Fire and Rescue Service Circular

Circular number 26/2007

Date issued 14 May 2007

This circular is For general information
For Action by FRAs interested in taking on any New Dimension maintenance

Respond By 18 May 2007

This circular is Relevant to the future management of the New Dimension capability

Status

Long Term Management of the New Dimension Capability

Issued by:
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Fire and Resilience Policy

Addressed to:
The Chair of the Fire and Rescue Authority
The Chief Executive of the County Council
The Clerk to the Fire and Rescue Authority
The Clerk to the Combined Fire and Rescue Authority
The Commissioner of the London Fire and Emergency Planning Authority
The Chief Fire Officer

Please forward to:

Summary
This circular provides further details on those proposals and an update on implementation. The circular also responds to questions raised at the road shows and invites FRAs to complete a pro-forma stating what capacity they have to undertake front-line New Dimension maintenance, should they wish to do so.

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1.0 **Background**

1.1 The vision of the New Dimension programme when it was created in 2001 was “To enhance the FRS’s ability to respond to major incidents”.

1.2 The New Dimension programme has enhanced the ability of the FRS to command, co-ordinate, and respond to major disruptive events involving CBRN materials, collapsed or unstable structures, and to displace large volumes of water.

1.3 Sustaining this level of capability is needed for the ongoing resilience of the country and this is the responsibility of the Long Term Capability Management (LTCM) project of the New Dimension programme. This project has the responsibility of putting in place structures and processes to ensure that the new levels of enhanced capability remain sufficient to meet the threats and hazards facing the UK.

1.4 During November and December 2006, the New Dimension programme and the Chief Fire Officers’ Association held four road shows across the UK to introduce the latest thinking on how the fire community could work together to maintain a suitable level of national resilience against major disruptive events. A handout was provided summarising the information presented. This circular provides an update on progress.
2.0 LTCM Project

Aims and Objectives

2.1 The aim of the New Dimension programme for England and Wales, is to enhance the FRS’s ability to respond to catastrophic incidents. The Long Term Capability Management (LTCM) project of New Dimension is responsible for putting in place management structures and systems to maintain these capabilities in the long term.

2.2 The LTCM project has three objectives, each designed to ensure operational needs are met both in the short and longer terms:

2.3 The New Dimension capability is fully integrated into FRS core business;

2.4 Standards are maintained in such a way as to ensure national interoperability of equipment and personnel is not jeopardized; and

2.5 FRS resilience capabilities are maintained, reviewed against national planning assumptions, and refreshed to ensure that national resilience is always realised.

A Long Term Strategy

2.6 Analysis has been undertaken to identify a long term management and ownership solution that meets the LTCM objectives whilst also meeting wider Government initiatives such as the devolution of responsibility to the local level. The project is very grateful to CFOA and the LGA for their assistance in developing a solution that meets these demands.

2.7 The key aspects of the LTCM proposals are:

- FRAs take full and direct responsibility for the management of the New Dimension assets (vehicles and equipment) that they accommodate from 1 April 2008. From the outset of the New Dimension programme, Ministers have been clear that the New Dimension capability was to be mainstreamed into local delivery and become the full responsibility of FRAs, supporting the Government-wide policies of partnership working and promoting local accountability for local services. A core business of the FRA is to manage capability to mitigate risk and it is therefore appropriate for them to take ownership for these new resilience assets;

- A national contract for maintenance and servicing (planned and unplanned), operational logistics, and Customer and Management Support Services (CAMSS) to provide FRAs a best value mechanism for maintaining their New Dimension vehicles and equipment in line with national resilience and interoperability requirements. Firebuy have been engaged to procure and manage a national service contract. This contract will provide best value for money for maintaining the New Dimension assets and it is expected that the FRAs will use this contract; and

- An Operational Assurance body or organisation to put in place arrangements for undertaking the tasks required to maintain the national resilience and interoperability of the capability (e.g. operational audits and updating training and operating procedures). DCLG is engaging with CFOA and the LGA to develop the structures and systems necessary to manage these Operational Assurance elements of maintaining the capability.
2.8 DCLG will continue to manage resilience policy and liaise with the LGA and CFOA on any Government initiatives that will affect the resilience capability of the FRS, such as the national risk profile on which the New Dimension programme was based.

