Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
18 September 2008

Update on FiReControl Business Case

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 informs Members about the contents of the recently published FiReControl Business Case (Regional Annex) (as attached at Appendix D). It outlines the issues identified in the Business Case and sets out the cost and strategy impact described in the publication.

2   Recommendations

The Committee is asked to:

a)   Note the contents of this report;
b)   Recommend that the Fire Authority tasks the Shropshire and Wrekin Fire Authority (SWFA) Regional Control Centre (RCC) Board Member to ensure that the RCC Director produces regular financial reports on the total cost of West Midlands RCC;
c)   Recommend that the Fire Authority tasks Officers and the RCC Board Member to have further discussions about the affordability of the increased staffing numbers for the RCC; and
d)   Discuss the regional cost apportionment method for national services and agree a response to Communities and Local Government (CLG)

3   Background

CLG have published a number of Business Cases relating to the FiReControl Project. Most recently, in June 2007, the full business case was published. The Executive Summary (see Appendix A) set out the benefits and costs of the Regional Control network.

At that time CLG stated that the significant benefits would be **Resilience**, **Enhanced Capability** and **Greater Operating Efficiencies**. In particular the June 2007 Business Case estimated that 'O*nce steady state operating conditions are achieved, the cost of providing control services under the new, regional, resilient, networked arrangements will be some 28 percent (£23 million) lower per annum nationally that current operating costs'*.

Members will note that these estimated cost savings were only one of three major benefits identified.

In July 2008, CLG published Part 1 of the next iteration of the business case. This Part is the financial case for the West Midlands. Ministers have decided to publish the other Part(s) of this business case later in the year.

4   Key Messages of June 2007 Business Case.

CLG identified 4 key messages that readers would take from the 2007 Business Case:

- The RCCs are essential to meet critical resilience needs, regionally and nationally;
- The RCCs will provide value for money, and achieve considerable efficiency savings for the fire and rescue service;
- Doing nothing is not a viable option and the government is right to take the lead and earmark significant funds for investment in the project; and
- Delivery of the project will be through a collaborative approach leading to governance by local authority controlled companies which will own and operate the new RCCs.

5   Regional Financial Business Case General

Following the publication of the June 2007 Business Case CLG have been working with the regions to develop a detailed financial business case to provide more detailed financial information at a regional level. Based on this information Members and Officers can make more informed decisions on the way forward.

The new Financial Business Case (Appendix D) identifies that (paragraph 19) assumptions need to be made at the start of any project about the overall cost but over time, as decisions are made and contracts signed the areas of uncertainty reduce and it is possible to have more certainty about the predicted costs and whether savings are achievable.

The Business Case explains (paragraph 22) the difference in figures in this financial Annex and the previously published full business case in June 2007. It states that the previous Case had accurate figures for the Information Technology (IT) contract but estimates based on best known information for the rest of the costs. This most recent business case has been able to provide more accurate financial data.

The table at paragraph 28 sets out for the first time the costs and savings of the project for each region.

Members will see that four Regions (East of England; North West; South East and South West) will make savings of some £1.9m between them whereas the other five RCCs (including West Midlands) will not see cost savings and will in fact cost almost £5.5m in total more that the current local fire control centres' running costs. CLG are clear that they will not cross subsidise. In Fire Service Circular 41-2008 (Appendix B) published on 7 August 2008 it was made clear that Government seeks to ensure that any savings made by RCCs are retained within that region (Paragraph 2.3).

In total therefore the network of regional controls will cost £3.419m more than the current cost of running local fire controls.

The Business Case adds that 'resilience payments' of £5.417m will be made by Government to make up the shortfall in savings so that no region is penalised by the move to the RCC. In other words CLG have identified that to deliver the more resilient Fire Control network will indeed cost more than the current locally based, and less resilient, fire controls. Government expect that regions will, once their RCCs are established, actively explore ways to manage their costs and identify revenue making opportunities to reduce this increase.

6 The Regional Financial Aspect of the Business Case

The second section of the Business Case (page 11) gives some general information on the Region, including rounded population figures. Members will note that these are not accurate figures. Our Regional Cost Apportionment is based on accurate population figures published by Government, we have received confirmation from the West Midlands Regional Management Board (WMRMB) FiReControl Board that population figures will be those, sensibly rounded to two decimal places, as agreed by the WMRMB.

Government expect the West Midlands RCC to cost an estimated £7,457,000 per year. This figure however does not include currently unknown additional costs for such items as some aspects of security and catering etc. Your Director on the Local Authority Controlled Company (LACC) Board will work with regional partners to ensure that any additional costs are affordable for local tax payers.

Members will recall that decisions on increased staffing levels (from 70 staff estimated by CLG to 82 required by the RCC Director) resulting in 'operationalising' CLG figures adds a further £350,000 to the annual cost and that your Director on the Board made clear that until the full costs were made clear this Authority could not fully sign up to increases in staffing levels.

The annual cost of £7,457,000 for the region is £711,000 higher than the CLG calculation for current running costs for the five local control centres of £6,746,000. Based on CLG staffing figures therefore the Government will provide resilience payments of £710,000 initially. CLG state that this will be kept under review to ensure that public money is used prudently and that no region is penalised by the move to the RCC. They indicate that the resilience payment will be reviewed after 3 years.

Current cost calculations do not include 'out of scope' activities. Members recall that many years ago the Authority made efficiencies by moving a great deal of operational administration work into our Fire Control. This work will not be carried out in the RCC. It is estimated that 20% of staff costs are for out of scope activity. Work is currently well underway to identify more accurate costs for this Authority.

On the information above it can be summarised that the following will be the financial position once we migrate to the RCC. (See Appendix C):

With a population of 451,844 Shropshire will pay 8.44% of the running costs.

a) Shropshire & Wrekin will therefore pay	£629,326
b) Less CLG resilience payment of	- £ 59,920
c) Plus additional Staff costs	£ 29,538
d) Total Costs	£598,944
e) Our current 'avoidable costs' of running the local Control	£709,068
f) The net difference(e-f) is therefore	£110,124
g) However out of scope costs for Fire Authority are	£128,551
h) Leaving us with a potential additional cost(f-g) of	£ 18,427

The Business Case identifies how the costs of the Regional Control are made up.

Due to the planned move to RCC this Authority has not upgraded its mobilising systems. Current fire control centre costs have been calculated to include amounts that would have been spent on updating existing IT systems, replacing outdated mobilising systems and staff costs.

The total cost for the new Regional / National system is split:

£3 million is for staff costs including management and Control staff
£2.1 million is for the building and running costs of the building
£2.3 million is for known contract costs, national infrastructure, group services and data management etc.

In Fire Service Circular 41/2008 (Appendix B) CLG are consulting on how costs that apply nationally should be apportioned across the regions. It appears that although the business case was published before the Circular the information and cost apportionment method recommended in the Circular (by Tax Base) was used to inform the business case. If a different cost apportionment model is chosen by Authorities then we will see a change in the financial business case. Members will note that using tax base as a method of cost apportionment may negatively impact some Regions. In an effort to identify the impact of this method of apportionment the RCC Project Board are analysing the options before responding.

The logic of using tax base is by no means clear as revenue grant compensates for variations. A more logical base would be grant share or population and neither option is considered in the government's consultation.

7   The Strategic Aspects of the Business Case

The Regional / National fire control centres will bring many benefits to the Service but as with any project with this level of complexity there are equally some risks.

As can be seen above one of the biggest risks has always been that the initial confidence in the project making efficiency savings was misplaced. In addition IT projects of this size and complexity are notoriously difficult to deliver on time and to budget. This is especially true when, as in this case, a project is also dependant on another ICT project - FiRelink. However strict risk management and quality controls are ensuring, as far as possible, that all National and Regional project teams are striving to make the project a success.

The Business Case identifies the benefits in more detail at page 16. These benefits, when delivered, will clearly improve the provision of services to the public and fire-fighters. Depending on the level of previous investment this improvement will be seen unevenly across the country. Shropshire and Wrekin Fire Authority identified, before most Services, that continuous improvement in fire control services was needed and so this Authority will perhaps see less of an improvement than others.

The Service already has dynamic Mobile Data Terminals capable of giving live information to crews (these are a requirement of the FiReControl project although they are being installed as part of FireLink). This Authority invested in automatic vehicle location systems that identify where fire appliances are and give satellite navigation facility to crews and we have full GIS available to crews and to our Fire Control staff (see table 5). However, the public of Shropshire will see an improvement as the RCC will have systems to automatically identify caller location and will have a complete premises and street mobilising gazetteer.

The Service will also see significant improvements in resilience during increased call volumes. Overspill calls will go to another Control Centre that will be able to mobilise our fire appliances during spate conditions. If one fire control fails there will be capacity in the national system to take the overspill calls. The buildings themselves, we are assured, can be self sufficient in water and electricity for two weeks.

Finally the Business Case sets out the current transition dates for the project. The first Service in the Region (Staffordshire) moves to the RCC in January 2010 followed by West Midlands in March and Shropshire in May 2010 with Warwickshire and Hereford and Worcester in July and September of that year. Recent information from the South West indicates that they may not be ready to move to their Centre at their allotted date. This region may therefore be asked to accelerate work to be ready to migrate sooner than currently identified (perhaps starting October 2009). Officers, if asked, will calculate the likely additional resources needed for this earlier move and if it is physically possible will request additional funding from CLG to cover any additional resources.

Your Officers, although working hard to meet these original dates, have made it very clear to the National Project teams that we will only move to the RCC when we are satisfied that the system will provide a service at least as good and hopefully better than our current excellent fire control centre.

