

GREATER MANCHESTER FIRE  
AND RESCUE AUTHORITY

8 SEPTEMBER 2011

Subject: NORTH WEST FIRE CONTROL PROJECT

Report of the County Fire Officer & Chief Executive

## SUMMARY

The report seeks a decision from Members on the best option to address their statutory duty for emergency call handling.

The paper is advocating a North West collaboration, utilising residual funding and facilities of the National Fire Control project to achieve best value for money. This is subject to the development of a local business case, and conditional upon the support of the other four Fire Authorities.

(Contact Officer – Gerard Murphy, Director of Finance & Technical Services. Tel. 0161 608 4110 or email [murphyg@manchesterfire.gov.uk](mailto:murphyg@manchesterfire.gov.uk))

## BACKGROUND

1. A paper was submitted to the Authority in February 2011 which updated Members on the closure of the national FiReControl project, and the implications for the Authority. That meeting resolved that further detailed work should continue to enable a future decision to be made. The meeting did agree, however, that the Authority should pursue Option 1, although this was conditional on a number of specific points regarding funding support from CLG, and other related matters. The text below is an extract from the report to ensure Members are clear on what was recommended.

### **OPTION 1 (from February 2011 report)**

2. “The current draft costings for a regionally based alternative indicate the potential for a further Authority saving of approximately £600-700,000 per annum (based on some informed high level assumptions about CLG financial support – this is a key piece of work which is being progressed in parallel where possible with the current national consultation process). This is in addition to the £500,000 saving in the approved budget. This is based on all five fire and rescue authorities participating in the collaborative venture. The final basis of cost allocation is yet to be determined so an appropriate degree of caution needs to be exercised at this stage of the exercise.”
3. Prior to this February report, an extensive paper setting out the latest fire control developments had been submitted to the Authority on 27<sup>th</sup> January 2011 explaining the cancellation of the national project and the interim Communities and Local Government (CLG) position. The January paper also alerted Members to the publication of a consultation paper, “The future of fire and rescue control services”, which was the subject of a separate

report. The Authority did respond to the consultation paper endorsing the proposal to make best use of monies already spent and that collaborative solution remained the best option. (Annex A is a copy of the Authority response.)

4. For information, the currently approved medium term financial strategy and efficiency savings of the Authority, agreed in January 2011, include proposed efficiency savings from the existing staffing and management arrangements of approximately £500,000 in a full year but with a phased implementation from later this year.
5. Consultation with the appropriate representative bodies is underway.

### **RECENT DEVELOPMENTS**

6. The Government published its response to their consultation paper and issued an FRS Bulletin setting out its views on the how to support Fire and Rescue Authorities to move forward and address the issues created by the closure of the national project. In essence, the Government still wanted to achieve resilience. To achieve this, they allocated a notional amount of £1.8 million per Fire Authority for them to “bid” against, to support local arrangements. But, the Government intends to make this funding available on a priority basis and to those authorities whose proposals address the issues of resilience and collaboration.
7. The North West had anticipated this particular announcement and had been working for some time on a resource bid, but included informal dialogue between senior officers and representatives from CLG within the approval. In addition, a delegation of senior members and officers from the North West met with the Minister earlier this year after the national project had been closed down. The intention of that meeting was to reach a mutual understanding about how the North West fire and rescue services could take forward a project that would secure Government support based on the initial high level analysis that had been completed in January 2011.
8. The meeting was positive and set the backdrop for much more detailed work undertaken in the North West with a view to securing firm commitment from CLG for project resources.
9. A huge amount of work has been undertaken by officers, in close consultation with senior Elected Members in the intervening period, which culminated in the submission of a North West bid for resources shortly after the funding proposals were announced. This is included in full at Annex B. A letter setting out the basis of the CLG offer of assistance was received on 12<sup>th</sup> July 2011 and is included at Annex C, and is consistent with the request made for resources in Annex B.
10. At a recent regional meeting where all North West Fire and Rescue Services (senior officers and members) were represented, extensive discussions and debate took place in relation to the following issues:-

1. Concept of Operations document
  2. Draft business case
  3. Joint Working Agreement
  4. Procurement and technical assessment and a High level activity schedule.
11. Following extensive dialogue, discussion, clarification and challenge, it was agreed that each Authority would develop their own report on a proposal to move forward with a regional collaboration, and with a view to moving forward with the project based on a formal Joint Working agreement (attached as Annex D) agreeing to take the project forward. This report is part of that process of seeking a way forward. The other authorities meet throughout September as set out below;

**Lancashire  
Cheshire  
Cumbria  
Merseyside**

**Monday 12 September 2011  
Wednesday 14 September 2011  
Thursday 15 September 2011  
Tuesday 27 September 2011**

## FINANCIAL IMPLICATIONS

12. There are three options set out in this report for completeness, but Members are asked to focus on Option 1, which reflects the previous Authority resolution.

