Communities and Local Government

Firecontrol Project

Full Business Case
Volume 1 (Second Draft)

A consultation paper

FiReControl

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Full Business Case
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October 2006
Department for Communities and Local Government

On 5th May 2006 the responsibilities of the Office of the Deputy Prime Minister (ODPM) transferred to the Department for Communities and Local Government (DCLG)

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Document Purpose

This is a development draft of the Full Business Case (FBC) for the FiReControl project. This edition incorporates the outcome of the accommodation procurement and negotiations with infrastructure services providers prior to the invitation to submit a Best and Final Offer (BAFO). It supersedes all previous versions.

The main objectives of this document are:

- To generate commitment for investment in the planned modernisation and change
- To support engagement with project stakeholders; and
- To provide the framework for planning and managing benefits realisation.

Summary of Key Points/Messages

The key messages in this document are:

- Regional control centres are essential to meet critical resilience needs locally, regionally and nationally
- Regional control centres will provide value for money, and achieve considerable efficiency savings for the fire and rescue service; and
- Doing nothing is not a viable option and the government is right to take the lead and earmark significant funds for investment in the project.

Action required on current version

Distribute for review

Document context

This is the third of a set of three documents, prepared at key stages in the project lifecycle:

Stage of project	Document	Reference	Date
Business justification	Strategic Outline Business case	RPT0020	Summer 2004
Procurement strategy	Outline Business Case	RPT0040	Winter 2005
Investment decision	Full Business case	RPT0293	Autumn 2006

This is working draft of the full business case. It will be refined and reissued when the ICT infrastructure contract has been awarded.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The need for regional controls

1. The FiReControl business case demonstrates that there is a critical need for regional control centres, and that they will provide value for money. The first duty of government is to protect the public. FiReControl will help to achieve this by enhancing resilience and supporting improved performance for all fire and rescue services. The project will achieve significant efficiency savings, which the government has indicated will be kept by fire and rescue services.

2. The new Regional Control Centres will be governed and operated by local authority controlled companies wholly owned by the local Fire & Rescue Authorities (FRAs) in the region. Whilst their primary function is to support Fire & Rescue Services (FRSs) in the delivery of improved local service quality, they will also allow flexible and appropriate response to the largest incidents. Every FRS will benefit from having this capability immediately available to assist them when it is necessary.

Disadvantages of current controls

3. At present, Fire and Rescue Authorities in England run 46 separate control rooms which rely on a wide range of differing technologies and operational procedures. The gap between the most advanced and the least is stark, with many approaching the end of their useful lives. Moreover, the existing control rooms are stand-alone. They cannot readily step-in for each other when systems fail or in times of high demand. They cannot deploy both specialist resilience equipment and core fire fighting resources flexibly and efficiently across boundaries and over larger areas.

4. In contrast, the scale and nature of incidents that the FRS is called upon to respond to has increased over recent years. Climate change and terrorism are major threats. A strategy for replacing current controls is essential. Doing nothing is not an option. Accordingly, the government has taken the lead in providing better protection for the public through this collaborative project with the fire and rescue service.

The vision for FiReControl

5. The vision for the FiReControl project is: **An integrated fire control service, which improves England's resilience against major incidents and helps Fire and Rescue Services to save lives**. This will be realised through two of the three key benefit areas, resilience and improved capability:

   - **Resilience:** the nine Regional Control Centres (RCCs) will form a national network. This will create a resource on a national scale able to deal with high levels of calls; or with unavailability of RCCs. The common technology and processes will allow an appliance to be mobilised from anywhere in England if required. Appliances can be applied flexibly across boundaries to respond to need, on a regional or cross regional basis. Calls can be automatically transferred between RCCs ensuring the continuity of quick and effective responses, to help save lives. The solution will exceed current CFOA call handling standards in any

individual RCC, and the ability to transfer calls will further enhance service performance. RCC buildings have resilience and security built into their design.

- **Improved capability:** All FRSs will have the full range of capability only currently enjoyed by some advanced FRS. The location of a member of the public calling by telephone (whether mobile or land line) for help will be identified automatically. The new system will also be better at identifying malicious and false calls. Satellite positioning equipment will tell the control centre computers which fire appliance(s) is closest to the incident in terms of travel time, with the correct equipment on board. The control centre computer aided systems will enable the control centre staff to locate the nearest available appropriate resources and mobilise them instantly and automatically, using data-transmission not voice messages. Firefighters mobilised to the incident will have data terminals in their vehicles. These will give them a wide range of information in a standard format.

6. The project will enhance the working environment for control staff and firefighters, and act as strategic enabler for other parts of the resilience and modernisation programmes, e.g. allowing improved management of new dimension assets across England.

Value for money

7. Prudent forecasts indicate that the significant net incremental benefits outlined above will be achieved for a marginal net incremental cost (Net Present Cost £50m). This will be funded by DCLG (alongside its investment in the new digital radio network). The total investment by DCLG in regional controls will be in excess of £160m. It is part of its commitment to work in partnership with fire and rescue services in the modernisation and improvement of the service as part of its responsibility to safeguard the public.

8. Once steady-state operating conditions are achieved, the cost of providing control services under the new, regional, resilient, networked arrangements will be some 30 percent (£25m) lower than continuing with local controls. This equates to a predicted improvement in unit cost of about £500 per 1000 head of population served. These savings represent very significant economies. In addition, DCLG is financially supporting the transition to the new networked service.

9. It is important to note that the ICT (technology) infrastructure, London accommodation and facilities management contracts are yet to be awarded. The figures presented above are therefore informed by prudent assumptions.

Project risks

10. FiReControl risk arises from three main sources: comprehensive business change; ICT infrastructure services; and accommodation. The interfaces between these sources and other projects, such as Firelink, create additional risks. These risks cannot be eliminated but they can be mitigated, managed and controlled. Accordingly, the project management of FiReControl has significant resources focussed on risk management systems and procedures. This will be integral to the implementation of the project.

11. The project support office has defined and established a rigorous risk management approach, including a formal project risk register. Project risks have been grouped in terms of the categories defined for the DCLG resilience programme, and the impact and likelihood of each risk category being triggered has been assessed.

12. As the project has progressed, some risks have been removed or significantly reduced. For example, many of the accommodation risks now lie in the past. Currently the project is focussing its activity on the following risk categories:

    - **Strategic Change/impacts:** the FRS as a whole is experiencing a period of unprecedented change. Changes to control room staffing levels and other modernisation agenda issues might precipitate resistance from staff, which could delay implementation of one or more RCCs or disrupt the overall timetable. These are being addressed through development of employment strategies which maximise buy-in from the workforce and a targeted communication process, both within and external to the FRS.

    - **Critical dependencies:** it is important to align the Firelink and FiReControl delivery schedules effectively to avoid delays and increased costs across the resilience programme. Interim arrangements might need to be in place for prolonged periods. A number of mitigating actions have been taken including: establishing programme-level governance arrangements; implementing joint project management arrangements regionally; recruiting a programme integration manager and ensuring flexibility is built in to dependent contracts.

    - **Financial resources:** FRS transition activity is being planned to minimise project costs and expedite the realisation of benefits. Significant work is in progress to raise awareness levels of the necessary FRS transition activities (including convergence and data migration).

Further information in the business case

13. In accordance with the OGC guidance, the business case is presented in five parts:

    - A **Strategic Case** which sets out the FiReControl vision in terms of the need for modernisation, and assesses the context in which this change will take place

    - An **Economic Case** which provides assurance that costs, benefits and risks of investing in regional controls have been identified and suitably balanced

    - A **Commercial Case** which provides an overview of the national exercises to procure accommodation and ICT infrastructure, and how value is being generated

    - A **Financial Case** which confirms that that project is affordable. It include an early indication of the beneficial effect on regional budgets; and

    - A **Project Management Case** which provides assurance that the project is achievable by outlining the capability of the delivery organisation and the key approaches to be followed.

14. This Full Business Case will be updated and reissued after the ICT infrastructure services Contract award to include the outcome of that procurement. Please note that London control centre accommodation costs will not be known at that time.

Conclusions

15. The key messages from this business case are:

- Regional control centres are essential to meet critical resilience needs locally, regionally and nationally
- Regional control centres will provide value for money, and achieve considerable efficiency savings for the fire and rescue service
- Doing nothing is not a viable option and the government is right to take the lead and earmark significant funds for investment in the project; and
- Delivery of the project will be through a collaborative approach leading to governance by local authority control companies which will own and operate the new RCCs.

