corporate departments for its engineering, transport and maintenance services.

Corporate recharge	2005/06
	£
Recharges SLAs (legal, payroll, creditors)	£16,521
Recharges from others (dataline & telephone)	£10,509
Internal recharges (fire service recharge for engineering, transport & maintenance)	£(70,012)
Support Service Charges (all other charges e.g. e-govt, pensions, training)	£122,647
Total	£79,665

Current performance

- 3.11 In 2003/04 the IoWF&RA attended a total of 1,664 incidents: 267 primary fires; 256 secondary fires; 720 false alarms; 119 road traffic accidents; and 302 special service calls. In the same period HFRA attended 26,904 incidents: 3,889 primary fires, 8,645 secondary fires, 2,844 false alarms (good intent), 789 false alarms (malicious), 1,304 road traffic accidents, 311 chimney fires and 2,578 special service calls.
- 3.12 The two fire authorities operate in very different environments and therefore have very different levels of operational activity. However, as the table below shows both are generally performing well against a number of significant best value performance indicators. Indicators within target are highlighted in green and those outside target in red.

PI	Description	Isle of Wight		Hampshire	
		Target	Actual	Target	Actual
BV 142i	No. of calls to fire attended: Total calls (excluding false alarms) per 10,000 population	52	38.5	54.74	51.65
BV 142ii	No. of calls to fire attended: Primary fires per 10,000 population	29.8	19.7	23.07	19.64
BV 142iii	No. of calls to fire attended: Accidental fires in dwellings per 10,000 dwellings	19.08	15.0	14.18	13.64
BV 143i	No. of deaths (excluding precautionary checks) arising from accidental fires in dwellings per 100,000 population	0	0	0.47	0.30
BV 143ii	No. of injuries (excluding precautionary checks) arising from accidental fires in dwellings per 100,000 population	8	4.4	10.52	8.31
BV 144	Accidental fire in dwellings confined to room of origin	90%	85.3%	65%	49.12%
BV 146	Number of calls to malicious false alarms per 1,000 population	0.54	0.56	0.47	0.38
BV 149 Adjusted	False alarms caused by automatic fire detection apparatus per 1,000 non domestic properties adjusted for AFA's counted as FA-GI	80	77.20	128.04	141.43
BV 206	No. of deliberate primary fires per 10,000 population	5.50	5.87	44.69	31.86

The results of the recent CPA

- 3.13 IoWFRA was rated as 'poor' in its recent CPA of how well the service is run. The assessment noted that the Fire Authority was in the process of recovering from "a legacy of weak leadership that has impeded its ability to move forward as a modernised service" but that it was making progress to address these issues, and in particular that "the new management team are rising to the challenge of delivering change across the Service".
- 3.14 The assessment also noted that at an operational level the Fire Authority was "providing an effective emergency response and its prevention activities are having an impact. Number of fires are reducing and it is performing well when compared to others particularly in relation to deaths and injuries from fires and numbers of hoax calls".
- 3.15 Therefore, although the CPA rating was poor it was recognised that a significant amount of work had already been done and measures were already being put in place to address long-standing weaknesses. The Fire Authority is currently preparing its improvement plan in response to the CPA report and this will provide the key focus for the Fire Authority's improvement work over the next 2 years. It addresses the improvement areas across the service and is not solely related to the issues arising from CPA. The improvement plan will be finalised in October.
- 3.16 HFRA was rated as 'good' in its CPA report. The report highlighted in particular that despite undergoing a period of significant organisational and cultural change the Authority was maintaining a good service to the public. It also highlighted the fact that HFRA had "clear and coherent leadership" and was proactively responding to the Government's new national Framework, including increasing its capacity to support service modernisation. The report noted that in general there existed a "consistent vision for the service and the role it should play in the community". One area that was highlighted, as a concern, was that of "management capacity issues"

4 Options analysis

4.1 As stated earlier, three options have been considered as part of this scoping study, these were:

- Option 1 Retain the status quo by collaborating on an adhoc basis
- Option 2 Enter into formal collaborative arrangements for the delivery of agreed, prescribed areas of the service
- Option 3 Full combination of the two services

4.2 This section sets out our analysis of each option.

Description of the three options

Option 1

4.3 Under this option the status quo that exists today would be maintained. This means that the collaboration that currently exists between the two authorities would continue to be managed under the existing, largely informal, arrangements. IoWFRA would remain part of the Safer Communities Directorate within the Council and would continue to utilise its services for functions such as finance, HR, property and IT. There would be no control or power ceded from the Council and no impact on current staffing or management arrangements.