### OPTION 1

13. The financial implications of establishing a North West Fire Control operation are set in summary below, and in greater detail in Appendices to this report.
14. In summary, the Authority would save approximately £800,000 in 2014/2015 post go live and, thereafter, in steady state around £700,000 per annum. These figures are broadly in line with the provisional figures previously reported (although slightly better).
15. Projecting savings four years hence, requires a range of assumptions to be made about project delivery costs and steady state costs. These may fluctuate over that time. So in a project of this size it is prudent to recognise this, and recognise project tolerances of +/- c15%, notwithstanding the contingencies that have been factored in to the current costings.
16. The confirmed DCLG subsidy for this North West approach represents a total of £36.7m and is broken down below:
1. **Provision of funding for a technical infrastructure solution (£2.5m)**
  2. **Provision of funding for re-structuring costs (£5m)**
  3. **Support for a project team at Lingley Mere (£2.26m)**

4. **Building, Estate & Utility costs in full until Go Live followed by a 66% subsidy for the full duration of the lease (£26.94m)**
  5. **Provision of legacy assets which includes, a data connection to the Airwave network, furniture and fittings (approx £1m)**
17. The NW Business Case currently predicts a combined total £2.5m cashable saving in 2014/15 (first year of operation) and £2.2m savings in 2015/16 (steady state year) and a total of £19.4m over the next 12 years. An extract from the Business Case is shown below. **Members should note that this is based on the Authority having already achieved the £500,000 control room staffing savings as set out in the approved budget over the next two years.**

Provision of <u>Current Control</u> - Annual Costs for FRS at 2014/15 rates						
2014/15 Costs	GM FRS	Merseyside FRS	Cumbria FRS	Cheshire FRS	Lancashire FRS	NW Total
Based upon updated data in 2011 indexed forward to 2014/15	£2.545m	£1.372m	£0.572m	£1.047m	£1.428m	<b>£6.96m</b>
Provision of <u>New Control</u> - Annual Costs for FRS at 2014/15 rates						
2014/15 Costs	GM FRS	Merseyside FRS	Cumbria FRS	Cheshire FRS	Lancashire FRS	NW Total
Based upon predicted costs in 2011 indexed forward to 2014/15	£1.73m	£0.97m	£0.27m	£0.61m	£0.89m	<b>£4.47m</b>
Provision of <u>New Control</u> - Annual Savings for FRS						
	GM FRS	Merseyside FRS	Cumbria FRS	Cheshire FRS	Lancashire FRS	NW Total
<b>2014/15</b>	£0.82m	£0.40m	£0.30m	£0.44m	£0.54m	<b>£2.49m</b>
<b>2015/16</b>	£0.70m	£0.33m	£0.29m	£0.40m	£0.48m	<b>£2.20m</b>

## **OPTION 2**

18. If, for whatever reason, the number of participating Fire and Rescue Authorities reduced this would impact on the preliminary savings projections which would, almost certainly, reduce. Nevertheless, this may still be more beneficial than maintaining a stand alone solution.

19. This option would still be likely to attract a significant amount of CLG financial assistance. It is not possible to quantify the financial implications at this stage of this option, but based on economies of scale this option is likely to be more cost effective than Option 3.

### **OPTION 3**

20. The current GMFRS system and infrastructure would cost approximately £2.7M in capital costs to upgrade to the latest standard as much of this work had been held in abeyance whilst the national project was underway (Authority report 27<sup>th</sup> January 2011) plus project staffing costs if the Authority had to continue on a stand alone basis. This would offer less scope for future efficiency savings and/or enhanced resilience and would also cost in the region of £3M, with uncertainty about the extent to which DCLG would support a stand alone approach.
21. The CLG letter concerning the future funding support sets out the following position -  
  
“The purpose of this grant funding stream is to support local enhancements to control services which deliver efficiency and resilience improvements, and lead to greater collaboration between Fire and Rescue Services in the delivery of their control and mobilisation service.”
22. A stand alone option is also likely to be more expensive both to implement due to lack of economies of scale in the project delivery phase and in the future steady state. It would not offer increased resilience which is a key requirement to deal with spate conditions such as adverse weather conditions such as flooding, long dry spells and more recently spikes of operational activity caused by civil disturbances which occurred in Salford and Manchester.

### **OPERATIONAL/ICT CONSIDERATIONS**

23. An underlying principle is that the system provided will, as a minimum, deliver the same grade of service already present in each of the 5 Authorities. However, in most cases this will lead to improvements in service, as facilities already in some Authorities will automatically be made available to those Authorities who do not currently have all the available components of service. GMFRS has one of the older systems and will benefit from this improved technology.
24. A comprehensive transition project will be run across the amalgamating FRs, to ensure all relevant operational considerations are addressed and accounted for.
25. Members will wish to ensure that the North West project does not repeat the mistakes of the national project and so extensive work has already been undertaken to agree a set of core principles so that the chosen solution will deliver the requirements of all fire services and will be set out in a Concept of Operations document.

