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This circular is	<b>For information</b>	No response required	
This circular is	<b>Relevant to the National Framework</b>		
Status	<b>This circular reiterates assumptions, principles and statements included within circulars 63-2005 and 76-2006, 5/2008, 41/2008 12/2009 and paragraphs 3.1 to 3.6 in 44-2006 covering funding principles.</b>		

# FiReControl Implementation Funding & Cost Apportionment Mechanism Circular

## Issued by:

**Toby Robinson**  
FiReControl Project

## 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:

**The Chair of the Local Authority Controlled Company**  
**The Regional Control Centre Director**

## Summary

This circular indicates the funding to be provided to FRAs to meet implementation costs of FiReControl arising in FY 2009-10. It also confirms the cost apportionment mechanism to be applied when the network goes live.

## For further information, contact:

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### 1.0 Overview

- 1.1 This circular contains information about the expected implementation funding for the FiReControl project for financial years (FY) 2009-10, the second FY covered by the 2007 Comprehensive Spending Review.
- 1.2 This circular reiterates assumptions, principles and statements included within circulars 63-2005 and 76-2006, 41/2008, 5/2008, 12/2009 and paragraphs 3.1 to 3.6 in 44-2006 covering funding principles. This circular does not consider costs and funding post go-live as this is dealt with separately through the FiReControl business case assumptions review process and publication.
- 1.3 Communities and Local Government (the Department) intends to make grants for the amounts shown in Annex A under section 31 of the Local Government Act 2003.
- 1.4 As with previous years where there is a demonstrable need a second top-up payment can be made later in the financial year.
- 1.5 This circular also confirms in Section 8 the outcome of the consultation on the apportionment of shared costs.

### 2.0 FiReControl Implementation Funding Principles

- 2.1 FiReControl implementation funding is provided under the principles of new burdens. The grant payment is made 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 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.
- 2.3 No FRA will transfer functions to a regional control centre before the start of FY 2010-11. The Department intends to continue to 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.
- 2.4 The Department recognises 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.
- 2.5 The Department makes its assessment in advance of each financial year of the implementation funding requirement and expects FRAs, regional teams and Local Authority Controlled Companies (LACCs) to make best endeavours to work within allocated amounts to fulfil implementation requirements locally and regionally. Where expenditure exceeds allocated amounts it can not be assumed that the Department will retrospectively meet overspends in part or full unless written agreement has been reached in advance supported by evidence.

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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. It should be expected that these records be made available to the Department particularly where requests for additional funding are being made.

### 3.0 Implementation Funding for Financial Year 2009-10

3.1 The Department intends to provide £22,539,430 as the initial allocation for FiReControl implementation funding for FY 2009-10.

	£
Transition Funding	6,804,419
LACC Funding	11,052,031
Regional Team Funding	1,452,172
Staff Pool	3,230,808
<b>Total</b>	<b>22,539,430</b>

3.2 These funds are intended to cover the following:

**Transition activities** – the costs of local FRS FiReControl co-ordinators and the delivery of activities as set out in the FRS transition plans;

**Local Authority Controlled Companies** – all costs prior to cutover, including staff and accommodation costs and professional advice;

**Regional Project Teams** – the cost of regional project teams with responsibility for regional coordination and project management;

**Staff Pool** – the estimated costs of the staff pool arising in 2009-10.

3.3 Each of these items is dealt with in its own section below. The Department makes best endeavours to ensure that the total amounts, and the balance of funding, provided between these four key areas matches the expected reasonable costs. It is, however, expected that FRAs, regional teams and LACCs with control over spending should exercise both prudence and cooperation in seeking to meet and balance pressures arising within regions.

### 4.0 Transition Activities

4.1 There are a number of activities that FRAs will need to complete in order to be ready for the transfer their control function to the RCC. All these activities are covered under this item, for example data capture and migration and preparation for new ways of working and any travel and subsistence costs incurred in support of project delivery.

