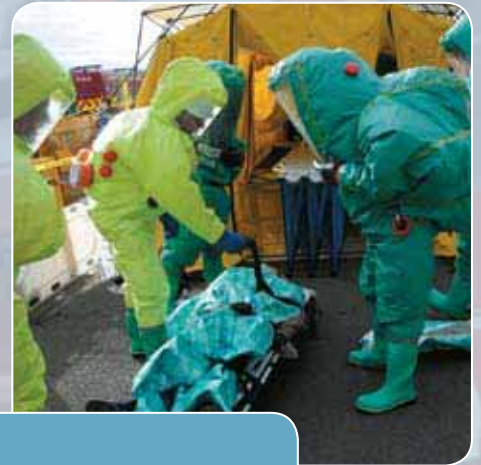


The Fire Service College



Unrivalled experience
Unequaled expertise



Annual Report and Accounts 2008–09





The Fire Service College

Annual Report and Accounts 2008–09

The Accounts of the Fire Service College as at 31st March 2009 presented to Parliament pursuant to section 4(6) of the Government Trading Funds Act 1973 as amended by the Government Trading Act 1990 together with the Report of the Comptroller and Auditor General thereon.

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12th October 2009

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1234

Contents

Introduction	6
Management Commentary (Business)	16
Management Commentary (Performance)	36
Accounts 2008-09	40



‘When emergencies occur, the public can always rely on the professionalism and commitment of its Fire and Rescue Service. The work that the Fire Service College does, out of the public gaze, to help our Fire and Rescue Services to develop new and existing life-saving skills, should not be underestimated. This well-deserved award is proof that the quality of training provided by the Fire Service College is first-class! ’

Fire Minister, Sadiq Khan, following his visit to the College in February 2009, on the occasion of the College being named best provider of training and education 2008 at the National Training Awards.

1234

Introduction



The Chief Executive's Foreword

During the past year we have been focused on building for the future success of the College and, having laid the foundation for future growth, we end the year with a robust strategy for future financial sustainability and commercial success, developed in partnership with our Shareholder – the Department for Communities and Local Government (CLG). Our relationships with our customers are stronger than ever as a result of such partnership working.

The College performs a vital role at the heart of the UK Fire and Rescue Service, providing essential support by equipping the Service, and the people who work for it, with the skills required to make a positive difference in the communities they serve, and to save lives. For the College to be successful now and in the future, it needs to have the confidence of its main Stakeholders, both within Government and the Fire and Rescue Service. It needs to be able to work with its customers to provide for their needs, and to ensure that the training and development that it provides are effective and of the highest quality.

This last requirement provides us with one of our greatest successes. The College achieved unprecedented success at the National Training Awards for 2008, being named the best Provider of Education and Training – a fantastic accolade. We are proud to have won such a prestigious award, which reflects the quality of the training that we provide, and demonstrates the commitment and professionalism provided by those in our organisation who support the people who deliver our courses.

However, whilst we are pleased to have received independent acknowledgement, we are not complacent, and we recognise that we need to continue to strive for excellence, and to demonstrate to our main Stakeholders, the Government and the UK Fire and Rescue Service, and other UK and international customers that we can continue to deliver quality training that meets customer needs, and do so in a way that is financially sustainable, well into the future.

During the course of the past year, whilst developing a strategy to build the future of the Fire Service College, we have reviewed the way in which we operate as a business, and have identified where we need to make further changes in partnership with CLG. The outcome of that work has been to demonstrate that the College can be financially sustainable and achieve significant growth well into the future. We have begun to implement that strategy and make the changes that will ensure sustainability.

We have established a firm foundation for future growth, having:

- engaged with Stakeholders (including the Chief Fire Officers' Association (CFOA), the Local Government Association (LGA), the Chief Fire and Rescue Adviser and CLG), in a more strategic consideration of issues, current and future, affecting the Fire and Rescue Service, together with how the College might best support these organisations, giving us a clear focus for strategic development
- broadened access to our unique facilities and expertise, paving the way for more multi-agency provision (for organisations such as the Police, the NHS, the Ambulance Service, the Military, and Category 2 responders such as the Environment Agency and the Highways Agency), who have increased their use of the College this year

- established enhanced resilience to support the Fire and Rescue Services' ability to respond to an increased range of major incident scenarios
- extended our customer base and supported a wider mix of private and international clients
- increased responsiveness to customer requirements, with greater flexibility in delivering training how, when and where the Fire and Rescue Service needs it
- increased the accessibility and affordability of our products through the provision of shorter, more intensive courses and the introduction of e-learning
- developed new products and refreshed existing ones in response to changing requirements
- become leaner and more efficient in our use of resources

These are the key areas that we will continue to build upon as we move forward.

Throughout all of the changes that have been made and will continue to be made, the two things that remain a constant are our commitment to establishing safer communities and ensuring firefighter safety. We are still on that journey, and we are making significant progress. However, the support of the Fire and Rescue Services that we serve, and of our broader customer base, is essential in continuing that progress.

Our continued success depends on further developing our partnership with the Fire and Rescue Services, so that it becomes a more symbiotic relationship.

Working with the CFOA, we have jointly identified the pivotal role of the College in supporting national and local requirements in respect of:

Interoperability

Providing training for trainers, as well as initial skills and acquisition training, for all Fire and Rescue Service capabilities where interoperability is required, including a national training programme for all New Dimension capabilities.

Leadership

Building on the success of the National Leadership Programme and the Executive Leadership Programme. In particular, expanding leadership provision and development opportunities for Elected Members.

Command Training

Providing a framework for Incident Command training that is relevant for all levels up to and including Gold Command.

Quality Assurance

Providing trainer training courses and qualifications to improve consistency between individual Fire and Rescue Services; improving the standard of local training delivery; and enhancing and encouraging future interoperability.

Multi-Agency Training

Providing multi-agency training across a number of agreed capabilities, using the excellent facilities and expertise at the College's disposal.

National Exercises

Providing the venue and support for national exercises to test multi-agency working and Fire and Rescue

Service interoperability in a secure environment.

All of this emphasises the role of the College at the heart of the Fire and Rescue Service.

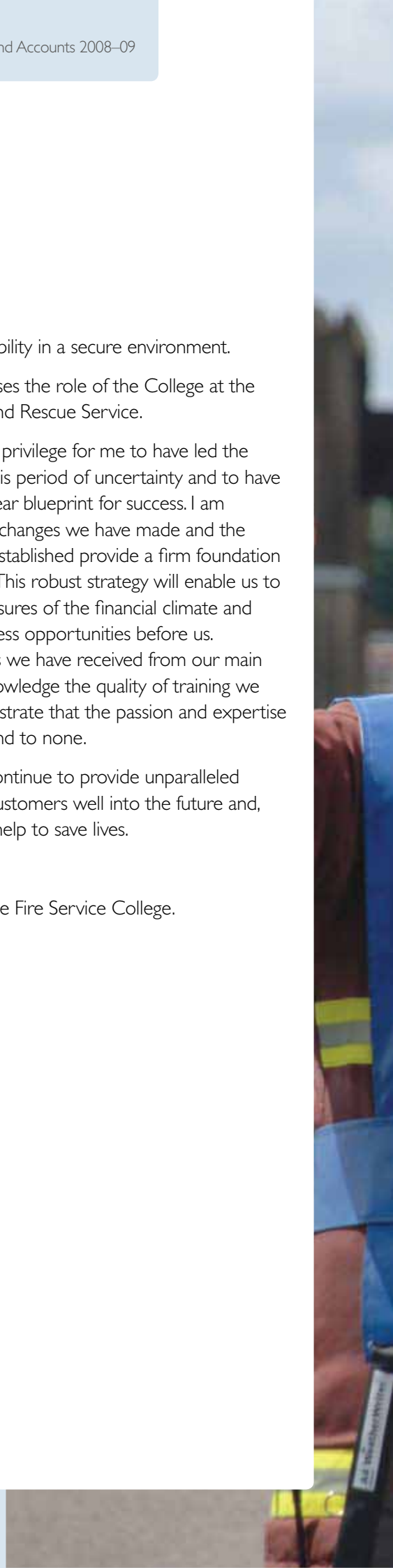
It has been a great privilege for me to have led the College through this period of uncertainty and to have emerged with a clear blueprint for success. I am confident that the changes we have made and the strategy we have established provide a firm foundation for future growth. This robust strategy will enable us to withstand the pressures of the financial climate and optimise the business opportunities before us. The endorsements we have received from our main Stakeholders acknowledge the quality of training we deliver and demonstrate that the passion and expertise of our staff is second to none.

The College will continue to provide unparalleled support to all its customers well into the future and, most importantly, help to save lives.

Sally SHEEN

Chief Executive, The Fire Service College.

14th July 2009





1234

Introduction Our Management Board



Neil KINGHAN: Non-Executive Chair

Neil has been Non-Executive Chair of the Fire Service College Management Board since August 2008. Neil left Whitehall in 2007 after four years as Director General at the Office of the Deputy Prime Minister and the CLG, where his responsibilities included the Fire and Rescue Service and Local and Regional Government. He led the development of the Local Government White Paper in October 2006. Neil spent six years as a Director of the Local Government Association between 1997 and 2003. Before that, his career included spells as Private Secretary to Michael Howard, John Patten and Ian Gow, and responsibility for Government sports policy, for homelessness and housing and for local government finance.

Sally SHEEN: Acting Chief Executive and Director of Training Delivery

Sally joined the College from HM Treasury in July 2006. As well as acting as interim Chief Executive, Sally is leading on business development, sales and marketing, course and curriculum development, and all teaching and training delivered by the College. Sally is a qualified and experienced teacher, educationalist, Human Resources (HR) and organisational development professional, with experience of leading change and delivering high performing, customer-focused services. She has previously led learning and organisational transformation within the Treasury and in a range of public services, including the National Health Service (NHS), the Housing Corporation and local government.

Sue HOPGOOD: Director of Leadership and Organisational Development

Sue joined the College in May 2005, and is responsible for the delivery of key projects to support the Fire and Rescue Service National Learning and Development Strategy. Sue is a senior HR professional, specialising in organisational development, including leadership, diversity, change management and improvement. She has extensive public sector experience, and has worked in the National Probation Service, Police Information Technology Organisation, NHS, the education sector and in the Office for National Statistics.

Peter EVANS: Director of Finance

Peter joined the College in January 2005, bringing substantial experience of the Public Sector through his time with the Ministry of Defence (MoD), Department of Culture, Media and Sport and CLG. Peter has also spent time working in the financial services and manufacturing sectors. His role embraces responsibility for financial management, corporate and business planning, procurement, organisational risk management and governance.

Ian STROUD: Director of Estates and Infrastructure Services

Ian has a wide-ranging remit, including provision of strategic advice and operational management for estates, property, facilities management, health and safety, resources and logistics, leisure centre and incident ground support services. Ian joined the College in October 2004, after a long career in the private sector, working for organisations including National Power, Symonds Facilities Management, Jones Lang LaSalle, Honeywell FM2 and Xansa.



Jonathan VICKERS: Non-Executive Director

Jonathan spent 25 years in the international oil and chemicals industries, latterly as a board member of Castrol and of Burmah Chemicals. Since leaving the private sector in 2001, he has served as a non-executive board member for a range of public sector organisations linked to CLG, the Department for Children, Schools and Families, the Department for Environment, Food and Rural Affairs, and the NHS. Jonathan completed his term as Non-Executive Director in February 2009.

Bob EVANS: Non-Executive Director

Bob is a Director at the Serious Fraud Office, but is best known to the Fire Service as the Secretary to the 2002 Fire Service Review (the 'Bain Review'). Since the Review he has had a varied career in local government and the Home Office, but he retains a lively interest in Fire Service matters. Bob has worked in a variety of public and private sector bodies including the MoD, HM Treasury, the Cabinet Office, and IBM. He has also been a member of the Diplomatic Service and the Financial Services Authority, and has spent three years in Tokyo.

Martin BRYANT: Non-Executive Director

Martin currently has a portfolio of interests locally and internationally, including Acting Non-Executive Director of the College. Before starting a portfolio career Martin worked in Whitehall as the Chief Executive of the Shareholder Executive and as Director of Strategy on the Board of the Home Office. Prior to joining the Civil Service Martin worked for two years as Interim Chief Operating Officer for British Petroleum Retail and, for the bulk of his career, with the Boots Company Nottingham in a wide range of roles including Operations Director for Boots the Chemist; and Managing Director for Boots Retail International and Boots Opticians.

Barry DIXON CBE **QFSM DL MIFireE:** Operational Adviser

Barry is the County Fire Officer and Chief Executive of Greater Manchester Fire and Rescue Service. Joining the City of Manchester Fire Brigade as a junior firefighter in 1967 aged 16 years, Barry has progressed through the ranks, spending much of his career in the Rochdale, Oldham and Bury areas of the county. He was appointed Assistant County Fire Officer (Operations) in 1995, Deputy County Fire Officer in 2000, rising to County Fire Officer in March 2002. Barry became the Strategic Director of the CFOA in 2003 and leads on all areas relating to Fire Service operations, resilience and civil contingencies.

Footnote

Gill NEWTON and Phil TOASE retired as Chief Executive and Operational Adviser to the Management Board respectively at the end of June 2008. The Management Board would like to take this opportunity to, once again, extend their thanks to both Gill and Phil for their valued contributions during their tenure with the College.

1234 Introduction

The College


The Fire Service College is the largest single provider of specialist operational fire and rescue training in the UK, supporting its customers from the UK Fire and Rescue Service, other UK public sector organisations, the private sector and the international market, through the provision of a broad range of programmed and bespoke learning and development opportunities; consultancy and advice. Our training can be uniquely designed to a particular specification (traditional, practical or e-learning) on demand and delivered collaboratively, regionally or locally, at times and locations to suit individual needs, wherever in the world it is required.

The College, based on a 400-acre site at Moreton-in-Marsh in Gloucestershire, became an Executive Agency (currently within CLG) and a Trading Fund on 1 April 1992. It is the central training institution for the English and Welsh Fire and Rescue Service, having its status confirmed by Statute in 2004, and a key provider for the Scottish and Northern Ireland Fire and Rescue Services.

The College plays an increasingly important role, both domestically and internationally, through the development of business relationships with other UK public and private sector organisations. The College has an international reputation for excellence and a wide spectrum of global clients.

The Secretary of State for CLG is responsible for the policy framework within which the College operates, for determining its role within that framework and for its strategic objectives. The Secretary of State also sets the College's annual financial and performance targets.





“I consider it a privilege to be a member of the Fire Service College Management Board and to be able to represent the interests of the service as the College continues to grow in importance. Much work has already been completed to ensure that the College is more flexible in meeting current and future demands, is more customer-focused and more importantly is ‘re-energized’ to ensure it is able to support the Fire and Rescue Service as it continues its journey of improvement.”

Barry Dixon, Operational Adviser to the Fire Service College Management Board

1234

Introduction

Governance

College operations are overseen by the Fire Service College Management Board which, since July 2008, has consisted of four Executive Directors, including the Chief Executive, and four Non-Executive Directors. Two of the Non-Executive Directors have been appointed by CLG, with one of the CLG appointments acting as Chair since August 2008. An Operational Adviser from the Fire and Rescue Service, the Head of HR and the Chief Information Officer also attend each meeting.

The work of the Management Board continues to be underpinned by important contributions from the College's Audit Committee, Capital Expenditure Board, Health and Safety Steering Committee and the College Executive Group. The role of the College Executive Group is currently being reviewed, to ensure that it continues to provide meaningful business oversight and advice to the Management Board.

During the second half of 2008-09, the College's Management Board and senior management team focused on formulating a joint transformation strategy with CLG, through the *Building the Future Fire Service College* (BFFSC) project. In partnership with CLG, the College has co-created a future strategy for financial sustainability and commercial success. The strategy is focused on anticipating and meeting customer needs, sales growth, reducing costs and securing capital investment through the sale of surplus assets. The College has already made considerable progress in each of these areas. It has:

- strengthened its relationship with CLG and the Fire and Rescue Service through partnership and collaborative working
- transformed and embedded its course design and delivery model providing greater flexibility, geared to customer needs
- acted as a centre of excellence for multi-agency training by expanding its provision to other organisations such as the Highways and Environment Agencies; together with its commercial and international provision
- secured an unprecedented level of sales in advance of the 2009-10 financial year
- reduced its costs

There is a renewed clarity of direction amongst staff and stakeholders, and a clear understanding that, for the College to continue delivering what it does best and fulfil its true potential, it needs to operate on a fully commercial basis.

Our people

The College places a premium on its people having the right skills, motivation, training, information and resources to enable them to meet the challenges and become proactively engaged in the reality of change.

The College is continuously looking at ways to improve skills sets across the business. Consequently, we have significantly adjusted our staffing model in line with the changing business needs and will continue to do so. This year we have introduced a state-of-the-art teaching qualification course for our teaching staff, and have scoped a highly customised management development programme, which will be an essential component in driving further transformation.

The College does not discriminate on the grounds of age, sex, ethnic origin, religious or philosophical belief, sexual orientation, trade union membership or disability. We follow the principle of fair and open competition in our recruitment campaigns, ensuring compliance with the requirements of the Civil Service Commissioners.

Proactive communications and staff engagement have been a vital part of the changes introduced this year. The College continues to encourage employee participation in initiatives and projects that support the College's overarching aims and aspirations.

Staff Survey and Investors in People (IiP) assessments took place in November and December 2008 respectively. The College retained its IiP status, and the Staff Survey scores were higher overall than the previous full survey, showing significant improvements in staff perceptions of the openness and honesty of the Management Board, Communications and Stakeholder Engagement. Despite these positive advances, we strongly believe that more still needs to be done, and we will be striving for further improvements during 2009-10.

Details of the pension schemes open to College staff can be found in the Remuneration Report at Annex A to the Accounts.

The College's IiP Assessor was impressed by the enthusiasm and commitment of the staff he interviewed during the most recent audit, stating that it was the most positive response he has received in the eight years that he has been conducting reviews at the College.



1234

Management Commentary (business)

Placing the College at the heart of the Fire and Rescue Service

The provision of effective, relevant and affordable operational and leadership training to the Fire and Rescue Service is our core business. We continue to actively support the Fire and Rescue Service in the delivery of its local and national priorities, and look forward to expanding on the collaborative working and partnerships that have come to characterise the strengthened relationship between the College and the Service in 2008-09.

Fire and Rescue Conference 2008

The vital role that the College plays in supporting the Fire and Rescue Service was evident in the best attended workshop session at the Fire and Rescue Conference, held in Liverpool, in August 2008.

The workshop, entitled Firefighter Safety and Maintaining Operational Assurance, was chaired by Chief Fire Officer Barry Dixon (Greater Manchester Fire and Rescue Service). Assistant Chief Fire Officer Kieran Nolan (Greater Manchester Fire and Rescue Service) spoke about the flexible programmes developed by the College, and the value for money that had been achieved by using the College. He questioned how it might be possible to achieve national resilience and effective national mutual assistance without utilising the skills of the College for joined-up operational command competence.

Chief Fire Officer Mark Smitherman (South Yorkshire Fire and Rescue Service and CFOA Health and Safety lead) stressed the role of the College in ensuring national standards, developing operational doctrine, and supporting the national evolution of a learning and development process.



In 2008-09:

- Approximately 8450 students undertook training at the College.
- The College ran 20 weekend courses, the majority being Urban Search and Rescue (USAR) exercises.
- 637 delegates from the UK Fire and Rescue Service were able to undertake operational training in their own locality, demonstrating the College's commitment to meeting customers' individual requirements.



1234 Management Commentary (business)

Sally Sheen, College Chief Executive, described how the College was continuously adapting to meet Fire and Rescue Service needs and outlined her vision for the College: firmly at the heart of the Fire and Rescue Service.

National Breathing Apparatus Competition

In October 2008, the College was proud to host the first National Breathing Apparatus competition. Ten teams from across the UK Fire and Rescue Service participated in this event, and were assessed throughout the day by representatives from a number of other Fire and Rescue Services UK-wide.

Throughout the competition Fire Crews were set realistic firefighting, search and rescue, command and control tasks.

The eventual winners were Humberside Fire and Rescue Service, with South Wales Fire and Rescue Service coming in second, and Tyne and Wear Fire and Rescue Service in third place. As winners of the trophy, Humberside Fire and Rescue Service decided that it should be housed at the College between competitions, further reflecting the status of the College as a focal point for the UK Fire and Rescue Service.



Case study

Resilience

The College's role at the heart of the Fire and Rescue Service, equipping firefighters to deal with major national incidents, has been emphasised by two key events in 2008-09. Firstly, the College's success in beating over 200 organisations to be named as 'Best Provider of Training and Education' nationally for its work in developing and delivering a range of training programmes as part of the New Dimension programme providing UK firefighters; with specialist life-saving USAR skills to enable



them to deal with natural disasters and terrorist attacks. Secondly, through the successful award in March 2009, of a contract with the National Resilience Assurance Team to be the central training provider for national resilience capability in England. Integral to ensuring consistency of practice across the Country is the establishment of the National Resilience Secretariat, based at the College, to co-ordinate all national capability functions. The College works closely in partnership with the Secretariat to ensure that the national resilience training requirement, both existing and emerging, is defined, designed and delivered to the maximum advantage over the next three years.

Gary Dobson, Director of Operational Policy and Training for London Fire Brigade and Chair of the National Resilience Training Working Group, commented on the contract: "The College is fully supportive of the more dynamic approach to training we wish to introduce. This will allow us to provide training that addresses the risks that are identified from operational incidents.

The College is fully prepared to be flexible according to our direction including the introduction of more complex training evaluation processes. This will ensure we provide the right quality of training using its facilities.

The incident ground at the College is perfectly suited to the range and type of training we are looking to introduce in future years. It is an incredibly exciting time; we have started off on a very positive footing which ensures we include the needs and information from all of the regions and capabilities. The College has demonstrated a very flexible approach, to ensure that they cater for our needs moving forward, enabling us to continually improve our National Resilience capability!"

