### Update on the New Dimension LTCM Project and Three-Year Funding Allocation

**Issued by:**

Fay Sowerby  
New Dimension Policy Advisor

**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:**

Members of the Transport Officers Group (TOG)  
FRS Engineers

**Summary**

Following delivery of the majority of New Dimension capability to Fire and Rescue Services (FRS), attention is now focussed on embedding these capabilities within the FRS through the New Dimension Long Term Capability Management (LTCM) project. This circular provides the FRS with an update on all aspects of the LTCM project and provides confirmation over the funding allocation for the New Dimension programme for the CSR07 period.

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1.0 **Background**

1.1 Following regional roadshows in late 2006, Fire Service Circular (FSC) 26/2007 informed FRSs about the Long Term Capability Management (LTCM) project, which seeks to put in place the necessary structures to ensure the long term sustainability of the New Dimension capabilities. It explained that the aim of the LTCM project is to ensure that these capabilities are fully integrated into FRS core business, that they remain interoperable at all times and that national resilience is always maintained.

1.2 This Circular provides an update on the development of the long-term strategy and informs FRSs of progress on the four elements of the LTCM project:

- The process to transfer ownership of the assets (vehicles, equipment) from CLG to the individual FRSs that host them
- The long term maintenance contract for all the vehicles and equipment
- The Assurance Function, led by the FRS through the Chief Fire Officers Association (CFOA), which manages the individual capabilities, resolves practical problems, deals with changing requirements, liaises between individual FRSs and provides assurance so that capabilities remain fit for purpose
- Settling continuing funding for the New Dimension capability

1.3 These four elements are outlined in more detail below.

2.0 **Transfer of ownership**

2.1 As previously detailed, it has always been intended that Fire and Rescue Authorities (FRAs) should take full and direct responsibility for the management of the New Dimension assets that they host. This intention was affirmed early in the New Dimension programme by the Department, CFOA and the LGA.

2.2 Following consultation with key stakeholder representatives, LGA, CFOA and the Fire Lawyers Network (FLN), CLG issued FSC 51/2007 on 12 November 2007 enclosing a copy of a draft Transfer of Ownership Agreement and seeking FRA comments. We are grateful to those FRAs who have commented. The key message from stakeholders at that time was the need for further information on the longer term funding for the capabilities. This is provided by this circular in section 5.

2.3 On the completion of the Department’s consideration of the responses received to this initial consultation, a revised version of the draft transfer agreement will be drawn-up for re-issue over the next few months, for a second round of consultation with FRAs and other stakeholders. At this second stage we believe that all of the elements will be in place to ensure successful transfer of assets. FRAs will then be asked whether they are content to sign up to the agreement in principle.
3.0 Maintenance

3.1 As outlined in FSC 26/2007, maintenance of the New Dimension capability will be managed on behalf of all FRAs by an appointed contractor, to help ensure interoperability and national resilience requirements are maintained. Firebuy Ltd have been engaged to procure and manage this national service contract. The contract will run for 16 years, with an option for up to four 1-year extensions. The contract will provide best value for money for maintaining the New Dimension assets.

3.2 The procurement documentation was developed in consultation with stakeholder representatives including CFOA, who were involved in the development of key papers such as the Terms and Conditions of the Contract, the Service Specification, Key Performance Indicators (KPIs) and the Payment Mechanism. A number of individual FRS representatives have also been involved in the procurement process, notably in the evaluation of the technical and service delivery solutions offered by the companies bidding for the contract. The Directorate is grateful for this support which has allowed us to be confident that the winning bidder will provide a practical, robust approach to maintenance which will be closely aligned to the needs of the FRS.

3.3 In FSC 29/2008, CLG announced that following evaluation of tenders received, Vosper Thornycroft Critical Services (VTCS) had been awarded the contract at the beginning of July 2008. We are pleased to confirm that the contract has now been formally signed between Firebuy Ltd and VTCS. CLG, as the current owner of the New Dimension assets has also initially signed the Terms of Access to ensure that the assets are maintained from commencement of the contract, due in Autumn 2008.

3.4 However, as set out in the National Framework (2008-2011), FRAs taking ownership of the New Dimension assets will be required to enter into the maintenance contract through Terms of Access with Firebuy Ltd and VTCS. This is one of the conditions contained within the draft Transfer of Ownership Agreement. Further details about the contract will be available shortly and we have already undertaken a series of regional roadshow seminars for FRS service engineers and technical managers with regard to the technical details of the maintenance contract.

