



House of Commons  
Communities and Local  
Government Committee

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**FiReControl**

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**Fifth Report of Session 2009–10**

EMBARGOED until 0.01hrs 1/4/2010





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*Report, together with formal minutes, oral and  
written evidence*

*Ordered by the House of Commons  
to be printed 16 March 2010*

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## Communities and Local Government Committee

The Communities and Local Government Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Communities and Local Government and its associated bodies.

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The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at [www.parliament.uk/clgcom](http://www.parliament.uk/clgcom).

### Committee staff

The current staff of the Committee are Huw Yardley (Clerk of the Committee), Sarah Ioannou (Second Clerk), Josephine Willows (Inquiry Manager), Emma Gordon (Committee Specialist), Lorna Horton (Senior Committee Assistant), Nicola McCoy (Committee Assistant), Stewart McIlvenna (Committee Support Assistant), and Hannah Pearce (Select Committee Media Officer).

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## Acronyms/Glossary

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**AVLS** – Automatic Vehicle Location System, a Global Positioning System transmitter that shows the exact location of each fire appliance in England (to be supplied by EADS)

**DCMT1** – initial data collection toolkit, which identifies what FRS address data is contained within NLPG (to be supplied by EADS)

**DCMT2** – a more complicated data collection toolkit, which combines the FRS address data with the NLPG (to be supplied by EADS)

**EADS** – European Aeronautic Defence and Space Company; the main contractor for the IT component of FiReControl.

**Fire and Resilience Programme** – the CLG-led programme reforming the Fire and Rescue Service, overseeing New Dimension, Firelink and FiReControl.

**Fire Control Sounding Board** – employee representative body that considers all aspects of the FireControl project.

**FiReControl** – a CLG-led project to provide a resilient network of nine regional control centres in England, supporting the mobilisation of FRS equipment and personnel to incidents.

**Firelink** – a CLG-led project to upgrade each FRS's current main radio-communication system so that they can talk to each other and to ambulance and police services on the same secure network.

**FRA** – Fire and Rescue Authority; the legislative public and administrative body made up of civilians and councillors.

**FRS** – Fire and Rescue Service; the operational fire fighting body.

**FSMC** – the Local Government Association's Fire Services Management Committee.

**ICCS** – Integrated Communications Control System, telephony system, which is a component of the technical part of FiReControl (supplied by EADS).

**IRMP** – Integrated Risk Management Plan

**LACCs** – Local Authority Controlled Companies, made up of and owned by the former FRAs within the region. The LACC company directors are drawn from the FRAs. London does not have an LACC because the LFEPA (*see below*) will have responsibility for running the London RCC as a single authority. The FRAs retain the statutory duty to make arrangements for dealing with calls for help and for summoning personnel for the purpose of extinguishing fires and protecting life and property in the event of fire (under Section 7 of the Fire and Rescue Services Act 2004). The LACCs will be the service provider that will enable the FRAs to meet their legal duty. Three RCCs are already under lease to LACCs.

**LFEPA** – London Fire and Emergency Planning Authority (runs the London Fire Brigade and makes decisions on key matters, including strategy, policy and the Brigade's budget).

**Mobile Data Terminals (MDTs)** – terminals installed in individual fire appliances, allowing the transfer of simple messages and appliance status availability (supplied by EADS)

**MRMS** – Mobilisation and Resource Management System; a primary component of the technical part of FiReControl (supplied by EADS)

**New Dimension** – a CLG-led project to provide the fire and rescue service with equipment, procedures and training to respond to a range of threats, such as terrorist attacks and flooding.

**NLPG** – the National Land and Property Gazetteer; the first national address list database that provides the source of addresses and geographical location of properties across England and Wales, made up of the input of Local Land and Property Gazetteers (LLPGs), which are maintained by local authorities. FiReControl aims to utilise this database and many FRSs are switching to this database.

**OMD** – Officer mobile Devices (to be supplied by EADS)

**Practitioners' Forum** – a body comprised of stakeholders within the fire industry that provides advice to Government and Ministers on policy development.

**RCC** – Regional Control Centres (nine, one for each region and one for London).

**Regional Management Boards** – there are nine, one for each region, specific to the FRS.

**SEWs** – Solution Establishment Workshops, created in the summer of 2009. Workshops comprising of representatives from EADS, the FRS and CLG to address the issue of direct collaboration and stakeholder involvement.

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## Summary

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The primary purpose of the Fire and Rescue Service (FRS) is the prompt and efficient mobilisation of firefighters in response to a fire or other related incident, in order to save lives and protect property.

The aim of the FiReControl project is to enable this critical function to be carried out with greater speed, responsiveness and efficiency: it proposes to replace the existing 46 local FRS control rooms with nine purpose-built Regional Control Centres (RCCs). These centres will handle emergency 999 calls, mobilise resources and support the management of incidents, underpinned by a resilient network technology.

The FiReControl project is part of a key strategic objective of the Department for Communities and Local Government (CLG), but its current status is precarious. CLG and the main IT contractor, EADS, have had an adversarial relationship. They do not have a revised contract and there is no currently agreed project plan; until recently, there has been a lack of consultation and collaboration between CLG, EADS and those intimately involved in the Fire and Rescue Services (and some criticise the standard of the present consultation). Project management has been severely criticised, with a rapid turnover of crucial CLG and EADS senior staff. Since its inception, the costs of the project have escalated, and severe delays to the project mean that Fire and Rescue Authorities may now be expected to migrate to the new system at the very time that they should be concentrating on the high-profile safety concerns presented by the Olympic Games in 2012. The main representative bodies of the Fire and Rescue Service all have reservations about the project—many go further and have deep hostility—and fear that, as it is presently managed and designed, it will lead to a less efficient and less safe service.

The project has been beset by a lack of openness and collaboration with the main stakeholders from the start. If CLG had been more open from the start, many of the ensuing problems might not have occurred. This lack of openness has continued to the present, with CLG not allowing us to have sight of independent reviews of its management of the project—even in confidence—which implies a certain insecurity about its handling of the FiReControl project to date.

However, if CLG were to abandon the FiReControl project now, not only would all the claimed benefits of the project in terms of greater speed, responsiveness and efficiency be lost, but it would cost an extra £8 million more than if it were left to proceed. CLG is not quite at the point of no return, but it very soon will be. Our Report recommends that CLG should continue with the project, with renewed vigour, but this recommendation is conditional on CLG:

- resolving its contractual dispute with EADS and implementing a viable project plan;
- closely monitoring delivery of FiReControl against interim milestones, and examining alternative viable options for delivery to be implemented in case of any slippage;

- addressing the shortcomings in its management of the project;
- consulting fully with FRS staff and professionals in defining end-user requirements;
- taking further steps to shift the negative perception of the project and to influence fire and rescue authorities to make the positive decision to switch to the new system; and
- providing assurances that the safety and security of the Olympic Games will not be compromised during the roll-out of the new Regional Control Centres.

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# 1 Introduction

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1. The primary purpose of the Fire and Rescue Service is the prompt and efficient mobilisation of firefighters in response to a fire or other related incident, in order to save lives and protect property.<sup>1</sup> This is a key aspect of public safety. The aim of the FiReControl project is to enable this critical function to be carried out with greater speed, responsiveness and efficiency.

2. The initial concept of FiReControl arose from a report commissioned by the Government from the management, engineering and development consultancy Mott MacDonald—*The Future of Fire and Rescue Service Control Rooms in England and Wales*—which was published in April 2000. The report concluded that maximum efficiency could be achieved by reducing the number of control rooms from 49 (the number in existence at that time) to nine regional control rooms. FiReControl is part of the ambitious Fire and Resilience Programme, along with two other linked projects: Firelink, a £350 million project to upgrade each FRS's current main radio-communication system so that the FRS workforce can talk to each other and to ambulance and police services on the same secure network; and New Dimensions, a £330 million project, providing the fire and rescue service with equipment, procedures and training to respond to a range of threats, such as terrorist attacks and flooding.

3. We have followed the FiReControl project throughout its duration, and commented on it in the following publications:

- The Fire and Rescue Service<sup>2</sup>
- CLG's Departmental Annual Report of 2007<sup>3</sup>
- CLG's Departmental Annual Report of 2008<sup>4</sup>
- CLG's Departmental Annual Report of 2009<sup>5</sup>

In all of these inquiries, we raised concern, and expressed some scepticism, about the basic premise of the FiReControl project, as well as its implementation and management. The project has been beset by problems since its inception. Our major Report, published in June 2006, *The Fire and Rescue Service*, studied the progress made in the FRS since the 2003 White Paper, *Our Fire and Rescue Service*, and the subsequent Fire and Rescue Services Act 2004. One chapter was devoted to the FiReControl programme, which was then still in its infancy, and raised concerns that are still in existence today, including

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1 CLG's strategic objective 6 is "to ensure safer communities by providing the framework for the Fire and Rescue Service and other agencies to prevent and respond to emergencies".

2 Communities and Local Government Select Committee, Fourth Report of Session 2005–06, *The Fire and Rescue Service*, HC872.

3 Communities and Local Government Select Committee, Second Report of Session 2007–08, *Departmental Annual Report 2007*, HC 170.

4 Communities and Local Government Select Committee, Second Report of Session 2008–09, *Communities and local Government's Departmental Annual Report 2008*, HC 238.

5 Communities and Local Government Committee, Third Report of Session 2009–10, *Communities and Local Government's Departmental Annual Report and the performance of the Department in 2008–09*, HC 391.

whether the project will enhance resilience, whether the technological infrastructure is adequate, and whether sufficient funding and governance arrangements are in place.<sup>6</sup>

4. Since we had already studied the FiReControl programme in detail, we did not want to revisit the advantages and disadvantages of the initiative. As a result, this short inquiry into the FiReControl project had narrow terms of reference. We considered: progress with the project so far; the reasons for the cost and time overruns that the project had experienced; and what, if any changes need to be made to the Government's plans for proceeding with the project. We received 33 written submissions and held one oral evidence session, on 8 February 2010. At that session, our first panel consisted of the Fire Brigades Union, the Chief Fire Officers Association and the Local Government Association; we then heard from the Parliamentary Under Secretary of State, the Chief Fire and Rescue Adviser and the Director for Fire and Resilience from CLG. The European Aeronautic Defence and Space Company (EADS)—the company that was awarded the contract by CLG to develop, deploy and maintain the IT system for the FiReControl project—gave evidence alongside CLG.

### CLG's disclosure of FiReControl reviews

5. Our inquiry has been hampered by the Government's decision not to provide us with sight of various reviews of the FiReControl project carried out for CLG. The National Audit Office (NAO) cites four external reviews commissioned by CLG (all of which the NAO has seen in full):

- Two reviews of the Department's project management by the OGC—in October 2008 and October 2009;
- A technical review of the development of the IT systems, from April to July 2009, by Professor Peter Brook of Qinetiq and Gordon Hextall, the former Chief Information Officer of the NHS Programme for IT;
- An external review of the technical feasibility of the project, the IT Contractor's ability to deliver and contingency options in November 2009.<sup>7</sup>

6. CLG's written evidence refers to these reviews, implying that their conclusions were positive:

We are regularly monitored through OGC Healthchecks of the project. This October they commented positively on many aspects [of] the project and we are continuing to work with them to ensure successful delivery. We have also sought independent advice on the way forward for the project, and we have been assured that through our strengthened relationship with EADS and their new sub-contractor, we are on track for the development and integration of the full FiReControl solution.<sup>8</sup>

6 CLG Committee, *The Fire and Rescue Service*, paras 18–50.

7 Ev 125

8 Ev 97

7. However, repeated references in the NAO's memorandum to the same reviews suggested that may not be the full story:

Four external reviews of the Department's project management have recommended strengthening the governance and management of the project which the Department has taken forward.