4.4 The IoWFRS and HFRS do undertake a fair amount of collaboration, particularly in the area of training and to a lesser extent operationally, as follows:

Training

4.5 There has been a long history of collaboration on training. This has included one-off training such as the advanced driver training course where driving instructors from the Isle of Wight attended a course put on by HFRA and Hants Police through to more formalised arrangements such as the IoWF&RS using Hampshire's Assessment Development Centres and the Isle of Wight's franchised satellite centre from Hampshire to provide NVQs where the IoWF&RS pays an annual fee to Hampshire. However, the collaboration tends to be rather one-way with the IoWF&RS joining in Hampshire's activities, owing to the fact that it is a much larger organisation and can therefore provide training at a more cost effective rate as well as having a greater number of resources to deploy to the organisation of such activities. During the course of our review we noted that there had been, or was currently, collaboration on the following training:

- Fire Behaviour training
- NVQ-IoWF&RS is a satellite centre for HRFS
- Assessment Development Centres
- Firefighter development
- TRACKS this work is closely linked with the NVQ status

- RRO training
- Advanced driver training

Operations:

- 4.6 There are a few areas where the two fire authorities collaborate operationally, these include:
- Offshore firefighting – HFRS undertake this on the Isle of Wight's behalf (this is subject to further formal arrangements)
 - Anti-terrorism (CCBRN) HFRS are the IoWF&RS' back up
 - Support for a major incident – there is a Memorandum of Understanding which states that HFRS will provide support to the Isle of Wight in the event of a major incident
 - Operational plans and orders – the IoWF&RS often uses HFRS operational plans and orders to inform its own

Option 2

- 4.7 Under this option, the collaboration between the two fire services would be increased and strengthened by the use of more formal mechanisms in a number of service areas, for example HFRA could provide all of the IoWFRA's training, and this would be managed through an SLA. HFRA would therefore become accountable to IoWFRA for the services that it is contracted to deliver. This option is similar to option 1 in that there would be no loss of power or control over the running of the IoWF&RA, it would remain part of the Safer Communities Directorate within the Council. There would also be little, or no, impact on management arrangements although there would likely be some impact on support staff.
- 4.8 There would need to be some further work undertaken to establish which areas should be included, however they could include:
- Training
 - Procurement
 - Vehicle maintenance
 - Stores
 - IT
 - Legal
 - HR
 - Finance
 - Payroll
 - Property
 - Reserve vehicle fleet
 - Control centre
- 4.9 However, one important factor to be noted when considering option 2 is that IoWFRA already benefits from being part of the Council and obtaining economies of scale through that relationship by accessing the various support services. Therefore, although these costs are recharged to the service, it is likely that this is done so at a cheaper rate than if it had to provide them for itself (further work is required to substantiate this). In addition, it reduces its net recharge by providing engineering, maintenance and transport services to other council departments.

- 4.10 Another possible partnership may be with the island's Ambulance Service. This could mean mutual benefit, sharing resources such as stations, equipment and training. However no investigation has yet been undertaken into the feasibility of this arrangement.
- 4.11 During the course of our review we also learnt that HFRA is currently undertaking a review of all its SLAs and this will demonstrate whether it is receiving good value on the services it buys in from providers such as Hampshire Council. One result from this could be changes to suppliers, which could in turn impact on any suggested SLA with IoWF&RA.
- 4.12 It is important to note that there are currently a number of national initiatives to encourage collaboration, and in particular to exploit economies of scale, such as the work streams under the Regional Management Board. This will impact on a number of the suggested collaborative areas. For example, the national procurement initiative (Firebuy) that should lead to reduced unit costs of clothing and equipment for individual fire services and the move towards regional control centres. However there is no firm go-live date for either as yet. In the meantime savings could be made through a formal procurement collaboration between the two fire authorities, although a phased standardisation of clothing and equipment would be required.
- 4.13 The cost of the control centre on the Isle of Wight is £3,099 per 1,000 of population, whilst Hampshire's centre costs are £601 per 10,000 of population. Therefore, even though it is likely there will be a regional control centre at a future date, it would be worth considering, under option 2, whether in the interim the Island's control centre should be amalgamated into Hampshire's. Our understanding is that there would be no additional cost to Hampshire of doing this as they have the capacity available, and a saving of £511,369 would be made by the Isle of Wight on control room staffing alone. However, any technical issue and risk regarding procedures and protocols involving mobilising would have to be established, as it is likely that there will be costs associated with this.