4.2 The amounts provided for delivery of transition activities in 2009-10 are consistent with the numbers indicated in circular 5/2008 subject to the following amendments:

- A funding floor of £115,000 has been applied, consistent with 2008/09 and as indicated in section 5 of FRS Circular 12/2009.
- Adjustments have been made to FRSs that were previously scheduled to cut over in 2009/10 to reflect the full year funding requirement arising from rescheduling.

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- 4.3 It should be noted that the funding provided does not reflect any of the outcomes of the recent rescheduling impact assessment which will be dealt with separately to this grant. Where costs associated with undertaking enabling works for installation of station end equipment are eligible under new burdens principles these will be met directly by the Department upon presentation of an invoice.
- 4.4 The Department expects to continue to provide funds for co-ordinating FRS change activities through funding of the FiReControl FRS Co-ordinator post until that FRS has cut over. It is expected that these resources are full time committed to support FiReControl project delivery within their FRS and region, including supporting LACC efforts as required. The Department intends to provide £59,108 per FRA (excluding London), to allow for the costs associated with this work in FY 2009/10.
- 4.5 The transition funding amounts by FRA are presented in Annex A. These amounts include the funding for FRS Coordinators.

### 5.0 Local Authority Controlled Companies

- 5.1 The Department intends to continue to fund the costs of the eight local authority controlled companies 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 (aside from any amounts paid as a result of the Departments commitment to make a resilience payment). Implementation funding for LACCs is provided via the nominated lead authority within a region.
- 5.2 The Department also intends to pay the pro-rata costs of the RCC during the time between the first and last cutover. 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.
- 5.3 The intended funding to be provided for LACCs in FY 2009/10, via nominated lead authorities, is presented in Annex B.

### Accommodation and infrastructure

- 5.4 For those LACC 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 rent, utilities, facilities management, buildings insurance and service fees).
- 5.5 This will be paid to each RCC company from the point where they take on the lease until cutover, after which the Department's contribution to the overall share of RCC costs will reduce as outlined above.
- 5.6 For clarity, rent funding is provided for those quarterly rent payment dates that fall within the financial year.
- 5.7 Amounts provided for service fees are based upon the estimated cost of service fees payable to EADS during 2009/10. It is expected that all other service fees will be met directly by the Department during 2009/10.

**LACC Senior Management Team Staffing**

5.8 The Department expects to fund, pro-rata from commencement of role, the following senior management team staff costs for the LACCs.

- Regional Control Centre Director (RCCD) - £123,240
- Senior Operations Manager (SOM) - £71,890
- Service Support Manager (SSM) - £61,260

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

**Professional advice, training and stakeholder engagement events**

5.10 The Department intends to provide the following funding for each LACC with £54k for professional HR advice.

5.11 The Department also intends to provide each LACC with a total budget of £80k for other professional advice (e.g. finance, legal), company secretarial and insurance costs.

5.12 The Department intends to meet directly the costs associated with two training advisor posts in the East Midlands, North East and South West regions. Arrangements for training support in the other regions will be confirmed during 2009/10.

5.13 Where an LACC has taken third party rights to the Facilities Management (FM) Contract the Department intends to provide £10k towards call off costs associated with hosting of stakeholder engagement events, company and other project delivery meetings hosted at the RCC - to cover items such as additional security and catering. In addition it is intended to provide £2k for each LACC, whether or not they have taken Third Party Rights to the FM contract, for other miscellaneous costs which cannot be procured through the FM contract.

**6.0 Regional Project Team**

6.1 The Department intends to continue to meet costs of the regional project teams until the last FRS is cut over in each region. For FY 2009-10 it is expected that the following amounts will be provided to nominated lead authorities to meet the costs of the regional project teams.

Region	£
North East	165,646
South West	165,646
East Midlands	155,099
West Midlands	155,099
South East	155,099
North West	165,646
Yorkshire & Humber	165,646
East of England	155,099
London	169,192
<b>Total</b>	<b>1,452,172</b>

### 7.0 Staff Pool

7.1 The Department intends to fund, through a nominated lead authority, the costs arising in 2009-10 associated with the staff pool solutions agreed between the Department and regions.

