



House of Commons  
Committee of Public Accounts

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# FiReControl: Update report

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**Sixteenth Report of Session 2013–14**

*Report, together with formal minutes, oral and  
written evidence*

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## Committee of Public Accounts

The Committee of Public Accounts is appointed by the House of Commons to examine “the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the committee may think fit” (Standing Order No 148).

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Stephen Barclay (Conservative, North East Cambridgeshire)  
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The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the internet at [www.parliament.uk/pac](http://www.parliament.uk/pac). A list of Reports of the Committee in the present Parliament is at the back of this volume. Additional written evidence may be published on the internet only.

### Committee staff

The current staff of the Committee is Adrian Jenner (Clerk), Sonia Draper (Senior Committee Assistant), Ian Blair and James McQuade (Committee Assistants) and Alex Paterson (Media Officer).

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## Summary

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The original FiReControl project was one of the worst cases of project failure that the Committee had seen, and resulted in at least £482 million of taxpayers' money being wasted. The project was cancelled in 2010 but the Department has still not resolved how it will use the facilities and buildings which had been constructed. One of the key objectives of the programme was improved interoperability and collaboration across fire authorities. The Department now believes that most of the benefits, including recurring savings of £126 million, can be delivered through locally determined solutions at a cost of around £82 million. But we found a lack of clarity over the degree of national resilience that will be delivered by independent local fire authorities. We also have serious concerns that there are insufficient skills across all fire authorities to ensure that 22 separate local projects can be procured and delivered efficiently in so far as they involve new IT systems.



## Conclusions and recommendations

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1. The FiReControl project, to replace the control room functions of 46 local fire and rescue authorities with a network of nine regional control centres using a national computer system, was launched in 2004. But following a series of delays and difficulties, it was terminated in December 2010 with none of the original objectives achieved. In our report on the project, we noted that to prevent further waste the Department needed to find alternative uses for the empty control centre buildings to reduce nugatory costs and make sure that further sums spent to achieve the original project objectives through other means were spent more effectively. Following the cancellation of FiReControl the Department made new money (£81 million) available to local fire and rescue authorities to support improvements in their control rooms. It also made £1.8 million available for interoperability and collaborative partnership working.
2. **Devolving decision making and delivery to local bodies does not remove the duty on the Department to account for value for money and secure assurance about national resilience.** Although fire and rescue authorities are making decisions locally on how to organise their control rooms, the Department needs to ensure that national objectives, such as the interoperability and collaboration across fire authorities necessary for national disasters and challenges are achieved. Given that collaboration between neighbouring fire and rescue authorities is not mandatory and not universal, it is unclear how the new approach for increasing control room efficiency and resilience is achieving the national resilience people expect.

**Recommendation:** *The Department must set out how the new approach will achieve the required fire and rescue authority interoperability and resilience to meet national demand given the variability of local engagement and collaboration across the sector.*

3. **There are risks to value for money from multiple local projects.** Each of the 22 local projects is now procuring the services and systems they need separately. Local teams need to have the right skills to get good deals from suppliers and to monitor contracts effectively. We were sceptical that all the teams had the appropriate procurement and IT skills to secure good value for money. National support and coordination can help ensure systems are compatible and fire and rescue authorities learn from each other, but the Department has largely devolved these roles to the individual fire and rescue authorities. There is a risk that the Department has swung from an overly prescriptive national approach to one that provides insufficient national oversight and coordination and fails to meet national needs or achieve economies of scale.

**Recommendation:** *The Department needs to satisfy itself that the new local approach to improving control rooms and resilience is delivering national resilience and value for money by scrutinising local fire and rescue authorities more closely and, where necessary, challenging them more robustly.*

4. **The new programme has already slipped by three months and projected savings are now less than originally predicted.** The Department reports that seven of the 22 projects are running late and two of these projects have slipped by 12 months. The expected savings have fallen by £2 million, to £126 million. Despite this, the Accounting Officer was confident the programme would be delivered by March 2015, only three months later than originally planned. Given the current slippage, we are not confident that projected savings, benefits and timescales will be achieved.

***Recommendation: When national summaries of project progress are prepared we would like the Accounting Officer to write to us setting out how he is mitigating the risk of further slippage and assuring value for money, and explaining the level of challenge being placed on fire authorities' reports of progress.***

5. **Four of the nine regional control centres still remain empty.** The prospects of finding new tenants for the four regional control centres that remain empty do not look good and costs falling to the Department remain significant. The Department has had to offer subsidies to dispose of some of the centres and may have to do so for the four that remain empty. In at least one of these cases the level of subsidy the Department was willing to provide was insufficient to convince a local fire and rescue authority to occupy the building.

***Recommendation: The Department must minimise the costs it has to bear for the redundant regional control centres. In determining the extent of subsidies to offer to prospective public sector tenants, it should consider the wider costs to the public purse, not just the impact on its own accounts.***

# 1 Achieving national resilience through a locally-led approach

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1. The FiReControl project commenced in 2004 with the aim of improving national resilience and efficiency by replacing the control room functions of England's 46 local fire and rescue authorities with a network of nine purpose-built regional control centres using a single national computer system.<sup>1</sup> Following a catalogue of problems, the project was terminated in December 2010 with a minimum of £482 million of taxpayers' money being wasted. In July 2011 we took evidence on the project and concluded in our September 2011 report that it had been one of the worst cases of project failure that the Committee had seen.<sup>2</sup>

2. Based on a memorandum from the National Audit Office, we took evidence from the Permanent Secretary for the Department for Communities and Local Government, the Chief Fire and Rescue Adviser, and the Chief Fire Officers of the Hampshire and Cheshire Fire and Rescue Authorities on progress in minimising waste from the FiReControl project and achieving the original objectives through other means.<sup>3</sup>

3. In our 2011 report, we concluded that the failure of the project had been due to the Department's failure to secure the cooperation and support of local fire and rescue authorities, and the Department's poor oversight and management of delivery of the IT system.<sup>4</sup> The Chief Fire Officer for the Hampshire Fire and Rescue Authority told us in our latest hearing that there had been a lack of confidence that the IT element of the FiReControl project would work, and that users had felt that they had not been involved enough in the centrally directed project that would have covered the whole of England.<sup>5</sup>

4. Following the project's termination, the Department engaged with fire and rescue authorities to implement a different model with the emphasis put on individual fire and rescue authorities to build resilience and operational capacity through locally-led collaboration. Each individual fire and rescue authority has been left to identify their respective needs, and the collaborations that make sense to them.<sup>6</sup> We were told that now that fire and rescue authorities are in the lead, they are working together more effectively.<sup>7</sup>

5. The Department has provided fire and rescue authorities £82 million to implement the new approach through 22 separate locally-led projects. The Department told us that it is accountable for the whole project and that it has a project officer who has been in post

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1 Committee of Public Accounts Report, Fiftieth Report of Session 2010-12, *The failure of the FiReControl project*, HC 1397

2 Qq1, 17, Committee of Public Accounts, Fiftieth Report of Session 2010-12, *The failure of the FiReControl project*, HC 1397

3 Ev 18

4 Qq16, 17; Committee of Public Accounts, Fiftieth Report of Session 2010-12, *The failure of the FiReControl project*, HC 1397

5 Q 14

6 Q 6

7 Qq 17

since 2010. However, given that collaboration between fire and rescue authorities is not mandatory, it is not clear how the new model will ensure that all regions of the country will achieve the necessary levels of resilience and back-up.<sup>8</sup> In addition, interoperability depends not just on a degree of standardisation of systems, but also on standardised ways of working. This was attempted during the original FiReControl project, but never achieved.<sup>9</sup> The Department has since allocated approximately £1.8 million for a fresh project to improve interoperability, but it is not clear how the barriers which prevented this being achieved previously will now be overcome.<sup>10</sup>

6. We asked whether the new model was attempting to produce the same outcomes expected from the original project, but for significantly less money. The Department told us that although the new model does not provide a national and regional network, the original project was significantly over-specified and not appropriate to the needs of the country. For example, it was not necessary to have back up to an incident from a fire authority from the other side of the country. Indeed, we were also told that the revised model is producing more capability than was expected from the original FiReControl project.<sup>11</sup>

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8 Qq 34, 41, 46, 60

9 Q 58

10 Qq 99

11 Qq 1-10, 14

## 2 Achieving value for money from a locally-led approach

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7. The Department's first progress report for the new approach reveals that seven of the 22 projects are running late, with two of these projects having slipped by 12 months. The estimated completion dates for several projects are now three months later than originally required. The expected overall financial benefits to be achieved have also been reduced by £2 million, to £126 million. The Accounting Officer told us that he expected all 22 projects to be delivered by March 2015, a slip of three months from the original timetable.<sup>12</sup>

### Local procurement

8. The IT for the original FiReControl project was being provided by one company. Under the new approach, a number of different IT companies are now supplying IT to the 22 individual projects. In some cases multiple suppliers are providing IT services to individual projects; for example, one main supplier and two sub-contractors are working on improving the effectiveness of radio communication between fire crews and controls centres.<sup>13</sup> However, the Department did not draw up a framework contract to assist local project staff in negotiating contracts with suppliers.<sup>14</sup>

9. There are inherent risks to value for money from running so many separate procurement exercises. We have repeatedly seen failures in project management and are concerned that the skills needed for IT procurement may not be present within the individual fire and rescue authorities, some of which have small management teams.<sup>15</sup> The Department told us that a central peer review team is in place to help share good practice, predominantly made up of members of fire and rescue authorities themselves.<sup>16</sup> In addition, part of the £82 million of available grant funding has been used by some authorities to buy in procurement expertise.<sup>17</sup>

### Disposing of the control centres

10. Four of the nine purpose-built regional control centres acquired under the FiReControl project remain empty. The large scale and high specification of these buildings means they are very expensive to run.<sup>18</sup> The Castle Donington Centre, for example, costs £1.8 million per year. This figure comprises rental charges of £1.3 million per annum, facilities management costs of £372,000, utilities costing £81,000, estates costs of £1,100, and rates of £45,000.<sup>19</sup> The Department told us that the centres were first marketed to the fire and

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12 Qq 37, 39; Ev 24

13 Qq 30, 33, 34

14 Qq 41

15 Q 36

16 Qq 40

17 Q 42

18 Qq 21, 79

19 Q 21-23

rescue authorities, then to other public sector bodies, and finally to the private sector. One of the remaining centres has an agreement in principle, but the Department was unable to give a specific date by which they expected the centres to have secured tenants.<sup>20</sup>

11. We heard how one fire and rescue authority—Devon and Somerset— was interested in relocating to one of the empty control centres, but the level of subsidy offered by the Department was insufficient to make it viable.<sup>21</sup> We were surprised that the Department has not yet arrived at a decision to hand over the empty centres to any interested public sector body given the overall savings to the public purse that would arise.<sup>22</sup> In additional written evidence provided to us, the Department stated that offering increased subsidies to attract tenants is an option that will be considered as part of the future strategy for the remaining empty control centres, if there is no meaningful interest over the next 3 months.<sup>23</sup>

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20 Q 61

21 Qq 80-82; Ev 16

22 Q 87

23 Ev 16

# Formal Minutes

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**Monday 24 June 2013**

Members present:

Mrs Margaret Hodge, in the Chair

Mr Richard Bacon  
Guto Bebb  
Jackie Doyle-Price  
Chris Heaton-Harris  
Meg Hillier

Mr Stewart Jackson  
Fiona Mactaggart  
Nick Smith  
Justin Tomlinson

Draft Report (*FiReControl: Update report*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 11 read and agreed to.

Conclusions and recommendations agreed to.

Summary agreed to.

*Resolved*, That the Report be the Sixteenth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report (in addition to that ordered to be reported for publishing on 13 May).

[Adjourned till Monday 1 July at 3.00 pm]

## Witnesses

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**Monday 13 May 2013**

*Page*

**John Bonney**, Chief Fire Officer, Hampshire Fire and Rescue Authority, **Paul Hancock**, Chief Fire Officer, Cheshire Fire and Rescue Authority, **Peter Holland**, Chief Fire and Rescue Adviser and **Sir Bob Kerslake**, Permanent Secretary, Department for Communities and Local Government

Ev 1

## List of printed written evidence

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1	Department for Communities and Local Government	Ev 13;Ev16
2	National Audit Office	Ev 18
3	Department for Transport, Local Government and the Regions	Ev 44;Ev 60

# List of Reports from the Committee during the current Parliament

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The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

## Session 2013–14

First Report	Ministry of Defence: Equipment Plan 2012-2022 and Major Projects Report 2012	HC 53
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# Oral evidence

## Taken before the Public Accounts Committee

on Monday 13 May 2013

Members present:

Margaret Hodge (Chair)

Guto Bebb	Fiona Mactaggart
Chris Heaton-Harris	Nick Smith
Meg Hillier	Justin Tomlinson
Mr Stewart Jackson	

**Amyas Morse**, Comptroller and Auditor General, National Audit Office, **Gabrielle Cohen**, Assistant Auditor General, NAO, **David Corner**, Director, NAO, and **Marius Gallaher**, Alternate Treasury Officer of Accounts, were in attendance.

