

**Appendix 1 – Extract from ‘Governance Arrangements – North West Fire Control’ – Governance and Constitution 1<sup>st</sup> April 2015:**

Company Documentation

10. The Authorities own the Company with an equal share each. They also appoint two directors each to the board of directors. The **Articles of Association** are the rules about how the Company and its board of directors operate. They contain an appendix which sets out decisions that require ‘unanimous consent’ of the Authorities, e.g.
  - The admission of any fire and rescue authority as an owner of the Company (no other kind of organisation can become an owner unless the Articles are changed);
  - The amalgamation or merger of the Company with another organisation;
  - The winding-up of the Company;
  - The alteration of the Articles of Association.
11. There is also a **Members Agreement** ('members' in this context means 'owners'). The four Authorities (and Merseyside) entered into the Members Agreement at the time that the Company was set up. It provided information about the process for setting up the Company and additional, 'belt and braces', safeguards to prevent the Authorities from making changes to the Company without unanimous agreement.

Project Documentation

12. The **Joint Working Agreement** was in place until the Authorities made a firm commitment to the project. The Authorities were able to end their interest in the project at this stage (as Merseyside did) without penalty.
13. The **Contract** between the Company and telent (the provider of the call handling and mobilising system) was entered into in December 2012. At the same time the **Project Agreement** between the Authorities was completed. This was due to come to an end when the transitions from the Authorities to the North West Fire Control had all occurred. However, because the project was not completed at that time the Project Agreement has remained in place and has continued to be relevant. The Project Agreement:

- Confirms the commitment of the Authorities, including resourcing and the contributions from each;
- Sets out the withdrawal and termination methods and (significant) implications of doing so;
- Provides clarity about decision-making (Project Board, Chief Fire Officers, or Authority decisions).

Business Documentation

14. Each Authority entered into an **Agreement for Services** with NW Fire Control Limited which came into effect when the Company took over call handling and

mobilising activities. Apart from dealing with important transitional issues like the transfer of staff it has similar features to any contract for services, obligating the Company to deliver the services to certain standards (that it is required to report upon) and obligating the Authorities to pay for them.

15. The services are described in a schedule to the Agreement for Services and this is attached to this report as Appendix 2. The standards are also described in a schedule to the Agreement for Services and they cover: availability (of the call handling and mobilising system); speed (of call handling and mobilising); and quality of the service. The Fire Authority decided that performance should be reported to Performance and Overview Committee.
16. The Authorities committed to enter into a **Co-Operation Agreement** to replace the Project Agreement once the project was completed. This was recently considered by the Chief Fire Officers of the Authorities and should shortly be ready for signature. The following list covers the more important issues that the Co-Operation Agreement will deal with:
  - A commitment by the Authorities to comply with the Members Agreement and Agreement for Services;
  - An aim of having a consistency of approach to contract and performance management by the Authorities;
  - Promises by the Authorities to pay the relevant proportion of the costs due to the Company (and a mechanism to revisit those proportions if circumstances change);
  - An agreement about how ‘profit’ from the Company should be shared if a ‘profit’ is declared at some point in the future;
  - Detailed termination provisions which are tied to the terminology in the Agreement for Services – the opportunity to terminate is tightly defined and the methodology formal;
  - An understanding about how change should be handled – avoiding changes that disadvantage one, or more Authorities and ensuring that significant changes to the Company and/or the services that it provides are fully assessed by the Authorities prior to implementation. This bolsters the provisions in the Company’s Articles of Association, Members Agreement and the Agreement for Services. It is acknowledged that any significant changes will require the approval of the individual Authorities and that normally such decisions will need to be made by elected Members. Officers anticipate that if the Company is to take on new work it will need to be captured in a business case that satisfies all of the Authorities.