2.9 This proposal is shown pictorially on the following page and was presented to FRAs as the preferred solution during the November and December LTCM roadshows. No major objections were received (Q&A from these roadshows is shown later in this update) and development and implementation of this solution has continued. Since the roadshows this solution has gained Ministerial approval.

Project Structure

2.10 The implementation of this solution is structured around four LTCM workstreams – Ownership, Maintenance, Operational Assurance, and Finance. The scope of each of these is discussed below.
3.0 **Workstream 1: Ownership**

3.1 The type, amount procured and location of the New Dimension equipment was predicated on a national risk assessment, taking into account value for money considerations. Ministers have approved a strategy to transfer ownership from CLG to FRAs.

3.2 Whilst the New Dimension capability was procured to provide a capability to respond to national scale incidents, it can be, and has been extensively, used to improve the efficiency of response to local level incidents requiring a specialist response. Under the National Mutual Aid Protocol all FRAs in England can expect to request or receive assistance from each other in responding to incidents. The Protocol also includes a cost recovery mechanism between FRAs. Similar principles would apply for cross-border assistance between English FRAs and those in the DAs.

3.3 With the potential scale and length of national incidents and the inevitable staff shift patterns, it is conceivable that FRS Officers use equipment at an incident that is from a different host FRA. Therefore they need to be certain that the equipment is maintained to the same standard as their own. A challenge with transferring ownership to local FRAs of a capability that could be called upon to respond to a multi-capability national incident is how to ensure interoperability of equipment.

3.4 It was therefore decided to set up a national prime contractor on behalf of the FRAs to undertake all maintenance and servicing work. The LTCM project will also set up a national operational assurance body to manage updates to training, operational procedures, co-ordinate operational audits etc., to support the FRAs in owning and managing their resilience equipment.

3.5 To formalise the transfer of assets legal ownership contracts will be produced. The intention is that these will produce a legal and binding agreement between CLG and individual FRAs whereby the FRAs will take on ownership and management responsibility for those assets they currently host. Contained in the appendices will be certain generic conditions that the FRAs must adhere to, such as using the national maintenance contract and co-ordinating any updates with the national Operational Assurance body. Conditions set out in this document will also be reflected in the next version of the Fire and Rescue Service National Framework. CFOA and the LGA will be involved in the development of this document, subject to approval by these bodies; the FRAs will be consulted in late Spring. There will also be FRA specific elements to each contract, such as the net book value and service histories of the assets of which they will be taking ownership. These specific elements will be shared individually with each FRA during discussions on the generic legal transfer document.

3.6 In accounting terms the intention is for the transfer of assets to be treated as a “transfer of function” and therefore FRAs would not be expected to purchase the assets from CLG. CLG and FRA balance sheets will be adjusted to reflect the exchange of assets. Information such as the net book value and service history of assets will be shared with individual FRAs.
4.0 **Workstream 2: Procurement**

4.1 Following the recommendation of the LTCM Board, Firebuy Ltd has been appointed to undertake the procurement of a national prime contractor for LTCM.

4.2 The national prime contractor will be responsible for the management and provision of all maintenance and repair services for the ND vehicles and equipment. A customer contact centre will be provided with a single national phone number, fax number and email address for all ND vehicle and equipment support.

4.3 The LTCM Procurement Team will be developing the Output Based Specification (OBS) in consultation with the New Dimension Capability Managers and other major stakeholders, including the FRS via the New Dimension Regional Teams, CFOA and the LGA.

4.4 The prime contractor will be selected using the OJEU Competitive Dialogue process, which will enable discussion with the bidders to develop and deliver a best value and optimum solution. As part of this process, bidders will be encouraged to investigate existing maintenance facilities. FRAs may be invited by the bidders to offer the use of resources within the FRA, which could be utilised in delivering the LTCM service. If you are interested in taking on any maintenance and servicing of the New Dimension fleet, please complete the questionnaire at annex A and return it to Colette.Carrizales@communities.gsi.gov.uk.