THE STRATEGIC CASE

Introduction

16. This part of the business case establishes the strength of business need for regional fire and rescue service control centres, in England. It answers the following specific questions:

    - Why is there a need for immediate change?
    - What is the vision for regional controls?
    - What are the main business objectives?
    - How can we work effectively with our stakeholders to deliver change?

Regional controls are essential

17. The Government's first duty is to protect its citizens. The scale and nature of incidents that the FRS is called upon to respond to has increased over recent years, both as a result of terrorism and climate change.

18. It is important to ensure that the FRS has the capacity to deal with any incident from house fires to national emergencies. DCLG has put in place a number of programmes to do this. The FiReControl project is a key part of that enhanced capability by providing the ability to effectively control and co-ordinate all FRS and national resources.

19. At present, Fire and Rescue Authorities (FRAs) in England run 46 separate control rooms which rely on differing technologies and operational procedures. The gap between the most advanced and the least is stark, with many approaching the end of their useful lives. Moreover, the existing control rooms are stand-alone. They cannot readily step-in for each other when systems fail or in times of high demand, and they cannot deploy specialist resilience equipment or core fire fighting resources flexibly and efficiently across boundaries and over larger areas.

20. Taken together the existing control centres do not meet modern operational requirements and are not purpose-built to respond to large-scale incidents, including natural disasters or terrorist attacks. A strategy for replacing them is essential: doing nothing is not an option.

21. It is right that the Government should take a collaborative lead, working with FRSs to ensure that the replacement programme is comprehensive, coherent and nationally co-ordinated. The FiReControl project meets these objectives very effectively and no viable and credible alternative has been put forward.

Vision and scope

22. The vision for the FiReControl project is: **An integrated fire control service, which improves England's resilience against major incidents and helps Fire and Rescue Services to save lives**.

23. The vision is presented in terms of the services that are to be delivered by integrated, networked fire and rescue controls at a regional level. It includes:

- How service delivery will be enhanced
- The scope of the new fire and rescue control service
- Where the responsibility for delivering the new service will lie.

24. Staff do an excellent job in delivering core services (including call-handling and dispatch functions) within the limitations of the current arrangements. Significant opportunities exist to improve service delivery and outcomes. The degree of improvement achievable will vary by control. Key opportunities include (but are not limited to):

- Small control rooms are easily overwhelmed by calls, especially where they have much larger neighbours. Where a control room has become overwhelmed, calls queue until the Public Telecommunications Operator (PTO) switches them to alternative control rooms; the accepting control room then has to pass the details back to the original control for mobilisation to take place. This requires the already overwhelmed control to handle the call from a neighbouring brigade, undertake resource allocation and perform incident management. Avoidable risks and delays materialise on a regular basis.
- Large incidents close to FRA or regional boundaries are difficult to co-ordinate because more than one control room will be taking calls. Until incident command and control has been properly established and the ownership of the incident has been confirmed, duplication of effort can take place in control rooms and at the incident.
- Calls and responses about a single incident can be routed into a number of control rooms, resulting in fragmented information, which could compromise the safety of responding crews and the public, e.g. where a dangerous chemical is involved. There is a likelihood of multi-agency confusion when information is passed from a number of fire and rescue control rooms to other agencies, such as the Police and Ambulance services.
- The location, design and security arrangements of control rooms render them vulnerable to external events, which can include flooding, power loss, multiple single points of failure and accidental or malicious damage. This is often compounded by inappropriately located secondary control rooms and otherwise inadequate business continuity and disaster recovery arrangements.

- Staffing levels at many control rooms are determined by the need to maintain a minimum complement, which provides a level of capacity that is in excess of demand at some times and insufficient at others. This leads to serious inefficiencies, working time directive issues, poor work life balance and often an increase in sickness levels.

- Control staff often have to battle with antiquated buildings, processes and technology, employing convoluted work rounds to provide acceptable service standards. The system development required to address these problems is beyond the scope of the majority of FRAs. Patches to existing systems can compromise design and support arrangements, increasing the risk of system failure.

- Career progression in small control rooms is constrained by the low staff numbers and structures, with career progression being very slow in most cases.

- The co-ordination of the national resources required to respond to major CBRN incidents is located in only one FRA at the present time.

25. These weaknesses will be tackled as follows:

- Control services will be aggregated at regional level. These larger, networked, regional control centres will allow the flexing of national capacity to cope with local peaks in demand, which will largely eliminate call queuing. The whole scope of activity and service provision is being developed using a best practice approach and business improvement ethos. This will deliver improvements in standardisation and efficiency that benefit the fire and rescue service and the community.

- Common call handling and mobilisation processes, technology and training will allow calls to be transferred between regional control centres. Life threatening incidents will be handled by the centre taking the call and the nearest appropriate resources will be mobilised, regardless of boundaries. This will remove dual-handling and delays, which are unavoidable and inherent in existing arrangements.

- Better information and its more timely provision will enhance the safety of fire fighters. The new communication system will be based on data rather than voice and this will facilitate quicker, more effective attendance at incidents. Efficiency will be further improved through better status management and routine messaging. Automatic vehicle location information will show the location of the nearest available appropriate resources in real time, saving time and lives.

- Purpose designed and built accommodation will provide a significantly enhanced working environment. The scale and range of activities taking place at regional control centres will lead to career opportunities at the same and other RCCs. Where staff move to another RCC, common processes, technology and training will enable them to be productive immediately.

- New shift systems will be significantly more family friendly than current shift systems. This may well help to retain valuable staff and their skills within the organisation.

- New risk management tools will be integrated into the control infrastructure, resulting in more accurate and effective mobilisation of resources. Embedded, standard, national tools will lead to better formulation of IRMPs. This will optimise the use of local resources and reduce risk to life and property.

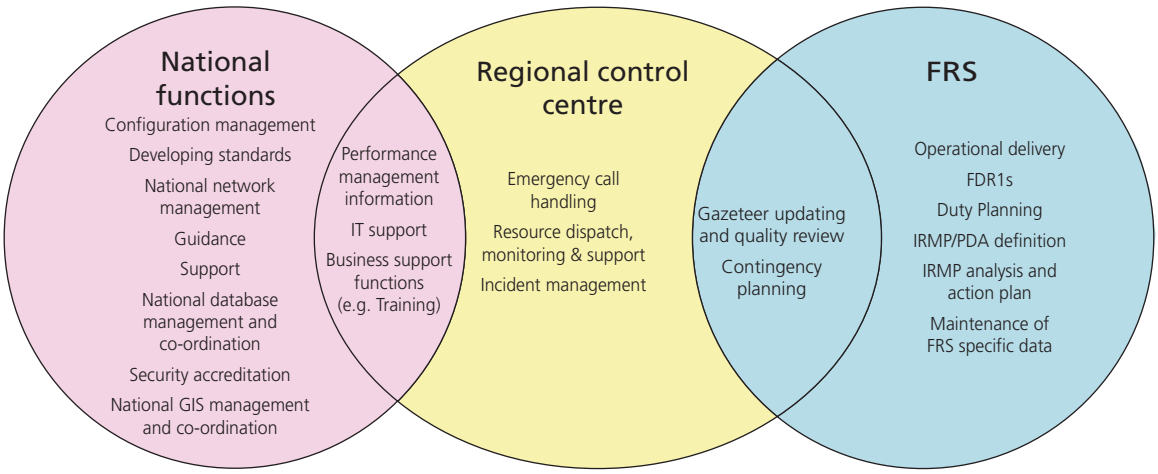
- The RCC network will house the national co-ordination functions, including management and deployment of New Dimension assets.

26. The new arrangements will support more effective management at national and FRA level through better gathering and reporting of information and statistics. See paras 45 to 66 in the Economic Case for a more detailed discussion of FiReControl benefits.

27. The following high-level activities are in the working scope for RCCs or FRSs:

- Call handling
- Resource allocation to incidents
- Control room incident management (including large-scale incidents)
- Resource management (e.g., balancing of available appliances)
- Maintenance of FRS and national data
- Planning of major events and contingencies
- Planning of fallback and recovery
- Business support and administration.

28. The diagram below illustrates the proposed division of responsibility:



29. It is the government's objective that fire and rescue services remain locally accountable. Local elected members and officers have a vital role to play in establishing, governing and operating the new regional control centres. Hence the governance arrangements have been designed to allow maximum flexibility at local level. Each RCC will be governed by a local authority controlled company, solely owned by the FRAs within that region. FRAs will decide who the company directors will be, the degree of control each FRA should have and what percentage of the costs each one will shoulder, and what the arrangements are for the administration of the company. It is also vital that FRAs are fully involved and consulted in the wider delivery of the project.

