



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

NOTTINGHAMSHIRE FIRE SAFETY LTD UPDATE

Report of the Chief Fire Officer

Date: 15 February 2019

Purpose of Report:

To update Members on progress made with the review and development of the trading company.

CONTACT OFFICER

Name : Wayne Bowcock
Deputy Chief Fire Officer

Tel : 01158388900

Email : wayne.bowcock@notts-fire.gov.uk

**Media Enquiries
Contact :** Therese Easom
(0115) 967 0880 therese.easom@notts-fire.gov.uk

1. BACKGROUND

Members received a report on 08 June 2018 advising on the position of the trading company. Members supported the recommendations contained within the paper which resulted in changes to the nominated directors who were also tasked to consider future options for the incorporated status and structure of the company.

2. REPORT

- 2.1 Directors have met several times since June 2018, to progress matters relating to Nottingham Fire Safety Ltd.
- 2.2 One director has resigned, which leaves six Members as trading company directors. The board of directors has appointed to the following roles:
- Chair of the Board and Finance Director – Councillor Quigley;
 - Human Resources Director – Councillor Wheeler.

The directors have asked the Clerk to the Authority to consider the potential provision of a company secretary role from Nottingham City Council.

- 2.3 The original articles of association have been reviewed by a corporate law solicitor, as has the potential to convert the incorporated status of Nottinghamshire Fire Safety Ltd to a community interest company (CIC). As a result of these actions, new articles have been drafted and agreed by directors, a special resolution for conversion has been agreed and signed, and the application to convert to a community interest company has been filed with Companies House. This will see the company name change to Nottinghamshire Fire Safety CIC.
- 2.4 Directors have also agreed to use some of the existing company financial assets to employ a business development manager. At the time of this report, a job advert is live to seek to employ a business development manager whose role will be to review the effectiveness of the current business, assess appropriate opportunities for diversification and grow the number of contracts in hand to increase income.
- 2.5 Directors have also begun to review the service level agreements in place between the company and various departments within Nottinghamshire Fire and Rescue Service. These reviews will be undertaken to assess their suitability from the company's perspective, to support the agile and efficient practices required to compete in the private sector. Directors are using some financial assets to employ the skills of a consultant to advise on matters relating to human resources, including the service level agreement and the policies required of a small company.
- 2.6 Areas still to be considered by directors are the appropriate number and make up of current company directors, and the timing of an annual general

meeting (AGM) of the company (which should be influenced by the Authority AGM and any consequential change of nominated directors).

- 2.7 At the meeting on 08 June 2018, Members decided that the Finance and Resources Committee, plus two additional Members, would make up the board of directors. The process of nominating directors to the trading company from the Authority will be addressed at the Authority's AGM. It is recommended that a minimum of five company directors be maintained by the Authority. Whilst it is convenient for this to be the Finance and Resources Committee membership, it is not a requirement as per the current arrangement. This enables Members to ensure political and personal commitments can be accommodated and the most appropriate Members be nominated.

3. FINANCIAL IMPLICATIONS

The only financial implications arising from the matters in this report relate to expenditure on services received, which are a matter for the directors of the company and reportable in the annual financial statement.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

- 4.1 Direct human resources matters are related solely to the company and are being considered by the Human Resources Director and Board. The human resources audit commissioned by directors may lead to a reduction in services required from Nottinghamshire Fire and Rescue Service.
- 4.2 Staff currently employed by the trading company benefit from the same terms of employment as those within Nottinghamshire Fire and Rescue Service under 'Green Book' arrangements therefore, directors will need to consider things such as the NJC pay award.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because it is the responsibility of the company as the employing authority.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising as a result of this report. However, once the Community Interest Company status is established the company's stated interest will be to support community safety initiatives and activities which may include crime reduction.

7. LEGAL IMPLICATIONS

Legal advice received by the board of directors ensures that relevant legislation is followed.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 The Authority should satisfy itself with the arrangements for the nomination and appointment of directors to enable the company to operate effectively and assure the Authority that governance is in place.
- 8.2 The establishment of the company as a CIC further reduces the risk of a state aid claim against the Fire Authority.
- 8.3 The ability for the company to underwrite its own wind up costs is still questionable at present. This risk will exist until sufficient turnover is generated to establish an effective level of capital.

9. COLLABORATION IMPLICATIONS

There are no collaboration implications arising as a result of this report.

10. RECOMMENDATIONS

It is recommended that Members:

- 10.1 Note the contents of this report.
- 10.2 Agree that at the Fire Authority AGM each year, directors' positions are considered and nominations are made to maintain a minimum of five company directors.

11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER