

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 12 September 2011

**FUTURE OF FIRE CONTROL
(Appendices 1 and 2 refer) – NOT INCLUDED**

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Executive Summary

The report presents the updated information on the options for Fire Control and seeks a decision on the way forward.

Since this matter was considered by the Authority in June the DCLG have confirmed the provision of a £36.7m subsidy to support the North West (NW) collaborative project. This is payable as a grant of £9.76m towards project costs and a further £26.94m towards facilities costs payable monthly for the duration of the lease (22 years). In addition to the above figure, legacy assets have also been made available in the form of equipment to access the Airwave network, together with control room infrastructure and furnishings, amounting to circa £1m.

There has also been further DCLG correspondence to all Fire and Rescue Authorities inviting bids for a share of an £81m provision for improving resilience, efficiency and technology of fire controls. Plans need to be submitted by 4 November 2011.

Decision Required

Consider the information and options presented within the paper and agree one of the options below:-

Option 1 – North West Fire Control (NWFC)

- Approve entering into joint arrangements with other North West (NW) Fire and Rescue Services in providing a North West Fire Control (NWFC) at Warrington.
- Approve the Joint Working Agreement (Appendix 2) which indicates how joint arrangements would work.
- Note the Outline Business Case (Appendix 1) and agree the indicated £0.54m revenue saving in 2014/15 and an ongoing revenue saving of circa £0.48m/annum within a 15% tolerance.

Option 2 – Separate bid for DCLG support

- Agree to replacing our existing mobilising system.
- Agree if Fire Control is required to move, the preferred site is STC.

- Agree to submitting a bid for up to £1.8m for improving Fire Control, acknowledging this has no guarantee of success and the outcome will not be known until early 2012 at current estimates.
- Agree to further investigate combined arrangements with other Fire and Rescue Services to build resilience and realise further efficiencies.

Members should also note that even if the NWFC is the selected choice, its viability is dependent upon the decisions of other Authorities. Should decisions elsewhere make the NWFC unachievable within the approved tolerance then it is recommended that Option 2 is pursued.

Information

Following the demise of the national FiReControl Project in December 2010, Members have considered previous reports on Control at the February Authority meeting, at the Strategy Day in April and more recently at the June Authority meeting.

At these meetings 3 options were considered.

1. Joint arrangements with other NW Fire and Rescue Services at the existing building in Warrington.
2. Joint arrangements on a sub-regional basis.
3. Replace our existing mobilising system and remain separate.

1. NWFC at Warrington

At the last meeting the DCLG was yet to confirm its subsidy in response to a NW bid for joint arrangements. A letter agreeing the arrangements was received on the 12 July. Two days later, members from across the NW met to consider future joint arrangements. The Chair, Vice Chair and County Councillor De Molfetta represented Lancashire. The confirmed DCLG subsidy of £36.7m is broken down below:

- Provision of funding for a technical solution (£2.5m)
- Provision of funding for re-structuring costs (£5m)
- Support for a project team at Lingley Mere (£2.26m)
- Building, Estate & Utility costs in full until Go Live followed by a 66% subsidy for the full duration of the lease (£26.94m)

Additional to the above is the provision of legacy assets which includes a data connection to the Airwave network, furniture and fittings amounting to circa £1m.

The NW Business Case is attached at Appendix 1 and demonstrates a combined total of £2.5m cashable savings 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. The business case has been scrutinised by each FRS Director of Finance and externally verified by Risktec Ltd. An extract from the Business Case is shown below.

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	£2.54m	£1.37m	£0.57m	£1.0m	£1.43m	£6.96m
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	£4.47m
Provision of <u>New Control</u> - Annual Savings for FRS						
	GM FRS	Merseyside FRS	Cumbria FRS	Cheshire FRS	Lancashire FRS	NW Total
2014/15	£0.82m	£0.40m	£0.30m	£0.44m	£0.54m	£2.49m
2015/16	£0.70m	£0.33m	£0.29m	£0.40m	£0.48m	£2.20m

There has been much publicity over the cost and the high specification of the buildings intended for Regional Control Centres. They have been designed to the demanding requirements of the Critical National Infrastructure and are larger than required for a Control Centre alone. However, this drain on the public purse is at least offset by putting the building to a productive and intended use as would be the case with the NWFC option. There would also be opportunities to let or use the additional space in the future.

The NWFC would be differentiated from the failed national FiReControl Project in the following ways. Firstly the project would be driven by a dedicated project team working from Warrington not directed by civil servants working from London. The North West have a successful record of working together, the most recent example being the delivery of 16 community fire stations through the PFI involving Lancashire, Cumbria and Merseyside. The plan would need to accommodate 5 FRS not 44. It is recognised that some level of convergence in operational procedures would be required to improve interoperability. It is also acknowledged that this should not compromise the benefits FRS have realised through their existing IRMPs. The technical solution would be procured from an established supplier of mobilising systems. Lastly unlike the national system which sought to automate most of the processes, the NW recognises the expertise and the professionalism of its Control staff. It is content for them to continue to add value through making professional mobilising decisions.

2. Retaining a LFRS Control or developing joint arrangements

On 5 July the DCLG wrote to Fire and Rescue Authorities inviting bids for a share of £81m provision for improving the resilience, efficiency and technology of control services. Bids will be assessed to ensure they provide value for money and

resilience improvements. The document says as a guide this will provide up to £1.8m for each Fire and Rescue Authority. Bids are required by 4 November. It is anticipated that any grant funding will be confirmed by 31 January 2012 and paid in 2011/12 and 2012/13.

There is explicit guidance that bids must improve resilience. Therefore replacing a like for like control room in isolation is unlikely to attract funding. Although physical co-locating may not be required, connecting together control rooms and promoting a degree of inter-operability and resilience will be a feature of any successful bid. Therefore a Lancashire or sub-regional replacement can be considered as a single option with the degree of joint working with one or more NW Fire and Rescue Services still under consideration. This is the reason the options placed before the Authority have reduced from three to two.

Until a single option is selected Lancashire is actively developing a separate bid alongside the NWFC proposals. Given time constraints it is unlikely that a cohesive joint bid for shared Control arrangements on a single site could be developed in the timeframes indicated. Emphasis is now on upgrading the existing control and working with other FRS to build resilience. Lancashire are therefore committing time and resources in arranging a workshop during early September with an established provider and other existing NW users. This may steer LFRS into procuring a common mobilising platform through an approved Sprint 2 procurement framework, which may be the only way to establish compatible systems in time to submit a bid to the DCLG.

Assuming that a bid is developed and submitted in the required timeframe, it remains unclear as to the detail required for a successful bid or how the bid will be assessed and there are no guarantees of any funding by this route.

CONCEPT OF OPERATIONS

At the June CFA meeting members approved the principle that any new approach should only enhance and not compromise current arrangements.

The Control function has two different facets. These are the mobilising systems and the advance use of the Airwave radio. In the first area Lancashire lag behind some other Fire and Rescue Services, Merseyside and Cheshire in particular, who have migrated to more modern and effective Fortek platforms as their existing systems neared obsolescence. The other Fire and Rescue Services have avoided this cost by extending the life of existing systems. In the second area Lancashire are clear leaders. In partnership with the police, Lancashire adopted the Airwave radio system in 2002 and are now mature and effective users. We have developed and integrated mobile data terminals (similar to laptops) to the radio system as a dynamic way of providing critical information to responding crews. The intention of any new system is to combine both areas of best practice into a single approach.

The table overleaf summarises the positions of NW Fire and Rescue Services.