1234 Management Commentary (business)

Working with other government departments

As well as re-affirming its value in supporting the UK Fire and Rescue Service, the College has also established itself as a key provider of training for other Government and public sector bodies.

The excellent facilities available on the College site, and the wide range of uses to which they can be put, have been significant factors in securing training agreements with organisations including the Environment Agency and the Highways Agency.

The College's facilities, and the first class quality of tuition provided by College staff, have meant that the College has also been able to establish itself as a main provider of multi-agency training. This is an expanding area of business and one which has assumed an increasing significance in recent years. The College is ideally placed to equip personnel across the Emergency Services and beyond, to respond to major incidents in an effective, joined-up way.



‘I am greatly encouraged that the Fire Service College continues to play a vital role in the development of firefighting and fire prevention skills not only at home but across the world.’

Sir Ken Knight, UK Chief Fire and Rescue Adviser, addressing the first Kuwait International Fire Safety Conference and Exhibition sponsored by the College and the Kuwait Fire Service Directorate

The international and private sector

Whilst playing a pivotal role in supporting the UK Fire and Rescue Service, the College also continues to play a vital role in the development of firefighting, fire prevention, rescue, contingency and leadership skills across the world. There is a long tradition of the College working in collaboration with international Fire and Rescue Services, some extending back over 40 years, and our international reputation for excellence is first class.



Case study

Fire Service College assists Training in Africa



As well as supporting UK Fire and Rescue Services, the College has also been involved in projects which promote and support the work of firefighters across the globe. One such example occurred in October 2008, when the College was involved in a multi-agency project to provide first stage basic training to a group of trainee firefighters in Dar es Salaam, Tanzania. The project was launched earlier in 2008, when a party from Operation Florian - the UK Humanitarian Firefighting Charity, together with the Asian Fire Service Association and the Fire Service College visited Dar es Salaam to conduct a scoping visit to assess the needs of the local communities. A meeting was held with the Prime Minister's Office to discuss the group's involvement and a programme of training was agreed. The training, which consisted of a two week programme of pumps, ladders, and basic firefighting skills, was then delivered by instructors from the College and Operation Florian. Following the visit, three surplus fire appliances were sourced from the College, and equipment from Operation Florian and the UK Fire and Rescue Services. The project in Tanzania was delivered on a humanitarian basis and was fully funded by a donation from local business, paying for all shipping, accommodation and travel costs of instructors.

1234 Management Commentary (business)

In April 2009

the College was recognised by the British Accreditation Council (BAC) as an independent provider of further and higher education, delivering an outstanding service to its delegates. The BAC inspection rigorously assessed the quality of training, health and safety management, delegate welfare and quality management. This recognition is critical to support further work and planned growth in the non-EU international sector.

Our achievements

The quality and effectiveness of the College's course design and facilitation blends the skills and experience of seconded officers from all over the UK with the specialist expertise of permanent and visiting teaching staff. The level of realism offered by our courses provides a learning experience which is second to none, and full use is made of the world-class range of rigs and facilities on the College's unique incident ground.

The College provides quality, flexible and customer-focused training at its Moreton-in-Marsh site, or wherever it is convenient for the customer, or where conditions are most suitable for learning outcomes to be achieved.

The College has positioned itself at the cutting edge of training delivery. New courses have been developed and others revised across all disciplines, allowing College delegates to develop world-class skills in response to the ever-changing demands placed upon them. Many courses have been shortened and others have been scheduled for weekends, making them more accessible and easier for delegates to fit in around their busy lives. The College has developed its courses to support modern methods of learning, and has incorporated an increased number of 'e-learning' components into its training offerings. We strongly believe that the provision of blended and e-learning solutions will further improve access for all students.

Miscellaneous Facts

- The College's rigs, materials, systems of work, health and safety standards and training scenarios replicate UK risks and scenarios better than anywhere else in the world.
- To date, the College has trained over 7,000 Fire and Rescue Service staff in operating the wide range of New Dimension equipment, whilst also significantly driving costs down.
- USAR, High Volume Pumping and Mass Decontamination training is available from the College for all areas of expertise and at all levels.
- Assessment methods include practical assessments, observation and written examinations, some of which are validated by Coventry University School of Disaster Management.
- Fire and Rescue Services can use the site for their own training purposes: 36 hour exercises are currently run over weekends, delivered solely by customer staff.

1234 Management Commentary (business)

FireLearn

In April 2008, the Fire Service College launched FireLearn, its online learning management system. FireLearn is transforming the way in which the College is able to support its customers organisationally and learners individually. In the first year of operation, over 7,500 learners were enrolled online.

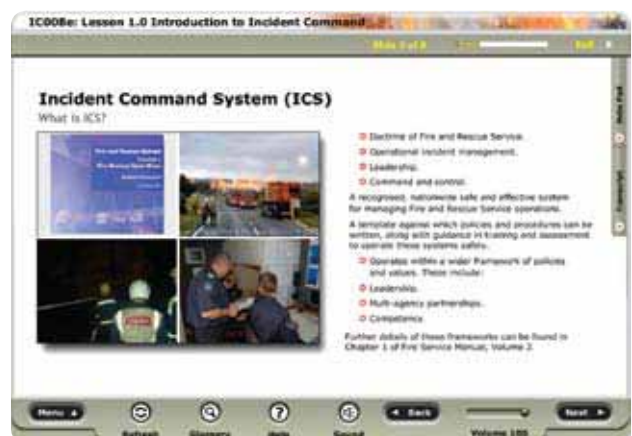
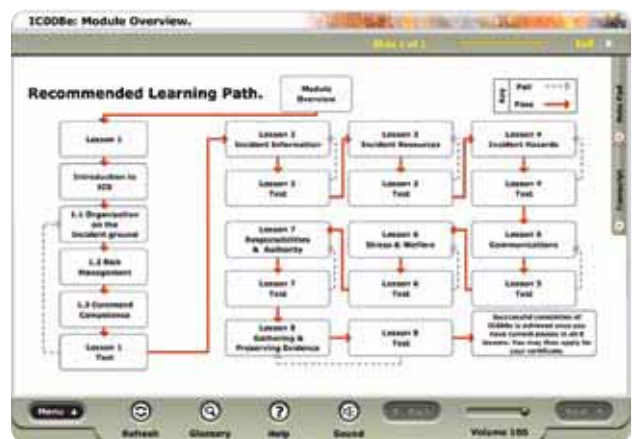
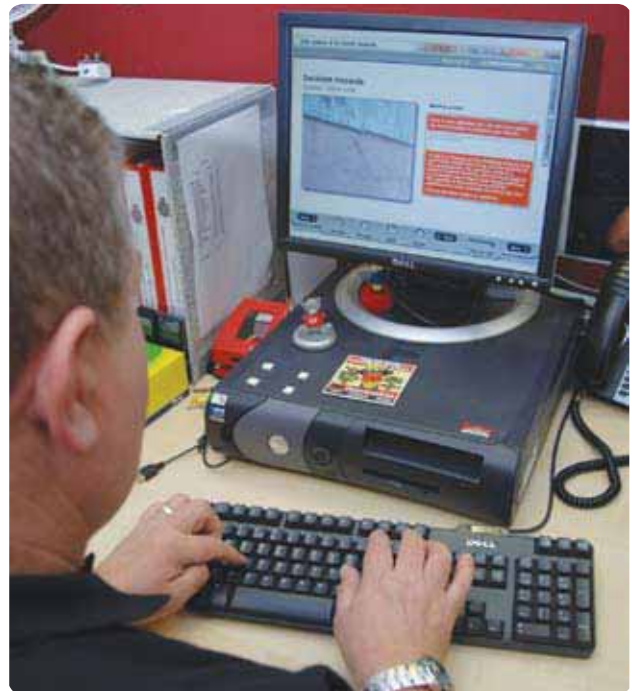
The College is continuing to develop new courses, revise existing ones and to further extend its customer care, by providing learners with the ability to manage their own time more flexibly and undertake opportunities for life-long learning with the College.

“The experience for me was excellent from start to finish. The training staff were great, and conveyed their skills to the group with great efficiency. I have developed my own knowledge greatly and the course has raised both my awareness and confidence when dealing with RTC management.”

Student, November 2008

“I enjoyed the course, very good instruction, good pace lots of learning points. The course has improved my overall skills as a trainer.”

Student, January 2009



‘I achieved my objectives from the course and I am now much more confident ... The tutor presented the course content in a very supportive style. He addressed the needs of the students as required. It was very clear he was very knowledgeable of his subject.’

Student, January 2009

Hazardous Materials and Environmental Protection (HMEP):

In May 2008, the College launched its new HMEP course, comprising a unique blend of online learning, delivered via the College's online learning management system FireLearn, with additional classroom and incident ground inputs.

Aimed at flexible duty officers preparing to take up the role of Operational Hazmat Officer, the new course is dramatically different to its predecessor; a five week residential course, illustrating our new approach to design and delivery. It offers learners the flexibility of the e-learning experience and requires them to spend less time away from home and work. It provides the opportunity to gain practical experience of hazardous materials analysis using wet chemistry procedures, with high-level underpinning knowledge, as well as practical hands-on experience of high explosives and complex problem solving.



In January 2009

two new university diplomas were validated by the Coventry University School of Disaster Management, complementing the highly successful Specialist Rescue Diploma delivered in association with the USAR programme. These new diplomas offer exciting opportunities for delegates to achieve transferable university recognition for training undertaken at the College, and attract Government funding. In total seventeen courses are now supported and validated by Coventry University; a further ten are available through the College's partnership with the Outreach Organisation.

1234 Management Commentary (business)

Trench Rescue

Existing construction industry trench rescue courses provide training using on-site industrial equipment. They do not, however, utilise any of the equipment carried by most major rescue vehicles within the Fire and Rescue Service. To meet this important need, the College has developed a trench rescue course that will considerably increase the capability of the FRS. The course combines knowledge acquired from the UK construction industry, existing UK Fire and Rescue

Service rescue skills, and subject-specific skills. The training covers all aspects of trench rescue including theory, legislation, health and safety, safe working practices, awareness of industrial equipment and practical techniques using metal and timber shoring equipment. The outcome is a trench rescue course suited to both the operational response provided by the UK Fire and Rescue Service, and the similar requirements of Private Sector customers.



The trench rescue course has already helped to fill a skills gap identified by Fire and Rescue Services themselves. Firefighters from South Wales Fire and Rescue Service successfully put their newly-acquired skills into practice during a trench rescue within days of attending the course.

‘This is a perfect example of partnership working between the FSC and our FRS, which resulted in truly customer-focused learning and development.’

Student, April 2009

‘I found the course a great help, it has made me think about the bigger picture; taking that step back and not looking at it from a watch commander’s point of view.’

Student, February 2009



Incident Command

To complement our more intensive practical programme, the College has developed a state-of-the-art e-learning package to deliver critical underpinning knowledge for Incident Command. The e-learning materials are delivered through FireLearn, allowing users to conduct their learning and development more flexibly. This can be used either as a stand-alone package or form part of a blended learning approach.

