

## FiReControl Local Authority Controlled Company Members' Agreement

### Report of the Chief Fire Officer

For further information about this report please contact Alan Taylor, Chief Fire Officer, on 01743 260201 or Paul Raymond, Deputy Chief Fire Officer, on 01743 260205.

### 1 Purpose of Report

This report updates Members on the Local Authority Controlled Company (LACC) Members' Agreement, discussed at the last Fire Authority meeting.

### 2 Recommendations

The Fire Authority is asked to:

- a) Note the contents of the report;
- b) Agree in principle to the Members' Agreement and cost apportionment on a population basis; and
- c) Delegate authority to the Clerk to the Authority to sign the Agreement, once amended as suggested in the letter from the Regional Project Director of the FiReControl Project dated 24 January 2008

### 3 Background

At its December 2007 meeting the Fire Authority agreed to changes to the proposed Members' Agreement. It also agreed that, before the agreement was signed, its Strategy and Resources Committee should see the amended document with the agreed cost apportionment model. Unfortunately, due to circumstances outside the control of Officers, the Agreement was not approved regionally to enable this to happen.



Most recently the Chair has received an explanatory 'letter of intent' from the Regional Project Director of the FiReControl Project (attached as an appendix), setting out the regional agreement that will be reflected in the Members' Agreement.

Once this principle has been endorsed by each Fire and Rescue Authority in the Region and no more fine tuning is needed, it will be turned into a simple Financial Agreement to be appended to the Members' Agreement. This will not contain any surprises, because it has now been agreed that everything will be shared on a population basis and there will be no fixed costs to be shared equally or otherwise.

#### **4 The Agreement**

The Agreement will now contain the agreed cost-apportionment model, based on population, which will be fixed until three years after full roll-out of the Regional Control Centre in order that robust data can be collected to inform future cost-apportionment methods.

In addition it has been agreed that all costs, including fixed overhead costs, will be apportioned by population.

Officers recommend, therefore, that the Fire Authority should delegate authority to the Clerk to the Authority to sign the Agreement, once amended as suggested in the letter from the Regional Project Director of the FiReControl Project dated 24 January 2008.

#### **5 Financial Implications**

Because the full costs of the Regional Control Centre are not known at present the financial implications cannot be set out. However, based on the most recent population data (2004 population estimates), it is likely that Shropshire and Wrekin Fire Authority will pay approximately 8% of any costs.

West Midlands	2,579,200	48%
Staffordshire	1,050,600	20%
Hereford & Worcester	729,800	14%
Warwickshire	525,500	10%
Shropshire	449,000	8%
Total population	5,334,100.00	

#### **6 Legal Comment**

Concern had previously been expressed that the Members' Agreement should not be accepted until the apportionment of costs had been agreed. This has now been resolved.



## 7 Equality Impact Assessment

The Equality Impact Assessment for the Regional Control Centre is to be carried out by Communities and Local Government. The Centre will then complete its own more detailed version.

## 8 Appendix

Letter from the Regional Project Director of the FiReControl Project dated 24 January 2008

## 9 Background Papers

Shropshire and Wrekin Fire Authority, 19 December 2007, Report 17 – West Midlands Fire and Rescue Services Regional Control Centre Company Members' Agreement

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	*
Civil Contingencies Act		National Framework	*
Comprehensive Performance Assessment		Operational Assurance	
Efficiency Savings		Retained	
Environmental		Risk and Insurance	
Financial	*	Staff	
Fire Control/Fire Link	*	Strategic Planning	
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	*



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**My Ref:** PAD/MC/320

**Your Ref:**

**Date:** 24 January 2008

Dear Chairman

**Subject: FIRE CONTROL: COST APPORTIONMENT**

I write in my capacity as Regional Project Director of the FiReControl Project to confirm the position we have reached within the region in respect of the apportionment of costs for the FiReControl Project between the five Fire and Rescue Authorities.

At the WMRMB Programme Board on 13<sup>th</sup> December 2007, the Members received a report and presentation on a proposed model for apportioning costs for FiReControl which was based on population. This was recommended as the model to adopt on a medium term basis (for 2-3 years beyond the date the regional control room goes live) until more robust and consistent cost data is being collected through the operation of the regional control room.

This recommendation for a cost apportionment model was agreed by all Members attending the Programme Board meeting. However I understand that, subsequent to the Programme Board meeting, questions arose within some FRAs as to whether, under the proposed cost apportionment model, all fire control costs would be shared on a population basis, or whether there would be any fixed costs which would be shared equally or in some proportions other than population.

This issue was discussed at length by the Principal Officers representing each of the five FRAs at Fire Control Project Board on 17<sup>th</sup> January 2008. Officers recognised that if there were to be any "fixed costs" which fell outside of the cost apportionment proposal then it would be important for FRAs to understand what these were, and the extent of them. While "fixed costs" could potentially just mean those costs relating to the running of the Company (which would be marginal), it could equally have a wider meaning and include some significant costs such as building or even staff costs.

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Therefore, in the interests of avoiding ambiguity or prolonging the debate on cost apportionment when a clear consensus within the region is needed, officers unanimously agreed it would be useful to clarify the basis of the cost apportionment principles as follows:

***All costs relating to the regional fire Control Centre, which fall to be shared between the five FRAs, will be shared on a population basis. There will be no fixed costs to be shared between the five FRAs which fall outside of this cost apportionment model. This cost apportionment model will be applied until the 3<sup>rd</sup> anniversary of the date that cutover into the regional control room is completed, whereupon the cost apportionment model will be reviewed.***

I hope this clarification is helpful, particularly for those FRAs which have not yet approved the Company Members Agreement because they were seeking more information on cost apportionment before doing so. I would also confirm that the Company Members Agreement will make it clear that all FiReControl regional costs are to be shared on a population basis and that there is no cost sharing on an equal basis, or in other proportions.

As Members are aware, it is important that the Company Members Agreement is approved by all five FRAs as soon as possible in order that the Company can start to formally meet and begin the urgent preparatory work required of it to implement the transition for the FiReControl Project. I hope this is now within our reach.

Yours sincerely

**P A Dartford  
Project Director  
West Midlands Regional FiReControl Project**

Cc: West Midlands Region CFOs  
Cllr Denis Allen  
Sian Stroud  
Ray Kings