

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

18 APRIL 2011

**1. CLOSURE OF DCLG FIRECONTROL PROJECT – ISSUES
RELATED TO THE EXISTENCE OF THE LOCAL AUTHORITY
CONTROLLED COMPANY**

Report of the Chief Fire Officer.

RECOMMENDED

- 1.1 THAT Members note the contents of this report concerning the impact of the termination of the Fire Control Project on the future of the West Midlands Fire and Rescue Services Regional Control Centre Limited Company.
- 1.2 THAT Members endorse the decision of the Board of Directors on 28 January 2011 that the Company should close down all of its activities and become dormant for a short period of time.

2. PURPOSE OF REPORT

This report is submitted to inform Members of the consequential issues relating to the continued existence of the Company following the closure of the FiReControl project.

3. BACKGROUND

- 3.1 Members will be aware that the FiReControl Project (“the Project”) was terminated by the Department of Communities and Local Government on 20 December 2010 by agreement between the Government and the main IT supplier, Cassidian (formerly EADS). CLG has subsequently issued a consultation document concerning the future of Fire and Rescue Control Services in England, which looked at funding implications and potential uses for the Regional Control Centre buildings by the Fire and Rescue Services. The consultation period ended on 8 April 2011, the conclusions of the consultation are awaited.
- 3.2 Within the West Midlands region, in common with all other regions, a number of activities were in progress at the time when the Project was cancelled. This report explains the implications of the

Project cancellation on the operation of the region's Fire Control company and some associated issues.

- 3.3 The West Midlands Fire and Rescue Services Regional Control Centre Limited company ("the Company") was formed on 19 February 2007 and is a limited liability company wholly owned and controlled by West Midlands FRA, Staffordshire FRA, Shropshire FRA, Hereford and Worcester FRA and Warwickshire FRA. The company was established in response to the Government's requirement that, as part of the Project, the Fire and Rescue Authorities in each region formed a local authority (FRA) controlled company to operate the proposed Regional Control Centre (RCC). The Board of Directors of the Company comprises an Elected Member representative from each FRA.
- 3.4 The Government's intention was that the Company would employ the management and control room staff required for the RCC and take ownership of the lease of the RCC building and any other assets required to run the RCC. The Government had committed to fully meeting the costs of developing and running the RCCs up until the time that RCCs were due to become operational when another funding arrangement would take over. So far in this region, there has been sufficient Government grant funding available to meet all the costs incurred by the Company and the regional Project team, with the exception that significant FRS officer time and support "in kind" had gone into the Project and has not been directly funded.
- 3.5 Over the years since the Company was established the Government's proposed Project implementation dates had slipped significantly on several occasions, principally due to delays in the development of the IT solution. The Company had taken a number of steps towards readiness for the RCC becoming operational, but within the West Midlands region the FRA owners of the Company had been careful to ensure that the Company did not enter into too many commitments ahead of there being tangible progress on the development of the IT solution. For example, the Company had not taken ownership from the Government of the 25-year lease of the RCC building and control room staff had not been recruited into the employment of the Company.
- 3.6 In recent times the Company had a small team of 5 officers working to support the RCC's preparations. This team was based

at the RCC and one officer had become an employee of the Company, while the other 4 officers were seconded from West Midlands Fire Service and Staffordshire Fire and Rescue Service. These officers worked to ensure that the region would be ready for an operational RCC.

- 3.7 On 28 January 2011 the FRA Chairs/Portfolio Holders and the Chief Fire Officers of the region's five FRAs met to consider their positions on future control room delivery and opportunities for collaboration. There were, and continue to be, a number of plans in hand but the constituent authorities did not consider that any of these necessitated the use of the RCC resources, including the RCC building or the staff team. The Board of Directors met immediately after this FRA meeting, and considered the position of Project cancellation as it affected the Company. The Board made a number of resolutions which related to the vacation of the RCC building, the redundancy processes of the affected staff, and the steps that would be taken to achieve a financial closedown of the Company's activities.
- 3.8 There are funds remaining in the Company's accounts following the completion of closedown activities, and a number of other tangible assets. The Board of Directors considered that the Government's position should be clarified on the use of uncommitted grant or other assets while these were still in the ownership of the Company, and that the Company should not be wound up immediately while this clarity is being obtained. The Company would also be a potential vehicle to deliver other regional work, if such a vehicle was ever required in the future. Therefore the Board decided that the Company should be made dormant (ie it should cease to trade or undertake any business) with a view to a decision on winding up being made subsequently. In any event, companies' legislation requires a three-month period of dormancy before the directors of a company can apply to Companies House for it to be dissolved.
- 3.9 At the time the Company was established the FRAs entered into a Members' Agreement regulating how the Company should operate. One of the terms of this Agreement was that any winding up would require the consent of all five FRAs. In the event that mutual agreement cannot be reached between the five FRAs on the future of the Company and its assets then further reports would need to be brought to Members for consideration. However,

in the event that a satisfactory agreement has been reached with the Government and the other Fire and Rescue Authorities in the region on the use of uncommitted regional FiReControl grant, and other assets, the Authority will need to determine whether to support the dissolution of the Company at a subsequent meeting of the Board of Directors.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters contained in this report do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The Company and the Authority are two separate legal entities and whilst their interests may be essentially compatible the decision making is best vested separately for both bodies to avoid any conflicts of interest.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

BACKGROUND PAPERS

Fire & Rescue Immediate Bulletin 2 – 20 December 2010

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CHIEF FIRE OFFICER