The e-learning module is based on Fire Service Manual Volume 2 (3rd Edition), Fire Service Operations, Incident Command, in conjunction with the National Occupational Standard Watch Manager 7. It supports operational Fire and Rescue Service staff performing a supervisory manager’s command role, so they have the requisite knowledge, understanding and skills to carry out this responsibility effectively and safely.

Bespoke Incident Command Team Training

The College’s bespoke training provision has continued to grow in popularity, with excellent feedback from both delegates and customers. The College is ideally suited to developing and delivering bespoke scenario-based Command Team training courses for Fire and Rescue Services.

One of many examples has been the development and delivery of a one-day course that brings together all levels of Fire and Rescue Service’s operational management to deal with a range of scenarios. In these training scenarios, each operational manager fulfils their respective role and interacts with colleagues and other agencies, just as they would in a real incident. The operational scenarios used are developed in conjunction with the Fire and Rescue Service and test all levels of command. The course takes place in the College’s Simulation Suite, and is facilitated by College Incident Command tutors.

1234 Management Commentary (business)

Case study

Incident Command Team Training



In February 2009, the College delivered a bespoke, one-day Command Team training course for Wiltshire Fire and Rescue Service.

The operational scenarios dealt with by the Wiltshire team included a large unsprinklered warehouse fire, a fatal fire in a residential home, a terrorist attack on a shopping centre, and a fire at Salisbury Cathedral.

Andy Goves, Wiltshire's Chief Fire Officer said:

“ All operational scenarios used on the day were extremely relevant and testing at the appropriate levels of command.

The obvious enthusiasm and participation of all concerned, and the effective debriefing and skilful examination of learning points by the College's tutors, made this day really successful for our staff.”

Road Traffic Collision Instructor (RTCI)

Road traffic collisions represent the largest number of incidents attended by the Fire and Rescue Service. With increasing technological challenges, and the need for new methods of rescue, the College introduced a new RTCI course in June 2008. Previous delegate feedback was crucial to the development of substantially revised training, utilising new presentations, practical elements and delegate notes. The newly designed, two week course introduces advanced space creation techniques, a module in Heavy Vehicle Rescue, and includes sessions on new vehicle technology and vehicle safety systems.

Case study

The College's firm commitment to establishing meaningful partnerships is illustrated by the involvement of London's Helicopter Emergency Medical Service (HEMS), who deliver trauma training to delegates, with one day of theoretical trauma, attended by three doctors and three paramedics.





1234 Management Commentary (business)



Photo courtesy of Humberside Fire and Rescue Service

Practising Community Safety

The Fire Service College not only supports its clients through the delivery of first-class operational training, it also helps to equip them to conduct essential fire prevention activity.

A new course, Practising Community Safety, has been launched this year and, as a demonstration of the College's commitment to meeting customers' individual requirements, it has already been delivered locally, within individual Fire and Rescue Services.

The course is aimed at all Community Safety staff who are either new to this specialist role or looking for development in this area as part of their wider operational duties. Topics include an awareness of the legislative requirements in community safety, communication skills, child protection awareness, the processes involved in recognising trends, target audiences and how to create initiatives to reach those audiences. The course has a BTEC Level 3 qualification attached to it, making it an even more appealing option for delegates.

Case study

The College's emphasis on being customer-focused and flexible in terms of its delivery is well illustrated in the new Practising Community Safety course, launched in 2009.

In March 2009, the College ran the course locally for Humberside Fire and Rescue Service, for their own community safety staff, making it more accessible for all delegates.

Andy Caley, Technical Fire Safety Manager (Research and Policy) with Humberside Fire and Rescue Service, said: "We used the College on an outreach basis to provide the course, which met the needs of both our Community Safety Advocates and our experienced firefighters.

The course was extremely well received by our staff and highlighted a number of areas where we could expand the delivery of our service.

We are looking to procure the same course in the near future in conjunction with neighbouring fire and rescue services."

The Centre for Leadership (CfL)

The CfL has continued to work with the Fire and Rescue Service and in a close collaborative partnership with the CFOA, the LGA, and Learning and Development Managers, to identify and meet the leadership development needs of the Service, both now and into the future.

The first tranche of senior leaders has completed the flagship Executive Leadership Programme, which was delivered through the internationally-renowned Warwick Business School.

The CfL has also provided a range of flexible development opportunities for Principal Officer level personnel, to meet their individual needs, ranging from coaching to access to the Ashridge Virtual Learning Centre.

Our extremely popular 360 Degree Feedback and Facilitator Training has proved particularly effective in building capacity and capability locally.

During the course of the year we have reconfigured the CfL to enable us to bring in a wide range of specialist skills, and to expand the range of learning in line with strategic and local priorities.

In January 2009

the College was awarded the ISO 9001:2008 certification in recognition of its business processes. This kitemark is recognition of the excellent business processes which support our day-to-day work, and covers the whole of the training delivery function.

Quality and Effectiveness

The College was officially named as the country's top provider of education and training for 2008 when it won the prestigious National Training Award (NTA), which is run by UK Skills on behalf of the Department for Business, Innovation and Skills (DBIS).

The College won the Providing Education and Training category as the best provider of training for its work in developing a new programme to provide UK firefighters with specialist life-saving USAR skills to enable them to deal with natural disasters and terrorist attacks. This is in addition to the College's success at the regional NTA finals, where it became the first organisation ever to win four awards.

In winning the national award, the College beat over 200 organisations from across the private and public sectors. The triumph is all the more remarkable, given that it was the first time that the College had entered the awards, which are recognised as the hallmark of success in the field of training and development.

There were individual awards for:

- **Richard Johnes** in recognition of his services to fire prevention, in particular his work in arson prevention, through developing a suite of courses which have been effective in reducing the number of fires started by young people
- **Bob Rea** for his personal contribution to the Civil Resilience programme, which continues to have a very significant impact throughout the UK

1234 Management Commentary (business)

Opportunities, challenges and the future

The College remains uniquely placed to support its customers and their need for safety critical training. Partnerships and innovation are at the heart of our short and long-term strategy which, importantly, positions the College as the partner of choice for the Fire and Rescue Service.

Customer Focus

The College will build on the enormous strides it has made in developing customer-focused flexible provision, and the proven quality and effectiveness of its learning solutions.

Innovation

The College will continue to develop further new and revised courses, based on up-to-date training methods (including online learning opportunities and online communities of practice) that reflect national standards, industry best practice and are able to respond dynamically and intelligently to ever-changing risks and needs.

Partnership

The College will continue to strengthen its well-established relationships and partnering arrangements with stakeholders, including CLG and other Government Departments, CFOA, the Fire and Rescue Service, and the Fire industry, together with international and commercial organisations. It will also continue to seek greater strategic input to the business from its core customers through its Strategic Stakeholder Board and other forums.

We will also continue to support the work of the Chief Fire and Rescue Adviser in full.

Growth

The College's strategy for growth centres on: increasing throughput from within the UK Fire and Rescue Service, particularly focused on Incident Command and other safety critical training; expanding delivery to the commercial sector including Utility companies and the Oil and Gas industries; and further opening the College

up as a resource for other Emergency Services and other Government Departments, in support of the Government's wider efficiency agenda to promote a more joined-up approach to public services.

Efficiency

The College will continue to seek to decrease its operating costs through the reduction of its administrative and corporate overheads, and the establishment of a more flexible and scalable delivery cost model.

The College has reviewed and revalued its fixed assets during 2008-09 and will continue to rationalise usage where practical in pursuit of further efficiencies.

Site Regeneration

The College will implement its strategy for site redevelopment, focusing initially on the provision of further en-suite accommodation and generating capital investment through small scale disposal of surplus land. The College will also proactively pursue opportunities for sponsorship, in order to increase the level of investment in site facilities and operations.

To date

over 4,700 firefighters from across the country have been trained as part of the College's USAR programme, which also trained trainers from the UK Fire and Rescue Service, equipping them with the skills and understanding to be able to train their own staff.

‘ The Fire Service College’s work in developing and delivering the Urban Search and Rescue training programme represented a first class example of experiential learning which is now receiving worldwide recognition. ’

Judges of the National Training Awards 2008

Our visitors

The Fire Minister

Early in 2009, the then Fire Minister, Sadiq Khan MP visited the College to meet members of the USAR team responsible for delivering the training programme that has given UK Fire and Rescue Services the capability to deal with large-scale disasters. Several weeks before the Minister’s visit, the USAR team had been named as winners of the prestigious National Training Award for their training programme.

Sadiq Khan presented certificates to members of the College’s USAR team, talked with teaching staff and also visited the College’s memorial to firefighters who have lost their lives whilst on duty protecting the public.

Mr Khan met Chief Executive Sally Sheen and members of the College Management Team to discuss the ways in which the College has been transforming the way it does business, seeking further improvement, whilst continuing to provide quality and value for money.

Chief Fire Officers

In February 2009, Chief Fire Officers from across the UK gathered at a special event at the College, to consider the future direction of the College and the progress that it has already made in transforming the way it does business.

Chief Executive Sally Sheen outlined the future strategy for growth and capital investment at the College. Meanwhile, Shona Dunn, Director of Fire and Resilience at CLG, gave unequivocal support for the College, describing the collaborative approach to working that their respective organisations had taken.



The Chiefs considered the ways in which the College has already transformed, offering highly flexible solutions to meet Fire and Rescue Services needs. They were pleased to see that the College was living up to its promise of working more flexibly, to offer Fire and Rescue Services what they wanted, and that it was taking a strategic view of what it offers to the service as a whole. As well as considering the College’s pivotal role in delivering operational assurance, they heard how courses had been made more accessible, affordable and family friendly, by reducing their length, providing e-learning materials and delivering training at Fire and Rescue Service venues as required.

At the close of the event, Charlie Hendry, President of the CFOA, led a discussion on the way forward for Fire and Rescue Services and the College, centred on an operational focus and interoperability.

1234 Management Commentary (business)

Case study

Fire and Rescue Service Chaplains

The College supports all aspects of the life of the Fire and Rescue Service, including the work of its Chaplains. In September 2008, the College hosted the annual conference for the National Association of Fire Service Chaplains. The three day conference was filled with presentations, workshops and interesting discussion.

The Reverend Richard Johnson commented on the event:

“ Coming to the FSC is an important opportunity for us as chaplains. Not only does it provide the chance to network together, exchange ideas and support each other in our work, it gives us many insights into the issues facing the Fire and Rescue Service across the country, and we are able to see the excellent training that is available to support their work.”



Our community and environment

The College is committed to pursuing sound environmentally-friendly practices in its operations at the Moreton-in-Marsh site. We have a Sustainable Operations Policy which sets out our aims and objectives for improving the sustainability of our operations, in line with the targets for *Sustainable Operations on the Government Estate* announced in June 2006 and subsequent targets and standards. This applies to all parts of the College, all of its contractors and the facilities management companies that are managing or working on the College site.

As one of the largest employers in the North Cotswolds, the College strives to be a trusted citizen and an integral part of the local community. Through our regular and active involvement in local events, many of them hosted at the College, we have close relations with the local and wider community, based on a relationship of mutual trust and respect.



