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Your ref:

Our ref: DCFO/MH/LM

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Dear

Merseyside Fire and Rescue Authority (MFRA) questions in relation to recent FiReControl Business Case release

We have reviewed the recent publication of the Business Case and are pleased to see that some of the issues raised by FRAs during the consultation of the 2008 Business Case have been addressed. However, on behalf of Merseyside Fire & Rescue Authority I would like to take this opportunity to seek further clarification on four specific issues, outlined below:

Cost Assumptions

1. Following a visit to MFRA by your consultant Millard Prud'homme, our Director of Finance was pleased to have the opportunity to provide CLG with up-to-date, accurate figures indicating the *actual* cashable budget for Control room costs going forward. These figures gave a total budget availability of £1,669k.

The recent Business Case appears to have considered some but not all of our budget revisions and subsequently concludes for MFRA a figure of £1,795k, a difference of £126k compared to the Authority's figure.

Of the components that make up the £126k difference, we acknowledge the assumed MFRA "annualised" technical refresh budget of £76k appears a reasonable assumption.

However, we wish to highlight in particular the assumptions you have made in relation to our budgets associated with accommodation. Our position remains that all of the current Control Room building spend *cannot* be freed-up and made available on day one of the transfer to the RCC, since there will be on-going costs that we will be committed to until the building is sold.

Resilience Payments

2. If the actual final cost to Merseyside of the Regional Control project increases from that as set out in the business case (for example should the NW LACC chose a different model by which to apportion costs, or if the assumed savings in the business case are not realised), so that the net impact becomes a loss to the Authority then the Authority assumes that the Fire Control resilience payments will be varied to reflect any such changes in line with commitments by the Minister.

Please can you give your written assurance that, should our actual recharge be any higher than £1,745k, (the Authority's estimated spend, £1,669k, plus the assumed annualised technical refresh contribution, £76k), you would meet the additional costs to the Authority by payment of specific grants through FiReControl resilience payments or under 'New Burdens' principles as appropriate.

I am sure you will appreciate the political significance of this request as Merseyside Fire Authority members have been consistently reassured by Government Ministers and officials that there will not be any additional burden to the Merseyside taxpayer as a result of the move to a Regional Control Centre.

3. We remain concerned that the Government has apportioned technology costs between regional control rooms in a way which effectively creates cross -subsidies between local Authorities and regions. It seems inequitable that the cost of technology in the NW control room can be very much higher than identical technology installed in identical buildings in other regions. We seek assurance that the CLG will apportion costs to LACCs in relation to the nine similar (and six identical) RCC facilities so that each costs a similar amount. We do not expect each LACC to be charged differently for the same facilities , as this will have a disproportionate effect on the payments that would have to ultimately be met by the FRAs . *(It should be noted that this question was raised in the consultation but has not been answered to date).*

4. Finally, whilst we note and accept the statements you make in response to concerns raised about the cost of increased security to join the Critical National Infrastructure, we still require further information as to what proportion of CLGs costs will be attributable to national resilience, and therefore not be passed on to the LACCs (or ultimately FRAs) .

I look forward to hearing from you in the near future and in particular with the written assurance as requested in paragraph 2 above.

Yours sincerely

MICHAEL HAGEN
DEPUTY CHIEF FIRE OFFICER