The core principles are that:

- We will specify a “Proven” System that can be seen in “Live” Operation
- We won’t “reinvent the wheel”
- We will utilise existing FRS specification from a recent procurement, as the starting point of the specification; and all FRSs will then complete a Gap Analysis against this Specification
- The Technical Specification will be driven by the operational requirement and “owned” by the respective Chief Fire Officers
- Best elements of current systems will be incorporated into the new specification
- We will support the “Mobilisation” of Appliances via Data to both Stations and Data Terminals on Appliances
- Initial live operation will provide at least, an “as is” capability, with scope for future “betterment”
- We will still utilise existing FRS Infrastructure and Station End equipment
- Airwave integration will be a key component and we expect to receive expensive equipment already procured by CLG as part of the transfer of legacy assets

The system will also incorporate “best of breed” proven technology such as:

- Geographic Information System (GIS)
- Automatic Vehicle Location AVLS
- EISEC/ALSEC (Caller identification systems)
- National Gazetteer Street/Address infrastructure
- Mobile Data Terminals

## **LEGAL CONSIDERATIONS**

26. The Authority has the following statutory duty under Section 7 of the Fire and Rescue Service Act 2004 which states the following:

- (1) A fire and rescue authority must make provision for the purpose of—
  - (a) extinguishing fires in its area, and
  - (b) protecting life and property in the event of fires in its area.
- (2) In making provision under subsection (1) a fire and rescue authority must in particular—
  - (a) secure the provision of the personnel, services and equipment necessary efficiently to meet all normal requirements;
  - (b) secure the provision of training for personnel;

- (c) make arrangements for dealing with calls for help and for summoning personnel;

Each of the options set out above would enable the Authority to discharge its statutory duty.

- 27. A Joint Working Agreement has been prepared as a basis of taking the project forward to completion and this is included at Annex D.
- 28. This is a key document to ensure there is clarity from the outset in how each Authority will interact with the project including commitments, liabilities, and reporting lines.

### **HR IMPLICATIONS**

- 29. Work is currently underway to introduce new arrangements including shift patterns, structures and working practices in the existing control room with ongoing consultation with the Fire Brigades Union. The interim savings are programmed to save approximately £500,000 in a full year, and will result in a reduction of 13 staff.
- 30. The staffing arrangements for the new single control facility are a matter for North West Fire Control Ltd, but there are specific obligations on both the Authority and the Company to comply with the Transfer of Undertakings (Protection of Employment) Regulations 2006 known as TUPE.
- 31. These regulations provide employment rights to employees when their employer changes as a result of a transfer of an undertaking.
- 32. The regional business case is based on further staffing reductions by achieving greater economies of scale and higher productivity levels. This will inevitably mean a reduction in the overall numbers of staff in the region engaged in control room activities.
- 33. It is too early to assess the specific impact on GMFRS control staff as much depends on the outcome of recruitment and selection processes for the new control centre, which have yet to commence.
- 34. Control room staff have been aware of this project for some time and are waiting for clarity to emerge following the demise of the national project.

### **EQUALITY IMPLICATIONS**

- 35. An Initial Equality Impact Assessment has been carried out (copy attached at Annex E). In carrying out the EIA there did not appear to be any direct or indirect discrimination in respect of the protected characteristics provided for in the Equality Act 2010, but clearly the EIA will be continuously reviewed as the project progresses.

## CONCLUSIONS

36. An enormous amount of work and financial modelling has been undertaken since the last report to the Authority, and a number of areas of uncertainty have now been formally clarified as set out in the earlier sections of this report.
37. The purpose of this report is now to seek Authority support to move forward with Option 1, which represents the most cost effective and resilient service delivery model. This is in line with the policy position the Authority has previously committed to subject to the clarifications and assurances set out in the last Authority paper. Those assurances have now been received in writing from CLG and have been included within this report.
38. The detailed governance arrangements for the project have been discussed, and will be finalised once the cycle of Authority meetings have been completed across the North West.

At the time of writing, senior members of all five authorities remain firmly committed to delivering this collaboration, subject to the receipt of formal endorsement by their respective authorities.

39. The project work which has been undertaken is extensive, but, of course, this has been validated by the various professional adviser groups within the region who have refined the various supporting documents. The evidence produced, thus far, illustrates that there is a sound business rationale to move to the delivery phase of the regional collaborative project. And there is confidence that it is a deliverable project, despite the failure of the national FiReControl project.
40. A North West approach offers a range of operational, technological and financial benefits (based on guaranteed early Government financial support), as well as other opportunities such as the space released at FSHQ and cost avoidance for systems replacement.

## RECOMMENDATIONS

41. Members are asked to:
  1. Endorse the implementation of a Regional Control facility as set out in this paper
  2. Note that the County Fire Officer and Chief Executive will implement appropriate governance and resourcing arrangements to deliver the project from within approved budgets.
  3. Receive updates as the project proceeds

STEVE MCGUIRK  
COUNTY FIRE OFFICER & CHIEF EXECUTIVE



Annex A	Authority response to consultation
Annex B	Funding bid
Annex C	CLG letter – offer of assistance
Annex D	Draft Working Agreement
Annex E	Equality Impact Assessment

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