### 8.0 Outcome of FiReControl Cost Apportionment Consultation

8.1 The Department consulted on its preferred mechanism for cost apportionment in the autumn of 2008 under FRS Circular number 41/2008. The outcome of this exercise was that six of the nine regions supported the Departments preferred mechanism for apportionment of shared costs when the network goes live. As such, it is confirmed that Council Tax Base will be used as the mechanism for apportioning the shared costs.

**Toby Robinson**  
**FiReControl**

Annex A – FiReControl Implementation Transition Funding

Fire and Rescue Authority	Region	£
Avon Fire Authority	SW	59,108
Bedfordshire & Luton Combined Fire Authority	EoE	115,000
Buckinghamshire & Milton Keynes Fire Authority	SE	115,000
Cambridgeshire and Peterborough Fire Authority	EoE	115,000
Cheshire Fire Authority	NW	117,599
Cleveland Fire Authority	NE	115,000
Cornwall County Council	SW	59,108
County Durham & Darlington Fire & Rescue Authority	NE	115,000
Cumbria County Council	NW	131,599
Derbyshire Fire Authority	EM	158,429
Devon & Somerset Fire and Rescue Authority <sup>1</sup>	SW	715,687
Dorset Fire Authority	SW	59,108
East Sussex Fire Authority	SE	120,836
Essex Fire Authority	EoE	232,824
Gloucestershire County Council	SW	59,108
Greater Manchester Fire and Rescue Authority	NW	204,279
Hampshire Fire & Rescue Authority	SE	243,771
Hereford & Worcester Fire Authority	WM	115,000
Hertfordshire County Council	EoE	137,428
Humberside Fire Authority	YH	115,000
Isle of Wight County Council	SE	115,000
Kent and Medway Towns Fire Authority	SE	190,302
Lancashire Combined Fire Authority	NW	153,871
Leicester, Leicestershire & Rutland Combined Fire Authority	EM	115,000
Lincolnshire County Council	EM	129,681
Greater London Authority	Lon	645,206
Merseyside Fire and Rescue Authority	NW	139,998
Norfolk County Council	EoE	129,578
North Yorkshire Fire and Rescue Authority	YH	115,000
Northamptonshire County Council	EM	119,225
Northumberland County Council	NE	115,000
Nottinghamshire and City of Nottingham Fire Authority	EM	121,750
Oxfordshire County Council	SE	115,000
Royal Berkshire Fire Authority	SE	115,000
Shropshire and Wrekin Fire Authority	WM	115,000
South Yorkshire Fire and Rescue Authority	YH	119,050
Stoke on Trent & Staffordshire Fire Authority	WM	115,000
Suffolk County Council	EoE	134,503
Surrey County Council	SE	116,407
Tyne & Wear Fire and Rescue Authority	NE	133,871
Warwickshire County Council	WM	115,000
West Midlands Fire and Rescue Authority	WM	229,542
West Sussex County Council	SE	128,443
West Yorkshire Fire and Rescue Authority	YH	115,000
Wiltshire and Swindon Fire Authority	SW	59,108
<b>Total</b>		<b>6,804,419</b>

Notes

1. Apart from the FiReControl FRS Coordinator funding, the South West Region pool all transition funding with the lead authority.

**Annex B – LACC Funding**

<b>LACC Funding</b>	<b>NE</b>	<b>SW</b>	<b>EM</b>	<b>WM</b>	<b>SE</b>	<b>NW</b>	<b>Y&amp;H</b>	<b>EoE</b>
<b>Accommodation &amp; Infrastructure</b>								
Rent	1,164,391	307,118	1,210,186	1,032,875	726,000	1,231,000	603,187	679,977
FM	-	-	-	-	-	429,905	-	-
Utilities	120,000	20,000	120,000	80,000	40,000	120,000	70,000	70,000
Service Fees	13,297	7,744	13,297					
<b>Staffing (Senior Mgmt Team)</b>								
RCCD	123,240	123,240	123,240	123,240	123,240	123,240	123,240	123,240
SSM	61,620	61,620	61,620	61,620	56,485	41,080	41,080	46,215
SOM	71,890	71,890	71,890	71,890	41,936	41,936	47,927	41,936
<b>Professional Advice etc</b>								
HR	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Other Professional Advice	80,000	80,000	96,500	80,000	80,000	80,000	80,000	80,000
Items procured via FM Catalogue	-	-	-	-	-	10,000	-	-
Additional to FM Catalogue items	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<b>Total</b>	<b>1,690,438</b>	<b>727,612</b>	<b>1,752,733</b>	<b>1,505,625</b>	<b>1,123,661</b>	<b>2,133,161</b>	<b>1,021,434</b>	<b>1,097,367</b>

