

MEETING: 20 DECEMBER 2010

SUBJECT: REGIONAL FIRE CONTROL - UPDATE

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

1 INTRODUCTION

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

2 RECENT PROJECT DEVELOPMENTS

- 2.1 There continues to be a substantial amount of uncertainty with regard to the status of the project at the present time due to the contractual impasse between the department for Communities and Local Government (DCLG) and the main contractor, Cassidian (formally known as EADS).
- 2.2 In November 2010, CLG placed Cassidian 'in material breach' of the contract for the FiReControl project. It is understood that Cassidian has 20 days within which to respond to this breach, the deadline being early December 2010. It is anticipated that any response must include a schedule with timescales for delivery of the solution, the solution design and the approach to delivering the project as contracted. It is also envisaged that the response must meet the Ministerial requirements of time, cost and quality.
- 2.3 DCLG issued a short briefing about the contractual breach in late November as replicated below for the information of Members: (Note that DCLG do not recognise the name 'Cassidian' and still refer to the contractor as EADS).
- **What does EADS need to do in the next 20 days?**
They need to remedy the breaches that we have identified to them and make demonstrable progress on the project as specified in commercial exchanges.
 - **What will be your next step after 20 days?**
That will depend on the response from EADS and we will assess the position then. EADS is required to remedy the situation and deliver the FiReControl system to time, cost and quality. Our aim is to give operational certainty to the Fire and Rescue Service, and financial certainty to the taxpayer.

- **Should we carry on business as usual? If so, why?**

Yes – the project and contract continue. EADS need to remedy the breaches identified within the timescale. The fact that CLG considers it necessary to issue a breach letter is important but it does not mean that the project is coming to an end.

2.4 There are likely to be one of three possible outcomes in response to the breach of contract, as follows:

- **No formal response received** - Cassidian, for whatever reason, do not respond to DCLG within the required timescales and therefore no remedial proposal is tabled. Should this circumstance be realised there is every possibility that the project will be cancelled.
- **Formal response issued that fully meets all requirements** – Should a formal response be received that includes a schedule with timescales for delivery of the solution, the solution design, their approach to delivering the project as contracted and an acceptable compensation package then it is likely that the project will continue through to delivery. In this instance the Chief Fire Officer will liaise with DCLG in respect of agreeing a ‘go live’ date for the Authority. Members are advised that given the current state of the project and the outstanding workloads, the earliest likely ‘go live’ date is mid to late 2012.
- **Formal response issued that does not fully meet all requirements** – In this case DCLG would need to evaluate the response and make a judgement on Cassidian’s ability to deliver the project including an understanding of timescales and additional costs. It is likely that no announcement would be made until a full evaluation has taken place sometime in the New Year. This, once again, would leave fire and rescue authorities in a longer period of further uncertainty.

2.5 Regardless of the outcome the final decision will rest with the Minister and it is expected that an announcement will be made in the House once that decision has been determined.

3 **CONTRACTUAL AGREEMENTS BETWEEN LOCAL AUTHORITY CONTROLLED COMPANIES (LACC) AND COMMUNITIES AND LOCAL GOVERNMENT (CLG)**

3.1 The above documents have been reviewed by lawyers and the legal adviser to the project board, with a formal response from the NE region submitted to DCLG on the 20th October. Members are advised that without a ‘go live’ date it is not possible to determine when these contracts will require a formal signature.

- 3.2 Notwithstanding this, without a visible main system and a project plan that has the potential to deliver the Chief Fire Officer is unlikely to recommend formal acceptance of any contract. The contract negotiation stage is envisaged to be a lengthy and complex process, and there are concerns that the first stage of the process, the “clarification period” does not allow sufficient time for the review of the contracts as the deadline of September 2010 has now passed and is clearly not realistic.

4 PRIMARY MOBILISING AND RESOURCE MANAGEMENT SYSTEM - CONCERNS REGARDING EADS QUALITY ASSURANCE AND TESTING PROCESS

- 4.1 There has been little to no visible movement with regard to the development of the main system and associated sub systems. The Mobilising and Resource Management System (MRMS) is the critical element within the overall project, for without such a fully functioning system the operations at RCC will not be able to commence. The lack of demonstrable progress in this area is impacting in all key areas of the project nationally and regionally.
- 4.2 The Chief Fire Officer also continues to have concerns with regard to the assurance and testing of the MARMS. Reports presented to the FiReControl Local and Regional Delivery Group and the FiReControl Project Assurance Board indicate that only a limited number of the main system deliverables have been assured for compliance with the project requirements. This lack of assurance obviously presents risks to the project.

5 HUMAN RESOURCES AND STAFF CONSULTATION

- 5.1 It is pleasing to report that the LACC and the Fire Brigades Union have now signed a comprehensive recognition agreement which places the majority of staffing issues on a firm footing.
- 5.2 All remaining staffing issues have not been advanced whilst the outcome of the contractual impasse is made known. Once again of concern is the fact that there is currently no go-live date which makes the human resource aspects of this project extremely difficult to plan.

6 EQUALITY AND FAIRNESS IMPLICATIONS

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

7 HEALTH AND SAFETY IMPLICATIONS

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

8 RISK MANAGEMENT IMPLICATIONS

- 8.1 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 significant risks associated with the project but at present they do not threaten actual local service delivery within Tyne and Wear at this stage. Nevertheless, these risks are kept under regular review by the Chief Fire Officer and will be subject to further reports.

9 FINANCIAL IMPLICATIONS

- 9.1 DCLG has confirmed funding allocations for the FiReControl project for the remainder of 2010/11 with funding being released on a month by month basis. All costs associated with this project are currently being met by this funding in line with DCLG's statement that this project will not cost fire and rescue authorities more than they are paying for their existing command and control functions. In the New Year an updated Bulletin is expected to detail when and how funds for 2011/12 are to be released.
- 9.2 However, this lack of funding visibility and the fact that funds are only being deposited on a monthly basis present concerns, not least of which is the need to maintain the initial staffing pool resources. In addition, without confirmation of the actual amount of funding, planning resources allocations for the next year is not possible and presents a potential that staff may have to be returned to their original posts within this Service rather than continue to deliver the project.

10 RECOMMENDATIONS

- 10.1 The Authority is requested to:
- a) Consider and comment upon the content of the report;
 - b) Receive further reports as appropriate.

BACKGROUND PAPERS

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

- Extract from Hansard 1st November 2010
- Fire and Rescue Service Circular 21/2010 - FiReControl Implementation Funding 2010-11