8   Financial Implications

Previous reports have concluded that there will be no saving, but also no additional cost of the move to RCC / FireLink. This paper indicates that there may be some additional cost in 2010 and that this may increase if resilience payments taper down. At current levels these costs would be found from the Authority's provision for annual growth, (subject to other changes in budget circumstances – see earlier Financial Planning paper on the agenda for this meeting).

9   Legal Comment

Legal advice will be provided, as required, to Officers and Board Members in the implementation of the above recommendations. There are no legal comments arising directly out of this report.

10   Equality Impact Assessment

We are currently awaiting the EQIA for the project from the National Project Team therefore an Initial Equality Impact Assessment has not been carried out for this report.

11   Appendices

Appendix A
Fire Control Project Full Business Case June 2007

Appendix B
Fire Service Circular 41/2008

Appendix C
Business case financial analysis with accurate population

Appendix D
Fire Control Business Case Part 1 Regional Case for West Midlands.

12   Background Papers

There are no background papers associated with this report.

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	

Appendix A to report on
Update on FiReControl Business Case
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
18 September 2008

Communities
and Local Government

FIRECONTROL PROJECT

Full Business Case Volume 1.0
Executive Summary

Release:	Version 1.0
Release Date:	June 2007
Document Ref:	RPT0605

User Division:	FSED
Created by:	Business Case and Benefits Management Workstream
Approved by:	Richard How
Date Approved:	07 June 2007

FiReControl
a national project delivered regionally

EXECUTIVE SUMMARY

1. The Government is committed to working with the fire and rescue service to implement an integrated network of Regional Control Centres (RCCs). This is essential to improve England's resilience and capability to respond to major incidents and enable Fire and Rescue Services (FRS) to deploy resources more efficiently and effectively. This executive summary answers the following questions:

- What are the benefits expected from a national RCC network?
- Why can't the Fire and Rescue Service continue with existing control arrangements?
- Is the project value for money?
- Who will pay for it?
- How are the risks inherent in an endeavour of this scale and complexity being handled?
- What are the main project activities?
- How is the project working with its important stakeholders?

Benefits

2. The scale and nature of incidents that the FRS is called upon to respond to has increased over recent years. Climate change, which leads to extreme weather events, and terrorism are already major threats. Planning for the future must reflect this reality: a strategy for replacing current controls is essential and has an important part to play in building resilience; doing nothing is not an option if the public is to be better protected. Accordingly, the government has taken the lead in achieving this through a collaborative project with the FRS - FiReControl.

3. The FiReControl project will deliver the following benefits:

- **A more resilient service which supports the FRS in responding to major emergencies (including terrorist incidents, natural disasters and industrial accidents).** The nine Regional Control Centres will form a national network; this will create a resource on a national scale which is able to deal with high levels of calls and enable an RCC to fall back and restore services were they to become unavailable for any reason. The common technology and processes will allow an appliance to be mobilised from anywhere in England if required. Appliances can be applied flexibly across boundaries to respond to need, on a regional or cross regional basis. Calls can be automatically transferred between RCCs ensuring the continuity of quick and effective responses, to help save lives. The solution will exceed current Chief Fire Officers Association (CFOA) call handling standards in any individual RCC, and the ability to transfer calls will further enhance service performance. RCC buildings have resilience and security built into their design.

- **Enhanced capability which will ensure that all FRSs and their staff have access to the best supporting infrastructure.** All FRSs will have the full range of capability only currently enjoyed by some advanced FRSs. The location of a member of the public calling by telephone (whether mobile or land line) for help will be identified automatically. Satellite positioning equipment will tell the control centre computers which fire appliance(s) is closest to the incident in terms of travel time, with the correct equipment on board. The control centre computer systems will enable the RCC staff to locate the nearest available appropriate resources and mobilise them instantly and automatically, using data-transmission not voice messages. Firefighters mobilised to the incident will have data terminals in their vehicles, giving them a wide range of information in a standard format. This will improve the delivery of safety

information to firefighters and help them to plan and respond more effectively. The working environment for many control staff will also be enhanced.

- **Greater operating efficiencies will be achieved through economies of scale.** Capacity will be better matched to demand within the regional centres. By networking these centres together additional capacity is always on tap to deal with unusual surges in demand – further enhancing operational efficiency and effectiveness. The project will achieve significant efficiency savings which will be kept by Fire and Rescue Services. The amount will vary between FRSs according to their current position and on the arrangements decided for distributing costs within the region. The Department for Communities and Local Government is working with the Fire and Rescue Service to reduce uncertainty about the distribution of costs and savings.

Disadvantages of current control arrangements

4. At present, FRAs in England operate 46 separate control rooms which rely on a wide range of differing technologies and operational procedures. The gap between the most advanced and the least is stark, with many approaching the end of their useful lives. Moreover, the existing control rooms are stand-alone. They cannot readily step-in for each other when systems fail or in times of high demand. They cannot deploy both specialist resilience equipment and core fire fighting resources flexibly and efficiently across boundaries and over larger areas. It is estimated that any initiative aiming to network the existing control rooms would cost twice as much as FiReControl, but without delivering the same levels of efficiency saving.

Value for Money

5. It is forecast that the significant, net, incremental benefits outlined above will be achieved for a marginal net incremental cost (Net Present Cost £50m). Once steady-state operating conditions are achieved, the cost of providing control services under the new, regional, resilient, networked arrangements will be some 28 percent (£23m) lower per annum nationally than current operating costs. This equates to a predicted improvement in unit cost of about £450 per 1000 head of population served. These savings represent very significant economies.

6. The figures presented above are informed by prudent assumptions. There continue to be some areas of uncertainty, but these are now within narrower parameters than in previous editions of the Business Case. The London accommodation and facilities management contracts are yet to be awarded, and Communities and Local Government is working with its suppliers and FRS partners to develop detailed delivery plans.

Funding

7. The roll-out and commissioning phase of the project is being funded by Communities and Local Government (alongside its investment in the new digital radio communications system - Firelink). The total investment by the Department in the RCCs (including new burdens support) is currently forecast to be about £340m[1], and forms part of its commitment to work in partnership with fire and rescue services in the development and improvement of the service.

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[1] This figure includes adjustments for best estimates of cost in year and contingency

8. Communities and Local Government is funding all the development and implementation costs for the new ICT infrastructure and financially supporting the transition to the new networked control service.

9. Once operational, the new RCCs outside London will be governed, operated and funded by local authority controlled companies which are wholly owned by the local Fire and Rescue Authorities (FRAs) in their region. The London RCC will be governed, operated and funded by the London Fire and Emergency Planning Authority (LFEPA).

Risk management

10. All projects have a degree of risk which has to be identified and addressed. FiReControl risk arises from three main sources: comprehensive business change; Information and Communication Technology (ICT) infrastructure services; and accommodation. The interfaces between these sources and other projects, such as Firelink, create additional risks. These risks cannot be eliminated but they can be mitigated, managed and controlled. Accordingly, the project management of FiReControl has significant resources focussed on risk management systems and procedures. This will be integral to the implementation of the project.

Main project activities

11. There are three main strands of project activity:

- Delivering RCC accommodation and related services;
- Delivering ICT infrastructure and related services; and
- Supporting business change.

12. The project has procured eight buildings; all are being constructed; four of which will become available for use this year. Procurement of a building for London is in progress. Communities and Local Government expects to contract with a developer later this year. In addition procurement of Facilities Management services for all nine buildings is underway with the aim of selecting a chosen supplier in the Autumn of 2007.

13. In March 2007, Communities and Local Government signed a contract with the European Aeronautic Defence and Space Company (EADS) for development, delivery, maintenance and support of the new networked control systems. This will include the provision of all necessary hardware - for the new buildings and in fire stations and other FRS buildings. The new systems will be in operational use in October 2009, following an extensive period of testing and evaluation involving the FRS.

14. The new control service represents a major business change for the FRS. The project has established a network of regional business change representatives, seconded from the FRS, to provide a single point of contact in the project for information, feedback and assistance. The provision of high quality communications to support stakeholder engagement is a key strand of project work. In addition, the project actively supports and facilitates each region and FRS to develop and deliver their own individual transition plans.

Stakeholder engagement

15. Effective stakeholder engagement is central to the successful delivery of FiReControl. The FiReControl project is being delivered in partnership with the wider Fire community: Fire & Rescue Authorities (FRAs), the Local Government Association (LGA) and the Chief Fire Officers' Association (CFOA). The aim is to create the climate for an open and

honest dialogue, ensuring that the project listens to stakeholder views and takes these into account.

16. The Fire and Rescue Service has a unique organisational culture, characterised by the strong commitment of its members, long service and low turnover. Each region is different and the size and working practices of Fire and Rescue Services vary considerably from area to area. These factors are reflected in the project's approach to business change and in the way that it communicates with its stakeholders.

17. The project provides a single point of contact for information, feedback and assistance through the presence of regional business change representatives who are seconded from the Fire and Rescue Service. It also facilitates cross working and sharing of best practice across the regions through regular meeting forums. The project is committed to providing high quality communications which support stakeholder engagement work. Its aim is to ensure that its communications are: relevant and timely; tailored to the audience and delivered through a range of media. The project seeks to constantly evaluate the impact of its communications and engagement work and deliver improvements where needed.