In 2008 an Office of Government Commerce Health Check concluded that management of the project appeared to have grown organically without any analysis of what was needed to manage the project.

The OGC review of October 2008 found that the project governance structure was cumbersome and the project board was not acting as an effective decision-making forum. Lines of responsibility and decision making were not clear and there was a lack of sufficient assurance and robust internal challenge.

While the OGC review of October 2009 reported that overall project management had improved, it also expressed concerns about the capability and capacity of both the Department and EADS to successfully complete the project. Similar concerns were expressed by the external review in November 2009.

The reliability and credibility of the Department's current published project plan, cost estimates and risk assessments have already been questioned by both the OGC and the external review.<sup>9</sup>

8. In January 2010, we therefore asked CLG to provide these documents to us so that we could judge for ourselves. The Department declined to do so, on the basis that the documents form a body of advice on ongoing policy development and decisions that have not yet been taken; and that they contain information classed as commercially sensitive.<sup>10</sup>

9. We questioned the Minister on the reasons for the Department's refusal to let us see those documents, and renewed our request to see them, in confidence if necessary. The Minister agreed to reconsider his decision, but his subsequent letter reiterated what was said previously, and upheld the decision not to make the documents available to the Committee, even in confidence:

It is imperative that when we commission independent analysis that assessment is able to give the department direct, honest feedback to inform our decision-making. It is equally important that it can consider live commercially or operationally sensitive issues. That is the value of this analysis. I would not want future advice to be constrained by an eye to wider immediate dissemination—this would risk changing the nature of these reports. These reports were commissioned without prejudice and to support policy advice to Ministers on decisions which are yet to be taken.<sup>11</sup>

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9 Ev 126, 131–133.

10 Appendix

11 *Ibid.*

10. We have therefore had to complete our inquiry without the benefit of considering directly what other independent reviews of the project have concluded about it. We regret this decision on the part of the Department. We therefore have only indirect reports of those reviews through the NAO references to them. Consequently, we have been unable to take the Department's assurances about what those reviews said at face value. Indeed, given the weight of evidence we have received from other parties, we suspect that the Department's references to their conclusions are at best disingenuous, and possibly downright misleading. In the report below, we come to our own conclusions about the Department's management of this project, and about how the Government should best proceed from here.

11. We would like to thank Lee Summerfield and his colleagues from the National Audit Office for their considerable contribution to this inquiry, both in their written evidence and in their subsequent help and advice.

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## 2 An outline of current views of FiReControl

12. The terms of reference of this inquiry did not ask about the advantages or disadvantages of the project, as these issues had been covered in previous inquiries. However, we wanted to know the general current views of FiReControl to understand the views of the interested parties. The potential benefits of the project are summarised in the memorandum from East Midlands Fire and Rescue Control Centre Ltd, one of the newly-formed Local Authority Controlled Companies (LACCs) formed by the Fire and Rescue Authorities (FRAs) in the East Midlands to run the new East Midlands Regional Control Centre (RCC):

We see this project as delivering superior solutions to 999 emergency call handling and mobilisation of the FRAs' resources. The standardisation approach to the operation of the RCC will enhance capability, not restrict it, through the use of technology that is currently widely used but not integrated, with all the functionality that FiReControl will deliver [...] The final and most important point is that of resilience offered by the FiReControl Project. No other emergency service will be able to offer such a capability. The networking and mutual back up offered by the FiReControl solution, coupled to the technology deployed in FRA vehicles, will establish a standard of capability that is better positioned to meet the challenges being seen and developing in the 21<sup>st</sup> century.<sup>12</sup>

13. The first 23 paragraphs of CLG's written evidence also outline the benefits of FiReControl. CLG describes the Departmental Strategic Objective (DSO 6) that relates to the Fire and Rescue Service: "To ensure safer communities by providing the framework for the Fire and Rescue Service and other agencies to prevent and respond to emergencies" and maintains that the delivery of FiReControl is a core priority for the Department.<sup>13</sup> CLG summarises the benefits of implementing FiReControl:

- **increased resilience.** A unified, resilient networked technology ensures that staff in any of the RCCs can answer calls from anywhere in the country and be able to mobilise the appropriate resources.
- **greater fire and rescue service capabilities.** FiReControl will integrate services, by new risk management tools, with the ability to deploy specialist equipment or resources efficiently across boundaries and over large geographical areas. Common call handling, mobilisation processes, technology and training will ensure consistency across regions.
- **improved frontline firefighter safety.** All FRs will have Mobile Data Terminals (MDTs),<sup>14</sup> providing information to firefighters, including building information, guidance on the safe handling of chemicals, and the location of the nearest hydrants and water supplies. A new communications system will be based on data rather than voice, accessible through the MDTs. Each MDT will have a Global

12 Ev 122

13 Ev 94

14 The Firelink project is installing the hardware for the MDTs and FiReControl is installing the software.



Positioning System transmitter—an Automatic Vehicle Location System (AVLS)—which will show the exact location of each fire appliance and will enable staff working with the networked technology to find the nearest FRS resources.<sup>15</sup>

14. However, the preponderance of evidence had reservations about the project in general. Matt Wrack, General Secretary of the FBU, summarised his union's opposition to FiReControl, which has been consistently expressed throughout the seven years of the project:

On behalf of the Fire Brigades Union we have opposed the FiReControl project from the start on grounds of its operational usefulness to the Fire and Rescue Service, on the basis of its threat to the efficiency of the Fire and Rescue Service, on the basis of local accountability and on the basis of cost. I have to say that the previous seven years have just confirmed our position more so than when we started out.<sup>16</sup>

15. John Bonney, President of the CFOA, told us that his association's positive views of the benefits of FiReControl had not changed, but that alternatives need to be considered as a result of the project's mismanagement:

The professional Association's view very much remains as it did at the inception—that we are very committed to the principles and aspirations of the project. We are concerned, as it has developed, at how badly parts of it have been managed and in recent times we have been clear that there needs to be an alternative plan worked up because of our concern about some of the risks with the project at the moment, but in terms of aspirations and the objective of the FiReControl project, we are still very much committed to that.<sup>17</sup>

16. From our panel of first witnesses, only the LGA's views have changed since FiReControl's inception, from ambivalent support to 'a position of hostility', as Councillor Coleman explained to us:

The LGA's position has in fact changed. Having been broadly supportive although quite ambivalent, especially among member fire authorities, we have now moved to a position of hostility and against the project in principle. We have asked officers of the LGA to work up alternatives, rather in line with CFOA, because member fire authorities have come to the view that the project has just been delayed for far too long and they have serious doubts whether it is ever going to work.<sup>18</sup>

17. These specific comments on the FiReControl project reflect the general tenor of the majority of the evidence submitted to the Committee.

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15 Ev 94 and 95

16 Q 1

17 Q 1

18 Q 1



### 3 Delays and current timetable

18. The following table is an amended version of NAO's in its written evidence and shows the timeline of key events in the FiReControl project, with significant dates where delays occurred:

<b>2004</b>	
May 2004	CLG starts procurement of IT contract
November 2004	Strategic outline business case published by CLG
<b>2007</b>	
March 2007	CLG contracts EADS for FiReControl IT systems
June 2007	Full business case published by CLG
<b>2008</b>	
April 2008	EADS tells CLG that technology used to develop mobilisation system is not working
October 2008	OGC healthcheck
November 2008	EADS starts assessing mobilisation system fallback options. OGC healthcheck. Ministerial announcement: 'go live' date for first RCC extended by 9 months CLG and EADS agree changes to contract milestones. New milestones and new payment terms agreed.
December 2008	New milestone not met
<b>2009</b>	
March 2009	New milestone not met
May 2009	EADS chooses fallback mobilisation system (Intergraph)
May 2009	New milestone not met
July 2009	CLG co-locates its technical and assurance team with EADS in Newport. Ministerial announcement: 'go live' date for first RCC extended by a further 10 months. CLG informed of increasing issues with the mobilisation system software.
August 2009	Hextall/Brook technical review presented to CLG
September 2009	FiReControl software requirements passed to Intergraph's USA development team, for inclusion in contingency mobilisation system
October 2009	Key milestone not met. OGC healthcheck.
November 2009	External review of project presented to CLG. Extended deadline for new key milestone not fully met (revised to December)

December 2009	EADS cancels contract with existing subcontractor and switches to Intergraph. Extended deadline for new key milestone not met.
<b>2010</b>	
February 2010	Further extended deadline for new milestone
March 2010	Extant contractual date to deliver full IT systems.
July 2010	First interim release of Intergraph product for preliminary testing and integration into overall IT system by EADS
October 2010	Schedule delivery date of IT system from EADS
<b>2011</b>	
May 2011	Current 'go live' date for first 3 RCCs
<b>End of 2012</b>	<b>Current plan for all RCCs to be operational</b>

Ev 128 and 129

19. The FiReControl project began in 2004 and was due for completion, with all RCCs being fully operational, in 2009. However, on 26 November 2008, CLG announced a delay to the programme, with the 'go-live' date for first RCCs extended by nine months. On 15 July 2009, CLG announced a further 10-month extension to this timetable, which means the first FRs will now switch over to the RCCs in May 2011—three years later than the first switchover was originally planned and 19 months later than planned when the IT contract was awarded—and all regional control centres are scheduled to be switched over by the end of 2012.

20. Many of the written submissions demonstrate an appreciation of the arguments in favour of the FiReControl project. However, there is an overwhelming view that time is running out for it to remain a viable option. Kent FRA describes the need for urgency:

The Authority remains supportive of a better technological solution and accepts the operational logic of an interlinked, resilient national system. The repeated delays and confusion have not only led to a rapid decline in confidence but also the distinct risk of project failure. Such a failure will leave fire and rescue authorities faced with an expensive business-critical risk to be addressed at a time when they are being pressed for substantial efficiency savings. The situation is, we believe, urgent.<sup>19</sup>

21. CLG's evidence places the blame for delay on EADS:

As the Committee is aware, the development of the FiReControl solution has been slower than expected. For their part, EADS has acknowledged that their quality assurance has not been as good as we and FRs are entitled to expect.<sup>20</sup>

<sup>19</sup> Ev 26

<sup>20</sup> Ev 97

22. However, Yorkshire and Humberside Regional Management Board's written submission exemplifies many views sent to us, in placing the blame on CLG:

The numerous delays in the delivery of this project have led to a lack of confidence in the ability of CLG to deliver a complex project of this nature. The problem stems again from a lack of user engagement at the early stages of the project. From the beginning CLG seems to have failed to grasp the complex nature of this project. If this project is to deliver its objectives there needs to be a new culture of working in partnership with the FRS, more realistic goals and timescales need to be set. This has not always been the case to date.<sup>21</sup>

23. There is general anxiety about when FRAs will be required to cross over to FiReControl, with the accompanying technical and staffing arrangements and procedures. Dorset Fire Authority outlines this concern:

There is still considerable ambiguity about certain areas of the project. This includes how the Regional Control Centre will operate and interact with the Service, the timescales for delivery of key enablers and the requirements that the Service is expected to meet during the transition period and after transfer of its operations. This hinders the Service's ability to plan for the future and to know how the Service will ultimately be affected by the project.<sup>22</sup>

Derbyshire FRS's written submission goes further:

The need for common procedures, practices, naming conventions and common key datasets is a high priority if the RCCs are to function properly across borders. However after more than five years since the inception of the FiReControl project, after numerous workshops and seminars at all levels there is perhaps only one firmly agreed common way of working which has been promulgated across FRSs and that consists of the establishment of a set of national call signs. Everything else is still being worked upon.<sup>23</sup>

24. Merseyside FRA highlight the need for contracts to be agreed by the main players, which have not yet been agreed:

Implementation of the project will entail a complicated suite of contractual documents being agreed by fire authorities, the regional control companies, CLG and the main contractors. The details of those contractual documents have yet to be finalised or agreed. The refusal of one or more of the relevant parties to those contracts to enter into them could adversely impact upon the progress or implementation of the project.<sup>24</sup>

25. In oral evidence, EADS were confident that their new, revised timetable would be met, with Robin Southwell asserting that "we are hitting our milestones"<sup>25</sup> and "we are

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21 Ev 51

22 Ev 38

23 Ev 32

24 Ev 29

25 Q 127

committed to that [delivery] date<sup>26</sup> of mid-2011. The Minister gave a more reserved endorsement of the agreed timetable: “I cannot sit here and say to you 100 per cent. that it will happen on time, but all the information I have at hand tells me that it ought to happen”.<sup>27</sup>

## Technical issues

26. There are serious concerns about the timetable for the work on the specific mobilisation IT system that EADS has now sub-contracted to Intergraph. NAO describes the proposed timetable in its written evidence.<sup>28</sup> In May 2009, EADS engaged with Intergraph to develop a contingency option for the IT mobilisation system. Subsequently, EADS terminated its contract with its original sub-contractor and, in December 2009, agreed a contract with Intergraph.

