

Lancashire Combined Fire Authority

Meeting to be held on 18 December 2023

North West Fire Control – Continuing the Collaboration (Appendix 1 refers)

Contact for further information: Justin Johnston – Chief Fire Officer
Tel: 01772 866800

Executive Summary

To update Members about the future of North West Fire Control (NWFC).

Recommendation

The Committee is requested to:

- Note the Fire Authority's commitment to the NWFC collaboration.
- Agree the Fire Authority's contribution of 28.05% to the collaboration as explained in the report.
- Note that the Chief Fire Officer will make all necessary decisions associated with the new mobilising system on behalf of the Fire Authority within his delegated powers.
- Approve the CFAs share of the New Mobilising System and Additional Resourcing costs and proposed funding as described in the report and set out in the financial implications section.

Background

North West Fire Control (NWFC) was created after the collapse of a national project to create nine regional control centres. The Government provided significant financial support to the North West fire control project (and continues to pay a substantial sum towards the rent of the building occupied by NWFC).

NWFC serves Cheshire, Cumbria, Greater Manchester and Lancashire. Staff at NWFC answer 999 calls, mobilise resources to incidents and assist operational staff with the management of incidents.

NW Fire Control Limited (the Company) is the legal entity that provides the services to the partner fire and rescue services. The Company is jointly owned by the fire and rescue authorities and liability is limited by guarantee. Each fire and rescue authority appoints two Directors to sit on the Board (from the CFA it is the Chair and Vice Chair). The Chief Fire Officers and some advisers also attend the Board, together with staff from NWFC.

NWFC started dealing with calls for Lancashire in May 2014. For those Members that have been appointed to the Fire Authority since NWFC came into being a copy of a report that was considered in September 2011 (less the appendices) is attached to this report as Appendix 1.

Information

General

Creating NWFC was a difficult and costly exercise. The parties to the collaboration were advised that it should be seen as a long-term and 'almost permanent' arrangement, due to the complexity and cost of ending it. Creating a separate fire control solely for one of the partners to NWFC would take at least two years (probably nearer to three) and involve:

- investment in a new mobilising system which would be likely to cost almost as much as the system utilised by NWFC;
- creation of a resilient control room; and
- recruitment of staff to be suitably trained in readiness for go-live.

The CFA is committed to NWFC until at least July 2033 (which is the date that the lease of the fire control building comes to an end). A new mobilising system is required to be procured by NW Fire Control Limited and when a number of other pressures exist that have been impacting on NWFC.

Members are asked to note the Fire Authority's continued commitment to the NWFC collaboration.

Sharing the Costs of NWFC

When NWFC was created there was a significant investment by the Government (which continues in the form of circa £1m per annum towards the lease of the NWFC building at Lingley Mere in Warrington). Almost all up-front costs to create NWFC were paid for by the Government.

NWFC is now paid for by the partners in proportions that were agreed before the original project was fully committed to. The proportions were intended to reflect the relative demand placed upon NWFC by the respective partners, i.e. call volumes were seen as a meaningful driver for establishing the respective shares of the costs. The proportions are recorded in various governance documents, with the Co-Operation Agreement between the fire and rescue authorities stating that the '*... proportions will be reviewed from time to time. Such reviews will take into account the relative benefits to the respective Authorities derived from the Services provided by the Company.*'

The percentage call volumes per partner have generally been extremely close to the proportions and therefore the partners have not sought to review them. More recently, however, the call volumes have changed to such an extent that at least for the time being they no longer align with the proportions.

The proportions have not changed since the original project was commenced and continue to apply at present. They are:

Fire Authority	Proportion (%)
Cheshire Fire Authority	18
Cumbria Police, Fire and Crime Commissioner	8
Greater Manchester Combined Authority	48.5
Lancashire Combined Fire Authority	25.5

The need to fund a new mobilising system and the requirement for additional funding for NWFC, as well as the fact that the call volumes no longer align with the original proportions, have led to a debate about the proportions that should be paid by the partners going forward. The Chief Fire Officers have reached a position which they feel able to justify to their respective fire authorities. For Lancashire this would see the proportion change from 25.5% to 28.05%, the impact of which is explained in the Financial Implications section of this report. This would be expected to take effect from 1st April 2024.

Members are asked to agree the Fire Authority's contribution of 28.05% to the collaboration.

New Mobilising System

NWFC uses a computerised mobilising system which assists the control room operators when answering and handling emergency calls. The current system is now nearing 'end of life' and needs to be replaced.

