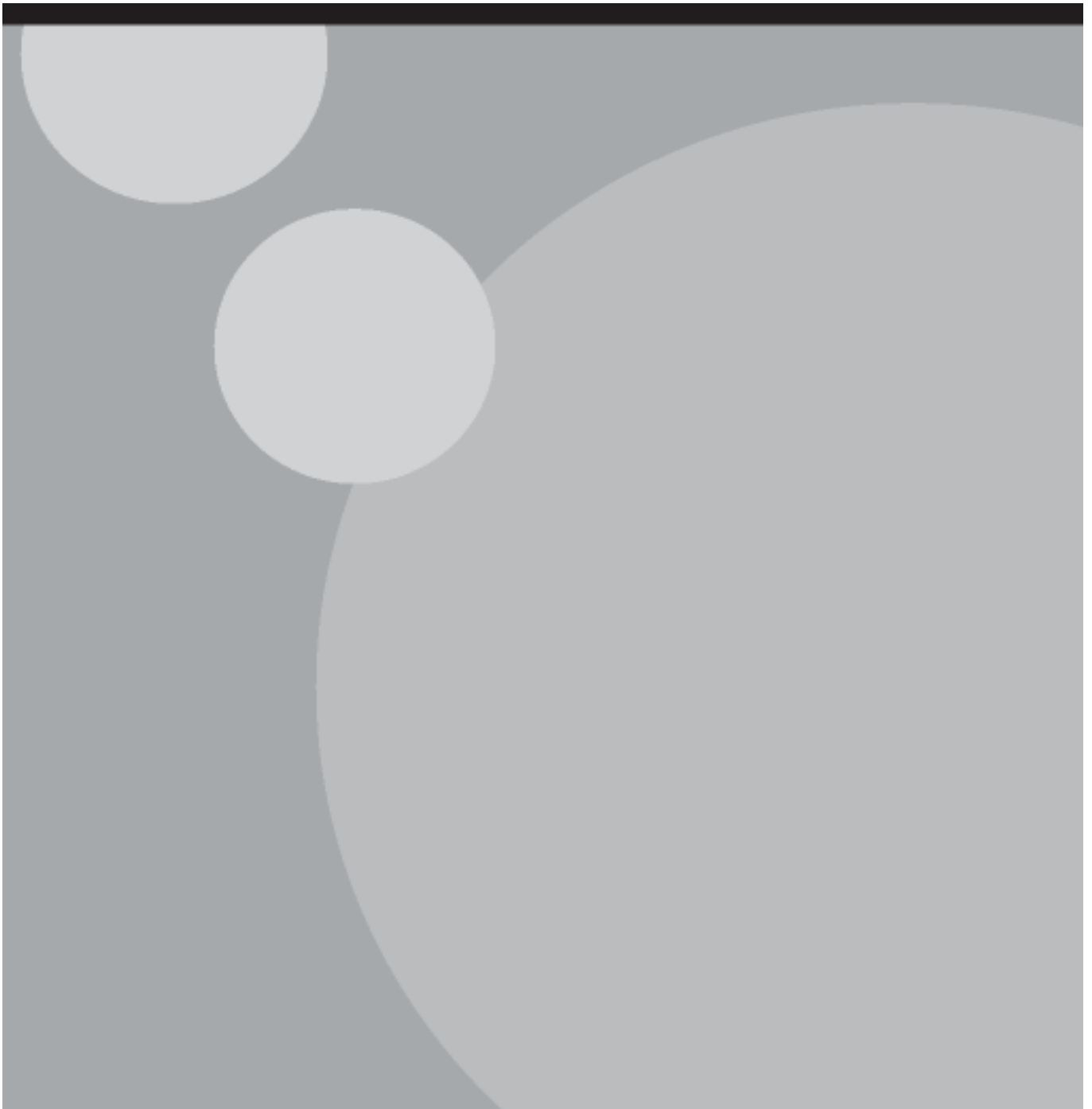




Fire Service College

Pre-market engagement on future options



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Contents

Introduction	2
Purpose of this document	2
Process	4
Current position and future opportunities	4
The market for fire training	6
Facilities	7
Staffing	7

Introduction

1. The Government is committed to the delivery of a resilient Fire and Rescue Service that protects the public by preventing and responding to emergencies.
2. The Government sees strong value in a national College for the Fire and Rescue Service to deliver common, consistent standards of safety critical training and improved intra-operability across the Fire and Rescue Service in support of resilience and to enable it to meet public expectations.
3. However, the current Fire Service College ownership and governance arrangements¹ do not provide the flexibility necessary for the College to operate with sufficient commercial success and to achieve its full potential.
4. **The Government wishes to explore options for a new ownership, operational and governance model for the Fire Service College which, through greater involvement from other sectors (whether private, public or voluntary), secures its future, supports national resilience and provides best value for the public purse.**

Purpose of this document

5. To inform its view of market appetite and viable options, the Department for Communities and Local Government now wishes to undertake a short phase of pre-market engagement. This will allow interested parties to offer clear views on the future of the College, and the Department to assess the reaction of the market to the overarching aim of delivering a new model for the Fire Service College.
6. **The Government's preferred option for a Fire Service College of the future is a partnership between the public and private sectors with the fire sector playing a key role in that partnership.** Whilst a public/private sector partnership is the preferred option, the Department does not wish to close off other options and would welcome ideas on whether other arrangements may be more suitable.
7. We would therefore be interested to hear your views and ideas on:
 - If a public/private partnership were set up what arrangements would best secure the future of the College and offer best value for the public purse?