27. Intergraph is to modify its core ‘off-the-shelf’ software product for the FiReControl project. As the NAO’s written evidence states, Intergraph will develop this IT product in its American and Swindon facilities. However, because of Intergraph’s fixed annual product development cycle, EADS had to confirm with Intergraph its specific mobilisation system requirements by 1 October 2009. This short timescale gave little time for consultation with the FRS on the end-user requirements.

28. Intergraph’s interim IT system product is due for release on 1 July 2010, for integration into the overall IT system by EADS. This product will need to be tested to ensure that it is fully operational and meets the needs of the project. The NAO memorandum states:

The Department advises that it is engaging collaboratively with Intergraph and Fire and Rescue Service end-users in order to mitigate the risk of escalating cost and delay due to incomplete or misunderstood requirements.<sup>29</sup>

The final version of the Intergraph product is due in October 2010.

29. It is unclear to what extent CLG is managing its risk with EADS and EADS’ subcontractor for this product, in relation to the current timetable. CLG’s caution in oral evidence about the extent to which the current timetable is achievable may be coupled with a statement in its written evidence when discussing this part of the project which falls some way short of total confidence in the ability of its contractors to deliver:

In contractual terms, we have demanded, and received, greater visibility of deliverables and more interim/shorter milestones from EADS. We will continue to take a close ‘hands on’ management and assurance role and be vigilant for signs of slippage or loss of quality in outputs.<sup>30</sup>

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26 Q 126

27 Q 131

28 Ev 131

29 *Ibid.*

30 Ev 97

30. Councillor Pearson, from the LGA, voiced concerns over the timetabling of the roll-out of the IT system:

Sadly, there is no guarantee the technology will work and I think successive ministers have been less than straightforward with fire authorities. We had the Minister allegedly come clean in July on the timetable. Fire authorities are reaching a point where they have no confidence in CLG on this project, but basically if the technology does not work there is no choice but to scrap it and start again.<sup>31</sup>

31. The current FiReControl timetable also relies on FRSs having the required information and staffing levels to meet the timetable as well, as is explained by the Oxfordshire FRA written evidence:

[T]he failure to finalise the technical solution for the project has led to the national team being unable to provide sufficient detail to allow the FRS to work on its own actions to put the processes and data systems to support FiReControl in place. This is a major activity requiring considerable FRS specialist resource (a scarce commodity) and required sufficient lead-time. An inability to progress work poses an increasing risk that when the information finally becomes available FRSs will be unable to resource the necessary work to meet the project timescale.<sup>32</sup>

32. The NAO describes the proposed sequence of events for the transfer from local control rooms to the RCCs and states that CLG itself is concerned about the present timetable for the three RCCs to go live:

Local control rooms will be transferred to new Regional Control Centres in phases over a 20 month period. The Department expects this to enable any faults or deficiencies to be identified and remedied, thereby reducing the risk of operational failure. All nine Regional Control Centres are planned to be operational by the end of 2012. The Department originally set out in the project's business case that all Regional Control Centres would be operational by the end of 2009. The Department is concerned that the first three Regional Control Centres may not become operational in May 2011 as planned.<sup>33</sup>

## 2012 Olympic and Paralympic Games

33. Both the Minister and Robin Southwell discussed the 'go-live' date of mid 2011.<sup>34</sup> However, that date is misleading as it refers only to the current go-live date for the first three regional control centres. Much of the written evidence shows concern about the new timetable, whereby all regional control centres will become operational by the end of 2012, because that will mean that the changeover from local control rooms to some RCCs will coincide with the Olympic Games. Kent FRA's written evidence highlights this point:

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31 Q 50

32 Ev 53

33 Ev 128

34 Qq 60 and 66

The proximity of the Olympic Games to the cutover of the RCC causes concern to many Authorities. The Olympics will be a national event, affecting not just London. This point does not seem to have been given insufficient consideration within the planning stages of the FiReControl project and the South East region is still destined to cutover at various points, both prior to and during the staging of this event in Summer 2012.<sup>35</sup>

34. Dorset is hosting all the sailing events for the 2012 Olympics and Dorset Fire Authority's written memorandum describes similar concerns to those of Kent:

It is essential for the Service to have resilient call handling and mobilising facilities before and during the games in the event of a large multi-agency incident. If the project timescales were to change yet again, consideration would need to be given of the potential clash in the transfer to the RCC and the Service's involvement in the 2012 games. In view of a potential multi-agency exercise 12 months before the games themselves, the Authority has determined that any cutover date between July 2011 and the end of the games in September 2012 would be unacceptable and this could affect Dorset's place in the cutover order and potentially impact on the other fire and rescue authorities in the South West.<sup>36</sup>

35. Buckinghamshire and Milton Keynes Fire Authority's submission highlights the fact that, according to the present timetable, its FRS will not be integrated into the FiReControl project until after the end of the Olympics, even though Dorney Lakes in South Buckinghamshire is one of the Olympic venues:

[Buckinghamshire Fire and Rescue Service] is now scheduled to cutover just after the Olympics in late 2012 creating a double negative: BFRS will not be part of the integrated FiReControl solution; we will also have to balance a significant amount of preparatory work required immediately prior to cutover whilst managing the risks associated with supporting an Olympics event.<sup>37</sup>

## Alternatives to FiReControl

36. As is readily apparent from the above, the FiReControl project is reaching a critical point in its existence. CLG has been studying several alternatives to the project ranging from the re-procurement of FiReControl to investment in 46 local standalone centres, since early spring of 2009.<sup>38</sup> The NAO explained that these options were presented to Ministers in November 2009, but noted that "The Department has not yet set out a trigger point for its fallback options."<sup>39</sup>

37. The NAO states that, to date, CLG has spent £202 million on the project. If FiReControl were not to proceed, the £205 million of future lease payments on FiReControl buildings would transfer to the Department. The Department estimated that

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35 Ev 25

36 Ev 38

37 Ev 40

38 Ev 134

39 *Ibid.*

a further £24 million would be spent on winding up the project. This would bring the total cost to the Department of discontinuing the project to £431 million, £8 million more than the cost of continuing with the project.

38. Questioned on contingency plans in oral evidence, the Minister was non-committal, preferring to concentrate on delivering the project as planned:

I know that [CLG] are looking at all different possible configurations, so in that sense for us our focus must remain on delivering FiReControl as it was envisaged in a much better environment than it has ever been in before, while at the same time, pretty obviously, being prudent and looking at contingencies.<sup>40</sup>

39. However, it is clear that a decision on contingency options needs to be made soon. As the CFOA's John Bonney told us:

Fire and rescue authorities have not been investing in their fire controls in the expectation that the regional control centres would be brought in. We are now saying there is a point we have now reached with the confidence on the project, although we are still committed to the project, where we do believe there needs to be an alternative provided if, for whatever reason, the project is scrapped. We cannot leave fire and rescue services high and dry.<sup>41</sup>

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40 Q 131

41 Q 35



## 4 Project governance and management

### Procurement issues

40. In May 2004, CLG started the procurement of the IT contract for FiReControl. It took until March 2007 (just under three years) for CLG finally to award the IT contract, worth £200 million, for the design, development, deployment and maintenance of the core IT systems for FiReControl to EADS.<sup>42</sup> Despite the time taken to reach this decision, there is a widespread view that CLG did not consider in sufficient detail the specifications of the system required, and that there was insufficient professional input into the process.

41. John Bonney told us in oral evidence about this lack of detail:

[...] the rush to procurement meant the level of detail in the specification did not reflect what the professional people were saying. That has plagued the project ever since, both in terms of delays and being over-optimistic about how quickly it could be delivered, how much it was going to cost, and why certain things that were absolutely necessary were never specified and other things were put in that were not needed [...] So in one sense a lot of the work subsequently has been around that failure to be very clear in both output and outcome terms about what was going to be delivered by the project. When we talk about CLG having a lot of resources still committed to this project that is because they are having to work so closely with the contractor to fill in those gaps that should have been filled before the procurement.<sup>43</sup>

42. Shahid Malik confirmed that this was the case:

The problem was that there was a concept and a vision but the detail was not there. In the spirit of continuing in candid mode, we had not engaged the Fire and Rescue Service in the development of the concept and that was one of the gaps.<sup>44</sup>

43. In May 2009, the Public Accounts Committee criticised CLG for poor performance in the management of the New Dimension project,<sup>45</sup> leading to delays, avoidable costs and weaknesses in contracting. CLG accepted this criticism of the programme management of New Dimension, but asserted that this was not applicable to FiReControl:

The Department has done much to address this since 2005 and now has improved systems in place. For example: the lessons learnt on New Dimension were picked up by the Department's then emerging FiReControl project which put in place specialist resources covering programme management, and commercial and quality assurance competencies. The Department's finance and procurement functions are now closely involved in the running of the Fire and Resilience Programme Board (which considers not only New Dimension but the Firelink and FiReControl projects as well). There are regular meetings on budget issues between the policy and project

42 Ev 126

43 Qq 7–8

44 Q 58

45 See Acronyms/Glossary



functions. Additionally a new Head of Procurement has been appointed with an increased portfolio of practical experience, which he is bringing to the function. The Department is addressing the acknowledged areas of weakness working with business units including Fire and Resilience Directorate.<sup>46</sup>

However, the evidence which we have received for this inquiry calls into question the extent to which the lessons of New Dimension have, in practice, been applied to FiReControl.

