

Hampshire Fire and Rescue Authority

Finance and General Purposes Committee

Item: 9

29 January 2014

Update on the Authority's company – 3SFire Limited

Report by the Chief Officer

Contact: John Beckerleg Telephone: 02380 644000

1 Summary

- 1.1 At the Hampshire Fire and Rescue Authority meeting on 14 February 2013, Members agreed to establish a trading company. It was agreed that the Finance and General Purposes Committee would receive regular updates on the company's progress and this is the second one.
- 1.2 This report provides an overview of the current position with the company and includes an update from the Head of Operations for 3SFire Ltd. It highlights the progress made since July 2013 in developing the business plan.

2 Recommendation

- 2.1 The Committee is invited to note the update on 3SFire Ltd.

3 Introduction and background

- 3.1 HFRA is facing further grant reductions for at least the next four years. Operating a trading company is intended to allow the Authority to generate profits through fire related contracts, including some in partnership with others, and this will help to offset these funding reductions. There will also be other benefits including potentially improved resilience, the development of staff, and the potential to bring new practices into the Service.

4 3SFire Ltd – update

- 4.1 Significant work has been undertaken to establish the business plan for 3SFire Ltd and to start to develop the business. Appendix A provides an overview of the recent developments.

5 Other actions and developments

- 5.1 The Standards and Governance Committee has received two reports on the

relationship between the Authority and the company (on 5 July 2013 and 11 December 2013).

- 5.2 A recent survey has shown that there are at least 12 Fire and Rescue Authorities that have established their own trading company and almost the same number again which are considering setting one up.

6 Supporting our corporate aims and objectives

- 6.1 Within our Service Plan priorities we have identified that we are likely to create capacity and generate more revenue by working with other organisations. If successful, a commercial strategy would provide a source of income for HFRS and therefore reduce the impact of the future budget reductions that will affect the service.
- 6.2 The operation of a company also offers non-financial benefits including:
- staff development;
 - exchange of expertise with other partners; and
 - economies of scale.

7 Risk analysis

- 7.1 The Service has a risk register which analyses the risks arising from operating a company together with the mitigating actions to manage the risks.
- 7.2 The Authority agreed to a financial investment to support the start up of the company. This is on the basis of a repayable, interest bearing loan to be repaid from the company's expected profit. There is a risk that the trading activities of the company are never sufficient to repay this loan.
- 7.3 Officers within the Service have compiled a draft corporate risk relating to the relationship with the company. This has been discussed with the 3SFire Board and will be considered in due course by the Standards and Governance Committee which will provide oversight of the risks and mitigating action.

8 People impact assessment

- 8.1 The proposals in this report are considered compatible with the provisions of the equality and human rights legislation.
- 8.2 No PIA has been completed as there is no identifiable impact on any person/s at this time. However this position will be kept under review as business opportunities are identified.

9 Resource implications

9.1 Human Resources

An Area Manager is currently seconded from HFRS to 3SFire Ltd to carry out the role of Head of Operations. Where other resources have been drawn from the Service this has been from within existing capacity.

10 Conclusion

- 10.1 3SFire Ltd, the trading company of the HFRA, has been set up, registered and is starting to develop income. Significant work has been undertaken to develop future business opportunities and win contracts to create a profit for the company. However this work to bring products to market and repay initial set up and investment costs takes time.

11 Background papers

- 11.1 The following documents disclose the facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of the report:

None

Note: The list excludes: (1) published works; and (2) documents that disclose exempt or confidential information defined in the Act.

Update from Head of Operations, 3SFire Limited

3SFire Ltd - Business Development

1. Following extensive discussion the Board has agreed that the company will focus in the following four areas of business:
 - Specialist Training;
 - Operational and Support Services;
 - Business Safety Services; and
 - Fire Management Consultancy.
2. A brief explanation of each area, an update on work carried out and future opportunities is provided below.

Specialist Training

3. Training people to effectively and safely manage risk is a core offering of 3SFire. We have significant expertise in areas of specialist training such as working in confined spaces, safe working at height, large animal rescue, emergency response driving and incident command. We are able to draw on a wide range of people who possess the knowledge, skill, and expertise to deliver high quality training in these specialist areas.
4. Our key markets are Animal Rescue Training; Working at Height and Confined Space Training; RTC/Extrication Training; Fire Safety Training. The Primary Authority Scheme will provide opportunity for 3SFire to engage with larger organisations and offer additional business safety services outside of the advice and support provided by HFRS.

Current work and future opportunities

5. We have delivered Emergency Response Driver Training and command courses. We will be delivering incident command courses and are progressing discussions on other training opportunities.

Operational and Support Services

6. 3SFire is able to provide a wide range of operational and support services to enable all sizes of business to manage a wide range of risks. These services include stand-by rescue teams, emergency fire cover for specific events, risk management service, 24/7 call handling services, provision of equipment and emergency vehicle fleet management.
7. Our key markets will be large organisations/industry and providing event fire/safety services to large public events.

Current work and future opportunities

8. The contract for Farnborough International Air Show 2014 is now signed and work is underway to develop the delivery model.

Business Safety Services

9. 3SFire will work with business owners and occupiers to develop or provide a full range of business safety services for their premises. We are able to draw on a wide range of people who possess the knowledge, skill, and expertise to provide expert advice on fire engineered solutions, fire risk assessments, fire management services, and fire safety training and bring current thinking and innovation to this market.
10. Our key markets will be large public sector and private sector organisations with multiple sites located geographically. The Primary Authority Scheme will provide opportunity for 3SFire to engage with larger organisations and offer additional business safety services outside of the advice and support provided by HFRS.

Current work and future opportunities

11. We are continuing to provide some support to CFOA Services Ltd (CSL) and Capita to develop the BlueWatch (BW) concept and focus on a broader market with local authorities. A pilot risk assessment has been carried out locally and has been very positively received. We are also developing discussions with organisations signed up for the Primary Authority Scheme with HFRS to consider wider opportunities in relation to providing business safety services.

Fire Management Consultancy

12. 3SFire will offer fire and risk management consultancy in the areas of community safety (preventing fires and incidents from occurring); business fire safety (protecting business from the effects of fire and supporting business continuity); and emergency response (providing the right resources to effectively manage and resolve complex incidents involving fires and other risks). This will include providing assurance services.
13. Our strategic partnership will enable us to identify and pursue large scale opportunities within the fire industry. We will work with them develop business and bid for contracts and seek opportunity to become part of the delivery solution within future contracts. We will seek opportunity to work with private and public sector organisations and assist them in fire service related matters.

Current work and future opportunities

14. We are continuing to work on developing a joint bid for the Defence Fire Risk Management Organisation tender when it is released by the Ministry of Defence (MOD). The current indications are that the project team within the MOD are still working towards a release date

in the spring of 2014. We are developing two proposals to provide specific consultancy work on resilience/contingency planning and fire risk assessment.

Communications

15. We have engaged a web design company to develop the 3SFire website and this is now live at www.3sfire.co.uk . The site provides an overview of the services we offer, a method of capturing enquiries from potential customers and a list of clients we have delivered services for. The site will be optimised for internet search engines, will support our social media campaigns and we will continue to develop the content in the future.

Personnel

16. As activity is picking up within the company it has been necessary to review the staffing arrangements and consider the future skill requirements to enable the company to develop and thrive. To ensure that the company continues to progress the tactical level work, we have successfully appointed an external candidate with excellent business development and contract management skills into the role of Service Delivery Manager.