

Item 2

The future of the Fire Service College

Purpose of report

For discussion / decision.

Summary

The Fire Service College provides a crucial resource for Fire and Rescue Services and has unique facilities for providing specialist training to FRAs. However, the College is not currently operating on a financially sustainable basis, remains underutilised and is beset by debt that means that the current model requires on-going state subsidy. The LGA view is that a sector-led model would allow the College to better support the needs of the sector, improve standards and consistency of training, achieve economies of scale and ensure FRS interoperability and resilience. In principle, the sector would be willing to consider partnership arrangements to deliver the functions of the College on behalf of FRAs, but could not take on its current debt and liabilities.

This paper provides an overview of issues facing the College to inform discussion on options for its future operation.

Recommendation

Members are asked for views on the above issues and options to inform the LGA's proposals for the future of the College, which will be taken forward as part of our negotiations with CLG on National Functions.

Action

LG Group officers to progress actions as appropriate.

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The future of the Fire Service College

Background

1. The Fire Service College, based at a 400 acre site Moreton-in-Marsh in Gloucestershire, provides specialist operational fire and rescue training. It offers programmed and bespoke training and development opportunities and consultancy and advice. The College has a 55-65% share of the overall UKFRS specialist / operational training market, representing £17.5m income in 2009/10. The majority of the college's income stream comes from the UK Fire and Rescue Service. Other sources of training revenue income include international Fire services, other government agencies and the private sector. The College is seeking to commercialise and attract business from these other market sectors and focus on supporting national resilience, and fire service and multi-agency interoperability. The training provided at the College achieves consistently high satisfaction ratings and its facilities are unique in the UK.
2. Prior to 1990 the training provided by the College to local authority fire brigades in England and Wales was funded directly by Government. In 1992, the College became a Trading Fund and an Executive Agency of the Government. The College carries a significant debt to the Treasury incurred as a result of long term loans and the assets transferred to the fund. In 2008/09, CLG undertook a strategic review of the college and concluded that the college could achieve financial sustainability by operating on a fully commercial basis. Despite increasing training revenue levels by £1.1million and generating over £430,000 from the sale of two college houses, the college reported a £1.6m trading deficit in 2009/10 falling short of the targets agreed with CLG to progress towards a sustainable business model.

Issues facing the College

3. **Competitive pricing** - The College competes with a number of FRS training establishments which are publicly funded allows them to offer training at lower cost than the College which must include its full overheads in its prices.
4. **Investment in facilities** – The College's facilities are unrivalled in the UK; however, they are in need of renewal and investment to attract a larger market share and avoid depreciation of assets.
5. **Growing market share in training to the private sector** – it is important that the College seeks to increase its market share in the private sector but it should also capitalise on its key distinctiveness by focusing on operational and incident command training rather than using its resources and capacity in delivering training that can be better delivered at other venues.

6. **Debt and liabilities** – The College is constrained by long term debt imposed by the Treasury. Freedom from the debt burden would increase the commercial viability of the college and we would look to discuss this matter with Treasury Officials to explore options to account for the assets and liabilities.

Potential options for the future of the college

7. Commission Members are asked to give views on the following options for consideration in developing a future model of operation for the college:
 - 7.1 Closure. This would not appear to be a desirable or viable option in the current climate as the asset value of the College would be significantly under-valued.
 - 7.2 Development into a multi-agency College by merging with other national colleges such as the Emergency Planning College or the Police College.
 - 7.3 Reduce the College training footprint to a minimum; however, the College owns some unique assets such as the Urban Search and Rescue rig and the scale of its incident ground cannot be matched by any competitor in the UK.
 - 7.4 Expand the International and business community training and create a trading arm for FRAs.
 - 7.5 Develop a fully sector-owned model with buy-in from FRAs which would reduce competition for services, achieve efficiencies and allow integration with other national functions. This would require debt and liabilities to be resolved.
 - 7.6 Establish the College as a sector-led joint venture in partnership with the Private Sector.
 - 7.7 Making better use of the College's facilities for multi-agency and emergency planning exercises and training other parts of the local government sector in business continuity and community resilience planning.
8. **Members are asked for views on the above issues and options to inform the LGA's proposals for the future of the College, which will be taken forward as part of our negotiations with CLG on National Functions.**