1234

Management Commentary (performance)

Our Performance

The College's performance is based on the key strategic objectives agreed with CLG and Ministers at the beginning of each financial year. Four strategic objectives were jointly agreed for 2008-09:

1. Continue to progress towards a sustainable financial model through the realisation of new and wider revenue opportunities, the further development of a cost effective operational delivery system and the identification of additional efficiencies in corporate services and support functions.
2. Continue to exceed the expectations of the UK Fire and Rescue Service customer; thereby establishing the College as the provider of choice for Incident Management and Fireground based training; recognise the wider business needs of our core customer by developing collaborative multi-agency training opportunities for Emergency Response services.
3. Further embed the Organisational Development Centre (ODC) as an acknowledged national resource for the UK Fire and Rescue Service.
4. Work in partnership with CLG sponsors (Fire and Rescue Service Development Division) to improve working relationships, to address the recommendations of the Mouchel Parkman and Shareholder Executive reviews, and to jointly create a Fire Service College and infrastructure befitting the expectations of our stakeholders.

The HM Treasury Minute under which the College Trading Fund operates sets two further specific financial targets:

- I. To manage the funded operations so that the revenue of the fund:
 - a. Consists principally of receipts in respect of goods or services provided in the course of the funded operations; and
 - b. Is not less than sufficient, taking one year with another, to meet outgoings which are properly chargeable to the revenue account.
- II. To achieve a return, averaged over the period as a whole, of a minimum of four per cent in the form of a surplus on ordinary activities before interest (payable and receivable) and dividends expressed as a percentage of average capital employed. Capital employed shall consist of the public dividend capital, the long-term element of loans (if any), and reserves.

Performance measurement for the College has focused on the achievement of the strategic objectives highlighted above, together with a series of more detailed key performance indicators (KPIs). The following KPIs were agreed with CLG for the year; and the College's performance against each KPI is set out in the following table:



1234 Management Commentary (business)

Key Performance Indicator	Unit	Target	Due Date
FINANCIAL:			
Achieve Overhead Reduction Target of at least 5%	£k %	£8,255k 5%	Exceeded 7.5% Achieved
CUSTOMER:			
Implement Total Quality Management System for Training Delivery by September 2008 including Diversity Monitoring	Date	Achieve September 2008	Achieved
85% of Purchasers State Objectives were Met and Learning was Effective	%	85%	Measurement Postponed to FY2009-10
Maintain Overall Delegate Satisfaction with the Training Product at 94%	%	94%	Exceeded Satisfaction Rating of 96% Achieved
Strategic Stakeholder Panel Set up by Autumn 2008	Date	Achieve Autumn 2008	Achieved
BUSINESS PROCESS:			
Produce First Management Information Report on Accommodation Utilisation (and Bi-monthly with Commentary thereafter)	Date	Achieve June 08	Achieved
Produce First Management Information Report on Teaching Staff utilisation by Course (and Bi-monthly with Commentary thereafter)	Date	Achieve October 08	Achieved
Produce First Management Information Report on Rig and Classroom Utilisation by Course (and Bi-monthly with Commentary thereafter)	Date	Achieve June 08	Achieved
Deliver Bi-monthly Summary Reports on Milestones, Trajectory and Risks for the Pathway Group funded activity in the Organisational Development Centre (ODC), and Full Costing for each Product and Service, with Overheads, by Year End	Date	Achieve April 08	Achieved
INNOVATION:			
Develop and Deliver eight New Products with Consideration of e-Learning Potential as part of Design Criteria	Number	Achieve March 09	Exceeded
Produce ODC Product Pricing Projections on a Full Cost Recovery Basis for consideration by Pathway Group	Date	Achieve June 08	Achieved

The College's performance against all its targets has been monitored throughout the year, through the dedicated sponsorship team located within the CLG Fire and Resilience Directorate. In particular, performance has been reviewed through:

- regular reporting by the Chief Executive to the Fire Service College Advisory Board, which has met twice this year
- the submission of monthly management board reports to the sponsorship team
- regular liaison meetings with the sponsorship team

Personal Data

This year, the College has reported no protected personal data related incidents to the Information Commissioner's Office and has been the subject of no other protected personal data related incidents. The College's policies and procedures for such incidents are compliant with the mandatory standards laid down by Government and continue to be the subject of review to ensure ongoing compliance.

1234

Accounts 2008-09

Financial Report

Financial Results and appropriations

The deficit on ordinary activities (after interest and before exceptional items) for the year was £2,261,000 representing a return on the average net assets employed of -4.8% (2007-08 deficit £925,000, -1.69%). In addition to this trading deficit a major revaluation of the College land and property assets was undertaken in the year, resulting in a reduction in net assets employed of £14,315,000 and an exceptional charge to the Income and Expenditure Account of £12,264,000.

The College's parent department, the Department for Communities and Local Government (CLG), has undertaken a detailed review of College operations and future sustainability during 2008-09 and has indicated its continuing support for the College to operate as a trading fund at the present site for the foreseeable future.

The sponsor department within CLG has agreed to waive the College dividend payment for the year in the light of the deficit incurred and with regard to the need for the College to retain adequate cash balances for working capital purposes. The College has obtained outline agreement to short term working capital finance from CLG should any liquidity pressure arise in the next twelve months.

Public dividend capital

Part of the capital of the fund as at 1 April 1992 amounting to £16,721,000 was deemed to be treated as Public Dividend Capital (note 14).

Fixed assets

In accordance with the provisions of FRS 15, the College has, where appropriate, divided assets into major components and has depreciated each component over its individual useful economic life. Development costs for new products are capitalised as Intangible Assets and the expenditure amortised over the period of expected commercial value.

Financial and accounting arrangements

The Secretary of State is the authorised lender to the fund. The Fire Service College Trading Fund Order 1992 imposes a limit of £15,000,000 (excluding the originating loan) on the sums that may be issued to the fund by way of a loan.

The financial objectives of the Fire Service College are detailed in a Treasury Minute dated 15 January 2004.

Auditor details

The College is audited by the Comptroller and Auditor General, though the practical delivery of the financial audit is subcontracted to Deloitte LLP. The auditor is appointed by statute and reports to Parliament. The scope of the audit is set out in the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament, published as part of this Annual Report.

The audit fee for the statutory audit undertaken by the Comptroller and Auditor General for the 2008-09 financial year was £56,000. Additional services to the value of £5,700 in respect of preparatory work for the adoption of International Financial Reporting Standards were also provided to the College by the auditor.

1234

Accounts 2008–09

Financial Report

Audit Information

The Accounting Officer and Directors of the Fire Service College at the date of approval of this Report confirm that:

- so far as the director is aware, there is no relevant audit information of which the auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Payments to suppliers

The Agency observes the principles of the Better Payment Practice Code on prompt payments. Its policy is to pay all bills not in dispute within 30 days of receipt of a valid invoice or within the agreed contractual terms if otherwise specified. The Director of Finance monitors bill paying performance and advises the Chief Executive. In 2008-09 99% (2007-08, 99%) of invoices were paid within 30 days of receipt.

Future Look/challenges and opportunities

Following completion of the Building the Future Fire Service College project in partnership with CLG the College is working with customers and stakeholders to ensure the continuing development of a sustainable operational model through the pursuit of the following four strategic objectives, outlined in the 2009/10 Agency Business Plan:

- Progress towards a sustainable business model by operating on an explicitly commercial basis, achieving a trading surplus of £0.8m, overhead cost reductions of £0.7m and generating capital funds for re-investment through site rationalisation. Demonstrate progression towards sustainability through the payment of a partial dividend of £0.8m to CLG in March 2010.
- Increase training revenue levels by £2.4m and enhance organisational resilience through the identification of new market segments and the expansion of the current customer base, particularly through the utilisation of unique College assets and products and through the realisation of private sector opportunities.
- Continue to exceed the expectations of the FRS customer through the quality of our products, the training delivered and the learning outcomes achieved. Support achievement of this objective through the delivery of ten new products, more competitive pricing and embedding customer focus throughout the organisation.
- Work in partnership with CLG sponsors (FRS Development Division) to ensure delivery of the agreed milestones and outcomes from the BFFSC Project and to continue progression towards a Fire Service College and infrastructure that fully meets the expectations of the Fire and Rescue Service.

Summary of 5 year results

Year ending	31 March 2009 £000s	31 March 2008 £000s	31 March 2007 £000s	31 March 2006 £000s	31 March 2005 £000s
<i>Income Sources</i>					
Training	14,553	12,901	13,786	13,476	14,158
IPDS/NADC Development	110	805	861	1,633	2,556
Other Income	6,916	8,908	7,948	7,271	6,897
Total Income	21,579	22,614	22,595	22,380	23,611
<i>Operating Costs</i>					
Staff Costs*	11,169	10,533	11,078	10,756	11,255
Depreciation	2,753	3,225	2,752	2,712	2,436
Other Costs	9,918	9,781	9,521	10,068	10,294
Total Operating Costs	23,840	23,539	23,351	23,536	23,985
Deficit on Ordinary Activities	(2,261)	(925)	(756)	(1,156)	(374)
Subsidies & compensation	–	–	–	–	–
Exceptional Income	–	–	–	–	–
Exceptional Expenditure	(12,264)	–	–	(700)	–
Deficit	(14,525)	(925)	(756)	(1,856)	(374)
<i>Costs as a percentage of income</i>					
Staff Costs	52%	47%	49%	48%	48%
Depreciation	13%	14%	12%	12%	10%
Other Costs	46%	43%	42%	45%	44%
Total	111%	104%	103%	105%	102%
Fixed Assets	40,713	67,743	64,589	60,134	58,093
Investment in fixed assets	1,082	2,304	2,713	2,008	11,426
(Decrease)/Increase in cash	(1,032)	(1,431)	(848)	(889)	(845)
Staff Numbers**	244	260	273	309	313
Average Staff Cost	46	41	41	35	36

* These figures exclude the cost of staff working on product development

** These figures are based on average Full Time Equivalents employed during the year, excluding staff working on product development – see note 4



Sally Sheen
Chief Executive
14th July 2009

1234

Accounts 2008–09

Financial Report

Statement of Trading Fund's and Accounting Officer's Responsibilities

Under Section 4(6) of the Government Trading Funds Act 1973 HM Treasury has directed the Fire Service College to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction applicable to all Trading Funds issued by HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the College's state of affairs at the year end and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the accounts direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and to disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

The Secretary of State appoints the Chief Executive for the College in accordance with the Framework Document.

The Treasury has subsequently appointed the Chief Executive as the Accounting Officer for the Fire Service College. Her relevant responsibilities as Trading Fund Accounting Officer, including the responsibility for the propriety and regularity of the public finances for which she is answerable, for the keeping of proper records and for safeguarding the College's assets, are set out in "Managing Public Money" issued by HM Treasury.

The responsibilities for the operation of the trading fund are contained in the Framework Document and in the "Guide to the establishment and operation of Trading Funds" published by HM Treasury in May 2004. Chapter 13 of the latter document deals specifically with accountability.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of The Fire Service College for the year ended 31st March 2009 under the Government Trading Funds Act 1973. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement, the Statement of Total Recognised Gains and Losses and the related notes.

