

REPORT OF THE CHIEF FIRE OFFICER

THE REGIONAL FIRECONTROL CENTRE AND LOCAL AUTHORITY CONTROLLED COMPANY

1 Purpose of Report

To update Members on the formation of the Local Authority Controlled Company (LACC) and request Members to reach agreement on a number of issues relating to the setting up of the Company

2 Recommendations

The Fire Authority is asked to:

- a) Note the background information in the report, including a summary of the draft outline business case;
- b) Note the discussion summary from the recent Members' Seminar;
- c) Agree that Shropshire and Wrekin Fire Authority participates as a Member of the Company on the terms substantially as outlined in this report and its appendices;
- d) Appoint Councillor Hartin as a Director of the Company;
- e) Authorise the Chief Fire Officer to take such steps as may be reasonably necessary to finalise documentation in order that the Company may be established by January 2007, including work on producing the Members' Agreement; and
- f) Make nominations for Members to attend the regional Members' seminar on 1 March 2007.

3 Background

On 9 December 2005 the Parliamentary Under Secretary of State wrote to Chairs of Regional Management Boards (RMBs), confirming that all Regions, with the exception of Yorkshire and Humberside, were prepared to accept in principle the LACC proposal, although all wanted more information before they could sign up to any precise arrangements. The letter also confirmed that the Office of the Deputy Prime Minister (ODPM) was working to provide detailed information to RMBs.



On 22 March 2006, the ODPM issued Fire and Rescue Service Circular 13-2006, attaching a detailed consultation document entitled “FiReControl Governance Arrangements – Consultation on Detailed Proposals”.

On 8 May 2006 the Government issued Fire and Rescue Service Circular 25-2006, advising fire and rescue authorities (FRAs) that the Department for Communities and Local Government (DCLG) was succeeding the ODPM with immediate effect.

At its meeting on 10 May 2006 the Fire Authority discussed the proposals for governance of the new Regional Fire Controls, set out in the DCLG consultation document. Members gave officers guidance and support for the consultation response on the key questions in the document.

A report, written following the briefing session attended by Members on 5 May 2006, set out the issues discussed by Members at that time and the proposed responses to the questions asked in the consultation document. Having reflected on the information contained in the consultation document produced by the ODPM and the information received in the seminar on 5 May, the Fire Authority resolved that it:

- a) *Agree the responses to the consultation questions set out in the report;*
- b) *Task officers to reply to the consultation directly to the Department for Communities and Local Government (the successor to the ODPM) and share the response with the West Midlands Regional Management Board; and*
- c) *Await the outcome of the consultation, before identifying its preferred option for governance of the Local Authority Controlled Company in advance of setting up the Company in January 2007.*

In August this year the DCLG circulated the draft Memorandum of Association and Articles of Association through the national Fire Lawyers Network for comment and consultation.

The DCLG has given a deadline for the West Midlands Region to set up the LACC by 1 January 2007 and to that end Chairs of the Region’s Fire Authorities met to discuss a range of questions arising from the above legal documents, which are also the subject of legal analysis by the Region’s Fire Lawyers Network.

4 The National Framework

Paragraph 2.11 of the National Framework 2006/08 confirms the Government’s conclusion that an LACC is the model it wishes RMBs to adopt. Paragraph 2.12 confirms that RMBs have been asked to establish LACCs, which are to be responsible and accountable through their constituent FRAs for control centres in their region. Paragraph 2.13 of the Framework stipulates that FRAs, through RMBs must:

- 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.
- Ensure that the LACCs, which will run the control centres on behalf of FRAs, are established by 1 January 2007 in the West Midlands..



5 Legal Framework

Fire and Rescue Authorities

Fire and Rescue Authorities have a duty under sections 7 to 9 of the Fire and Rescue Services Act 2004 (the Act) to make arrangements for dealing with calls for help and for summoning personnel in relation to emergencies, to which they have a duty to respond. Section 16 of the Act allows FRAs to enter into arrangements with “any other person” for the discharge by that person of a function under any of sections 6 to 9 and 11 of the Act. Section 21 (7) of the Act requires FRAs to have regard to the National Framework in carrying out their functions. Each Fire and Rescue Authority also has a duty under Part 1 of the Local Government Act 1999 to achieve best value.

Secretary of State

Section 22 of the Act gives the Secretary of State power, by Order, to require an FRA to take a particular course of action, if he/she considers that the Authority is failing, or is likely to fail, to act in accordance with the National Framework. This power is, however, only exercisable in certain circumstances, for example for the promotion of economy, efficiency and effectiveness.

Section 29 of the Act gives the Secretary of State power to provide and maintain, or contribute to, the provision and maintenance of equipment, facilities, services and organisations appropriate for promoting the economy efficiency and effectiveness of FRAs. Under section 29 (4) the Secretary of State has power, by Order, to require FRAs (on payment of a charge) to use and maintain specified equipment and facilities or use specified services.

6 Financial Background

Fire and Rescue Service Circular 63-2005 set out the Government’s proposals for funding Fire Projects Implementation in 2006/07 and 2007/08.

Paragraph 12.1 of the Circular states that:

“We will directly fund the set-up costs of the regional local authority companies and any relevant one-off costs which occur before the end of the migration period. Ongoing costs of the company after migration should be funded by FRAs on a shared regional basis.

For this purpose “migration period” is currently assumed to start in any region six months prior to cutover and will finish at the point where the last control in the region goes into the new control centre. This may be subject to change as a result of detailed transition planning.

