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This circular is	For information	No response required	
This circular is	Relevant to the National Framework		
Status	This circular reiterates assumptions, principles and statements included within circulars 63/2005 and 76/2006 and paragraphs 3.1 to 3.6 in 44/2006 covering funding principles.		

FiReControl Implementation Funding Circular

Issued by:

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Addressed to:

**The Chair of the Fire and Rescue Authority
The Chief Executive of the County Council
The Clerk to the Fire and Rescue Authority
The Clerk to the Combined Fire and Rescue Authority
The Commissioner of the London Fire and Emergency Planning Authority
The Chief Fire Officer**

Please forward to:

Summary

This circular contains information about the expected implementation funding for the FiReControl project for the three financial years (FY) covered by the 2007 Comprehensive Spending Review (i.e. FYs 2008-09, 2009-10 & 2010-11) and the second payment for the current financial year 2007-08.

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1.0 Overview

- 1.1 This circular contains information about the expected implementation funding for the FiReControl project for the three financial years (FY) covered by the 2007 Comprehensive Spending Review (i.e. FYs 2008-09, 2009-10 & 2010-11) and the second payment for the current financial year.
- 1.2 This circular reiterates assumptions, principles and statements included within circulars 63-2005 and 76-2006 and paragraphs 3.1 to 3.6 in 44-2006 covering funding principles.
- 1.3 Communities and Local Government (the Department) will be making grants for the amounts shown in Annex A under section 31 of the Local Government Act 2003 for 2007-08 and intends to make grants for 2008-09, 2009-10 and 2010-11 for the amounts shown in Annex B.

2.0 FiReControl Implementation Funding

- 2.1 This circular sets out the funding that FRAs will receive in the current financial year (FY), and the intended funding for the next three financial years (including the intended basis of the calculation for that funding). This is in exercise of the powers conferred by section 31 of the Local Government Act 2003. The grant will not be ring fenced and a copy of the determination will be sent to each FRA once made.
 - 2.2 Communities and Local Government does not expect there to be any net additional financial requirements once the move to Regional Control Centres (RCCs) is complete. Whilst the proportion of expenditure on, for example, salaries, accommodation and maintenance will change the overall cost will fall. There should be no need for new burdens funding once the RCCs are fully operational.
 - 2.3 The principle for calculating new burdens (which applies across Government) is that central Government will cover the net additional costs to local government generally arising from the provision of its policy objective - those costs over and above what would normally have been spent to deliver the service - and take into account any additional income or savings. This calculation is made separately for each financial year in advance of any expenditure. The Government remains committed to ensuring it does not place an unfunded burden on local government.
 - 2.4 No FRA will transfer functions to a regional control centre before the start of FY 2009-10. The Department intends to fully fund the Regional Control Centres (RCCs) until they become operational and then to reduce funding proportionately as each FRA transfers into its Regional Control Centre.
 - 2.5 The Department recognise that there may be particular circumstances where further Departmental funding would be appropriate. The Department will give consideration on a case by case basis following new burdens principles. FRAs should contact us at the earliest possible opportunity if they believe that they may have an issue which is an exception to the principles set out in this or previous circulars. There is no specific deadline for such cases but they should be submitted in advance of committing to expenditure.
 - 2.6 FRAs and the local authority controlled companies should account for costs that will be funded by the Department and include the expenditure and receipts in their accounts.
- ### 3.0 Latest 2007-08 New Burdens Funding
- 3.1 The Department is providing a further £7.5m of new burdens funding for the remainder of 2007-08 as detailed in Annex A. This is in addition to the £9.5m provided in August 2007. Further funding may be allocated in 2007-08 where specific needs are identified.

4.0 CSR 07 Funding covering the three Financial Years 2008-09 to 2010-11

4.1 The Department intends to provide the following funding during the CSR07 Period.

FY 2008-09	FY 2009-10	FY 2010-11
£27.0m	£36.6m	£29.3m

4.2 These funds are intended to cover the following:

Transition activities – as set out in the FRS transition plans;

Staff Pool – the estimated costs of the staff pool currently being explored with the East Midlands, North East, South West and West Midlands;

LACC companies – all costs prior to cutover, including staff and accommodation costs, professional advice and insurance;

Regional Project Teams – the cost of regional project teams, local FRS change co-ordinators and project assurance;

Specific one-off staff costs – redundancies, relocation and redeployments.

4.3 Each of these items is dealt with in its own section below which explains what is covered in our calculations and how the Department intends to allocate funding. Although we have calculated the expected financial impact of the requirements above, resources are not allocated on a disaggregated basis so as to ensure FRAs have flexibility to meet their needs and to get best value for money in the delivery of the project.