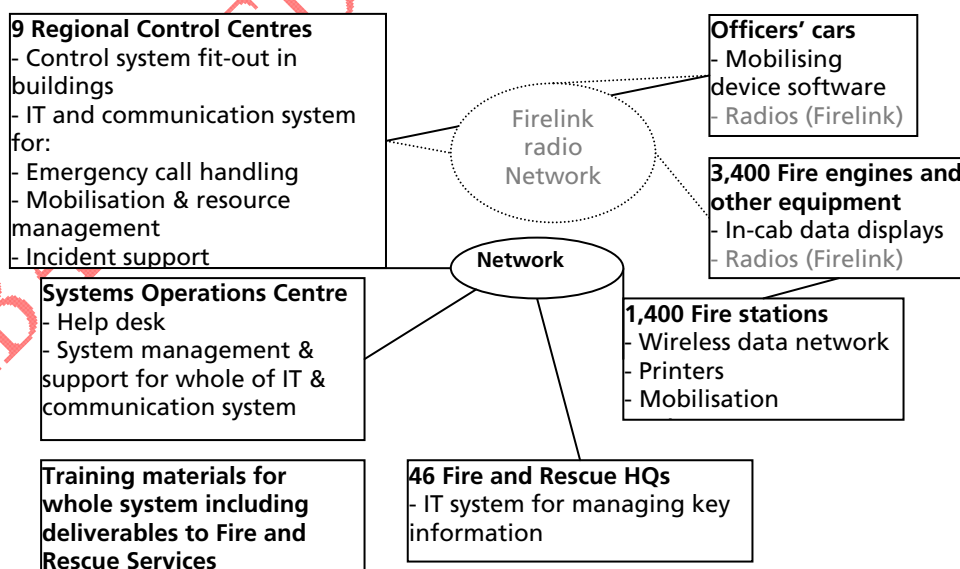
### Relationship between CLG and EADS

44. EADS is contracted to deliver the IT system for the FiReControl project, which links the nine regional control centres to all fire stations across England and to their appliances and vehicles, and which enables the transfer of data between them. It is also contracted to maintain and enhance the system following development, until 2015. There is an option to extend this until 2018.

45. The NAO describes the role of EADS:

As well as designing, developing and installing the core resilient IT systems, EADS is required to supply operational support services, including fault repair, maintenance and data back-ups until 2015, with an option for a further 3 year extension up to 2018. EADS has subcontracted the majority of the work to third parties and its main role is to bring these packages together to form the overall IT systems. The mobilisation system will require the integration and customisation of 50 pre-existing Commercial-Off-The-Shelf (COTS) software packages.<sup>47</sup>

46. In the NAO evidence, the following diagram illustrates what EADS is contracted to deliver:



46 Treasury Minutes on the tenth report from the Committee of Public Accounts, Session 2008–09, paras 8 and 9.

Source: *Communities and Local Government*<sup>48</sup>

47. While representatives from the LGA, CFOA and LGA at our oral evidence session in February 2010 blamed CLG for rushing the procurement stage, Mr. Housden, Permanent Secretary at CLG, at our oral evidence session on the Departmental Annual Report on 19 October 2009, blamed the delay of the FiReControl project on the failures of EADS to deliver:

We much regret it because the quicker these control centres are up, running and established the more effective will be the protection that is offered to the public and the efficiency of the Fire Service. We certainly regret it on those grounds. It has been a source of great frustration to us that the technology solution, EADS that we are relying on here, has not worked...We procured in the open market a world class provider. EADS are a major defence and systems contractor in the UK and more broadly. They are a multinational, highly successful company. We are entitled to expect that they will deliver on this project and many of the things that they have promised they have done, but we were very disappointed indeed that their technology solution on this particular aspect is not yet working. In the circumstances that we faced, we felt and ministers felt that it was the right thing to do to consult with our stakeholders and to announce a revised timetable, taking into account all the issues. It is a source of great frustration and disappointment to me, as it is to you.<sup>49</sup>

48. Mr. Housden went on to explain that CLG has renegotiated the terms of the contract with EADS, so that CLG will gain from profits generated by EADS from selling the FiReControl software around the world. When questioned on whether this was letting EADS off lightly, Mr. Housden responded that “we were dealing with the terms of the contract as it was originally framed and the commercial judgment was this was the best way to proceed”.<sup>50</sup>

49. However, EADS’ written submission seems to place the blame for difficulties with the original contract problems with CLG, including CLG’s delay to let and start the contract with EADS:

The contract originally let to EADS was for the delivery of the IT elements of FiReControl. During the tender process, the delivery timescales that would be deemed acceptable for system build and go-live were tightly constrained. These timescales have since proved unachievable for many reasons rooted across the whole programme. A delayed announcement to let and start the contract compounded these pressures [...] A significant proportion of contract requirements have needed further work since contract award in order to define the details sufficiently for implementation.<sup>51</sup>

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48 Ev 130

49 Qq 104–106, oral evidence session on 19 October, *Departmental Annual Report 2009*.

50 *Ibid.*, Q108.

51 Ev 118

50. This adversarial relationship between CLG and EADS was raised in oral evidence by John Bonney, who said that CFOA found

[...] not only was there not the organised contact with EADS—we were kept at arm’s length, it was through CLG—but the relationship between CLG and EADS was adversarial because it was already in a contractual relationship rather than a partnership approach. That would have been all right if we had got a very clear detailed specification, but when you do not have that you end up, if you are not careful, only sorting the problems out by means of resorting to the legal arrangements. I think that is fundamentally where the difficulties existed.<sup>52</sup>

51. The South East FRS’s Regional Management Board’s written evidence similarly describes an adversarial relationship between CLG and EADS:

CLG set the contracts with EADS using an output specification, a technique encouraging innovation by not unduly constraining industry. However, it is a technique that assumes a partnering relationship with the provider. The lack of a partnering approach, involving FRSs working to support EADS, was evidenced by an adversarial relationship between CLG and EADS and, in turn, CLG and Regional Project Teams (RPT) representing FRS frustration.<sup>53</sup>

52. West Sussex County Council’s written evidence blames EADS for the lack of expert input at the beginning and maintains that, even after restructuring at EADS, there is now less day-to-day contact with EADS than there used to be:

Initial contact with EADS was positive, with them portraying the image of a ‘can do’ organisation that place premium on communication with partners. This has not however been the experience in reality with almost a year between formal contract signing and any direct contact with FRSs. The mitigation offered at the time suggested that EADS did not have sufficient personnel to resource the project and it took a considerable period of time to recruit and train staff to the required level. After this time the contact and level of commitment increased significantly and as a result the level of cooperation and understanding also improved. Following an EADS restructure in 2008 this level of commitment has reduced markedly, to the point where no day to day contact remains and only limited contact is made via regional coordinator meetings.<sup>54</sup>

53. The NAO memorandum explains that CLG believes the original contract conformed to the prevailing Office of Government Commerce (OGC) standards, but goes on:

However, both the external review and the Department concur that in other respects the contract was not well suited to the needs of the FiReControl project. As the contract contains few interim milestones, it does not give the Department an

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52 Q 25

53 Ev 46

54 Ev 55

effective basis for holding EADS accountable for its on-going performance by obliging them to deliver components at planned and frequent intervals.<sup>55</sup>

54. The NAO states that EADS' original contract is out of date and does not reflect CLG's current project plan; the present contract states that EADS is contracted to provide the IT system by March 2010, against CLG's current scheduled system delivery date of October 2010. EADS' original contract runs out in March 2010 and to date, CLG has not yet agreed a new contract and they are currently negotiating to revise the contract to reflect CLG's current project plan.<sup>56</sup> When questioned on whether there is a contract binding EADS to a finish date of mid-2011, Shona Dunn, Director for Fire and Resilience at CLG, responded with the following:

There are a number of documents that were signed by EADS and by ourselves either in the run up to or just after the July 2009 rescheduling. There is a heads of term agreement setting out the revised expectations and there are two contract change notes which set out a number of additional milestones and revised expectations, both in terms of what is to be delivered and how the relationship between the two organisations will work. That has not been fully taken through to detailed changes in the underpinning contract as yet and that will happen once the ongoing process of reviewing the revised draft schedule that EADS have provided to us is complete.<sup>57</sup>

55. The NAO evidence states that CLG believes EADS is in breach of contract for failing to meet key contractual milestones, in particular for failing to deliver an acceptable, revised delivery plan. EADS does not accept that it is in breach of contract.<sup>58</sup>

56. CLG admits that the FiReControl project has not gone to plan:

Implementation of the FiReControl solution has been slower than we hoped, and initially planned. We have thoroughly reviewed our approach and progress, informed by independent advice, and taken tough decisions to ensure we are best placed to make progress.<sup>59</sup>

The North East Regional Management Board writes about the need for a project plan to enable

[...] FRSs to fully appreciate the scale of the project, estimate effort and resources required to deliver and budget plan accordingly and in sufficient time to deliver necessary outcomes to the appropriate standard.<sup>60</sup>

However, the NAO points out that, to date, there is no agreed project plan for FiReControl:

An initial project plan from EADS in November 2009 indicated a system delivery date later than required in the Department's project plan. To date, a detailed and

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55 Ev 133

56 Ev 126

57 Q 70

58 Ev 126

59 Ev 99

60 Ev 69

fully scoped project plan has yet to be agreed between the Department and EADS. This is contingent on EADS first fulfilling its obligation under a contract milestone to provide a detailed updated plan. The reliability and credibility of the Department's current published project plan, cost estimates and risk assessments have already been questioned by both the OGC and the external reviews. [...] EADS and the Department are working to agree a new project plan up to project completion and put this on a contractual basis.<sup>61</sup>

57. The NAO's timeline<sup>62</sup> shows that on 21 December 2009 EADS' project plan was not agreed. The date of 1 February 2010 was the further extended deadline for the new milestone of EADS supplying a detailed plan to CLG. When questioned about the new project plan, Robin Southwell, the Chief Executive Officer of EADS, said that EADS and CLG do have an agreed project plan, but did not say that it was completed and signed off, because "it is iterative because obviously we are reviewing it on a regular basis."<sup>63</sup>

### Co-ordination between Firelink and FiReControl

58. In questions to officials in the Departmental Annual Report oral evidence session on 19 October 2009, the Permanent Secretary of CLG, Mr. Peter Housden, had to concede that there were still "significant delivery challenges" with FiReControl. He said that, in response, "we have improved our capability across the board there."<sup>64</sup> He went on to explain:

The delays we have experienced on both Firelink and FiReControl have been about the technology platform. We have had world-class suppliers who won these jobs in competitive tender, who have been unable to deliver a satisfactory product on the timescale which they promised. In those circumstances we have been open, talked with our stakeholders about it and reformulated the timetable. That has been very frustrating and expensive for us. The main thing is that failure of technology and platforms, but I hope nobody would sit in front of you and say their side of the work could not have been improved, I know we could have done better on that.<sup>65</sup>

59. Firelink is a CLG-led project to upgrade each FRS's current main radio-communication system so that staff can talk to each other and to ambulance and police services on the same secure network. This hardware is inextricably linked to the FiReControl software system, yet, according to CFOA's written evidence, the two projects were not integrated:

At the time of inception of the FiReControl Project the Government was already running the Firelink Project to procure a new wide area radio communications system for the fire and rescue service in England, Scotland and Wales. Whilst recognising the synergies between the projects and the key contribution that the

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61 Ev 133 and 134

62 Ev 128, paragraph 18 has an abridged version of the timeline.

63 Q 100

64 Q 2, oral evidence session on 19 October, *Departmental Annual Report 2009*.

65 *Ibid.*, Q37

Firelink solution would make to the FiReControl Project, Government failed to integrate the two projects and realise the efficiencies, both in terms of staff and consultancy costs. There was also no alignment of requirements and this resulted in silo working, duplication and inefficiencies. These examples illustrate the chaotic, uncoordinated and poorly conceived development of Government policy in this area to the detriment of the FiReControl project.<sup>66</sup>

The FBU memorandum draws attention to the lack of a close link between Firelink and FiReControl:

Poor CLG Project Management was compounded by what should have been the close relationship between the FireControl and Firelink projects. Delays to the Firelink Project have had a knock-on effect on FireControl and vice-versa. It is clear from our discussion with a number of those involved in both projects that there was a lack of transparency, openness and communication between the two projects for prolonged and critical periods. The responsibility for that lies heavily at Departmental and ultimately ministerial level.<sup>67</sup>

The lack of a close link between the Firelink and FiReControl projects illustrates yet again the lack of foresight by CLG. This lack of close integration between the two projects is a further illustration of the inadequate project management by CLG.