4.0 Operational assurance

4.1 Following FSC 26/2007 a significant amount of work has been undertaken, particularly over the last six months, to further develop the operational assurance role, which ensures that New Dimension equipment, training and capability competence are maintained and monitored to ensure national interoperability, consistency and the most effective and safe operation.

4.2 CLG has worked closely with CFOA and the LGA over the future operational assurance and governance arrangements for New Dimension capability and discussed how this will be managed in the long-term. The structure adopted by CFOA broadly follows that used for the New Dimension programme. The Assurance function is currently managed through a Transition Board (due to become a National Resilience Board post transfer), chaired by Terry Standing,
CFO Gloucestershire and CFOA lead for New Dimension Long Term Capability Management, with Jon Hall, ACFO Hereford and Worcester as Vice Chair. The membership of the Board includes Cllr Jeremy Hilton as Lead Member providing LGA oversight and providing a direct link to the LGA Fire Services Management Committee, CFOA leads on the various capabilities provided by the New Dimension programme, together with representatives from the Department. The Transition Board oversees the New Dimension capabilities as they transfer from programme to FRS responsibility, acts as the collective customer for that training which needs to be arranged centrally, runs the National Team of regionally based New Dimension experts, brokers arrangements for siting of kit which has not yet been assigned, and is the primary means to take forward transition of New Dimension from a CLG programme into FRS ownership and direction. Once the maintenance contract commences, the Transition Board will represent the collective FRS interest in negotiations with the contract manager, Firebuy.

4.3 As transition completes, the Transition Board will evolve into the full-fledged National Resilience Assurance Body. As essentially an FRS-led body under LGA oversight, it will be for the body itself, CFOA and the FRAs collectively to decide what the appropriate arrangements will be in the future to maintain the levels of assurance required by central government, and whether and how they may change from these initial arrangements.

4.4 Under the Assurance Body sit the various specialist teams which support it, promote best practice and provide technical advice.

5.0 Finance

5.1 CLG recognises that FRAs need continued funding to support the New Dimension capabilities, their use of the national maintenance contract to keep the capability fit for purpose in a level 4 incident, and to support the Assurance function.

Continued funding to support the capabilities:

5.2 The following grants are planned to continue for the CSR period at the levels shown:

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<tr>
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<th>Grant, amount per team/asset</th>
<th>Total value of grant per annum 08/09, 09/10, 10/11</th>
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<tbody>
<tr>
<td>MASS DECONTAMINATION</td>
<td>IRU Training funding [Based on £35,700/£36,414/£37,142 per IRU over the three financial years]¹</td>
<td>£2.366m/£2.413/£2.461m</td>
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<tr>
<td>USAR</td>
<td>USAR Crewing [Based on £779k / £795k / £811k per full USAR team over the three financial years]²</td>
<td>£15.2m/£15.5m/£15.8m</td>
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<td>PPE Maintenance [£18.8k per USAR team]²</td>
<td>£0.367m/£0.367m/£0.367m</td>
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| **Timber Replenishment**  
[£10k per USAR team] | £0.195m/£0.195m/£0.195m |
| **USAR Canines**  
[£6.6k per USAR team inc W Sussex] | £0.151m/£0.141m/£0.141m. |
| **Local Training Facility consumables**  
[20k per full USAR Team] | £0.39m/£0.39m/£0.39m |
| **Oxygen**  
[£555 per USAR team] | £11k/£11k/£11k |
| **COMMAND AND CONTROL**  
Enhanced Command Support [tbc]/£77k/£79k per ECS | Rollout still taking place; from year 2 is £0.697m / £0.711m |
| **CONSUMABLES**  
Consumables | Tbc / £0.97m / £0.97m |
| **TRAINING**  
DIM, USAR and Water training | £2.99m / £3.06m / £3.16m |
| **THIRD PARTY INSURANCE** | Tbc / £0.3m / £0.3m |

1 - £10,200/£10,404/£10,612 for the Isles of Scilly FRA for their mass decontamination training.
2 - Half-share for West Sussex, strategic reserve.
3 - Plus an additional £8.3k for training attrition, and £10k (08/09 only) to be paid to the lead FRA.
4 - £302 for West Sussex, strategic reserve.
5 - The FRS National Co-ordination Centre is funded through separate arrangements which are determined annually.
6 - Funding for ECS has yet to be finalised for 2008-09 as the capability is still being delivered.
7 - CLG are currently paying these costs directly. Once a date is agreed whereby FRAs will take responsibility for these aspects, funding for FRAs for the remainder of the year will be calculated.
8 - A proportion of the amount for training of DIM and USAR is being held centrally, under the control of the Assurance Body, as detailed in para 5.5 below).