Business objectives

30. It is important to define distinct, unambiguous, business objectives for the FiReControl project and understand the factors which will contribute to their successful delivery.

31. These objectives and their related success factors will be used as the basis for evaluating FiReControl supplier bids and the acceptance of the goods, works and services provided by both internal and external suppliers (refer to the Commercial Case for details of the FiReControl procurement strategy).

32. The aim of the proposed business change is to deliver integrated, networked, standard, fire and rescue controls at a regional level, in England. This can be broken down into four discrete sub-objectives:

    - To enhance resilience in the national fire control capability
    - To support enhanced efficiency and effectiveness in fire and rescue service delivery
    - To work effectively with local fire authorities to deliver sustainable business change
    - To support the wider change agenda within the fire and rescue service.

33. In addition, it must be demonstrated that all public sector investments are both affordable and value for money.

Partnership with stakeholders

34. The project is being delivered in partnership with the fire and rescue service in England. The main form that this partnership takes is close working with representatives of the Local Government Association; the Chief Fire Officers Association; the Regional Management Boards and the London Fire & Emergency Planning Authority. There are also a number of secondees from the FRS working in the national project team and DCLG is currently funding the equivalent of 73 FTE posts in the FRS (1 FTE per FRA and 3 FTEs per region, please refer to FRS circular 63/2005 for more information).

35. The recent DCLG Select Committee report on modernisation within the FRS (June 2006) correctly identified that more work was required by the project team to ensure that stakeholders were effectively engaged to ensure that the project successfully embedded the desired business change.

36. A carefully-managed communications function is important due to a large number of stakeholders with a high interest and influence on the project. The aims of FiReControl communications are:

- To ensure that all of our stakeholders are informed, at the right level and at the right time, in every aspect of the project;
- To promptly counter rumour and fears which may arise during the life of the project
- To ensure consistency and accuracy of message from the national project;
- To ensure that FiReControl is presented as part of both the fire and rescue modernisation programme and the resilience programme.

37. A variety of methods are currently used and others are planned for later in the project's life, including:

- The FiReControl website
- Newsletters
- A regularly updated Question and Answer (Q&A) guide, on the website
- Fact sheets
- Reactive and active media coverage
- The announcement timeline
- Regular provision of summary of opinion in the regions to Project Directors
- A plan and information pack regarding location announcements
- A "Day in the Life" pack about how the new RCCs will operate
- Information updates for locally elected members
- Presentations at outside events
- FiReControl-run events and seminars.

The benefits management process will support effective delivery, see paras 126 to 128.

THE ECONOMIC CASE

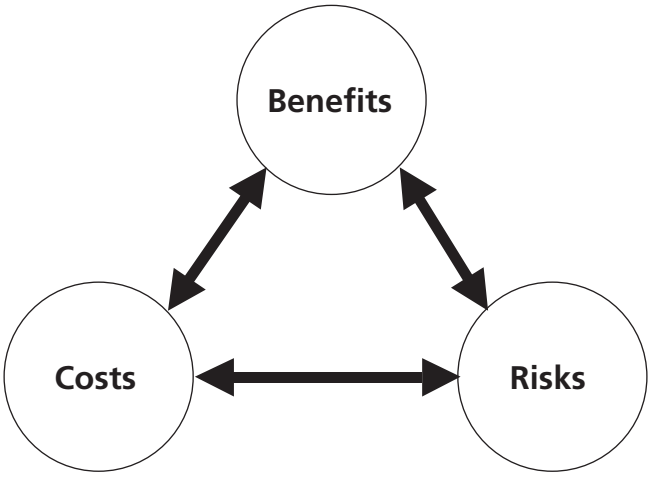
Introduction

38. This part of the business provides assurance that regional controls will provide value for money.

39. Previous studies (most recently the MMD report of 2003) have concluded that control rooms in England and Wales should be vertically integrated and that nine regional control rooms (including London) would be the most effective way to implement a vertically integrated service in England. Consequently, this economic case need only consider whether the establishment of regional controls remains Value for Money compared to the current position. The table below sets out the two positions which are to be assessed:

Positions	Description
Current position	Continuing with the current arrangement of 46 control rooms in England.
Regional controls	Amalgamating fire control in England to create regional control arrangements that match the Government Offices for the Regions.

40. Value for Money (VFM) is defined as the optimum combination of whole-life costs and quality that meets business requirements. A balance must be sought between the competing demands of maximising benefits whilst minimising costs and risks.



41. This is a national business case judged upon the national requirement to achieve Value for Money. Satisfying the national requirement includes national procurement exercises (refer to the Commercial Case).

42. In addition to the national requirement, there is a statutory requirement for Local Authorities to achieve Best Value for the elements of the fire and rescue control service which they have overall responsibility for delivering, e.g. corporate support for RCCs.

43. It is important to note that the current "position" is not a viable "option" for the fire and rescue service. It provides a notional base against which value for money can be tested.

44. The economic case is structured around the following questions:

- What business benefits are anticipated from amalgamating regional controls?
- What is the cost of ownership?
- How sensitive are the forecast costs and savings to key assumptions and variables, i.e. what is the business risk?

Benefits

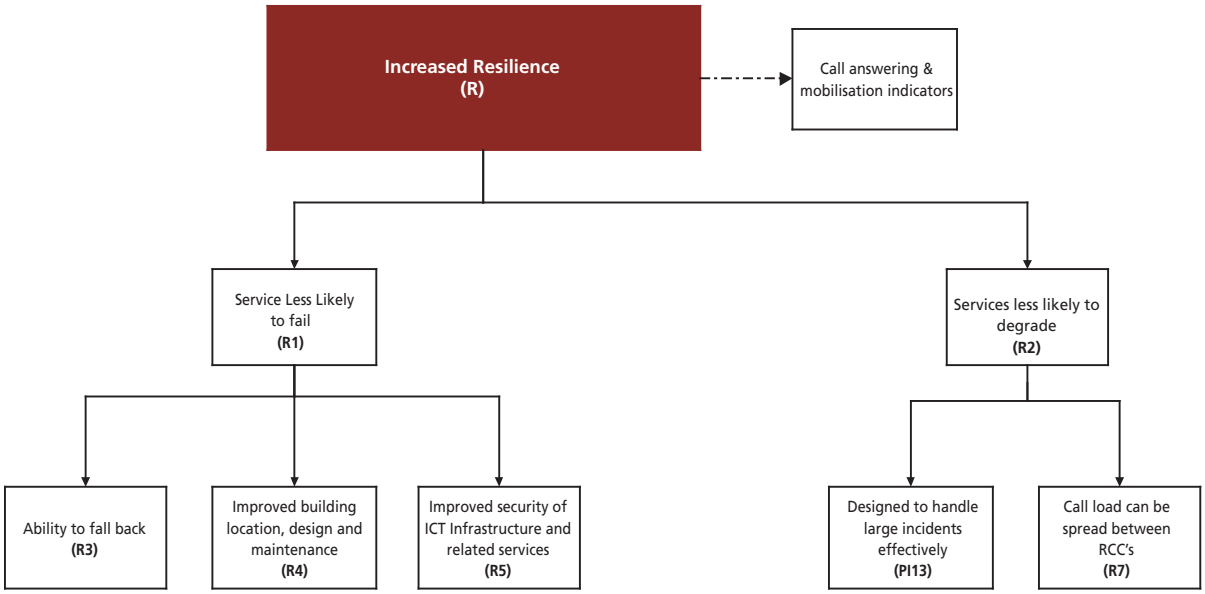
45. Business benefits are defined as desirable, planned, business outcomes from the FiReControl project. The expected benefits can be grouped into four categories:

- Increased control service resilience
- Enhanced functionality and greater efficiency, leading to tangible improvements in service performance
- A better working environment for control staff and fire-fighters; and
- Support for wider initiatives within the Department and Fire and Rescue Service (strategic enablers)

46. Detailed benefits profiles set out how the benefit will be realised, who will sign it off, who will perform post implementation review, and how the benefit is linked to the key elements of the solution. In addition, a benefits dashboard has been established to support the business change (refer to the Strategic Case).

47. The dashboard contains a set of benefits indicators which have been carefully chosen to support communication with Fire Service staff and the general public, whilst minimising administrative overhead (refer to paras 126 to 128 for more information about the FiReControl benefits management strategy).

Resilience



48. The diagram above illustrates the benefits profiles for improving resilience and how they are related to dashboard call answering and mobilisation indicators.

49. It can be seen that there are two main elements to increasing the resilience of the fire and rescue control service

- The service will be less likely to fail catastrophically
- The service will be less likely to degrade under stress conditions.

