EXPLANATORY MEMORANDUM TO

THE DORSET AND WILTSHIRE FIRE AND RESCUE AUTHORITY (COMBINATION SCHEME) ORDER 2015

2015 No. 435

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 This Order establishes a scheme for a combined fire and rescue authority for the joint areas of the Dorset Fire Authority and the Wiltshire and Swindon Fire Authority and revokes the existing combination scheme orders.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Context

4.1 Section 1(1) and (2) of the Fire and Rescue Services Act 2004 sets out which authority is to be the fire and rescue authority for an area in England. This section is subject to sections 2 and 4 of the Act.

4.2 Section 2 gives the Secretary of State power by order to make a scheme constituting a fire and rescue authority for the combined area of two or more existing fire and rescue authorities. A scheme under section 2 may be made only if it appears to the Secretary of State that, in the interests of economy, efficiency and effectiveness or public safety there should be a single fire and rescue authority for the combined area. A scheme may be made to give effect to a draft scheme submitted by the existing authorities in question or on the Secretary of State's own initiative. Section 2 includes requirements for consultation and the holding of a public inquiry into the proposals in certain circumstances. The provisions of section 2 are supplemented by section 3.

4.3 Section 4 saves combined authorities that were created under similar powers in the Fire Services Act 1947 (which was repealed by the Fire and Rescue Services Act 2004). Subsection (4) gives the Secretary of State power to vary or revoke any such scheme subject to complying with the consultation and inquiry requirements set out in that section. This power is being used to revoke the two schemes which established the existing fire and rescue authorities – the Dorset Fire Services (Combination Scheme) Order 1996 (S.I. 1996/2920) and the Wiltshire and Swindon Fire Services (Combination Scheme) Order 1996 (S.I. 1996/2916).

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 In December 2014 Dorset and Wiltshire and Swindon fire and rescue authorities submitted a business case to the Department for Communities and Local Government which contained a formal proposal for a voluntary combination of the two Authorities.

7.2 The fire and rescue authorities had completed an options appraisal, following an extensive 13 week consultation exercise in their respective communities. The three options for the future which were considered were to:

- maintain the status quo,
- increase collaboration and
- full combination.

7.3 The business case concluded that the best option for both fire and rescue authorities was to pursue full combination. The reasons given for this were that:

- it will create a safe, strong and sustainable fire and rescue service for the counties of Dorset and Wiltshire,
- it will strengthen local accountability, and
- the new combined authority will work better with police, ambulance and partners at a local level, with greater resources to offer, whilst protecting frontline services.

7.4 The business case also concluded that the combination would provide continued efficiency savings of £4.5million a year; and that there was clear political will to take the merger forward in both Dorset and Wiltshire and Swindon fire and rescue authorities. However, it noted that for combination to succeed, council tax across the two counties would need to equalise. The current 2014/15 difference between the two fire and rescue authorities' precepts is £2.98, with the band D precept of £66.60 in Dorset and £63.62 in Wiltshire and Swindon.

7.5 The Government has made clear to Dorset and Wiltshire and Swindon fire and rescue authorities that there are a number of options that could be considered to achieve council tax equalisation, including:

a. the newly merged authority could hold a referendum, and could increase council tax in Wiltshire and Swindon to the level of Dorset's council tax if local electors in Wiltshire and Swindon agreed;

b. the authorities could equalise council tax over a period of up to five years without holding a referendum – to achieve this, the amount of council tax paid by taxpayers in Dorset could stay at the same level, or increase at a lower rate than in Wiltshire and Swindon within the referendum thresholds until the two levels became equal.

7.6 It would be open to Dorset and Wiltshire and Swindon fire and rescue authorities to make submissions to the Secretary of State in relation to council tax levels for 2016-17 following the General Election in May 2015. Decisions on referendum principles would be subject to the approval of the House of Commons. These options were also detailed in the Secretary of State's statutory public consultation on the merger proposals, which ran from 17 December 2014 to 28 January 2015.

7.7 Dorset and Wiltshire and Swindon fire and rescue authorities presented the Secretary of State with a draft scheme and business case for combination together with a summary of the responses to a public consultation run by the authorities over a 13 week period between 21 July and 20 October 2014.

7.8. The summary of responses showed strong public support in Dorset and Wiltshire for the combination and support from local authorities in Dorset. Two authorities in Wiltshire expressed concerns about the funding gap, precept equalisation and governance arrangements which may disadvantage Wiltshire. The fire and rescue authorities' responded by addressing these concerns in an issues resolution paper, and both authorities have confirmed that they are now content for the merger to proceed.