Paragraph 2.9 of the Circular further provides that:

“We will fund the RCCs before they become operational”

Paragraph 1.3 of Circular 13-2006 states that:

“The costs of setting up the companies (including the legal work on the memorandum and articles of association), initial work on ensuring that a company secretary is in place and the relevant training of the directors will be borne by central government directly”.



On the issue of costs generally, in a reply to the Chair of Avon Fire Authority, the Parliamentary Under Secretary of State stated:

“The main concern raised by your members was on the subject of costs and financial information. While we are not yet able to break down the costs so that each FRA can be certain of what it will cost them to run an RCC – some costs may, in any event, reflect local choices – we are certain that on a national basis there will be significant running cost savings. We are fully committed to new burdens principles and should the cost of running an RCC be more, on a like for like basis, than it costs you to run your current control then ODPM will fund the net additional cost.”

7 FireControl Full Business Case

On 16 October 2006 the DCLG issued its latest Draft Full Business Case. The document outlines the critical need for regional control centres, which, in addition to securing enhanced resilience, will provide value for money. The document indicates that the £100 million invested by the Government in setting up regional control centres will, under steady state operating conditions, achieve savings of some £25 million per year that will be reinvested in front line services. The Business Case also identifies project risks arising from three main sources:

- Business Change
- ICT infrastructure services
- Accommodation

Currently the project is focussing on three risk categories:

Strategic Change – this relates to the fact that the Fire and Rescue Service is undergoing significant change and further change to mobilising etc may precipitate resistance from staff.

Critical Dependencies – the Business Case recognises the importance of aligning both the FiReControl and Firelink delivery projects to avoid delays and increased costs.

Financial Resources – the risk that FRAs will not have the resources to deal with convergence and data migration is being managed through raising awareness levels.

Members may be aware that recent press coverage concentrated on these areas, each of which are clearly identified in the Business Case as representing a very high likelihood of impacting on the project and a high impact when they do. Due to commercial sensitivity no full detailed costs or savings are identified in the Business Case, so it is not possible for Members to make decisions on budgets at this time. The report does, however, say that:

‘...dependant on the way that the operating costs are allocated, the net annual saving is expected to vary between regions and between the FRAs within each region.’

At the recent seminar Members once again expressed concern that they were being expected to sign up to a Local Authority Controlled Company without accurate details of what charges the Company would need to levy on FRAs for the Regional Control Centre services.



8 Recommendations of Regional Chairs

Following the meeting by Regional FRA Chairs, Members at that seminar discussed a range of questions and these discussions were fed back to the legal team preparing the company documents. A summary of the questions and discussions can be found at Appendix A to this report.

9 West Midlands Regional Management Board Recommendations for LACC Governance

On 1 December 2006 the West Midlands Regional Management Board (WMRMB) sat to discuss and agree the governance arrangements for the LACC in the West Midlands Region. It is proposed that a company limited by guarantee is established, the members of which are the regional Fire and Rescue Authorities: Shropshire, Staffordshire, West Midlands, Hereford and Worcester and Warwickshire. As a company limited by guarantee the liability of each of its members is limited to a nominal value of £1. Each member will be entitled at all times to appoint a Director to the Board, which will manage the day-to-day operation of the Company.

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 (fire and rescue authorities) will work together to ensure that the Company runs smoothly and individual Members' interests are adequately protected on key decisions.

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 B. 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, discussed at the RMB meeting, can be found at Appendix C.

Given the need to develop further 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, further discussions and agreement will need to be reached by each FRA, when these proposed arrangements are finalised and have been debated.

The RMB has received reports on the proposed establishment of the Company, taken legal advice from the RMB's legal advisers in Warwickshire Law and Governance Division and officers have taken advice from our own lawyers. The Government has agreed to fund the costs of external legal advice from Eversheds on behalf of West Midlands regional FRAs and a final check on the Company documentation, before it is submitted to Companies House in January 2007.

At the RMB meeting on 1 December it was agreed that:

- a) The Company will be called 'West Midlands Fire and Rescue Services Regional Control Centre.



- b) The five FRAs in the West Midlands region shall be members of the company.
- c) Each member is entitled to appoint one director at all times.
- d) The five initial directors will be members chosen by each FRA.
- e) Initially there will be five directors but there will be scope to appoint further directors, if the members unanimously agree.
- f) There are no weighted voting rights: each member has one vote and each director has one vote.
- g) The Chair will not have a casting vote – any deadlock in decision making would be resolved through a dispute procedure.
- h) The Chair will be elected every year but will initially be the Chair of the West Midlands RMB.
- i) Unanimous consent of members will be required on key issues of significant value or risk to individual Fire and Rescue Authorities.
- j) The memorandum allows for a fire authority to exit the Company on notice, although it will remain liable to discharge its statutory responsibilities in respect of fire control.
- k) The Government is likely to require its continued involvement in regional Fire Control Centre in some form.

It is therefore proposed that:

Councillor Hartin, as Chair, is appointed by Shropshire and Wrekin Fire Authority as a director of the Company.

The regional Chief Fire Officers will clearly have a key role to play in advising the Company and it is proposed that the Company would also be supported by legal, financial and human resources advisors. The Company would initially receive company secretary support from the legal advisors to the RMB, although this could be reviewed, when the Company becomes operational.

