

7 June 2007

Chairs of Fire and Rescue Authorities (England)
Chairs of Regional Management Boards
RCC Company Directors
Fire and Rescue Service Chief Officers (England)
Regional Project Directors and Managers

Dear Sir / Madam,

FiReControl Full Business Case

As promised when we issued Information Note 1 in April, I now attach the latest version of the FiReControl Full Business Case. This sets out at a high level why FiReControl is an essential part of the national fire resilience agenda and how it will help to improve public safety in England. My aim in sharing this with you now is to help develop a better mutual understanding of the ongoing policy development process. I hope that this will help clarify the current position of the project and provide a basis for your input to its development and implementation.

A previous version of the full business case was published on the FiReControl website in October 2006. It was used to inform the decision to proceed to the final stages of procurement for the infrastructure services contract that was awarded to EADS Defence and Security Systems in April 2007.

This version has been revised to take into account the outcome of the successful infrastructure services procurement and feedback received from various parties, including key regional stakeholders, the FiReControl Finance Working Group, regional FRS Benefits Leads, the Fire Brigades Union and the Office of Government Commerce.

Revisions and additions included in this version include:

- Infrastructure service costs and rollout schedule from the EADS contract;
- An early indication of regional costs and savings;
- Revised and updated benefit management details; and
- A comparison with the costs presented in the previous draft of the business case which highlights where our assumptions have changed or our thinking moved on.

As I am sure you understand, no business case is set in stone – all evolve as new and better information becomes available, cost estimates turn into contractual commitments, and assumptions are updated and become reality. For this reason it is not intended that these estimates are used for detailed local business planning. We realise that a number of areas of uncertainty remain. Furthermore, we know that there are some anomalies in both the current cost and future cost information. Our figures have been based on best estimates and we know they will change as work with FRS colleagues to validate costs and assumptions

progresses. It has not been possible to do this in time for this release, nevertheless we hope that sharing the business case now will enable us to move forward from a common planning basis.

The next phase of work on the business case will focus on revisiting assumptions and validating both current and future cost information. We will be seeking FRS input into this work, and through this involvement FRSs will have access to information as it emerges that should better support local and regional business planning activities. We will then aim to share an updated version of the full business case with you early in 2008. As you are aware, however, the breakdown of the regional costs and savings to FRS level within the regions will still be a matter for RCC companies to determine.

The next version of the business case will take account of the following:

- A comprehensive review of the staffing model - staffing is the most significant operating cost element and so will have a significant impact on cost and savings forecasts;
- Better estimates of the costs of running the existing control rooms;
- The outcome of the national Facilities Management procurement;
- The outcome of the London accommodation procurement;
- Updated project management costs; and
- The outcome of consultation on regional cost allocation.

I hope you find it useful to have sight of this current version of the business case. I am very grateful to FRSs for their support to date, and I look forward to working with you over the coming months as we develop the business case further. Only by working together can we develop a truly robust business case that will support us in delivering the benefits that FiReControl will bring.

Yours faithfully,

Richard How
FiReControl Project Director