

TO: Cambridgeshire and Peterborough Fire Authority

FROM: Chief Fire Officer

DATE: 12 July 2007

ESTABLISHMENT OF REGIONAL CONTROL CENTRE COMPANY

1. Purpose

1.1 To seek approval from the Cambridgeshire and Peterborough Fire Authority to its participation in the company on the terms outlined in this report.

2.0 Recommendation

2.1 That the Cambridgeshire and Peterborough Fire Authority:

2.11 notes the steps being taken to establish the East of England Regional Control Centre company;

2.12 agrees that the Cambridgeshire and Peterborough Fire Authority participates as a Member of the company on terms substantially as outlined in this report and its appendices;

2.13 appoints two Members of the Fire Authority as Directors of the company;

2.14 authorises the Chief Fire Officer in consultation with the legal adviser, Treasurer and Chairman of the Authority to take such steps as may be reasonably necessary to finalise the company documentation in order that the company may be established by October 2007, or as soon as possible thereafter,

2.15 notes that further reports will update the Fire Authority on developments in the Fire Control project and the operation of the company and in particular proposals for financial apportionment being developed at a local and national level.

3.0 Risk Assessment

3.1 Legal: The Fire and Rescue National Framework 2006-2008 requires the Regional Management Boards for each region to work closely with the Government to ensure that the phased transition from existing

Control Rooms to the new Control Centres is integrated with the roll out of FireLink and delivered by the end of 2009/10. It also requires the Regional Management Boards to ensure that the Local Authority Companies which will run the Control Centres on behalf of the Fire Authorities are established by specified dates. The date for the East of England was 1 May 2007 but the DCLG has been informed that the East of England cannot meet that timescale and it is proposed to set up the company by October 2007 or as soon as possible thereafter.

4.0 Background

- 4.1 Members will be aware that as part of the Fire and Rescue Service modernisation agenda the Government requires a greater degree of regional collaboration in the provision of fire and rescue services. One facet of this is Fire Control, whereby it is proposed that fire control services, currently undertaken locally by each F&R service, are integrated into and delivered through nine regional control centres by 2009/10. The Government is procuring the IT and other infrastructure contracts necessary to establish the regional Fire Control centres, although there is clarification required regarding the long-term business continuity arrangements and the allocation of financial responsibility for the regional Fire Control centres; the Government has this month published a business plan intended to assist in moving the debate forward.
- 4.2 The Government proposes that in each region, the Fire Authorities work together through the medium of a specially established company. The rationale is that the company model gives the Regional Fire Control centres a separate legal identity, and provides a clear governance structure through which the Fire Authorities can own the Fire Control centre and control its operations.
- 4.3 Through the East of England Regional Management Board (RMB), the Fire Authorities in the East of England have been driving forward a number of regional projects, including the Fire Control project. A new Fire Control centre is currently under construction at Waterbeach near Cambridge. A number of operational and financial matters are yet to be resolved by the Government and formal consultation with staff is yet to be undertaken by the Fire Authorities. However the Government requires that the company is established as soon as possible although there will be considerable lead-in time until the regional Fire Control centre is ready to come into operation and take on its responsibilities as a service provider.
- 4.4 Discussions have been undertaken at meetings of the East of England RMB over the past year regarding the establishment of the Fire Control centre and more recently, the company. A Fire Control Project Board meets regularly to consider detailed operational issues and sub-groups considering human resources, financial implications, and legal issues, are also meeting both regionally and nationally.

- 4.5 The East Midlands region established its company on 17th November adopting similar provisions as suggested below for the East of England. Post incorporation there is further work to be undertaken in all regions, in consultation with regional RMBs and with Government, to develop the role of the company and its directors and the principles for apportioning costs for Fire Control within regions and on a national scale. Population may be a suitable basis for apportioning costs but detailed costs modelling is still to be undertaken once further information about the project's overall costs is known at a national and local level.
- 4.6 The East of England RMB met on 13 June and agreed to recommend to their respective Authorities the key principles outlined below upon which the approval of each individual Fire Authority is now sought.