This replacement project requires a significant investment by the partners (both time input and money) as well as from the team at NWFC. An important first step will be the agreement of an extension to the contract for the current mobilising system, which will need to be available to NWFC until the new mobilising system is in place. The partner fire and rescue services are fully engaged in the project. Currently, the tender documentation is being prepared with involvement of a range of staff from the partner fire and rescue services, some staff from NWFC and external legal and procurement advisers.

During the project there will be a number of important decisions, which will need to be taken by the partner fire authorities and NW Fire Control Limited. For example, all parties will need to be:

- satisfied with the procurement arrangements/tender documentation before the tender process can commence; and
- in agreement over the appointment of a supplier once the tender process has run its course.

In addition, the Chief Fire Officer for each partner fire and rescue service will make the decision about 'going-live' onto the new mobilising system once they are satisfied with the implementation work and readiness of the new mobilising system.

Members are asked to note that the Chief Fire Officer will make all necessary decisions on behalf of the Fire Authority within his delegated powers.

Funding the New Mobilising System

There are two aspects to this. Unfortunately, at this point it is not possible to share firm figures with Members; these will only become clear as the project is delivered. There are, however, some estimates and assumptions that can be shared with Members.

The procurement and implementation of a new mobilising system is a large undertaking, encompassing work that will span three financial years (at least). Based on the latest

estimates and assumptions this will require a one-off investment of around £6m. This cost is shared by the partner fire authorities. Currently, Lancashire's share of the cost is 25.5%.

Once the system is live there will be recurring annual costs for licensing, maintenance, development etc. Currently, the cost is circa £0.800m. It is hoped that the recurring cost will not increase substantially but given the recent impact of inflation on wage increases, there will undoubtedly be some uplift. It is probably prudent to budget for up to £1m per annum. Again, this cost will be shared by the partner fire authorities.

Additional Resourcing

Since NWFC started handling emergency calls back in 2014 a number of things have changed. Firstly, the expectations of the partner fire and rescue services have risen. Secondly, the requirements placed upon the fire control have grown, e.g., as a result of recommendations from the Manchester Arena Inquiry. Thirdly, quite recently, a new Fire Standard aimed at fire control rooms has been published, which NWFC will need to comply with and prove that it does (if it cannot do so already).

The Chief Fire Officers have given a considerable amount of attention to NWFC in recent years. Various pieces of work have been commissioned and some investment has taken place. As a result, a form of business plan (with annual delivery plans) has been created which the Chiefs believe needs to be supported. For now, they have considered the support that is necessary for the next twelve months (2024-25) as well as building in some additional resource the cost of which they believe should be built into NWFC's base budget. Inevitably, there will be further resourcing requirements, because the delivery plan contains some challenging elements that NWFC cannot deliver from its existing establishment.

In 2024-25 the following matters are due to be progressed:

- a new training regime and system for capturing that training;
- an appraisal of and action plan which needs to be delivered associated with the fire control Fire Standard; and
- a capacity review and work on a future operating model.

These will require a project management team. Some elements will lead to permanent growth to be built into the base budget, e.g., additional operations managers and project management resource.

Members are asked to approve the CFAs share of the New Mobilising System and Additional Resourcing costs and proposed funding as described in the report and set out in the financial implications section.

Financial Implications

Whilst NWFC has been a great success, saving the Fire Authority in excess of £4m to-date (per the original business case), this report describes a number of necessary investments that need to be made by the partners to the collaboration. This will help to ensure the continued success of the collaboration until 2033 as well as helping the partners understand what happens from that date. The costs are summarised in the following paragraphs:

Current Budget

Current Lancashire CFA budget for NWFC - £1.609m (25.5% of the overall cost).

The impact of increasing the Fire Authority's share of the cost of NWFC

If the Fire Authority's share increases by 10% of the current proportion, i.e., rises from 25.5% to 28.05% and for the purpose of illustration we use the current, 2023-24 budget for the Authority's share of NWFC (£1.609m) the cost to the Fire Authority would increase by £0.161m to £1.770m.