Structure of the business case

18. In accordance with the Office of Government Commerce (OGC) guidance, the business case is presented in five parts:

- A **Strategic** Case which sets out the FiReControl vision in terms of the need for modernisation, and assesses the context in which this change will take place;
- An Economic Case which provides assurance that costs, benefits and risks of investing in regional controls have been identified and suitably balanced;
- A Commercial Case which provides an overview of the national exercises to procure accommodation and ICT infrastructure, and how value is being generated;
- A Financial Case which confirms that that project is affordable. It includes an early indication of the beneficial effect on regional budgets; and
- A Project Management Case which outlines the capability of the delivery organisations and the key approaches to be followed.

19. This Full Business Case will be updated and reissued to include the outcomes of the London accommodation and Facilities Management (FM) procurements, the establishment of RCC companies and detailed planning following the ICT infrastructure services contract award.

Conclusions

20. The key messages from this business case are:

- The RCCs are essential to meet critical resilience needs locally, regionally and nationally;
- The RCCs will provide value for money, and achieve considerable efficiency savings for the fire and rescue service;
- Doing nothing is not a viable option and the government is right to take the lead and earmark significant funds for investment in the project; and
- Delivery of the project will be through a collaborative approach leading to governance by local authority control companies which will own and operate the new RCCs.

Appendix B to report on
Update on FiReControl Business Case
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
18 September 2008

Circular number	**41/2008**	Date issued	**7 August 2008**
This circular is	**For consultation**	Respond by	**31 October 2008**
This circular is	**Relevant to the National Framework**		
Status	**This circular informs Fire and Rescue Authorities of the Department's preferred options for apportionment of FiReControl shared costs between the regions of England and seeks views of Regional Management Boards.**		

FiReControl Cost Apportionment

Issued by:

Toby Robinson

FiReControl Project

Addressed to:	Please forward to:
The Chair of the Regional Management Board **The Chief Executive of the County Council** **The Clerk to the Fire and Rescue Authority** **The Clerk to the Combined Fire and Rescue Authority** **The Commissioner of the London Fire and Emergency Planning Authority** **The Chief Fire Officer**	

Summary

This circular sets out the Department's preferred option for apportioning FiReControl shared costs amongst the regions of England – by council tax base. The Department seeks the consolidated views of regions through their Regional Management Boards on the use of this mechanism by 31 October 2008.

For further information, contact:

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	Website	**www.communities.gov.uk**

1.0 Overview

1.1 This circular sets out the Department's preferred option for apportioning the shared costs for running the Regional Control Centre network to the regions. It seeks the views of regions, through their Regional Management Boards to the proposed use of council tax base as an apportionment mechanism. Deadline for responses is 31 October 2008.

2.0 Background

2.1 The recent publication of the FiReControl Full Business Case Part 1 'The Regional Case' provides an opportunity to consult on cost apportionment, with a much better understanding of the likely costs that will need to be shared amongst the regions. The Regional Case sets out key elements of the business case from a regional perspective, including: resilience benefits, operational benefits, transition funding, and the forecast costs and savings once the Regional Control Centre is up and running. The documents can be downloaded from the Communities and Local Government website at:
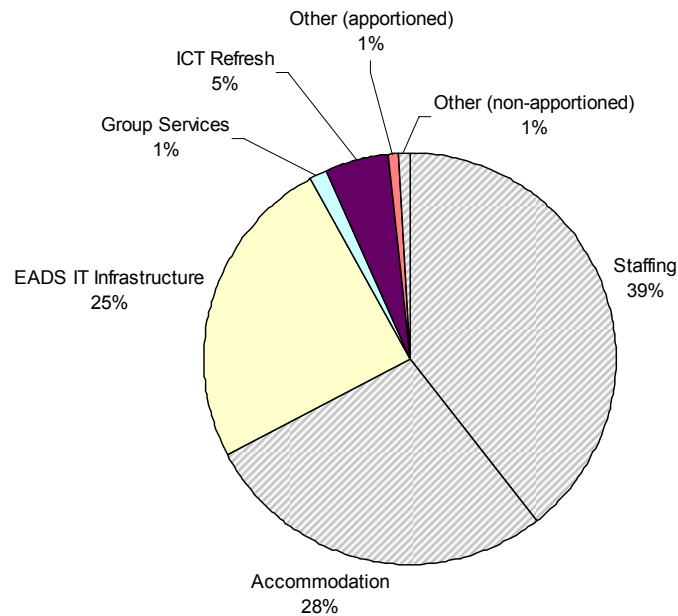**www.communities.gov.uk/fire/resilienceresponse/firecontrol/businesscase**.

2.2 There has been a major exercise involving the LGA, CFOA and a number of other professionals from the Fire and Rescue Service to ensure that the basis for presenting the figures in the FiReControl Business Case is both fair and transparent. This exercise included reviewing, with stakeholders, all the assumptions about the future running costs of the Regional Control Centres and employing independent accountants to verify current costs of control rooms.

2.3 In January 2008 a cost apportionment principles paper was issued to Regional Project Directors and regional members of the FiReControl Finance Working Group. Following feedback received on this paper, and the culmination of the review exercise, Ministers have decided that:

a) Only shared costs should be apportioned between the regions

b) Where a region makes a saving then this should be retained in full by the region

c) Communities and Local Government should provide an annual resilience payment to the regions which the CLG FiReControl Business Case indicates might incur a net cost.

2.4 This circular seeks views on the mechanism to apportion, amongst the regions, the shared costs arising from the FiReControl project, the majority (circa 75%) of which relate to the national Information Technology (IT) services contract.

3.0 Which costs are apportioned?

3.1 Not all of the future running costs of the RCC are apportioned. For example staffing and accommodation costs are not apportioned as these will fall directly to the Local Authority Controlled Companies and LFEPA.

3.2 Most of the remaining costs are shared costs which need to be apportioned to regions using a fair mechanism. Whilst the proportion of shared costs that are apportioned will vary slightly between regions, at a national level it is approximately one third, as indicated in the diagram below.

Other (apportioned) 1%
ICT Refresh 5%
Other (non-apportioned) 1%
Group Services 1%
Staffing 39%
EADS IT Infrastructure 25%
Accommodation 28%

3.3 The IT Infrastructure costs constitute the highest proportion of the shared apportioned costs and together with Group Services costs will fall as charges made to Local Authority Controlled Companies and LFEPA for collectively incurred costs. The remaining shared costs (ICT Refresh and Other (apportioned)) have been included to ensure conformity with the Business Case. Regions will not be charged for these items – it will be for them to decide how to make financial provision to meet this expenditure (eg borrowing, sinking fund etc.)

3.4 The remainder of this paper identifies the options that have been considered for fairly apportioning these costs, Communities and Local Government's preferred mechanism, and the timing for the commencement of these costs.

4.0 Preferred option for apportioning shared costs

4.1 The Business Case indicates that the total amount of costs to be distributed is in the region of £22 million. The following options for apportioning these costs to the Local Authority Controlled Companies and LFEPA have been identified:

1) Apportion in proportion to relative share of the tax base – preferred option

2) Apportion using an alternative metric, such as the relative proportion of incidents or fire stations

3) Apportion using a formula which combines a number of metrics

4) Divide equally between the nine regions (i.e. do minimum).

These options are described in more detail in Annex A.

4.2 Communities and Local Government's preference is to apportion costs on the basis of tax base (option one) because it is:

- simple, transparent and easy to understand
- relatively stable over time
- reflects the region's ability to pay

4.3 The 2006 council tax base data, upon which the figures in the Business Case are presented, provides the following proportional split across England's regions and indicative annual apportioned costs:

	Regional CT Base (2006)[1]	%	Expected Annual Apportioned Costs[2]
NE	1,113,519	5%	1.06
SW	2,207,916	10%	2.25
EM	1,827,798	9%	1.83
NW	2,970,419	14%	3.07
WM	2,240,512	10%	2.28
SE	3,430,805	16%	3.55
YH	2,159,078	10%	2.20
Lon	3,134,451	15%	3.14
EE	2,353,383	11%	2.40
	21,437,881	**100%**	**21.78**

4.4 It is proposed that the central source to be used to derive the regional relative proportions of council tax base be the Local Government Finance team within Communities and Local Government. This data is updated annually and it is therefore proposed that the proportions should also be updated annually.

4.5 It is important to note that different mechanisms, which satisfy different criteria, may be chosen to allocate RCC costs within a region – this is a decision for local authorities within the umbrella of the regional management board and is outside the scope of this consultation.

5.0 When will costs start to be apportioned?

5.1 The costs will start to be apportioned to regions on a pro-rata basis as each FRA cuts over to the RCC. The amount will be based upon the agreed intra-regional cost apportionment formula. Where an intra-regional cost apportionment formula has not been agreed at the point of earliest cutover within a region, an FRA's relative proportion of regional council tax base will be used as the default.

6.0 Feedback on this consultation

6.1 Communities and Local Government is seeking feedback on the proposal to apportion these shared costs on the basis of relative proportion of council tax base. It is seeking views consolidated at a regional level (as it is at this level that the costs will be apportioned) as to whether this is considered an appropriate mechanism. An indication of the degree of support for the proposal would also be welcomed.

6.2 Where the consolidated views of a region differ to Communities and Local Government's preferred apportionment mechanism then an alternative should be suggested with a supporting explanation as to the reasons why this better meets the criteria of being simple, transparent, stable over time and reflective of a region's ability to pay.

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[1] Source: Local Government Finance Directorate, Communities and Local Government.
[2] The reason that the expected annual apportioned costs are not a precise reflection of a region's proportion of England's council tax base is that the shared costs also include a small proportion of costs which are allocated on a different basis, for example data management.

