

TYNE AND WEAR FIRE AND RESCUE AUTHORITY**MEETING: 20 APRIL 2009**

SUBJECT: REGIONAL FIRE CONTROL - UPDATE**JOINT REPORT OF THE CHIEF FIRE OFFICER, FINANCE OFFICER AND THE CLERK TO THE AUTHORITY**

1 INTRODUCTION

- 1.1 This report provides Members with an update on progress in respect of the FiReControl project and the establishment of the Regional Control Centre in the North East as well as outlining the outcome of the delegation to the Fire Minister of representatives of the Regional Management Board (RMB).

2 DELEGATION TO FIRE MINISTER

- 2.1 Further to an RMB Resolution (Min. No.5 09/2008 refers) a number of RMB Members, including the Chairman of this Authority, Cllr Tom Wright and the Deputy Chief Fire Officer John Hindmarch, held a meeting with the Fire Minister, Sadiq Khan MP, on 21st January 2009.
- 2.2 At the meeting there was a comprehensive exchange of views focussing upon the project timescales, financial implications, risks and governance structures. Overall, the meeting was conducted in a positive manner, with the Minister confirming the Government's commitment to delivering this project and acknowledging the progress being made in the North East. A full overview of the meeting is attached at Appendix A for the information of the Board.
- 2.3 Members are also advised that at the meeting the Minister expressed a desire to visit the North East Regional Control Centre. He subsequently visited the RCC on 19th March 2009 and met some of the regional staff, Chief Fire Officers and Chairs of the Fire and Rescue Authorities. An overview of that meeting is attached at Appendix B for the information of Members.

3 BUSINESS CASE UPDATE

- 3.1 Further to the previous report tabled at the February 2009 meeting of the Authority (Minute No. 104/2009 refers), a response to the updated FiReControl Business Case was submitted to Communities and Local Government (CLG) by the Chief Fire Officer on behalf of this Authority. The responses to CLG focused on the following key issues: -
- Government should review the position of long term financial support and also delay any absorption of funds into RSG for both FiReControl and

Firelink at least until a suitable mechanism for its distribution and possible ring-fencing of the funding has been subject to wide consultation.

- The proposal by CLG to fund a resilience payment to cover additional costs must be based on actual costs and mirror actual expenditure and not simply reflect the financial summary in the Business Case and accompanying Regional Annex. This Authority is seeking assurances that the Government will provide future funding support based on actual additional costs as identified by the Region.
- On local cost apportionment, this Authority considers that the approach taken by CLG in establishing a local model must be reconsidered. For a relatively small increase in national costs it would be possible for CLG to underwrite costs at Authority level.
- Further information and clarification must be provided on the national functions required, outlining what those functions will be, what additional resources will be required and how these will be funded.

4 RECENT PROJECT DEVELOPMENTS

- 4.1 Strong progress continues to be made locally and this has been recognised both by the new National Project Director, Roger Hargreaves, in his visit to the Service Control Room in January 2009 and by the Fire Minister, Sadiq Khan MP, at the recent delegation visit. The following information set out below emphasises the most recent developments.
- 4.2 **Performance Standards Review** – a detailed response to the first review of the Performance Standards has now been submitted to CLG. The review was undertaken by a number of different disciplines drawn from across all four of the Fire and Rescue Services in the North East, including a number of performance standard specialists and also conducted in partnership with the LACC. Overall, whilst acknowledging the extent of the work undertaken so far to establish a set of network performance standards, a great deal of work still needs to be undertaken to make the standards acceptable to the user community. The Authority will have a further opportunity to comment following the release of the draft contract including the performance standards, which is anticipated to be subject to formal consultation. No date is currently available for this release.
- 4.3 **Staff Consultation and Initial Staff Pool** - Good progress is being made in the Authority to advance the human resource element of the project. On 4th February the first of the formal regional joint consultative committee (JCC) meetings was held with employee representatives. A number of LACC determinations were presented at the meeting including the reasonableness criteria, shift patterns, staff numbers, organisational structure, security checks, health and safety management system, and family friendly employment policies. A joint position statement has been issued to staff following this meeting, and furthermore, a hard copy of papers discussed has been provided to each Control Room. A local consultative committee has also been constituted with meetings scheduled to follow the pattern of the regional version. To date, all parties have been actively engaged in this process.