At present the Company is expected to become operational from 2009, although decisions on its operation will need to be made as soon as it is formed in early 2007. Once the regional fire control becomes operational it is envisaged that the Board of Directors would need to be reviewed to ensure that the Board continues to meet the Region's needs.

10 Conclusion

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 Fire Control projects can be delivered. Work is still to be undertaken to establish the financial principles underpinning the operation of each company and each Fire Authority's contribution to the costs of both the regional and national Fire Control Project. This should not, however, prevent the West Midlands Fire and Rescue Services Regional Control Centre Company being incorporated and remaining dormant, while further negotiations take place.

Further reports will be taken to the Fire Authority in the New Year, when the proposals for financial apportionment and other key issues, concerning the actual operation of the Regional Control Centre, have been developed.



11 Regional Members' Seminar

The National Project Team for the FireControl project are arranging a regional Members' seminar in order to present project matters relating to the issue of the draft full business case.

Having consulted with the Chair of WMRMB and the Project Director, a date of the 1 March 2007 has been agreed. The venue and timings are still to be confirmed.

It is hoped that by this date the contract for the infrastructure services will have been issued, a more definitive time-line may have been established and the Local Authority Company established. This will provide a more realistic debating forum for Elected Members to question any unresolved issues, which they may have in terms of the overall delivery of the project. Members are requested to make nominations to attend this seminar with officers.

12 Financial Implications

As stated in the report, the DCLG will cover any setting up costs of the LACC. By setting up the Company, however, Members agree to begin levying any RCC costs to each FRA by a mechanism not yet agreed.

13 Legal Comment

There are no legal comments to be added to those, which have been outlined in section 5 (Legal Framework) of this report.

14 Equality and Diversity Implications

The implications of this report have been reviewed and there are no significant equality or diversity implications arising directly from it.

15 Appendices

Appendix A Recommendations of Regional Chairs - A Summary of Questions and Discussions

Appendix B Memorandum of Association

Appendix C Articles of Association

16 Background Papers

Shropshire and Wrekin Fire Authority

8 February 2006 Report 13 - Convergence Management and minutes

20 July 2005 report 17 Update on Regional Fire Controls and minutes

The Government

Fire and Rescue Service Circular 63-2005 Fire Projects Implementation Funding for 2006-07 and 2007-08

Draft Framework 2006 - 2008

Full Draft Business Case

[http://sfweb/internet/Docs/firecontrol-project/061016%20R-RPT0605%20FiReControl%20Full%20Business%20Case%202nd%20DRAFT%20\(C\)%20-%20V03a.pdf](http://sfweb/internet/Docs/firecontrol-project/061016%20R-RPT0605%20FiReControl%20Full%20Business%20Case%202nd%20DRAFT%20(C)%20-%20V03a.pdf)



Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balance Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	*
Civil Contingencies Act		National Framework	*
Comprehensive Performance Assessment		Operational Assurance	
Equality and Diversity		Retained	
Efficiency Savings		Risk and Insurance	
Environmental		Staff	
Financial	*	Strategic Planning	*
Fire Control/Fire Link	*	West Midlands Regional Management Board	*

For further information about this report please contact Paul Raymond, Deputy Chief Fire Officer, on 01743 260205 or Alan Taylor, Chief Fire Officer, on 01743 260201.



Recommendations of Regional Chairs - A Summary of Questions and Discussions

No	Issue	Comments	Status	S&WFA Comments at Local Seminar
1.	Whether elected members or CFOs be appointed as directors on the Board	In order to promote democratic accountability, the DCLG is encouraging elected members to sit as Directors on the Board.	The Chairs are recommending that elected members sit as Directors on the Board, supported by a number of professional advisors who will not be Directors (see 8 below).	It is recommended that an elected member from Shropshire and Wrekin Fire Authority be appointed as a director on the LACC Board.
2.	The company name	Discussion within FRAs will be needed on this issue.	To be agreed	There was no real concern as to the name of the Company, although some felt that the term West Midlands should not be used, as this already indicates a geographical area not representative of the whole region.
3.	Who should be members of the company?	This is not a contentious issue. It is proposed that each FRA will be designated as the member of the company with a right to appoint a representative (Chief Executive/ CFO) to exercise their voting rights. Also proposed that membership be restricted to FRAs	To be agreed	It is recommended that each FRA to be designated a member of the Company.
4.	Voting rights of members	It is proposed that each member of the Company will have one vote – in other words, each FRA as a member of the company will have one vote on matters, which require member decisions (e.g. approving the annual accounts, changing the auditors).	To be agreed	It is recommended that each member of the company should have one vote.

No	Issue	Comments	Status	S&WFA Comments at Local Seminar
5.	Quorum for members' meetings	It is proposed that this is 75% of all members. In practice this would be 4 out of the 5 FRA members.	To be agreed	It was agreed that 4 out of 5 members should be present for a quorum to exist.
6.	Chairman for members' meetings	It is proposed that the Chair for members' meetings is the Chair of the Board of Directors.	This needs to be agreed by the Chairs.	It is recommended that either: The 5 board members elect a Chair each year or The 5 Board members elect the first Chair for 12 months and then the Chair is rotated each year amongst the 5 member FRAs alphabetically.
7.	Casting vote	It is proposed that the Chair would not have a casting vote. In the case of equality of votes, the members' agreement will set out a dispute resolution procedure	The deadlock procedure in the members' agreement will need to be agreed	It is recommended that the application of a casting vote is not acceptable.
8.	Number of Directors	It is proposed that there are 5 Directors on the Board, one representative from each FRA. A decision will need to be taken as to whether: a) The members of the company can remove a director (e.g. if the Director fails to attend, is uncooperative etc). This is a standard company provision which requires a special resolution (75%+ votes).	To be agreed and drafting to be considered in more detail	It is recommended to accept a).