### 5.3 Continuation training:

The Department will provide funding through grants to FRAs for continuation and attrition training, along with the consumables required to undertake this training for the CSR period at the levels detailed in the Table.

### 5.4 In addition to this direct funding CLG also provides funding to the Transition Board for the following areas:
5.5 **Centrally procured training:** Advice from the Transition Board, CFOA and within the Project has been that a proportion of the training funds should continue be held centrally under the control of the National Resilience Board to provide for a number of training courses which need to be allocated nationally to ensure resilience across England. These courses are managed by the Transition Board which also allows greater buying power for specialised courses (i.e. DIM and USAR) and courses with small numbers of potential attendees to be viable. We have through the Transition Body negotiated directly with the Fire Service College to arrange these courses for the CSR period.

5.6 **Support for the Assurance Body and the National Team:** CLG will directly support the vital work of the Assurance Body (Transition Board), including the national team through grant funding. The Department, with advice from CFOA leads and on the basis of spending by the New Dimension programme, have made an assessment of the requirements of the Assurance Body. On the basis of this, the Department has determined that the Assurance Body will be funded £2.24m/£2.29/£2.33m for the three CSR years. However, to give the Assurance Body the maximum flexibility in managing its budget, it will be for it to determine the split of available funds between the areas of assurance and central training (see previous point). This funding will be directly managed by the Transition Board.

5.7 **Support for short term refresh:** An amount of grant funding for short term refresh will be made available to the assurance body from the point when they take on full responsibility. The amount for each full year will be £1.5m. Once a date is agreed with the Assurance Body to take responsibility for asset refresh on behalf of the FRAs, notional funding for the remainder of this financial year will be calculated.

5.8 **Major asset refresh** may be anticipated approximately every 5-6 years through the life of the programme, but this will be a matter for Ministers to consider at the time, and no funding decision is being taken now. We would envisage major asset refresh to be considered against other proposals for Government funding in the context of a spending review, and would anticipate looking to the Assurance Body for an FRS view, which we would expect to be linked closely to and mutually supportive with the LGA’s normal representation to the spending review. However the Assurance Body is actively seeking to ensure the current capabilities remain ‘fit for purpose’.

5.9 Funding the national maintenance contract: CLG recognises that the national maintenance contract will be a new burden on FRAs and intend to fully fund FRAs to meet their fixed charges under the contract to maintain the ND capability to respond to level 4 incidents.

5.10 As detailed in FSC 32/2007, at the request of FRAs, CLG has agreed to continue funding New Dimension through specific grants in the short-medium term. In line with Government and LGA policy, there is no intention to keep specific grants in the longer term where it is possible to add them to Revenue Support Grant (block grant), which is a more efficient and flexible way of funding local authorities, gives certainty and avoids bureaucracy. We therefore...
expect to consider again the case for transfer of these grants, where possible, into RSG in the next formula grant review, at which point there will be a clear history of actual costs which the transfer could take into account. The proposal will be consulted upon through the relevant LGA-Local Government Finance expert committee in the normal fashion. We would expect to propose an additional element to the formula, to be able to take into account the differing New Dimension capabilities held by different FRAs, and hence the different costs upon them.

5.11 We believe this information gives the clarity and certainty that authorities seek on the future funding arrangements for New Dimension.

5.12 As Chair, Terry Standing, on behalf of the Transition Board, has said: ‘We have from the early stages set out the four essential elements (funding, assurance, maintenance and transfer of ownership) necessary for the successful bedding down of these new capabilities within the FRS. We have worked hard with colleagues from CLG to deliver these, as referenced by this circular and with this confirmation of funding and the announcement of the maintenance contractor, I and the Transition Board welcome these significant steps forward towards our objective. The Assurance Body is a strong committee both in terms of processes and members and this will ensure the interests of all stakeholders are not lost and the high level of resilience we currently have through the New Dimension capabilities will be continued.’

Fay Sowerby

Regional Resilience and Emergency Response