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Firelink Service Charges – Financial Principles

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Addressed to:      Please forward 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

Summary
This circular provides details of the financial principles to be applied to charging for the Firelink service.

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Firelink Service Charges – Financial Principles

1.0 Introduction
1.1 This circular provides a summary of the financial principles to be applied in charging Fire and Rescue Authorities (FRAs) for the use of the Firelink radio system.

2.0 Firelink New Burden
2.1 The Government has met the capital costs of the new system and FRAs will benefit from economies of scale from the central procurement and the Government providing the project management costs. However, following installation of the Firelink radio system it is expected that the ongoing revenue costs will place an additional net overall burden on FRAs. Communities and Local Government is committed to providing additional funds to FRAs to meet this net additional cost.

2.2 The calculation of the new burden will be informed by existing costs with future Airwave service costs, and take into account costs which FRAs would anyway have faced. We expect Revenue Support Grant to be used as the mechanism for distributing funding once it becomes possible to do this. A special grant payment will be used for any interim period.

2.3 Existing total cost estimates still have to be fully developed, and we need collaboration to get them accurate and complete. Most FRAs have supplied cost information for their legacy wide area radio system and their co-operation with this exercise is much appreciated. A few returns remain outstanding and the relevant local Firelink brigade delivery team representatives will be in contact with these FRAs. As discussed and agreed at the FiReControl and Firelink Finance Working Group, the returns will be independently assured by an auditor. The appointment of an auditor is being made through the EU catalyst process.

3.0 Costs during rollout
3.1 Any optional items or services ordered or used by Fire and Rescue Services to supplement the core Firelink provision, including those supplied within the main rollout programme, will be subject to a separate funding agreement between the relevant FRA and Airwave Solutions Ltd. This will include the associated service charges.

4.0 TUPE
4.1 Each Fire and Rescue Authority will be responsible for TUPE costs associated with any transfer of maintenance staff.

5.0 Procedure for Payment of Firelink Service Charges
5.1 Arrangements are being developed on the basis that the Airwave service fees will be invoiced to Communities and Local Government, which will then invoice the Regional Control Centres. The apportionment of costs below the regional level will then be a matter for decision locally, although it will be possible for the Department to obtain finer grain information from Airwave Solutions Ltd to assist that process. The viability of other arrangements is being considered.
6.0 Commencement of Firelink Service Charges

6.1 Each FRA will start to share the costs of Firelink regional service fee invoices from the point where its mobilising functions are transferred to the Regional Control Centre, subject to existing timetables.

6.2 No FRA will be required to make such payments in 2008/09.

6.3 On current timetables 11 FRAs will start to meet service fee costs in 2009/10, the earliest from October 2009. Communities and Local Government will undertake not to bring forward the charging date for those 11 FRAs, nor make any charges to the other FRAs in 2009/10. Should the existing FiReControl roll-out timetable be modified for any reason, and hence extend the Firelink interim period, the Department will review its policies for charging for the financial year 2010/11.

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