### MEMORANDUM BY THE COMPTROLLER AND AUDITOR GENERAL

Failure of the FiReControl Project Update: Progress in minimising waste and achieving original objectives through other means

#### Examination of Witnesses

*Witnesses:* **John Bonney**, Chief Fire Officer, Hampshire Fire and Rescue Authority, **Paul Hancock**, Chief Fire Officer, Cheshire Fire and Rescue Authority, **Peter Holland**, Chief Fire and Rescue Adviser, and **Sir Bob Kerslake**, Permanent Secretary, Department for Communities and Local Government, gave evidence.

**Q1 Chair:** This is our second hearing on what was a really pretty awful project; indeed, it is probably one of the worst examples of waste we have seen as a Committee. This hearing has been called on the back of requests by Committee members to return to the issue. Rather than go back over the old history, which I think we all agree was shambolic and dreadful, we want to look at where we are now. As I read the Report, my main question was twofold. Either the project was set up to solve some important problems with national resilience and co-ordination between fire authorities, in which case, if it has been scrapped, how are you going to handle those issues now? Or, looking at one of the figures in the Report, your £82 million is buying you everything that the original project was intended to do, so why on earth didn't we do that in the first place? I could not, from reading the Report, work out which of those two questions was the right question. Either you are not getting the outcome you wanted from the original project, or you are, for the 82 million quid, so then why on earth didn't we do that straight away?

**Sir Bob Kerslake:** Chair, you have put your finger on the most important question here, so it is worth all of us saying something about that question if we can. I think the first thing to say is that you are not buying, through this project—the new project—what you were getting from FiReControl. It is really important to say that. FiReControl was a national scheme that created a system across the whole of the country in a uniform way based on new regional centres.

What we put in place following the termination of the FiReControl contract was a very different model that worked on building mutual resilience, better operability and greater efficiency across the existing Fire and Rescue Authorities. There has been a high

level of collaboration between those authorities, so I think we have got quite a lot of what was intended through FiReControl.

**Q2 Chair:** What haven't you got?

**Sir Bob Kerslake:** What you haven't got is a national model that covers almost any eventuality in one centre.

**Q3 Chair:** So what couldn't you do?

**Sir Bob Kerslake:** You couldn't, for example—other colleagues will come in on this—automatically say that if the whole system went in one place you could take it to anywhere else in the country. You couldn't do what the original system—the national system—did with FiReControl, which was that in effect you could back up one place from anywhere else in the country. What you can do through this is have automatic back-up pretty much across the country from another service. That is the difference. So our view is, very strongly, that it doesn't provide what FiReControl is doing, but it does provide the level of resilience that we need for this country now, and it does it for a lot less money.

**Q4 Chair:** I am a bit muddled—or you are a bit muddled. So it doesn't provide national resilience—so what does that mean? If there is a terrorist incident somewhere in the country, what aren't you getting that you would have got, and how are you then going to cope?

**Sir Bob Kerslake:** There are arrangements for providing resilience at national level, based in London. My point was that there was a particular kind of formulation through FiReControl.

**Q5 Chair:** What does that mean?

**Sir Bob Kerslake:** By that I mean that it was setting up a set of control centres that literally could interoperate between every single one of the control centres across the network. We aren't building that kind of network—

**Q6 Chair:** So now they would have to ring each other.

**Sir Bob Kerslake:** Whereas now we are talking about coverage and fall-back arrangements, but with paired-up authorities, rather than this national network scheme based on regional centres. This is not a single national model with uniform approaches. This has been adapted to the needs of individual fire authorities, and the collaborations that made sense for them.

**Q7 Chair:** I am pushing you a little bit: what aren't you getting?

**Sir Bob Kerslake:** Well, as I said earlier, you are getting a very high level of resilience, but you are not getting a national and regional set of centres run as a network.

**Q8 Chair:** So in what circumstances would you have wanted that nationally?

**Sir Bob Kerslake:** Frankly, it is a good question whether we ever needed what was being proposed by FiReControl.

**Q9 Chair:** So if we never needed it—this is not addressed to you, because you were not there, and I do not know how many of you were in your jobs at the time; we have probably got the usual old thing of people having moved on—why on earth did we then go down the other road?

**Sir Bob Kerslake:** I will let other colleagues come in, but I think it is fair to say that it was built on a particular model of regional centres that was actually not appropriate to the needs of the country. Peter, do you want to say something?

**Peter Holland:** It was tied into the Sir George Bain report of 2004, which talked about how, if you remember, at the time there were votes for regional assemblies that were planned in three areas. If those areas had voted for regional assemblies, there would have been regional fire services in those three areas. That didn't happen. As Sir Bob said, the nine were set up based on those regions, and when that had gone the question remained: what does the Fire and Rescue Service need? From 2004 onwards, when the work really started on the project, it was the only game in town in terms of control centres, and Fire and Rescue Services were in desperate need by the time we got to a couple of years ago when the project was cancelled, so we really had to do something to establish control facility for services. That is when the Department asked Fire and Rescue Services to bid to build their new controls. As I am sure you are aware from the papers, they have collaborated particularly well.

**Q10 Chair:** So basically, we were so driven by the fact that we were going to have regional government that you were not able to look pragmatically at how

you could first modernise your fire control capability, and secondly get a bit more cross-authority working to have a bit of resilience. Is that what I am hearing?

**Sir Bob Kerslake:** I think it is two things. One is that it was based on a regional model, and the other was that it was, in my view, significantly over-specified for what we required by way of resilience. You didn't require a system where you could, in any part of the country, provide the back-up to another part of the country in that way. You did need automatic back-up from one authority to another in a collaborative way. It is a different cost and a totally different model.

**Amyas Morse:** I shall ask a question just to be clear in my mind—

**Chair:** You will have to speak up.

**Amyas Morse:** Sorry. I am being criticised for having too soft a voice.

**Sir Bob Kerslake:** I know the feeling.

**Chair:** It is because you are down at that end of the table.

**Amyas Morse:** It is flattering to be likened to you, Sir Bob.

I remember that Report well, of course. As I recollect it, one reason why it did not succeed was because a lot of Fire and Rescue Authorities declined to take part and use those centres. They hadn't agreed to it beforehand, and when it came on, they said they wouldn't take part in it. I don't mean this as an unkind question, but are we now looking at a solution that is politically possible rather than one that is necessarily optimal?

**Sir Bob Kerslake:** There was clearly a lot of concern, and in my view justified concern, by Fire and Rescue Authorities about the direction that the project was going in. Let's not beat about the bush. My personal view is that, give or take a bit, there would have been a way of bringing those authorities on side. What absolutely killed the project was that we had no confidence that we could get the IT to work. It was as simple as that.

The problem—Peter has nailed it—was that we were at risk of having nothing. Not only did we not have a working system that would do the job we intended it to do, but we had lost a huge amount of time to do basic essential improvements to the existing systems. When you put those three things together—a set of pretty unhappy Fire Authorities, an ICT system that was not only not working but in which we had no confidence of getting to work, and a huge delay in doing vital improvements—it all added up to a—

**Q11 Chair:** So, answering Amyas's question?

**Sir Bob Kerslake:** I am really saying that I don't think it was just that we could not persuade Fire Authorities to use the buildings. Had the ICT worked, I think probably the project would have gone ahead broadly as intended, not least because the Government intended to provide the money, but the thing that absolutely killed it was the delay and the lack of confidence in the ICT. I would not want to put it down to the small "p" politics of the Fire and Rescue Service.

**Amyas Morse:** May I ask one more question? I am asking it because I hope it will be helpful clarification and a link. The second question is: that being so,

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13 May 2013 Hampshire Fire and Rescue Authority, Cheshire Fire and Rescue Authority and DCLG

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suppose the project had been persisted with, had the functionality and the systems had been working properly. Would that have provided a higher level of functionality than what you will now have?

**Peter Holland:** Part of the specification that has been built into the new control rooms that are being built is that they will have everything that was in there. As Sir Bob said, the only thing it won't have is the—

**Chair:** Interoperability.

**Peter Holland:** Absolutely.

**Q12 Chair:** Where are you based?

**Peter Holland:** Eland House. I am the chief fire and rescue adviser.

**Q13 Chair:** So you actually work for DCLG?

**Peter Holland:** Yes, I do now. I was a chief fire officer previously.

**Q14 Chair:** So the systems cannot talk to each other.

**Peter Holland:** Which systems?

**Chair:** The local systems—what we are ending up with. I think we are going to end up with different local systems.

**John Bonney:** That is not exactly right. Let me just pick up on your earlier point. There was a lack of confidence that the ICT would work, because users felt that with the old project, they had not been involved enough. They felt that it had been a centrally directed project that was covering the whole of England and that they were somewhat excluded. I do not think that it was about what is now politically possible; it is much more about learning the lessons and involving Fire and Rescue Services in the solutions. When you talk about resilience and capability now, what has happened is that the ingenuity of Fire and Rescue Services has been allowed to enter the fray. What we see across the country is Fire and Rescue services working together, and working with suppliers to come up with some of the features that now exceed the possibility of the original FiReControl project.

**Q15 Chair:** It does sound to like there is a bit of bolshiness. You know—"It wasn't my game, so I wasn't prepared to play, and now it's my game, I am prepared to play and we will get the outcome that you want". That does not really sound like a convincing argument.

**John Bonney:** I don't think so. If you look, you will see that a number of Fire and Rescue Services had not committed to the project, but the vast majority had.

**Q16 Chair:** Well, if they had, we'd have had it. What you are saying is, "We weren't committed to the project. Now we are driving it, we are committed." You are now coming up with solutions that you might have been able to come up with on a national project. In a way, that is the first time that I have heard that so explicitly expressed.

**Sir Bob Kerslake:** I was closely involved in, and part of, the decision to terminate the contract on FiReControl. It was not the issue of lack of co-operation from Fire and Rescue Authorities that drove the decision. It absolutely was not that. I think it is

right to say that one of the reasons why the project struggled was that it did not get buy in at the start, and that is what the NAO said, but it was not the reason why we terminated the contract. The reason we terminated it was because we had no confidence that we would get what we were seeking in a reasonable time scale; it is as simple as that.

**Q17 Chair:** What is puzzling is that we were here at the first hearing and we were all completely shocked by what seemed to be an absurd set of decisions taken over a long period of time, but you said earlier on, Sir Bob, the reason we could not go ahead was partly because they had not bought in to it and partly because you could not get the ICT solution. What we are now hearing is, "Ah, we suddenly got into the driving seat and we miraculously found the ICT solutions." What I am left feeling is that it is difficult to believe that bolshiness was not a factor in preventing people from finding the necessary ICT solutions to improve co-ordination and to modernise the system.

**Sir Bob Kerslake:** The point is that it was not open to the individual Fire and Rescue Authorities to find the best local solutions. It was not that they just refused to play because they had not been involved. The Government took a conscious decision to run this as a national project, to develop its own ICT system, and to develop new regional centres that would all be standardised in the way they worked, so the space for a different, more locally based innovative approach just was not there. Once you had terminated the contract and gone down a different route of seeking proposals Fire and Rescue Authority by Fire and Rescue Authority, the space opened up for people to find the right, most cost-effective local solution.

**Q18 Chris Heaton-Harris:** Sir Bob, I am sure that that was the reason given at the time for the change in direction on this, but our Committee's conclusions and recommendations included the fact that delivery of the project was fatally undermined from the outset by the Department's failure to acknowledge the independence and local accountability of local services or secure their support for the project. The Department failed to apply effective checks and balances from the start and management and oversight were weak. There was the IT thing. No one was accountable; in many ways, we get used to that here. A whole host of different factors were the problems that this Committee found, and a whole host go on. I was a Member of the European Parliament—a regional elected official, I guess you could say—for the East Midlands. No one in the East Midlands was particularly keen throughout this period of time on merging the various fire authorities into one great big building at Castle Donington, or thought it would work. While I completely hear what you are saying about why the final decision was taken, there were a whole host of other factors involved in the build-up. I am particularly interested in what we have now. Is it not the case that because money is tight, solutions are being found that would probably not even have been considered when money was flush?

**Sir Bob Kerslake:** I think solutions are being found at local level through natural collaborations between

authorities. Bear in mind that 15 of the proposals came through as collaborations. The vast bulk of them were collaborations. The fact that we opened it up to local proposals allowed for sensible, natural collaborations between Fire and Rescue Authorities, and for sensible investments to improve resilience. Very basic things such as—

**Q19 Chris Heaton-Harris:** Mr Bonney is very kindly nodding his head. I do not know whether he has any views on what I said, but on your point, Sir Bob, the Northamptonshire fire service has come into collaboration with fire services that are not in our region. They make perfect sense, they seem to be delivering a good job and everybody seems relatively comfortable with the direction of travel. Because of the heavily centralised “this is what you’ll have” view, those were just ignored when these decisions were taken.

