

AGENDA ITEM:

REPORT TO:	MERSEYSIDE FIRE & RESCUE AUTHORITY POLICY AND RESOURCES COMMITTEE
DATE:	26th July 2012
REPORT NO.	CFO/111/12
REPORTING OFFICER:	DEPUTY CHIEF EXECUTIVE
CONTACT OFFICER:	COLIN SCHOFIELD, REGIONAL PROJECT DIRECTOR EXT 4203
OFFICERS CONSULTED:	
SUBJECT:	PRIVATE FINANCE INITIATIVE PROJECT – GATEWAY REVIEW

**APPENDIX A TITLE LOCAL PARTNERSHIPS GATEWAY
REVIEW 4 – READINESS FOR SERVICE
ATTACHED – HARD COPY**

* A Glossary of Terms has been provided at the end of this report for your reference.

Purpose of Report

1. To provide the Committee with a copy of the Gateway Review 4 report, comment on its contents and provide evidence that the recommendations are being actioned.

Recommendation

2. That this report be noted.

Executive Summary

- A Local Partnerships Gateway Review of the North West Fire & Rescue Services PFI Project was carried out from 20-22 March 2012.
- The Project received a “Green/Amber” status
- An Action Plan is provided to deal with the five Review recommendations.
- Officers are confident that the Project remains on track and is making good progress in line with reported timetables.

Introduction & Background

3. A further Gateway Review of the North West Fire & Rescue Services Private Finance Initiative (PFI) Project was carried out in the period 20-22 March 2012.
4. Gateway Reviews assist the delivery of new acquisition programmes and procurement projects in local government and their use is recommended in the Efficiency Review and the National Procurement Strategy. They are carried out by Local Partnerships, an organisation jointly owned by H.M. Treasury and the Local Government Association. Reviews are carried out at key decision points in the project planning cycle by a team of experienced people, independent of the Project Team. The reviews occur at critical stages to provide assurance that the project can progress successfully to the next stage.
5. The most recent Review carried out in March was a Gateway 4 Review entitled "Readiness for Service". Its purpose was to ensure that procedures are in place for the Project to move into its operational phase. Fuller details of the purpose of the Review are included as Appendix A to the Gateway Review report, which itself is appended to this report.

Results of the Gateway Review

6. The full report is included as Appendix A to this report. As Members will note, the Review Team have provided a positive report and found that overall the Project is being effectively managed and is well placed to move to operation and contract management. In particular the Project has benefitted from cohesive leadership and strong governance.
7. Members will also note that the formal Red/Amber/Green (RAG) status assessment has been given as Green / Amber which is defined as "Successful delivery appears probable however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery".
8. Five recommendations were made and these are detailed below with an accompanying action plan to deal with each recommendation. The definition of the priorities allocated to each are set out in the following table:

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately.

Essential (Do By) – To increase the likelihood of a successful outcome the programme/project should take action in the near future.

Recommended – The programme/project should benefit from the uptake of this recommendation.

1.	The lessons learned from the engagement with representative bodies such as the Fire Brigades Union should be captured as best practice and used as a model for future projects and engagements	Recommended
Action:	A meeting will be held between Lead Officers of the three Authorities so this can be documented for future use.	
2.	A joint risk register is developed for the construction, mobilisation, and early years of contract management	Recommended
Action:	A meeting is being arranged with Balfour Beatty to facilitate this and, as recommended in the report, this will focus on the top 10 or so risks in the following areas: <ul style="list-style-type: none"> • Construction Phase • Decant and Handover • Contract Management 	
3.	The existing Risk Register is reviewed and updated	Essential (6 months)
Action:	The existing Risk Register will be updated using the outcomes of the meeting to implement Recommendation 2 (above).	
4.	The Project Board agrees a process to mitigate the risk of losing key staff	Critical
Action:	This was debated at the Project Executive Board meeting on 4 th May 2012 and each Authority will plan as appropriate.	
5.	The Project Board makes arrangements to ensure knowledge transfer takes place	Critical
Action:	The Lead Officer for Lancashire retired in early May 2012. As a result Lancashire FRS has appointed a replacement who shadowed the previous Lead Officer until he retired. Part of this shadowing process was the production of a document that captured his learning experience for future knowledge transfer within the Project	

Equality & Diversity Implications

9. None arising directly from this report. Both initial and full Equality Impact Assessments have been completed for this Project.

Staff Implications

10. There are no staffing implications arising as a result of this report. The resources allocated to this Project since prior the Financial Close remain in place and the Project Manager and Project Co-ordinator will assume the roles

of Contract Manager and Contract Co-ordinator on a phased basis as the stations come on line.

Legal Implications

11. There are no legal implications arising from this report.

Financial Implications & Value for Money

12. The current price of the full Gateway 4 Review (including the earlier Health Check detailed in report CFO/136/11) is £15,000. The Merseyside contribution to this is £6,287 for which provision was made within the 2011/12 revenue budget.

Risk Management, Health & Safety and Environmental Implications

13. The Project maintains a full Risk Register which is reviewed on a regular basis but will now be reviewed and updated as described above. There are no new risks, Health and Safety or environmental implications arising directly from this report.

Contribution to Our Mission:

“To Achieve Safer Stronger Communities - Safe Effective Firefighters”

14. The North West Fire & Rescue Services PFI Project has a range of objectives which link back to the vision strategy of all three participating Authorities.

BACKGROUND PAPERS

Report CFO/136/11 – Private Finance Initiative Gateway Review Health Check
Local Partnerships - Gateway Review 4 Readiness for Service (attached as Appendix A)

***Glossary of Terms**

PFI – Private Finance Initiative
RAG – Red Amber Green