Option 3

- 4.14 Under this option the two fire authorities would be combined into a single fire authority. This option represents the most radical departure from the current arrangements and would mean fundamentally that the IoWFRA would no longer be part of the Council. Therefore control over the Fire Service would move to a new combined authority, with the accompanying impact on political governance and management arrangements. The vast majority of non-operational activities would be conducted centrally in Hampshire although firefighting staff would by necessity need to remain on the island.
- 4.15 This option probably has the greatest scope for financial savings and sustainability in the longer term. However, it also carries the greatest level of set up and initiation costs which would be incurred as a result of the merger.

Impact of each option

- 4.16 The table below begins to explore what the impact of each option is likely to be. It is intended as a guide to the possible features of each option. It is not intended to reflect a full business case or cost benefit analysis. However it draws out some of the issues that a full business case would need to explore more fully and quantitatively.

Issue to consider	Option 1 Ad hoc collaboration	Option 2 Formal collaboration	Option 3 Full combination
Activities that are likely to be retained on the Island	<ul style="list-style-type: none"> All current activities 	<ul style="list-style-type: none"> All fire & rescue operations Fire Service management, strategy and corporate planning Some administrative support 	<ul style="list-style-type: none"> Firefighters would remain on the Island, but would be managed by new combines fire authority
Responsibility for corporate planning	<ul style="list-style-type: none"> Retained within the IoW 	<ul style="list-style-type: none"> Retained within the IoW 	<ul style="list-style-type: none"> New combined authority
Impact on Council Tax levies	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> IoW precept would move to the new combined Fire Authority
Impact on Isle of Wight Council/Fire Service	<ul style="list-style-type: none"> Provide continued opportunities for sharing best practice and building on combined strength such as community safety initiatives. 	<ul style="list-style-type: none"> Reduced resource requirements from the council. May be a danger that services would be diluted too much 	<ul style="list-style-type: none"> Loss of direct control over the fire service. Budget reductions as a result of 'losing' the fire service from the organisation Impact upon strategic aims.
Impact on Hampshire Fire & Rescue	<ul style="list-style-type: none"> No change 	<ul style="list-style-type: none"> Considerable change through more formal management of services and associated SLAs. More resources would therefore be required. Hampshire would become accountable to IOW for service delivery in chosen areas of collaboration IoW may also be able to provide some services to Hampshire 	<ul style="list-style-type: none"> Significant change as total responsibility would now rest with the newly combined service. Re-focus of resources and current plans would be required to effect the combination, which may divert attention away from other activities.

Issue to consider	Option 1 Ad hoc collaboration	Option 2 Formal collaboration	Option 3 Full combination
Potential cost/efficiency savings	<ul style="list-style-type: none"> • None beyond current efficiencies 	<ul style="list-style-type: none"> • Efficiencies though greater collaboration in areas such as: <ul style="list-style-type: none"> ○ Control room ○ Procurement ○ Training ○ IT ○ HR ○ Legal ○ Finance ○ Vehicle maintenance ○ Reserve vehicle fleet ○ Stores ○ Payroll ○ Property ○ Some administrative support 	<ul style="list-style-type: none"> • All of option 2 plus potential savings on: <ul style="list-style-type: none"> ○ Senior management costs ○ Fire Authority ○ Accommodation • Plus further potential savings on: <ul style="list-style-type: none"> ○ Administrative support ○ Procurement
Initial set up costs	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Alignment of systems, processes, procurement, etc. • Set up costs for any formal arrangements • Redundancy costs should any collaboration result in staff redundancies on the Island. 	<ul style="list-style-type: none"> • Redundancy costs • Reorganisation, change management costs and transitional costs where duplicate systems are required in the short term • Cost of legal advice • Rebranding/badging (e.g. new livery, uniform, etc.) • Cost of withdrawing from any current contracts