**Sir Bob Kerlake:** It is absolutely right. I also agree with your view that having a tighter sum of money focused people’s minds on the things that would make the most impact. I don’t know if you want to add to that.

**John Bonney:** Apart from my national role, I am chief in Hampshire. Originally, our regional control would have been in Fareham and covered nine Fire and Rescue Services in the south-east, but now we are in collaboration with those to the west of us, because that makes more sense. What you find is that Fire and Rescue Services, because they understand their locality, the relationships with their neighbours and where people are in terms of technology and their own projects, find solutions locally, as opposed to by central direction, which does not always fit with what people need. That has been the real lesson learned from the original FiReControl project.

**Q20 Chris Heaton-Harris:** Not that I am a lover of the Fire Brigades Union, but at least in some of the new arrangements being found now, there seems to be a greater engagement with the people who work to deliver the service on the ground.

**Paul Hancock:** Good afternoon. My name is Paul Hancock. I am the Chief Fire Officer of Cheshire Fire and Rescue Service, but I am also the project director for the north-west FiReControl collaboration.

I would add that one of the key drivers for the north-west control project is firefighter safety. We have talked about resilience and the network of nine regional control centres. One of our key focus areas is improving firefighter safety. The improvements that local Fire and Rescue Services will see include, for example, a computer in a fire engine, which will provide risk-critical information for firefighters entering dangerous buildings. Data can be transferred from the control centre to fire engines at the press of a button now, and it appears on a screen, rather than via a voice communication over the radio. One of the key drivers for the north-west is improving firefighter safety, as well as delivering significant savings in these challenging times for the sector.

**Q21 Chris Heaton-Harris:** Can I conclude by asking a quick question? We have the wonderful

Castle Donington memorial, which remains unsold. How much is that costing us or your Department, Sir Robert, and how likely are you to get rid of it in the near future?

**Sir Bob Kerlake:** I need to find the number for Castle Donington, so bear with me.

**Chair:** The figure I have got is £5,000 a day for Donington.

**Sir Bob Kerlake:** I am sure your arithmetic is right. These are very expensive centres. They cost on average, just for the rent alone, over £1.4 million and—

**Chair:** It is £5,000 a day.

**Sir Bob Kerlake:** That is the all-in cost, but just the rent alone is about that much, so they are very expensive. They are high spec; they have high security costs; they have high maintenance costs. You will know that we have, we think, five identified as usages, including one where we have principles agreed. The four remain to be marketed, but I cannot give you a date as to when we will secure—

**Q22 Chair:** So we have no idea with Donington?

**David Corner:** We have. The rental cost is £1.3 million. Facilities management is £372,000.

**Q23 Chair:** Per annum?

**David Corner:** Yes. Utilities is £45,000, and estates is £81,000<sup>1</sup>.

**Q24 Chair:** And there is no end date?

**David Corner:** That is still 2032.

**Q25 Chair:** No, there is no end date when it is going to be taken over. There is no proposition on the table.

**Sir Bob Kerlake:** We have no proposition for that.

**Chair:** There is no proposition on the table. Right. Meg and then Justin.

**Q26 Meg Hillier:** Where to start? Early on, Sir Bob, you talked about no confidence in getting the IT to work in the original scheme. Perhaps we can recap on that first. How many bidders were involved at the outset of the procurement process for the IT in the original scheme? Do you know?

**Sir Bob Kerlake:** I honestly do not know. I do not have the number of bidders.

**Q27 Meg Hillier:** Well, then you might not know the answers to the other questions I have, but maybe you could let us have a note.

**Sir Bob Kerlake:** I have not gone back into all the previous details, but I could find that out.

**Q28 Meg Hillier:** I just want to get the information on that to compare with where we are now. Perhaps you can give us a note on how many bidders were involved at the outset of that process.

**Sir Bob Kerlake:** The people next to me, who were around at the time, say it was three.

**Paul Hancock:** I am pretty sure it was three.

<sup>1</sup> Note by National Audit Office: David Corner quoted from the wrong line of figures, answer should have read “Utilities £81,000. Estates £1,100. Rates £45,000

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**Q29 Meg Hillier:** Do you know how many bids survived to the point at which they were given to Ministers? How many did Ministers choose from? Was it all three or were there one or two—

**John Bonney:** It was all three.

**Q30 Meg Hillier:** They saw all three, so there was no difference; they saw all the people who had originally got involved. That IT procurement led to one company winning the contract. Who is now doing the contract for the IT that you talked about, Mr Hancock, in the cab? Is that different for each collaboration? Perhaps you could talk us through that procurement, because the procurement process was part of the problem first time round presumably.

**Paul Hancock:** The straight answer is that there are a number of different suppliers in the market that are providing the system moving forward across Fire and Rescue Services. For example, in the north-west, we have a main contractor with two subcontractors, and they will work with Airwave to make sure that the radio interface linking to the mobile data terminals is effective. They are working together against a project plan to deliver—

**Q31 Meg Hillier:** Airwave is the individual radios that firefighters use?

**Paul Hancock:** Yes. It is what is termed the main scheme radio, which enables fire crews to respond back to the control centre, either via voice or through data.

**Q32 Meg Hillier:** Is that the same for every fire service—

**Peter Holland:** And the police and the ambulance service.

**Q33 Meg Hillier:** So when, Mr Hancock, you talk about the different people involved in different regional collaborations, is that lots of different procurements that are taking place?

**John Bonney:** Yes.

**Q34 Meg Hillier:** So how many different procurement processes are now under way for the new scheme?

**Sir Bob Kerslake:** There are 22 individual bids or projects. There may well be more than one procurement in each one of those, Peter, I guess, so we cannot give you the exact number of procurements.

**Q35 Meg Hillier:** And they are being run by each fire service in each area?

**Peter Holland:** Each collaboration.

**Q36 Meg Hillier:** Okay. One of the things this Committee has repeatedly come back on, and Sir Bob tends to agree with us about this, is project management challenges in the civil service and the changes there, but what we are hearing now is that you are doing the procurement at a lower level than Whitehall. Whitehall is beginning to try to get its house in order in terms of procurement skills. What procurement skills exist in individual fire services? Okay, I am in London, so it is big, but at borough

level it is a very small management structure. My fire commander locally is not going to be fussed about—he is not going to be doing much procurement, frankly, so he won't be very expert in that, however good he is at other things. Where is your expertise and how are you—

**Paul Hancock:** If I just give you the north-west example, we went out to a pre-qualification questionnaire in February 2002. We had 11 suppliers express an interest. We provided a shortlist of five, invited five suppliers to respond to the tender—

**Q37 Chair:** You are not really answering the question. Where are the skills? Have you got the skills? It's really about the skills. You have given us a late report that says that seven of the 22 projects are already late. Two projects have slipped by up to 12 months—one by five months. The estimated completion dates for several projects are now three months later than originally required. There is a reduction in the overall benefits achieved. Only 30% of the planned improvements had been delivered by 2012. It does not look very brilliant.

**Paul Hancock:** I want to emphasise the time scale from February's pre-qualification questionnaire to the tender in July. Contracts were issued in November, so we have taken our time during the procurement process to ensure that we have the system that we want to deliver a solution.

**Chair:** We need an answer to the question. If you have the skills, why on earth are we now beginning to see—

**Q38 Meg Hillier:** With all respect, Mr Hancock, I have worked with some very good civil servants, very good firefighters and very good people in the public sector—they are all committed—but procuring IT is quite a specialist skill. What specialist IT procurement skills do you have?

**Paul Hancock:** We have a project team that includes legal, financial and technical expertise from across the four services of north-west Fire and Rescue Services.

**Q39 Chair:** So why are a third of the projects already behind schedule?

**Sir Bob Kerslake:** Our current estimate is that we will finish all the projects by March 2015. That is three months later than we identified when we put the proposal together.

**Chair:** This is your own report, Sir Bob.

**Sir Bob Kerslake:** It is. Some of them are behind, but we will deliver all the ambitions by March 2015. The savings are a couple of million pounds less than we estimated. At the moment, we are pretty much on track with a potential delay of some three months across the whole programme.

**Q40 Meg Hillier:** On value for money, we have had one procurement process that got to a very late stage and now we have empty control centres and all this money has been spent. First, have any lessons been carried forward to this from that? Secondly, what learning is going across the different consortia? You have all these different projects doing the same, but

going through separate procurement processes, which is potentially very costly.

**Sir Bob Kerlake:** It may be worth saying a few words about the lessons learned in general, and I will then come back to procurement. In terms of the lessons learned from FiReControl, we have already talked about the first one, which is engaging the service properly and consulting with them before we firm up the way in which we are going to use the funding and how we are going to run the project. That was done in January 2011, and the overwhelming view was that we should be allowed to make the changes and improvements at local level. Secondly, we have run this as a programme—notwithstanding the fact that the work is done at local level—with programme and project management expertise. Thirdly, we have a strong senior steering group. Fourthly, we have had peer review, led from within the service, of each of the projects to see how they are progressing.

There is pretty strong learning from FiReControl and what we have done since to improve it. You are of course right to say that procurement happens at local level on the projects, but there is also a lot of collaboration and peer support.

**Q41 Meg Hillier:** Is there a framework agreement for the bidders? Is there anything at all from the centre?

**Sir Bob Kerlake:** We have not specified a framework agreement. As I said earlier, we have focused on the local leadership of the project, and then running the procurement service in the way that they do for a whole range of other services that they have at local level.

**Q42 Meg Hillier:** I remember learning about helicopter and fixed-wing aircraft procurement by police authorities when I was a Minister. In that case, police authorities were very keen not to share their flying stuff, and it was badly procured. I am not suggesting that it is the same here, but it would be interesting to hear your comments because having your own helicopter or—I will not name the police authority—fixed-wing aircraft certainly generated some kudos. It was badly procured and was done because each authority decided it needed its own thing. I am not convinced of the benefit of procuring locally. I can see that there were problems with central procurement, but doing it locally and choosing which local collaborations take place, with different IT systems, could mean that there is much less scope in future for shifting around in different ways if that is what demand requires. How can one region talk to another if you have decided on these collaborations among yourselves?

**Sir Bob Kerlake:** John has led the peer review of the project, so perhaps he would be best to answer the question.

**John Bonney:** Part of that £81 million that was given as grants to the individual Fire and Rescue Authorities is used to buy in procurement expertise. A proportion of that grant supports peer review and the peer support team. That team will assist projects by sharing good practice around procurement. It will share details about where people have procured things previously, so lessons have been learned. But some projects are

running ahead of others. It will also ensure that there are common standards and interoperability between the systems that are procured. What happens is that, while there are a number of projects and they are running separately, Fire and Rescue Services are learning from each other as they go.

We run a knowledge hub, and that information is used by all the different projects so that they can see where other projects are up to, where the difficulties have been, where there have been advantages in the procurement methodology used. They can share that type of best practice. That is the way I think you accommodate the idea of not having it run centrally but running it at a much more local level.

**Q43 Meg Hillier:** So, you are sure, Mr Bonney, that in future if fire incidence decreased, for instance, and you needed to collaborate across a wider area, those two systems—the thing in the cab and the control centre—could talk to each other, and that would not be a problem?

**John Bonney:** That is inevitable in future. It is not specified in the project at the moment, but in future I think you will see just that.

**Chair:** I am tired of hearing—

**Q44 Meg Hillier:** Can we just be clear? You will see just that—that they will actually be able to talk to each other; even as they are upgraded over time, it is all built in that they will talk to each other?

**John Bonney:** The idea is that people will work to common standards and the technologies will be able to talk to one another.

**Q45 Chair:** Sorry to interrupt, but it is always in the future. If you actually look at where the new projects are now, you are running up to two years late on some of them. Sir Bob sits there: “We’ll finish it all by 2015.” There is nothing that gives me confidence—maybe I will give you a final chance to do it for me—that you are going to deliver any better, if your own interim assessment demonstrates that much slippage. Peter Holland, you had better answer as you are in charge of it presumably. Are you the accounting officer for it?

**Peter Holland:** No, I’m not.

**Q46 Chair:** Who is the accounting officer?

**Sir Bob Kerlake:** I am the accounting officer for the whole project. The senior responsible officer is here as well.

**Q47 Chair:** Does Peter Holland work on your behalf?

**Sir Bob Kerlake:** Peter works on my behalf as the adviser on all issues to do with Fire and Rescue Services.

**Q48 Chair:** Is he not the project officer? Who is the project officer?

**Sir Bob Kerlake:** The project officer, who works in the team within the Department, is here today supporting us.

**Q49 Chair:** How long has he been in the job?

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**Sir Bob Kerslake:** She, actually.

**Q50 Chair:** She, good. Well done, brilliant. How long has she been in the job? This is one of the areas that I use as an example. I think it had five different project managers over about a year or two. Maybe I am being ungenerous. How long has this woman been in her job?

