

DEED OF AGREEMENT DATED 2006

1. PARTIES

- 1.1. Cumbria County Council of (Fire Service HQ, Station Road, Cockermouth, Cumbria CA13 0EL).
- 1.2. Cheshire Fire Authority of (Fire Service HQ, Sadler Road, Winsford, Cheshire CW7 2FQ).
- 1.3. Greater Manchester Fire & Rescue Authority of (Fire Service HQ, Bolton Road, Manchester M27 8US).
- 1.4. Lancashire Combined Fire Authority of (Fire Service HQ, County Hall, Preston PR1 8X2).
- 1.5. Merseyside Fire & Rescue Authority of (Fire Service HQ, Bridle Road, Bootle, Merseyside L30 4YD).

2. DEFINITIONS

In this agreement :-

- 2.1. 'the Authorities' means the parties specified in Clause 1, and 'Authority' shall mean any one of the Authorities.
- 2.2. 'Cumbria' means Cumbria County Council.
- 2.3. 'Cheshire' means Cheshire Fire Authority.
- 2.4. 'GMC' means Greater Manchester Fire & Rescue Authority.
- 2.5. 'Lancashire' means Lancashire Combined Fire Authority.
- 2.6. 'Merseyside' means Merseyside Fire & Rescue Authority.
- 2.7. 'the Region' means the North West region comprising (Cumbria, Cheshire, Lancashire, Merseyside and Greater Manchester).
- 2.8. 'the RMB' means the Joint Committee established by the Authorities with powers to undertake the Functions on behalf of the Authority.
- 2.9. 'the Company' means a Company Limited by guarantee the members of which are the Authorities and which is established for the purpose of carrying out the Functions.
- 2.10. 'The Functions' means the function of receiving calls for assistance in respect of fires and other emergencies to which the Authorities have a duty or power to respond under the Fire & Rescue Services Act 2004 or any statutory modification or re-enactment thereof.
- 2.11. 'Financial Year' means the year commencing 1st April and expiring on the subsequent 31st March.

- 2.12. 'Directorship Provisions' means the criteria and other provisions as set out in clause 7 as to appointment of Directors of the Company.
- 2.13. 'Membership Provisions' means the criteria and other provisions as set out in Clause 5 as to the appointment of Members of the Company.
- 2.14. 'Initial Operation' means the arrangements made by the Company in :-
- (a) Administering the Company.
 - (b) Obtaining legal, financial and other professional advice.
 - (c) Appointing and employing any staff to enable the Company to operate.
 - (d) Acquiring goods and/or services to enable the Company to operate;
- in respect of the Financial Year 2007/08 and any additional Financial Years until any further agreement is reached between the parties, which replaces this agreement.
- 2.15. 'the Articles' means the Articles of Association of the Company attached as Document 2.
- 2.16. 'the Members Voting Provisions' means the voting provisions as set out in Clause 6 (subject to amendment as is further agreed between the parties).
- 2.17. 'the Memorandum' means the Memorandum of Association of the Company attached as Document 1.
- 2.18. 'the Agreed Proportions' means the proportions specified in the first column below in respect of the Authority specified in the corresponding part of the second column below (subject to amendment as is further agreed between the parties from time to time):-

<u>Column 1</u> (Proportions)	<u>Column 2</u> (Authority)
1/20th	Cumbria
3/20ths	Cheshire
8/20ths	GMC
4/20ths	Lancashire
4/20ths	Merseyside

3. BACKGROUND

- 3.1. The Authorities are the Fire & Rescue Authorities for the purposes of the Fire & Rescue Services Act 2004 for the Region, and each has the Functions in respect of the area for which it is responsible.
- 3.2. The Authorities have established the RMB with certain decision making powers in respect of the Functions.
- 3.3. The Authorities (through the RMB) have agreed to establish the Company to carry out the Functions from such time as the proposed regional control centre for the Region is ready for operational use.
- 3.4. The parties wish to enter into this agreement to ensure an agreed process:-
 - (a) for establishment of the Company;
 - (b) for the membership of the Company;
 - (c) for the initial operation of the Company, and
 - (d) for initial arrangements as to the funding of the Company.

4. ESTABLISHMENT OF COMPANY AND INITIAL OPERATION

The parties agree and undertake with each other as follows :-

- 4.1. The Clerk to Merseyside is authorised (on behalf of the RMB) to establish the Company with the Memorandum and the Articles .
- 4.2. The subscribers to the Company (and therefore the members of the Company) shall be each of the Authorities, who shall have the respective voting rights as specified in the Articles and the Members Voting Provisions.
- 4.3. The first directors of the Company shall be 10 of such of the Councillors of the Authorities comprising 2 Directors appointed by each of the Authorities subject to compliance with the Directorship Provisions.
- 4.4. The Company shall appoint a legal advisor to the Company in respect of the Initial Operation of the Company.
- 4.5. The Company shall appoint a financial advisor to the Company in respect of the Initial Operation of the Company.
- 4.6. The Company shall appoint a human resources advisor to the Company in respect of the Initial Operation of the Company.
- 4.7. The Company shall appoint a Company Secretary to the Company.
- 4.8. The Authorities may nominate an employee of one of the Authorities for appointment/secondment to the Company as interim RCC Manager in respect of the Initial Operation of the Company

- 4.9. The Authorities shall meet the costs of the Initial Operation of the Company in accordance with the Agreed Proportions and shall pay the Company such sums as are due within 21 days of receipt of an appropriate invoice from the Company.

