

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**

**Item No**

**POLICY AND PERFORMANCE COMMITTEE**

**MEETING: 26 OCTOBER 2009**

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**SUBJECT: TRANSFER OF OWNERSHIP OF NEW DIMENSION ASSETS**

**JOINT REPORT OF THE CHIEF FIRE OFFICER, CLERK TO THE AUTHORITY AND  
THE FINANCE OFFICER**

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**1 INTRODUCTION**

- 1.1 The purpose of this report is to inform the Committee, for their consideration, correspondence from the Department of Communities and Local Government in respect of the proposed transfer of ownership of the New Dimension assets and the publication of Fire Service Circular 59/2009 which deals with the same matter.

**2 BACKGROUND**

- 2.1 Members will recall that at the Authority meeting, held on the 15 June 2009, a paper was presented outlining the current status of the proposal by the Department of Communities and Local Government (CLG), as set out in Fire Service Circular (FSC) 16/2009, to transfer the New Dimension Assets. These assets include Urban Search and Rescue, Mass Decontamination and chemical detection capabilities, to individual fire and rescue authorities.
- 2.2 As stated in the Circular, in the opinion of CLG such a transfer would have a number of key benefits including:-
- Ensuring that the New Dimension capability can be fully integrated into fire and rescue service business
  - Providing a fully operational fleet that will be maintained through a long term maintenance contract paid for by CLG
  - Access to a long term assurance body led by CFOA which will ensure that the capabilities do not degrade over time
- 2.3 In addition, CLG also reiterated that funding for the New Dimensions programme has been fully factored into CSR07 and that the Department remains committed to future funding after this date.
- 2.4 In concluding the Circular, CLG requested that fire and rescue authorities consider its content and subsequently provide a response to the proposal to transfer the New Dimension assets by October 2009.

- 2.5 Having debated the issue Members confirmed that there was support in principle for the proposed asset transfer providing there were acceptable guarantees of future funding in place and an acceptable mechanism by which such funding was channelled to the Authority (Minute 17/2009 refers).

### **3 RESPONSE FROM THE DEPARTMENT OF COMMUNITIES AND LOCAL GOVERNMENT**

- 3.1 On the 22 July 2009 CLG responded to the Authority's written comments. In their letter (attached as Appendix A) CLG have provided, as far as they practicably can, an assurance as to future funding but reiterated their view that they will look to channel any future funding through a different mechanism to the Section 31 grant system. However, they also confirmed that, whatever method was eventually proposed to replace the Section 31 grant mechanism, the concerns of this and other Authorities would be considered prior to implementing any change.
- 3.2 On the specific concern of the requirement for Fire and Rescue Authorities to sign the New Dimension Maintenance contract as part of the transfer of ownership of New Dimension assets without having had the opportunity to examine the prime contract, CLG has offered to make the contract available to FRA legal advisors to study should they believe it necessary to do so. A request to this effect has been sent by this Authority.

### **4 FURTHER AUTHORITY CONSIDERATIONS**

- 4.1 It is reasonable to assert that the commitment of CLG to the future funding of the New Dimension programme has been stated on a number of occasions and there is no reason to doubt the robustness of this commitment. However, whilst guaranteed funding is in place during the CSR07 period CLG accepts that it cannot absolutely guarantee funding beyond this point.
- 4.2 This fact will need to be carefully considered prior to making a decision on the transfer. Transfer of ownership is not a significant issue for operational effectiveness, whereas the funding of the assets obviously is.

### **5. FIRE SERVICE CIRCULAR 59/2009**

- 5.1 Further to the letter from CLG, FSC 59/2009 has been published which provides an amalgamated response to the questions raised by those Authorities hosting New Dimension assets and also contains a request for Authorities to formally indicate that they are prepared to sign up to a formal transfer of assets. A response is requested by 31<sup>st</sup> December 2009.
- 5.2 Once again, the FSC seeks to highlight the commitment by CLG to the New Dimension programme and, as far as it practicably can, to give assurances on future funding for it. In particular it is emphasised once again that the maintenance contract that all Authorities hosting New Dimension assets will be required to personally enter into will be funded for the period of the contract,

which is 16 years. Currently, with CLG owning the assets, they pay the cost of maintenance directly to the contractor, Vosper Thorneycroft (VT). However, if the Authority were to accept ownership of the assets, the funding would be paid directly to the Authority who in turn would pay VT.

- 5.3 In order to fully understand the implications of this relationship a request has been lodged for a copy of the contract that the Authority will be obliged to enter into with VT. Once this understood a report will be prepared for the December meeting of the Authority with regard to the most appropriate course of action to take.

## **6. CONCLUSION**

- 6.1 The information provided by CLG in their letter of the 22 July 2009 and the subsequent Fire Service Circular has attempted to address those issues of concern that were highlighted by this and other Fire and Rescue Authorities.
- 6.2 To this extent their letter and the Circular are to be welcomed. However, in the opinion of CLG an absolute guarantee of funding across the lifetime of the programme currently cannot be provided, which means that there must be a risk, however small, that some costs may fall on this Authority at some point in the future.

## **7. RECOMMENDATIONS**

- 7.1 The Committee is recommended to:
- a) Consider the content of this report and
  - b) Receive further reports as appropriate.

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## **BACKGROUND PAPERS**

The under mentioned Background Papers refer to the subject matter of the above report:

- CLG Letter; Transfer of Ownership of New Dimension Assets; 22<sup>nd</sup> July 2009
- Fire Service Circular 59/2009; Transfer of Ownership of New Dimension Assets