**Sir Bob Kerslake:** Jane has been in charge of the project since—

**Q51 Chair:** Is she sitting behind you?

**Sir Bob Kerslake:** Yes. She has been in charge of the project since we terminated the contract. So she has run with the project from the point of the new project, if you like. She has programme and project management experience.

**Q52 Chair:** So she has been in charge since 2010?

**Sir Bob Kerslake:** Since the end of 2010.

**Chair:** I would really love her to give evidence.

**Sir Bob Kerslake:** You could have invited her if you had wanted.

**Q53 Chair:** I always get these things too late. We always say we want the project officers. Is she going to stay until 2015 in the job? You are her boss.

**Sir Bob Kerslake:** I can't dictate how long she will stay in the job. That is not in my gift.

**Q54 Chair:** Is it your intention, as her boss?

**Sir Bob Kerslake:** My intention would be that she would stay with the project, obviously.

Can I deal with your point? As you rightly say, some of the projects are bound to have moved back in the time scale. I am not denying that fact. Quite a lot have kept to the time scale. I am giving you a clear indication that, on our assessment of programme progress, we can deliver all the projects by March 2015. That is our commitment. I don't mind your holding us to account for that, because that is our clear intent. That is three months later than we originally estimated when we set up the programme.

**Q55 Chris Heaton-Harris:** And on the original budget as well?

**Sir Bob Kerslake:** On the original budget; there is no additional funding for the project.

**Q56 Meg Hillier:** Can I just come in again? In terms of what was procured originally, the IT must have got to a certain point. How much has that been used to build on, rather than starting from scratch again?

**Sir Bob Kerslake:** The IT from the original project?

**Meg Hillier:** Yes.

**Sir Bob Kerslake:** Colleagues will come and have their say, but I suspect the bulk of it was aborted costs. Do you want to come in, John?

**John Bonney:** There are certain pieces of IT equipment that are legacy pieces that can be used.

**Q57 Meg Hillier:** Equipment. What about the software? Was that completely redundant?

**John Bonney:** No, not the software.

**Sir Bob Kerslake:** Essentially, it was aborted costs.

**Q58 Chair:** I just want to bring in NAO, then I have got Justin and Guto.

**David Corner:** We have heard a lot about the need for common standardisation of systems, but one of the key things that our Report on FiReControl found was that the individual fire forces could not agree standard ways of working, which are almost as important if you are talking about interoperability.

**Sir Bob Kerslake:** That is why one of the projects that was funded through the £81 million is specifically to develop standard ways of working.

**Q59 Meg Hillier:** That takes us full circle back to the beginning. The original proposal came in the aftermath of a big FBU dispute. It is difficult for local fire authorities to vote for themselves effectively to be either abolished or overridden by Whitehall. Weren't those challenges a big part of the reason for the failure, as well as the IT?

**Sir Bob Kerslake:** They were some of the challenges in getting the project up and running. Bear in mind that it was hugely delayed all along the way but, having spent a lot of time going through the project when I came in as permanent secretary, I genuinely think that the biggest problems were not about those issues. They affected the quality of the progress of the project, and it was not the right way to do a project like this, but at the core of why the project fell over in the end was a failed IT system that was not going to deliver and in which we had no confidence.

**Q60 Meg Hillier:** I am still nervous about why we should have confidence in the new system. Mr Bonney has given us some words of comfort, but what is the key difference?

**Sir Bob Kerslake:** The key difference is that we are not implementing a central, top-down, complex system against the wishes and ambitions of the local—[*Interruption.*] Let me just finish the answer to the question. We are taking it forward using developments on existing systems in collaboration between authorities that are taking it in a staged way in order to ensure that it works. That is why we are doing it with such a high level of care and a high level of programme management of the changes, but we are not reliant on one mega-project with hundreds of staff working on it, basically centralised from London; it is a different approach. It does not depend on every bit of it working in order for the new thing to work—that is the difference.

**Chair:** Okay. I will go to Justin, Guto and then Fiona.

**Q61 Justin Tomlinson:** Going back to the earlier conversation about the five empty control centres, I was a bit concerned when you said that four of them have not even been marketed yet.

**Sir Bob Kerslake:** No, I did not say that. I said that they are all being marketed. We put intense effort into marketing them from day one, on a three-stage process. First, we marketed to the Fire and Rescue Authorities, because clearly that was the best use. We managed to identify that six were potentially usable and three were agreed in the end. Alongside that, we then marketed to public sector bodies, and we are now doing a very strong private sector marketing process,

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so we have done all three. I was saying that I cannot give you an assured date as to when we will get somebody to take it up.

If I could give you one example. The FiReControl centre in Wolverhampton is on a business park. The building next door is a flexible office space, completed in 2007. It is still empty. These are high-cost, high-spec, bespoke buildings; they are going to take some shifting, which is why I am very cautious about giving you a date, but we will bust a gut to do so. In the meantime, we have done a huge amount to cut the running costs to avoid haemorrhaging costs while we are doing it.

**Q62 Justin Tomlinson:** So initially you marketed to other fire authorities, and then you tried the public sector. When you say the private sector, does that mean that it is now on the open market?

**Sir Bob Kerslake:** Absolutely.

**Q63 Justin Tomlinson:** How long has that been the case?

**Sir Bob Kerslake:** We have been running that process for at least six months now.

**Q64 Justin Tomlinson:** Presumably, you are looking to get money in to get access to those buildings. If so, will there come a point at which you just decide to say to somebody, "Here are the keys. Take them and take the running costs." If so, at what point will you get to that stage?

**Sir Bob Kerslake:** With any building, you make a judgment about the deal and obviously I would not want to prejudge that. On the ones that we have done, we have already had to put in some funding in order to make them work—rent-free periods and so on—and we will have to look at each one on its merits and see what offers we get. Clearly we want to see, because if we can pass over buildings, we cut our maintenance and operating costs, so we will do the best deal that we can on the buildings, but I want to say that we are reconciled to the fact that in my view it is inconceivable that we will fully recover the rental costs on these.

**Q65 Justin Tomlinson:** You have professionals marketing these properties. What have they suggested are the potential sectors that may be interested in taking them over?

**Sir Bob Kerslake:** As I said, some of them are public sector bodies. Often it is about whether there can be collaborations between public sector bodies to occupy them. It is not necessarily just the Fire Service. Quite a lot of the collaboration that is happening now is with others. The Coastguard service is a good example. They came into the building. The nature of these buildings is that they have high resilience and so on, so any public body that needs that kind of high resilience is worth looking at. They are very big, so to make them useful you have to collaborate.

The other thing we are looking at is whether it is worth investing funds to convert some parts of the building to make them more usable. Those costs are quite high. At the moment we have stopped short of that, but we are exploring every avenue to use up the

four remaining buildings. We have one more that is under offer.

**Q66 Guto Bebb:** A lot of my concerns have been raised by Meg. As someone who was not on the Committee when the original Report was looked at, I was quite shocked to see that of the project team cost of almost £90 million, 75% went to outside consultants. Since 2010, what sort of percentage of the expenditure on the project team goes to outside consultants?

**Sir Bob Kerslake:** I would say very low. I would not say it is zero, but it would be very low indeed.

**Q67 Chair:** Can someone behind you give a figure?

**Sir Bob Kerslake:** We will supply you with a figure for that. If the team have got it I will bring it to you in a minute. The vast bulk of the work is being done through the in-house team within the Department, and crucially with our other partners in CFOA. As we said earlier, the peer review is being done, as the name suggests, by the Fire Service itself. We are not, as was the case with FiReControl, employing large numbers of external consultants to do the work. We are drawing on the expertise of the Department and the Fire and Rescue Service.

**Q68 Guto Bebb:** In terms of the change, is that because there has been an improvement in the expertise available within the Department or is it just that a different financial situation has forced your hand?

**Sir Bob Kerslake:** It is probably two things. One is definitely an increase in the expertise in the Department on programme and project management. We have invested a lot of effort into increasing our number of people who can do this both in terms of general awareness and specialists on programme project management. Secondly the nature of the FiReControl project was such that in effect the Department was directly running a huge, complex IT project. It did not have and never was going to have the skills to do that, so the only choice was to buy them in. This is not being implemented in the same way now. It is a lot of locally driven projects, drawing on local expertise, and that means you can do it without lots of buying in of consultants. Peter, do you want to add anything?

**Peter Holland:** That is absolutely the case. Before I retired as a chief fire officer, and I was involved in the same consortium that Mr Hancock is involved in, I know that members of the Fire Authorities who are involved in that consortium were very conscious of concerns around employing consultants and the previous wastage. Paul, do you want to add to that?

**Paul Hancock:** I have no specific costs for the consultant reviews in the north-west. What I can say is that we have bought in some assurances in terms of project delivery and project governance—gateway reviews, for example. We have also used a company to do some testing of our roster for the new ways of working within FiReControl for the staff who will be TUPE'd across. Again, very minimal costs but we use some of those consultants.

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**Q69 Guto Bebb:** Just to clarify, from the figures I saw it looked as if the project management costs—not the software development costs—were £90 million, of which some 75% went to outside consultants and £42 million to one company. I am looking for some assurances that that figure has fallen dramatically.

**Sir Bob Kerslake:** It is not even in the same league as that. We are talking about much more modest, targeted sums. The vast bulk of the work is being done by the Department and by the Fire and Rescue Authorities.

**Q70 Fiona Mactaggart:** Mr Hancock, you were saying earlier that under this new system a computer will send data straight into a vehicle which is going to be dealing with an incident. As I understand it, and it was largely before my time, the original scheme was that if there was a major incident—say, a big factory in Slough burnt down—that would involve fire officers from London as well as from the Berkshire Fire Authority. In this present system, is that going to work? If an incident involves more than one fire service, do all the appliances going to it know the same information?

**Paul Hancock:** From a north-west perspective, as an example, all of the project team are working on common ways of working whenever they can. They still have a requirement to fulfil their requirements under their individual risk management plans—the IRMPs, as they are called. There are common ways of working which will be passed down to the computers in the fire engines, but there is also different information put on to those computers to deliver local requirements for local fire services, so it is very flexible. If you have a large-scale incident and you have fire engines coming from other fire services, they can link into the technology; that is part of the specification for the supplier.

**Q71 Fiona Mactaggart:** Was that a yes? I am really sorry, but I do not know whether the answer was yes or no.

**Paul Hancock:** Yes.

**John Bonney:** Yes.

**Sir Bob Kerslake:** Yes.

**Peter Holland:** Yes. I can give you an example: there was a big fire in Windsor last week and 20 fire engines went to it from Berkshire, Buckinghamshire and London. They all have the same radio system and they can all communicate into the single control, so actually it is already working in many respects.

**Q72 Fiona Mactaggart:** I did not ask whether they had the same radio system—

**Peter Holland:** Well, it is part of it.

**Q73 Fiona Mactaggart:** I was interested in the issue that Mr Hancock raised about data that are not verbal data; data arriving inside the appliance.

**Peter Holland:** That is transmitted on the radio.

**Sir Bob Kerslake:** The ability to transfer data over Airwave is one of the biggest things that we are doing through the project.

**Q74 Fiona Mactaggart:** That is good news. Let me ask you, Sir Bob, in the original Report there was a

set of recommendations about learning the lessons. Are you responsible for any other projects where there has been a centrally invented solution to local problems and the local respondents are not terribly happy with it?

**Sir Bob Kerslake:** You obviously have one, so—

**Q75 Fiona Mactaggart:** No, actually I don't. This is an inquiry and I am asking you a question. Are you?

**Sir Bob Kerslake:** I see. I do not believe that we are, actually. We have taken a very different approach to implementing projects—

**Q76 Chair:** Troubled Families. We have not looked at it yet, but I hope that we will come to it.

**Sir Bob Kerslake:** There is a huge difference with the way that Troubled Families is being taken forward. Of course, it is a national initiative. Let me give you another example: we are unring-fencing—

**Q77 Chair:** You are prescribing nationally. You have got a tsar at the centre telling all the local authorities what to do.

**Sir Bob Kerslake:** No, actually it does not work like that. It is a national project, as was the ring-fencing of the housing revenue account and the changes to the local government finance system. Those are all big projects that had to be nationally led. The replacement on FiReControl is a nationally led project and there is no difference.

The way in which Troubled Families is implemented, though, is collaboratively. We are not telling local authorities how they tackle it; we are saying that this is a priority, we will help to fund you if you manage to deliver some change here and we will develop some common approaches that you can borrow from. That is a completely different model from the way FiReControl was run, which was as a nationally directed, top-down project. We are not running projects that way. We do run national projects, but they are done differently. I am happy to go through examples if you want.

**Q78 Chair:** May I ask a couple of questions that Mr Holland can answer? The Taunton centre is still empty, isn't it?

**Peter Holland:** The Taunton building? Yes, it is empty.

**Q79 Chair:** I am told that it costs us £137,000 a month. I gather that Devon and Somerset fire authority wanted to take it over, but talks broke down. Why?