50. The service will be less likely to fail because of:

- **The ability to fall back and restore control services without loss of data or service** – there will be no difference to service levels if a fall back episode occurs. This is because the network is designed to absorb the loss of one or more RCCs. Call taking and resource/incident management are available to all RCCs during fall back episodes, and all RCCs have access to same data and can seamlessly mobilise if required. Moreover, recommended staffing levels are designed to handle the call load in the event of service failure.

- **Improved building location, design and maintenance** – buildings are designed to be more secure and resilient and are located to avoid risk from aircraft or flooding. Each RCC will be capable of surviving 7 days without mains services and will be maintained to standards appropriate for critical national infrastructure.

- **Improved security of ICT infrastructure and related services** – FiReControl systems will incorporate security measures to ensure and maintain confidentiality and integrity of data and the availability of services, consistent with HMG approved standards. This will reduce the number of data records lost due to external incident or human error, and help to reduce uncontrolled access, damage and theft.

51. The service will be less likely to degrade under stress conditions because:

- **It is designed to handle large incidents effectively** – the management of large incidents will be enhanced by national call signs and greater consistency of communications. The new control arrangements will make it possible to have visibility of all calls and activity relating to the incident from all or any of the new RCCs and hence support the RCC managing the incident activity to do so more effectively. The new arrangements will provide more comprehensive information to local or national strategic management staff, national New Dimension resource managers and other agencies as appropriate – in real time to support incident related decision making – and post incident to ensure accountability for actions taken. This will result in more effective use of available resources – knowing where they are, who they are and what attributes are available.

- **Call load can be spread between RCCs** – calls will be automatically diverted to alternative RCCs when a centre is busy. This will reduce delays in answering emergency calls during busy periods and allow national call handling capacity to be flexed to meet and support localised peaks in demand more effectively. The service performance requirements will be significantly tightened, e.g. call handling standards apply to each 15 minute period of activity during a day.

Performance

52. The diagram above illustrates the benefits profiles for improving the performance of the existing service and how they are related to dashboard operating cost, call answering and mobilisation indicators.

53. There are three elements to enhancing the performance of the existing control service

- Enhanced control service delivery
- Greater operating efficiency
- Cost avoidance.

54. Service delivery will be enhanced due to:

- **Increased resilience** – avoidance of system failure or service degradation during periods of high demand, such as spate, will result in tangible improvements to the service received by the public

- **Real-time appliance location being maintained automatically** – the new technology will enable controllers to identify and propose deployment of the nearest appropriate resources to deal with incidents each time an emergency call is received. This will minimise response times and the distances travelled by responding fire crews under blue light conditions[1].

1 The potential benefits are significant as appliances now spend a greater proportion of their time away from stations performing community fire safety work.

- **The new control rooms making use of caller location services** – the new control centres will make full use of call location services which enable callers from fixed and mobile phones to be more easily, reliably and accurately located. This technology also improves access for callers coping with a foreign language, incapacity, disability, or injury, and will help to further reduce preventable fire deaths amongst some of the most vulnerable and socially excluded groups in society. In addition, the new system will be better at identifying malicious and false calls.

- **Improved information for fire fighters** – Fire fighters will be provided with high quality information about an incident, on the mobile data terminals fitted in appliances, before arrival at the incident ground[2]. This will enable them to plan and respond more effectively, e.g. extricating road traffic accident victims from vehicles more rapidly, or reducing the spread of fire and hence damage to property.

- **Better management information** – the new control processes and supporting systems will produce better quality management information for most FRSs. This will support local, regional and national planning/decision taking

55. Greater operating efficiencies will be achieved through **economies of scale**. Capacity will be matched to demand. This will involve changes to staffing levels, processes and working arrangements, such as shift rotas. Under current arrangements poor matching of capacity to demand has resulted in highly trained control staff regularly undertaking routine administrative and auxiliary tasks. At an FRS level this is rational and supports locally efficient working. However, it is not a good use of control staff, who are a relatively expensive resource. The delivery of these tasks will be for FRAs to determine under the new control arrangements, in discussion with the national project team.

56. It is expected that the following costs can be avoided through implementation of the networked control solution:

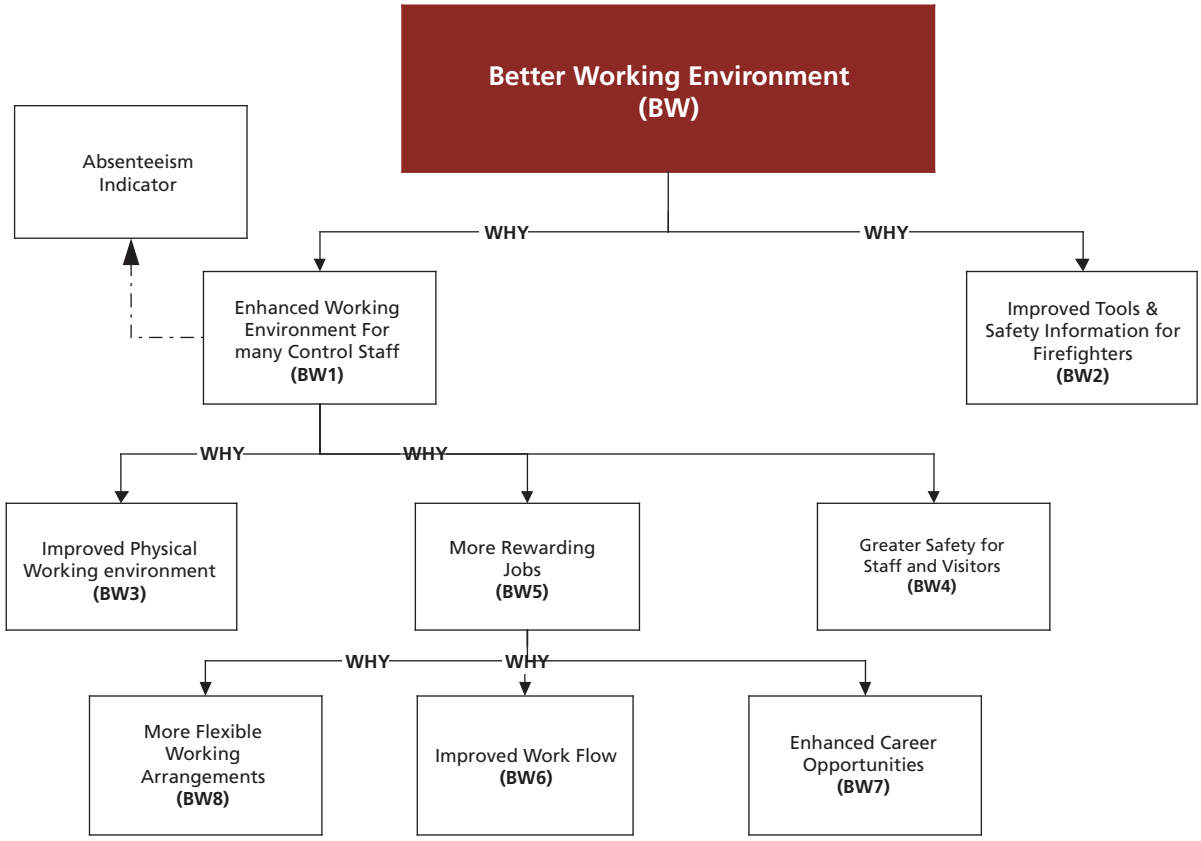
- **FSEC part of the national ICT infrastructure procurement** – FRSs use a prototype evidence-based toolkit (Fire Service Emergency Cover (FSEC)) to carry out risk assessments of which inform their Integrated Risk Management Plans (IRMPs). A Risk Management Toolkit, which replaces the FSEC, is included in the FiReControl technology requirement. Previously it had been assumed that each region would procure a version of FSEC locally, resulting in repeated development of the same functionality.

- **Upgrades to local ICCS avoided** – the control function is moving into new accommodation. Some existing controls will be able to avoid the full cost of upgrading/replacing the ICCS during the FireLink radio system roll out (estimated at £500k per control). The scale of the possible saving depends on the delivery schedules for the Firelink and FiReControl projects.

- **Some FRS traffic migrated to the FiReControl WAN** – FRSs may migrate some services to use the communications infrastructure FiReControl is providing.

1 Financial investment which individual FRSs would not necessarily be able, or cannot afford, to make.

Working environment



57. The diagram above illustrates the benefits profiles for creating a better working environment for fire and rescue service personnel and how they are related to the dashboard absenteeism indicator.