5.0 Transition Activities

5.1 There are a number of activities that FRAs will need to do to be ready to transfer their control service to the RCC. All these activities are covered under this item, for example data capture and migration, harmonising call signs and preparing risk information and operating procedures in standardised formats.

5.2 There are still some areas of uncertainty on the exact nature of some of these transition activities. This means that it would be imprudent to directly allocate all the funds available for transition activities at this stage. The total set aside for transition activities is £13m/£14m/£11m for the three years of the CSR period. Our estimate is that at this stage the Department can have reasonable certainty for approximately 50% of the funding that needs to be spent in 08/09, dropping to about 25% for the last two years of the CSR period. The figures included in Annex B reflect this level of certainty and exclude the funding that has been held back.

5.3 The intention is to release remaining funds as soon as there is more certainty about the total amount of work involved in completing the transition activities.

6.0 Staff Pool

6.1 The Department intends to fund, through a nominated authority, the creation of staff pools in the first four regions to cut-over. These are East Midlands, North East, South West and the West Midlands. Initial assessments of £1m per region have been included in the initial allocations included in Annex B, and these will be updated once the approaches have been refined.

7.0 LACC Companies

7.1 The Department intends to fund the set up costs of the regional local authority controlled companies and intends to continue to fund relevant ongoing company costs which occur before the end of cutover in that region. Ongoing costs of the company after the end of cutover in that region should be funded by FRAs on a shared regional basis.

7.2 The Department also intends to pay the pro-rata costs of the RCC during the time between the first and last cut-over. Where the region has informed us of their agreed formula for sharing costs within the region this formula will be used for calculating the pro-rata costs. Where regions have not yet decided which mechanism to use in sharing the steady state costs within the region the Department intends to calculate the pro-rata costs on the basis of the council tax base.

7.3 The Department intends to fund each RCC company, via a nominated authority, with £27k for professional HR advice. This represents half of a full-time HR adviser and it is intended that this will be paid for a period of two years.

7.4 The Department intends to provide each company with a total budget of £80k in addition to the funds for the HR adviser to cover other professional advice, insurance and other company costs excluding staff and accommodation

7.5 For those RCC companies that have taken on the lease for their buildings the Department will provide a grant to cover those accommodation costs not directly funded by the Department (including estates costs, utilities, facilities management, security, rates, buildings insurance and rent). The amount of the grant will be pro-rated during the period between first and last cut-over in the region.

7.6 The Department also intends to provide £60k to fund the Service Support Manager role from the point where the building lease is taken on.

7.7 Where the company has not yet taken on the lease, the Department will directly fund the RCC accommodation costs itself. In any event, the Department will directly fund the Stamp Duty Land Tax (SDLT), interim Facilities Management, security and the legal work associated with assigning the lease.

7.8 The expected monthly cost for the rent, utilities, facilities management, security and insurance etc for each of the buildings is shown in the table in Annex C. This will be paid to each RCC company from the point where they take on the lease until cutover, after which our share of RCC costs will reduce as outlined above.

7.9 Recruitment of the RCC Directors (RCCDs) will be directly funded by the Department and has already taken place for several regions. The Department expects to fund staff costs for RCCDs from the point where they are recruited until the relevant RCC is operational. It is intended that from 1 April 2008 onwards each company with an RCCD in post will receive £120k annually paid through new burdens.

7.10 The Department intends to fund any direct costs from recruitment and selection of staff for the control centres prior to the end of cutover in that region. The Department will support the RCC companies to recruit their RCC Director and senior management team early enough in all regions to be able to support, in accordance with HR best practice, the staff transfer process.

8.0 Regional Project Team and FRS Change

8.1 The Department intends to continue to meet costs of the regional project teams until the last FRS is cut over in each region. The Department intends to fund the amounts announced in FRS Circular 76-2006 plus 2.7% inflation for 2008-09, this includes travel & subsistence and all costs associated with employing the regional team. This will be paid to the nominated authority in the region. Details are in the table included in Annex D.

8.2 The Department expect to continue to provide funds for co-ordinating FRA change activities through funding of the FRS Co-ordinator post until that FRS has cut over. The Department intends to provide £58k per FRA (excluding London), to allow for the costs associated with this work in FY08-09, this will be amended to take account of inflation in FYs 09-10 and 10-11.

9.0 Specific One-Off Staff Costs

9.1 Where the reasonableness criteria are not met for transferring staff, the Department will fund the appropriate body (FRA or LACC) the net additional cost associated with any redeployment package, relocation package or redundancy subject to best value principles.