The table below provides details of the position reached by the Chief Fire Officers:

	Cheshire	Cumbria	Greater Manchester	Lancashire
Current Proportion (%)	18	8	48.5	25.5
Proposed Proportion (%) / (change)	19.8 (+1.8%)	8.8 (+0.8%)	43.35 (-5.15%)	28.05 (+2.55%)
Change – expressed as percentage of Current Proportion	+10%	+10%	-10.62% (rounded)	+10%

Members will see that each of Cheshire, Cumbria and Lancashire have offered to increase their proportion by ten percent of their current proportion; for Lancashire the proportion of the overall costs would increase by 2.55%; from 25.5% to 28.05%. Greater Manchester will see a reduction in its contribution of 5.15%; from 48.5% to 43.35%.

It should be noted that the cost to Lancashire, even at 28.05% is a very significant saving on the sum that would be required for its own control function. It would be responsible for the considerable expenses described earlier in the report if it wished to set up its own control. This simply would not make financial sense.

New Mobilising System

The procurement and implementation costs, estimated to be in the region of £6m, will be payable over the next three years (2024-25, 2025-26 and 2026-27).

The share payable by Lancashire at 25.5% would be £1.530m, or at 28.05% would be £1.683m (an additional £0.153m). It is proposed that will be met from the Fire Authority's capital reserves.

Ongoing costs for the existing mobilising system are circa £0.800m. It would be wise to budget for these to increase from 2026-27 when the new mobilising system is expecting to go live and a figure of £1m has been suggested. This means that the cost payable by NWFC could increase by £0.200m per annum. This would be a long-term commitment, i.e. until the end of the contract which is intended to run until July 2033. It may be index-linked; this will depend upon the tender process and contractual position.

The share of this increased ongoing cost (£0.200m) that would be payable by Lancashire at 25.5% would be £0.051m, or at 28.05% would be £0.056m (an additional £0.005m).

The Fire Authority already budgets to pay its share of the £0.080m ongoing costs for the current system within the sum that it pays towards NWFC at present.

Additional Resourcing

During 2024-25 the sum of £0.639m is needed to deliver those aspects of NWFC's business plan that will be contained in its annual delivery plan (with £0.466m of this being one-off costs and £0.173m becoming part of NWFC's base budget as it will be required in subsequent years).

The Fire Authority's share of the addition to the base budget of £0.173m at 25.5% is £0.044m, or at 28.05% is £0.049m (an additional £0.004m) and its share of the one-off cost of £0.466m at 25.5% is £0.119m, or at 28.05% is £0.131m (an additional £0.012m).

Summary

A summary of the financial implications on both capital reserves and the ongoing revenue budget is set out below for both the current contributions percentage (25.05%) and proposed contribution percentage (28.05%):

With no change to the 25.50% contribution percentage:

	24/25	25/26	26/27	26/27	27/28	Total
Proposed to be funded from reserves						
Share of £6m procurement and implementation costs	510,000	510,000	510,000	-	-	1,530,000
Share of £0.466m additional resourcing	118,830	-	-	-	-	118,830
						1,648,830
Impact on base revenue budget						
Share of Ongoing increase in costs of new mobilising system	-	-	51,000	51,000	51,000	
Share of ongoing additional resourcing costs	44,115	44,115	44,115	44,115	44,115	
Increase in ongoing costs	44,115	44,115	95,115	95,115	95,115	

With a 10% increase in contribution percentage to 28.05%:

	24/25	25/26	26/27	26/27	27/28	Total
Proposed to be funded from reserves						
Share of £6m procurement and implementation costs	561,000	561,000	561,000	-	-	1,683,000
Share of £0.466m additional resourcing	130,713	-	-	-	-	130,713
						1,813,713
Impact on base revenue budget						
10% increase in share of NWFC costs	160,874	160,874	160,874	160,874	160,874	
Share of Ongoing increase in costs of new mobilising system	-	-	56,100	56,100	56,100	
Share of ongoing additional resourcing costs	48,527	48,527	48,527	48,527	48,527	
Increase in ongoing costs	209,401	209,401	265,501	265,501	265,501	

Legal Implications

The collaboration is captured in various legal documents which, thankfully, have stood the test of time. In reality they have not been needed as the partners have always worked towards the resolution of issues that have caused concern/tension.

NW Fire Control Limited will enter into the contract for the new mobilising system. Partner fire authorities can be assured that fire and rescue service staff are working with colleagues at NWFC to ensure that the arrangements are robust so that future provision of fire control services will be suitably supported by the new system.

Business Risk Implications

The function that NWFC undertakes on behalf of the CFA is business critical.

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: N/A

Appendix 1: FUTURE OF FIRE CONTROL (12 September 2011)