4.5 The recently issued OJEU notice details the requirements for this contract, which is initially planned for sixteen years, with four optional annual extensions. The contract will be managed by Firebuy Ltd and individual Access Agreements will be made between the FRAs and the prime contractor to access the contract.

5.0 **Workstream 3: Operational Assurance**

5.1 It is vital that the equipment, training and capability competence is maintained and monitored to ensure national interoperability, consistency and the most effective and safe operation. Work to develop the long term operational assurance structures and associated processes to achieve these objectives has commenced.

5.2 To achieve the required level of operational assurance and stakeholder communications CFOA and CLG are developing plans to establish a National Operational Support Team which will be managed by a National Resilience Management Board. The structure of the team will be similar to the current regional fire and resilience team but its role will be orientated more to operational assurance, effective communications and support for managing the New Dimension capability.

5.3 In addition to their day-to-day role team members are likely to have an operational role at times of national emergency in providing support for the National Strategic Advisory Team (NSAT) and for technical support for the management of extensive use of specific ND capabilities, such as Enhanced Command Support at the Strategic Holding Area (SHA) for incidents where New Dimension capability will be used.
5.4 During national catastrophic (level 4) incidents it will be essential to maintain effective two way communication links between central government and the fire incident commanders so as to ensure the effective operational cohesion necessary to meet both local and central imperatives. Current thinking envisages a team of FRS strategic advisors to maintain the critical information and advice links between Government and the fire commanders responsible for managing and resolving incidents. Such an approach would allow commanders speedy access to, for example, information concerning strategic developments and a fast route to assist with resolving logistical problems. Interim arrangements for establishing this team, which is expected in time to be headed by the Government’s Chief Fire and Rescue Advisor, are at a preliminary stage of discussion between CFOA and CLG.

6.0 Workstream 4: Finance

6.1 CLG is committed to meeting the net cost of new burdens. It will discuss these in detail with the LGA and CFOA. The items it will take into account in calculating new burdens will include:

- Consumables (for training and the response to Level 4 incidents, as defined in the New Dimension Concept of Operations, only as use at level 1-3 incidents would be considered existing core business)
- Maintenance & servicing
- Contract management costs
- Staff costs (e.g. Crewing)
- Training
- Insurance
- Firelink usage costs
- Assurance function
- Asset Refresh

6.2 CLG currently owns and is responsible for maintaining the New Dimension equipment. As such there are accurate records on historical financial data for nearly all of the future costs. DCLG have been able to calculate accurately the net value of this new burden based on this historical data and future projections for e.g. wear and tear.

6.3 CLG are currently looking at options as to how this change could be incorporated into the Formula Grant distribution method. Options will be discussed at the Settlement Working Group, ahead of a formal and open consultation exercise.

6.4 Road show Questions

1. **What guarantee is there that ND will be funded long term and will it fit with the fire formula?**

   CLG are calculating the future costs associated with ownership and management of the New Dimension capability, based on robust historical data and future estimations on issues such as wear and tear. We will consult the net new burden to FRAs with CFOA and the LGA.

2. **Who will fund the New Dimension Regional Staff?**

   The LTCM project has identified the need for an Operational Assurance function encompassing tasks such as updating training and operating procedures, health
Long Term Management of the New Dimension Capability

and safety, and operational audits – e.g. many of the tasks currently undertaken by Regional staff. Currently CLG are working with CFOA with the aim of CFOA undertaking this role. CLG do not want to be overly prescriptive with how these tasks are discharged in the future and it will be a decision for the future Operational Assurance body as to whether they continue to require, and fund, regional staff.

3. Hard to identify ‘whats what’ in the ND funding – can we use Section 31 grants - FRAs will have to fight for their allocation

It is the position of Government and the Local Government Association that Government support should be channeled through RSG and that special grants should be mainstreamed into RSG when this is possible. This promotes local autonomy, avoids the hypothecating effect of Government providing some 'right' amount to spend on a service, cuts bureaucracy and gives an incentive for efficiency savings to be identified.

