

AGENDA MANAGEMENT SHEET

Name of Committee Cabinet

Date of Committee 17 March 2011

Report Title Termination of the Fire Control Project

Summary This report sets out the implications of the termination of the Fire Control Project.

For further information please contact:
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Would the recommended decision be contrary to the Budget and Policy Framework?
No

Background papers

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

Other Committees	<input type="checkbox"/>
Local Member(s)	<input type="checkbox"/>
Other Elected Members	<input checked="" type="checkbox"/> Councillors John Whitehouse, Chris Williams and Richard Chattaway
Cabinet Member	<input checked="" type="checkbox"/> Councillor Richard Hobbs
Chief Executive	<input type="checkbox"/>
Legal	<input type="checkbox"/> Sian Stroud
Finance	<input checked="" type="checkbox"/> David Clarke
Other Strategic Directors	<input type="checkbox"/>
District Councils	<input type="checkbox"/>
Health Authority	<input type="checkbox"/>
Police	<input type="checkbox"/>
Other Bodies/Individuals	<input type="checkbox"/>

FINAL DECISION YES

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by
this Committee

To Council

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

Agenda No 9

Cabinet – 17th March 2011

Termination of the Fire Control Project

Report of the Chief Fire Officer

Recommendations

- (1) That Cabinet notes 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;
- (2) That Cabinet endorses 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;
- (3) That Cabinet authorises the Chief Fire Officer to determine, in consultation with the Portfolio Holder, whether to support the dissolution of the Company on behalf of the Warwickshire Fire and Rescue Authority, 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 Fire Control grant and other assets;
- (4) That, in the event that the Chief Fire Officer supports dissolution as outlined in recommendation (3), Cabinet authorises the Portfolio Holder (in his capacity as the Company's Director for Warwickshire FRA) to take all steps reasonably necessary to give effect to the dissolution of the Company.

1. The Cabinet will be aware that the Fire Control 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 also looks at funding implications and potential uses for the Regional Control Centre buildings by the Fire and Rescue Services. The consultation period is due to end on 8 April.
2. Within the West Midlands region, in common with all other regions, a number of activities were in progression at the time the Project was cancelled. This report explains the implications of the Project cancellation of the operation of the region's Fire Control company and some associated issues.
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 (ie FRA) controlled company to operate the proposed Regional Control Centre. The Board of Directors of the Company comprises an elected member representative from each FRA.

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 a lot of FRS officer time and support "in kind" has gone into the Project and has not been directly funded.
5. Over the years since the Company was established the Government's proposed Project implementation dates have slipped significantly on several occasions, principally due to delays in the development of the IT solution. The Company has taken a number of steps towards readiness for the RCC becoming operational, but within the West Midlands region the FRA owners of the Company have 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 has not taken ownership from the Government of the 25-year lease of the RCC building and control room staff have not been recruited into the employment of the Company.
6. In recent times the Company has had a small and dedicated team of 5 officers working to support the RCC's preparations. This team have been based at the RCC and one officer has become an employee of the Company, while the other 4 officers are seconded from West Midlands FRS and Staffordshire FRS. These officers have worked hard to ensure that the region would be ready for an operational RCC and they were held in high regard by the Government's central Project team.
7. On 28th 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 are a number of plans in hand but the FRAs 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.
8. There may be funds remaining in the Company's accounts once closedown activities have been completed, and a number of other 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 was 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 in a few months' time. 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 (ie wound up).

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 Cabinet 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 Fire Control grant and other assets then it is recommended that the Chief Fire Officer be given delegated authority to determine, in consultation with the Portfolio Holder, whether to support the dissolution of the Company on behalf of the Warwickshire Fire and Rescue Authority and for the Portfolio Holder (who is the Company's Director for Warwickshire FRA) to then take all steps reasonably necessary to give effect to the dissolution of the Company.

GRAEME SMITH
Chief Fire Officer
March 2011