

CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 19 SEPTEMBER 2018
REPORT OF: DIRECTOR OF GOVERNANCE AND COMMISSIONING
AUTHOR: ANDREW LEADBETTER

SUBJECT: NW FIRE CONTROL LIMITED GOVERNANCE ARRANGEMENTS

Purpose of Report

1. To inform Members about a proposal from Greater Manchester Combined Authority (GMCA), which will require a change to the governance arrangements of NW Fire Control Limited (the Company).

Recommended: That Members;

- [1] Confirm that the Chair of the Authority has discretion to vote on behalf of the Authority on the proposal as he sees fit; or
- [2] Determine how the Chair is required to vote on behalf of the Authority on the proposal.

Background

Company Governance Arrangements

2. The Company, which provides call handling and mobilising services, is jointly owned by Cumbria County Council, GMCA, Lancashire Combined Fire Authority and Cheshire Fire Authority.
3. The Company governance arrangements are set out in its Articles of Association. The Articles state that each owner is entitled to appoint two directors. The directors form the board and meet at least every quarter. Currently, all directors must be elected members.

Information

Detailed Responsibility for Fire and Rescue in Greater Manchester

4. When GMCA was formed in 2017 replacing Greater Manchester Fire and Civil Defence Authority, the Mayor appointed a Fire Committee, comprised of elected members from the constituent authorities, to exercise some of the fire and rescue functions that were not the direct responsibility of the Mayor. Two members of the Fire Committee were appointed as directors of the Company

(once the Company's Articles of Association had been amended to facilitate this).

5. Earlier this year the Fire Committee was disestablished and there are currently no directors from GMCA on the board of directors. Currently, as a result of the abolition of the Fire Committee by GMCA it is unable to appoint anyone to the Company's board of directors (as the Articles of Association will not allow it to do so).

Proposal from GMCA

6. GMCA now wishes to appoint two officers as directors instead of elected members. GMCA is proposing the appointment of its Treasurer, Richard Paver, and its Deputy Chief Executive, Andrew Lightfoot, as directors.
7. The Company wrote to GMCA on 25th July 2018 seeking clarification about the proposal. The letter appears as Appendix 1 to this report. GMCA responded by letter dated 10th August 2018. GMCA's letter appears as Appendix 2 to this report. The key points, concerning the proposal, from GMCA's letter are set out below:

- The Fire Committee has been abolished
- GMCA is made up of the 10 Leaders and the Mayor. The Leaders have duties to perform both for their districts and GMCA and do not have the capacity to undertake directors' duties
- Governance models are changing, for example some PCCs now have responsibility for fire services and fire authorities have been abolished
- Officers have held directorships in other local authority companies
- The officers will not be advisers to the company and they will not be in a position of conflict in their role as directors

Company (Owners) Decision

8. The Company needs to decide whether to accept the proposal from GMCA and make changes to its Articles of Association. Such a decision is made by the Company at general meeting (when each owner has a single vote). The vote for Cheshire Fire Authority is exercised by the Chair. Any change of this nature needs to be unanimously supported when put to the vote at general meeting.
9. It is understood that the proposal has not been well received by all current directors. However, the position of all Company owners is not known and it is likely that they will be considering the matter in the near future. The Company needs to find a way to ensure that GMCA is represented on the board of directors.

10. Currently, the Company is intending to determine this matter at a general meeting on 16th October 2018. The author of this report will attend the meeting to provide advice.

Financial Implications

11. There are no financial implications arising from this report

Legal Implications

12. The Fire Authority is a joint owner of the Company and will be represented by the Chair at any general meeting of the Company. The Chair and Deputy Chair are the Fire Authority's appointed directors.

Equality Impact Assessment

13. There are no equality and diversity implications.

Environmental Implications

14. There are no environmental implications.

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BACKGROUND PAPERS: NONE

Appendix 1 – Letter from the Company to GMCA, 25 July 2018

Appendix 2 – Response from GMCA to the Company, 10 August 2018