No	Issue	Comments	Status	S&WFA Comments at Local Seminar
		<p>If this is required, the articles would need to enshrine the right of each FRA to appoint a Director, so that the replacement Director would come from the same FRA.</p> <p>The alternative would be to:</p> <p>b) Avoid this happening, so that each FRA has an unfettered right to appoint a Director and members can not vote off any particular Director.</p>		
9.	Who should be directors?	It is proposed that there should be individually named directors (as opposed to corporate directors) and that these are the 5 regional chairs.	Recommended by the Chairs	<p>It is recommended that:</p> <p>a) The Chair of the Fire Authority should be the Board Member. and either</p> <p>b) The role of Board Member is included within the Role Description of the Authority Chair; or</p> <p>c) The election to LACC Board of the Chair would only be on the individual's agreement and, if this was not forthcoming, FRA Members would vote for another Member to sit on the LACC Board.</p>
10.	Voting rights of directors	Proposed that each director has one vote. Most decisions at directors' meetings will be passed on ordinary resolution of those present (i.e. over 50% of the votes), which means that, if all 5 directors are present, at least 3 must vote in favour to pass a resolution.	Recommended by the Chairs – equal voting rights, one per director	Members attending the seminar discussed this widely and concluded that the power of majority voting, if unrestrained, may be a detriment to S&WFA. However, they also recognised that without such voting rights the work of the Board may become impossible..



No	Issue	Comments	Status	S&WFA Comments at Local Seminar
		For special resolutions, this increases to 4		It was felt that the full CFA should discuss this further and express its opinion without any initial recommendations.
11.	Chairman of the Board of Directors	Discussion between the Chairs will be needed. It is proposed that the Chair could rotate, although this could result in issues of consistency.	To be agreed	See item 6.
12.	Quorum	As currently drafted, this is 75% of the directors present, of which at least 50% must be FRA members. In practice this would be 4 out of the 5 FRA directors, if all were present. The 50% provision would only be relevant, if there were some non-FRA Director appointments on the Board. It is not expected that this will be the case initially, however it may be advisable to keep the provision in the event that additional non-FRA directors are appointed, when the Company becomes operational.	To be agreed	See item 5.
13.	Casting vote	It is proposed that the Chair would not have a casting vote. In the case of equality of votes, the members' agreement will set out a dispute resolution / deadlock procedure	This needs to be agreed by the Chairs.	It is recommended that the Chair of the Board should not have a casting vote.

No	Issue	Comments	Status	S&WFA Comments at Local Seminar
14.	Remuneration	It is not proposed that the company remunerates the FRA Directors.	This is an issue of probity and is a standard provision.	Following discussion, it was agreed that the LACC cannot remunerate FRA Directors. However it is recommended that the CFA review remuneration for Members that sit on the LACC Board.
15.	Advisors to the Board of Directors	It is proposed that the Board of Directors is supported by a number of professional advisors, including the 5 CFOs or their nominees, financial and legal advisors, the Fire Control Project Manager, the WMRMB Programme Manager and such other specialist advisors as may be necessary from time to time	This approach is recommended by the regional chairs.	It is recommended that the Board of Directors made up of one elected member from each member authority are supported by a number of professional advisors including: An RCC Director of Operations Each CFO (or their representative) from the regional Fire and Rescue Services, f Financial and legal advisors and other advisors as necessary for the efficient and effective running of the Board.
16.	Unanimous decisions	It is proposed that there are certain member decisions and director decisions, which are so important that they require unanimous consent. This will give some protection for each FRA that significant decisions need their agreement. If unanimous consent is not reached, the dispute resolution mechanism set out in the members' agreement will apply. As currently drafted, there needs to be unanimous consent for the members to change the memorandum or articles, to merge with another company and to wind up the company, and unanimous consent for the directors to take out a loan or borrow money over £25,000.	The list of decisions will need reviewing and agreement reached – it will be important that the list is confined to decisions, which really are key, as otherwise this could be used as a mechanism to frustrate the business of the Company and prevent timely decisions from being taken.	It is recommended that, as well as the stipulations set out in the third column, unanimous voting should apply, if any decision of the Board would result in an increase in charges to any regional FRA and for new charges for services to any regional FRA, if these increases were not already agreed in any contract or service level agreement with any individual FRA.



The Companies Acts 1985 to 1989

Company limited by guarantee and not having a share capital

Memorandum of association

of [LACC] Limited

- 1 The name of the Company is [LACC] Limited and in this document it is called the **Company**.
- 2 The registered office of the Company will be situated in England.
- 3 The objects for which the Company is established are:
 - (a) To operate a regional control centre covering the fire and rescue authority areas of [** ,** ,** and **] as part of the English network of regional control centres, which, for the avoidance of doubt may extend to mobilisation of fire and rescue resources from or to anywhere within Great Britain (including any resources that can be used for the purpose of responding to incidents regardless of who the owner is) and to operate as a national co-ordination centre, as required from time to time. In particular, without prejudice to the generality of the foregoing and subject to any statutory guidance in issue from time to time, the Company is established to:
 - (i) enter into arrangements from time to time with any one or more fire and rescue authorities (**FRA**), within the meaning of the Fire and Rescue Services Act 2004 (**FRSA**), in England and any other organisation within the British Islands certified by the Secretary of State;
 - (ii) procure, purchase, manage or operate mobilising or communications systems or services, or technology equipment or infrastructure required for the provision of control services or the operation of the national coordination centre
 - (iii) have regard to the policy of the Secretary of State in relation to the operation of regional control centres, in particular, but without prejudice to the generality of the foregoing, to the National Framework prepared by the Secretary of State pursuant to section 21 of the FRSA
 - (b) In furtherance of the foregoing objects but not further or otherwise the Company shall have the following powers:
 - (i) To supply services of all kinds and to carry on any activity, including the employment of staff, normally undertaken by an organisation with these or similar objects