6.3   The FiReControl Finance Working Group representative for your region has received the detailed breakdown of costs to support any assessment of alternative apportionment options that you may wish to consider. We are also happy to provide nationally collated data where this is retained by Communities and Local Government. Please contact **eddie.tuttle@communities.gsi.gov.uk** with any requests for this information.

6.4   Please provide responses to this consultation to **eddie.tuttle@communities.gsi.gov.uk** by Friday 31 October 2008.

Toby Robinson
FiReControl Project

Assessment of Options

a) Apportioning the shared costs arising from the national IT services contract and group services.
It is expected that staffing and accommodation costs should be met where they fall. However, the shared costs (which make up approximately one third of the forecast RCC operating costs) may be apportioned using an appropriate mechanism. The options are constrained by law and accounting rules.

The options presented for consideration are:
- **Option 1: Apportion in proportion to relative share of the tax base.** The preferred option in which the shared costs of operating the RCC are distributed between the regions according to relative proportion of the council tax base.
- **Option 2: Apportion using an alternative metric.** The same as option 1 except a different local authority attribute (metric) is used to apportion the costs, e.g. the number of fire stations or the number of incidents handled.
- **Option 3: Apportion using a formula.** The shared costs of operating the RCC are distributed according to a formula in which two or more local authority attributes (metrics) are combined.
- **Option 4: Divide equally between the nine regions.** The do-minimum options in which the shared costs of operating the RCC are divided into nine equal parts.

These options are compared against three criteria:
- **Simple, transparent and easy to understand:** the apportionment mechanism should be straightforward and simple to calculate. This will aid transparency and help to reduce unnecessary administrative overheads. Ideally the metrics chosen should relate to demand for control services, such as population.
- **Relatively stable over time:** local authorities desire financial stability. Ideally, the basis for apportioning shared costs should remain stable over long periods of time. Some local authority metrics have the potential to fluctuate within a given time period and are best avoided, e.g. the number of calls received, which will be affected by changes in technology and social behaviour, and incident reduction initiatives undertaken by local authorities.
- **Reflects the region's ability to pay:** it is desirable that the distribution of costs should reflect the ability of the region to pay.

The following table illustrates how well the options satisfy the criteria outlined above:

	Option			
Assessment criteria	**1**	**2**	**3**	**4**
Simple, transparent and easy to understand	Y	Y	N	Y
Relatively stable over time	Y	?	?	Y
Reflects the region's ability to pay	Y	?	?	N

Apportioning according to relative proportion of tax base is the only option which would definitely satisfy all the criteria at this point in time. Taking each option in turn:

- **Option 1: Apportion in proportion to relative share of the tax base.** Based on analysis of current data this option is the most likely to result in a 'felt fair' distribution of shared costs between the regions.
- **Option 2: Apportion using an alternative metric.** Other metrics either fail the criteria for reflecting the region's ability to pay or are less successful at ensuring that all regions should see savings.
- **Option 3: Apportion using a formula.** Experience suggests that agreeing formulae can be difficult and time consuming, eg the process required to make changes to the Fire Formula Spending Share. There are an infinite number of possible combinations for local authority metrics and weightings. Moreover, a combination which provides an 'optimal' fit to the data in a particular time period will become 'sub-optimal' as the values for the metrics employed change over time.
- **Option 4: Divide equally between the nine regions.** This option is the least likely to result in a 'felt fair' distribution of shared costs between the regions. It is a straightforward and stable apportionment mechanism which fails to reflect the ability of regions to pay.

It is important to understand that it is only possible to apply the apportionment mechanisms set out above to approximately one third of the overall cost of running the RCCs. It is also important to note that different mechanisms, which satisfy different criteria, may be chosen to allocate RCC costs within a region – this is a decision for local authorities within the umbrella of the Regional Management Board and is outside the scope of this consultation.

Appendix C to report on
Update on FiReControl Business Case
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
18 September 2008

FiReControl
Business Case Analysis

	Population	Future - Total cost	Pymt by CLG	Additional staff costs	Total	Current Avoidable Costs	Net diff	Out of Scope costs	Potential cost/ (saving)
		7,457,000	-710,000	350,000					
Population:		£	£	£	£	£	£	£	£
Staffordshire	1,050,182	1,462,688	-139,266	68,652	1,392,074				
West Midlands	2,586,250	3,602,114	-342,967	169,068	3,428,216				
Shropshire	451,844	629,326	-59,920	29,538	598,944	709,068	-110,124	128,551	18,427
Warwickshire	530,732	739,201	-70,381	34,695	703,514				
Hereford & Worcester	734,977	1,023,672	-97,466	48,047	974,252				
	5,353,985	**7,457,000**	**-710,000**	**350,000**	**7,097,000**				

Appendix D to report on
Update on FiReControl Business Case
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
18 September 2008

Communities
and Local Government

The FireControl Business case

Part 1

Regional Case for West Midlands

∷ New Dimension ∷

FiReControl
a national project delivered regionally

FIRELINK

West Midlands Regional Case

Contents

The case for FireControl

1.   The threats we face as a nation are increasing – whether from terrorist action, extreme weather events or other large scale accidents. The Fire and Rescue Service has a central role to play in handling this threat – as already demonstrated at the Buncefield oil terminal fire, London terrorist incidents in 2005 and the flooding in summer 2007. This is why the Government is investing over £1billion in the Fire and Resilience Programme of which FiReControl is a part.

2.   FiReControl is an integral part of the Government's mission-critical Fire and Resilience Programme. The vision for the Fire and Resilience Programme is to deliver an effective, resilient capability that will respond seamlessly in all situations, whether they are day to day incidents, large incidents needing a regional response, or major national disasters.

3.   The programme is made up of three inter-connected projects:

   - New Dimension – providing the Fire and Rescue Service with capabilities, specialist equipment and training to deal with a range of major incidents

   - Firelink – providing a single national radio system for the Fire and Rescue Service, with high levels of security and resilience, which enables emergency services to communicate with each other

   - FiReControl – creating nine new networked regional control centres to improve the resilience of the Fire and Rescue Service control and its ability to respond to major emergencies and incidents.

4.   This document provides an overview of Communities and Local Government's case for the FiReControl Project and answers the following questions:

   - What is the FiReControl Project and why is the Government investing in it?

   - What is the Business Case and why is Part 1 being published now?

   - What are the financial implications for the regions?

   - Who will own and run the new networked RCCs?

5.   This is Part 1 of Communities and Local Government's Business Case, which focuses on the high level rationale for the Project together with the regional picture. Part 2, which will contain the core of the national case, is to be published later this summer.

6. Communities and Local Government recognises that the 45 Fire and Rescue Authorities, including the London Fire and Emergency Planning Authority and the Local Authority Controlled Companies (LACCs) which will run the new RCCs have a strong interest in understanding the benefits at a local level and financial implications. To help answer the question "what does this mean for us?" nine regional cases have been developed. These set out the regional context for FiReControl, resilience and operational benefits for regions and individual FRSs, and the financial implications for the region once their RCC becomes operational.

What is the FiReControl Project and why is government investing in it?

7. FiReControl will create a resilient national network of nine new Regional Control Centres (RCCs) across England to replace the existing 46 stand alone Fire and Rescue Service (FRS) control rooms. Highly trained staff will provide a dedicated service supported by world class technology. This new resilient network will enhance the service provided to our communities by the Fire and Rescue Services when responding to both routine and major incidents.

8. The 46 stand alone control rooms in England have served their local communities and the country well, and are operated by highly professional and committed staff. Taken as a whole, however, the existing arrangements can not provide a complete solution to the threats, risks and uncertainty the public now faces.

Improving resilience

9. The main rationale for FiReControl is to strengthen resilience locally, regionally and nationally – giving the Fire and Rescue Service improved call handling and mobilisation capability to respond to incidents of every size and type. The FiReControl project is supported in principle by the Local Government Association and the Chief Fire Officers Association. The report into last year's flooding by Sir Ken Knight (the Government's Chief Fire and Rescue Advisor) concluded that the challenges we face today – such as climate change, industrial accidents and the on-going threat from terrorism, means that England needs a modern, networked response capability. FiReControl will enable the Fire and Rescue Service to continue to deliver a first class service to the public even in extreme circumstances – which are becoming more frequent in the 21st century.

Benefits to members of the public

10.   The main beneficiaries of FiReControl will be the public. Although people will contact the Fire and Rescue Service in exactly the same way and will not notice any discernable difference when making a call, there will be a much improved service. The caller's location (from a mobile or land telephone) will be identified automatically. This is particularly important when someone is unable to give their exact location, for example a child, or a driver on a motorway.

11.   The control centre computer systems will help the RCC staff to locate and mobilise appropriate resources instantly. And, critically, because there is a network with more control operators available, during a large scale emergency more calls will be able to be answered more quickly. In short, the new network will help the Fire and Rescue Service to save lives.

12.   Information about the benefits of FiReControl for individual regions and FRSs can be found in the regional case within this document.

Benefits to firefighters

13.   FiReControl will provide important benefits to firefighters, improving their safety and making them better equipped to protect the public. In future all will have access to consistent and timely information through the provision of on-board computers in their cabs. This will provide firefighters with satellite navigation technology and access – 24 hours a day, 365 days a year – to vital information such as:

- floor plans to buildings and details of known risks and hazards
- information about safe handling of chemicals and motor vehicle design
- the location of the nearest hydrants and water supplies.