BENEFITS ANALYSIS

	LANCASHIRE	MERSEYSIDE	CHESHIRE	GREATER MANCHESTER	CUMBRIA
STATUS	IN PLACE			IN PLACE	
MOBILE DATA TERMINAL INTEGRATED TO AIRWAVE	IN PLACE				
USE OF TALK GROUPS/ CCI PORTS	IN PLACE				
DYNAMIC MOBILISING		IN PLACE			
AUTOMATIC VEHICLE LOCATION		IN PLACE			
MOBILE PHONE CALLER IDENTIFICATION		IN PLACE	IN PLACE		IN PLACE
PREMISE –BASED MOBS GAZETTEER		IN PLACE	IN PLACE		
INTEGRATED GIS	IN PLACE	IN PLACE	IN PLACE		IN PLACE

The shading indicates areas that will be introduced by new arrangements. Even if the systems are already in place there is no guarantee they are mature or optimised.

From the table above it can be seen that Lancashire are strong in the first three areas that relate to using the Airwave network. Being mature users of that system we already allocate radio frequencies or talkgroups to each incident and rely on the use of data rather than voice transmissions. Data transmissions can be more easily automated and improve efficiency. Using data also reduces cost in the way that generally text messages (data) are cheaper than telephone conversations.

However with regard to mobilising systems Lancashire would make significant gains by adopting a new system. Other NWFRS have caller identification of mobile phones. Also they can plot their vehicles on a active map and determine and dispatch the most appropriate fire engine.

To support NWFC Option, a Concept of Operations document has been developed. Its purpose is to:

- Define what the system will do
- Explain how it does it
- Reassure on standards of service delivery
- Ensure standards are not compromised
- Reflect the business case
- Describe benefits

This will be developed into a technical specification to support system procurement. The recommended procurement route for a technical solution will be either through a national framework (for example Sprint 2) or a restricted OJEU process.

Regarding the aspirations for any new system there is much commonality between NWFC and Separate Bid. However, there are differences in how they will operate in practice. A Lancashire focused system will be able to see the nearest appropriate resource in Lancashire and send it to the incident. Integral in the proposals for joint arrangements is the ability to see resources in neighbouring NW Fire and Rescue Services and if an appropriate resource is closer, that will be sent to any incident where lives are in danger. This is a fundamental advantage of working collectively over a larger geographical area.

Business Risk:

Lancashire Fire and Rescue Service and Manchester are in similar positions in that they have not replaced their existing mobilising systems. Support for the Lancashire legacy systems has been committed until December 2014. An early decision on new arrangements would mitigate the risk of needing support beyond the December 2014 cut off.

There is also a risk that, even if Lancashire decide in favour of joint arrangements, other NW Fire and Rescue Services do not agree. Should this be the case a pessimistic assumption is that the subsidy from the DCLG would reduce by £1.8m for every Fire and Rescue Service that did not enter into joint arrangements. Contingency options indicate that joint arrangements are still viable if only one of the four bigger NW Fire and Rescue Services were to withdraw. Should this be the case savings should still remain within 15% of the steady state revenue savings per year presented in this paper. It is therefore recommended that the business case is still viable if the £0.48m steady state revenue saving for Lancashire Fire and Rescue Service dropped to £0.41m.

A further risk to joint arrangements is a lack of clarity on how future project decisions will be taken. Through the PFI for new community fire stations Lancashire, Merseyside and Cumbria have a proven track record on delivering successfully. This was achieved through a Joint Working Agreement. This has provided a template that can be adapted for the 5 NWFRS for the delivery of a NWFC and is provided in full in Appendix 2.

The Joint Working Agreement sets out the governance arrangements that will operate to support collaborative work to provide a shared emergency control facility. It lays out how the project will be organised and the key milestones in the project. It also defines how the decision making process will work. For example CFA approval would be required for awarding of contract, to agree the Final Business Case and if any additional expenditure was required.

HR Implications:

The national FiReControl project placed on hold any plans to develop or change our existing Control arrangements. Staffing has remained unchanged pending the delivery of the national project.

Given the demise of the FiReControl project, the steady reduction in calls and incidents, as presented in previous papers, must logically result in a reduced establishment. It would therefore be unrealistic to compare the Business Case

against the approved establishment of 41 Full Time Equivalents, as the status quo is not a realistic option. It has been assumed that a more realistic comparator for the NWFC Business Case would be a reduced establishment of 8 posts which equates to 33 staff, which also approximates to our actual current staffing level. This does not mean the establishment could not be reduced below this in the future. Using 33 staff as the benchmark ensures that the Business Case provides tangible advantages over what is in place now and in the medium term. An eight post reduction equates to a saving of £0.296m.