These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

The Fire Service College Chief Executive as Accounting Officer is responsible for preparing the Annual Report, which includes the Remuneration Report and the financial statements in accordance with the Government Trading Funds Act 1973 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Trading Fund's and Accounting Officer's responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Government Trading Funds Act 1973 and HM Treasury directions made thereunder. I report to you whether, in my opinion, the information, which comprises the Introduction, the Management Commentary, the Financial Report and the unaudited part of the Remuneration Report, included in the Annual Report, is consistent with the financial statements. I also report to you whether, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the College has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Fire Service College's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether the statements covers all risks and controls, or form an opinion on the effectiveness of the College's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Introduction, the Management Commentary, the Financial Report and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

1234

Accounts 2008–09

Financial Report

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the College and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the College's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Trading Funds Act 1973 and directions made thereunder by HM Treasury, of the state of The Fire Service College's affairs as at 31st March 2009 and of its deficit for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Government Trading Funds Act 1973 and HM Treasury directions made thereunder; and
- information, which comprises the Introduction, the Management Commentary, the Financial Report and the unaudited part of the Remuneration Report, included within the Annual Report, is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material aspects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Amyas CE Morse
Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London
SW1W 9SS
Date: 16 July 2009

Income and Expenditure Account for the year ended 31 March 2009

	Note	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Turnover	2	21,579	22,614
Cost of sales		(10,509)	(10,431)
Gross surplus		11,070	12,183
Administrative expenses		(13,007)	(12,915)
Trading Deficit	3	(1,937)	(732)
Exceptional item	3	(12,264)	–
Operating Deficit for the year		(14,201)	(732)
Interest receivable	5	62	195
Interest payable	6	(386)	(388)
Deficit on ordinary activities after interest and exceptional item	15	(14,525)	(925)

All operations are classed as continuing; there were no acquisitions or disposals during the year.

Relevant accounting policies and explanatory notes forming part of the accounts appear on pages 50 to 64 of this report.

Statement of Total Recognised Gains and Losses Year Ended 31 March 2009

	Note	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Deficit for the financial year	15	(14,525)	(925)
Unrealised (loss)/gain on revaluation of fixed assets	15	(22,794)	5,105
Unrealised gain/(loss) on backlog depreciation	7,15	9,698	(1,483)
Total recognised gains and losses relating to the year		(27,621)	2,697

1234

Accounts 2008–09

Financial Report

Balance Sheet as at 31 March 2009

	Note	31 March 2009 £000s	31 March 2009 £000s	31 March 2008 £000s	31 March 2008 £000s
Fixed Assets					
Tangible assets	7	39,827		67,137	
Intangible assets	7	886		606	
	7		40,713		67,743
Current Assets					
Stocks	8	56		93	
Debtors	9	5,838		6,306	
Cash at bank and in hand	10	1,111		2,143	
		7,005		8,542	
Creditors : Amounts falling due within one year	11	(6,894)		(7,412)	
			111		1,130
Net Current Assets			111		1,130
Total Assets Less Current Liabilities			40,824		68,873
Creditors : Amounts falling due after more than one year	12		(4,566)		(18,540)
Provisions for liabilities	13		(350)		(110)
Net Assets			35,908		50,223
Capital and Reserves					
Public dividend capital	14		16,721		16,721
Revaluation reserve	15		14,795		28,722
Income and expenditure account	15		(8,914)		4,780
Government Grant reserve	15		13,305		–
Taxpayers Equity			35,908		50,223



Sally Sheen
Chief Executive
14th July 2009

Cash Flow Statement Year Ended 31 March 2009

	Note	31 March 2009 £000s	31 March 2009 £000s	31 March 2008 £000s	31 March 2008 £000s
Net cash inflow from operating activities	20a		406		1,446
Returns on investment and servicing of finance:					
Interest received		62		195	
Interest paid		<u>(386)</u>		<u>(388)</u>	
Net cash outflow from returns on investment and servicing of finance			(324)		(193)
Capital expenditure and financial investment:					
Purchase of tangible and intangible fixed assets		<u>(1,084)</u>		<u>(2,304)</u>	
Net cash outflow from capital expenditure and financial investment			(1,084)		(2,304)
Financing:					
Payments on account		–		(350)	
Repayment of short and long term government loans		<u>(30)</u>		<u>(30)</u>	
Net cash outflow from financing			<u>(30)</u>		<u>(380)</u>
Decrease in cash in the year	20b		(1,032)		(1,431)

1234

Accounts 2008–09

Notes to the Accounts

1. Accounting policies

These financial statements have been prepared in accordance with the 2008-09 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the College for the purpose of giving a true and fair view has been selected. The College's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

a. Accounting convention

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain assets in a form approved by the Treasury in accordance with section 4(6) of the Government Trading Funds Act 1973.

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 1985 and accounting standards issued or adopted by the Accounting Standards Board.

b. Tangible fixed assets

Land is valued on the basis of purchasing a notional replacement site in the same locality, equally suitable for the existing use. Staff houses on site are valued at open market value. All other freehold buildings, site infrastructure and fireground facilities are valued at the depreciated replacement cost of their major component parts.

Assets valued on the basis of depreciated replacement cost are professionally revalued every five years, with interim valuations in year three if there is reason to believe that the replacement cost of an asset will have substantially changed. Indexation adjustments will be applied in the intervening years.

Vehicles, fixtures and fittings, computer equipment and software are included at current cost.

Depreciation is provided on all tangible fixed assets, other than freehold land and staff housing, at rates estimated to write off the valuation of each asset evenly over its expected useful economic life. These rates are as follows:

Freehold buildings and dwellings 10-50 years

Fireground facilities 5-50 years

Site infrastructure 15-100 years

Vehicles 3-15 years

Fixtures and fittings 1-15 years

Computer equipment 1-15 years

c. Intangible Assets

Material product development costs with a reasonable expectation of commercial exploitation are capitalised as Intangible Assets. Amortisation is charged through the income and expenditure account over the expected period of commercial value (currently 3 to 5 years).

d. Stocks

Stocks are stated at the lower of cost and net realisable value.

e. Pension costs

Civil Servants – the expected cost of providing pensions is charged to the income and expenditure account so as to spread the cost over the service lives of the employees in the scheme, in such a way that the pension cost is a substantially level percentage of the current and expected future pensionable payroll.

Seconded Officers – the expected cost of the College's contribution to seconded officers' pension arrangements is charged to the income and expenditure account so as to spread the cost over the period of secondment.

f. Research and development

Research and minor development expenditure is written off in the year in which it is incurred.

g. Insurance

The College insures its trading activities by the purchase of policies for professional indemnity insurance, pre-school health and injury insurance for the workplace nursery, and travel insurance. Apart from these, the College effects no external insurance, exercising instead Crown indemnity. The cost of repairs, claims for damages and the book value of assets destroyed are charged to the income and expenditure account as they occur.

In the event of a material loss occurring, the Fire Service College will consult the Secretary of State about the action to be taken.

h. Going concern

The College has incurred a deficit for the year but is budgeting to generate an £800,000 surplus in the year to 31 March 2010. The College has obtained outline agreement to short-term working capital finance from CLG should any liquidity pressure arise in the next twelve months. The business plan for the year provides for additional revenue generation and cost reduction measures which will underpin trading in surplus for 2009-2010 and beyond. Accordingly, the College's accounts have been prepared on the going concern basis.

i. Operating leases

Rentals under operating leases are charged to the income and expenditure account as incurred.

1234

Accounts 2008–09

Financial Report

j. Capital grants

Capital grants are held in the Government Grant Reserve (part of taxpayers equity) and are amortised over the life of the assets funded by the grants.

k. Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income and expenditure account.

l. Turnover

Turnover is shown net of Value Added Tax and comprises income from course attendances, use of College facilities and sundry services. It represents the value of services provided from the ordinary activities of the business during the year. The College recognises revenue when and to the extent that it obtains the right to consideration in return for performance. Where a course has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date, based on the proportion of the course delivered. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

m. Cash management

The College's policy is to maintain liquid resources in interest-bearing commercial bank accounts, or on money market deposits, in accounts which are repayable on demand or at short notice.

2. Turnover

2a. Analysis of turnover by customer type is stated below:

	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
UK Fire and Rescue Services	10,122	10,332
CLG	1,783	4,170
Other public sector	3,514	3,758
Public sector income	15,419	18,260
UK private sector	1,906	1,364
Overseas customers	4,170	2,900
Individuals	84	90
Other Income	6,160	4,354
Total Turnover	21,579	22,614

2b. Analysis of turnover and results by class of business:

This information is produced for fees and charges purposes and does not constitute segmental reporting under Statement of Standard Accounting Practice 25.

	Year Ended 31 March 2009 Income £000s	Year Ended 31 March 2009 Direct costs £000s	Year Ended 31 March 2009 Attributed costs £000s	Year Ended 31 March 2009 Surplus/ (Deficit) £000s	Year Ended 31 March 2008 Income £000s	Year Ended 31 March 2008 Direct costs £000s	Year Ended 31 March 2008 Attributed costs £000s	Year Ended 31 March 2008 Surplus/ (Deficit) £000s
Training & facilities	16,261	14,017	4,316	(2,073)	15,587	14,433	3,278	(2,124)
IPDS & NADC	10	121	20	(130)	802	772	211	(181)
LDS	909	1,329	544	(964)	1,839	2,163	650	(974)
Other income	4,399	2,647	522	1,229	4,386	1,426	413	2,547
Total Turnover	21,579	18,114	5,402	(1,937)	22,614	18,794	4,552	(732)

Segmental analysis of net assets has not been disclosed as net assets are not allocated by class of business.

The financial objective for the Fire Service College is given at Note 23.

1234

Accounts 2008–09

Financial Report

3. Operating deficit

The operating deficit is stated after charging/(crediting) the following :

	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Rental income	(250)	(241)
Charges for operating leases – plant and equipment	15	55
Depreciation	2,753	3,225
Amortisation of capital grant	(1,530)	(1,078)
External audit fee*	62	53
Travel, subsistence and hospitality	373	439
Board members' remuneration	539	543
Exceptional item – negative revaluation of fixed assets	12,264	–

* External audit fee includes the audit fee in respect of the National Audit Office's annual certification audit of the College's financial statements and for 2008-09, £5,700 relating to the audit of preparation for IFRS transition. There was no remuneration due for non audit work.