- (ii) To provide such office or other business accommodation for national functions and input to contract management on a national basis, as required from time to time.
- (iii) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the Company may think necessary or convenient for the furtherance of its objects, and to construct, maintain and alter any buildings or erections necessary or convenient for the work of the Company.
- (iv) To sell, let, sub-let, lease, dispose of or turn to account all or any of the property or assets of the Company as may be thought expedient and to accept surrenders of leases and tenancies and to make allowances to and arrangements with tenants, as may be deemed expedient in the interests of the Company.
- (v) Subject to such consents as may be required by law, to borrow or raise money for the purposes of the Company on such terms and on such security as may be thought fit.
- (vi) To invest the moneys of the Company not immediately required for its purposes in or upon such investments, securities and property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided.
- (vii) To take any gift of property, whether subject to any special trust or not, for any of the objects of the Company.
- (viii) To create subsidiary companies, enter into joint venture agreements and establish any body necessary or incidental to the carrying out of the objects of the Company.
- (ix) To affiliate or co-operate with any other organised body in the United Kingdom, Europe, or elsewhere, having objects similar to those of the Company, with a view to furthering the objects of the Company, and to amalgamate with any company having objects similar to those of the Company.
- (x) To make such rules and regulations for the management and administration of the Company and for matters connected therewith as the Company in its discretion think fit and from time to time to so add amend vary revoke or replace any such rules and regulations but so that nothing in this sub-clause shall be deemed to authorise any application of any part of the investments and property held by or on behalf of the Company or the income thereof otherwise than in conformity with this Memorandum of Association.
- (xi) To purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or auditors of the Company, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in

respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company and to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from such liability.

- (xii) To appoint and constitute such committees, boards or bodies (whether advisory or not) as the Company may consider desirable for the better management and administration of the Company and to make amend vary revoke and replace rules and regulations for the purpose of defining their functions powers and organisation and also (if the Company shall think fit) to pay an honorarium or fee or salary to and defray expenses incurred by any member of such committee board or body appointed as aforesaid.
- (xiii) To apply for and take out, purchase or otherwise acquire, any patents, patent rights, brevets d'invention, inventions, licences, conversions, trade marks, or secret processes, which may further the objects of the Company, and to grant licences to use the same.
- (xiv) To establish or promote any company for the purpose of acquiring all or any of the property, rights or liabilities of the Company, or for any other purpose which may seem calculated to benefit the Company.
- (xv) To pay all or any expenses incurred in connection with the promotion and incorporation of the Company, to remunerate any person, firms or company rendering services to the Company, either by cash payment or otherwise, and to recover costs from FRAs, other companies operating regional control centres, and other persons as required
- (xvi) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them or as shall seem to be in the best interests of the Company, its members, its subscribers or other users of the Company's services.

PROVIDED THAT:

- (a) In case the Company shall take or hold any property which may be subject to any trust, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trust.
- (b) The income and property of the Company wheresoever derived, shall be applied solely towards the promotion of the objects of the Company and no portion thereof shall be paid or transferred directly or indirectly by way of dividend or bonus or otherwise howsoever by way of profit to the members of the Company PROVIDED THAT nothing herein shall prevent any payment in good faith by the Company of:
 - (i) Interest on money lent to the Company by any member of the Company at a rate per annum not exceeding a reasonable and proper commercial rate;

- (ii) Reasonable and proper rent for premises demised or let to the Company by any member of the Company;
- (iii) Reasonable and proper remuneration to any member, officer or servant of the Company in return for any services actually rendered to the Company;
- (iv) Any exhibition scholarship, fellowship, or other reward or prize established or paid out of the funds of the Company to any person bona fide holding the same;
- (v) Fees, remuneration or other benefit in money or money's worth to a company of which a member of the Company may be a member, and such member shall not be bound to account for any share of profits it may receive in respect of any such payment.

4 The liability of the members is limited.

5 Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while it is a member, or within one year after it ceases to be a member, for payment of the debts and liabilities of the Company contracted before it ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

6 If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall be paid to or distributed among the then current members of the Company on a pro rata basis by reference to the amount of expenditure incurred by such member.

WE the several persons whose names and addresses are subscribed, are desirous of being formed into a Company, in pursuance of this Memorandum of Association.

Names, addresses and descriptions of subscribers

Dated the ** day of ** **

Witness to the above signatures:

The Companies Acts 1985 and 1989

Company limited by Guarantee

Articles of Association

**of West Midlands Fire and Rescue Services Regional Control Centre
Limited**

Interpretation

1 In these regulations:

the **Act** means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

Applicable Law means any applicable law (whether criminal, civil or administrative), whether common law, judgment, court order, statute, statutory instrument, regulation, directive, European Community decision (insofar as legally binding) by-law or treaty.

these **articles** means these articles of association of the company whether as originally adopted or as altered from time to time by the requisite resolution of the members.

clear days in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

communication means the same as in the Electronic Communications Act 2000.

the **Company** means the West Midlands Fire and Rescue Services Regional Control Centre Limited.

electronic communication means the same as in the Electronic Communications Act 2000.

executed includes any mode of execution.

