

ITEM CMDSSC4

CABINET MEMBER FOR SAFER & STRONGER COMMUNITIES 14 SEPTEMBER 2009

FIRECONTROL (FIRE SERVICE REGIONAL CONTROL ROOM PROJECT) BUSINESS CASE VERSION 1.1

Report by Director for Community Safety and Chief Fire Officer

Introduction

1. On 6 May 2009 the final Business Case was published by Communities & Local Government (CLG) with a written statement to the Cabinet Office. This version includes both the regional and national cases for the project which had previously been separated. CLG do not expect that it will be necessary to publish a further version of the Business Case.

Issues Reviewed

2. **FiReControl payment:** the 2008 Business Case included a ministerial commitment to ensure all regions break even. This has been modified with payments being made at the individual Fire and Rescue Authority (FRA) level. *Oxfordshire considers this welcome.*
3. **Duration of FiReControl payment:** This has been confirmed for three years and is then open to review. *Oxfordshire considers this a future financial risk.*
4. **Critical National Infrastructure (CNI):** concerns about the cost of accommodation and other features provided to meet project resilience objectives. *Oxfordshire notes the intentions of CLG to provide a cost effective solution which will not add a net new burden.*
5. **Out of scope activities:** there were concerns that the provision made in the Business Case for out of scope activities (existing Fire & Rescue Service (FRS) activities which will not transfer to the Regional Control Centre (RCC)) were understated. A review involving FRSs indicated that these were robust in a majority of cases. *Oxfordshire notes this belief and will monitor the situation as further clarity becomes available.*
6. **Data management:** further analysis on the assumptions about the level of resources needed by FRSs and RCCs to manage data in steady state identified that there was a need for additional resources at FRS level. It also indicated that additional transitional funding should be provided to FRAs to improve the interface between RCC and FRS systems, as this would increase efficiency and reduce the requirement for manual data entry. *Oxfordshire welcomes these acknowledgements and notes the intention to pass an*

additional £100k to each Fire Authority under New Burdens to fund interfacing arrangements.

7. **FRS cost baseline:** assurance activities concerning the financial baseline used for assessing the costs of current FRS controls have been undertaken. *Oxfordshire was visited as part of this process but remains disappointed that certain existing costs are included in the financial model.*
8. **Pensions:** this issue can not be fully resolved until staffing decisions have been made. Where sound evidence exists, the Business Case now includes pension costs. Where evidence is not yet available, the risk of additional costs has been identified and will be reflected in future funding arrangements. *Oxfordshire welcomes this.*
9. **Local Authority Control Centre (LACC) management cost:** in response to consultation feedback estimated costs for LACC professional and administrative support services, such as payroll administration, are now included. *Oxfordshire welcomes this.*
10. **Group Functions:** this is connected to the current consultation on the potential use of Firebuy or an alternate Non Departmental Public Body to undertake in service contract management functions. CLG considers that a comprehensive review of activities has confirmed that the cost assumptions for FiReControl are complete and prudent. *Oxfordshire notes the assurance.*
11. **Utilities costs:** based on current LACC running costs there were concerns that electricity costs were underestimated. In response to consultation feedback utilities cost estimates have been revised upwards and the situation will be kept under review.

Other issues

12. Total Project costs have stabilised at £420m (This was £380m but £40m has been added by the announced delay).
13. The Economic Case states that it would cost approx £320m to cancel the project, which is not deemed to be value for money. CLG also does not rule out the option of a tri-service control at some point in the future.
14. The Financial Case states that the original national saving of 28% has been revised, initially to 11% and now to 9%. It also mentions that it is for the FRAs, through Regional Management Boards (RMBs), to agree the mechanism for apportioning the cost of running the RCC in their region.

Financial and Staff Implications

15. In the previous iteration of the South East Annex the net revenue saving identified for Oxfordshire was £225k per annum. Appendix Y of the Business Case now reveals that the anticipated saving has reduced to £182k. This is due to a revision in the current estimated costs for the existing Control

function. However it should be noted that at this time any apparent saving is only considered notional.

16. The implications of this apparent reduction in net saving is constraint in the resources available to undertake in scope (undertaken in FRS) and out of scope activities.
17. As yet there is insufficient sub regional breakdown of costs to investigate the apparent reduction in notional net saving. This is being considered by the Regional Joint Project Board and the Fire Finance Network.

RECOMMENDATION

18. **The Cabinet Member for Safer & Stronger Communities is RECOMMENDED to:**
 - (a) **note the publication of the Business Case Version 1.1;**
 - (b) **note the intention to pursue further investigations regarding the sub regional breakdown of costs;**
 - (c) **request the Director for Community Safety and Chief Fire Officer to report back when further investigations are concluded.**

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Background papers: Nil

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