Issue to consider	Option 1 Ad hoc collaboration	Option 2 Formal collaboration	Option 3 Full combination
Governance issues	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Careful attention needs to be paid to the set up and monitoring of areas of collaboration. Lines of accountability would need to be agreed. 	<ul style="list-style-type: none"> Combination would mean the representation of the Isle of Wight on the HFRA. This additional would mean either the total number of councillors would need to be increased to accommodate IOW or the balance of representation currently held would need to be amended to incorporate IOW under the existing council number. Political considerations are also important and need to be fully understood in the contexts of option 3. HFRA currently has c25 Members on it, 19 from Hampshire County Council, and 3 each from Portsmouth City Council and Southampton City council. Under combination it would need to be agreed how many Members from the Isle of Wight would sit on HFRA and whether this had implications for the number of seats held by the other constituents. The legality of a full combination would need to be clarified

Issue to consider	Option 1 Ad hoc collaboration	Option 2 Formal collaboration	Option 3 Full combination
Key advantages/benefits	<ul style="list-style-type: none"> Provides an opportunity for stabilisation after period of unstable management. 	<ul style="list-style-type: none"> Allows greater combined working whilst maintaining identity of the island. May provide further efficiencies without incurring significant set up costs. Would increase the capacity of the Service. 	<ul style="list-style-type: none"> Maximises chances of potential efficiency savings with fully combined working (albeit reduced though initial set up costs) Would provide greater capacity
Key risks	<ul style="list-style-type: none"> There may be missed opportunities for the two fire services to increase joint working and benefit from any associated efficiencies. 	<ul style="list-style-type: none"> SLA's could overburden with bureaucracy. This may negate desired savings. May not achieve buy-in from staff, which would inhibit the success of any joint working. 	<ul style="list-style-type: none"> The Isle of Wight has a strong self-identity and therefore any merger with Hampshire could undermine this. This would need to be considered carefully. Public confidence on the island in fire service could be reduced. Fire Brigade Union action is a possibility, losing recently rebuilt morale (that management has worked hard to secure). Savings may not be realised (in the short to medium term) after taking transitional costs into account. The Isle of Wight Fire Authority would need to meet future modernisation costs aligned to the speed and standard that Hampshire Fire & Rescue Service dictate.

5 Conclusions

- 5.1 The Fire Services, together with the wider Council, is in the process of implementing a series of corporate initiatives, which will help to drive service improvement at the front line. Time is required for the benefits of these initiatives to be felt at the front line and the level of such benefits to be assessed.
- 5.2 Each of the options under review is viable and there is no obvious winner at this stage. There are clear benefits in collaboration of some kind between the IoW and Hampshire. These benefits are already being realised and there is certainly scope for increasing the level of collaboration in other areas of the service.
- 5.3 One such example of this is the control room. The Service currently spends c£500,000 on its control room infrastructure and staffing. Indications from discussion with officer within Hampshire are that Hampshire may be able to absorb this function into its organisation with little or no additional costs, as there is spare capacity to do this. This could be an immediate saving and is worthy of further consideration (although we are aware that there are plans for a regional fire control centre as part of the national project).
- 5.4 There is insufficient evidence available at present to support a full combination with Hampshire, as there is limited evidence to suggest that a full combination would lead to either significant operational improvement or significant financial savings (particularly in the short term).
- 5.5 The Council needs to take a decision on its preferred option. A full business case can then be produced to provide a full cost benefits analysis of the route forward.
- 5.6 The business drivers for this decision need to be agreed and form the basis upon which a formal business case could be assessed. The Council needs to be clear upon the rationale and criteria for assessing a formal business case. We believe the following criteria are likely to form an important element of the business case and the Council will need to consider these for the preferred option:
- Ability to improve the quality of service provided to the Island's residents (the safety and protection of the public)
 - Linked to the above, is the ability to improve performance against national and local targets and PIs
 - The ability to reduce costs and drive efficiencies
 - The ability to provide a long-term sustainable service
 - The capacity to improve
 - The ability to effect change more quickly in the pursuit of modernisation that would be achievable working independently.

- 5.7 These measures are not mutually exclusive (nor is this an exhaustive list) and the chosen way forward would need to satisfy some, if not all, of these. The business case would also need to be able to measure the impact in each of these areas. Clearly, whatever option is decided by the Council, as well as the time required to conduct the formal business assessment, time will also be needed for consultation with staff and unions and with the citizens and businesses on the Island, as the main customers of the Service.