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This circular is	<b>For information</b>	No response required	
This circular is	<b>Relevant to the National Framework</b>		
Status	<b>This circular provides Fire and Rescue Authorities with an update on the transfer of ownership of New Dimension assets.</b>		

# Update on the Transfer of Ownership of New Dimension Assets

## Issued by:

**Fay Smith**

**New Dimension 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  
London Fire Commissioner  
The Chief Fire Officer**

## Please forward to:

**FRA Finance Directors  
FRA Legal Advisors**

## Summary

This circular provides Fire and Rescue Authorities with the latest information in regard to the transfer of ownership of New Dimension assets and confirms that for those authorities signing up to the transfer, they will not, at this present time, be expected to enter in to the New Dimension maintenance contract as originally intended. In the meantime, the New Dimension Recharging Policy will continue to be in operation.

## For further information, contact:

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## 1.0 New Dimension Asset Transfer

- 1.1 Through Fire Service Circular (FSC) 52/2009, issued in September 2009, CLG has sought sign-up by Fire and Rescue Authorities (FRAs) to the transfer of ownership of New Dimension assets. To date, CLG has received notification from over half of all FRAs agreeing to the transfer which is due to be enacted on 1 April 2010. Work is currently being undertaken by the Department to prepare for the transfer and to ensure that the relevant Transfer of Ownership Agreements are signed and sealed accordingly. A copy of the completed final agreement will shortly be provided to each FRA who has signed-up.
- 1.2 Where particular FRAs have additional queries on the issue of asset transfer, the Department will be providing responses in due course. In regard to those FRAs who have declined asset transfer, the Department will shortly be considering future options for the ownership of those assets which remain on CLG's asset register.

## 2.0 Asset Transfer and New Dimension Maintenance Contract

- 2.1 FRAs will be aware that in signing up to the Transfer of Ownership Agreement, they are also obliged to sign up to the New Dimension maintenance contract. The contract itself is between VT Group and Firebuy (the contract manager) and the services provided by this contract are accessed through the Terms of Access. CLG, as the current owner of the New Dimension assets, have initially signed the Terms of Access to ensure that the vehicles and equipment are being maintained. However, as a result of the transfer of the assets, each FRA will need to individually enter into the Terms of Access themselves, as set out in clause 7.1 of the Transfer of Ownership Agreement.
- 2.2 Nevertheless, CLG appreciate that prior to FRAs signing up to the maintenance contract they will require further information on how the contract will be run. This includes:
- Consulting FRAs on the contract management processes and the roles and responsibilities of the three parties involved; FRAs, VT, and Firebuy.
  - Explanation of the dispute resolution process and assurance that in the event of either an operational or contractual dispute, there is an agreed mechanism through which this will be addressed.
  - Clarity over contract costs. Whilst CLG have already committed to providing the fixed costs of the maintenance contract, though further communication is required surrounding what those costs are for each FRA.
- 2.3 Given this, the Department does not expect FRAs to sign up to the maintenance contract at this present time and instead, has decided **to temporarily waive clause 7.1 of the Transfer of Ownership Agreement**. Once the issues in para 2.2 above are resolved, CLG will then ask FRAs to sign up to the Terms of Access for the maintenance contract and fulfil the obligations of the Transfer of Ownership Agreement. FRAs will be expected to enter into the Terms of Access within 4 weeks of being called on to do so by CLG, and we expect that this will occur around Autumn 2010. FRAs will shortly be requested to sign a letter agreeing to this proposal (to be sent along with final copies of the completed Transfer of Ownership Agreement as mentioned in para 1.1).
- 2.4 To address the issues in para 2.2, Firebuy are planning to undertake a series of roadshows to explain the process surrounding contract management and will issue a draft Contract Management Manual setting out Firebuy and FRA responsibilities. Furthermore, CLG will be providing information surrounding contract costs and the funding and payment mechanisms.

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### 3.0 Recharging of Maintenance Costs

- 3.1 **Until the time that FRAs sign up to the New Dimension maintenance contract themselves, the Department will continue to operate the recharging policy outlined in FSC 72/2009 issued in November 2009.** Through this, the Department confirmed it would not continue to fund the repair or replacement of equipment owing to mis-use, loss of equipment or damage caused by a response to anything other than a national-level event and that where damage to New Dimension assets occurs during routine incidents or as a result of an act or omission by an FRA, the costs of remedy or repair should be borne by that FRA.
- 3.2 Further detailed information surrounding the process for recharging and the types of costs to be recharged can be found in FSC 72/2009.

**Fay Smith**

**New Dimension Policy Team**