### CLG's project management team

60. In our oral evidence session on last year's Departmental Annual Report, Mr. Housden admitted that—five years into the FiReControl project—CLG did not have staff with the relevant specialist knowledge to ensure that EADS was up to speed:

If you take FiReControl, for example, in the last little while we have taken on some additional consultancy expertise to be absolutely sure we could understand properly and have a proper dialogue with the pretty rarefied issues that EADS, our principal contractor, said they were facing in developing the right interfaces to deliver this programme. You want to be confident that you understand and can participate properly in these conversations. In that sense we have taken on additional expertise and it has been a moving target. We did not have that as an issue six or nine months ago, we have now, so we have strengthened our team.<sup>68</sup>

61. The FBU is strongly critical of the management of the project:

Project Management was supplied by a series of Departments with little historical knowledge of the fire service, informed—if that is not putting it too strongly—by transient civil servants and consultants with no experience of delivering any fire service control system of any size, anywhere. It was overseen by a series of transient ministers.<sup>69</sup>

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66 Ev 77

67 Ev 105

68 Q 39, oral evidence session on 19 October, *Departmental Annual Report 2009*.

69 Ev 105



62. The NAO memorandum notes the turnover of senior staff at CLG with responsibility for the delivery of FiReControl:

Over the last 13 months the project team has been restructured and new appointments to key positions have been made within the Department's and EADS's project team [...] There is a team of over one hundred people working on the project. The team is a mixture of civil servants, seconded fire service staff, temporary contract staff and consultants.<sup>70</sup>

63. The NAO refers to four external reviews of the Department's project management and states that all have recommended strengthening the governance and management of the project, which the Department has taken forward.<sup>71</sup> The NAO also describes the high staff turnover and the reliance on consultants:

There has been a significant turnover of senior staff within the project. In the last five years there have been five different Senior Responsible Officers and four different Project Directors. In 2008 an Office of Government Commerce Health Check concluded that management of the project appeared to have grown organically without any analysis of what was needed to manage the project.<sup>72</sup>

Over the past 13 months, key senior postholders have changed: CLG's project director (November 2008); CLG's commercial director (January 2009); EADS' project director (February 2009); and EADS' project manager (September 2009).

64. The NAO also highlight the costs of CLG-employed staff who manage FiReControl. The table in paragraph 68, shows that £124 million will be spent on the project team, which is over a quarter of the total cost of the overall project.

65. The London Fire and Emergency Planning Authority (LFEPA) comments on the large size of the FiReControl project team, consisting of civil servants, seconded fire service staff and consultants and makes the following observation:

Where one would have expected the risks and the resources required to deliver the project to have sat with the supplier, in this case, CLG seem to be bearing much of the responsibility and resource burden of delivery.<sup>73</sup>

It goes on to comment that while it is to be welcomed that a large number of FRS staff have been seconded into the project team because of their technical expertise, they do not necessarily have "the authority or necessarily the strategic or political insight to speak on behalf of fire authorities."<sup>74</sup> Furthermore, the temporary removal of FRS technical experts

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70 Ev 126

71 *Ibid.*

72 Ev 131

73 Ev 64

74 *Ibid.*

[...] has led to a significant risk emerging which is that the fire services themselves will no longer have the in house capability of capacity to deliver their transition activities that are required prior to being able to accept FiReControl into service.<sup>75</sup>

66. The NAO's table below shows the number of full time equivalent (FTE) staff who are working on the FiReControl project:

Year	Civil servants (including seconded fire service staff) FTE	Consultants and Temporary Contract FTE	Total
2006/07	44.8	32.0	76.8
2007/08	54.9	49.4	104.3
2008/09	57.4	56.9	114.3
2009/10	66.6	49.8	116.4

Source: Communities and Local Government (figures for 2004/05 and 2005/06 not available)<sup>76</sup>

67. Shona Dunn, Director for Fire and Resilience at CLG, commented on the NAO's assessment of the cost of the national project team as part of the overall project implementation costs:

The national project team is of a very significant size, simply because of the complexity of the project and the numerous different work streams. It is not just a business change programme. It is not just a buildings programme. It is not just an IT programme. It is a very extensive and complex project which, as colleagues were mentioning earlier, necessitates deep involvement from a large number of FRS experts. Amongst that national project team, about a third of that national project team are fire and rescue service secondees, people who are expert in control rooms, the operation of control rooms and so on. It is an extensive team. I think it is important that we have those secondees in place and it is important also for example that we have those 30 people down in Newport co-located with our colleagues in EADS, making sure that the systems integration work is going exactly as it is intended to and that we are keeping on track.<sup>77</sup>

Ms Dunn went on to say that CLG had strengthened its senior project team within the last 12 to 18 months and there are a significant number of new individuals on the team.<sup>78</sup> Although welcome as far as they go, these assurances do little to allay concerns about the significant level of staff turnover associated with the project.

75 Ev 64

76 Ev 131

77 Q 123

78 Q 124



## 5 Lack of consultation and collaboration in the FiReControl project

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68. The CLG memorandum maintains that engagement with primary stakeholders has occurred during the six years that FiReControl has been in existence:

The FiReControl project has been running since 2004. Since that time, we have engaged very closely with the Fire and Rescue Service to understand their needs and to establish their requirements for the Regional Control Centre network.<sup>79</sup>

69. However, contrary to CLG's views, the general lack of consultation by CLG is a major theme running through both the written and oral evidence. During most of the FiReControl project's existence, up until about a year ago, there was a lack of consultation and collaboration between CLG, EADS, the FRAs and the LACCs, despite the legal responsibility of FRAs to prevent or deal with fires and the safety risks connected with this.<sup>80</sup> Written evidence from the South East Region supports this view:

CLG owns the contract and commercial processes for FiReControl. FRAs are unsighted on the detailed obligations and outputs of the main contractor, EADS. The FRAs represent the main user and only customer for this contract yet have no contractual relationship with the supplier. Other Government Departments deliver large and complex projects by having a partnership between effectively 2 'customers' as the interface with the provider of operational capability. This has not been the case for FiReControl (nor FireLink) leading to the perception of disenfranchisement of the regions and individual FRs. *Too often, FRS involvement has been too little, too late when early engagement would have offered better support to EADS and increased project ownership by the end user community.*<sup>81</sup>

70. This point is reinforced by the London Fire and Emergency Planning Authority (LFEPA), whose written submission highlighted the feeling of disempowerment by FRs:

The difficult challenges in the project such as defining all of the use requirements should have been addressed at an early stage; this may have led to much more clarity during the delivery phase. Again we would emphasise that early user engagement would have helped in this area but it is not only the engagement process but also listening to what the users have to say that is important. There needs to be a greater emphasis on partnership working between CLG and the FRS rather than the customer/client relationship which appears to exist at present.<sup>82</sup>

71. FRAs retain the statutory duty to make arrangements for dealing with calls for help and for summoning personnel for the purpose of extinguishing fires and protecting life and

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79 Ev 96

80 FRAs retain the statutory duty to make arrangements for dealing with calls for help and for summoning personnel for the purpose of extinguishing fires and protecting life and property in the event of fire, under Section 7 of the Fire and Rescue Services Act 2004. See paragraph 88 for further information on this.

81 Ev 46, italics added.

82 Ev 65

property in the event of fire, under Section 7 of the Fire and Rescue Services Act 2004. This statutory duty will not change when the new Regional Control Centres become operational. Despite this fact, the CFOA highlights the lack of consultation with those involved in the front-line services of Fire Control:

Throughout the project the Government have failed to recognise and plan in accordance with the democratic and legal processes within which Fire and Rescue Authorities (FRAs), operate. This frequently results in inadequate time being allowed within the project plan for proper consultation and local decision making. Moreover it reinforces continually the perception within the service of being “railroaded” by central government at the same time that CLG publicly promotes the idea of partnership within the project. This has been a significant factor in eroding the confidence of key stakeholders and FRAs.

Notably, in the early stages there was a gross misunderstanding on the part of Government about the legal and democratic status of Regional Management Boards and their ability, or otherwise, to make collective decisions on behalf of Fire and Rescue Authorities. This resulted in unrealistic expectations about local decision making processes.<sup>83</sup>

The FBU goes further, stating that CLG actively dissuaded consultation and collaboration with the main players, up until the point when technical IT problems occurred in the summer of 2008:

Up to that point CLG [had] imposed itself as the go-between linking EADS to the FRS. We understand it *made a point of ensuring* there was little or no direct contact between the contractors and other stakeholders [...]<sup>84</sup>

### End-user requirement

72. The NAO memorandum describes how progress was delayed in breaking down end-user requirements:

The Department set out approximately 2,000 requirements for the IT system in its contract with EADS. These needed to be broken down further into 8,000 more detailed sub-requirements in consultation with Fire and Rescue Services end users to ensure that the system’s design, development and testing activities are aligned to end-user requirements [...] Little real progress was achieved in breaking down the system’s requirements until summer 2009 when the Department agreed with EADS and the Fire and Rescue Services that joint workshops would be held to achieve this. Until this point there was uncertainty as to the design approach to be followed.<sup>85</sup>

The FBU goes on to describe complications with technical specifications of FiReControl:

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83 Ev 77

84 Ev 103, italics added.

85 Ev 134

There were clearly major issues with the technical specifications the contractors were asked to deliver too. The Project scope has been changed before, after and since the IT contract was signed. There also appeared to be no 'real world' assessment of the true complexity of the project nor of realistic timescales to deliver what was being demanded.<sup>86</sup>

73. The exclusion of staff from any involvement with the specification and development of FiReControl led not only to delays, caused by a failure to appreciate the end-user needs of the system, but also to the demoralisation of staff and their sense of alienation from the project. The Fire Protection Association submitted written evidence that illustrates low staff morale in the fire community:

The transition to the new arrangements for FRS mobilising has clearly created anxiety for a number of stakeholders in the fire community, including it would appear, some of those who will ultimately be responsible for its governance. That degree of uncertainty, dissent and project delay has done little to instil confidence in the wider fire community, particularly those who fear that the new arrangements will ultimately lead to a 'lowest common' denominator of service provision.<sup>87</sup>

74. The Minister confirmed that it was the responsibility of CLG to involve the FRS from the start of the project, to ensure that detailed end-user requirements was captured and used to develop the system:

I think it was, absolutely. I take responsibility. We ought to have done that. We ought to have engaged key stakeholders in a way that was adequate. It was inadequate.<sup>88</sup>

75. Robin Southwell, CEO of EADS, also accepted responsibility for failures to involve the fire community from the start:

I have to agree with the Minister that in hindsight we should have done a little bit more work earlier and we should have done a little bit more work after we had been selected in terms of bringing in the various stakeholders, defining their requirements, understanding the behavioural issues as to how it actually works on the ground, to allow us to gain the traction and momentum which we all wanted.<sup>89</sup>

