

MEETING: 23 NOVEMBER 2009

**SUBJECT: FIRE AND RESCUE SERVICE CIRCULAR 54/2009 - FIRELINK
MANAGED SERVICE FEES**

JOINT REPORT OF THE CHIEF FIRE OFFICER AND CLERK TO THE AUTHORITY

1 INTRODUCTION

1.1 This report provides the Authority with a précis of the contents of Fire Service Circular (FSC) 54/2009 which deals with the financial principles that the department for Communities and Local Government (CLG) wish to apply in respect of charging Fire and Rescue Authorities for the use of the Firelink radio system and highlights the potential for additional costs to fall on the Authority that may not be covered by the New Burdens principle.

2 BACKGROUND

2.1 Members will be aware of the work that has been undertaken by Airwave Solutions Ltd to install a national wide area radio system commonly known as Firelink. A key part of the New Dimensions resilience programme, the radio system is intended to provide Fire and Rescue Services with resilient radio communications that will enable secure interoperability between all of the emergency services.

2.2 The Firelink radio system is considerably more sophisticated than the radio networks originally employed by individual fire and rescue services and, as a result, the radio is considerably more expensive to operate. However, CLG have stated on several occasions that any net costs falling on Authorities that are above those costs incurred in operating their original radio networks would be covered under the New Burdens principle.

2.3 To this end, FSC 54/2009, which was published on 14 September 2009, contains an update regarding the position CLG have taken concerning the ongoing financial support in respect of the managed service fees relating to the Firelink system.

2.4 The Circular confirms CLG's position that "the New Burden will be calculated by comparing the difference between the Airwave service costs and the operational costs of existing wide area radio systems and associated costs which FRAs would expect anyway in relation to wide area communication systems".

2.5 The Circular also confirms that the payments that Authorities must make to Airwave Solutions Ltd for the use of the network will commence from July 2010, which was the FiReControl cut-over date prior to the recent Ministerial re-scheduling announcement. This announcement has moved the date back to May 2011 for the North East.

- 2.6 Following feedback from previous Circulars, CLG have confirmed that payments are to be made through a Section 31 grant and also sets out the indicative amount that Authorities can expect to receive to meet the additional costs of using the radio system. This funding amounts to £143,000 for 2010/11, £191,000 for 2011/12 and £191,000 for 2012/13.
- 2.2 Whilst this funding appears significant there is a concern that it will not be sufficient, when added to budget provision for the existing radio system, to cover the Authority's share of the full operating costs of the Airwave system. The Authority has provided detailed budget information to CLG and its advisors in relation to the running costs of the existing radio system, and these have been externally verified. It is unclear, however, how the level of grant applicable to this Authority has been determined, and clarification is being requested from CLG.
- 2.3 Furthermore, the charging procedure proposed by CLG would involve invoicing at a regional level, via the Local Authority Controlled Company (LACC), with the apportionment of costs to individual Authority level, being a matter for local determination. The Government's fallback position for allocating costs at the regional and local level is Council Tax Base, however, it may be more appropriate to allocate costs based on the fixed infrastructure of the system, the number of radios, the radio traffic levels or a combination of these factors. The Circular notes that more detailed information could be supplied as part of the invoicing process to help the apportionment process and it is the opinion of the Chief Fire Officer that such information is essential and should be supplied as a matter of course.
- 2.9 A further issue has emerged is in relation to the anticipated radio traffic levels that were identified for each FRS when Firelink was fully operational. With the radio system now functioning across this and the other Fire and Rescue Services, it is apparent that radio traffic on the system is well above that which was predicted for most Authorities and, as currently envisaged, the additional cost of this increased traffic will fall to individual Authorities to meet. Whilst it is not possible to estimate an accurate increased cost for this at present, early indications are that this cost, combined with the funding gap identified above, could be substantial.
- 2.10 Accordingly, it is proposed that the Chief Fire Officer, in consultation with the Finance Officer, writes to CLG to highlight this fact and to register the Authority's concern in respect of the potential additional costs and request that CLG review the baseline radio traffic levels set for Firelink with a view to meeting in full resultant New Burden costs.

3 RISK MANAGEMENT

- 3.1 A risk assessment has been undertaken to ensure that the risk to the Authority has been minimised as far as practicable. The assessment has considered an appropriate balance between risk and control; the realisation of efficiencies; the most appropriate use of limited resources; and a comprehensive evaluation of

the benefits. The risk to the authority has been assessed as medium utilising the standard risk matrix based on control measures being in place. The complete risk assessment is available on request from the Chief Fire Officer.

4 EQUALITY AND FAIRNESS IMPLICATIONS

4.1 There are no equality and fairness implications in respect of this report.

5 HEALTH AND SAFETY IMPLICATIONS

5.1 There are no health and safety implications in respect of this report.

6 RECOMMENDATIONS

6.1 The Authority is recommended to:

- a) Consider the content of this report ;
- b) Approve that the Chief Fire Officer and the Finance Officer write to CLG to voice the Authority's concern regarding Firelink managed service fees;
- c) Receive further reports as appropriate.

BACKGROUND PAPERS

The under mentioned Background Papers refer to the subject matter of the above report:

- Fire and Rescue Service Circular 54/2009 – Firelink Managed Service Fees
- Hansard transcript HC 872-i questions – House of Commons: ODPM Housing, Planning, Local Government and the Regions Committee, The Fire and Rescue Service, Session 2005-06, Volume II – Oral and Written Evidence