¹ An Executive Agency operating as a Trading Fund under the sponsorship of the Department for Communities and Local Government

- how such an arrangement may best be achieved, including, for example, the role of central government (if any), the benefit in involving others such as the Fire and Rescue Service in the governance of the College, and how private sector investment could be facilitated
 - the potential for growing existing markets and developing new markets; and the potential to expand the current role/remit of the Fire Service College
 - whether there are any alternatives to a public/private partnership which could as effectively secure the future of the College and offer best value for the public purse
 - whether there are certain elements of the Fire Service College assets, site or facilities that are more attractive than others and would attract future investment.
8. The Government is also seeking views on the best training delivery model, i.e. provision of flexible, value for money training solutions. We would, therefore, be interested to hear your views and ideas on:
- whether training delivery would need to utilise the college site
 - whether training delivery could be provided at a range of sites across the country
 - which training delivery model would best enable individual fire and rescue services to reduce their overall operating and capital costs of training
 - whether training should or could also be delivered to other organisations e.g. other emergency services
 - whether there are any potential synergies with respondents' own operations.
9. We would also be interested to hear your views and ideas on:
- the role which Fire and Rescue Services could play in the future governance of the Fire Service College or the delivery of training.

Process

10. On the basis of the written replies the Department for Communities and Local Government may decide to invite respondees to meet with them to discuss potential models. Those meetings will help inform our policy on the future model. Formal bids from individual organisations are not invited at this stage. The information and insights from this pre-market engagement stage will help shape the next steps and the nature of any future model.
11. Please note that this document contains only publicly available information and is solely for the purpose of inviting contributions to our consideration of the future options for the Fire Service College. We do not intend to provide further information at this stage and we would not expect respondees to this exercise to provide us with any information that was commercially sensitive and that they would not be happy about sharing with others. We reserve the right to publish or share any information received in an appropriate format to ensure a level playing field in any future procurement exercise.
12. Please send your views on delivering a new model for the Fire Service College, addressing the issues in paragraphs 7-9, by 31 October 2011 to FSCfutureoptions@communities.gsi.gov.uk.

Current position and future opportunities

13. The Fire Service College provides specialist operational fire and rescue training and has been the national Fire and Rescue Service training institution since 1968. On 1 April 1992, it became an Executive Agency operating as a Trading Fund. It also provides training to the wider emergency service and responder community in the UK and internationally; and also to the private sector.
14. The Fire Service College has unique facilities especially in relation to national resilience, multi-agency and interoperability training and development.
15. It provides a unique range and quality of carbonaceous/hydrocarbon based hot fire training facilities, buildings and rigs. These provide world class facilities for specialist fire service operational training, development of incident commanders, and a wide range of national resilience training. These facilities and the subject matter expertise available enable realistic practical scenarios for all blue light services and other emergency responders.
16. Since 9/11 the Fire Service College has developed a new resilience training capability in support of the National Resilience Assurance Team based at the College, which includes an urban search and rescue training rig, the only one of its kind in Europe.

17. The majority of the Fire Service College's instructors are serving officers from across the UK Fire and Rescue Service. They are attached to the College on 2-3 year secondments from their parent organisations (for more information on staffing at the Fire Service College see the section on page 6 of this document).
18. The Fire Service College has a strong brand which is widely respected at home and abroad, derived from its close relationship with UK Fire and Rescue Services/Fire and Rescue Authorities through its Fire and Rescue Service secondments and from its Government 'pedigree'.
19. The Fire Service College is working with the Chief Fire Officers' Association and the Fire and Rescue Service to develop and deliver a common and consistent approach to operational and leadership training within an accredited framework in order to improve interoperability. The College believes it has a significant contribution to make to the production of guidance for the Fire and Rescue Service. The Fire Service College supports local and national resilience and aims to provide economies of scale. A senior serving fire officer has recently been appointed, in partnership with the Chief Fire Officers' Association, to the Board as the Operations Director responsible for the design and delivery of training.
20. The Fire Service College believes that there is an opportunity to develop an improved multi agency training capability, via the College, to drive greater interoperability between all the emergency services and other responders, in support of resilience. It also considers that there is potential to create a wider civil contingency college in the UK.
21. Spare real estate at the Fire Service College could be utilised to house wider emergency services, responders or others; and/or the site could be used to enable rationalisation of the asset bases of potential partners which could lead to better prospects for profitability.
22. There is a need to provide the Fire and Rescue Service and others with opportunities for economies of scale over this challenging period of public sector austerity. There is available capacity, either in terms of real estate or the utilisation levels of property (training rigs and support infrastructure) to support increased volumes of business.
23. The Department for Communities and Local Government recognises that private sector partners may wish to retain all or part of these elements in some way as they may confer commercial advantage.