- 4.3.1 As part of the consultation and communication strategy, a series of staff workshops are scheduled to commence in April 2009, with a view to continue information sharing with staff affected by the transfer.
- 4.3.2 The second phase of recruitment for the Initial Staff Pool, to ensure that sufficient staff will be available to be released into training in advance of go-live, has commenced, bringing a total number to be recruited in Tyne and Wear to 20. Members are advised that all costs for the Initial Staff Pool continue to be funded by CLG.
- 4.4 **Finance Issues** - On 3rd March 2009 CLG published Fire and Rescue Service Circular 12/2009 which provided further information about the second payment for the financial year 2008/09. The Circular clearly sets out the additional funding that authorities will receive in 2008/09 based upon new burdens principles. CLG has already provided funding to cover the full costs of the transition activities, the initial staff pool and the regional project team for 2008/09.
- 4.5 The additional funding to be provided primarily reflects costs borne by the LACC and to that end the North East is to receive an additional £365,135 which includes funds for LACC staffing, accommodation, service fees and a small amount for miscellaneous items such as hosting meetings. This is in addition to the £21.8m already provided nationally to authorities in July 2008. It is envisaged that a further Circular which will address the future financial commitments especially following the announcement of the re-profiling of the project, will be released in due course. It is envisaged that this Circular will contain the Government's commitment into 2009/10 and future years.

5 TIMESCALES FOR THE PROJECT

- 5.1 Government has released into the public domain a revised project plan following the re-profiling of the project. The revised plan was jointly developed by CLG and the main contractor, EADS and consultation was conducted with senior stakeholders prior to release. The plan was recently released to the user community and all checkpoints, gateways and milestones reflect this change. CLG have also stated that any completed checkpoints that have previously been audited will not be re-examined.
- 5.2 Of significant concern is the apparent lack of recognition in the revised plan of the work fire and rescue services and regional teams need to complete prior to cutting over to the RCC. The timescales proposed remain particularly challenging and every effort is being made to ensure that this Authority is in a position to cut-over in the summer of 2010. Members are advised that this timetable still remains ambitious, especially as cut-over is a tripartite exercise involving the North East, the South West and the East Midlands regions. In addition, there are some further delays to the release of critical information which means that the delivery team has not been able to fully assess the scale, implications and risks of the challenge although the staff in this Authority continue to work at full capacity to meet these deadlines.

6 EQUALITY AND FAIRNESS IMPLICATIONS

- 6.1 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 A risk assessment has been undertaken to ensure that the risk to the Authority has been minimised as far as practicable. The assessment has considered an appropriate balance between risk and control; the realisation of efficiencies; the most appropriate use of limited resources; and a comprehensive evaluation of the benefits. The risk to the Authority has been assessed as high utilising the standard risk matrix based on control measures being in place. Accordingly the project will be kept under regular, if not constant review. The complete risk assessment is available on request from the Chief Fire Officer.

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. This has been and will continue to be raised with central government.

9 RECOMMENDATIONS

- 9.1 The Authority is requested to:
- a) Consider and comment upon the content of the report, and
 - b) Agree that the Chief Fire Officer, Finance Officer and the Clerk to the Authority continue to make representations as appropriate regarding the financial issues raised within this report;
 - c) Receive further reports as appropriate.

BACKGROUND PAPERS

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

- Fire and Rescue Service Circular 12/2009
- FiReControl Business Case

Appendix A

**RMB DELEGATION TO FIRE MINISTER SADIQ KHAN MP – 21ST JANUARY 2009
(1400 Hours)**

Present:

Cllr Brenda Forster – Chair of RMB
Cllr Tom Wright – Chair of Tyne and Wear Fire and Rescue Authority
Cllr Leslie Rickerby – Portfolio holder for Northumberland County
Brian Hesler – Chief Fire Officer Northumberland
Susan Johnson – CEO Durham and Darlington
John Hindmarch – RPD
Albert Emmerson – Regional Treasurer
Gavin Crowden – Business Change Team Leader
Eileen Armour – NE Business Relationship Manager

Minister's Opening Remarks

The Minister welcomed all present and thanked Members for taking the time to travel to London to meet with him. He thanked all for the hard work being undertaken and appreciated that the NE was delivering. There have been some changes to staff within the project, especially at the top and he hoped that we had seen the change in attitudes. He stressed the need to deliver in partnership with the users, and certainly values our commitment.

