

Item 1

Fire Service College

Purpose of report

For discussion.

Summary

As DCLG move towards a full sale of the College to the private sector, attention has turned to the most suitable ownership arrangements to ensure that fire authorities' requirements are met in the future. At the Fire Services Management Committee meeting on 23 January, Members were concerned that any of the proposed options risk significant delay and therefore rejected complex ownership structures in favour of a simple and straightforward sale with a small number of guarantees.

Harriet Hepburn and Andrew Morrison from DCLG will be making a presentation to the Commission, setting out the process and timeline going forward.

Recommendation

Members of the Fire Commission are invited to comment on the latest position and plans for sale of the College.

Action

Officers to take forward as directed.

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Item 1

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Background

1. Members are aware of the Government's intention to sell the Fire Service College to a private sector partner in order to provide much needed investment in the College, and the continuation of and improvement to the training currently offered.

Progress to date

2. In order to safeguard the position of ensuring the College continues to deliver fire training, the Government propose placing a number of requirements or guarantees on the sale to ensure that:
 - 2.1 There is a commitment from the purchaser to continue to offer fire training;
 - 2.2 the FRS are involved in setting the overall direction of fire service training policy and delivery; and
 - 2.3 the site cannot be sold without FRS approval.
3. However, in order to ensure that the interests of the College and the FRS are aligned, DCLG have considered a number of different mechanisms/structures for doing this. In order to submit an options appraisal to Ministers, DCLG officials asked for the views of the FSMC on these proposals. These options included a Trust arrangement, a Limited Liability Partnership and a company limited by guarantee. All have advantages and disadvantages which DCLG assessed according to criteria around flexibility, ease of administration, tax treatment and whether these are within scope of existing legislation.
4. It is clear from looking at the detail, that each FRA would need to seek legal advice on the detail of these options and it is unlikely that all FRAs across the country would be in agreement about which option provides the best arrangement.
5. This new strand of activity and debate risks creating unnecessary and time-consuming division within the sector. Although DCLG are committed to moving ahead swiftly with a sale, the full analysis of these three options would need specialist and ongoing legal advice which would be costly, divisive, consume Members' and officers' time for a prolonged period and could lead to legal challenge.

Item 1

6. The FSMC concluded that given the absolute and urgent requirement to secure some serious financial investment in the College, and the need for the FRS to have some security about future training provision, rather than complex ownership arrangements they would prefer a small number of simple and straightforward guarantees within the sale agreement to provide the safeguards that Government and fire authorities require.
7. The Chief Fire Officers Association have previously stated that they consider the Fire Service College to be a key part of the Critical National Resilience infrastructure, to support operational and incident command training. CFOA also believe there is significant opportunity to work alongside other emergency services at the Moreton in Marsh site, and create a Joint Emergency Services training establishment. CFOA therefore supports the principle of a sale to the private sector. CFOA considers the proposal by DCLG to offer a 10% share to the fire and rescue service brings some inherent difficulties, particularly since the details remain unclear. Like the LGA, CFOA believe that it is important to build a number of safeguards into the contract of sale which from their perspective should include an assurance that CFOA have a core role to play in all aspects of the development of training.

Next steps

8. We understand that CLG will move towards a full sale once Cabinet Committee clearance has been secured. They are currently continuing with preparations for a sale, including working with environmental experts and other consultants and expect to make a public statement towards the end of this month. An Information Memorandum will be issued to the market in April (before local election purdah) and depending on negotiations, could see completion of the sale in September, although realistically this might be anytime up to March 2013.