<b>Nominated Lead Authority</b>	<b>Region</b>	<b>£</b>
Cleveland Fire Authority	NE	1,690,438
Devon & Somerset Fire and Rescue Authority	SW	727,612
Essex Fire Authority	EoE	1,097,367
Greater Manchester Fire and Rescue Authority	NW	2,133,161
Leicester, Leicestershire & Rutland Combined Fire Authority	EM	1,752,733
West Midlands Fire and Rescue Authority	WM	1,505,625
West Sussex County Council	SE	1,123,661
West Yorkshire Fire and Rescue Authority	Y&H	1,021,434
<b>Total</b>		<b>11,052,031</b>

Annex C

Total initial allocation for FY 2009-10 FiReControl Implementation Funding

Fire and Rescue Authority	Region	£
Avon Fire Authority	SW	59,108
Bedfordshire & Luton Combined Fire Authority	EoE	115,000
Buckinghamshire & Milton Keynes Fire Authority	SE	115,000
Cambridgeshire and Peterborough Fire Authority	EoE	115,000
Cheshire Fire Authority	NW	117,599
Cleveland Fire Authority <sup>1</sup>	NE	2,589,220
Cornwall County Council	SW	59,108
County Durham & Darlington Fire & Rescue Authority	NE	115,000
Cumbria County Council	NW	131,599
Derbyshire Fire Authority	EM	158,429
Devon & Somerset Fire and Rescue Authority <sup>1</sup>	SW	2,465,185
Dorset Fire Authority	SW	59,108
East Sussex Fire Authority	SE	120,836
Essex Fire Authority <sup>1</sup>	EoE	1,485,290
Gloucestershire County Council	SW	59,108
Greater Manchester Fire and Rescue Authority <sup>1</sup>	NW	2,503,086
Hampshire Fire & Rescue Authority	SE	243,771
Hereford & Worcester Fire Authority	WM	115,000
Hertfordshire County Council	EoE	137,428
Humberside Fire Authority	YH	115,000
Isle of Wight County Council	SE	115,000
Kent and Medway Towns Fire Authority	SE	190,302
Lancashire Combined Fire Authority	NW	153,871
Leicester, Leicestershire & Rutland Combined Fire Authority <sup>1</sup>	EM	2,672,832
Lincolnshire County Council	EM	129,681
Greater London Authority	Lon	1,551,497
Merseyside Fire and Rescue Authority	NW	139,998
Norfolk County Council	EoE	129,578
North Yorkshire Fire and Rescue Authority	YH	115,000
Northamptonshire County Council	EM	119,225
Northumberland County Council	NE	115,000
Nottinghamshire and City of Nottingham Fire Authority	EM	121,750
Oxfordshire County Council	SE	115,000
Royal Berkshire Fire Authority	SE	115,000
Shropshire and Wrekin Fire Authority	WM	115,000
South Yorkshire Fire and Rescue Authority	YH	119,050
Stoke on Trent & Staffordshire Fire Authority	WM	115,000
Suffolk County Council	EoE	134,503
Surrey County Council	SE	116,407
Tyne & Wear Fire and Rescue Authority	NE	133,871
Warwickshire County Council	WM	115,000
West Midlands Fire and Rescue Authority <sup>1</sup>	WM	2,259,599
West Sussex County Council <sup>1</sup>	SE	1,407,203
West Yorkshire Fire and Rescue Authority <sup>1</sup>	YH	1,302,080
Wiltshire and Swindon Fire Authority	SW	59,108
<b>Total</b>		<b>22,539,430</b>

Notes

1. As nominated lead authority for the region.