**Peter Holland:** I was not involved in those talks, but I would imagine that, as the control centre is quite large, the cost would probably be too much. I know from my experience in the north-west that there was a discussion about whether they should take over the facility up there and it was looking at an external building, another building, and comparing it to that and how much it was going to cost—

**Q80 Chair:** It is better to have it filled with somebody. I think it was Justin who raised the issue.

**Sir Bob Kerlake:** The reason why the south-west one did not happen was because the centre was too large and it was too expensive for them alone.

**Q81 Chair:** Too expensive, but it would have been better to drop the price than carry on running an empty building with all the—

**Sir Bob Kerlake:** Even with some subsidies, as we are putting into the other centres, it was still too expensive. The only—

**Q82 Chair:** But it's better than leaving it empty. That is what seems so crazy to me.

**Sir Bob Kerlake:** I don't think it is for the Fire and Rescue Authorities. Bear in mind we did not compel them to take these centres. They had to choose them.

**Q83 Chair:** I understand that, but you gave Mr Hancock—I think I am right—a bribe of £1.2 million to go into his.

**Sir Bob Kerlake:** We have given him a subsidy. The difference in the case of Mr Hancock is that he is forming a collaboration of Fire and Rescue Authorities. All the ones that have taken on the buildings are either very big—London—or they have done a pretty substantial collaboration, as Paul has done, or, in the case of Durham, they have brought in their HQ staff.

**Q84 Chair:** So if Devon & Somerset had done a collaboration, you would have been prepared to give them a bribe, would you?

**Sir Bob Kerlake:** We would have been very happy to talk to them about a good deal for use of the building.

**Peter Holland:** Devon & Somerset is only one Fire and Rescue Service. It is not a collaboration—

**Q85 Chair:** I understand that. There are two things. In one situation, you give a bribe—sorry, a subsidy—because you are encouraging four to work together. In the other situation, we have an empty building—it is still empty; no tenant looking in—and you are not prepared to give them the same bribe/subsidy.

**Sir Bob Kerlake:** No, we are prepared to look at subsidies, but even with a subsidy, because it was only one Fire and Rescue Authority, it still did not make sense for them to go in. That is the basic point. It has to be that they can collaborate or they are pretty big like London, or they have an alternative use like Durham. Unless it is something like that, you just cannot make it work, even with a subsidy.

**Chair:** It doesn't make sense.

**Q86 Chris Heaton-Harris:** How does the structure of your budget work? Let's take Donington, which is £5,000 a day. I think that is what the Chair said it cost. That is a £5,000 hit coming out of DCLG centrally. If you were to have that money, would it be hypothecated towards fire services across the country? If you were to get rid of the ones you have not been able to get rid of, thus creating spare money, where would that money go?

**Sir Bob Kerlake:** It would be a choice for Ministers to decide how the funding was used. That depends on decisions on the overall budget of the Department.

Suffice it to say, every pound we can save on this is available to be invested in either a Fire and Rescue Authority or something else the Department is doing. So there is a huge drive to get these costs down.

**Q87 Chris Heaton-Harris:** I'm slightly confused, like the Chair. You have got not a willing taker per se, but someone who is interested, and it is still public money, raised in a slightly different way, so it would not come out of your budget directly, but via council tax and various other bits, because it is a fire service. Why weren't you so keen to incentivise the Taunton site?

**Sir Bob Kerlake:** I think you're genuinely misunderstanding the situation. We were very keen for Fire and Rescue Authorities to use these buildings. It was not a question of not wanting to use them—quite the opposite. That is why we took a long time giving them effectively first call on the buildings. It is really important to get that point across. In reality, even with that and even with a willingness to subsidise the use of the buildings to cover some of the FM costs, it still didn't make sense for that particular fire authority to use that building.

**Q88 Chair:** But it's better than leaving them empty. That is what seems so odd. If it is empty, they are somewhere else. They might have needed a bigger subsidy-stroke-bribe, but it's better than leaving it empty.

**Sir Bob Kerlake:** Of course it's better to use a building than not use it. We have worked very hard to get the buildings used by—

**Q89 Chair:** No, you haven't. You have rejected these guys.

**Sir Bob Kerlake:** No, we have not rejected them. I keep saying this. They have chosen not to take up the building.

**Q90 Chair:** Because you didn't give them enough subsidy.

**Sir Bob Kerlake:** I can double-check the detail on this one, but we were offering subsidies, I am quite sure, to this particular Fire and Rescue Authority. They are significant subsidies, as you have said. It genuinely is not the case that the Department has been unwilling to be flexible to get Fire and Rescue Authorities in. The basic problem, as I have said before, is that these were designed as regional centres, and having one Fire and Rescue Authority in a regional centre is a major issue in terms of cost.

**Q91 Chris Heaton-Harris:** I think I understand where you are coming from. I was slightly confused. Is there any particular reason for not letting part of a building?

**Sir Bob Kerlake:** We would be open to using part of the building. As I said earlier, the nature of these buildings means that they do not lend themselves terribly well to that kind of use, because of the way in which they are designed. But we are open to any kind of usage that we can secure either from a commercial company or a public company, or from one of the Fire and Rescue Authorities. We have not

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closed down any option on the use of these buildings, but clearly Fire and Rescue Authorities have made their own decisions about their future now. Many have existing services and have developed automatic back-up through other routes, so why would they move? That is the question.

**Q92 Chair:** Okay. Going on to one of your projects, Buckinghamshire, and looking at the ministerial press release for when you announced the projects—are you Buckinghamshire? You're not, are you?

**John Bonney:** No. Hampshire.

**Chair:** Buckinghamshire is getting money to increase its number of staff. The press release says, "Buckinghamshire, Cambridge and Suffolk will be enhanced due to greater numbers of control staff being on duty at any one time", creating "a larger pool to 'recall to duty'". That seems to me to be totally counter to Government policy. You are using that money to recruit more people, rather than trying to find efficiencies.

**Peter Holland:** I think you'll find the reason why most services are collaborating is because they are reducing the number of overall staff. That is where the savings are coming from.

**Chair:** It doesn't say that. I am just quoting—

**Peter Holland:** It is quite possible, Chair, that the comments you have got are about staffing for peak demand.

**Q93 Chair:** No, this is the press release from Bob Neill, when he was Minister there, announcing the outcome of the bids. It says, "Strengthen local resilience: for example, resilience for large incidents and spate conditions in Buckinghamshire, Cambridge and Suffolk will be enhanced due to greater numbers of control staff being on duty"—blah, blah, blah—"and create a larger pool".

**Chris Heaton-Harris:** It's not three added together so they are all operating at the same time in the same way, but if there was an issue in one of those three there would be a bigger number overall than they would have had if they had been separate.

**Peter Holland:** I might suggest that Suffolk would possibly have two or three people on call at night in their control room, and perhaps Cambridgeshire have four or five—something like that. You bring them together, and you might have six people on duty to answer those calls. Actually, Buckinghamshire are no longer in that group. They are part of the Thames valley collaboration.

**Q94 Chair:** Okay, fair enough.

Page 9, paragraph 3.1 talks about a £3.2 million cost to wind down FiReControl. What was that spent on?

**Sir Bob Kerslake:** There were some costs that individual Fire and Rescue—

**Chair:** Is this redundancies?

**Sir Bob Kerslake:** It is a mix of things. There were redundancies, there was the settling of various contracts, and there were costs that have been incurred by Fire and Rescue Authorities that needed to be covered as well. So it was a range of costs.

**Q95 Chris Heaton-Harris:** Would you be able to send us a note with the breakdown of that, please?

**Sir Bob Kerslake:** Yes. I will happily do that.

**Q96 Chair:** Finally, in the papers it suggests that there will be regular rent reviews under these PFI facilities management deals. What are the terms under which rents can increase, and what control have you got over those for the nine buildings? On page 10, and all over the place, it talks about potential rent increases, unless I have misread it.

**Sir Bob Kerslake:** I can't give you the detail. I didn't think the rents were subject to uplifts.

**Chair:** Neither did I. That is what rather shocked me.

**Sir Bob Kerslake:** I am slightly puzzled, unless that is the PFI deals. Can I come back to you on the details, Chair, rather than guess at it?

**Chair:** Okay.

**Q97 Chris Heaton-Harris:** I have a question about where things are going now. Obviously, a region was probably not the optimal size for an amalgamation of fire authorities. Two of you are from the north-west, but Mr Hancock and Mr Bonney come from different parts of the country with different population concentrations. My question is, what do you perceive to be the ideal size for a fire authority?

**John Bonney:** The ideal size for a fire authority?

**Chris Heaton-Harris:** Yes—to operate a top-notch fire service using the best IT and everything else.

**Peter Holland:** It might be for me to answer that, as the fire adviser for England. You have a whole range of different models, ranging from London to the Isles of Scilly, for the size of Fire and Rescue Services. Nobody has made any judgment call on what the optimum size is. Certainly, there are views around that 1,500 to 2,000 staff—something like that—is the optimal figure. Given that we are in an environment where these are local decisions, not being directed nationally, it is a matter for individual fire authorities to make judgment calls on the size of fire authorities and the efficiency savings that they have got to make. Clearly, there would be efficiency savings by services perhaps merging together voluntarily.

**Q98 Chris Heaton-Harris:** It looks as though that is the direction of travel. Many services are combining so many services—

**Peter Holland:** Only the controls.

**Chris Heaton-Harris:** Yes, but it is only a short step to going the whole hog. Is that a fair comment?

**Peter Holland:** It would certainly help a merger if services were using the same controller, if that is what they chose to do, but I do not think you will find that any of those services that are looking to combine the controls are actually looking to combine. There might be things happening that I am not aware of at the moment, but I doubt it.

**Q99 Chair:** May I ask what I think will be the final question? In your new project, of the £82.8 million you put aside only £1.8 million for interoperability and collaborative working, which was the purpose of the new funding. Why was that so small? Why did you choose to divide the cake up in that way?

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*Sir Bob Kerslake:* I think the principal reason was that that was new territory. We were looking to encourage something across the country nationally, and that was the sort of sum that came back in the consultation as to what would be required. In fact, we allocated slightly less than that. It does not mean to say that that is the only collaboration that is happening, but on the specific task of developing common processes, it felt like a reasonable sum of money to do the job that was needed, and I still think it is.

**Q100 Chair:** Were all the other projects partially judged on collaboration as a criterion?

*Sir Bob Kerslake:* Collaboration was one part of what we looked at.

**Q101 Chair:** A key criterion?

*Sir Bob Kerslake:* It was an important criterion in assessing the projects.

**Q102 Chair:** Key?

*Sir Bob Kerslake:* Yes, a key criterion.

**Q103 Chair:** So it was one of those ones you had to pass—to have a tick in the box.

*Sir Bob Kerslake:* No, not all of them had to have that. We did not make it a requirement that they collaborate between Fire and Rescue Authorities, but two thirds of them did, so the bulk did. Those that did not either were very big, like London, or were collaborating with other services such as the police. Collaboration formed an important part of the test, because it was one of the ways of driving value for money.

I am conscious, Chair, that I did not answer your question on the rent issue. I have now checked and it is 2.5% uplift per annum on the rents, which is applied every five years, so that is built into the contract.

**Q104 Chair:** That is built into the original contract, so it is another mistake in the contract.

*Sir Bob Kerslake:* You might say that, absolutely.

**Chair:** Dear, dear, dear.

I think we are there, because this is a follow-up hearing. Thank you very much indeed. We will have to see whether we come back to it a third time; we will monitor progress over time.

# Written evidence

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## Written evidence from the Department for Communities and Local Government

As you know, the Public Accounts Committee is holding a further hearing into FiReControl, and I will be appearing as a witness on 13 May. Before doing so, I wanted to make you aware that since the National Audit Office's report was published my Department has concluded agreement with our facilities management contractor to reduce the facilities management and utilities charges for the five remaining centres by 59%, reducing our costs over the remaining life of the facilities management contract by £2.5 million. Towards the end of April we also reached in principle agreement with a large public sector organisation for them to occupy the Wakefield Control Centre. Subject to completion of the legal formalities of the deal, this will mean only four of the original nine centres will remain unused.

I also wanted to make you aware that, on 21 March 2013, the Department for Communities and Local Government published an updated national summary of the Future Control Room Services Scheme. This document, based on information supplied by the fire and rescue authorities, provides a high-level national summary of the improvements being made by each project, and explains how they will continue to provide increased resilience and improvements at a local level, strengthening the building blocks of national resilience. Our assessment reveals that no projects have changed to the extent that the benefits identified at the start of the programme will not be realised.

The project summaries show that a tremendous amount of work is underway to deliver these improvements, and demonstrate how a localist approach to further investment in control rooms is succeeding across the country. I have attached a copy of the updated summary to the covering email that accompanies this letter, and the link to the summary can be found at:

<https://www.gov.uk/government/publications/future-control-room-services-scheme-summary-national-picture-of-fire-and-rescue-authority-improvement-plans-march-2013-update>.