Benefits to control room staff

14.   Control room operators have demonstrated time and again that they do an excellent job and respond magnificently in difficult circumstances. But the technology currently available to them varies significantly across the country. Individual control rooms use different technology and for the most part do not share databases, so they cannot easily work together and help each other out during periods of high demand. The patchwork of existing technology makes it difficult to deploy and manage resources outside of home boundaries when supporting neighbouring FRSs with major incidents.

15. The FiReControl network will provide England with a significantly more resilient system. The nine, purpose-built Regional Control Centres will be fully-networked and all control operators will have modern equipment, use the same technology and be able to work together and back each other up at busy times. The new systems will provide control room operators with world class technology to help them do their job even more effectively, including information on the nearest and most appropriate resources to any incident. FiReControl's implementation should also help to make the provision of mutual support between FRSs more effective.

16. The nine RCC buildings are designed for purpose and built to a high standard and specification. They form part of England's Critical National Infrastructure and are designed to meet standards for reducing vulnerability to terrorism and other threats, they will also be very secure buildings for control centre staff to work in. In the event of an interruption to external mains services, such as power or water, the building is designed to continue functioning for seven days. Communities and Local Government have also worked closely with FRS representatives to ensure that the RCCs provide a pleasant, safe and ergonomic working environment for all staff.

What is the Business Case and why is Part 1 being published now?

17. FiReControl is a major infrastructure investment project for which central government is meeting the upfront and transitional costs. Part 1 of Business Case includes important information on the expected resilience and operational benefits of FiReControl for the public, firefighters and control room staff. It also includes the costs of running the existing control service and the forecast RCC running costs. For the first time Communities and Local Government is providing information on a regional basis to help elected members and principal officers understand what FiReControl means for their region.

18. This document has been developed following a comprehensive and transparent process of engagement involving the Local Government Association and Fire and Rescue Service.

19. At the start of any large scale project a number of assumptions need to be made to estimate the overall cost. For example, estimates were required about how much the IT system would cost and the price of the building leases. Over time, as decisions were made, contracts signed and milestones reached, the areas of uncertainty diminish and it is possible to have more certainty about the predicted costs and whether savings are achievable. This continuous process has enabled Communities and Local Government to present each regional case on its own merits.

20. A Business Case Assumptions Review Group was set up earlier this year to review the key assumptions. This group was chaired by the Local Government Association senior user, and also included FRS principal officers, FRA treasurers, lawyers and human resources professionals. The aim was to provide stakeholders with visibility of the Business Case assumptions and an understanding of how the RCC running costs have been calculated. Some of the assumptions were modified as a result of this process.

21. Communities and Local Government also contracted independent accountants to work with all 46 FRAs to capture and verify the costs of running their existing control rooms. This has produced a much more accurate picture of the current costs. Information from this exercise and from the assumptions review allows a comparison to be made between FRS current operating costs and the initial costs of running the new RCC network.

22. The previous version of the FiReControl Business Case was published in June 2007 following the signing of a £200m contract with EADS Defence and Security to develop, deploy and maintain the FiReControl IT system. It included accurate figures for the IT contract but other aspects were estimates based upon the best known information available at the time.

23. Decisions on how many staff will be employed in the RCCs (and related structures, terms and conditions) are for Local Authority Controlled Companies and LFEPA to determine. Communities and Local Government has produced a staffing model to develop the Business Case, but the actual number of staff employed in RCCs may be higher or lower than indicated by the model.

24. Part 2 of the Business Case will contain the core national case, and will be published later this summer.

What are the financial implications of FiReControl for the regions?

25. Communities and Local Government is investing over £100m in new IT systems. The Department is also funding the additional costs which Fire and Rescue Authorities incur in moving from their existing controls to the new RCCs. £20m has already been paid to meet the costs of regional project teams and fund the work that the FRSs need to do to prepare for the new network and a further £58m has been allocated so far to enable FRSs to carry out further work over the next three years. Further information about national funding will be included in Part 2 of the Business Case. Details of payments to the region can be found in the second part of this document.

26. Communities and Local Government believe that as a result of the assumptions review process and the cost validation exercises described above the assumptions in the Business Case are prudent. However, it is recognised that in a project of this complexity business change will take time and the level of savings between regions will vary.

27. Larger regions can expect to make substantial savings immediately while some regions, especially London and the smaller ones, will be unlikely to be able to realise all of the potential savings straight away. Once the new RCCs are established it is expected that the London Fire and Emergency Planning Authority and the Local Authority Controlled Companies (LACCs) will actively explore ways to manage their costs and identify revenue making opportunities. These might include: selling off former control rooms; reorganising FRS functions and relocating these in the RCC; or, leasing spare capacity in the RCC.

28. Details of savings by region and the proposed resilience payments are set out in the table below. Communities and Local Government intends to provide an annual resilience payment to the regions that might incur a net cost. This payment will be kept under review to ensure that public money is used prudently and that no region is penalised by the move to the RCC.

Regional costs, savings and resilience payments			
	Current control room costs* (£1000s)	**Forecast RCC running costs (£1000s)**	**Cost/saving (£1000s)**	**Resilience payment (£1000s)**
EE	7,439	7,373	66	0
EM	5,390	6,262	–872	872
Lon	8,837	10,898	–2,061	2,061
NE	4,803	5,405	-602	602
NW	8,828	8,426	403	0
SE	10,232	8,767	1,466	0
SW	7,056	6,992	64	0
WM	6,746	7,457	–710	710
YH	5,952	7,124	–1,172	1,172
TOTAL	**65,284**	**68,703**	**–3,419**	**5,417**

Notes to table:

i. All figures in Financial Year 2006-07 prices

ii. Resilience payments subject to periodic review

29.   More detailed information can be found in the nine regional cases[1].

Who will own and run the new networked RCCs?

30.   The London RCC will be owned and run by the London Fire and Emergency Planning Authority. The other eight RCCs will be owned and run by Local Authority Controlled Companies (LACCs). Each regional company is jointly controlled by all the Fire and Rescue Authorities in that region. The purpose of the company is to provide strong and effective leadership with responsibility shared equally between all the Fire and Rescue Authorities in the region.

31.   The local authority company model enables a high degree of local flexibility, with each region making its own decisions on how to run the RCC including in critical areas such as staffing, rostering, facilities management and financial budgeting. Communities and Local Government has produced guidance to help regions to set up their companies and continues to work with all regions to support this process.

32.   The senior management structure of the LACCs includes an RCC Director or Chief Executive, to whom a Senior Operations Manager and a Service Support Manager report. The Senior Operations Manager is responsible for control room operations in the RCC, while the Service Support Manager is responsible for the support services such as security, facilities management and human resources.

33.   Once the network is up and running the ongoing IT costs will be shared between the eight LACCs and the London Fire and Emergency Panning Authority. Communities and Local Government are consulting Fire and Rescue Authorities about the mechanism for sharing these costs.

Feedback

34.   Stakeholders will wish to review Part 1 of the Business Case carefully and are invited to provide feedback to richard.how@communities.gsi.gov.uk by the 30 September 2008.

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[1] There are nine regional cases for FiReControl – these can be found at www.communities.gsi.gov.uk

1 Introduction

This is Communities and Local Government's Regional Case for FiReControl in the West Midlands. It sets out the benefits that the project will bring to communities within the region. It also provides information on the financial position. Two recent exercises involving stakeholders from the region have informed this financial assessment – these were a review of current control room running costs and an exercise to review the expected costs of the new Regional Control Centres (RCCs).

The costs and savings included in this Regional Case are based upon common national assumptions which allow for consistency and comparability. It also recognises that costs and savings will vary as a result of decisions made by the Local Authority Controlled Companies (LACCs) which will be running the RCCs.

Decisions on staffing and other important matters will be made by LACCs and it is these companies that are taking on an increasingly important role as the project progresses toward cut-over. Communities and Local Government recognises and values their efforts to achieve successful implementation of the FiReControl Project.

The valuable contribution made by staff in existing control rooms is also recognised. It is these individuals who continue to provide a critical public service during a time of change and uncertainty.

The continued and collective efforts toward successful implementation of the FiReControl project will ensure that every FRS in England is provided with the best control and mobilisation response capability to help them protect the public.

2 Regional Overview

The West Midlands region is made up of the Fire and Rescue Authorities (FRAs) of Stoke on Trent and Staffordshire, Shropshire and Wrekin, Hereford and Worcester, Warwickshire and the West Midlands.

Three of the FRAs, Stoke on Trent & Staffordshire, Shropshire & Wrekin and Hereford & Worcester are Combined Fire Authorities with elected members from the constituent authorities overseeing the running of the Service. Warwickshire FRA forms part of the respective County Council whilst west midlands is a Metropolitan Fire and Rescue Authority made up of seven metropolitan boroughs.

The area includes the cities of Birmingham, Coventry, Stoke-on-Trent and Wolverhampton as well as largely rural areas such as those in Herefordshire and Shropshire. The region is host to a number of industrial sites and 14 per cent of England's motorway network.

Figure 1

As indicated in Table 1 the total population of the region is 5.3 million. This represents around 11 per cent of England's total.