## **Solution Establishment Workshops (SEWs)**

76. After admitting that EADS and CLG had not taken account of stakeholders' views, Robin Southwell told us that they had learnt lessons and went on to describe the Solution Establishment Workshops (SEWs), which were created in the summer of 2009 and comprise of representatives from EADS, the FRS and CLG to address the issue of direct collaboration and stakeholder involvement:

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86 Ev 105

87 Ev 36

88 Q 86

89 Q 90

[...] we are having end user workshops, solution workshops, on a regular basis. In fact, I believe a few of them are working today, involving the end user on an operational basis so that we are real time ensuring that we have that dialogue which was missing at the beginning and which is now taking place.<sup>90</sup>

However, earlier in the same oral evidence session, the previous witnesses criticised SEWS, with John Bonney describing them as “not particularly well organised”<sup>91</sup> and explaining that not all representative bodies are invited to the meetings.<sup>92</sup>

77. When asked for supplementary evidence on the issue of satisfying end-user requirements, CFOA sent the following information about SEWs, describing what it considers to be a fundamental flaw in their approach:

The Solution Establishment Workshops (SEWs) are a welcome improvement in user engagement but remain fundamentally flawed in their approach to system design. Each SEW has been focussed on developing a single thread of functionality in isolation. Where demonstrations of functionality have been possible, they have been on the basis of unrepresentative data and, when requirements are not apparently met, assurances are given that the functionality will be provided from “a different module” or by “workarounds”. This gives rise to concerns that the system will be unnecessarily complex, unworkable and possibly fail to meet requirements when subjected to tests using real end-to-end scenarios and real fire service data.<sup>93</sup>

### Responsibility for the lack of consultation

78. The issues of end-user requirement and stakeholder collaboration highlight the difference of opinion between CLG and EADS. Although in oral evidence the Minister and Mr Southwell appeared to share responsibility for the lack of stakeholder involvement, in its memorandum, EADS maintains that it is responsible for “deploying and transitioning the System to live operation, including loading the operational data”, while CLG is responsible “for managing the whole ‘business change’ journey for stakeholders.”<sup>94</sup> EADS continues to describe the changes that CLG has made in ensuring closer collaboration with the users of FiReControl:

In order to ensure that the arrangements contracted with CLG satisfactorily represent the expectations of the FRS and RCC, these users must be involved at every step of the way. Close tripartite management is essential to enact this.

We applaud the significant changes that CLG and FRS have made to the governance of stakeholder engagement and introduction of collaborative working which is essential to deliver the overall solution into use.

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90 Q 91

91 Q 26

92 Q 27

93 Ev 80

94 Ev 117

The new operational processes are still being evolved by CLG with the FRS and RCC. Developing the processes alongside the system (as now in the new joint “SEW” workshops) will give a better result, but it does take significantly longer. This collaborative development will improve the chances of success, however, in particular for the FRS and RCC who need to undertake their implementation.<sup>95</sup>

79. However, as has been discussed earlier, CLG blames the project’s delay—a delay that is largely due to an inability to address the end-user requirement—on EADS.<sup>96</sup>

EMBARGOED until 0.01hrs 1/4/2010

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95 Ev 119

96 Ev 97

## 6 Relationship between Local Authority Controlled Companies, Regional Control Centres and existing local control rooms

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### Regional Control Centres (RCCs)

80. The Fire and Rescue Authorities (FRAs) within a particular region will own the new Local Authority Controlled Companies (LACCs) that will operate the Regional Control Centres (RCCs). The LACC company directors are drawn from the FRAs.<sup>97</sup> One such LACC, the East Midlands Fire and Rescue Control Centre Ltd., described its formation in its written evidence. Formed in November 2006, its senior management team has been in place for two years, with a small administrative support function, and, more recently two staff training positions readying the RCC for full system training. The RCC is now substantially equipped with the IT infrastructure, on site facilities and equipment as one of the 'first wave regions', due to go live in May 2011.<sup>98</sup>

81. When asked in oral evidence how much the RCCs are currently costing, Shona Dunn commented:

At the moment there are eight regional control centre buildings that have reached practical completion. The ninth regional control centre, which is London's, will achieve practical completion in the next few weeks. At the moment I think the monthly lease costs for all of the buildings is around £850,000 and that will rise to just over £1 million a month once the ninth regional control centre is completed.<sup>99</sup>

Shona Dunn described the various ways that staff employed at the RCCs spend their time:

There are a number of staff that are operating in the centres. There are regional project teams and regional control centre operations teams which are operating out of those buildings. There are a number of activities taking place in those regional control centres. Some of them are being fitted out with equipment. Some of them are being used for training purposes, familiarisation purposes and so on.<sup>100</sup>

82. In response to a written question in November 2008, CLG gave the monthly cost of maintaining the South West RCC in Taunton as £140,783, which equates to a running cost of £4,692 a day. Sadiq Khan, the then Under Secretary of State at CLG, wrote:

The building is used for a range of purposes including the testing and development of FiReControl IT systems and also technical workshops which bring together Fire and Rescue personnel. It is also used for meetings of Fire and Rescue Authority elected members who are responsible for setting up and running the new Regional

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97 London does not have a LACC because the London Fire and Emergency Planning Authority (LFEPA) will have responsibility for running the London RCC as a single authority.

98 Ev 122

99 Q 112

100 Q 113



Control Centres. Additionally, the Regional Project Team also works out of the South West Regional Control Centre.<sup>101</sup>

83. The London Fire and Emergency Planning Authority (LFEPA) memorandum criticises the RCC building specifications:

The buildings themselves appear to be over specified and are clearly too large just to house a regional control centre. The security arrangements incorporated into the premises appear to be in excess to the threats potentially posed to the buildings. These two things have led to significantly increased costs that will result in a long term revenue burden to fire authorities. Although too late to change, we would like to challenge the design of the buildings and ask why they are so large as we are unaware of the user input into the design process. Had users been more fully engaged in the design process the buildings may have been more suitable for purpose and there may have been more than one design of building that could have catered for specific user requirements. Such an approach may well have led to reduced overall costs.<sup>102</sup>

Matt Wrack, General Secretary of the FBU, told us that

[...] we have a number of empty buildings which are of no current use to the Fire and Rescue Service costing the taxpayer £40,000 a day. That is more than it costs to employ a firefighter for a year and that is a gross waste of public money.<sup>103</sup>

84. John Bonney said that the level of over-specification in the centres was ‘staggering’.<sup>104</sup> Councillor Pearson commented on a £25,000 coffee machine recently installed in the London centre<sup>105</sup> and concluded:

There was a rush to procurement at the beginning of the project and that is why we have these over-specified buildings. When we tell you about over-specified buildings we are talking about security levels that just are not necessary for the Fire and Rescue Service [...] I think there was a naivete in what the Fire and Rescue Service actually needed when the Government embarked on this project.<sup>106</sup>

It could be argued that an over-specified project is preferable to an under-specified project, especially where security is concerned. Nevertheless, it seems clear that the procurement process for the buildings was not properly informed by input from users. The lack of consultation and collaboration on the project has resulted in buildings that have been designed without adequate consultation on specifications needed by those that will work in the buildings and by those who have statutory duties under the 2004 Fire and Rescue Services Act.

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101 *Hansard*, 12 January 2009, col 240w.

102 Ev 63

103 Q 3

104 Q 4

105 Q 3

106 Q 5

85. All the RCC buildings are the same size and, according to the North East Regional Management Board, are far larger than FRAs in the North East would require.<sup>107</sup> The Board goes on to say that it is currently discussing sub-letting parts of the building in order to offset some of the future costs to FRAs.<sup>108</sup>

86. The London Fire and Emergency Planning Authority (LFEPA) memorandum cites failures in the procurement procedure as reasons for the lack of convergence of the buildings and the IT systems:

The concept of running two separate procurement processes, one for the buildings and one for the IT infrastructure, has led to significant cost overruns, as the buildings have or will be completed well in advance of the procurement of the IT infrastructure services. This results in leases, service costs and utility payments on underutilised buildings. In hindsight one must question if this was the correct process and if not, what can be learned for future procurements. We understand that IT and property procurements are very different but believe there should have been closer management at a programme level that could have taken early action to prevent such a divergence in delivery timescales.<sup>109</sup>

87. When the Minister was asked why the procurement of the building was separate from the procurement of the IT system, the Minister defended CLG's position:

I think that it is quite unusual to get one company that can do both these very different jobs. One is a kind of technology-based business change project and the other one is a building project. Of course the objective was to try to ensure that they met at one point in time but, because of the delays that we have had on the technology side, clearly the buildings although being well utilised in all honesty will be better utilised once we get the go live dates in those regional control centres [...] I think once we get the go live dates, once they kick into action, that is when you will really see the fruits of the investment that has taken place and is taking place.<sup>110</sup>

## Legal issues

88. As previously said, FRAs retain the statutory duty to make arrangements for dealing with calls for help and for summoning personnel for the purpose of extinguishing fires and protecting life and property in the event of fire, under Section 7 of the Fire and Rescue Services Act 2004. Written evidence from the North East Regional Management Board stresses the importance of FRAs making the final decision on whether to move their services to LACCs:

Senior stakeholders in the North East Fire and Rescue Authorities are concerned about CLG and EADS' ability to deliver the project and to the requirements that will enable FRAs to meet their statutory responsibilities. The final decision on whether the system is acceptable to an FRA is vested with each Authority following the advice

107 Ev 71

108 *Ibid.*

109 Ev 63

110 Q 115



of their respective Chief Fire Officer/Chief Executive Officer [...] CLG [does] not appear to have a robust stakeholder engagement plan to address FRAs' concerns, especially those who are currently believed to be unwilling to transfer their control room service to the RCC. Indeed there also is a distinct lack of a contingency plan. As a first wave region this is a concern as if not resolved runs the risk of either preventing or delaying go-live in all first wave regions and subsequent follow on regions.<sup>111</sup>

Cornwall Council raises similar concerns:

There are still concerns that clarity on the financial detail and ongoing financial commitment post cut over is needed before the FRA can make any informed decision on whether the Service will migrate to FiReControl. The FRA will require assurance that Chief Fire Officers will still have direct control over the deployment of their resources.<sup>112</sup>

89. However, when asked in oral evidence whether CLG had concerns if a local fire authority unilaterally decided it wanted to opt for an entirely different system, Shahid Malik seemed unaware of any dissenting authorities:

Everybody is broadly on board. It would not make sense unless everybody was on board. That is the whole point of having this integrated system with the operability. You have to have buy-in [...] At this point in time I think we are in a better position than we have ever been in.<sup>113</sup>

On the basis of the evidence given to us by representatives both of FRAs and of the professionals in the fire service, however, we are unconvinced that all FRAs will ultimately sign up to the new system. The Minister's remarks need to be supported by CLG involving FRAs far more intimately in ensuring that FRAs and the Chief Fire Officers are persuaded of the merits of the FiReControl project.