Local Authorities Order means the Local Authorities (Companies) Order 1995.

Local Government Act means the Local Government Act 1972.

Fire and Rescue Authority Directors means the directors appointed by the Fire and Rescue Authority Members and reference to **Fire and Rescue Authority Director** shall be to any of them.

Fire and Rescue Authority Members means Hereford and Worcester Fire Authority, Shropshire and Wrekin Fire Authority, Stoke on Trent and Staffordshire Fire Authority, Warwickshire County Council and West Midlands Fire and Rescue Authority and reference to **Fire and Rescue Authority Member** shall be to any of them.

Observer means any person authorised to attend a general meeting or a meeting of the Board pursuant to regulation 8.

office the registered office of the Company.

the **seal** means the common seal of the Company.

secretary means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.

the **United Kingdom** means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the Company.

The appendix forms part of these articles and shall have the same force and effect as if set out in the body of these articles and reference to these articles shall include the appendix.

Members

- 2 The subscribers to the Memorandum of Association of the Company and such other persons as are admitted to membership in accordance with regulation 3 of the articles shall be members of the Company.
- 3 No person shall be admitted to membership except with the unanimous consent of the members.
- 4 A person shall automatically cease to be a member immediately if that member ceases to carry on its business or substantially the whole of its business.
- 5 The rights and privileges of a member shall not be transferable or transmissible by operation of law to any person who is not a member.

General meetings

- 6 The Company shall hold an annual general meeting each year in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. Not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The Company shall hold its first annual general meeting within 18 months of its incorporation. All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 7 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.
- 8 The directors shall each be entitled to invite any one or more persons (each an **Observer**) other than the directors to attend, in observer capacity, any general meeting of the Company.

Notice of general meetings

- 9 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director (but not a Fire and Rescue Authority Director) shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
 - (a) in the case of an annual general meeting, by all the members entitled to attend and vote at that meeting; and
 - (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent of the total voting rights at the meeting of all the members.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

The notice shall be given to all the members and to the directors and auditors.

- 10 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings or any resolution passed at that meeting.

Proceedings at general meetings

- 11 Each member, for so long as it remains a member of the Company, shall be entitled to appoint an authorised representative to attend, speak and vote on their behalf at general meetings and reference to the "members" in these regulations shall be construed accordingly.
- 12 No business shall be transacted at any meeting unless a quorum is present. Subject to regulation 13, such number of members as represents not less than 75% of all Fire and Rescue Authority Members entitled to vote upon the business to be transacted, or a proxy for such member, shall be a quorum.
- 13 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned until such time and place as the directors may determine.
- 14 Any member may participate in a general meeting by means of a conference telephone or similar communications system whereby all persons participating in the meeting can hear and address each other and participation in a general meeting in this manner shall be deemed to constitute presence at such meeting for all purposes including that of establishing a quorum. A general meeting held by such means shall be deemed to take place where the largest group of participants in number is assembled. In the absence of such a majority the location of the member's chairman shall be deemed to be the place of the general meeting.
- 15 The chairman, if any, of the board of directors or in his or her absence some other director nominated by the directors, by ordinary resolution, shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he or she shall be chairman.
- 16 If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
- 17 A director shall, notwithstanding that he or she is not a member, be entitled to attend and speak at any general meeting.
- 18 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 19 Subject always to the provisions of Appendix 1, a resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:

- (a) by the chairman; or
- (b) by at least two members having the right to vote at the meeting; or
- (c) by a member or members representing not less than one fifth of the total voting rights of all the members having the right to vote and being present at the meeting;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

- 20 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 21 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 22 A poll shall be taken as the chairman directs and he or she may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 23 For the avoidance of doubt, in the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote.
- 24 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 25 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 26 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

Votes of members

- 27 On a show of hands every member present in person shall have one vote. On a poll every member present in person or by proxy shall have one vote.
- 28 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 29 The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve) -

" The West Midlands Fire and Rescue Services Regional Control Centre Limited

I/We, **, of **, being a member/members of the above-named company, hereby appoint ** of **, or failing him, ** of **, as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the company to be held on **, and at any adjournment thereof.

Signed on ** ."

- 30 Where it is desired to afford members an opportunity of instructing the proxy how he or she shall act the appointment of a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve) -

" The West Midlands Fire and Rescue Services Regional Control Centre Limited

I/We, **, of **, being a member/members of the above-named company, hereby appoint ** of **, or failing him, ** of **, as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the company, to be held on **, and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No.1 *for *against

Resolution No.2 *for *against.

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he or she thinks fit or abstain from voting.

Signed this ** day of ** ."