*Sir Bob Kerslake*

*Permanent Secretary*

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## Supplementary written evidence from the Department for Communities and Local Government

At the Public Accounts Committee's hearing into FiReControl on 13 May I undertook to provide the Committee with a breakdown of the consultancy costs incurred since the closure of the FiReControl Project.

Please see the two annexes attached. The first annex shows that since the closure of FiReControl in December 2010 the Department has incurred £1,170,535 on consultancy costs, covering (i) the closure of FiReControl, (ii) marketing the empty regional control centres, and (iii) the Future Control Room Services Scheme. This is in comparison to the £68.6 million consultancy costs for FiReControl quoted in the National Audit Office memorandum of 1 July 2011. In fact, the spend on consultancy costs since the National Audit Office reported is much less at £760,745 as the figure of £1,170,535 includes £409,790 already quoted in the National Audit Office memorandum, which covered the period up to the end of March 2011.

The second annex provides the consultancy costs paid to date locally by each Future Control Room Services Scheme project to support planning and delivery, and the percentage of this expenditure against the grant paid by DCLG to each project. This shows that the total expenditure incurred by the projects is less than 1% of the total grant paid.

*Sir Bob Kerslake*

*Permanent Secretary*

*11 June 2013*

Consultancy costs incurred by DCLG since December 2010, covering (i) the closure of FiReControl, (ii) marketing the empty regional control centres, and (iii) the Future Control Room Services Scheme.

<i>Financial Year</i>	<i>Closure of FiReControl</i>			<i>Marketing and Disposal of Empty Buildings</i>			<i>Future Control Rooms Services Scheme</i>		
	<i>Q4 2010–11</i>	<i>2011–12</i>	<i>2012–13</i>	<i>Q4 2010–11</i>	<i>2011–12</i>	<i>2012–13</i>	<i>Q4 2010–11</i>	<i>2011–12</i>	<i>2012–13</i>
Legal Advice Dentons	61,568	43,544			213,153	85,915			
Project Management Turner & Townsend EC Harris Skanska	7,291	43,468				63,660 6,935			
Property Consultants DTZ				10,000	12,612	588			
Valuation Office Agency Management Consultants	222,226	110,723			67,408		19,065		
PA Consulting	6,406								
Actia Consulting Ltd	7,800								
Intelligent Addressing Agency	38,303	3,300							
Parity Resources Ltd	38,221								
LA Int. Comp. Consultants	5,136								
Morgan Hunt UK	12,849								
Alpine Resourcing Ltd Professional Services GVA Grimley						90,374			
Sub Totals	399,790	201,035	0	10,000	293,173	247,472	0	19,065	0
<i>Total Consultancy Costs for DCLG January 2011–2012/13</i>									
<i>Financial year</i>				<i>2010/11(Q4)£</i>	<i>2011/12 £</i>		<i>2012/13 £</i>		
Costs incurred				409,790	513,273		247,472		
Total							£1,170,535		

## Consultancy costs for each Future Control Room Services Scheme project (March 2012-June 2013)

<i>Project</i>	<i>Grant paid</i> £	<i>Consultancy costs</i> £	<i>Consultancy costs as</i> <i>% of grant paid</i>
Avon	1,600,000	0	0
Cambridgeshire and Suffolk	3,600,000	35,908	0.99
Cleveland	1,800,000	6,500	0.36
Cornwall (covering Isles of Scilly), and North Yorkshire	3,600,000	11,590	0.32
Derbyshire, Leicestershire, and Nottinghamshire	5,400,000	161,800	2.99
Devon and Somerset, Dorset, Hampshire, and Wiltshire	7,200,000	0	0
Durham and Darlington	1,800,000	27,574	1.53
East Sussex, and West Sussex	3,600,000	33,400	0.93
Essex and Bedfordshire	3,200,000	32,500	1.02
Gloucestershire	1,800,000	0	0
Hereford and Worcester, and Shropshire and Wrekin	3,600,000	8,196	0.28
Hertfordshire, Humberside, Lincolnshire and Norfolk	7,200,000	0	0
Kent and Medway	1,800,000	49,000	2.72
Manchester, Cheshire, Lancashire and Cumbria	8,400,000	90,300	1.08
Merseyside	1,800,000	123,500	6.86
Northamptonshire, and Warwickshire	3,600,000	102,515	2.85
Oxfordshire, Royal Berkshire, and Buckinghamshire and Milton Keynes	5,400,000	71,642	1.33
South Yorkshire, and West Yorkshire	3,600,000	10,000	0.28
Staffordshire, and West Midlands	3,600,000	9,018	0.25
Surrey, and Isle of Wight	3,000,000	0	0
Tyne and Wear, and Northumberland	3,600,000	5,950	0.17
<b>Total</b>	<b>79,200,000</b>	<b>779,393</b>	<b>0.98%</b>

### Further supplementary written evidence from the Department for Communities and Local Government

This note provides a response to follow up queries raised further to the Public Accounts Committee (PAC) held on 13 May 2013. The queries and responses are dealt with in turn below:

#### 1. Explain in more detail why Dorset and Somerset didn't take up the offer of the South West FiReControl centre and what subsidies we offered them

Devon and Somerset Fire and Rescue Authority originally considered using the Taunton Control Centre during January 2011, at this time there was also tentative interest from Dorset and Cornwall. The interest was quickly withdrawn.

In August 2012 Devon and Somerset FRA (the "FRA") again expressed interest in using the control centre. Devon and Somerset senior management and estates representatives inspected the centre and met with DCLG officials on several occasions to negotiate terms. At around this time the Department had also received expressions of interest from Somerset County Council, the UK Hydrographic Office and a private company trading as Una Group.

The Department put forward a formal offer, which was broadly in line with terms agreed with other control centre occupiers, to the FRA on 29 October 2012 proposing the following terms for a full transfer of the Department's leasehold interest:

- (i) Rent free—4 years.
- (ii) Rent thereafter—DCLG to subsidise 75% of the rent so that the FRA would meet 25% of the rent passing for the duration of the lease. From April 2017 this would have been £386,000 per annum.
- (iii) Assistance with FM costs: £50,000 per annum until August 2015.
- (iv) Capital contribution: £1 million.

At this time the FRA were clear that the option to relocate their whole HQ was not feasible so they were left with the option of moving only their control room, area command and some overspill staff, which would not fully utilise the centre. The savings that the FRA could make by releasing the space then occupied by these functions were considered to be in the region of only £200,000 per annum, which was considered unaffordable when set against overall costs<sup>1</sup> and the FRA reluctantly rejected the Department's offer.

When rejecting our offer the FRA did make clear that they were convinced of the merits of the building and would be open to discuss the matter with the Department again should we be able to offer considerably improved terms at any point in the future. The Department did not come back with a revised offer at this time because we wanted to run the course of the marketing campaign, to see whether there was any other interest on at least similar terms to other occupied control centres, in order to get best value for money for taxpayers. Offering substantial discounts to attract tenants is an option that will be considered as part of the future strategy for the remaining empty control centres if there is no meaningful interest over the next 3 months.

In the meantime we will continue to actively market the centre across both the public and private sectors, with a view to achieving the best possible value for money for taxpayers. DCLG regularly reviews its disposal strategy to ensure everything possible is being done to minimise costs, to market the centres to attract potential tenants and to consider other potential occupation possibilities.

#### 2. Break down the costs in paragraph 3.1 on page 9 of the NAO memorandum

Paragraph 3.1 on page 9 of the NAO memorandum states the following:

*3.1 The Department began to close down all activities relating to FiReControl immediately after the project's cancellation. Up to March 2011, the Department incurred costs of £3.2 million in winding down FiReControl. This includes £2.7 million paid to Fire and Rescue Authorities and Local Authority Controlled Companies to meet the costs of closing down the project's regional and local teams, and £0.5 million on the adaptation of IT hardware to local control rooms.*

#### Costs of closing down the project's regional and local teams

The total outlay of grant funding to meet local and regional staff close down costs was £2.67 million. The costs enabled the orderly run-down of DCLG funded activities and local and regional project team staff, any FRS ISP/backfill staff and control centre staff, at minimum cost.

<sup>1</sup> Estimated per annum costs for 2017/18 following rent free period—circa £730k (£386k rent, £46k business rates, £40k utilities—assumes a 50% saving, £260k FM—assumes a 35% saving, £5k estates charges).

<i>December 2010 Firecontrol Implementation Grant Funding Payment (excludes accommodation funding)<sup>2</sup></i>	<i>Dec-10</i>
<i>Fire and Rescue Authority</i>	<i>£</i>
Avon Fire Authority	4,384
Bedfordshire & Luton Combined Fire Authority	8,641
Buckinghamshire & Milton Keynes Fire Authority	8,641
Cambridgeshire and Peterborough Fire Authority	17,646
Cheshire Fire Authority	9,021
Cleveland Fire Authority	137,758
Cornwall County Council	4,384
County Durham & Darlington Fire & Rescue Authority	26,650
Cumbria County Council	10,131
Derbyshire Fire Authority	31,152
Devon & Somerset Fire and Rescue Authority	230,332
Dorset Fire Authority	4,384
East Sussex Fire Authority	9,827
Essex Fire Authority	49,577
Gloucestershire County Council	4,384
Greater Manchester Fire and Rescue Authority	50,910
Hampshire Fire & Rescue Authority	13,143
Hereford & Worcester Fire Authority	13,143
Hertfordshire County Council	9,003
Humberside Fire Authority	13,143
Isle of Wight County Council	8,641
Kent and Medway Towns Fire Authority	13,143
Lancashire Combined Fire Authority	11,897
Leicester, Leicestershire & Rutland Combined Fire Authority	160,990
Lincolnshire County Council	8,641
Greater London Authority	15,006
Merseyside Fire and Rescue Authority	10,953
Norfolk County Council	12,825
North Yorkshire Fire and Rescue Authority	8,641
Northamptonshire County Council	12,745
Northumberland County Council	17,646
Nottinghamshire and City of Nottingham Fire Authority	8,641
Oxfordshire County Council	10,403
Royal Berkshire Fire Authority	8,641
Shropshire and Wrekin Fire Authority	13,143
South Yorkshire Fire and Rescue Authority	8,968
Stoke on Trent & Staffordshire Fire Authority	31,152
Suffolk County Council	8,934
Surrey County Council	11,060
Tyne & Wear Fire and Rescue Authority	31,152
Warwickshire County Council	13,143
West Midlands Fire and Rescue Authority	128,045
West Sussex County Council	53,775
West Yorkshire Fire and Rescue Authority	54,558
Wiltshire and Swindon Fire Authority	4,384
<b>Total</b>	<b>1,323,380</b>

<i>January 2011 Close Down Funding Payments made to regional nominated lead authorities<sup>3</sup></i>	<i>January Payment</i>
<i>Fire and Rescue Authority</i>	<i>£</i>

Cleveland Fire Authority	367,334
Devon & Somerset Fire and Rescue Authority	325,402
Essex Fire Authority	49,644
Greater Manchester Fire and Rescue Authority	36,385
Leicester, Leicestershire & Rutland Combined Fire Authority	341,510
Greater London Authority	8,063
West Midlands Fire and Rescue Authority	153,841
West Sussex County Council	32,982

<sup>2</sup> These amounts were subsequently diverted to meet close down costs. Variations in amounts paid to FRAs are due to a combination of: whether FRAs were nominated as lead authorities for regional funding; the position of the FRA in the rollout order; and size of FRA.

<sup>3</sup> The variations in funding amounts are a reflection of whether the regions were funded to employ an initial staff pool and whether there were LACC roles being made redundant (neither was the case for London).

<i>January 2011 Close Down Funding Payments made to regional nominated lead authorities</i>	<i>January Payment</i>
<i>Fire and Rescue Authority</i>	<i>£</i>
West Yorkshire Fire and Rescue Authority	32,199
<b>Total</b>	<b>1,347,358</b>
<b>TOTAL</b>	<b>£2,670,738</b>

Adaptation of IT hardware to local control rooms

A breakdown of costs relating to the adaptation of IT to local control rooms and other expenditure included within the £541,258 figure are provided below.

<i>Item</i>	<i>Cost £</i>
Computacenter UK Ltd	£289,182
Infoterra Ltd	£65,223
Multitone Electronics Plc	£44,559
Balance of other expenditure <sup>4</sup>	£142,295
<b>Total</b>	<b>£541,258</b>

**Written evidence from the National Audit Office**

PART ONE: PURPOSE

1.1 FiReControl was one of the worst cases of project failure that the Committee has seen. It aimed to improve national resilience and efficiency by replacing the control room functions of 46 local Fire and Rescue Services in England with a network of nine purpose-built regional control centres using a national computer system. The project was launched in 2004, but following a series of delays and difficulties, was terminated in December 2010 with none of the original objectives achieved and a minimum of £469 million of taxpayers' money wasted.