5.0 Proposal to Establish the Company

- 5.1 It is proposed that a company limited by guarantee is established, the members of which are the regional Fire Authorities: Bedfordshire and Luton, Cambridgeshire and Peterborough, Essex, Hertfordshire, Norfolk and Suffolk. As a guarantee company, the liability of each of the members is limited to a nominal value of £1. Each member will be entitled at all times to appoint two directors to the Board, which will manage the day to day operation of the company.
- 5.2 The documentation necessary to establish the company comprises three key documents: the memorandum of association, the articles of association and the members' agreement. The memorandum and the articles are public documents that set out the basic powers and operations of the company, and must be registered at Companies House. The members' agreement is a private document that sets down in further detail how the members (the Fire Authorities) will work together to ensure the company runs smoothly and individual members' interests are adequately protected on key decisions.
- 5.3 The Government requires that the memorandum is consistent across all regions in the country. The memorandum has now been finalised and is attached at Appendix 1.
- 5.4 The articles of association can be subject to regional variation but need to be finalised before the company can be incorporated. The current draft of the articles is attached as Appendix 2.
- 5.5 Given the need to further develop cost apportionment principles, the parameters of directors' and members' decision-making powers on key issues, and the process for funding the company and setting an annual budget, it is not proposed that the members' agreement be finalised at this stage. As each Fire Authority's consent will be required to the financial and other arrangements set out in the members' agreement, a

further report will be taken to the Fire Authority when these proposed arrangements are finalised and have been debated by the RMB.

- 5.6 The RMB has received reports on the proposed establishment of the company. The Government has agreed to fund the costs of external independent legal advice from Eversheds on behalf of the East of England Fire Authorities as a final check on the company documentation before it is submitted for approval to Companies House.
- 5.7 The RMB has agreed to recommend the following key points to their Authorities:
- The company will be called the “East of England Regional Control Centre Ltd”;
 - The six FRAs in the East of England (outlined at paragraph 2.1) shall be the members of the company;
 - There shall be no other members unless all members unanimously otherwise agree;
 - Each member is entitled to appoint two director at all times;
 - Initially the company will have 12 directors, but there will also be scope to appoint other directors if the members unanimously agree;
 - There will be weighted voting rights at meetings of the members but not at meetings of the Board;
 - The Chair will not have a casting vote – any deadlock in decision-making would be resolved through dispute resolution;
 - Unanimous consent of members will be required on key issues of significant value or risk to individual Fire Authorities;
- 5.8 It is therefore proposed that the Fire Authority decides on which of its Members are appointed by the Fire Authority as directors of the company.
- 5.9 The regional Chief Fire Officers will clearly have a key role to play in advising the company and it proposed that the company would also be supported by legal, financial and human resources advisors. The company may initially receive company secretarial support from the legal advisers to one of the Fire Authorities although this could be reviewed when the company becomes operational.
- 5.10 At the present time the company is expected to become operational from 2009. Once the regional Fire Control centre becomes operational the composition of the Board of Directors would need to be reviewed to ensure that the Board continues to meet the region’s needs.

6.0 Conclusion

- 6.1 The regionalisation of fire control functions is a national programme that is already substantially underway. The Government requires that each region establishes a company through which regional Fire Control

projects can be delivered. In the East of England region good progress has been undertaken, by the RMB, Fire Control Project Board and other working groups, to set down the processes by which the Fire Control project will operate.

- 6.2 Work is still to be undertaken to establish the financial principles underpinning the operation of the company and each Fire Authority's contribution to the costs of both the regional and the national Fire Control project. However this should not prevent the East of England Regional Control Centre company being incorporated and remaining dormant while further negotiations take place.
- 6.3 The Fire Authority is requested to approve the participation of the Fire Authority as a member of the company, and to approve the appointment of two members as directors of the company.
- 6.4 Further reports will be taken to the Fire Authority when the proposals for financial apportionment and other key issues concerning the actual operation of the regional Fire Control centre have been further developed.

BIBLIOGRAPHY

Source Documents	Location	Contact Officer
The Fire and Rescue National Framework 2006-08	Accessible on the DCLG website – www.communities.gov.uk	Geoff Taylor 01480 4444615 geoff.taylor@cambsfire.gov.uk
Minutes and Reports of East of England Regional Management Board	Hinchingsbrooke Cottage Brampton Road Huntingdon	Victoria Lomas-Farley 01480 444604 Victoria.LomasFarley@cambsfire.gov.uk