Table 1:		
Authority	**Population**	**%**
Stoke-on-Trent and Staffordshire	1,007,000	19%
West Midlands Fire and Rescue Authority	2,544,000	48%
Shropshire and Telford and Wrekin	477,000	9%
Warwickshire	530,000	10%
Hereford & Worcester	742,000	14%
West Midlands region	**5,300,000**	**100%**

The number of emergency calls received in each of these constituent Fire and Rescue Authority control rooms are:

Table 2:		
Authority	**Calls received[1]**	**%**
Stoke-on-Trent and Staffordshire	20,510	16%
West Midlands Fire Service	71,896	57%
Shropshire	8,007	6%
Warwickshire	10,175	9%
Hereford and Worcester	15,707	12%
West Midlands Region	**126,294**	**100%**

Operational capacity differs across the five FRSs to meet local needs, the number of fire stations varying between 20 and 40 and front line appliances between 26 and 102. The region is further protected with a number of New Dimensions resources including nine Incident Response Units, two Urban Search and Rescue Units, six High Volume Pumps and associated prime mover and support pods.

[1] Figures derived from total call and incident volume data for the period 01/11/2005 – 30/11/2006, a 13-month period subsequently annualised to represent annual estimate.

2.1 West Midlands Regional Control Centre (RCC)

The West Midlands RCC reached practical completion on 20 December 2007, shortly after which Communities and Local Government drew down the lease pending a decision to do so by the WM Local Authority Controlled Company. The RCC will be used in the interim as a base for the regional project team, for holding Regional Management meetings and for the team from the successful Facilities Management contractor.

Location

West Midlands Regional Control Centre
Wolverhampton Business Park
Wolverhampton
WV10 6TB

Figure 2

Access
The RCC has good road and rail access links and there are plans for the immediate surrounding area to be developed as a major public transport hub, introducing direct rail routes to Birmingham and dedicated bus lanes to Wolverhampton town centre.

Distance from existing control room locations

Whilst it is recognised that distance from home is of most relevance to staff, the following table provides an indication of the distance from current control rooms to the new RCC.

Table 3:		
Fire & Rescue Service	**Location**	**Distance[2] (miles)**
Staffordshire	Stone	19
West Midlands	Birmingham	19
Shropshire	Shrewsbury	29
Warwickshire	Leamington Spa	41
Hereford & Worcester	Worcester	40

[2] Distances and estimated travel times are for car journeys according to the AA online Route Planner.

3 Benefits

3.1 Increased Resilience

A fundamental benefit of FiReControl relates to improving the resilience of the Fire and Rescue Service (FRS) control and mobilisation function. This means improving the ability to maintain levels of service during busy periods and spate conditions and also providing effective back up to a control centre should it become unavailable.

Emergency calls overflow
Currently, in the event of spate conditions or a major incident leading to activity levels exceeding the capacity of the home control room, the overflow calls are transferred to an alternative FRS. This FRS is able to take the call, ascertain the details and pass them back to the home control for mobilisation when they are able to contact them. This is achieved using telephone, radio or fax machine and in some cases using dedicated lines.

This works effectively from a process point of view but it can create considerable delay in resource mobilisation while the call is passed back to the home control. The delay can be increased by the receiving control being unable to contact the home control due to their high activity levels. Apart from the public safety implications that any delay can introduce it can also be highly stressful for the control room operator who may have taken a life risk or distressing call which they are not able to effectively mobilise a response to.

Secondary Control/Fallback
Each service in the region currently has a secondary control room in place that they can put into operation should their main control room be unavailable for whatever reason. In these circumstances control staff would physically move from the main control room to the secondary control room in a geographically different place in the FRS area.

In many cases the secondary control is not equipped to the same standard of the primary control room and is designed to operate only for relatively short periods of time on an infrequent basis. In all cases in the West Midlands the number of operator positions is lower in the secondary control and in three of the five FRS technological functionality is reduced.

During the time it takes to transfer staff to the secondary control and set it up (typically between 30 to 60 minutes) the ability to take calls and mobilise resources from the primary control room is lost. To cope in such situations each FRS in the region has an arrangement with a neighbouring FRS to take calls and hold them until the secondary control is established. This is known as 'fallback'. In some cases fallback control rooms can mobilise the resources of a neighbouring FRS using a rudimentary gazetteer data set and making contact by telephoning the station. In others they can pass the information by radio to the control room staff who are en route to the secondary control to mobilise their own resources by phone or radio using data held in hard copy files.

Table 4: Current arrangements established to deal with fallback conditions			
Fire & Rescue Service	**Secondary Control Room Location**	**Time taken to establish (minutes)**	**Current Fallback FRS Control Room**
Staffordshire	Stafford	45 – 60	Shropshire
West Midlands	Smethwick	30 – 45	Staffordshire
Shropshire	Telford	40	Staffordshire
Warwickshire	Warwick	30 – 40	West Midlands
Hereford & Worcester	Droitwich	30	Shropshire

FiReControl removes the need for individual FRSs to have secondary controls and fallback arrangements in place as back up and resilience is inherent within the network. In the event of a Regional Control Centre (RCC) becoming unavailable the system will seamlessly transfer calls to the next available RCC which will have the ability to handle the call, mobilise resources and manage the incident in the same manner as the home RCC. Capacity across the network will be capable of dealing with the loss of availability of an RCC.

Resilient Systems and Buildings
There are two further areas of improved resilience from which the region will benefit. Firstly, the physical resilience and security of the building which has been designed to operate for seven days without mains services. Secondly, as the building and the technology systems form part of the Critical National Infrastructure they are designed to meet standards for reducing vulnerability to terrorism and other threats and supporting data is subject to high information assurance standards.

Current FRS control room provision in terms of security varies across the region. The existing control rooms are housed in buildings ranging between 14 and 80 years old with three of these being purpose built. Two of the five control rooms are on sites that are not occupied by any other department or organisation 24 hours a day. Three sites do not have perimeter fencing and security barriers and there are also three without CCTV coverage.

Following the imminent move of the control function to a new HQ building, West Midlands Fire and Rescue Authority will continue to have a secure facility in a building designed for purpose.

3.2 Enhanced Capability

The staff that work in existing control rooms do an excellent job and through the FiReControl project control room operators will be provided with best in class technology to enhance the critical service they provide to the public.

Communities and Local Government are investing around £390m to provide the infrastructure to support FiReControl and the resilient national network across England. This investment saves Fire and Rescue Services the cost of upgrading their existing technology which would otherwise have required local funding.

Mobile Data Terminals (MDT)
A fundamental part of the FiReControl Project in terms of enhanced capability for frontline firefighters is the provision of the software for MDTs. The hardware for the MDTs is being provided by Firelink, another strand of the Fire and Resilience Programme, which is delivering a common inter-operable radio communications system. MDTs allow electronic safety information to be provided in the cab of a fire appliance to assist crews during operational incidents. The Firelink/FiReControl MDT solution will enable the data stored on the equipment to be automatically updated each time the appliance reenters the station and also enables data communication and status messaging between the appliance crew and the RCC. The use of data communication and messaging not only takes up less time for a control room operator it is also a more reliable form of communication.

Currently three of the five FRSs in the West Midlands Region have MDTs on appliances. Two of these provide dynamic status messaging and live updates. One other FRS has status messaging available through its unique radio scheme.

Automatic Vehicle Location System and Satellite Navigation
The MDT will contain a Global Positioning System transmitter allowing the exact location of the appliance to be known. This enables the nearest suitable resource, in terms of time taken to arrive at the incident, to be mobilised. This system is called the Automatic Vehicle Location System (AVLS).

AVLS is currently available in two of the five FRSs in the region. The others mobilise the nearest appliance on the basis of the location of the home station. Appliance crews of course are not always on station, however and are increasingly working in the community on a wide range of activities while maintaining an operational response requirement.

The topographical knowledge of fire appliance drivers and their crews using paper maps is currently relied upon in four of the five FRS in the region. This knowledge will be enhanced by the FiReControl project through the provision of satellite navigation technology showing the quickest route to an incident and will be updated with road closure information.

Currently one FRS in the region has satellite navigation available via their MDT which has a 'follow me' capability showing the best route.

Caller Location Technology
Within the control room environment technology advances will enhance the range of information available to control room operators.

The Enhanced Information Service for Emergency Calls (EISEC) provided by British Telecom and the Automatic Location Service for Emergency Calls (ALSEC) provided by Cable and Wireless technology allow the billing address of the phone from which an emergency call is being made to be displayed to the Control Room Operator, augmenting their professional call handling skills and speeding up the task of confirming the caller's location. The technology can also be used to locate the whereabouts of a mobile phone caller by identifying the network cell from which they are calling. This is particularly useful for when callers are reporting incidents on the road network and are unaware of their exact location, for example on the motorway. EISEC and ALSEC technology also assist in identifying hoax callers and reducing the number of times FRS resources are mobilised unnecessarily.

EISEC is currently available in three of the five existing control rooms and ALSEC in one. Caller location for mobile phone users is available in two FRS in the region.

Integration with Back Office IT Systems
In some FRSs the data generated by the control room solution feeds automatically into back office systems, for example training records and Fire Safety recording systems, via an electronic interface. Through the provision of further interfaces the data generated in the RCC will be able to be used to update and inform FRS back office systems.

All five FRSs in the region currently have some integration of their IT systems although the extent of this varies widely from near full integration to a very limited scope.

Provision of Live Incident Data
The live incident and resource information provided in the RCC will be available in the FRS for managers to view to inform resource management decisions during major incidents or at times of high incident volumes for example. This will be provided at a computer terminal in an FRS location, typically the HQ. Consideration is being given to this information being made available via a web browser allowing it to be viewed at any computer connected to the internet via a secure access portal.

Live incident data is currently available in two of the five FRSs in the region.