1.2 The National Audit Office reported on the project in July 2011. The Committee held a session in July 2011 and reported in September 2011.

1.3 The Committee's report identified a number of factors that contributed to the failure of the project. These included:

- Imposing a single national approach on locally accountable fire and rescue authorities who were reluctant to change how they operated.
- Launching the programme too quickly without applying basic project approval checks and balances.
- Over optimism on the deliverability of the IT solution.
- Issues with project management including consultants who made up half of the management team and were not effectively managed.

1.4 The Committee identified two particular areas where the Department for Communities and Local Government (the Department) needed to take steps to mitigate the consequences of failure and prevent further waste:

- Finding alternative uses for the control centre buildings so as to reduce nugatory costs whilst they remained empty.
- Making sure a further £84.8 million the Government intended to spend to obtain the original project objectives through other means was not similarly wasted.

1.5 This memorandum provides an update to the Committee on developments in these two areas. We intend to undertake an evaluative review of the value for money of the new expenditure at a later stage.

1.6 The memorandum is based on information and documents provided by the Department and is in three parts:

- Part Two: Finding alternative uses for the Regional Control Centres
- Part Three: Continuing costs
- Part Four: Achieving improvements to control room services

1.7 The Department are due to publish a report on the national picture of Fire and Rescue Authority improvement plans in March 2013.

<sup>4</sup> Consultants costs—legal, recruitment, property, catering; energy costs; travel

FIGURE 1 DEVELOPMENTS SINCE THE CANCELLATION OF FIRECONTROL

<i>Date</i>	<i>Development</i>
December 2010	Cancellation of FiReControl
January 2011	Department begins consultation on future of fire and rescue control centres in England
April 2011	Consultation period ends
July 2011	NAO report on FiReControl published
July 2011	Public Accounts Committee session on FiReControl
July 2011	Department publishes outcome of consultation and announces grant fund for the future of control rooms
July 2011	Strategy for building enhanced resilience into England's fire and rescue services published
September 2011	Committee of Public Accounts report published
November 2011	Deadline for bids for Future of Control Rooms grant
November 2011	Minister for Shipping announces use of the Fareham centre by the Maritime and Coastguard Agency
December 2011	Treasury Minute on FiReControl published
March 2012	20 successful future control room bids announced, three further bids require further work
July 2012	Baroness Hanham releases statement on progress of regional fire control centres
July 2012	Three future control room bids which required revision are approved
July 2012	Strategic Board which oversees the future control room funding meets for the first time

NOTES  
Source: National Audit Office/Department for Communities and Local Government

## PART TWO: FINDING ALTERNATIVE USES FOR THE REGIONAL CONTROL CENTRES

2.1 Each of the nine regional control centres was built to house IT equipment, a call centre and other facilities using a single pre-defined design and high specification to minimise the risks of disruption from natural or manmade disaster. This included extensive physical and protective security measures and resilient electrical and environmental systems able to continue operations in the event of power, fuel or water supply failure.

2.2 All nine regional control centres were delivered between 2007 and 2010 before the cancellation of the overall project. Although the regional control centres could not be used for their intended purpose without the successful delivery of the computer system underpinning the project, the Department began to incur costs six to nine months after each was completed, following a rent-free period during which facilities management and utility costs were still incurred. Because the Department did not fund the construction of the control centres, it agreed between 20 and 25 year leases and therefore remains liable for the rent on these buildings unless their leases can be transferred to other parties or sub-leases agreed with tenants.

2.3 Since the termination of the overall project, the Department has been exploring the possibilities of individual or consortia of fire and rescue authorities taking up the leases of the centres. It has also worked with the Government Property Unit to see if other emergency services or other public sector bodies would be interested. This is because it is for local fire and rescue authorities to decide how best to meet the needs of their local community and so they are not obliged to use the centres. Three of the nine control centres will be used by fire and rescue services.

2.4 In April 2012, the Department submitted a proposal for a marketing exemption to the Director Communications, as per the Cabinet Office Efficiency and Reform Group process, to seek approval for a marketing campaign to promote the empty control centres to the public and private sector.<sup>5</sup> The application was successful and the Department received £45,000 to deliver a marketing campaign which began in July 2012. The campaign has generated some early interest at all of the empty control centre sites.

2.5 At the time of the Committee's session in 2011 the lease for one control centre building had been assigned to the London Fire and Emergency Planning Authority. Discussions were in progress with a consortium of fire authorities in the North West on the transfer of the control centre building in Warrington and with County Durham and Darlington Fire and Rescue Authority on whether they might use the control centre building in Durham.

2.6 Figure 2 outlines the current status of the nine control centres. It shows that one centre is in use, three more have either been assigned or leased and five control centres are empty and are being marketed to find tenants. Progress has been made in agreeing the use of the centres in the North East and North West by Fire and Rescue Services but they will not be operational until Summer 2013 and April 2014 respectively. In the North West, the control centre is being prepared to receive the control room functions of four fire authorities who intend to move into the centre in 2013 and for it to be fully operational in 2014. In the North East, County

<sup>5</sup> Due to a freeze on central government marketing and advertising, special authority was required from the Cabinet Office.

Durham Fire and Rescue Service is undertaking remodelling of the building for use as their headquarters and control room. It will become operational in 2013. Use has also been agreed for the centre in Fareham which will be used by the Maritime and Coastguard Agency as their south coast operations centre and which is expected to be operational from 2014. No agreement for alternative use has been found for the other centres in Cambridge, Taunton, Wolverhampton, Wakefield or Castle Donington.

FIGURE 2 STATUS OF THE REGIONAL CONTROL CENTRES AS AT NOVEMBER 2012

Of the nine control centres, one is occupied, three have agreements in place for occupation and the remaining five are being marketed.

*Used as intended*

London	Merton	London control centre transferred to the London Fire and Emergency Planning Authority and has been fully operational since February 2012.
North West	Warrington	Shared control centre for four fire authorities (Cumbria, Cheshire, Greater Manchester and Lancashire). The centre will be operational by April 2014.

*Use by one fire and rescue service*

North East	Durham	County Durham and Darlington Fire and Rescue Authority will use the control centre as their headquarters and control room. Building is currently being remodelled and likely to be operational from Summer 2013.
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*Use by other emergency service*

South East	Fareham	The Maritime and Coastguard Agency will use the building as part of their operations centre. This is on a Memorandum of Terms of Occupation, which mirrors the term and length of the Department's lease. Operational from 2014.
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*No agreement*

East of England	Cambridge	Currently being marketed.
South West	Taunton	Currently being marketed.
West Midlands	Wolverhampton	Currently being marketed.
Yorkshire and Humberside	Wakefield	Currently being marketed.
East Midlands	Castle Donington	Currently being marketed.

Source: Department for Communities and Local Government

PART THREE: CONTINUING COSTS

3.1 The Department began to close down all activities relating to FiReControl immediately after the project's cancellation. Up to March 2011, the Department incurred costs of £3.2 million in winding down FiReControl. This includes £2.7 million paid to Fire and Rescue Authorities and Local Authority Controlled Companies to meet the costs of closing down the project's regional and local teams, and £0.5 million on the adaptation of IT hardware to local control rooms.

3.2 The Department agreed leases of between 20 and 25 years for each of the regional control centres and, should Fire and Rescue Services or other bodies fail to move in, the Department will continue to be responsible for rent, utilities and facilities management costs for each building over the lifetime of their lease. The leases are from different landlords, while the facilities management is provided by a single contractor, with whom the Department negotiated the adoption of cost reductions following the cancellation of the project in 2011.

3.3 Regional control centres in all of the regions continue to cost the Department significant amounts of money each year. The control centres were built for a specialist purpose and coupled with the long leases they have high rents (higher than current market rents) and high running costs. In order to reach agreements with tenants and on the assigned or leased centres, the Department has had to provide a variety of letting incentives including payment of a proportion of the rent. Figure 3 below outlines costs to the Department between 2011–12 and 2015–16 (five year period) and shows that the Department estimates it will spend £83 million on regional control centres should the status of the sites remain as they currently are. The Department paid £32 million in upkeep of the empty centres to the end of March 2011, comprising £16 million in rental payments and £16 million on maintenance, support and one-off costs.

FIGURE 3 SPEND ON REGIONAL CONTROL CENTRES 2011–12 TO 2015 -16

Department will spend up to £83 million over the period should the position remain as it is today.

	2011–12	2012–13	2013–14	2014–15	2015–16
<i>Centres with signed leases (London, North East, North West, South East)</i>					
Rent	8,344,177	6,618,188	5,831,842	5,247,810	4,956,881
Running Costs	1,141,570	1,365,751	671,871	465,000	221,000
<b>Total</b>	<b>9,485,747</b>	<b>7,983,939</b>	<b>6,503,713</b>	<b>5,712,810</b>	<b>5,177,881</b>
<i>Centres currently marketed (East, East Midlands, South West, West Midlands, Yorkshire and Humberside)</i>					
Rent	7,581,562	7,138,380	7,138,380	7,196,526	7,196,526

	2011–12	2012–13	2013–14	2014–15	2015–16
Running Costs	2,905,071	2,496,659	2,352,839	2,352,839	1,892,839
<b>Total</b>	10,486,633	9,635,039	9,491,219	9,549,365	9,089,365
<i>One off costs</i>					
Marketing	—	40,000	5,000	—	—
<b>Total</b>	—	40,000	5,000	—	—
<b>Grand Total</b>	19,972,380	17,658,978	15,999,932	15,262,175	14,267,246

#### NOTES

1. *Figures based on empty sites not being let over period*
2. *The rent figures in 2011–12 include several Section 31 grant payments which mostly represent rent although do include some running costs figures which cannot be broken down*
3. *The Department estimates the maximum rent and running costs will total £329m from 2011/12 until the final lease expires in 2035*

*Source: Department for Communities and Local Government/National Audit Office*

3.4 The objective for the empty sites is to find tenants that will ultimately pay for all running costs and a share of the rent. The Department estimate that tenants will pay only a proportion of the rent, leaving the rest payable by the Department.

#### *Centres with agreed leases*

3.5 Although the Department has managed to let four of the control centres, they are still liable for some of the costs. For the three centres for which agreements are in place for fire and rescue services to move in, the Department has agreed that they will pay a proportion of the rent for the remainder of the lease—which we estimate to be around £89 million between now and 2034 (excluding rent increases over the term).

3.6 In addition, there are rent free periods agreed on an individual basis, and also agreements in place where the Department will pay facilities and utilities bills for specific periods of time as part of these agreements.

3.7 The Fareham control centre agreement is different and offers a shorter rent free period for the Maritime and Coastguard Agency. The Department will pay a proportion of the rent from 2013. The Department will also pay a proportion of future rent increases—on a declining scale between 2013 and 2016. The Maritime and Coastguard Agency is liable for all other costs.

#### *Centres that remain empty*

3.8 The Department is liable for the rent for the empty sites; and also pays rates, service, utilities and facilities charges for each site. At present the empty sites are costing the Department around £9 million per year.

3.9 In order to reduce costs, the Department have attempted to make savings through reducing facilities management and utilities bills. In June 2011, the Department negotiated a series of changes to its facilities management contract. Implemented from August 2011, they reduced their bill for facilities management by 25% from £4.1 million to £3.1 million per year. In 2012–13, the Department undertook a further review of facilities management costs at the empty control centres. The Department estimate that actions implemented because of this review will lead to significant cost savings. In 2013–14 the cost of facilities management is expected to reduce by half because of reductions in facilities management and utilities bills.

3.10 The Department estimate that in 2011 that utilities cost £144,000 per site. For those centres for which no agreements are in place, the forecasts for 2013–14 are between £55,000 and £81,000 per site per year. The Department are also looking to reduce these costs further from 2013 whereby power hungry specialist equipment in the control centres is turned off, reducing the utilities bill further. At present the Department is trialling this in all control centres.

#### *Cost liabilities*

3.11 In our 2011 report we estimated total costs of the whole FiReControl programme to the Department would be a minimum of £469 million and a maximum of £649 million from its inception to until the final lease expires in 2035. We have reviewed the assumptions that this figure is based on and in light of information provided for this memorandum by the Department, we now estimate that the total costs of the whole programme to the Department will be a minimum of £482 million and a maximum of £580 million.

3.12 In our 2011 report, we estimated the maximum the Department would have to pay on future rent, utilities and facilities management costs of the control centres would be £431 million assuming no progress in reducing costs or finding additional occupants for the buildings. By reducing running costs and finding tenants for four control centres, the Department estimates the maximum costs will be reduced to £329 million.

#### PART FOUR: ACHIEVING IMPROVEMENTS TO CONTROL ROOM SERVICES

##### *Post FiReControl approach*

4.1 Following the cancellation of the FiReControl programme, the Department undertook a consultation on the future of fire and rescue control centres across England. The consultation asked whether there was a role for central government in helping fire and rescue authorities to achieve greater efficiencies in the delivery of control services, and if so, what that should be.