4. How would the equipment be replaced & how will replacements be funded.

There are three main reasons why a resilience asset would require replacement:

i. It has reached the end of its natural life (excessive use, wear and tear etc.);
ii. New technology has been developed that means the equipment is out of date;
iii. It has been broken beyond economic repair.

The LTCM project has considered two types of asset refresh and replacement – scheduled and unscheduled - which encompass these three reasons.

Scheduled covers reasons 1 and 2. It is not economically viable to update equipment when each new technological development is made available due to the integration costs. It is therefore appropriate to integrate new technology at the point of planned replacement or refresh.

Unscheduled replacements will be required when equipment is beyond economic repair before its scheduled refresh date. There are a range of causes of this. For instance the piece of equipment is used at an incident, broken during training, accidentally broken, a manufacturer default etc.

CLG have been clear that during the New Dimension programme they are only responsible for funding the replacement of equipment that has expired due to correct use during training or at level 4 incidents. In the future FRAs may need to replace their equipment at any time, in particular if it is used excessively to respond to local level 1, 2, or 3 incidents. FRAs will be expected to work with the Operational Assurance body and Firebuy during these periods to co-ordinate procurement of equipment.

5. Will the full breakdown of the costs of assets and a detailed breakdown of new burden costs be given to FRAs?

The net book value of the assets each FRA currently hosts and will take ownership of will be shared with them on an individual basis.

CLG have identified all future management costs, based largely on historical data. Cumulatively these make up the net new burden on FRAs. This, as well as the transfer mechanism, will be consulted with CFOA and the LGA prior to the information being shared with FRAs.
6. **Post transfer of assets will this mean the transfer of risk? For instance where do the insurance issues sit?**

FRAs will be offered the opportunity to undertake a full acceptance test on the assets. Once the legal transfer documents are signed FRAs will accept ownership of all assets and risk will be transferred to the FRAs. Funding for insurance will be included in the new burdens calculations and it will be the decision of individual FRAs as to what insurance they take out.

7. **Are assets to be transferred as a gift and when will they be transferred**

In accounting terms the legal transfer of assets will be treated as a “transfer of function” and therefore FRAs will not need to purchase the assets from CLG. CLG and FRA balance sheets will be adjusted to reflect the exchange of assets. Information such as the net book value and service history of assets will be shared with individual FRAs.

Whilst the transfer documentation can be signed at any time after consultation the legal transfer will take effect from 1st April 2008.

_Crewing & Staffing_

8. **Retained officer turnover means extra training costs – has this been taken into account**

Yes, attrition rates have been estimated in ongoing maintenance of skills costs.

9. **Now that the Inspectorate has disappeared will CFOA be taking on the work – Who will take over ND coordination role + IRMPs (standards of delivery)**

It is envisaged that co-ordination of New Dimension capability will be undertaken by an Operational Assurance function. Currently CLG are working with CFOA with the aim of CFOA undertaking this role.

The broader function of CFOA in the future is being discussed at the highest level in FRD and neither that issue nor the future of IRMPs is in scope of the LTCM project.

10. **How do you see the Prime Contractor working**

A prime contractor will be responsible for all scheduled and unscheduled maintenance, repair, and servicing of New Dimension equipment. It is likely that the prime contractor will contact FRAs to make use of local resources for front line maintenance.

Whilst Firebuy will be the contracting authority they will have no financial liability for the contract. FRAs will be expected to use this best-value prime contract via access agreements with Firebuy.

11. **Have disposal costs been captured**

CLG have identified costs associated with asset refresh of the New Dimension equipment, an element of which is disposal, where appropriate, of the replaced equipment.
12. Will Scotland fall into scope of ND?

CLG’s New Dimension programme has been on behalf of England and Wales only. Scotland have not been an integral part of this programme and are not in scope of the LTCM products.

However, officials in the Welsh Assembly Government and the Scottish Executive agree in principle that the general terms of the Mutual Aid Protocol should apply ‘cross-border’ between Scotland, England (and Wales). This involves maintaining the existing strong communications between the FRSNCC and Strathclyde FRS, who perform a similar co-ordination role to that of the FRSNCC in Scotland.