- 31 The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may-
- (a) in the case of an instrument in writing, be deposited at the office, or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
 - (b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:
 - (i) in the notice convening the meeting, or
 - (ii) in any instrument of proxy sent out by the Company in relation to the meeting, or
 - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;
 - (c) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

- (d) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid. In this regulation and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

- 32 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

Conduct of the Company's affairs

- 33 The Fire and Rescue Authority Members shall exercise all voting rights held by them in relation to the Company so as to procure (insofar as they are able by the exercise of such rights) that:

the Company fully complies with any obligations which it may from time to time have pursuant to Applicable Law, including the Local Government Act, Local Authorities Order and the Act, including but not limited to:

- (i) the requirement to state in all relevant documents that the Company is controlled by the relevant Fire Rescue Authority, as required by the Local Authorities Order;
- (ii) the requirement to obtain the Audit Commission's consent to the appointment of the Company's auditor as required by the Local Authorities Order; and
- (iii) the requirement to, until the expiry of the period of four years beginning with the date of the meeting, to make available for inspection by any member of the public, a copy of the minutes of any General Meeting of the Company as required by the Local Authorities Order. In accordance with the Local Authorities Order, no copies of minutes are to be made available which include any matter the disclosure of which would be in breach of any enactment, or of an obligation owed to any person;

the activities of the Company are at all times consistent with the functions which may be performed by the Fire and Rescue Authority Members in their respective capacities as public sector bodies..

Number of directors

- 34 Unless otherwise determined by unanimous consent of the members, the number of directors (other than alternate directors) shall not be subject to any maximum.
- 35 Each Fire and Rescue Authority Member shall be entitled for so long as it is a member of the Company to appoint one director and may at any time remove such person and appoint another person in his or her place. Any other director shall be appointed and removed by unanimous consent of the members, provided that the directors will be entitled to make recommendations to the members regarding the appointment of any person as a director.

- 36 Removal of a director shall be deemed to take place in any of the circumstances specified in regulation 48.

Alternate directors

- 37 Any Fire and Rescue Authority Director (other than an alternate director) may appoint any other person who is willing to act and whose appointment has been approved by the relevant Fire and Rescue Authority Member to be an alternate director and may remove from office an alternate director so appointed by him.
- 38 An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his or her appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his or her appointor as a director in his or her absence but shall not be entitled to receive any remuneration from the Company for his or her services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom at the time when the notices are required to be sent
- 39 An alternate director shall cease to be an alternate director if his or her appointor ceases to be a director.
- 40 Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.
- 41 Save as otherwise provided in these articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his or her own acts and defaults and he or she shall not be deemed to be the agent of the director appointing him.

Powers of directors

- 42 Subject to the provisions of the Act, the memorandum and these articles (including, without limitation to the generality of the foregoing, regulation 43) and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by these articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 43 No decision relating to the matters listed in Appendix 1 may be taken or implemented by the company unless the company has received the prior written consent of all of the members to such matter.
- 44 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of its powers.

Delegation of directors' powers

- 45 With the unanimous consent of the members, the directors may delegate their powers:
- (a) to any committee consisting of one or more directors; or
 - (b) to any managing director or any director holding any other executive office.

Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered.

Subject to any such conditions, the proceedings of a committee comprising two or more representatives shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

Retirement of directors

46 The directors shall not be required to retire by rotation.

Disqualification and removal of directors

47 The office of a director shall be vacated if:

- (a) he or she ceases to be a director by virtue of any provision of the Act or he or she becomes prohibited by law from being a director; or
- (b) he or she becomes bankrupt or makes any arrangement or composition with his or her creditors generally; or
- (c) he or she is, or may be, suffering from mental disorder and either:
 - (i) he or she is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his or her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his or her property or affairs;

or

- (d) he or she resigns the office by notice to the Company (including where a Fire and Rescue Authority Member gives notice of a change in appointment of its nominated Director);
- (e) with the exception of Fire and Rescue Authority Directors, he or she shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that the office be vacated;
- (f) he or she is directly or indirectly interested in any contract with the Company (save as provided for at regulation 52) and, in the opinion of the directors (acting reasonably) (including on recommendation by the secretary) has failed to declare his or her interest in manner required by the Act and these regulations; or
- (g) the member, of which the director is an employee, officer or member, ceases to be a member of the Company;
- (h) he or she ceases to be an employee, officer or member of a member;
- (i) he or she is validly removed from office by the members pursuant to regulation 35 or, in the case of a Fire and Rescue Authority Director, by the Fire and Rescue Authority Member who appointed him pursuant to regulation 35.

Remuneration of directors

48 Subject to the Local Authorities Order the directors shall be entitled to such remuneration as the members by unanimous consent determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

Directors' expenses

- 49 Subject to the Local Authorities Order no payments whatsoever shall be made to any Fire and Rescue Authority Director or any Observer who is for the time being an employee, officer or member of any Fire and Rescue Authority Member. Save as the members may otherwise agree in writing, no payment shall be made to any Observer. Subject to the foregoing, and to such general rules and limitations as the Company may by ordinary resolution determine from time to time, the directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or otherwise in connection with the discharge of their duties.