If the NWFC option is selected the Outline Business Case is based on the new terms and conditions that have been developed, although some work is still to complete. The basic principle is by matching the staffing levels to call volumes and collecting the spare capacity which is used as a contingency in each FRS on a single site then overall staff numbers can be reduced.

Lancashire Fire and Rescue Service have a track record of dealing with downsizing in a sympathetic manner to minimise adverse effects on staff. The aim of this restructuring is to use a combination of transfer to the new NWFC, voluntary redundancy, early retirement and redeployment to accommodate displaced staff. This could also be managed more effectively by early selection of staff for NWFC by the end of 2011.

Within Lancashire all prospective applicants for the NWFC and nearly all staff have been supported through a 3 phase change management programme run by the Service. A further phase is planned for 2012/2013. Their professionalism, positive attitude and behaviour makes them a highly attractive proposition for securing a position in the NWFC should they apply.

Environmental Impact:

The NWFC at Warrington has been designed with environmental issues such as energy efficiency very much in mind and has successfully achieved a BREEAM rating of excellent. Currently Lancashire aims to achieve a rating of very good or better for all new buildings, which would apply to any new building for Control.

Equality and Diversity implications:

An initial Equality Impact Assessment was undertaken as part of the national FiReControl Project. This will be revisited and updated in light of the decisions made by the Authorities. However one advantage of NWFC is that it provides a career path potentially to the top of the organisation, whilst currently the highest level for current Control staff is Station Manager.

Financial Implications:

Whichever option is selected this project is set to deliver a new control function in 2014. During this period the Service will be required to deliver an estimated £5.7m of additional savings by 2014/5.

Both options require a provision of £0.2m to interface new systems to existing ICT provision. The Lancashire based Option 2 assumes a reduction in 8 posts saving

£0.296m/annum. However, this saving is already built into Option 1 and the steady state revenue saving of £0.48m/annum is additional to that figure.

The remaining differences revolve around capital costs. For the NWFC option, apart from the above, only £0.25m capital is required. The following additions are required for to be included in the Separate Bid to the DCLG, namely option 2:

Building	£1.25m
Systems	£0.8m
Airwave Interface	£0.5m
	£2.55m

The Airwave Interface refers to an upgrade of our existing provision. Although not essential, in the first few years it would be a longer term requirement. This provision is included in the NWFC Option.

Following the DCLG invitation of bids Lancashire Fire and Rescue Service would submit proposals for the potential £1.8m allocation. However as previously stated there are no guarantees that that amount will be secured. London are the only single FRS that has secured support so far. Despite being nearly seven times the budget of Lancashire they have only secured £2.25m of subsidy. Even if Lancashire was successful in securing the maximum £1.8m there would be a £0.75m capital funding gap. To provide a revenue comparison if this was unsupported borrowing repaid over 15 years the equivalent annual revenue cost would be £0.087m/annum.

Regarding NWFC, there are also additional opportunities whose benefit has not been quantified in the Business Case.

- Income generation by rental of facilities
- Potential to take on further work with existing staff
- There is an existing provision of £400k capital and £182k/annum revenue to develop and operate a secondary control. There are potential savings should mutual fallback arrangements be agreed with another control
- Opportunities to adopt best practice as review work to converge current approaches progress.

Regarding additional costs for a separate bid that have not yet been quantified, these are:

- Support for a project team to deliver any new approach.
- Staff restructuring costs.

The subsidy on the accommodation is provided until 2033. At this time a new business case will be developed and presented to members on what arrangements should then prevail.

Local Government (Access to Information) Act 1985
List of Background Papers

Paper	Date	Contact Chris Kenny
Reason for inclusion in Part II, if appropriate: Paragraphs 1,2 3 & 4		