7.9 As part of its consideration of this business case, the Department for Communities and Local Government consulted all relevant authorities in accordance with section 4(5) of the Fire and Rescue Services Act 2004 on the revocation of the existing schemes which constitute the Dorset fire and rescue authority and the Wiltshire and Swindon fire and rescue authority https://www.gov.uk/government/consultations/combined-fire-and-rescueauthority-for-dorset-and-wiltshire

7.10 The consultation asked for comments on the possible implications of the revocation of the two existing combination schemes, and to give consideration to whether the proposed revocations are in the interests of:

- economy;
- efficiency and effectiveness, and
- public safety.

Consolidation

7.11 This Order establishes a scheme for a new combined fire and rescue authority for Dorset and Wiltshire and Swindon and revokes the existing schemes; consequently there is nothing to consolidate.

8. Consultation outcome

8.1 In total 21 organisations and individuals responded to the consultation. These included other fire and rescue authorities, individual members of the public, local Members of Parliament, unions and representative organisations, Police and Crime Commissioners in the local area and local district, county and borough councils.

8.2 Most representations received during the consultation were supportive of the case for the combination and those that were not did not offer any evidence which would challenge the conclusion that combination would provide a more economic, efficient and effective fire and rescue service for the communities concerned.

8.3. The following constituent authorities confirmed that they supported the merger – Bournemouth Borough Council, the Borough of Poole, Dorset County Council and Swindon Borough Council. Wiltshire Council indicated that they were unable to provide a view on either the revocation of the existing Wiltshire and Swindon Fire Authority or the proposed merger as they continued to have concerns about the gap in funding, uncertainty around the equalisation of precepts and the governance arrangements which could disadvantage Wiltshire. Following the consultation, Dorset and Wiltshire and Swindon fire and rescue authorities' provided Wiltshire Council with assurances which resolved their concerns. The Council subsequently agreed to the merger at a Council meeting on 24 February 2015 and notified the Secretary of State accordingly.

8.4. James Gray MP for North Wiltshire also raised concerns about the merger on the grounds of public safety and effectiveness. His preference was for Wiltshire and Swindon Fire and Rescue Authority to merge its back office functions with Wiltshire Council staff in Chippenham. He was also against any rise in the fire precept which may occur after the combination. The Secretary of State is satisfied that his concerns have been appropriately addressed in the fire and rescue authorities' business case.

8.5 The key points made in response to the consultation were that the combination:

- would protect frontline services;
- would improve operational performance;
- would deliver savings which can be used to improve resilience and strengthen local accountability; and
- would deliver sensible savings to the public purse without compromising on safety or frontline service.

8.6 As a result of considering the business case and the responses received to the consultation the Secretary of State approved the proposals for the creation of a new combined Dorset and Wiltshire Fire and Rescue Authority on the basis that it will improve the economy, efficiency and effectiveness of the public services for the communities of Dorset and Wiltshire and Swindon.

8.7 Further to section 2(8) and (9) and section 4(6) and (7) of the Fire and Rescue Services Act 2004t, the Secretary of State decided not to hold an inquiry because Dorset Fire and Rescue Authority and Wiltshire and Swindon Fire and Rescue Authority and its constituent authorities agreed to the revocation of both authorities and the Secretary of State determined that there were no other issues which ought properly be considered by an inquiry.

9. Guidance

9.1 No guidance will be issued.

10. Impact

10.1 An impact assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

10.2 The combination of Dorset and Wiltshire and Swindon fire and rescue authorities will establish a single combined fire and rescue authority for the area covering the councils of Bournemouth, Dorset, Poole, Swindon and Wiltshire, with appropriate political representation. It will be known as Dorset and Wiltshire fire and rescue authority. This authority will have no more than 30 members and will include representation from Dorset and Wiltshire's county councils and the borough councils of Bournemouth, Poole and Swindon. Dorset and Wiltshire fire and rescue authority will have budget responsibility and be funded through precept and government grant in accordance with the Local Government Finance Act 1992. Council tax will be levied in both Dorset and Wiltshire for the purpose of funding the combined fire and rescue authority. The combined authority will discharge in the combined area the statutory functions set out in the 2004 Act.

10.3 Dorset and Wiltshire fire and rescue authority will come into effect for certain purposes on 1st April 2015. This includes creating a shadow authority for the purposes of performing any functions necessary for bringing the scheme into full operation on 1st April 2016.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 As a locally led merger, it will be for the new fire and rescue authority to monitor and review the delivery of the outcomes identified in the business case. The Department for Communities and Local Government will not be monitoring or reviewing the combination scheme.

13. Contact

13.1 Debbie Gibson-Leigh at the Department for Communities and Local Government [Tel: 03034441144 or email:<u>Debbie.gibson-leigh@communities.gsi.gov.uk</u>] can answer any queries regarding the instrument.