He explained that there were a variety of reasons for the delay, some of which were contractual and therefore could not be made public. Prior to the announcement, he was conducting meetings with the most senior people in EADS and CLG and he now believes that all the issues have been satisfactorily resolved. Deadlines are important in this project and he is reasonably confident that the new regime will lead the project without any further delay and appreciates that he and others need to increase user confidence in this matter.

Concerns raised by Members and Officers

Albert Emmerson:

Will the Minister review the position of long term financial support and delay any amalgamation of support into RSG for both FireControl and Firelink at least until a suitable mechanism for its distribution and possible ring-fencing or passporting of the funding has been consulted on?

Concerns on this matter have been raised previously and the Minister stated that he listened and tried to address the issues. He confirmed that nobody should be 'out of pocket' at fire authority level and the Government is committed to funding the additional costs of this project. He understood that the costs were likely to be higher than in the published Business Case and that Members needed assurance about meeting actual costs. He stated that his officials are to consult further with the regions on this matter with a view to agreeing revised amounts.

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What assurances can the Minister provide that future funding support will be considered and as already mentioned paid via a specific grant rather than paid via the RSG?

The Minister understood the issue however the advice he has been given from the LGA was that they would wish no specific grant but all funding to be through the RSG. He has not ruled anything out however and suggests Members raise this issue with LGA colleagues.

Cllr Wright:

Does the Minister recognise that for a small increase in national costs that underwriting costs at Fire Authority level and imposing a local apportionment basis would likely satisfy all regions, remove a current obstacle to the project and negate further differences between Fire Authorities within regions?

This is an issue that has been raised by others and it is a case of global costs –v- individual fire authority costs. The Minister was minded to give guarantees but recognised the need to look at the various methods and see what the differences were prior to coming to a decision.

Cllr Forster:

How does the Minister see the lack of Governance structure between Regional Control Centres being resolved, and how will this deal with any potential conflict between separate Regional Control Centres?

How will the Minister seek to influence or change this situation, having regard to the fact that statutorily the Board of each LACC must take decisions in the interest of its own Company?

On the basis that LACC – FRA contracts will be with all FRA's in the LACC's region, how are anomalies to be dealt with?

The Minister does not wish to be in a position to dictate to Local Authority Controlled Companies and views CLG in a supporting role on this issue. The vision is for nine control rooms when previously there were 46 and therefore there should be less conflict. However he would also hope that the culture of the Regional Control Centres and the business needs will help towards preventing any conflict arising, recognising that there can be no 'post code lottery' and therefore the contracts would need to be particularly tight.

Gavin stated that the contracts were being developed and based upon a bedrock of fairness. They are also looking to the Legal Working Group to structure the contractual relationships to give direct rights to the fire authorities.

The Minister saw his role as an 'honest broker or umpire' and he also looked towards the Chief Fire and Rescue Service Adviser and the Audit Commission to assist him in this role.

Cllr Forster asked an additional question:

Many colleagues outside of the fire arena do not believe in the value of this project and do not give any support. How do we deal with this?

The Minister stated that he understood the issues and that this project was not about saving money but about strengthening our operational response in all spheres, which is why it makes sense to do it. The challenge is to make all stakeholders realise that there are more benefits than not from implementing this project. He also stated Government's commitment to deliver – there is no going back. He is now having regular meetings with the Fire Brigades Union on this and other matters and has informed them that this will be delivered.

Susan Johnson:

Whilst EADS are now required to meet more stringent project milestones, what assurances can the Minister give that there will be more rigour in the project delivery so that risk on the region will be minimised and that both CLG and the FRS's work more cohesively towards the common aim of project delivery on time, and to budget?

Is the Minister totally convinced that the revised timetable for project delivery is achievable? What steps is he personally taking to mitigate any risk of further slippage?

Neither the contract nor the end-to-end solution has yet been made visible to the users.

The Minister stated that there has to be a basis of trust on this matter as it is not possible to share certain issues due to contractual matters. The Minister has made all the major milestones visible and has also instructed EADS and CLG to have more interaction with the users on the ground. He also stated that the buying power and influence of other Ministerial colleagues had been brought to bear in raising these issues with the Contractor and he is convinced that we will see changes in attitudes on the ground. He also thinks that the project will progress with no further slippages.

He is also aware that more stakeholder engagement is necessary and has asked Gavin to look into this.

Cllr Leslie Rickerby:

What assurances can the Minister provide that contingency arrangements have been put in place by CLG in the event of complete project failure?

The Minister said two things – he has not seen anything that leads him to believe this project will fail, and he is not being overly complacent on this either.