9.2 The Department will not be allocating these funds to FRAs and/or LACCs until shortly before cut over. The Department will ask each FRA and/or LACC to send us details of the associated costs (whether staff are transferring to the RCC, being redeployed within the FRA or being made redundant), around 90 days before they cut over. The Department intends to then make a specific grant for the net additional cost immediately prior to cutover.

9.3 The Department also intends to fund the costs of any Employment Tribunal resulting directly from the move to the RCC where the FRA and/or LACC has been challenged despite using current HR best practice.

10.0 Items which the Department will directly fund

10.1 There will be no costs to FRAs for FiReControl Group Services prior to cutover. Details on the FiReControl group services were included in an information note published at the time of the infrastructure services contact award in March 2007.

10.2 There will be no net additional costs to FRAs relating to usage of the FiReControl infrastructure services before FY 2009-10. Those FRSs that use new station end equipment with legacy systems will need to pay for any support provided by the FiReControl Infrastructure Services' prime contractor.

10.3 Replacement of station end equipment required to enable the FiReControl infrastructure to work will be directly funded by the Department.

Toby Robinson
FiReControl

Annex A – Additional 2007-08 New Burdens Funding

Authorities	Amount of Grant (See note 1)
Bedfordshire & Luton Combined Fire Authority	£19,210
Buckinghamshire & Milton Keynes Fire Authority	£14,733
Cambridgeshire and Peterborough Fire Authority	£20,297
Cheshire Fire Authority	£59,181
Cleveland Fire Authority	£786,343
County Durham & Darlington Fire & Rescue Authority	£100,465
Cumbria County Council	£21,890
Derbyshire Fire Authority	£396,585
Devon and Somerset Fire Authority (See Note 2)	£1,557,757
East Sussex Fire Authority	£17,070
Essex Fire Authority	£15,408
Greater Manchester Fire and Rescue Authority	£127,866
Hampshire Fire & Rescue Authority	£173,995
Hereford & Worcester Fire Authority	£117,768
Hertfordshire County Council	£16,054
Humberside Fire Authority	£19,681
Isle of Wight County Council	£14,471
Kent and Medway Towns Fire Authority	£145,598
Lancashire Combined Fire Authority	£97,704
Leicester, Leicestershire & Rutland Combined Fire Authority	£1,387,416
Lincolnshire County Council	£324,342
Greater London Authority (See Note 3)	£368,892
Merseyside Fire and Rescue Authority	£111,374
Norfolk County Council	£26,666
North Yorkshire Fire and Rescue Authority	£19,547
Northamptonshire County Council	£73,520
Northumberland County Council	£71,990
Nottinghamshire and City of Nottingham Fire Authority	£306,622
Oxfordshire County Council	£24,693
Royal Berkshire Fire Authority	£33,928
Shropshire and Wrekin Fire Authority	£83,924
South Yorkshire Fire and Rescue Authority	£59,699
Stoke on Trent & Staffordshire Fire Authority	£109,594
Suffolk County Council	£18,621
Surrey County Council	£9,466
Tyne & Wear Fire and Rescue Authority	£167,436
Warwickshire County Council	£68,791
West Midlands Fire and Rescue Authority	£233,369
West Sussex County Council	£50,061
West Yorkshire Fire and Rescue Authority	£193,900

Notes

1. The following should be considered when considering proportionate distribution of funds:
 - (a) There are regional amounts included within lead authority allocations
 - (b) The total funding provided across the year should be considered and not this second allocation in isolation
 - (c) A key factor in allocating the second payment has been the forecast level of activity and requirement for funding in the first year of the CSR period.
2. As lead Authority for the South West FRAs
3. The Minister determines that any grant paid to the GLA under this determination is conditional on those monies being transferred by the Mayor in full to LFEPA'.

