

**MEETING: 19 JULY 2010**

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**SUBJECT: REGIONAL FIRE CONTROL - UPDATE**

**JOINT REPORT OF THE CHIEF FIRE OFFICER, FINANCE OFFICER AND THE CLERK TO THE AUTHORITY**

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## **1 INTRODUCTION**

1.1 This report provides Members with an update in respect of developments in the FiReControl project and the Regional Control Centre (RCC) in the North East for consideration of members.

## **2 RECENT PROJECT DEVELOPMENTS**

### **2.1 Select Committee, National Audit Office and Audit Commission Reviews**

2.1.1 The Communities and Local Government (CLG) Parliamentary Select Committee hearing and National Audit Office enquiry into the FiReControl project have now taken place. The National Audit Office enquiry preceded the Select Committee hearing that took place on Monday 8 February 2010.

2.1.2 The final report from the Select Committee was published on 1 April 2010. The report is generally critical of the way in which CLG has dealt with the project overall and highlights past shortcomings in project management and a lack of appropriate consultation Fire and Rescue Authorities. The report also expresses concern at the apparent adversarial relationship that has developed between CLG and EADS, the prime contractor.

2.1.3 Nevertheless, the Select Committee report recommends that, given the levels of public funding invested so far and the benefits it will accrue plus the additional cost of cancelling it, the project continues and is not cancelled. Members are advised that this recommendation is based upon the costs available at the time, i.e. January 2010.

2.1.4 However, the above recommendation is conditional on a number of points:

- CLG addresses significant concerns and issues in the report relating to national project management;
- CLG addresses significant concerns and issues in the report relating to its relationship with its main contractor and stakeholders;
- CLG urgently reaches agreement with EADS on a viable project plan, in which the main stakeholders have confidence and ensures that the target go-live date of mid 2011 will be met.

- 2.1.5 The National Audit Office's review, as previously reported, has been considered by the Select Committee and informed their deliberations and recommendations as indicated above.
- 2.1.6 In the North East the Audit Commission has also undertaken a further round of independent assurance on the project progress with the region. Nationally there has not been a further Gateway milestone so the focus of the report was on specific activities including regional project planning. The main conclusion in the report acknowledges that delays to the project nationally remain the most significant issue. At a local level the project is well managed and significant work has been progressed that will support RCC implementation and inform go live decisions.
- 2.1.7 Copies of all the reports are available at the request of Members.

### **2.2 Speech by Fire Minister Bob Neill to the Fire and Rescue Conference, Harrogate on Tuesday 29 June 2010**

- 2.2.1 The Fire Minister Bob Neill MP gave his first major speech at the Fire and Rescue 2010 Conference in Harrogate on 29 June 2010 on fire and resilience policy.
- 2.2.2 The overall key message is that Ministers remain convinced that the basic concepts of the FiReControl project are still sound; a resilient national network of control centres, delivering modernisation and efficiencies. The Minister further stated that control rooms and Fire and Rescue Services should be able to work together across the country with modern shared technology.
- 2.2.3 Members will be aware that the Government has a contract with EADS to deliver the system. The Minister's speech focused on three key principles for contract delivery, placing the responsibility firmly on EADS to deliver the main system but in doing so this must be on time, to cost and to the quality standard expected by the Fire and Rescue Service. The Minister stated that EADS must honour their commitment to delivering the main system to the quality standards expected, fulfilling the promise to Fire and Rescue Services to deliver a system that is as good as they currently enjoy if not better.
- 2.2.4 Due to the complexity of the project the Minister plans to carefully review FiReControl before providing clear future direction on the project, committing to put the project onto a sound and stable footing, once the review is completed.

### **2.3 Contractual Agreements between Local Authority Controlled Companies (LACC) and Communities and Local Government (CLG)**

- 2.3.1 Following the conclusion of the consultation exercise on 5 March 2010, CLG have confirmed their intent to release the full suite of documentation that will constitute the formal contracts between the LACC and central government and between the LACC and FRA. The documents require clarification by stakeholders in the region, between June and September. CLG's legal advisors Denton Wilde have drafted the contracts, with support from the Legal Working Group. It should be noted that whilst fire and rescue authorities are represented

## **PREVENTING PROTECTING RESPONDING**

in this forum through the regional legal advisor this does not constitute any formal approval of the contracts or representation of the Authority.

- 2.3.2 The documents will be vetted carefully by Sunderland Council's Legal Department, but it is anticipated there will be little room for negotiation of the terms of the contracts between the LACC and the individual fire authorities, since these will of necessity, need to reflect the arrangements that central government imposes upon the LACC.

