

**MEETING: 21<sup>st</sup> JULY 2008**

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**SUBJECT: PUBLICATION OF RCC BUSINESS CASE P1: REGIONAL ANNEXES**

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

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## **1 INTRODUCTION**

- 1.1 This report informs Members of the publication of Part 1 of the latest iteration of the Fire Control Business Case and highlights some of the key issues within it. (A copy of which can be found at [www.twfire.gov.uk](http://www.twfire.gov.uk)).

## **2 BACKGROUND**

- 2.1 As Members will recall the last version of the Fire Control Business Case was published in June 2007, following the signing of the contract with the Infrastructure Service provider for the project, EADS.
- 2.2 However, at that time, a significant amount of relevant information was not included within the document due to the lack of clarity around key issues such as RCC staffing numbers and current control room costs.
- 2.4 It was anticipated that the information necessary to fully populate the Business Case would be available at the end of 2007 and, as a consequence, a target date for the publication of an updated Business Case was set for February 2008.
- 2.5 However, CLG found it necessary once again to review this date in the light of further developments within the project and subsequent to this the date was moved to 30<sup>th</sup> June 2008. This target date was also missed.

## **3 PUBLICATION OF PART 1. REGIONAL ANNEXES**

- 3.1 Further to the above, CLG published, on 8<sup>th</sup> July 2008, what is being referred to as Part 1 of the Business Case, comprising the Regional Annexes, that set out the benefits that will accrue to each region together with the anticipated costs/savings that will arise from the implementation of the project.
- 3.4 Significantly, there are some sensitive items of information within the North East Annex that Members need to be aware of.
- 3.5 Firstly, the CLG has set out what it believes to be the staffing numbers necessary to operate the Regional Control Centre. There are a total of 63 staff during the transitional phase falling to 55 staff when steady state operation is achieved.
- 3.6 This is a significant difference from the current regional total of 110 control room staff. CLG have re-iterated that their figures are based on their indicative

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## **PREVENTING PROTECTING RESPONDING**

planning model, and that it will ultimately fall to the North East Fire Control Company to determine the actual staffing levels. Members will no doubt be conscious of the extreme sensitivity surrounding this issue and efforts are being undertaken to try to reassure control room staff as far as possible.

- 3.8 Secondly, Members should note that, using current regional control room costs as a baseline, the RCC will be more expensive to operate than the current North East control rooms.
- 3.9 Whilst the new system will undoubtedly provide enhanced facilities and ensure far greater resilience in the event of spare conditions or the complete loss of function, the cost for this service is greater than currently paid by this Authority for the existing control room service.
- 3.10 Current regional costs, which have been independently audited, are £4.8m per annum whereas the costs for the RCC for the North East are estimated to be £5.4m per annum. An increase of £0.6m per annum. This includes shared costs for the overall system which have been distributed across the regions using the Tax Base as the apportionment mechanism. CLG have stated that they will be consulting on the validity of the apportionment methodology in the near future.
- 3.11 Members should note that this cost apportionment model, if used as a means of distributing the RCC costs within the Region, would impose a significant additional financial burden on the Authority compared to the other Authorities in the North East.
- 3.12 CLG are proposing that the increased cost of the North East RCC will be met through central funding. However, this will be reviewed after three years. The basis for justifying this review is that there may well be further efficiencies that could arise over time which could offset the additional funding being provided by CLG.
- 3.13 Given that there was an expectation that there would be savings generated for all regions, Members may wish to take a view on this funding proposal and the intention to review it after the first three years of operation.
- 3.14 Members should also be aware that, whilst this publication is not being accompanied by a formal consultation process, CLG have stated that they would welcome any feedback on the content.

## **4 PART 2 OF THE BUSINESS CASE**

- 4.1 CLG have not yet published Part 2 of the Business Case. The contents of the document relating to the National Case for FiReControl and the way in which this has been costed. There are a number of areas within this part of the document that require further work before the document is finalised, in particular concerning issues around the critical national infrastructure.
- 4.2 As a result Part 2 will not be published until this information is available. This is now anticipated to be late summer 2008.

## **5 EQUALITY AND FAIRNESS IMPLICATIONS**

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

## **6 HEALTH AND SAFETY**

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

## **7 RISK MANAGEMENT**

7.1 The risks associated with the RCC project are set out in the Authority's Corporate Risk Profile, which is available on the Intranet.

## **8 FINANCIAL IMPLICATIONS**

8.1 Whilst there are no immediate financial implications associated with the content of this report it is apparent that there could well be a significant financial impact on this Authority as the full costs of the RCC project become clearer.

## **9 RECOMMENDATIONS**

9.1 The Authority is requested to:

- a) Consider the content of the report
- b) Have the Chief Fire Officer, in association with the Finance Officer, write to CLG expressing concerns over the potential additional financial burden falling on the Authority, and
- c) Confirm that staffing levels will remain a local issue for determination

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## **BACKGROUND PAPERS**

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

- FiReControl Business Case Part 1