4. Staff

4a. Staff Costs

	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Employee costs during the year:		
Wages and salaries	5,880	5,538
Social security costs	379	421
Superannuation costs	980	1,077
Seconded staff	2,410	2,568
Agency staff and visiting lecturers	1,900	1,511
Staff costs for the year	11,549	11,115
Less: Capitalised staff costs	(380)	(582)
Staff costs chargeable to Income and Expenditure	11,169	10,533

4b. Staff Numbers

	Year Ended 31 March 2009 Average FTE	Year Ended 31 March 2009 Average Actual No. Employed	Year Ended 31 March 2008 Average FTE	Year Ended 31 March 2008 Average Actual No. Employed
Senior management staff	6	10	6	8
Teaching staff	89	94	85	89
Non-teaching direct, safety and support staff	69	77	78	81
Administration staff	84	93	97	101
	248	274	266	279
Civil Service staff	188	208	198	205
Agency staff and visiting lecturers	18	20	16	19
Seconded staff	42	43	52	53
Non Executive Directors	0	3	0	2

5. Interest receivable

	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Bank interest	62	195

6. Interest payable

	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Long-term loans	386	388

1234

Accounts 2008–09

Financial Report

7. Fixed assets

	Freehold Land & Buildings £000s	Dwellings £000s	Site Infra – Structure £000s	Fireground Facilities £000s	Computer Equipment £000s	Vehicles, Fixtures & Fittings £000s	Intangible Assets (Product Develop- ment) £000s	Total £000s
Cost or Valuation At 1 April 2008	54,113	5,980	9,555	13,680	2,888	4,662	697	91,575
Additions	16	–	13	30	442	64	519	1,084
Revaluation	(26,521)	634	(1,110)	(8,413)	1,190	(838)	0	(35,058)
At 31 March 2009	27,608	6,614	8,458	5,297	4,520	3,888	1,216	57,601
At open market value	1,896	6,614	0	0	0	0	0	8,510
At replacement cost	25,712	0	8,458	5,297	4,520	3,888	1,216	49,091
Accumulated Depreciation At 1 April 2008	12,642	33	2,464	4,272	1,668	2,663	91	23,833
Depreciation charge for the year	989	–	645	213	360	303	243	2,753
Revaluation	(6,659)	(33)	162	(2,847)	265	(582)	(4)	(9,698)
At 31 March 2009	6,972	0	3,271	1,638	2,293	2,384	330	16,888
Net Book Value at 31 March 2009	20,636	6,614	5,187	3,659	2,227	1,504	886	40,713
Net Book Value at 31 March 2008	41,471	5,947	7,091	9,408	1,220	2,000	606	67,743

Land is valued on the basis of purchasing a notional replacement site in the same locality, equally suitable for the existing use. All buildings, structures and site infrastructure are valued on a depreciated replacement cost basis with the exception of staff houses which are valued at open market value. The basis of valuation is in accordance with the appraisal and valuation manual produced by the Royal Institute of Chartered Surveyors (RICS).

Knight Frank, an independent firm of Chartered Surveyors, revalued the land, buildings, dwellings, site infrastructure and fireground facilities as at 31st March 2009. The remainder of the assets were revalued using appropriate indices.

Assets with a cost of £3,471,847 have been fully depreciated but remain substantially in use. These sums have been retained in the total asset costs and accumulated depreciation disclosed above.

8. Stocks

	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Consumables	56	93

9. Debtors – amounts falling due within one year

	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Trade debtors	3,629	5,203
Other debtors	454	353
Prepayments and accrued income	1,756	750
	5,838	6,306
Included within debtors falling due within one year are the following intra-governmental balances:		
Central Government	486	1,750
Local Authorities	1,647	1,244
Public Corporations and Trading funds	–	5
	2,133	2,999

10. Cash at bank and in hand

	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Cash balances	1,111	2,143

The College's cash balances are kept in an interest bearing current account with the Lloyds Banking Group.

1234

Accounts 2008–09

Financial Report

11. Creditors – amounts falling due within one year

	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Government loans	34	31
Trade creditors	2,793	2,701
Accruals	2,715	2,238
Deferred income	1,352	2,442
	6,894	7,412
Included within creditors falling due within one year are the following intra-governmental balances:		
Central Government	1,626	2,337
Local Authorities	2,737	3,645
Public Corporations and Trading Funds	–	5
	4,363	5,987

12. Creditors – amounts falling due after more than one year

	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Deferred income	–	13,587
Accruals due after one year	–	354
Government loans repayable within 1-2 years	70	70
Government loans repayable within 2-5 years	127	127
Government loans repayable after 5 years	4,369	4,402
	4,566	18,540

All loans are unsecured and repayable in instalments of £209,000 (including interest) paid twice every year. All loans bear rates of interest which are fixed for the full period of the loan. The weighted average period of loans is 43 years and the weighted average interest rate is 8.34% (2007-08 – 8.35%).

Included within creditors falling due after more than one year are the following intra-governmental balances:

	Year Ended 31 March 2009 £000s	Year Ended 31 March 2008 £000s
Central Government	4,566	16,040
Local Authorities	–	310
	4,566	16,350

13. Provisions for liabilities

	Personal Injury Claims £000s	Salary Liabilities £000s	Total £000s
Total balance at 1 April 2008	110	–	110
Increase in provision	–	250	250
Utilised in year	(10)	–	(10)
Balance at 31 March 2009	100	250	350

The provision for personal injury is based on claims initiated against the College. The amount of the provision represents an assessment of the cost to the College based on legal advice. The transfer of economic benefits is expected to take place more than one year after the balance sheet date.

The provision for salary costs is provided against an HMRC assessment relating to contracted staff working overseas on the College's behalf. The transfer of economic benefits is expected to take place more than one year after the balance sheet date.

14. Public dividend capital

	Balance at 31 March 2009 £000s	Balance at 31 March 2008 £000s
Issued pursuant to Government Trading Funds Act 1973	16,721	16,721

No dividend has been declared in view of the retained deficit for the year (2007–08, nil).

1234

Accounts 2008–09

Financial Report

15. Reserves

	Income & Expenditure Account £000s	Revaluation Reserve £000s	Grant Reserve £000s
At 1 April 2008	4,780	28,722	–
Deficit for year	(14,525)	–	–
Revaluation of fixed assets	–	(13,096)	–
Realised depreciation	831	(831)	–
Reclassification of grant funding*	–	–	14,835
Grant amortised in year	–	–	(1,530)
At 31 March 2009	(8,914)	14,795	13,305

*£14,835,000 of grant funding was previously held as deferred income and has been reclassified in the year in accordance with FReM guidance.

16. Lease obligations

The College is committed to make the following payments in the next financial year in respect of operating leases expiring within:

	31 March 2009 £000s	31 March 2008 £000s
One year	4	3
Two to five years	16	16
	20	19

No leases are held in respect of land or buildings.

17. Capital commitments

No contractual capital commitments existed at the end of either 2007-08 or 2008-09.

18. Contingent liabilities

The total estimate of the contingent liabilities relating to personal injury and employment claims is £40,000 based on previous years' claims experience.

19. Pension schemes

The employees of the Fire Service College are Civil Servants to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme, in which the employer's share of the underlying assets and liabilities is not identified. A full actuarial valuation was carried out at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2008-09, employers' contributions of £980,000 were payable to the PCSPS (2007-08 £1,077,000) at one of four rates in the range 17.1% to 25.5% of pensionable pay, based on salary bands. Rates will remain the same for the next two years, subject to the revalorisation of the salary bands. Employer contributions are to be reviewed every four years following a full scheme valuation by the Scheme Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

The seconded officers are members of the Firemen's Pension Scheme 1992. This is a multi-employer unfunded defined benefit scheme and is administered as separate local schemes by the Fire Authorities. The overall cost of funding the scheme was assessed by Government actuaries in 1991 as 37.5% of earnings, of which the seconded officer contributes 11% of earnings. Based on transfer values paid in the years ended 31 March 2007 and 2008, the College has assessed the cost of funding based on the introduction of full cost recovery at £379,000 which was charged to the income and expenditure account (2007-08 £770,000) for payment to local authorities at the end of secondments.

20. Cash flow statement

20a. Reconciliation of operating deficit to cash inflow from operating activities

	31 March 2009 £000s	31 March 2008 £000s
Operating deficit	(14,201)	(732)
Depreciation	2,753	3,225
Capital grants amortised in year	(1,530)	(1,078)
Movement in deferred income	160	(340)
Exceptional item	12,264	(18)
Write off of Donated Assets Reserve	–	(7)
Increase/(decrease) in provisions in the year	240	95
Decrease in stock	37	38
(Increase)/decrease in debtors	468	(434)
Increase/(decrease) in creditors due within one year	569	681
Increase/(decrease) in creditors due after more than one year	(354)	16
Net cash inflow from operating activities	406	1,446

20b. Reconciliation of net cash flow to movement in net debt

	31 March 2009 £000s	31 March 2008 £000s
Decrease in cash in the period	(1,032)	(1,431)
Decrease in borrowings	30	30
	(1,002)	(1,401)
Net debt at start of year	(2,487)	(1,086)
Net debt at end of year	(3,489)	(2,487)

1234

Accounts 2008–09

Financial Report

20c. Analysis of changes in net funds

	At 31 March 2008 £000s	Cash Flows £000s	Other non cash Movements £000s	At 31 March 2009 £000s
Cash at bank and in hand	2,143	(1,032)	–	1,111
Debt due within one year	(31)	30	(33)	(34)
Debt due after one year	(4,599)	–	33	(4,566)
Total	(2,487)	(1,002)	–	(3,489)

21. Reconciliation of movement in Government funds

	31 March 2009 £000s	31 March 2008 £000s
Deficit for the current year	(14,525)	(925)
Revaluation of fixed assets	(13,096)	5,105
Movement of backlog depreciation	–	(1,509)
Reclassification of Government grant reserve	13,305	–
	(14,315)	2,671
Government funds brought forward	50,223	47,552
Government funds carried forward	35,908	50,223

22. Analysis of change in financing

	Long Term Loans		
	Repayable Within One Year £000s	Repayable After One Year £000s	Total £000s
At 1 April 2008	31	4,599	4,630
Movement from long-term to short-term loan	33	(33)	–
Loans repaid	(30)	–	(30)
At 31 March 2009	34	4,566	4,600

23. Trading fund objectives

The Secretary of State has determined financial objectives for the Fire Service College Trading Fund. These were confirmed by Treasury Minute dated 15 January 2004.

The financial objective for the Fire Service College is to achieve a return of a minimum of 4% averaged over the period 1 April 2004 to 31 March 2009, in the form of a surplus on ordinary activities before interest and dividends expressed as a percentage of average capital employed.

The trading deficit of £1,937,000 represents a return on the average net assets employed of -4.79% (2007-08 -1.69%). The cumulative return on average net assets for the period 1 April 2004 to 31 March 2009 is -2.7%.

24. Related party transactions

As stated in the management commentary, the Fire Service College is an Executive Agency, with Trading Fund status. Responsibility for the College rests with CLG. In the normal course of its business, the College provides fire related training to both the public and private sectors. During the year, the Fire Service College has had a significant number of material transactions with UK Fire Services and with Government Departments including the Scottish Executive, CLG, the Highways Agency, the Environment Agency and the National Health Service.

None of the Management Board members, key management staff or other related parties has undertaken any material transactions with the Fire Service College during the year.

No Directors of the College have recorded in the Register of Interests during the year shareholdings in companies with which the College had business dealings.