90. We note that the position is that if FRAs do not sign up, they will need to pay the costs of upgrading their own existing control centres from their existing resources.<sup>114</sup>

### Existing local control rooms

91. Many existing local control rooms are becoming insufficient for current needs because FRAs had not previously updated or replaced them, in anticipation of the FiReControl RCCs. Some FRAs are upgrading their existing systems. John Bonney told us that "Surrey upgraded about two and a half years ago on the basis that they could not wait for their regional control centre to be delivered so they were forced to do that at their own cost."<sup>115</sup> Councillor Pearson from the LGA commented on Cheshire FRA:

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111 Ev 70 and 71

112 Ev 121

113 Q 107

114 Qq 51–2

115 Q 36

There are a number of fire and rescue authorities who expected this project to be in by now who have not invested in renewing their control systems, and their control systems have fallen over. There is an example in Cheshire where two years ago they had to renew at vast expense. CLG are picking up the tab for this [...]<sup>116</sup>

Our evidence session suggests that CLG has been inconsistent in its financial aid to FRAs. John Bonney told us:

Where there has been sufficient and very hard lobbying, CLG have relented and paid a degree of the project replacement costs. They have not paid for the hardware. They have usually paid for some of the project management costs, which was the case in Cheshire, but that was not the case in Surrey, so it has been a patchwork.<sup>117</sup>

92. In supplementary written evidence, the CFOA provided a table of a sample of 25 FRAs that had replaced or upgraded existing systems and that had received financial help from CLG. The cost of the works ranges from £30,000 to £479,000. Of that sample, CLG contributed £384,000 to the cost in three FRAs, out of a total cost of around £6,718,000.<sup>118</sup> This supplementary evidence illustrates the piecemeal approach that CLG has taken towards contributing to FRAs' costs.

93. A later letter to our Chair from the Minister attempts to clarify the Department's position on this point:

Your Committee asked, at question 109, whether I was indicating a change in policy with regard to meeting costs associated with the Fire and Rescue Authorities maintaining their current control systems. For clarity, I was not announcing a new policy. I was confirming our long-held policy to support the genuine net additional costs for FRAs associated with delay in accordance with New Burdens principles. We have stated that where FRAs have to pay unavoidable additional costs to keep their systems operational for a longer period then we will meet the extra cost Beyond specific FiReControl funding there are well established funding streams for the Fire and Rescue Authorities which contribute towards costs of replacing assets and systems.<sup>119</sup>

The Minister adds

I should also clarify, to avoid any misperception, that our agreement to provide funding has been based on evidence and our objective assessment of the case made rather than as a result of external lobbying.<sup>120</sup>

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116 Q 36

117 Q 39

118 Ev 84

119 Ev 99

120 *Ibid.*

## 7 Costs

94. The following table, taken from the NAO's memorandum, shows how the delivery timetable and anticipated costs and benefits of FiReControl have changed since the project's inception:

	Strategic outline business Case	Outline Business Case	Full Business Case version 1.0	Full Business Case (Parts 1 and 2)	Revised Full Business Case version 1.1	Current forecast
Published	July 2004	November 2004	June 2007	July 2008	May 2009	n/a
Cost to the Department	£120 million	£160 million	£340 million	£380 million	£380 million	£423 million <sup>[2,4]</sup>
Efficiency savings per annum for Fire and Rescue Authorities	(£22 million) <sup>[3]</sup>	30% (£25 million)	28% (£23 million)	11% (£8 million)	9% (£6 million)	9% (£6 million)
Overall project savings/(Cost) in NPV <sup>[1]</sup>	£86 million	£42 million	(£50 million)	£(211 million)	£(218 million)	£(240 million)
IT operational	n/a	n/a	October 2009	July 2009	May 2010	May 2011
Cut over to Regional control centres	2007–2009	2008–09	2010–2011	2010–2012	2010 onwards	2011 – 2012

Source: NAO analysis of FiReControl business cases<sup>121</sup>

Note 1: Period under consideration for overall project savings / (cost) is 2004–05 to 2020–2021.

Note 2: In addition the Department has a contingency of £17 million.

Note 3: Efficiency saving not provided in percentage terms.

Note 4: These figures exclude any potential royalty income from future sales of FiReControl technology.

95. CLG's written evidence notes that the FiReControl project "represents £420 million of investment in the Fire and Rescue Service".<sup>122</sup> It goes on to describe the changing financial costs of the project:

- The first indicative cost figure given to Parliament for project implementation was £120 million, which did not include costs of meeting local and regional implementation work, nor costs for installing equipments in all fire stations. At that stage, CLG thought that the IT system would be delivered by commercial off-the-shelf solutions and the integration requirements had not been fully defined.<sup>123</sup>
- In 2007, the first comprehensive assessment of the total cost to deliver the project was announced. The project cost was estimated at £340 million, based on a

121 Ev 128

122 Ev 95

123 Ev 97

schedule for the first RCC going live in October 2009. The business case forecast national level savings of 28 per cent. compared with the costs of running the current control rooms.<sup>124</sup>

- In 2008, CLG announced that the total implementation cost would be £380 million. The increase in project costs “followed engagement with stakeholders to further develop understanding of the local and regional costs of implementation including the revision of estimates on training and redundancy costs in particular”.<sup>125</sup>
- CLG commissioned an independent review of the current local control room costs during 2007–08, which found that their running costs were lower than previously estimated. “As a result of that review the annual savings which were reported at 28 per cent. in 2007 were reduced to 11 per cent. in the 2008 Business Case”.<sup>126</sup>
- The final version of the Full Business Case, published in May 2009, estimates the annual national savings once the network goes live to be £6 million (9 per cent.).<sup>127</sup>

96. It is disappointing that the estimated efficiency savings achieved through FiReControl have been revised downwards significantly during the course of the project. It is particularly unhelpful that one such reduction was caused by CLG’s inaccurate data about current running costs of existing local control rooms.

97. The NAO states that the Department currently predicts that the FiReControl project will cost £423 million. Whilst the Department originally expected the project to realise efficiencies and save costs locally that would be in excess of the costs of the project, the Department now expects the overall project to cost £240 million<sup>128</sup> more than the local savings forecast. Not every Fire and Rescue Authority will make net annual cost savings locally as a result of the project. The Department plans to make annual payments of £8.2 million to these Fire and Rescue Authorities.<sup>129</sup>

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124 Ev 98

125 *Ibid.*

126 *Ibid.*

127 *Ibid.*

128 Net present value.

129 Ev 128

## 8 Conclusions and recommendations

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98. In May 2009 the Public Accounts Committee criticised CLG for poor performance in contracting and managing the New Dimension project. CLG responded by asserting that it had learnt lessons and was improving its delivery, citing the FiReControl project. Our inquiry shows that this is not the case.

99. The FiReControl project has been inadequately planned, poorly executed, and badly managed. The original contract was ill-suited to the nature of the project. Relationships both with the major stakeholders and with contractual partners have been mishandled. High staff turnover in CLG, especially at a senior level, has compromised the Department's ability to manage the project effectively. Costs have escalated and projected savings plummeted. The history of the project is a catalogue of poor judgement and mismanagement.

100. There are now considerable doubts about whether the project can be delivered. CLG needs to take this opportunity to consider carefully the points and concerns raised in this Report to review its options and make an informed, clear, open decision about the future of FiReControl.

101. On balance, given the investment of public funds already committed, and the benefits that will accrue, we conclude that CLG should press ahead with the FiReControl project. However, this recommendation is conditional on the assumption that CLG addresses the significant concerns and issues raised in this Report relating to its project management and the relationship with its main contractor and with its stakeholders. In particular, it is conditional on the urgent agreement of a viable project plan, in which the main stakeholders can have confidence, which will ensure that the target 'go-live' date of mid-2011 will be met. This project plan must include interim milestones which will allow progress to be assessed on a regular basis and decisions to be taken about whether alternatives need to be considered.

102. CLG should also put in place a communications plan that aims to shift the negative perception of the project and to influence FRs to make the positive decision to switch to the system. Each FRA has the legal right to make the final decision on whether to accept FiReControl. CLG must respect that right and must work hard to unite all FRAs in supporting FiReControl. Any failure to ensure that all FRAs use the new system would be a significant blow to the ultimate aims of the project.

103. Meanwhile, CLG should urgently draw up and consult on contingency plans for any further failures. As a priority, those contingency plans should ensure ongoing safe and effective fire and rescue cover across the whole country whether or not FiReControl is implemented. They must also ensure that all regions involved will have adequate fire and safety measures in place during the 2012 Olympic and Paralympic Games. The plans should include provision for the maintenance and, where necessary, upgrading of existing control room technology, and CLG should meet the full costs of that to FRAs where it has become necessary as a result of delays in the FiReControl project.

104. We recommend that CLG inform our successors in the new Parliament in July 2010 that a viable project plan has been agreed with EADS, and report on progress against that plan, in particular the early version of the modified Intergraph product.

EMBARGOED until 0.01hrs 1/4/2010

## Appendix 1: Correspondence between the Parliamentary Under Secretary of State, the Permanent Secretary and the Chair of the Committee

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*Letter from Shahid Malik MP, Parliamentary Under Secretary of State for Communities and Local Government to Dr Phyllis Starkey, Chair of the Communities and Local Government Committee*

I know you have concerns over the release of documents related to FiReControl to the Communities and Local Government Select Committee as part of its inquiry into the project.

I am keen to be as helpful and as open as possible, and in response to your request I have asked the Permanent Secretary for his advice.

He has advised that, as these documents form a body of advice in respect to ongoing policy development and decisions that have not yet been taken, and as they contain information classed as commercially confidential. I have accepted this advice. Furthermore, I am clear that we have shared this information with the NAO, and I am confident that this has been reflected in their report, which you have seen.

Given these reasons I have concluded that these documents should not be released at this time.

I have enclosed a copy of the letter setting out the Permanent Secretary's advice, which I have accepted.

[...]

*Shahid Malik MP*

*Parliamentary Under Secretary of State, Communities and Local Government*

*8 February 2010*



*Letter from Peter Housden, the Permanent Secretary, to Shahid Malik MP, Parliamentary Under Secretary of State for Communities and Local Government*

You have sought my advice in relation to a request received from the CLG Select Committee to release a number of documents referred to in the report prepared by the NAO to inform the Committee's enquiry into FiReControl. I know that you are keen to be as helpful and transparent as possible in respect of this request.

Having considered the content of these documents my advice is that they should not be released at this time.

These documents form part of the body of advice which you have received from officials in respect of ongoing policy development and decisions in relation to this project which have not yet been taken.

In addition the documents contain information which would clearly be classed as commercially confidential. This information is relevant to our ongoing negotiations with EADS and its release could prejudice our ability to conclude those discussions successfully.

For these reasons, I do not believe that these documents should be released at this time and would offer the same advice in relation to a Freedom of Information request. I understand that all of these documents were disclosed to the NAO on a confidential basis during the course of their investigation. I believe therefore that I can be confident that all issues material to the Select Committee's enquiry have been appropriately reflected in the NAO's report.

[...]

*Peter Housden,  
Permanent Secretary, Communities and Local Government  
8 February 2010*

*Further letter from Shahid Malik MP, Parliamentary Under Secretary of State for Communities and Local Government to Dr Phyllis Starkey, Chair of the Communities and Local Government Committee*

Thank you for the opportunity to discuss the FiReControl project at the oral hearing on Monday, 8 February. I agreed to consider again the position on whether to release the independent analysis requested by the Committee.

I want to make it clear, as I did at the hearing, that I welcome the Committee's inquiry into the project and that I recognise the need for your Committee to have access to information to conduct an effective examination.

However, I believe that the advice which I received from the Permanent Secretary—and shared with the Committee in full—holds for the public or private sharing of this material at this time.

It is imperative that when we commission independent analysis that assessment is able to give the department direct, honest feedback to inform our decision-making. It is equally important that it can consider live commercially or operationally sensitive issues. That is the value of this analysis. I would not want future advice to be constrained by an eye to wider immediate dissemination—this would risk changing the nature of these reports. These reports were commissioned without prejudice and to support policy advice to Ministers on decisions which are yet to be taken.