Table 5:

Technology	Staffordshire	West Midlands	Shropshire	Warwickshire	Hereford & Worcester
Dynamic MDT	✗	✓	✓	✗	✗
Standalone MDT (live updates)	✗	n/a	n/a	✗	✓
AVLS	✗	✓	✓	✗	✗
Status messaging	✓	✓	✓	✗	✗
Satellite Navigation	✗	✗	✓	✗	✗
EISEC	✓	✓	✗	✓	✗
ALSEC	✗	✓	✗	✗	✗
GIS available in the Control Room	✓	✓	✓	✓	✓
GIS available in other FRS departments	✓	✓	✓	✗	✓
Full premise based gazetteer	✗	✗	✗	✗	✗
Integration of data to back office systems	Limited	✓	Limited	Limited	Limited
Live incident data available to all staff	✗	✓	✗	✗	✓

FiReControl and Firelink (digital radios and Mobile Data Terminal (MDT) hardware) will provide the region with the full range of technology listed above. All appliances will be equipped with an MDT which will be able to provide crews with information on-board the appliance about the incident location, incident type and information regarding risks, building plans and chemical hazards associated with the incident. MDTs will also help direct crews to the incident knowing where the appliance is in relation to the incident and showing the route/directions on a mapping system.

In the RCC proven technology will be used by the operators. This will include a gazetteer covering all premises, road and landmark locations with tools for searching and matching, caller location services to assist in identifying where a caller is located and real-time appliance location information to determine the nearest available resource.

The RCCs will also provide staff with a modern, ergonomically designed working environment. Full separate male and female sanitary and shower facilities are provided and locker rooms for personal effects. Catering facilities are available and it will be a decision for the RCC Company as to how extensive these are.

In the region four of the five control rooms have separate male and female sanitary facilities and three of five separate shower rooms. A canteen is available to staff in four of the five buildings however in some of these staff are not able to use them as they are in a remote part of the building or another part of the complex.

3.3 Providing an efficient service

The control rooms across the region currently have consistent levels of staffing throughout the 24 hour period. Due to activity levels in the control rooms not being consistent throughout the 24 hour period staff carry out a number of 'non-core' activities during periods of low operational activity.

Table 6: Current Staffing Levels					
Authority	**Firefighter (Control)/ Control Room Operator**	**Crew Manager**	**Watch Manager**	**Station Manager**	**Group Fire Control Officer/ Principal Fire Control Officer**
Stoke-on-Trent and Staffordshire	17	8	4	2	0
West Midlands	36	12	14	1	3
Shropshire	10	4	4	1	0
Warwickshire	9	4	4	1	0
Hereford and Worcester	16	4	4	1	0

There are a number of additional staff members across the region working in areas including training and data management. The introduction of RCCs will allow capacity to be better matched to operational demand. However, the work of the RCC will be focused on 'core' activity and out of scope activities will remain at FRS level. Work is currently underway in the region to assess the impact of these activities and the potential for any regional collaboration in the delivery of those activities.

Matching capacity to business demand will involve changes to staffing levels, processes and working arrangements eg changes to shift patterns, however this will ultimately be for the Local Authority Controlled Company to decide how this will be taken forward.

Table 7: West Midlands baseline staff numbers produced by the staffing model					
	Operations managers	**Team leaders**	**Resource team leaders**	**Control room operators**	**Total**
Steady state	6	13	6	45	70

It is important to note that these figures are derived from the Communities and Local Government staffing model work and represent the number used to inform the Regional Case. The final decision on staff numbers was taken by the board of directors of the company established to operate the RCC in May 2008.

4 Implementation Costs/Funding

New Burdens funding for the West Midlands

Government is committed to ensuring NewBurdens falling on local authorities are fully funded. This commitment is called the New Burdens Doctrine. The principle for calculating new burdens (which applies across government) is that central government will cover the net additional costs to local government generally arising from the provision of its policy objective – those costs over and above what would normally have been spent to deliver the service – and take into account any additional income or savings.

Communities and Local Government provide New Burdens funding to Local Authorities for implementation of the FiReControl Project as it is recognised that much of the delivery effort and costs fall at a local and regional level.

Since the beginning of financial year 2005-06 up to the close of financial year 2007-08 the West Midlands region has received a total of £2.6 million in New Burdens funding to assist in the delivery of the Project. A further £6.6 million has been allocated for this purpose in financial years 2008-09 to 2010-11. Table 8 below provides a breakdown by Fire and Rescue Authority (FRA) and by year of these amounts.

Table 8:

Authority	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	Totals per FRS
Stoke on Trent & Staffordshire Fire Authority	£13,678	£52,986	£331,031	£158,803	£94,468	£0	**£650,966**
West Midlands Fire and Rescue Authority	£9,965	£52,986	£484,746	£370,543	£229,651	£0	**£1,147,891**
Shropshire and Wrekin Fire Authority	£11,000	£52,986	£269,128	£143,216	£102,721	£51,092	**£630,143**
Hereford & Worcester Fire Authority	£11,892	£52,986	£319,276	£122,805	£83,246	£162,964	**£753,169**
Warwickshire County Council	£10,553	£52,986	£256,054	£142,717	£100,772	£57,798	**£620,880**
Totals per year	**£57,088**	**£264,930**	**£1,660,235**	**£938,084**	**£610,400**	**£272,312**	**£3,803,049**

Regional/Company Funding (paid to nominated lead authority)	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	Total
West Midlands	£142,199	£135,832	£301,051	£2,030,136	£2,271,028	£461,853	**£5,342,099**

Not all of the funding has yet been allocated for FY 2008-09 to FY 2010-11.

5 Ongoing Costs and Savings

In the West Midlands region it currently costs £6.7m per annum to run all of the FRS control rooms. The total annual cost of running the new RCC is estimated to be £7.4m per annum. This represents a net additional cost of £0.7m per annum. Communities and Local Government will fund a resilience payment to cover this cost, this will be reviewed after three years.

This assessment represents an 'early years' position in the sense that it is expected that reductions to net costs are achievable during steady state when the RCC has been operating for a few years. For example, it is expected that some additional efficiencies and/or revenue generating opportunities are likely to develop.

Assessment of Current Costs

The assessment of current costs was informed by FRAs' returns to Communities and Local Government which captured the total full costs of running existing control rooms. These have been verified by an independent third party accounting firm to provide a formal return from each FRA. The returns need to be adjusted in two ways to present a complete and consistent picture.

Firstly it is necessary to include an amount for ongoing maintaining and updating of existing IT. This recognises that FRAs incur costs for refreshing their existing IT infrastructure. Whilst these costs may have diminished in recent years with the knowledge that FiReControl will be implemented it is fair and reasonable to include an amount which represents the true cost were FiReControl not to have happened. The method for calculating this amount was agreed with the FiReControl Finance Working Group.

Secondly, it is recognised that some of the reported costs cannot be counted as savings and it would be inappropriate to offset them against future RCC running costs as the costs. For example, Ordnance Survey licences purchased on behalf of FRAs will still be required by FRSs after the move to the new RCCs.

Assessment of Future Costs

Future costs can be grouped into three core elements – staffing, accommodation and other costs, the assessment of these has been informed by the staffing model, known contract costs and assumptions developed with professional working groups. A Business Case Assumptions Review

Group was set up earlier this year to review the key assumptions. This group was chaired by the LGA senior user, and also included FRS principal officers, FRA treasurers, lawyers and human resources professionals. The aim was to provide stakeholders with visibility of the Business Case assumptions and an understanding of how the RCC running costs have been calculated. Some of the assumptions were modified as a result of this process.

WM RCC Costs

Other, £2.3m

Staff, £3.0m

Accommodation, £2.1m
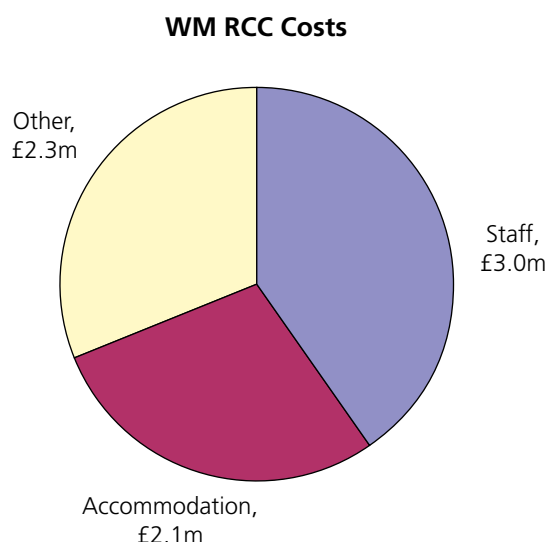
Staffing

The LACC will have most influence over its staffing costs. The costs indicated in the pie chart are informed by the indicative staffing model which is based upon prudent national assumptions and has been through an extensive review and communication exercise. It should be noted that the staffing model was constructed to provide indicative staff numbers for each RCC in steady-state. The numbers it generates are indicative and do not necessarily reflect decisions to be made by the LACC Companies which will employ RCC staff.

Accommodation

The accommodation costs are largely fixed by contractual payments that will need to be made to the landlord and the facilities management provider. As such these are costs that are known with a reasonable level of certainty. There may, however, be opportunities for LACC's to pursue income generation opportunities to offset accommodation costs. Subject to security considerations and lease conditions the RCCs could prove suitable venues for hosting of other public services/functions, either on an ad hoc or ongoing basis. To present a prudent estimate these revenue generating opportunities are not included in the costs indicated in the pie chart.

Other costs

These are predominantly IT costs but also include elements such as Group Services and data management.

Communities and Local Government are going to consult on how these costs are shared. The preferred mechanism is sharing costs on the basis of proportion of Council Tax base and this is the basis of the figures presented here.