Directors' appointments and interests

- 50 Subject to the provisions of the Act and to the unanimous consent of the members, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his or her employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his or her services as they think fit. Any appointment of a director to an executive office shall terminate if he or she ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.
- 51 Save as otherwise provided by these regulations and subject to regulation 52, a director shall not vote in respect of any contract or arrangement in which he or she is directly or indirectly interested or any matter arising out of such contract or arrangement or any matter which conflicts or may conflict with the interests of the Company and if he or she does so vote his or her vote shall not be counted. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he or she is not entitled to vote. For the avoidance of doubt, a director shall not be deemed to be interested in a contract or arrangement with any Fire and Rescue Authority Member (or any other fire and rescue authority for the purposes of the Fire and Rescue Services Act 2004 or equivalent authorities in Scotland) merely by reason that he or she, or his or her spouse or registered civil partner, is a member, officer or employee of any Fire and Rescue Authority Member (or any other fire and rescue authority for the purposes of the Fire and Rescue Services Act 2004 or equivalent authorities in Scotland).
- 52 All directors who are members, officers or employees of any Fire and Rescue Authority Member shall comply with the requirements of any codes of conduct of such Fire and Rescue Authority Member for the time being in force in respect of members, officers and/or employees of such Fire and Rescue Authority Member relating to the declaration of personal and prejudicial interests including for the avoidance of doubt the Model Code of Conduct for Local Authorities. Those directors shall respectively declare personal interests as defined in such Codes at any meeting of the directors or committee at which the matter giving rise to the interest is considered and, in the case of prejudicial interests as defined in such Codes, shall not participate in any decisions to be made by the Company and shall withdraw from any meeting of the directors or committee at which such matter is considered.
- 53 Subject always to compliance with any of the Codes referred to in regulation 52 above the Company may by unanimous resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these articles prohibiting a director from voting at a meeting of directors or of a committee of directors.
- 54 Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each director separately and (provided he or she is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his or her own appointment.

- 55 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his or her ruling in relation to any director other than himself shall be final and conclusive.

Directors' gratuities and pensions

- 56 The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company and for any member of his or her family (including a spouse or registered civil partner and a former spouse or former registered civil partner) or any person who is or was dependent on him, and may (as well before as after he or she ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

Proceedings of directors

- 57 Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit.
- 58 In all proceedings of directors, each director shall have one vote.
- 59 A director may, and the secretary at the request of a director shall, call a meeting of the directors at any time. Any such notice shall include an agenda of the matters to be discussed at such meeting.
- 60 The quorum for the transaction of the business of the directors shall be such number of directors as represents not less than 75% of all duly appointed directors, of whom not less than 50% of the directors present shall be Fire and Rescue Authority Directors. For so long as the number of Fire and Rescue Authority Directors is less than 50% of 75% of all duly appointed directors then 75% of all duly appointed directors including all of the Fire and Rescue Authority Directors then in office shall constitute a quorum. A person who holds office only as an alternate director shall, if his or her appointor is not present, be counted in the quorum.
- 61 If such a quorum is not present within half an hour from the time appointed for the meeting or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day the next week at the same time and place or to such time and place as the directors may determine. If a quorum is not present at such reconvened meeting, the meeting shall be dissolved.
- 62 The continuing directors may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
- 63 The directors may appoint one of their number to be the chairman of the board of directors and may at any time by ordinary resolution remove him from that office. The chairman of the board of directors shall be subject to re-election annually by ordinary resolution and no person shall serve as chairman for a period of more than two successive years unless the directors by ordinary resolution otherwise agree. Unless he or she is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he or she is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within ten minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting. For the avoidance of doubt, the chairman of the board of directors shall not have a casting vote.
- 64 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had

vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

65 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his or her appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

66 Any director may participate in a meeting of the directors by means of a conference telephone or similar communications system whereby all persons participating in the meeting can hear and address each other and participation in a meeting of the directors in this manner shall be deemed to constitute presence at such meeting for all purposes including that of establishing a quorum. A meeting of the directors held by such means shall be deemed to take place where the largest group of participants in number is assembled. In the absence of such a majority the location of the chairman shall be deemed to be the place of the meeting of the directors.

Secretary

67 Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

Minutes

68 The directors shall cause minutes to be made in books kept for the purpose -

- (a) of all appointments of officers made by the directors; and
- (b) of all proceedings at meetings of the Company and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

The seal

69 The seal shall be entrusted to the Company Secretary and shall be kept at the registered office with the Statutory Books of the Company and shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

Accounts

70 Any Member and their auditors shall have the right to inspect any accounting records or other book or document of the Company except as restricted by statute.

Notices

71 Any notice to be given to or by any person pursuant to the articles (other than a notice calling a meeting of the directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In this regulation and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

72 The Company may give any notice to a member or director either personally, or by sending it by post in a prepaid envelope addressed to the member or director at the address within the United Kingdom that he, she or it has notified to the Company, or by leaving it at that address, or by giving it using electronic communications to an address for the time being notified to the Company by the member or director.

- 73 A member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 74 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.

Indemnity

- 75 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favour or in which he or she is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

APPENDIX 1

Unanimous consent of the members

- 1 The change of the Company's name.
- 2 The making of any variation to the Memorandum or these articles.
- 3 The amalgamation or merger of the company with any other company, business or undertaking or the acquisition of any shares in any company or any business or undertaking of any person, the establishment of any subsidiaries or the participation by the company in any legal partnership or joint venture (whether incorporated or not).
- 4 The making any petition or resolution to wind-up the company or any application for administration or giving any notice of intention to an administrator unless in any case the company is at the relevant time insolvent and the directors reasonably consider (taking into account their fiduciary duties) that the company ought to be wound-up.
- 5 The admission of persons as members of the Company.
- 6 The appointment and terms of appointment of directors other than Fire and Rescue Authority Directors.
- 7 The establishment of an annual business plan and annual budget.
- 8 The financial thresholds applying to directors' powers to invest and commit expenditure.
- 9 The limits on directors' powers to delegate to committees.
- 10 The policy framework establishing the means by which the activities of the Company are to be funded and financial liabilities met.