

FIRE BRIGADES UNION

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FIRE ENGINES FOR SALE – LIQUIDATION, ADMINISTRATION OR TAKEOVER: HIGH COURT HEARS HOW BAD THE PRIVATE SECTOR CAN GET

AssetCo, the private owners of London and Lincolnshire's fire engines, are on the brink of collapsing under debts of £140 million. The High Court will today hear the future is either liquidation, administration or a takeover by Saudi-backed Bahraini investment bank called Arcapita.

The move comes on the day the coalition spells out its plans for greater involvement of the private sector in public services, including the fire service. The Fire Brigades Union said the AssetCo saga flags up the dangers of involving the private sector in public services.

London Fire Brigade privatized the ownership and maintenance of London's fire engines and 50,000 pieces of rescue and safety kit in 2001. AssetCo has a similar arrangement with Lincolnshire fire service.

The Fire Brigades Union says the news underlines the dangers privatization poses for emergency services. Debtors could seize assets and the fire engines and kit could be forfeited to creditors and sold off in full or part to any fire service in the world.

In the event of a takeover fire brigades have no control over who their fire engines are sold on to. Internet search engines throw up enough material about Arcapita to be of serious concern.

The timing of the end game of the AssetCo saga - on the day the Government is spelling out even greater involvement of the private sector in running public services, shows the coalition is out of touch with the dangers of privatization.

Matt Wrack, FBU General Secretary said: "It was a monumental blunder to hand key operational assets over to the private sector. The saga is unfolding in the High Court on the day the Government sets out plans which pave the way for greater private sector involvement in the public sector.

"When you involve the private sector you do not know what crisis awaits you in the long-term. AssetCo has not provided a solution and expertise they have delivered a crisis and uncertainty.

"We'll hear a lot about competition and innovation from the coalition today. What AssetCo shows is the unacceptable face of the private sector and the disaster it can bring.

"The public demand certainty from the public services they rely on. What has been delivered in this case is a financial mess and utter chaos."

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