Intra-regional cost apportionment
The mechanism to be applied for apportioning costs of running the RCC within a region is a matter for the region to decide through their Regional Management Board.

6 Regional Delivery Capability

The West Midlands region has a comprehensive project management and delivery structure designed to ensure appropriate governance, decision making and consultation processes can operate.

The RCC will be run by the Local Authority Controlled Company – West Midlands Fire and Rescue Services Regional Control Centre Limited, which has a board of five directors. The directors are all Fire and Rescue Authority members with each of the five authorities represented. The company has a number of professional advisors to provide guidance on legal, human resource, facilities management and finance issues.

The RCC will be managed on a day to day basis by the Regional Control Centre Director (Chief Executive) who took up the post in early 2008.

The Programme Board of the Regional Management Board in the West Midlands oversees regionally undertaken project work and has established a Regional Project Board (RPB) to ensure delivery of the FiReControl project. The Senior Responsible Owner (SRO) is an elected member from one of the constituent Fire and Rescue Authorities and RPB is chaired by the Regional Project Director. Each FRS is represented on the board by a principal officer. The regional representatives to the national working groups covering HR, legal, and finance issues also attend. Representative bodies are members of the RPB as is Community and Local Government's regional representative.

The work to be undertaken at a regional level to prepare for the RCC to operate is led by the Regional Project Manager (RPM). The RPM also chairs the Regional Project Team at which each FRS is represented by a Communities and Local Government funded FiReControl coordinator employed by their respective FRS. Communities and Local Government are also represented at this meeting as are EADS, the contractor for delivery of the RCC technology systems.

The FRS coordinator is responsible for ensuring all activities required to be carried out at a FRS to prepare for cutover are completed on time and to the appropriate standard.

Each FRS has established a rollout board to coordinate, distribute and monitor the work required to be carried out.
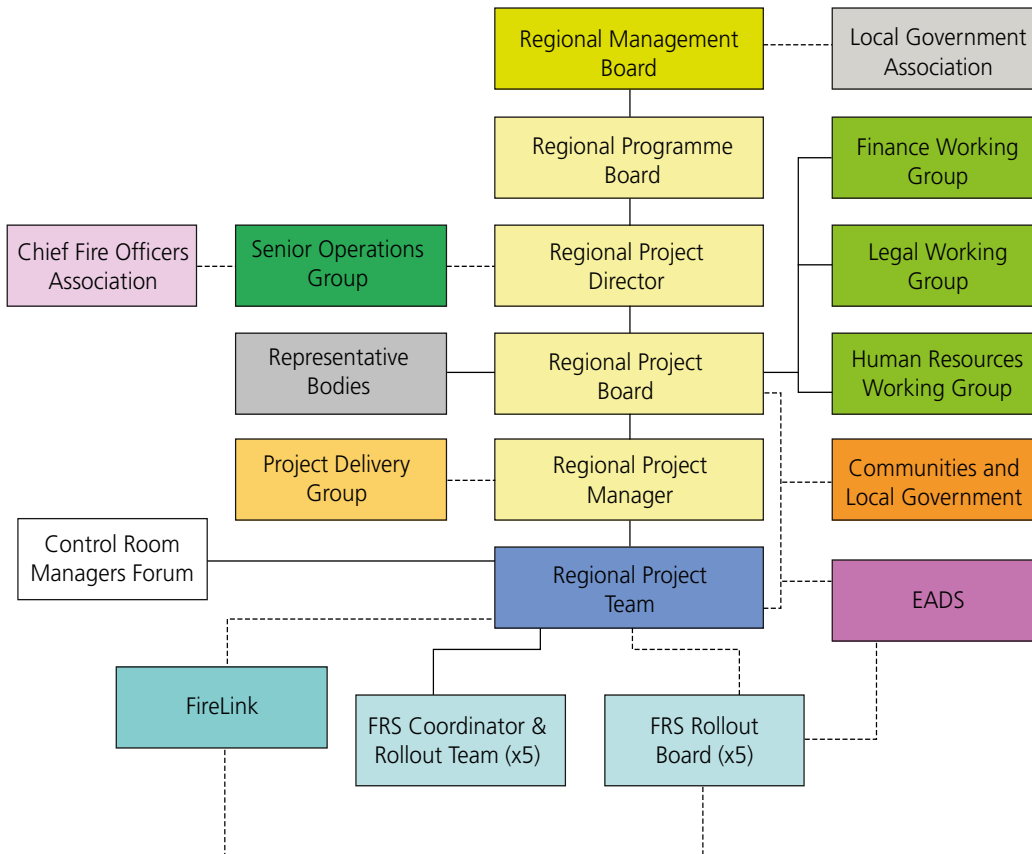
The activities that are to be undertaken by regions and FRSs are maintained in a FiReControl generic Transition Plan which is adapted for regional and local needs.

This delivery structure is represented below in diagrammatic form.

Figure 3

Organisational Chart 1
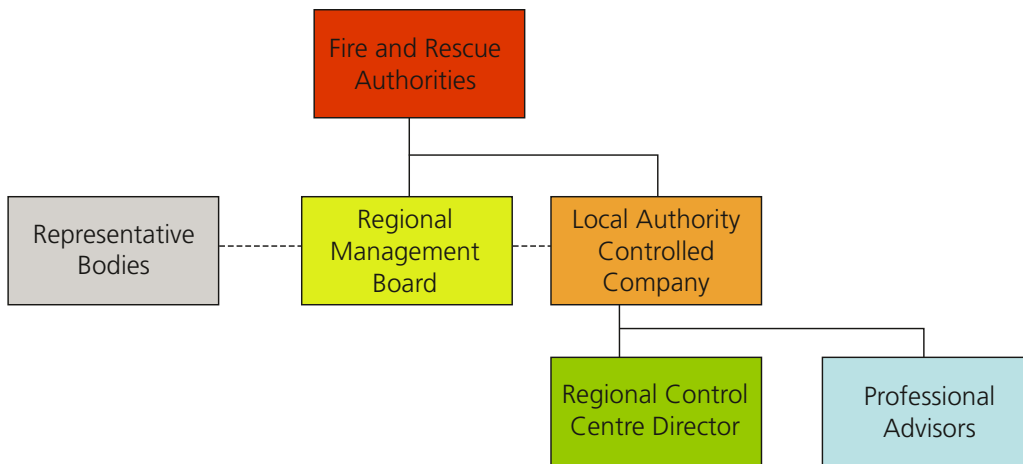
Figure 4

Organisational Charrt 2

6.1 Transition and Cutover

The region and its constituent FRSs are following a Transition Plan that has been developed from the generic plan produced by Communities and Local Government. The plan lists the activities that need to be completed to prepare for cutover into the RCC and Communities and Local Government provide criteria that constitute success in each of these.

Within the Transition Plan are the dates for a number of Checkpoints and Gateways that must be successfully passed in advance of cut-over. The diagram below shows the timeline for these for the West Midlands region and its constituent authorities and indicates the order in which the FRSs will cutover into the RCC network.

Staffordshire and the region are working to Batch 1 timelines (October 2009) to provide contingency should any of the nominated batch 1 FRSs and/or regions be unable to complete preparations in time. The cutover date below, however, shows the intended cutover at batch 2.

Table 9: Transition Timeline for the West Midlands Region

	Batch No	04/10/2007	04/04/2008	05/04/2008	15/09/2008	05/10/2008	17/11/2008	12/01/2009	06/03/2009	15/03/2009	05/04/2009	17/05/2009	05/07/2009	12/07/2009	06/09/2009	15/09/2009	21/09/2009	05/10/2009	17/11/2009	15/12/2009	12/01/2010	17/02/2010	01/03/2010	06/03/2010	15/03/2010	14/04/2010	03/05/2010	17/05/2010	06/06/2010	28/06/2010	12/07/2010	23/08/2010	06/09/2010
West Midlands Region	1	C1	C2	G1		G2					G3		G4				G5	Go Live															
Staffordshire	1	C1	C2	G1		G2					G3		G4				G5	Go Live															
West Midlands	3	C1	C2		G1					G2						G3				G4			G5		Cutover								
Shropshire	4	C1	C2				G1					G2							G3			G4					G5	Cutover					
Warwickshire	5	C1	C2					G1						G2							G3					G4				G5	Cutover		
Hereford & Worcester	6	C1	C2						G1						G2									G3					G4			G5	Cutover

This table shows the transition plan dates to which the region and constituent FRAs are working, including the batch 1 contingency plan for Stoke-on-Trent and Staffordshire and the region. The table on the following page shows the intended cutover dates should the contingency plan prove unnecessary.

The scheduled cut-over dates in respect of each FRS are listed in Table 9 above, these are accurate as at the date of publication.

Taking an extract from this table the proposed cutover dates for West Midlands region based on current planning assumptions are as follows[3]:

Table 10:		
Authority	**Batch Number**	**Date**
Stoke-on-Trent and Staffordshire	2	January 2010
West Midlands	3	March 2010
Shropshire	4	May 2010
Warwickshire	5	July 2010
Hereford and Worcester	6	September 2010

[3] The scheduled cut-over dates in respect of each FRS are listed in Table 9 above, these are accurate as at the date of publication

Further Information

The full FiReControl Business Case is available on the Communities and Local Government website. **www.communities.gov.uk/firecontrol**

Regional annexes of the FiReControl Business Case are available for the nine government regions.

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July 2008

Reference number : 08FR05356/WM

ISBN 978 – 1 – 4098 – 0107 – 8