58. There are two elements to creating a better working environment:

- An enhanced working environment for many control staff; and
- Improved tools and safety information for most fire fighters.

59. The working environment for control staff will be enhanced through:

- **An improved physical working environment** – the control function will be housed in a new modern building, which control staff have helped to design. The building will have many beneficial features including: a design which maximises natural light, air temperature which is controlled to support diurnal body rhythms, an enhanced control room layout, car-parking, an external patio, improved security, and best of breed supporting technology and furniture.

  The buildings have been specified, and are being designed and built, to meet in full the 2006 Part L2 building regulations, which are much more stringent in respect of carbon emissions and to achieve a BREEAM (Building Research Establishment Environmental Assessment Method) rating of "Excellent". The Commissioning for Architecture and the Built Environment (CABE) were consulted and kept informed throughout the specification and procurement phases. The

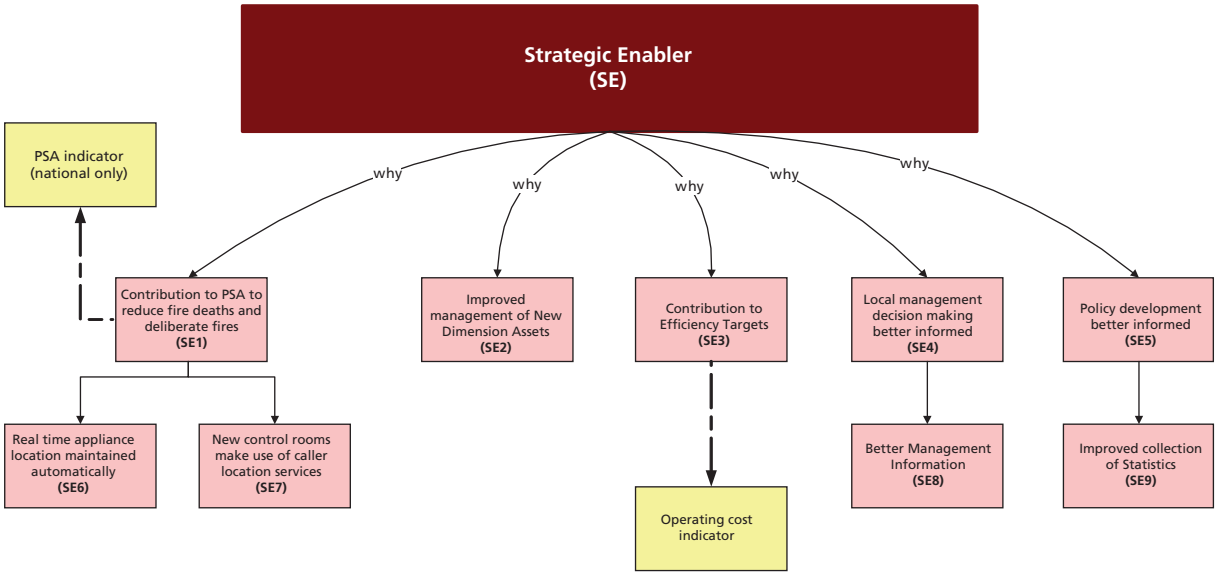
project earned very favourable comments from CABE, including an invitation to give presentations to CABE staff on best practice as exemplified by the RCC procurement.

- **More Rewarding jobs** – control staff will benefit from more flexible working arrangements, more consistent activity levels and enhanced career opportunities. Potential flexibility in the choice of shifts and shift patterns should lead to greater opportunity for family friendly working. Under the new control arrangements, staff will focus on core activities for which capacity has been matched to demand. There will be more colleagues to interact with and less variation in activity levels, which will help to eliminate the conditions which can lead to boredom and stress at work. The focus on the primary role of call handling and mobilising should enhance professionalism. Career opportunities will be improved by the increased scale of RCC organisation, proximity to the strategic decision making structure and greater mobility between sites, enabled by standardisation of control processes and technology.

- **Greater Safety for staff and visitors** – secure sites will increase safety, especially for staff working night shifts. Security features of the new RCC accommodation include: restricted access; a secure perimeter barrier; 24 hour security; and good external lighting. In addition, the building will be segregated to keep service areas separate from the general public. Lastly, the buildings and their fittings have been designed to meet health & safety regulations and limit accidents and illness at work.

60. Firefighters will benefit from improved tools and safety information. Firefighters on the way to, or at the scene of, an incident will be provided with essential information about potential risks, such as sites or the location of nearby hazards, operating procedures and other operational information. This will bring important health and safety benefits to front-line staff. In addition, the quality and speed with which management information can be delivered to the desks of FRS managers will be improved, and used to support the IRMP planning process.

Strategic Enablers



61. The diagram above illustrates the benefits profiles for strategic enablers and how they are related to the departmental Public Service Agreement (PSA) and dashboard operating cost indicator.

62. FiReControl strategic enablers include:

- Contributing to the departmental PSA to reduce the number of accidental fire related deaths in the home by 20% and the number of deliberate fires by 10% by 2010.
- Improved management of New Dimension assets
- Contributing to departmental efficiency targets
- Better informed policy and local management decision making

63. When incidents occur the FiReControl project will contribute towards achieving DCLG's PSA to reduce domestic fire deaths/injury and property losses. Using the same scientifically derived relationships between response times, fatalities and property damage which inform IRMP development, our professional advisors have estimated the impact of arriving at the incident ground more rapidly. For example, a six second average improvement would be expected to save 15 lives a year in England. The resulting benefit to the economy from reduced fatalities and property damage is estimated to be £40M a year.

64. The management of New Dimensions assets will be improved by the new networked control centres, which will be better able to cope with large incidents. Integration of New Dimension with FiReControl will allow a coordinated and consistent national response to large scale incidents.

65. The FiReControl project will make a significant contribution to departmental efficiency targets. Economies of scale will deliver sharply lower operating costs for providing a control service once FRSs have cut over to the new control arrangements (refer to paras 69 to 70 below). These savings will help to reduce council tax pressures on local authorities and enable resources to be targeted at areas of importance for the fire and rescue service.

66. Policy development will be better informed because policy developers have access to more comprehensive/consistent information and enhanced audit trails of events. Consistent, comprehensive management information will also support operational planning and decision taking at local, regional and national levels. However, the degree to which local authorities can take advantage of this opportunity will depend on their ability to interface legacy systems to the new RCCs.

Cost of ownership

67. Amalgamation of controls will save money for Fire and Rescue Authorities due to cost avoidance and economies of scale.

68. Headline costs and savings are generated by forecasting the costs of providing a control service under the current and regional controls positions. The difference between the two forecasts is the net cost or saving. Prudent forecasts indicate that the significant net incremental benefits outlined above will be achieved for a marginal net incremental cost (Net Present Cost £50M). This will be funded by DCLG (alongside its investment in the new digital radio network). It is part of its commitment to work in partnership with fire and rescue services in the modernisation and improvement of the service as part of its responsibility to safeguard the public.

69. The table below sets out the forecast annual cash costs and savings for local authorities under the new control arrangements.

	Current position (cost)	Regional controls (cost)	Net saving	Change (%)
Cost per head of population (£/1000)	1,700	1,200	(500)	30
Annual cost (£M)	85	60	(25)	30

Notes for table:

i. The unit cost is the annual cost of providing control services (under steady state operating conditions) divided by the population served (in 1000s). This is consistent with the Fire Formula Spending Share and the recommendations of the FiReControl Finance Working Group.

ii. All figures are based on 2006 prices.

iii. Current position figures are forecast from information provided by individual authorities in 2004 – these figures are being revisited.

iv. Regional controls figures are for a fully-networked resilient solution for the nine regions in England, including London.

v. The annual cost/saving is the average cash flow under steady state operating conditions. For the current position and regional controls this is FY2013/14 to FY2015/16.

70. Once steady-state operating conditions are achieved, the cost of providing control services under the new, regional, resilient, networked arrangements will be some 30 percent (£25m) lower than continuing with local controls. This equates to a predicted improvement in unit cost of about £500 per 1000 head of population served or an average £0.5m per FRA. Since control centres generate no revenue, these savings represent very significant economies which could be used to deliver the priorities of the fire and rescue service, notably fire prevention. In addition DCLG is financially supporting the transition to the new networked service.

71. It is important to note that the ICT (technology) infrastructure, London accommodation and facilities management contracts are yet to be awarded. The figures presented above are therefore informed by prudent assumptions.