I emphasise again that we shared this information in full with the National Audit Office whom you commissioned to write a report on the FiReControl project. I believe that this ensures that we have shared the substance of the analysis, without exposing commercially or operationally sensitive detail which could prejudice the department's negotiation position in the future.

I am happy to consider this position again at a time when policy decisions have been made and I am satisfied that the release of this material would not prejudice the department's position in commercial negotiations.

[...]

*Shahid Malik MP*

*Parliamentary Under Secretary of State, Communities and Local Government*

*10 February 2010*

*Letter from Dr Phyllis Starkey, Chair of the Communities and Local Government Committee, to Shahid Malik MP, Parliamentary Under Secretary of State for Communities and Local Government*

Thank you for your letter of 10 February regarding the release of the independent analysis commissioned by the Department of the FiReControl project.

I am disappointed that the Department is not prepared to let the Committee see these documents, even on a confidential basis. I see no reason why its provision confidentially to the Committee would prejudice the Department's negotiation position.

As I said at the oral evidence session, it is impossible for the Committee to judge the appropriateness of your reliance, in your written memorandum to the Committee, on the advice in those documents if the Committee has not seen them itself. Although you rightly say that the National Audit Office had access to these documents, you will have noticed that the NAO's report is deliberately factual and avoids making judgements of the sort which it will be necessary for the Committee to make in coming to a conclusion on the Department's handling of the project.

I expect that the Committee will wish to make comment in its eventual Report on the fact that it has not been able to see these documents. I expect the Committee to consider a draft report around mid-March. If the Department is prepared to reconsider its refusal to let the Committee see the documents concerned before then we would be very pleased to receive them, on whatever basis you consider necessary to protect the Department's negotiating position.

[...]

*Dr Phyllis Starkey MP*

*Chair, Communities and Local Government Committee*

*15 February 2010*

CLG's response to Dr Starkey's letter can be seen in its supplementary evidence, Ev 99.

# Formal Minutes

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**Tuesday 16 March 2010**

Members present:

Dr Phyllis Starkey, in the Chair

Mr Clive Betts  
Andrew George

Alison Seabeck  
Andrew Slaughter

## *FiReControl*

Draft Report (*FiReControl*), proposed by the Chair, brought up and read.

*Ordered*, That the Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 89 read and agreed to.

A paragraph—(*Mr Clive Betts*)—brought up and read.

Question put, That the paragraph be read a second time.

The Committee divided.

Ayes, 3

Noes, 1

Clive Betts  
Alison Seabeck  
Andrew Slaughter

Andrew George

Paragraph inserted (now paragraph 90).

Paragraphs 90 to 101 (now paragraphs 91 to 102) read and agreed to.

Another paragraph—(*Andrew George*)—brought up and read, as follows:

Nevertheless FRAs should be permitted to disaggregate the question of adapting the technology from adapting the Regional Control Structure, in order to establish an emergency response system which they believe would be better and more resilient.

Question put, That the paragraph be read a second time.

The Committee divided.

Ayes, 1

Noes, 3

Andrew George

Clive Betts  
Alison Seabeck  
Andrew Slaughter

Paragraph disagreed to.

Paragraphs 102 and 103 (now paragraphs 103 and 104) read and agreed to.

Summary agreed to.

A paper was appended to the Report as Appendix 1.

*Resolved*, That the Report be the Fifth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence reported and ordered to be published on 19 January, 25 January, 1 February, 8 February and 22 February was ordered to be reported to the House for printing with the Report.

[The Committee adjourned.]

EMBARGOED until 0.01hrs 1/4/2010

## Witnesses

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### Monday 8 February 2010

Page

Mr Matt Wrack, **Fire Brigades Union (FBU)**; Mr John Bonney, President, **Chief Fire Officers Association (CFOA)**; Cllr Brian Coleman and Cllr James Pearson, **Local Government Association**

Ev 1

Dr Roger Diggle, FiReControl Project Director, and Mr Robin Southwell, CEO, **The European Aeronautic Defence and Space Company, (EADS)**; Mr Shahid Malik MP, Parliamentary Under Secretary of State, Sir Ken Knight, Chief Fire and Rescue Adviser, and Ms Shona Dunn, Director for Fire and Resilience, **Department for Communities and Local Government**

Ev 10

## List of written evidence

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1	Jamie Hockley (FIRE 01)	Ev 21
2	Kent Fire and Rescue Authority (FIRE 02)	Ev 24
3	Stoke-on-Trent and Staffordshire Fire & Rescue Authority (FiRE 03)	Ev 26
4	Merseyside Fire & Rescue Authority (FIRE 04)	Ev 29
5	Derbyshire Fire & Rescue Services (FIRE 05)	Ev 30
6	Lancashire Combined Fire Authority (FIRE 06)	Ev 34
7	Fire Protection Association (FIRE 07)	Ev 36
8	Dorset Fire Authority (FIRE 08)	Ev 37
9	Buckinghamshire and Milton Keynes Fire Authority (FIRE 09)	Ev 39
10	Local Government Association (FIRE 10)	Ev 42
11	LGA (Supplementary) (FIRE 10A)	Ev 136
12	South East Fire & Rescue Services' Regional Management Board (FIRE 11)	Ev 45
13	Yorkshire & Humberside Regional Management Board (FIRE 12)	Ev 49
14	Oxfordshire Fire Authority (FIRE 13)	Ev 51
15	West Sussex County Council (FIRE 14)	Ev 53
16	Cllr. Jeremy Hilton (FIRE 15)	Ev 57
17	Gloucestershire County Council Community Safety Overview and Scrutiny Committee (FIRE 16)	Ev 58
18	Surrey Fire and Rescue Authority (FIRE 17)	Ev 60
19	London Fire and Emergency Planning Authority (LFEPa) (FIRE 18)	Ev 62
20	Gloucestershire County Council (FIRE 19)	Ev 66
21	North East Fire and Rescue Regional Management Board (FIRE 20)	Ev 68
22	Wiltshire and Swindon Fire Authority (FIRE 21)	Ev 74
23	The Chief Fire Officers Association (CFOA) (FIRE 22)	Ev 76
24	CFOA (Supplementary) (FIRE 22A)	Ev 79
25	West Midlands Fire Service (FIRE 23)	Ev 86
26	Fire Officers' Association (FIRE 24)	Ev 87
27	Hereford and Worcester Fire and Rescue Service (FIRE 25)	Ev 89

28	Department for Communities and Local Government (FIRE 26)	Ev 93
29	CLG (Supplementary) (FIRE 26A)	Ev 99
30	Fire Brigades Union (FBU) (FIRE 27)	Ev 101
31	Fire Brigades Union (Supplementary) (FIRE 27A)	Ev 110
32	EADS (FIRE 28)	Ev 116
33	Cornwall Fire and Rescue Service (FIRE 29)	Ev 120
34	East Midlands Fire and Rescue Control Centre Ltd (FIRE 30)	Ev 122
35	National Audit Office (FIRE 31)	Ev 125
36	Intergraph (UK) (FIRE 32)	Ev 135
37	Cllr Andre Gonzalez de Savage, Portfolio Holder with responsibility for Northamptonshire Fire and Rescue Service (FIRE 33)	Ev 135

EMBARGOED until 0.01hrs 1/4/2010



# List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

## Session 2009–10

First Report	The Work of the Committee in 2008–09	HC 179
Second Report	Local authority investments: the role of the Financial Services Authority	HC 287
Third Report	Communities and Local Government's Departmental Annual Report 2009 and the performance of the Department in 2008–09	HC 391
Fourth Report	Beyond Decent Homes	HC 60-I
Fifth Report	FiReControl	HC 352
Sixth Report	Preventing Violent Extremism	HC 65

## Session 2008–09

First Report	Work of the Committee in 2007–08	HC 120
Second Report	Communities and Local Government's Departmental Annual Report 2008	HC 238 (Cm 7614)
Third Report	Housing and the Credit Crunch	HC 101 (Cm 7619)
Fourth Report	Appointment of the Chair of the Infrastructure Planning Commission	HC 354
Fifth Report	New Towns Follow-Up—Government Response to the Ninth Report of the Committee, Session 2007–08	HC 253
Sixth Report	Balance of Power: Central and Local Government	HC 33-I (Cm 7712)
Seventh Report	Local authority investments	HC 164-I (HC 1013)
Eighth Report	Housing and the credit crunch: follow-up	HC 568 (Cm 7695)
Ninth Report	Market Failure?: Can the traditional market survive?	HC 308-I (Cm 7721)
Tenth Report	Need and impact: planning for town centres	HC 517 (HC 1082)
Eleventh Report	Appointment of the Deputy Chairs of the Infrastructure Planning Commission	HC 749
Twelfth Report	Appointment of the Local Government Ombudsman and Vice-Chair of the Commission for Local Administration in England	HC 1012
Thirteenth Report	The Supporting People Programme	HC 649-I (Cm 7790)

## Session 2007–08

First Report	Coastal Towns: the Government's Second Response	HC 69
Second Report	DCLG Annual Report 2007	HC 170 (Cm 7335)
Third Report	Local Government Finance—Supplementary Business Rate: the Government's Response	HC 210 (HC 1200)
Fourth Report	Work of the Committee in 2007	HC 211

Fifth Report	Ordnance Survey	HC 268 (HC 516)
Sixth Report	Refuse Collection: Waste Reduction Pilots	HC 195 (HC 541)
Seventh Report	Existing Housing and Climate Change	HC 432 (Cm 7428)
Eighth Report	The Supply of Rented Housing	HC 457-I & II (Cm 7326)
Ninth Report	New Towns Follow-Up	HC 889
Tenth Report	Community Cohesion and Migration	HC 369-I & II (Cm 7489)
Eleventh Report	Planning Matters—labour shortages and skills gaps	HC 517-I & II (Cm 7495)
Twelfth Report	The Provision of Public Toilets	HC 636 (Cm 7530)

**Session 2006–07**

First Report	The Work of the Committee in 2005–06	HC 198
Second Report	Coastal Towns	HC 351 (Cm 7126)
Third Report	DCLG Annual Report 2006	HC 106 (Cm 7125)
Fourth Report	Is there a Future for Regional Government?	HC 352-I (Cm 7119)
Fifth Report	Refuse Collection	HC 536-I (HC 1095)
Sixth Report	Equality	HC 468 (Cm 7246)
Seventh Report	Local Government Finance—Supplementary Business Rate	HC 719
Eighth Report	Local Government Finance—Council Tax Benefit	HC 718 (HC 1037)

**Session 2005–06**

First Report	ODPM Annual Report and Accounts	HC 559 (HC 1072)
Second Report	Re-licensing	HC 606 (Cm 6788)
Third Report	Affordability and the Supply of Housing	HC 703-I (Cm 6912)
Fourth Report	The Fire and Rescue Service	HC 872-I (Cm 6919)
Fifth Report	Planning Gain Supplement	HC 1024-I (Cm 7005)
First Special Report	Government Response to the Committee's Fourth Report of Session 2004–05, on the ODPM Annual Reports and Accounts 2004	HC 407
Second Special Report	Government Response to the Committee's Eleventh Report of Session 2004–05, on the Role and Effectiveness of The Local Government Ombudsmen for England	HC 605
Third Special Report	Government Response to the Committee's Seventh Report of Session 2004–05, on the Role and Effectiveness of the Standards Board for England	HC 988