5. MEMBERSHIP PROVISIONS

The Authorities agree and undertake with each other that :-

- (a) They intend that the only members of the Company shall be each of the five Authorities (or their successor body).
- (b) No Authority, acting as a member of the Company, will consent or vote for admission to membership of the Company of any person other than a fire and rescue authority that takes the place of one or more of the Authorities pursuant to the Fire & Rescue Services Act 2004.
- (c) No Authority, acting as a member of the Company, shall vote for a change in the Articles, which will have the effect of allowing persons other than the Authorities to become members of the Company.
- (d) That they will nominate and authorise the Chairman of their respective Authority (or their nominee), or in the case of Cumbria County Council, the portfolio holder responsible for fire and rescue services (or their nominee) to attend and participate in meetings of the members of the Company on behalf of their Authority as a member.
- (e) That they will take all reasonable steps to ensure that those persons specified in Clause 5(d) above report back to their respective Authority as and when required by their Authority, on a regular basis, in order to keep their respective Authority fully informed of all relevant decisions and proposals in respect of the Initial Operation of the Company.

6. MEMBERS VOTING PROVISIONS

- 6.1. It is the intention of the Authorities that the voting rights of members of the Company shall reflect the voting rights as set out in Regulations 28 and 24 of the Articles.
- 6.2. Each Authority shall vote against any proposal for a change in the Articles, which will have the effect of altering the voting rights as set out in Regulations 28 and 24 of the Articles.

7. DIRECTORSHIP PROVISIONS

- 7.1. It is the intention of the Authorities, that :-
 - (a) there shall be only 10 directors of the Company at any one time;
 - (b) the directors of the Company shall be drawn from Councillors who are Members of or appointed to the Authorities, and that 2 Directors shall be appointed by and drawn from each of the Authorities ;

- (c) there shall be no executive directors employed by the Company, and

7.2. The Authorities, acting as members, shall accordingly :-

- (a) vote against any proposal for change in the Articles, which will have the effect of permitting more than 10 directors of the Company, permitting directors to be appointed who are not Councillors or who are not Members of or appointed by the Authorities for the time being, changing the voting rights of each director of the Company, or changing the constitution of the Directors from that which provides that 2 Directors are to be appointed by each Authority, one of whom is to be the person authorised by their Authority to attend meetings of Members of the Company.
- (b) remove any director from the Company where their appointment or continuation as a director is in conflict with the provisions set out in Clause 7.1;
- (c) remove any director who acts against the principles of the provision set out in Clause 7.1.

8. RESTRICTION IN CHANGES TO ARTICLES AND MEMORANDUM

8.1. It is the intention of the parties that the essential part of the activities of the Company are the Functions, and that the Company shall be controlled at all times by the Authorities.

8.2. The parties accordingly agree and undertake with each other that (acting as members of the Company) they shall :-

- (a) vote against any proposal for changes in the Articles and/or Memorandum which will have the effect of removing or diluting the restrictions specified in Clause 8.1 to any extent; and instead
- (b) vote for retention of the Articles and Memorandum.

9. INDEMNITY OF DIRECTORS

Each of the Authorities agrees and undertakes to indemnify, and keep indemnified, any elected member appointed as a director to the Company to the extent and in the form as set out in Document 3.

10. TRAINING OF DIRECTORS

The Authorities shall seek to ensure that any persons appointed as Directors to the Company receive such training for their role as the Authorities consider appropriate.

11. AUDIT ACCESS ETC.

Each of the Authorities shall grant to the other respective Authorities, its internal auditors, any statutory auditors of the Authority and their respective authorised agents the right of reasonable access to all records and documents relating to the performance of the Initial Operation and/or the Functions by the Company and shall provide all reasonable assistance at all times during the currency of this agreement for the purposes of carrying out an audit of the Initial Operation/Functions.

12. REPORTING ARRANGEMENTS ETC.

12.1. The Authorities shall arrange for regular reports on proposals and decisions made by the Company to be submitted to the RMB for consideration and any appropriate decisions by the RMB, and in this respect grants the RMB delegated powers to make any decisions on behalf of the Authorities in relation to the Initial Operation and/or the Functions.

12.2. The Authorities (acting through the RMB) shall ensure that the directors of the Company are given reasonable notice of all officer project team meetings held by the Authorities, and all meetings of the Authorities and the RMB at which the Functions are proposed to be considered, are invited to such meetings, and are provided with copies of all reports and minutes in respect of the consideration of such matters.

13. LONG TERM AGREEMENT & RESTRICTION ON PERFORMANCE OF FUNCTIONS

13.1 The Authorities shall seek to enter into a long term agreement between the Authorities and the Company, as to the performance of the Functions.

13.2 The Functions shall continue to be undertaken by the Authorities until the date on which the Authorities agree that that the Functions shall be undertaken by the Company, and the Authorities do not under this agreement give the Company any authority to undertake the Functions

14. CODE OF CONDUCT

The Authorities shall take reasonable steps to ensure that any elected members who are appointed as directors of the Company are aware of their obligations to comply with the code of conduct for members as adopted by their Authority when acting as a director of the Company, and that they receive sufficient training in respect of such matters.

15. DISPUTES

15.1. Where there is any dispute between any of the Authorities as to the operation or interpretation of this agreement, then such dispute shall be referred to the RMB whose decision on the matter will be final and binding on the parties.

15.2. The provisions of Clause 15.1 shall not prevent any party having recourse to legal proceedings in respect of any matter the subject of dispute.

IN WITNESS of which this agreement was executed as a Deed

SIGNED AND DELIVERED as a Deed by

For and on behalf of Cumbria

SIGNED AND DELIVERED as a Deed by

For and on behalf of Cheshire

SIGNED AND DELIVERED as a Deed by

For and on behalf of GMC

SIGNED AND DELIVERED as a Deed by

For and on behalf of Lancashire

SIGNED AND DELIVERED as a Deed by

For and on behalf of Merseyside