### **2.4 High Level Activity Schedule**

- 2.4.1 Delivery of the FiReControl project is based upon key tasks that are set out in the High Level Activity Schedule (HLAS). This plan details how CLG expect to deliver the project and it is the primary tool used by the regional project teams to plan and deliver the work required to support cut-over.
- 2.4.2 During March 2010, regional teams, including representatives from the local authority controlled companies (LACC), were engaged with CLG as part of an impact assessment following the change of main system sub-contractor. This assessment also formed part of the schedule update exercise previously carried out during the spring of 2009. However, until the full impact of the Minister's speech is considered it is not possible to determine whether there is to be any change to the go live dates for this Authority. The Chief Fire Officer can confirm however that the Authority will not go-live before July 2011.

### **2.5 Primary Mobilising and Resource Management System (MARMS) - Concerns regarding EADS Quality Assurance and Testing Process**

- 2.5.1 Members are reminded that during the autumn 2009 CLG announced that the main system contractor, EADS, had appointed Intergraph as the suppliers of the MARMS, terminating their existing contract with the supplier, Ericsson.
- 2.5.2 Members will also be aware that the MARMS is the critical element within the overall solution for Regional Control Centres. Without a fully functioning MARMS the operations at RCC will not be able to commence. The lack of demonstrable progress in this area since the announcement of a new sub-contractor continues to impact in all key areas of the project nationally and regionally.
- 2.5.3 The Chief Fire Officer continues to have concerns regarding the assurance and testing of the MRMS. Reports presented to the FiReControl Local and Regional Delivery Group and the FiReControl Project Assurance Board indicate that a limited number main system deliverables have been assured for compliance with the project requirements. This lack of assurance presents significant risks to the project.
- 2.5.4 The Chief Fire Officer has, through representation on both groups, expressed concerns regarding current progress and the risks presented to both the project and this Authority should the delivery date fail to be met. Members will receive further reports as the situation develops.

## **2.6 Human Resources and Staff Consultation**

- 2.6.1 Staff transfer consultation is making good progress and agreement has been reached in a number of critical areas. Shift systems and leave arrangements are still being discussed and agreement in these areas is expected soon.
- 2.6.2 Members may recall that during May and June 2009 initial staff workshops were held at the Regional Control Centre (RCC), Belmont. As agreement has been reached regarding critical aspects of the staff transfer the Regional Joint Consultation Committee (RJCC) has decided to hold a series of further staff workshops at which all affected staff can be informed of progress to-date. These workshops supplement the excellent consultation process that is in place through the RJCC and is a good example of the additional steps taken to ensure staff are fully consulted regarding potential changes.

## **3 EQUALITY AND FAIRNESS IMPLICATIONS**

- 3.1 There are no Equality and Diversity implications associated with the specific content of this report.

## **4 HEALTH AND SAFETY IMPLICATIONS**

- 4.1 There are no Health and Safety implications in respect of this report.

## **5 RISK MANAGEMENT IMPLICATIONS**

- 5.1 A risk register is maintained in respect of the project and it is updated on a regular basis. As will be apparent from the content of this report there are risks associated with the project but at present they do not threaten actual local service delivery within Tyne and Wear at this stage. Nevertheless risks associated with this project are kept under regular review by the Chief Fire Officer and will be subject to further reports.

## **6 FINANCIAL IMPLICATIONS**

- 6.1 CLG has confirmed funding allocations for the FiReControl project for 2010/11 with the release of Fire and Rescue Service Circular 21/2010. The circular shows an increase in funding for Fire and Rescue Services in the first wave regions. Whilst the circular confirms funding allocation for the next twelve months CLG have only released payments for the first six months, whilst awaiting the outcome of any budget announcements. If the second phase of payment is reduced or not forthcoming at all then the project resources would have to be adjusted accordingly. Funding for 2010/11 in the North East region totals £2,414,986 and this includes £966,152 for the initial staff pool. The table below shows the allocation for the region and by Service:

FRS	2010/11	
	6 Months (£)	Full Year (£)
Region	82,823	163,646
Tyne and Wear	210,014	420,029
Durham and Darlington	179,662	359,325
Cleveland	118,958	237,917
Northumberland	118,958	237,917
Initial Staff Pool	498,076	996,152

## 7 RECOMMENDATIONS

7.1 The Authority is requested to:

- a) Consider and comment upon the content of the report;
- b) Receive further reports as appropriate.

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## BACKGROUND PAPERS

The under mentioned Background Papers refer to the subject matter of this report;

- Report into Communities and Local Government (CLG) Parliamentary Select Committee hearing into the FiReControl Project 1 April 2010.
- National Audit Office – Report of the findings of the FiReControl Enquiry January 2010.
- Extract from the Speech by Fire Minister Bob Neill to the Fire and Rescue Conference, Harrogate on Tuesday 29 June 2010;
- Fire and Rescue Service Circular 21/2010 - FiReControl Implementation Funding 2010-11