At this point he offered to come to the NE on a visit to help to allay stakeholder fears and meet the delivery teams.

Brian Hesler:

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Can the Minister advise the Service of when we might expect to receive the Mobile Data Terminal equipment, particularly as guidance to date has been misleading and leaves some services short of equipment which is central to maintaining Firefighter safety?

The Minister fully understands the reasons for this concern and asked Gavin to look into what could be done.

Albert Emmerson:

Will the Minister consider the implications of the cost of the planned IT refresh and clarify the position for Fire Authorities as soon as possible and certainly include within the next Business Case clearer information on how this may be funded?

The Minister asked Gavin to look into this.

Susan Johnson:

What does the Minister see as his three personal risks re this project?

The Minister replied that he had concerns about the sub-contractors EADS had appointed; the fact that officials had not been working as closely with stakeholders as they need to be; and the fact that stakeholder confidence was low. In order to address these risks he now has a monthly report personally from EADS and has put in place measures to increase stakeholder confidence.

Brian Hesler:

Raised two further issues – Use of the RCC building and would the Minister consider making the LACC a Category One responder under the Civil Contingencies Act?

The Minister replied that he was looking to the regions for innovation in the extended use of RCC facilities and would welcome the spread of good practice between regions. He also stated that the options under the CCA for LACC's had been considered and a decision will shortly be made, although it was unlikely that they would become Category One responders.

The meeting closed at 1500 hours.

Appendix B

FIRE MINISTER'S VISIT TO REGIONAL CONTROL CENTRE – 19TH MARCH 2009

The Minister stated he was pleased to visit the RCC in the North East and enter into a frank discussion with Members and Officers about the topical issues. He also stated he is grateful for all the pioneering work staff in the North East are doing to drive the implementation of the national network and project forward.

The main areas of concern are highlighted below:

Net additional costs – Members wished to continue to seek assurances that there will be no additional costs to the tax payers of the North East as a result of FiReControl.

The Minister responded that this issue was not new as it had been raised with him by the team (delegation) who visited him in London. With regard to the Business Case, officials are now checking the figures prior to publication in April 2009. it will also be possible for the funds to be deposited directly to fire and rescue services or to the region. However, with regard to funding via RSG or a 'ring fenced' grant the Government's policy supported by the LGA is about devolving power to the regions and counties. To that end there are fewer and fewer 'ring fenced' grants available and discussions with the LGA certainly support this movement. The Minister understands that this approach may well not be suitable for those fire and rescue services such as Cleveland that are already below the 'floor'.

Project timescales – whilst welcoming the announcement of a re-scheduling of the project timescales for go-live, the new timescales proposed are challenging, particularly as a first wave region. Every effort is being made to ensure that the North East meets the requirements of the plan and is in a position to cut over in the summer of 2010, however there is still significant concern and particularly as a first wave region that there is a lack of recognition in the plan of the work FRS's and the regional project delivery team need to undertake and complete prior to cut over. In addition, there remain some further delays to the release of critical information which does not enable the regional delivery team to fully assess the scale, implications and risks of the challenge. Overall it is felt that the timetable remains ambitious.

The Minister is holding regular meetings with senior EADS executives in order to drive this project to the revised timescales. Sir Ken Knight stated that all stakeholders recognise that the timescales for delivery are challenging but all are working together striving to meet these timescales.

National network governance – there is a growing concern that the governance structure for the operation of the national network of nine RCC's is not sufficiently mature. It is not clear how the governance structure of nine independent LACC's will support the operation and governance of the national network. These arrangements will need to be in place for the first go-live in Summer 2010.

Sir Ken Knight stated that detailed discussions about contractual maintenance are on-going and he expects some resolutions in weeks rather than months, with

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proposals for the resolutions of any difficulties coming back to stakeholders for consideration.

Fire Brigade Long Service and Good conduct Medal (FBLSGCM) – Control staff wish to remain part of the fire and rescue service and therefore be eligible to receive the FBLSGCM at 20 years continuous service. However, we believe that this is not the case?

Sir Ken Knight stated that this issue has been raised on a number of occasions recently but the fact remains that some existing fire and rescue staff (airports, corporate staff and others) fall outside of the Royal Warrant at present and are not eligible for the medal. It is unlikely that there will be any changes to the Royal Warrant in the future. The Minister suggested that LACC's should be considering a system of reward and recognition which would apply equally to all employees.