72. The remainder of this section is structured around the following questions:

- How is the overall cost of ownership made up?
- What would be the impact of inflation on forecast costs and savings?
- How do current forecasts compare with the figures from the earlier Outline Business Case?
- How does the commercial deal sought enhance Value for Money?

Cost elements

73. The cost of ownership is constructed from the following elements:

Cost category	Cost element	Description
Staffing	Transition	One-off payments for labour retention, redundancy and early recruitment
	On going	Salaries and other employment costs, including on going training
Accommodation	Acquisition	The cost of acquiring suitable accommodation for the control centres. This can be in the form of a one-off capital cost or rent.
	On going	Facilities management and rates
Infrastructure	Acquisition	The cost of acquiring ICT infrastructure and mobilising systems and training the workforce to use it effectively
	On going	Services, including support and maintenance, security and the provision of the WAN, LAN and second generation FSEC
Management	Project management	The one-off costs of procuring accommodation and infrastructure, and managing change effectively
	On going	Functions best performed at a national, rather than regional level. Includes the intelligent customer function for national procurements and national network management.
Other	Other	Any other costs or savings from regional contributions.

74. Staffing represents the largest cost element under both the current position and regional controls. Consequently, the largest relative savings will be generated in this area. There are additional contributions from the economies of scale achieved through the national infrastructure services contract, the avoidance of infrastructure replacement costs (including related project management), and the economies of scale achieved in servicing control centre accommodation. These savings are offset against the cost of providing new accommodation and the requirement for a WAN, which is included in the infrastructure costs.

Inflation

75. The figures presented in the economic case exclude inflation. It is expected that inflation will have a beneficial effect on costs. The table below summarises the effect on each cost category.

Cost category	Effect	Comment
Staffing	Strongly positive	It is expected that wage inflation will increase the forecast savings from regional controls.
Accommodation	Positive	The agreements for lease include fixed price increases every 5 years (2.5% compound inflation). The resulting step increase in rent payable is significantly lower than the discount rate applied (3.5%) and is expected to undershoot increases in underlying retail prices.
Infrastructure	Benign	Experience suggests that downward pressure on hardware (commodity) prices will be roughly balanced by upward pressure on service prices due to wage inflation
Management	Negative	It is expected that wage inflation will increase costs. However, the contribution from staffing costs should significantly outweigh the increase in management costs.
Other	n/a	n/a

Comparison with previous forecasts

76. The figures from the FiReControl Outline Business Case (OBC) are not directly comparable with figures from the Full Business Case. Firstly, the FBC figures have been rebased to reflect FY2005/06 prices. Secondly, the period under consideration has been adjusted to reflect refinements in the project team's understanding of project timescales and the commercial deal sought.

77. The scale of the change from figures presented in the OBC is within normal bounds for this stage of the project. It is important to note that:

- The detailed requirement has been refined to deliver greater support for the resilience and modernisation agendas. This includes resilience which meets the requirement for CNI, the provision of station end equipment, installation of new risk management tools, extensive use of electronic data and the opportunity to migrate FRA communications to the mobilisation network

- The headline costs and savings presented in this business case are founded upon prudent assumptions. It is expected that local authorities will be able to improve on the figures presented, e.g. regional employers may be able to make changes to working practices and some FRAs may make gains from the disposal of assets.

The commercial deal

78. The table below shows that the commercial deals sought have a largely beneficial impact on the cost of ownership compared to estimates for crown build and fit out (for accommodation) or typical price points (for ICT infrastructure and related services).

79. The commercial arrangements underpinning the commercial "should-cost" model are outlined in the next part of the business case (the Commercial Case), which presents a detailed analysis of the impact on VFM.

Benefits	Dis-benefits
Adoption of a Private Developer Scheme, in which the capital costs of the RCC accommodation are converted into revenue (rent), considerably smoothes cash flow during transition to the new arrangements; this is beneficial for affordability.	The cost of acquiring accommodation over the anticipated lease term is higher than the estimated one-off capital cost of acquiring the site and building and fitting out the accommodation (NPV £15M).
Overall, the commercial deals sought for accommodation and ICT infrastructure services improve the discounted cash flow (net present value) by £45m.	Payment of an annual rent accounts for roughly one fifth the running costs for the new RCCs.
A significant level of risk is transferred from the public to the private sector. Responsibility for achieving delivery timescales and standards has been passed on to contractors. Responsibility for integrating the national network has been passed on to the ICT infrastructure services prime contractor.	The prime contractor will add a margin to sub-contractor costs

Economic appraisal of risk

80. The future is inherently uncertain. Furthermore, an element of unfounded optimism tends to creep into assessment of all human endeavours. In order to support budgeting exercises for the chosen option it is prudent to systematically review the effects of risk on the economic case. In this business case, the economic assessment of risk is undertaken in two different, but mutually inclusive, ways:

- **Optimism bias:** in which an "expected value" for capital cost and project duration are calculated using historical precedents

- **Scenario analysis:** in which economic outcomes are linked to project risks through an understanding of the ranges of values adopted by key cost assumptions.

81. As the solution develops it becomes possible to supplement the optimism bias analysis (informed by past projects) with an economic risk analysis (informed by the current project). It is important to note that, although this analysis is only being performed on the costs and delivery schedule for the regional controls position, all options and positions are subject to risk. Taking into account the appraisal of risk undertaken, the project remains affordable within a reasonable level of risk.

82. FiReControl risk arises from three main sources: comprehensive business change; ICT infrastructure services; and accommodation. The interfaces between these sources and other projects, such as Firelink, create additional risks. These risks cannot be eliminated but they can be mitigated, managed and controlled. Accordingly, the project management of FiReControl has significant resources focussed on risk management systems and procedures. This will be integral to the implementation of the project.

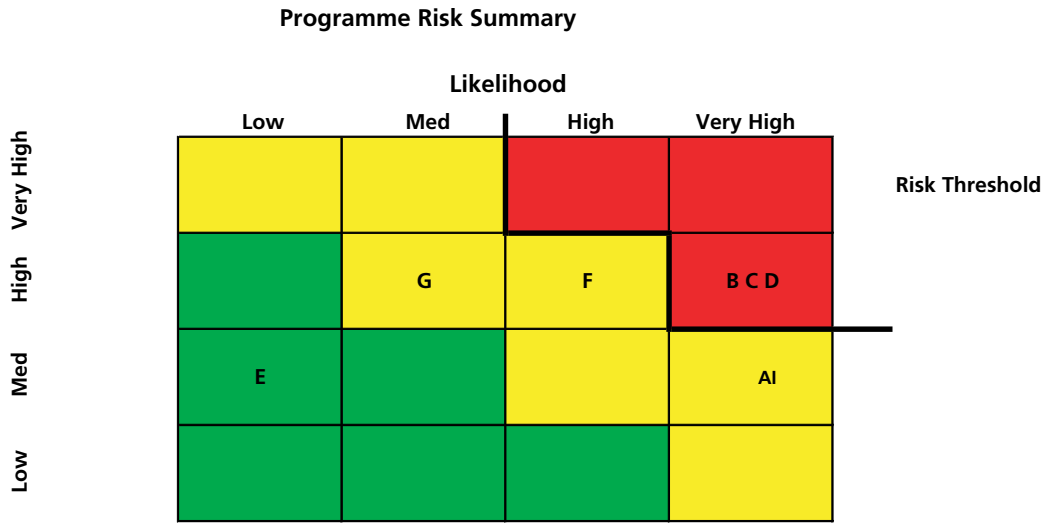
83. The project support office has defined and established a rigorous risk management approach, including a formal project risk register (refer to paragraph 116 in the Project Management Case). Project risks have been grouped in terms of the categories defined for the DCLG resilience programme, and the impact and likelihood of each risk category being triggered has been assessed. These are summarised in the following risk profile:

84. Currently the project is focussing its activity on the following risk categories which, before mitigation activities, are at a level which indicates a need for action:

- **Strategic Change/impacts (B):** the FRS as a whole is experiencing a period of unprecedented change. Changes to control room staffing levels and other modernisation agenda issues might precipitate resistance from staff, which could delay implementation of one or more RCCs or disrupt the overall timetable. These are being addressed through development of employment strategies which maximise buy-in from the workforce and a targeted communication process, both within and external to the FRS.

- **Critical dependencies (C):** it is important to align the Firelink and FiReControl delivery schedules effectively to avoid delays and increased costs across the resilience programme. Interim arrangements might need to be in place for prolonged periods. A number of mitigating actions have been taken including: establishing programme-level governance arrangements; implementing joint project management arrangements regionally; recruiting a programme integration manager and ensuring flexibility is built in to dependent contracts.