13. Who will look after the future operation practices (operational assurance)

The LTCM project has identified the need for an Operational Assurance function encompassing tasks such as updating training and operating procedures, health and safety, and operational audits. Currently CLG are working with CFOA with the aim of CFOA undertaking this role.

14. What will be the future involvement of the RMB

The Regional Management Boards have a remit to promote regional co-ordination. RMBs should work closely with staff in the Operational Assurance function on matters requiring regional assistance.

15. Should Firelink equipment in the assets be decommissioned during servicing

Each FRS has a nominated Airwave custodian who will be aware of the FRS obligations in this respect. Action will need to comply with the TEA2 license.

16. Will existing contracts be transferred to Firebuy

The prime contractor will undertake all tasks relating to maintenance, repair, servicing, and operational logistics currently undertaken by CLG or by external suppliers who are under contract with CLG. Many of these contracts are due to end when the prime contract goes live (estimated to be no later than 1st April 2008). Any existing contracts that are due to continue beyond this go live date will be either terminated early or novated to the prime contractor.
ANNEX A: FRA Expression of Interest in New Dimension Maintenance Pro-forma

As stated in the main body of this Circular, a process has commenced to procure a contract for the Long Term Capability Management (LTCM) of New Dimensions Assets from 1st April 2008.

This contract through a prime contractor is designed to cover:

1. Maintenance, Repair and Overhaul (MRO) of New Dimension Vehicles and the specialist equipment carried in the vehicles.
2. Customer and Management Support Services including 24/7 technical helpdesk
3. Operational Logistics Support
4. Support and Configuration of Specialist Mobile Communications (e.g. SATCOM)
5. Additional services may include the provision of certain statutory training for specialist equipment

Firebuy Limited have been engaged to procure the LTCM Contract for all New Dimensions assets. An OJEU Contract Notice 2007/8 38-046775 has been issued inviting expressions of interest for repair maintenance and associated services of vehicles and related equipment.

Firebuy recognise that many FRAs have existing capacity that could be utilised by the Prime Contractor for e.g. some front line maintenance.

The procurement process Firebuy will be using is a Competitive Dialogue process. This process requires CLG to provide specific information at an early stage to bidders on the interest and capacity of existing facilities. Firebuy therefore wishes to seek your views as to whether you have an interest and capacity within your existing facilities to undertake any repair and maintenance of New Dimensions vehicles.

In order to gauge the likely level of outline interest from FRA’s would you please complete the following pro-forma return to Colette Carrizales by 18th May 2007 at Colette.Carrizales@communities.gsi.gov.uk.

Completing this pro-forma is no guarantee that you will definitely be asked to undertake any maintenance of the New Dimension fleet, as the use of your facilities for any work is subject to satisfactory negotiations with the successful Prime Contractor.
### Expression of Interest

**Fleet Maintenance and Repair – New Dimensions Vehicles**

1. **From:**

   We have:-

   Interest in partaking in Fleet Maintenance and Repair of New Dimensions Vehicles
   (Please complete remainder of questionnaire)

   No interest in partaking in Fleet Maintenance and Repair of New Dimensions Vehicles

   *(Delete as necessary)*

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<th>Yes</th>
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<td>3. Formal Accreditation that your Fleet Maintenance provider holds</td>
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<td>ISO 14001</td>
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<td>4. List the Professional Qualifications and Standards that your staff maintenance provider’s staff are accredited to.</td>
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<td>5. Are you expressing an interest in undertaking Maintenance, Servicing and Repair in all New Dimensions vehicles or selected categories?</td>
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<td></td>
<td>Selected categories only (Please List)</td>
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<td>6. Would you be prepared to undertake repair, servicing and maintenance of all the selected categories in 5, for other FRA’s?</td>
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<td>Comment</td>
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7. From the list of maintenance, servicing and Repair Responses in questions 5 and 6 above please indicate the level of service you are able to provide.

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<td>Other Fittings (e.g. Forklift Truck)</td>
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8. FRA Contact Details
Name, Position, Address.

9. Comment

Signed:-…………………………………………          Name:-………………………………
Date:-………………………. 