

AGENDA ITEM:

REPORT TO: Meeting of the	MERSEYSIDE FIRE & RESCUE AUTHORITY
DATE:	THURSDAY 19TH JANUARY 2012
REPORT NO.	CFO/014/12
REPORTING OFFICER:	CHIEF FIRE OFFICER
CONTACT OFFICER:	CHIEF FIRE OFFICER
OFFICERS CONSULTED:	MR. NICK MERNOCK
SUBJECT:	THE FUTURE OF THE FIRE SERVICE COLLEGE

APPENDIX A TITLE LETTER FROM NEIL O'CONNOR

ATTACHED –HARD COPY

Purpose of Report

1. To request that Members consider the proposal from Neil O'Connor, Director Fire, Resilience and Emergencies, Department for Communities and Local Government (DCLG) that Fire and Rescue Authorities become members of a Limited Liability Partnership (LLP) which would result in a 10% (overall) stake in the Fire Service College.

Recommendation

2. That Members approve the proposal from Neil O'Connor to become members of a Limited Liability Partnership to achieve a stake in the Fire Service College but in the absence of more detailed information about risks, decline the proposal to invest Authority reserves in the Fire Service College.

Introduction & Background

3. Members will be aware that for some time now DCLG has been considering the future of the Fire Service College.
4. On 15th December Neil O'Connor wrote to Chief Fire Officers outlining the options being considered by Government. The following text is copied directly from the letter:

'One of the options under serious consideration is a sale of the College to a private sector partner who would continue to operate the College as a fire and rescue, and wider emergency service, operational training college. In order to

safeguard this position we would propose to place a number of requirements on the sale to ensure that:

- There is a commitment from the purchaser to continue to offer fire training;*
- The FRS are involved in setting the overall direction of training delivery;*
- The site cannot be sold on without FRS approval.*

However, we also recognise that it is extremely important for the future of the College that it continues to be the national college of the FRS and that the interests of the College and the FRS are aligned. We are therefore considering a structure where we transfer 10% of the College to a Limited Liability Partnership ("the Partnership"), the members of which would be the FRS, and sell the remaining 90% to a private sector partner. The details of this are still being worked through, but in principle:

- Each FRS would have the opportunity to be a member of the Partnership on subscription of a nominal sum (say £1).*
- This membership would enable participation in the ownership benefits of the 10% stake, which would be likely to comprise dividends (possibly in the form of training credits or discounts) and increased capital value. These benefits might be shared between the FS on the basis of their usage of the college.*
- Membership of the Partnership would carry no actual or potential liabilities. There would be no risks of membership, but potentially some reasonably significant upside.*

For this arrangement to work, it requires the participation of all, or substantially all, of the FRS. We would hope that you will want to participate as we are seeking to offer you an ownership stake in the College with potential upside benefits but no downside risk'.

5. It is the view of the Chief Fire Officer that the Authority should support the Fire Service College in particular given the fact that there is no risk to the Authority in doing so. Members are therefore asked to direct the Chief Fire officer to respond to the letter and confirm the support of the Authority for the proposal contained therein.
6. Following on from this proposal Neil O'Connor also raises within his letter the possibility of Fire and Rescue Authorities investing a portion of their reserves in the Fire Service College. It is the strong view of the Deputy Chief Executive that on initial consideration that investment in a private sector business does not accord with the Authority's investment strategy and more information would be required to understand the risks (and rewards) of any such investment.
7. A full copy of the letter from Neil O'Connor is attached at Appendix A.

Equality & Diversity Implications

8. There are no Equality and Diversity implications contained within this report.

Staff Implications

9. There are no staffing implications contained within this report.

Legal Implications

10. As stated in the letter from Neil O'Connor membership of the Limited Liability Partnership would carry no actual or potential liabilities.

Financial Implications & Value for Money

11. As stated in the letter from Neil O'Connor the membership subscription for the Limited Liability Partnership would be a nominal sum (the example given was £1).

Risk Management, Health & Safety, and Environmental Implications

12. The Fire Service College is a provider of risk critical training to the Fire and Rescue Service some of which is very difficult if not impossible to source elsewhere.

Contribution to Achieving Our Mission:

13. Access to risk critical training is essential for Firefighters to maintain core competencies.
**"Safer, Stronger Communities, Safe, Effective Firefighters"

**currently part of the IRMP 2012-2015 Consultation