- **Financial resources (D):** FRS transition activity is being planned to minimise project costs and expedite the realisation of benefits. Significant work is in progress to raise awareness levels of the necessary FRS transition activities (including convergence and data migration).



85. There are three risk categories containing risks close to the threshold:

- **Governance and management capacity (A):** the pace of local decision making, especially about governance arrangements for the new RCCs, may not be rapid enough to establish local authority companies in time to meet the critical path for employer decisions. It is already recognised that the dates in the National Framework are unlikely to be met for the first wave regions. The critical path will be reviewed as soon as the local authority companies have been established.

- **FRS and brigade resources (F):** DCLG's Fire and Resilience Directorate must carefully manage the flow of national framework requirements to FRSs to ensure all the desired outcomes can be achieved.

- **Reputational Damage (I):** any failures to meet publicly announced milestones contain the risk of reputational damage to the project. Delivery schedules of all aspects of the project will have to be carefully matched up. ICT infrastructure suppliers will be closely managed to ensure delivery schedules are achieved.

86. For the remaining risk categories (contingency planning (E), procurement and contractual interfaces (G), and approval and accreditation processes (H)) the usual approach of transferring risk to the party best able to manage it has been adopted. Some risk can be transferred to the infrastructure and accommodation suppliers.

87. Specifically, ICT suppliers will be responsible for the integration of control room technology infrastructure within and between regional control centres and the availability of ICT support. Refer to paragraph 78 and the Commercial Case below for a more detailed discussion of risk transfer.

88. Scenarios have been developed to explore a comprehensive range of possible futures which are informed by key project delivery risks. This is a management tool to assist in focusing resources on priority areas.

THE COMMERCIAL CASE

89. The FRS is acquiring suitable accommodation and infrastructure through two, distinct, national procurement exercises, which are driven by the need to manage significant delivery risks. This part of the business case provides a brief overview of both procurements and how value is being generated.

Accommodation

90. Suitable accommodation for the eight regions excluding London has been acquired through a Private Developer Scheme (PDS). The procurement route was designed to enable any problems in acquiring suitable sites to be identified, and corrected, at an early stage in the project. The procurement delivered a healthy competition. Agreements for lease were signed in 2005 and planning consent has been obtained in all eight regions. Forecasts based on the contract prices suggest that the overall cost of providing accommodation during the period under consideration will be very similar to that presented in the OBC (NPV improved by £0.9m). This increases confidence in the accuracy of forecasts for the remaining elements of the accommodation procurement

91. The same procurement route is being applied to acquire accommodation for the London RCC. The responses to the pre qualification questionnaire are currently being evaluated. The strategy for procuring facilities management (including security) is still being developed with the regions.

ICT Infrastructure

92. The ICT Infrastructure and related services will be acquired as a managed service from a single prime contractor. The successful integration of technology infrastructure and related services is critical to the success of the FiReControl project. The DCLG is looking to the market to suggest appropriate integration solutions, but with a clear picture of its requirements and the constraints. It is procuring a national prime contractor to deliver all of the regional control infrastructure and related services. The procurement route has been designed to allow different levels of risk transfer, and hence pricing arrangements, to be explored with suppliers. The payment and reward scheme is a powerful mechanism for reducing delivery risk. The potential suppliers binding proposals are currently being evaluated.

Value considerations

93. The commercial deal sought has a positive influence on costs and savings during the period under consideration (FY2004-05 to FY2020-21). The cost profile is smoothed during transition, which has a beneficial effect on the total cash cost and discounted cash flows, and hence affordability. Coupled with the substantial transfer of risk to the providers outlined above, this significantly enhances FiReControl's value for money.

94. The creation of an intelligent customer function, a requirement for third party cost and performance benchmarking and a mandatory demonstration of reasonableness will help ensure that value sustained. Value will be protected from delays caused by third parties.

THE FINANCIAL CASE

95. This part of the business case confirms that that project is affordable. It is structured around the following questions:

- Has DCLG secured adequate funding for the change?
- What are the forecast efficiency savings at a regional level?
- How have FiReControl stakeholders been involved in developing financial governance and funding arrangements?

Adequate funding has been secured

96. DCLG has committed to fund the one-off (transitional) costs of delivering the new efficient controls as part of its wider commitment to modernise and improve the resilience of the Fire and rescue Service and protect the people of England. This includes development and implementation of the new ICT infrastructure and grants for any agreed net additional costs incurred by local authorities in implementing the change.

97. The mechanism for funding the transitional costs is a grant, since this is the quickest and simplest way of funding authorities for costs which they need to incur. DCLG has agreed grants for FY2005-06 and FY2006-07 (refer to FRS circulars 59/2004 and 63/2005).

98. There should be no need for additional funding once the new control centres are fully operational. Whilst the proportion of expenditure on staff, accommodation and ICT infrastructure will change, the overall operating cost is expected to reduce (refer to paragraphs 103 and 104 below) The New Burdens calculation takes into account the net additional costs incurred within a specific financial year. DCLG will assess in advance all the costs necessary to implementing RCCs and maintaining a control service, and subtract any savings which are expected to occur from the transition to the new control arrangements. Any positive difference will receive New Burdens support. This calculation is made separately for each financial year in advance of any expenditure.

99. The department has recognised the importance of FiReControl and will prioritise the project and its bid for resources in the Spending Review 2007. The total investment by DCLG in regional controls will be in excess of £100m.

100. It is important to note that different accounting treatments apply to central and local government. As DCLG funding investment in new technology, the budget must include VAT and notional costs, including depreciation and cost of capital. This increases the net cost to the department relative to the current position, where investment by local authorities is subject to a different accounting treatment.

Efficiency Savings

101. Under the new control arrangements Local Authority controlled companies will supply services at a regional level. The operating costs of the companies and supporting national functions will be borne by local authorities. It is forecast that the steady state operating costs for the national network will be about 30 per cent lower than currently. But how does this translate into expected savings for a particular local authority?

102. At this time it is not possible to make a firm prediction on costs for individual regions for the following reasons:

- Firstly, procurement of the ICT infrastructure, London control centre accommodation and facilities management services for the control centres are yet to be procured.

- Secondly, there are structural differences between regions which mean that some of the costs of operating the national network (including fall back facilities) need to be distributed fairly. The mechanism for achieving this has yet to be determined by the FiReControl Finance Working Group. It needs to be transparent, easy to administrate and avoid cross-subsidising.

- Thirdly, different authorities are starting the change from different positions. Some FRAs have invested more heavily than others in technology. Some, typically larger, authorities have been more effective than others at matching capacity to demand. It is simply not practical to ensure that every FRA in every region has the same expected efficiency saving. Within certain regulatory constraints it is possible, however, to allocate costs in a way that can be seen as fair. It is up to FRAs to agree cost apportionment within their region.

- Finally, the forecast savings are based upon very prudent assumptions. There is scope to do better. This is the responsibility of the local authorities and companies.

103. It is, however, possible to calculate a provisional indicative breakdown of the expected savings at a regional level. To illustrate the range of savings which could be realised at a regional level, a quarter of the total annual operating cost for regional controls (including national functions) has been redistributed according to regional differences in population, the number of fire stations and the number of reported incidents. The following table presents provisional, indicative, annual, efficiency savings towards the top, middle and bottom of this range.

Region	= Annual Provisional Indicative Saving (£M)
South East	4.9
South West	2.7
East Midlands	1.0

Notes for table:

i. The annual saving is a indicative average cash flow under steady state operating conditions.

ii. Values have been calculated by apportioning a third of the forecast operating costs relative to the size of the population, the number of fire stations and reported incidents in each region.

iii. The regions selected represent the top, middle and bottom of the range of savings forecast using this calculation.

104. It can be seen that all regions (and hence all FRAs) are expected to realise efficiency savings, which can be pumped into front line services. However, dependent on the way that operating costs are allocated, the net annual saving is expected to vary between regions and between the FRAs within each region.

Working together to solve governance and funding challenges

105. A finance working group has been established to inform the implementation of governance and funding arrangements for the project. The group is chaired by DCLG and includes representatives from the Department, Local Government Association (LGA), treasurer representatives from each region and the Chief Fire Officers' Association (CFOA). The group has wide ranging knowledge and experience. It has considered several complex issues, such as the arrangements for establishing Local Authority controlled companies to deliver the new efficient control services.

THE PROJECT MANAGEMENT CASE

106. Project management case provides assurance that FiReControl aims are achievable. It is structured around the following questions:

- What are the objectives and scope of the FiReControl project?
- How is the project governed?
- How is the project managed and controlled?
- How will sustainable business change be achieved?
- How will benefits be realised?