25. Financial instruments

	Book value £000s	Fair value £000s
Financial assets		
Cash at bank and in hand	1,111	1,111
Financial liabilities		
Long-term loans from the Secretary of State	4,566	16,070

The total instalments of capital and interest remaining to be paid to extinguish financial liabilities over the contracted term of the loans amount to £17,158,477.

These figures exclude short-term debtors and creditors.

1234

Accounts 2008–09 Financial Report

26. Financial risks

Liquidity risk

The Fire Service College is not exposed to liquidity risk as long as its annual surplus and/or cash balances are sufficient to cover the loan instalments of £417,000. The levels of capital expenditure are managed so as to be met from available cash balances.

The Fire Service College is reliant on the liquidity of CLG to meet a major insurable loss.

Interest rate risk

The interest bearing loans represent 12.8% of Total Taxpayers' Equity. The interest rate is fixed. Deposits earning interest at a variable rate against bank base rate represented 4.3% of Total Taxpayers' Equity.

Foreign currency risk

The Fire Service College has an immaterial exposure to liabilities or expenditure denominated in foreign currencies.

27. Post balance sheet events

A significant fire occurred at the College on the morning of 16th May 2009. The cost of damage to fixed assets (buildings and vehicles) is estimated to be in the region of £2,000,000. The College is discussing replacement of the lost assets with CLG.

The Fire Service College's report and accounts are laid before the Houses of Parliament by the Comptroller and Auditor General. FRS 21 'Events After the Balance Sheet Date' requires the Fire Service College to disclose the date on which the accounts are authorised for issue. This is the date on which the approved report and accounts are despatched by the Comptroller and Auditor General to the Houses of Parliament.

The authorised date for issue is 16 July 2009.

1234

Annex A

Fire Service College – Remuneration Report 2008/09

Remuneration policy

Senior Civil Service

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the Review Body has regard to the following considerations:

- The need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- The funds available to departments as set out in the Government's departmental expenditure limits; and
- Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at www.ome.uk.com.

Other College staff

The remuneration of other civil service grades employed by the Fire Service College is set, under delegated authority from CLG, by College management. The principal drivers underpinning existing remuneration levels and the annual pay award negotiations are entirely consistent with those set out above for senior civil servants, i.e. the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities. Specific regard is also given to local market conditions.

Seconded Officers

The College also makes significant use of seconded Fire Service Officers to maintain high standards of relevance and currency in tuition levels. Remuneration rates for these staff are set through nationally negotiated FRS settlements.

Service contracts

Civil service appointments, both for senior civil servants and more junior grades, are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

The officials covered by this report hold appointments, which are open-ended until they reach the normal retiring age of 60. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk.

Seconded Officers operate under individual contracts, normally of three year duration but with the scope for variation, on loan from the employing FRS. These contracts set out any variances to substantive terms and conditions that are deemed necessary to facilitate College operations.

1234

Annex A

Fire Service College – Remuneration Report 2008/09

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Management Board, both of which have been subjected to audit.

Remuneration

	2008-2009 Salary £000s	2007-2008 Salary £000s
P Evans	60 - 65	60 - 65
S Hopgood	60 - 65	60 - 65
G Newton (until 30th Jun 2008)	25 - 30	110 - 115
	(115-120 full year equivalent)	
S Sheen	80-85	85 - 90
I Stroud	60 - 65	60 - 65
J Vickers (until 28th Feb 2009)	10 - 15	10 - 15
	(10-15 full year equivalent)	
R J Evans	10 - 15	10 - 15
N Kinghan	-	-
M Bryant	-	-

Salary

'Salary' includes gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the College and thus recorded in these accounts. Mr Kinghan and Mr Bryant attend the Management Board at nil cost to the College.

Benefits in kind

No benefits in kind were received by any member of the Management Board.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (Classic, Premium or Classic Plus); or a 'whole career' scheme (Nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus and Nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for Classic and 3.5% for Premium, Classic Plus and Nuvos. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic Plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 calculated as in Premium. In Nuvos a member builds up a pension based on his/her pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CSVote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This figure reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

1234

Annex A

Fire Service College – Remuneration Report 2008/09

Pension Benefits

	Accrued Pension at age 60 as at 31/3/09 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/09	CETV at 31/3/08	Real increase in CETV funded by employer	Employee contributions and transfers in
	£000s	£000s	£000s	£000s	£000s	£000s
Ms G Newton	45-50	0	939	937	0	0
	Plus lump sum of 135-140					
Ms S Sheen	5-10	1-1.5	97	76	13	3
Mr P Evans	15-20	0-1	257	239	0	1
	Plus lump sum of 45-50					
Mr I Stroud	15-20	0-1	294	266	1	9
Mrs S Hopgood	10-15	0-1	221	189	11	8
	Plus lump sum of 35-40					



Sally Sheen,
Chief Executive
14th July 2009

1234

Annex B**Fire Service College – Statement On Internal Control For The Financial Year 2008 /09****Scope of responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Department for Communities and Local Government (CLG) policies, aims and objectives, as set by the Department's Ministers, whilst safeguarding the public funds and trading fund assets for which I am personally responsible in accordance with the responsibilities assigned to me in Managing Public Money.

The conditions under which I discharge all these responsibilities are specified in the Agency Framework Document, which establishes both my direct accountability to Ministers for the Agency's operation and performance as well as the limits of delegation that the Departmental Accounting Officer affords me as Trading Fund Accounting Officer.

I hold regular meetings with the College sponsors and ensure that they are kept well informed of developments, issues and possible risks. Communication has intensified during 2008-09 due to the project 'Building the Future of the Fire Service College'. The Business Plan is agreed by the Minister and it is this document that is used to identify organisational risk. Communication with CLG has been maintained in the period through a programme of regular meetings with the Fire and Rescue Service Development Division and through our joint involvement with the Building the Future Fire Service College project. Formal Advisory Board meetings continue to be held three times each year.

The Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Fire Service College from the start of the financial year and up to the date of this statement.

Capacity to handle risk

Leadership is given to the risk management process through ongoing review as a regular feature of Board and Audit Committee meetings, by incorporation into business planning processes, and by the policy of cascading responsibility for risk management throughout the College to those people best positioned to manage risk effectively. Support for the risk management process is provided by the Risk and Governance team, reporting to the Finance Director. Formal mechanisms monitored by the organisational risk and governance officers ensure that these responsibilities and processes are effectively communicated.

Risk and control framework

The College has adopted an approach to risk appetite based on identification of the likelihood and potential impact of risks to the achievement of the College's objectives as determined by a risk scoring process. In this way the College seeks to ensure that the control response is proportionate to the risk identified. The College strategic risk register is used to inform the internal audit plan.

1234

Accounts 2008–09

Financial Report

The College has established the following structures and processes to maintain and review the system of internal control:

Structures:

- A Management Board existing since July 2008 of four executive directors including the Chief Executive and four non-executive Directors. An Operational Adviser from the Fire and Rescue Service, the Head of Human Resources and the Chief Information Officer also attend each meeting. The Board met nine times during 2008–09 to consider planning, performance and the strategic direction of the College. Two non-executive directors (NEDs) have been appointed to the Board by CLG in addition to two appointed by the College. An external expert member appointed to the Audit Committee receives Board minutes and also has bi-lateral meetings with the Chief Executive.
- An Audit Committee has met four times during the financial year. The Audit Committee comprises two Management Board NEDs and a third external member to align with Treasury guidance and to complement the existing skill base. The Chief Executive and the Director of Finance normally attend each meeting. The Audit Committee is chaired by a NED and provides verbal reports to the Management Board. The Management Board receives copies of the Audit Committee minutes. This helps to ensure that audit and governance issues are considered at the highest level within the College. The Chair of the Audit Committee also provides a written annual report to the Chief Executive. Committee members meet with the external auditors and the Director of Finance every June for a detailed review of the Annual Report and Accounts.
- A College Executive Group consisting of nominated senior managers are responsible for the operational implementation of policy as directed by the Management Board.
- A College Middle Managers Network Forum meets periodically and provides the opportunity for middle managers to comment on departmental risk and other appropriate issues.
- A Capital Expenditure Board, chaired by the Director of Business Planning, Finance and Procurement, scrutinises all significant capital expenditure proposals and monitors approved projects.
- Health and Safety Committee, chaired by the Chief Executive, provides regular review of operational challenges, analysis of H&S assessments and oversight of mitigations.

Processes:

- A rolling three-year audit programme, informed by the risk registers is agreed by the Management Board and the Audit Committee. Internal Audit Services (IAS) of CLG deliver the programme.
- Regular stewardship reporting by Directors to the Management Board outlining progress towards the Business Plan targets and the steps being taken to manage and control risk in their areas of responsibility.
- A risk management policy is reviewed and agreed by the Management Board and Audit Committee on an annual basis.
- Maintenance of an organisational strategic risk register and divisional level operational risk registers.
- A self-assessment exercise endorsed by the April 2009 Audit Committee to ensure compliance with HM Treasury guidelines is being undertaken.
- Maintenance of a Sources of Assurance register of internal and external verification processes. This register has been reviewed and developed further in year under the guidance of the Audit Committee.
- A formal process to ensure completion of actions recommended in internal and external audit reports. The register of outstanding actions is reviewed at each Audit Committee meeting.

- A Chief Information Officer retains responsibility for all data handling and security matters.
- A Business Continuity Planning exercise is undertaken in year with the outcomes reported to the Audit Committee. More exercises are planned for 2009.
- College anti-fraud and whistle-blowing policies were amended and in operation throughout the year. The Audit Committee reviews and approves these policies.
- One significant issue arose during the period of this statement which resulted in the College commissioning IAS to undertake an investigation in June 2008. This followed an attempted cheque fraud by a member of College staff. The investigation resulted in a number of additional control measures being identified, which were in the main, fully accepted and implemented by the College.
- Risk Management is integrated and aligned with the Business Plan and through that process with the College Personal Performance Management system to support delivery of organisational objectives and key targets.
- The Management Board reviews the strategic risk register at each meeting and also considers high impacting operational risks on a referral basis. The Audit Committee also reviews the strategic risk register at each meeting and is responsible for advising the Chief Executive of the adequacy of risk management arrangements as part of the wider internal control framework. The Audit Committee is also informed of any red operational risks.

Data Handling Review – Security Policy Framework

In line with Cabinet Office Guidance on Information Security we have submitted an annual return and appointed a Senior Information Risk Owner. A process is in place to produce quarterly risk assessments, commencing in the first quarter of 2009. IAS undertook an audit of current compliance and an action plan has been formulated to address the outstanding issues identified.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the executive managers within the College who have responsibility for the development and maintenance of the control framework, by the work of IAS who carry out the internal audit function and also by the opinion of external auditors as recorded in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by my Management Board and Audit Committee and by the Head of Internal Audit. Processes are in place which identify and address weaknesses in control, and improve systems on an on-going basis.

Based on the operation of the control environment outlined above, and supported by the opinion of the Audit Committee and the Head of Internal Audit Services, I am content that the College has operated with a satisfactory system of internal control and risk management for the Financial Year.

No significant control issues have arisen during the course of the financial year and up to the date of this statement.



Sally Sheen,
Chief Executive
14th July 2009



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