The market for fire training

24. The Fire Service College is a world-leader in fire and emergency response training and one of the world's largest operational fire and rescue training colleges with a global brand and reputation for excellence. It delivers training locally at customer premises in the UK, on its site at Moreton-in-Marsh, and internationally, supporting the needs of fire and rescue services, emergency responders and a wide spectrum of clients in the UK, Europe and globally.

Analysis of revenue by customer type		
	Year ending 31 March 2010 (£m)	Year ending 31 March 2011* (£m)
UK Fire and Rescue Services	10.799	9.000
Department for Communities and Local Government	1.442	0.765
Other Public Sector	3.676	2.993
International	3.808	3.899
Private Sector	1.927	1.741
Individuals	0.075	0.073
Grand Total	21.727	18.471

* unaudited/subject to final audit. Audited results for 2010/11 will be publicly available in September 2011.

25. For 2010/11, the Fire Service College's business was impacted by a decline in UK Fire and Rescue Service/public sector revenues in the third quarter. More positively the international market held up.
26. Whilst the domestic Fire and Rescue Service market is expected to be challenging for the next few years due to public sector budget constraints, the Fire Service College considers there is significant potential in the international and private sector markets which is yet to be fully realized. The Fire Service College's recently branded 'Phoenix, The Venue' conference and events facility is planned to increase revenues this year through targeted marketing activity.

Facilities

27. The Fire Service College is located on a 365 acre site at Moreton-in-Marsh, Gloucestershire. The site comprises a former military airfield and is approximately one mile to the east of the centre of Moreton-in-Marsh and a half mile from the mainline railway station. The land is Crown Estate and sits outside the local Development Boundary. Any land disposal is likely to be subject to Crichel Down Rights, which would mean, in essence, that it would have to be offered back to the original owner of the land to purchase ahead of any wider sale. There are circumstances where this may not apply, for example, in a Private Finance Initiative/Public Private Partnership deal which involved the new organisation assuming some or all of the functions of the original body.
28. The main campus extends to approximately 85 acres and comprises the administrative and teaching buildings, residential accommodation blocks, leisure centre, restaurant, shop, library, chapel, vehicle workshops/garages, breathing apparatus servicing centre and playing fields. In terms of residential accommodation within the main campus, there are a total of 315 student en suite bedrooms, 119 student standard bedrooms and 26 staff en suite bedrooms.
29. Beyond the campus area, is the “Incident Ground”, which extends to approximately 236 acres. Training rigs include a collapsed building, Urban Search and Rescue equipment training halls, 300m stretch of motorway, oil rig and petrochemical structures, railway and level crossing, various aircraft, a ship and dock area, drill towers, a range of industrial, commercial and domestic buildings and various Liquefied Petroleum Gas (LPG) structures.
30. A third lesser component is “non-core land”, such as Lemington Heath Coppice, Ellis’s Plantation and other strips of land that are non-core to the operational function of the site. In addition there is the residential estate comprising 33 houses which are outside the Fire Service College boundary fence.

Staffing

31. The Fire Service College is staffed mainly by civil servants but the majority of its instructors are seconded into the Operations Directorate from the UK Fire and Rescue Service for training delivery, product development and maintenance, and to support business development activities. Teaching staff are supplemented by Associate Tutors whose services are procured as and when required, and Visiting Lecturers (also procured services) who provide specialist input to delivery. This model allows the Fire Service College to flex its training delivery staffing in line with business demand which peaks and troughs throughout the year. A core number of Fire and Rescue Service secondees is retained to deliver projected incomes. Total provisional staff costs in 2010/11 were £9.0m.

Staffing figures at the end of March 2011 (FTE)	
Civil Servants	158.4
Secondees from the Fire and Rescue Service	27.0
Interims	2.6
Total	188.0

A further 5 civil service staff are seconded to other organisations.

Financial performance			
	Sales (£m)	Trading profit/(deficit) (£m)	EBITDA (£m)
2010-11*	18.471	(3.612)	(1.322)
2009-10	21.727	(1.645)	1.134
2008-09	21.579	(1.891)	(0.668)

* unaudited/subject to final audit. Audited results for 2010/11 will be publicly available in September 2011.

32. Set against a more austere public spending climate, there has been a significant step towards profitability over the last two years since the new management team has imposed more effective cost controls. For example, permanent staff costs in 2010/11 have decreased by £1.249m (12.9%) compared with 2008/09. The unexpectedly depressed domestic market conditions in 2010/11 were the primary cause for generating negative unaudited Earnings before Interest, Taxation, Depreciation and Amortisation of £1.322m.
33. If in 2010/11 the Fire Service College had achieved similar revenues as in 2009/10, its Earnings before Interest, Taxation, Depreciation and Amortisation (arguably a better measure of performance given the Fire Service College's high asset base) would have been positive. Also, included in the 2010/11 results were one off legacy costs, amounting to £1.7m which included provisions for doubtful debts, early retirement costs and some long overdue maintenance projects.
34. More details about the Fire Service College facilities and current training courses can be found at www.fireservicecollege.ac.uk.