Objectives and scope

107. The FiReControl project objectives are outlined below:

- To develop and deliver processes and ways of working for the regional fire and rescue controls
- To develop and deliver the people to operate and manage the regional fire and rescue controls
- To develop and deliver the technology infrastructure and establish on-going support and maintenance services for the regional fire and rescue controls
- To provide suitable accommodation from which the regional fire and rescue controls will operate.
- To migrate existing fire and rescue controls (and other stakeholders interfacing with the fire and rescue service) to the new control centres enabling the specified benefits to be realised in accordance with the overall solution.
- To develop and implement national functions to provide the ongoing services that are required to sustain the regional fire and rescue controls
- To ensure that all aspects of the solution are fully integrated and comply with Critical National Infrastructure (CNI) requirements

Governance

108. The governance structure for the FiReControl project reflects the nature of the organisation involved in delivering the change. The Government has taken a collaborative lead to ensure that the replacement programme for existing control centres is comprehensive, coherent and nationally co-ordinated.

109. The new RCCs will be established, governed, and operated under local democratic control. The project aims to provide collective regional ownership for the control service coupled with local responsibility for the delivery of the operational regional control centre.

110. Regional teams co-ordinate FRS delivery of the business change necessary to realise the benefits set out in this business case and to migrate successfully to the new operational environment. Certain functions will be carried out at a national level to ensure continued operation as a national network.

111. The project governance structure is designed to achieve a balance between providing sufficient authority to get the task done and recognition that regional and local teams need to take ownership and have flexibility regarding implementation where appropriate. It is, however, recognised that aspects of the project governance will need to develop as the project proceeds.

112. The DCLG Resilience Programme was formed in July 2004 from the existing Firelink, New Dimension and FiReControl projects. The Fire & Resilience Programme Executive is the senior governing body. All the projects within the resilience programme will continue to have their own Project Boards, which will meet periodically. The function of the Programme Executive is to coordinate the implementation of all DCLG's FRS projects having regard to:

- Scope, timetables and phasing
- Interfaces and critical dependencies
- Communications strategy
- Contacts with FRSs, FRAs, RMBs, etc.
- DCLG's wider policies on Fire, Resilience and Regional Development.

113. The programme governance structure is evolving. Future developments may affect the project governance arrangements outlined above.

Project management and control

114. The FiReControl is a massive change initiative. It requires delivery to the exacting quality management standards appropriate to the nature of Fire and Rescue Service. The project management approach adopted melds best practice from a number of contemporary sources including OGC's successfully delivery toolkit, Managing Successful Programmes and PRINCE 2. It ensures:

    1. Effective project support
    2. Effective risk management; and
    3. Effective quality management.

115. The project has a dedicated national Project Support Office (PSO), which assists with the production of appropriate project management procedures and their application across the project. The PSO provides Project Management support to the Project Manager and the project management team at DCLG. It also assists with the establishment and management of all project documentation and procedures, including monitoring and reporting progress. The Project Initiation Document (PID) sets out the general project structure. Details of the overall project plan will be refined as the project evolves and will be supported by more detailed stage plans.

116. The FiReControl project is deemed to be mission critical and has been assessed as High Risk using the OGC risk profile. Risk management is defined in the Risk Management Plan, which outlines the necessary processes for identifying, assessing, managing and reporting the risks. The essential elements of the plan are:

- Responsibility for the risk management process lies with the Project Support Office
- All risks are logged in a centrally managed risk register
- Each risk is assessed and monitored in a consistent manner
- Each risk has an owner, responsible for actioning mitigation or contingency plans

117. Each regional team maintains its own risk register and manages these risks locally. Regional processes have been established to enable risks to be escalated to DCLG for national management.

118. Risk management processes are linked to the business case through the scenarios introduced in the Economic case (para 80). These enable the economic and financial impact of key project risks to be assessed and communicated.

119. The PSO assists the Project Manager, Regional Project Managers and work stream leads to operate the quality management approach. The SRO determines acceptable tolerances for time, scope and cost within the change control process. Details of the FiReControl quality management approach are presented in the Quality Plan.

Implementing sustainable change

120. Within the national project team there is a dedicated Business Change Team whose role is to facilitate the regional project teams and FRSs to deliver lasting business change. This section outlines the approach that has been adopted by the team.

121. To provide sustainable business change, it is necessary to have a thorough understanding of the people that are undertaking and undergoing the change. The Business Change Team works alongside the Stakeholder and Communications work stream to inform and assist stakeholders. The whole of the Fire and Rescue service will be impacted by the implementation and running of RCCs. In particular:

- **Current control room staff and management:** who must provide a high quality control service before, during and after transition to the new control arrangements. It is critical to engage effectively with this stakeholder group: firstly, to encourage them to work in the new control centres[3]; secondly, to ensure that the staff not moving to the new control centres are sufficiently valued, and that they continue to provide the required level of service in existing control rooms up to the point that control services cut over to the new arrangements. Importantly, engagement of control staff during the planning and implementation of the project is essential to effective delivery.

- **The fire fighters and principal officers at FRA level:** who will have to use and integrate with the new regional control centres. The new control arrangements will improve fire fighter safety and effectiveness. It is important to provide sufficient briefing and training to achieve these benefits.

- **Headquarters and support staff:** certain aspects of work that have been carried out in some current control rooms may move into the HQ or other FRS buildings, and there will be role for the FRS in ensuring appropriate data is input and received from the RCC. This impact will depend significantly on current arrangements which often very between FRSs

122. There are many more stakeholder groups within and outside the FRS which are involved in, or affected by, the FiReControl Project. A variety of mechanisms are employed to engage with these groups.

123. The Fire and Rescue Service has a unique organisational culture, characterised by long service and low turnover. It is common for many members of one family to work for the Fire and Rescue Service. These features contributed to the creation of a workforce with a strong, group, cultural identity. Each region is different, e.g. the number and size of FRSs varies considerably, and this needs to be recognised whilst working with them to deliver the change. Specific challenges include:

- The scale of change, and the wide range of issues to be addressed including accommodation, technology, process, people and security issues

- The wide range of stakeholders, their varying requirements and the resource intensive nature of stakeholder engagement

- The need to mobilise resources at a regional and FRS level to deliver the various aspects of change during a time of already significant change within the Fire and Rescue Service

- The need to work alongside other projects delivering other aspects of the Fire Service modernisation programme and resilience programme, e.g. Firelink

- The degree to which some elements of the Representative Bodies have sought to discourage involvement of their members in the change process, to date.

3 Employment of an entirely new workforce is seen as neither feasible nor desirable, because of the specialist nature of the job and the project time scale.

124. Taking into account these challenges, the Business Change Team will help to deliver business change through:

- Providing open, honest, accurate, timely, information to the FRS and public about the project , alongside the stakeholder and communications teams
- Providing a single point of contact for information, feedback and assistance through the presence of regional reps
- Helping RPMs plan their workload and that of the FRSs in their region
- Facilitating cross working and sharing of best practice across the regions through regular meeting forums
- Attending key meetings to share information and update on project progress
- Raising FRS delivery issues and risks at a national level; and
- Monitoring and reporting on regional and FRS project delivery.

125. The focus of business change activity is driven by activities taking place in the FiReControl and wider FRS environment, e.g. helping to facilitate and deliver items of work at an FRS level required by different workstreams such as benefits management planning or impact analysis under the change control process. In addition, they aim to run a number of change team specific initiatives alongside the FRS.

Benefits management strategy

126. Benefits management is a key part of the portfolio management activity which takes place at a programme level in any organisation. An approach has been developed within the FiReControl project which supplements portfolio management within the Modernisation and Resilience programmes. The FiReControl benefits management strategy sets out how the integrity of the business case will be managed over time. The strategy is supported by a detailed benefits management process and templates for delivering and reporting against benefits profiles. FiReControl benefits profiles are presented in the economic case (refer to para 45 to 66).

127. DCLG is working with local change teams to establish benefits monitoring and reporting through a dashboard of indicators. This will generate a cost and performance baseline for all 46 FRSs in England, which will inform post implementation review and support the management of change to the new control arrangements. The benefits dashboard will be the primary method of reporting progress to project and programme boards, and wider audiences. Additional governance arrangements include:

- A benefits working group established to inform and guide development and implementation of the benefits strategy

- A forum for local and regional benefits leads to share best practice and support efficient operation of the strategy.

128. The Firelink and FiReControl project teams are working together to identify and communicate benefits links and dependencies, and share processes and templates.