Annex B – CSR07 Period Funding: 2008-09 to 2010-11

FRA	Region	FY08-09	FY09-10	FY10-11	Total
Avon	SW	57,554	59,108	10,117	126,779
Bedfordshire & Luton	EoE	137,973	90,453	107,365	335,791
Buckinghamshire	SE	130,338	108,962	112,780	352,080
Cambridge & Peterborough	EoE	183,330	111,962	122,171	417,463
Cheshire	NW	179,326	117,599	122,718	419,642
Cleveland (See note 1)	NE	2,215,185	1,739,911	99,668	4,054,764
Cornwall	SW	57,554	59,108	20,235	136,897
County Durham & Darlington	NE	193,464	95,660	14,877	304,001
Cumbria	NW	208,472	131,599	137,561	477,632
Derbyshire	EM	196,803	96,440	0	293,243
Devon & Somerset (See note 1)	SW	2,960,378	2,774,412	807,423	6,542,213
Dorset	SW	57,554	59,108	0	116,662
East Sussex	SE	145,257	120,836	134,092	400,186
Essex	EoE	298,542	232,824	122,204	653,570
Gloucestershire	SW	57,554	59,108	50,587	167,249
Greater Manchester (See note 1)	NW	1,262,564	2,382,438	1,824,732	5,469,734
Hampshire	SE	221,444	243,771	127,000	592,215
Hereford & Worcester	WM	122,805	83,246	162,964	369,015
Hertfordshire	EoE	183,228	137,428	122,982	443,637
Humberside	Y&H	87,629	82,661	259,432	429,722
Isle of Wight	SE	97,740	84,803	87,233	269,776
Kent	SE	355,901	190,302	214,756	760,958
Lancashire	NW	254,841	153,871	161,175	569,886
Leicestershire (See note 1)	EM	2,169,180	2,119,851	354,882	4,643,913
Lincolnshire	EM	204,480	129,681	10,117	344,279
London	L	876,173	814,398	1,308,160	2,998,731
Merseyside	NW	213,005	139,998	123,155	476,158
Norfolk (See note 1)	EoE	722,133	2,129,687	2,345,889	5,197,709
North Yorkshire	Y&H	131,379	95,353	97,802	324,534
Northamptonshire	EM	151,421	119,225	52,103	322,749
Northumberland	NE	190,027	90,946	13,535	294,507
Nottinghamshire	EM	182,492	119,120	0	301,611
Oxfordshire	SE	144,164	107,440	117,080	368,684
Royal Berkshire	SE	117,262	87,788	39,908	244,958

FRA	Region	FY08-09	FY09-10	FY10-11	Total
Shropshire	WM	143,216	102,721	51,092	297,030
South Yorkshire	Y&H	183,101	119,050	122,007	424,157
Staffordshire	WM	158,803	94,119	349	253,270
Suffolk	EoE	213,955	134,503	122,055	470,513
Surrey	SE	133,302	116,407	149,976	399,685
Tyne & Wear	NE	240,983	84,828	19,811	345,621
Warwickshire	WM	142,717	100,772	57,798	301,287
West Midlands (See note 1)	WM	2,400,678	2,500,570	461,962	5,363,211
West Sussex (See note 1)	SE	1,456,790	2,472,417	1,708,754	5,637,961
West Yorkshire (See note 1)	Y&H	527,821	1,699,384	1,872,698	4,099,903
Wiltshire	SW	57,554	59,108	30,352	147,014
Total (See note 2)		20,426,071	22,652,975	13,881,555	56,960,602

Notes

1. Nominated Lead Authority for Regional allocation.
2. The difference between the total in the above table and the total new burdens funding available is due to the funding held back (transition, redundancy etc.)
3. Included within the allocations indicated in the above table for nominated lead authorities are the following amounts to cover RCC and Regional Team costs:

FRA	Region	FY08-09	FY09-10	FY10-11
Cleveland	NE	2,009,712	2,325,786	82,990
Devon & Somerset	SW	1,736,061	2,824,774	659,675
Greater Manchester	NW	963,225	2,178,159	1,702,031
Leicestershire	EM	2,044,254	2,720,525	354,882
London	L	178,244	479,161	952,730
Norfolk	EoE	589,517	2,000,109	2,171,376
West Midlands	WM	2,030,136	2,953,320	461,853
West Sussex	SE	1,302,988	2,343,974	1,580,831
West Yorkshire	Y&H	362,910	1,586,864	1,571,091

Annex C – Expected accommodation costs (rent, utilities, facilities management, security and insurance etc)

Region	Monthly (£)
East Midlands	153,152
East of England	153,835
London	163,013
North East	145,082
North West	151,442
South East	164,067
South West	149,389
West Midlands	156,579
Yorkshire & Humberside	117,805

Notes

1. These amounts are included within Appendix B from the point at which it is assumed (or known) that LACC's will take (or have taken) on the lease.

Annex D – Expected costs of Regional Project Teams*

Region	FY08-09	FY09-10	FY10-11
East Midlands	£151,021	£155,099	£79,643
East of England	£151,021	£155,099	£159,287
London	£164,744	£169,192	£173,760
North East	£161,291	£165,646	£0
North West	£161,291	£165,646	£127,589
South East	£151,021	£155,099	£159,287
South West	£161,291	£165,646	£170,119
West Midlands	£151,021	£155,099	£119,465
Yorkshire & Humberside	£161,291	£165,646	£170,119
Total	£1,413,995	£1,452,173	£1,159,268

Notes

1. These exclude FRS Change funding (FRS Coordinators).
2. These amounts are included within the figures indicated in Appendix B for the nominated lead authorities.