4.2 The outcome of the consultation was published in July 2011. The Department concluded that the original objectives of improved resilience, enhanced technology and efficiency were still important and respondents favoured the approach of greater collaboration that is locally determined but with central government support.

##### *Fresh Funding*

4.3 The Department has made new money available to local Fire and Rescue Services to support improvements in control room resilience and efficiency. It made available £82.8 million in grant funding—£81.0 million for future control room services and an additional £1.8 million for interoperability and collaborative partnership working to develop standard operating procedures. £81.2 million of the funding has been allocated. Both of these funding streams were one off allocations.

4.4 Fire and rescue authorities were asked to submit bids to a maximum of £1.8 million per fire and rescue authority (although they could submit plans for higher funding if they were able to demonstrate that exceptional resilience benefits would result) by early November 2011, with an announcement of funding allocations by January 2012. The Department received a total of 23 bids from 44 fire and rescue authorities. This included 15 bids from consortia consisting of more than one fire and rescue authority. There were eight bids from individual fire and rescue authorities. The expected completion date of delivery of activities using this funding is December 2014.

4.5 Thirteen fire and rescue authorities were awarded a share of the £1.0 million to develop common operational guidance. The Chief Fire Officers Association is working with the consortia to ensure that the work is integrated into wider initiatives on blue light interoperability and national operation procedures.

##### *How the bids were assessed*

4.6 Each fire and rescue authority was invited to bid for up to £1.8 million. For joint bids the amount was the same (a joint project between two authorities would have been invited to bid for up to £3.6 million). Bids were asked to include:

- An overview of what is planned.
- Expected costs.
- Expected benefits including quantified benefits.
- Assessment of risks and dependencies.

4.7 Bids were submitted and reviewed concluding with three possible judgements or scorecards (good, acceptable and not acceptable) focusing on:

- Efficiency and Value for Money assessed by the Department's Central Finance Team.
- Technical functionality, interoperability and resilience assessed by the Chief Fire and Rescue Adviser's Unit.
- Overall Assessment—Recommended to accept plan if rating for both above was at least acceptable.

4.8 The Department's central finance unit assessed each of the bids for value for money and provided HM Treasury oversight of the bids by providing a summary of the proposed activities. The Chief Fire and Rescue Advisers Unit assessed both operational and resilience improvements projected by the bids. Figure 4 below outlines the assessment process. The fire control resilience and efficiency grant programme board met to discuss the bids on 8 December 2011; 11 January 2012; 2 February 2012 and 19 June 2012. The interoperability panel met on 26 January 2012; 10 February 2012; 20 March 2012 and 1 May 2012.

4.9 Once bids had been assessed a summary of each plan for delivery was prepared submitted to each fire and rescue authority for agreement, who then signed it off. Following both these reviews, the Department made recommendations to a project board for funding.

FIGURE 4 BID ASSESSMENT PROCESS

Bids were assessed in three steps using a range of criteria to determine acceptability.

<i>Who</i>	<i>Evaluation Criteria</i>	<i>Outcome</i>	<i>Next steps</i>
<i>Value for Money assessment</i>			
Central Finance Business Team, Finance DCLG	Partner Central Unit, Assumption that efficiency savings will be realised for ten years.	Net Present Value assessment of each bid based on costs and efficiency savings identified. One bid with negative NPV.	Bids ranked to show differences between them. 21 bids with positive NPV. One bid with negative NPV. For those authorities that had bid over the allocated amount and could not offer compelling evidence for additional funds, each were allocated £1.8 million.
			Where a negative NPV was identified, resilience assessment (non-quantifiable benefits) was important to determine whether a bid was suitable. Value for Money assessment sent to Treasury.
<i>Technical assessment</i>			
Chief Fire and Rescue Office	Bids considered against five criteria: - Resilience - Deliverability - Operational effectiveness - Interoperability - Security Bids rated red/amber/green against each criteria. Where amber/red applied, work with bidders to gather additional information or revise bids. A further assessment applied to operational effectiveness and resilience where bids were rated as good, acceptable or not acceptable.	Bids listed to show overall rating based on two assessment criteria. 13 bids assessed as good, seven as acceptable and three as not acceptable and needing further work).	Bid assessments validated by the Senior Fire and Rescue Adviser. Challenge of the quality of process and decisions and the bids undertaken by the Chief Fire and Rescue Adviser.
<i>Overall assessment</i>			
Programme board	Programme board consider the assessments made above.	Bids approved where accepted, further work required on three further bids.	Announcement of approved bids.

Source: Department for Communities and Local Government

#### *Bid outcomes*

4.10 Of the 23 bids submitted, 20 were announced in March 2012 as being successful, including additional funding for the North West consortia that planned to utilise the Warrington control centre. Three bids needed further work and these were subsequently revised and approved in summer 2012. Sixteen of the 23 bids asked for funding which was more than the £1.8 million each fire and rescue authority was invited to bid for. Of the 23 bids, 19 received the equivalent of £1.8 million per fire and rescue authority, one bid received more. The North West consortia—Manchester, Cheshire, Lancashire and Cumbria received an extra £300,000 per authority reflecting the savings made from them taking on the North West regional control centre. Three bids received less.

#### *Activities funded*

4.11 The key aim of the future control room funding was to continue the need to strengthen resilience and increase efficiency of control services but determined and delivered on a local basis. The Department believe that the following can achieve this resilience and efficiency:

- Efficiency: Merging control rooms or establishing partnership arrangements between fire authorities or providing control room back up in emergencies. The Department tells us this will provide cost savings without increasing risk. Using data to communicate, instead of voice will improve speed and accuracy.
- Resilience: New control room technology such as an automatic fall back to a partner control room during peak times, ensures no delay in answering emergency calls. New technology improves the time it takes to determine the location of the caller, location of the incident, the type of incident and then mobilise the more appropriate resources.

- Interoperability: Standardising the ways in which fire and rescue authorities interoperate with each other and other emergency services. By standardising operating procedures and ways of working as well as using common technology will provide real time intelligence, enabling fire and rescue services as well as other bodies to coordinate their response to incidents more easily.

4.12 Figure 5 below outlines the key improvements sought across fire and rescue authorities by December 2014 as a result of the funding.

FIGURE 5 PLANNED IMPROVEMENT USING FUTURE CONTROL ROOM FUNDING

Improvements expected through grant suggest most of the original objectives of FiReControl will be delivered by 2014.

<i>Improvement</i>	<i>Improvement description</i>	<i>% of FRAs July 2011(before funding)</i>	<i>% of FRAs new December 2014 (with funding)</i>
Caller Line Identification	Enables control room operators to confirm the caller's location swiftly.	56	100
Integrated GIS	Electronic map with direct interface to the call handling and mobilising system	69	100
Premise based gazetteer	Database with up to date address details	22	98
Real time incident messaging	Enables FRAs to exchange information in real time between themselves and other emergency services	4	91
Automatic vehicle location	Provides the exact location of individual fire and rescue vehicles.	33	100
Mobile Data Terminals	Computer terminals within fire and rescue vehicles.	91	100
Full voice and data capability	Capability to communicate over Airwave resilient radio system by voice and data	7	100
Status messaging	Allows fire staff to transmit updates on their current status	42	100
Partnering with automatic failover	Two or more FRAs working in partnership. Systems are able to failover to a failback system with no interruption to service.	7	84
Reduction in control rooms/secondary control rooms	Merging control rooms or outsourcing control room services to other FRA or partnering with one or more FRA and using shared call handling and mobilisation service.	4	96

Source: Department for Communities and Local Government

#### *Benefits and savings*

4.13 As part of the bids, fire and rescue authorities were asked to outline what they would achieve through the funds. Figure 6 below outlines the savings that are estimated to be achieved based on the initial bids from fire and rescue authorities. At present the 2011–12 savings have not been audited. The Department has told us that savings will come from staff savings and efficiencies generated through the use of new technologies or ways of working.

FIGURE 6 ESTIMATED VALUE OF SAVINGS GENERATED BY THE FUTURE CONTROL ROOM FUNDING (EXCLUDING LONDON)

<i>Financial Year</i>	<i>Financial benefits estimated (£millions)</i>
2011–12	1
2012–13	4
2013–14	13
2014–15	15
2015 -16	15
2016–17	16
2017–18	16
2018–19	16
2019–20	16
2020–21	16
Total	128

Source: Department for Communities and Local Government

*Assurance and governance*

4.14 In order to provide assurance that the future control funding is well spent and delivering the key objectives, the Department has put in place a number of activities. First of these is with CFOA National Resilience Limited (CNR), the Department is providing support and assistance to fire and rescue authorities in order to facilitate effective delivery of the future control room proposals. CNR has put in place:

- a peer support process where a central support provision will facilitate the implementation of fire and rescue authorities' proposals;
- a sector owned central repository to collate and manage information that all fire and rescue authorities can use to support delivery;
- professional support and assistance to help resolve problems or issues should they arise; and
- a series of visits to the projects by CNR and the Department.

4.15 The Department will ask each project to provide information and a project update every six months. This information will be used to monitor delivery as well as provide a national summary of progress. It is expected that the first national summary will be published in early 2013 and will be available on the Department's website.

4.16 A joint strategic board chaired by CNR with attendees from the Department and the Local Government Association has been set up to succeed the project board that oversaw the bidding and allocation process, and to oversee the delivery of the future control room funded projects. The board first met in July 2012 and will meet every three months. Aims of the board are to:

- Monitor the progress made by fire and rescue authorities against their plans
- Monitor the delivery of all plans on a national basis
- Monitor progress against anticipated savings made
- Outline earlier any exceptional demands from fire and rescue authorities that cannot be met from current funding
- Provide quarterly reports on progress
- Consider challenges facing fire and rescue authorities and actions that can assist them where necessary
- Review and agree work planned by fire and rescue authorities for the next quarters
- Produce an annual report (first report due July 2013) to the Department on how funds have been spent and approve the necessary grant declaration.

**Annex A****SUMMARY OF THE COMMITTEE'S REPORT "THE FAILURE OF THE FIRECONTROL PROJECT"**

1. This is one of the worst cases of project failure that the Committee has seen in many years. FiReControl was an ambitious project with the objectives of improving national resilience, efficiency and technology by replacing the control room functions of 46 local Fire and Rescue Services in England with a network of nine purpose-built regional control centres using a national computer system. The project was launched in 2004, but following a series of delays and difficulties, was terminated in December 2010 with none of the original objectives achieved and a minimum of £469 million being wasted.

2. The project was flawed from the outset, as the Department for Communities and Local Government (the Department) attempted, without sufficient mandatory powers, to impose a single, national approach on locally accountable Fire and Rescue Services who were reluctant to change the way they operated. Yet rather than engaging with the Services to persuade them of the project's merits, the Department excluded them from decisions about the design of the regional control centres and the proposed IT solution, even though these decisions would leave local services with potential long-term costs and residual liabilities to which they had not agreed.

3. The Department launched the project too quickly, driven by its wider aims to ensure a better co-ordinated national response to national disasters, such as terrorist attacks, rail crashes or floods. The department also wanted to encourage and embed regional government in England. But it acted without applying basic project approval checks and balances—taking decisions before a business case, project plan or procurement strategy had been developed and tested amongst Fire Services. The result was hugely unrealistic forecast costs and savings, naïve over-optimism on the deliverability of the IT solution and under-appreciation or mitigation of the risks. The Department demonstrated poor judgment in approving the project and failed to provide appropriate checks and challenge.

4. The fundamentals of project management continued to be absent as the project proceeded. So the new fire control centres were constructed and completed whilst there was considerable delay in even awarding the IT contract, let alone developing the essential IT infrastructure. Consultants made up over half the management team (costing £69 million by 2010) but were not managed. The project had convoluted governance

arrangements, with a lack of clarity over roles and responsibilities. There was a high turnover of senior managers although none have been held accountable for the failure.

5. The Committee considers this to be an extraordinary failure of leadership. Yet no individuals have been held accountable for the failure and waste associated with this project. The Department awarded the IT contract to a company with no direct experience of supplying the emergency services and who mostly relied on sub-contractors over which the Department had no visibility or control. The contract was poorly designed, lacking early milestones which would have enabled the Department to hold the contractor accountable for project delays. Payments within the contract were scheduled too late, and created tension in an already poor relationship. This was made worse by the Department's weak contract management and its failure to ensure the contractor followed the contracted approach.

6. Following the cancellation of the project, the Department has earmarked £84.8 million to meet the project's original objectives, to improve resilience, efficiency and interoperability within the Fire and Rescue Service. It has invited bids for this money from each of the Fire and Rescue services. These arrangements, however, rely on the voluntary collaboration of individual services, and the Committee are concerned that the Department could not tell how it will ensure certainty of response in the event of a large scale incident, or whether the £84.8 million will provide value for money. Response in the event of a large scale incident is a key issue which needs to be addressed in the new National Framework later this year.

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