

**Due to the current heightened security level at all our premises, Members are reminded to wear their identity badges whilst attending meetings. Any visitors must produce photographic identification at Reception.**

## **FIRE & RESCUE AUTHORITY SUMMONS**

### **SOUTH WALES FIRE & RESCUE AUTHORITY**

You are required to attend a meeting of the South Wales Fire & Rescue Authority to be held at **South Wales Fire & Rescue Service Headquarters, Forest View Business Park, Llantrisant, CF72 8LX** on **Monday, 11 February 2019 at 1030 hours.**

#### **A G E N D A**

1. Apologies for Absence
2. Declarations of Interest

Members of the Fire & Rescue Authority are reminded of their personal responsibility to declare both orally and in writing any personal and/or prejudicial interest in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Fire & Rescue Authority's Standing Orders and the Members Code of Conduct.

3. Chairperson's Announcements

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Signature of Proper Officer:



## MEMBERSHIP

### Councillors:

D	Ali	Cardiff	D	De'Ath	Cardiff
S	Bradwick	Rhondda Cynon Taff	S	Evans	Torfaen
K	Critchley	Newport	A	Roberts	Rhondda Cynon Taff
H	Thomas	Newport	S	Ebrahim	Cardiff
D T	Davies	Caerphilly	J	Harries	Rhondda Cynon Taff
R	Crowley	Vale of Glamorgan	J	Collins	Blaenau Gwent
C	Elsbury	Caerphilly	J	Williams	Cardiff
L	Davies	Merthyr Tydfil	S	Pickering	Rhondda Cynon Taff
K	McCaffer	Vale of Glamorgan	L	Brown	Monmouthshire
A	Hussey	Caerphilly	A	Slade	Torfaen
D	Naughton	Cardiff	R	Shaw	Bridgend
D	White	Bridgend	V	Smith	Monmouthshire

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**SOUTH WALES FIRE & RESCUE AUTHORITY**

**MINUTES OF THE FINANCE, ASSET & PERFORMANCE  
MANAGEMENT SCRUTINY GROUP MEETING  
HELD ON MONDAY 8 OCTOBER 2018 AT  
SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS**

**68. PRESENT:**

<b>Councillor</b>	<b>Left</b>
K Critchley (Chair)	Newport
S Evans	Torfaen
S Bradwick	Rhondda Cynon Taf
D Naughton	Cardiff
A Roberts	Rhondda Cynon Taff
A Slade	Torfaen
L Brown	Monmouthshire
V Smith	Monmouthshire
R Shaw	Bridgend

**APOLOGIES:**

R Crowley	Vale of Glamorgan
J Williams	Cardiff
L Davies	Merthyr Tydfil
A Hussey	Caerphilly

**ABSENT:**

J Harries	Rhondda Cynon Taf
K McCaffer	Vale of Glamorgan
H Thomas	Newport

**OFFICERS PRESENT:-** CFO Huw Jakeway, Mr C Barton – Treasurer, Mr G Thomas - Head of Finance & Procurement, Mr N Corrigan – Property Strategy Manager, Mr A Humphreys – Building Facilities Manager, Mr L Bunkham – Senior Procurement Officer, Mr C Temby – Head of Fleet & Engineering, Mr W Thomas – Head of Service Performance & Communications

## **69. DECLARATIONS OF INTEREST**

All Members declared a personal non-prejudicial interest in each agenda item which affected their Authority.

## **70. CHAIR'S ANNOUNCEMENTS**

The Chair advised that there will be an additional agenda item, 8(iii) Revenue Budget (Minute No. 75.3) by the Treasurer.

## **71. MINUTES OF PREVIOUS MEETING**

The minutes of the previous Finance, Asset & Performance Management Working Group meeting held on 21 May 2018 were received and accepted as a true record of proceedings.

## **72. ASSET MANAGEMENT STRATEGY 2017 - 2021**

The Head of Finance & Procurement gave an update on the Asset Management Strategy 2017-2021. A question and answer session followed which included discussion in relation to Pontypridd Fire & Rescue Station, cloud technology, Community Safety within the communities and the use of data to target those at risk and vulnerable within our communities.

### **RESOLVED THAT**

Members resolved to approve the Asset Management Strategy 2017-2021.

## **73. APPOINTMENT OF MEMBER CHAMPIONS**

The Head of Finance & Procurement advised that Members are requested to determine Member Champions to the key asset management groups. It was noted that the frequency of Member/Lead officer meetings needs to be enhanced, with this in mind it was suggested meetings take place following each meeting of this Group.

### **RESOLVED THAT**

Members resolved to re-appoint the following Members as Member Champions for the following Asset Groups:

Land & Buildings – Cllr Val Smith  
 ICT – Cllr Aurfron Roberts  
 Fleet & Engineering – Cllr Steve Evans  
 Operational & Personal Issue Equipment – Cllr Dan Naughton

**74. A SOUTH WALES FIRE & RESCUE SERVICE RESPONSE TO THE ‘ELECTRICAL FIRES IN WALES’ WRITTEN STATEMENT BY WELSH GOVERNMENT**

The Chief Fire Officer gave the background to the Statement by the Welsh government in relation to electrical fires in Wales, and the response by the Service.

The Head of Service Performance & Communications gave a detailed analysis of the report and provided scrutiny and context to the data provided within the report to provide a more proportional picture of the risk presented by fires of this nature.

**RESOLVED THAT**

74.1 Members acknowledged the Service’s response to the ‘Electrical Fires in Wales’ written statement by Welsh Government and how the issues raised within the written statement can be rationalised and explained; and

74.1 Resolved that the report be referred to the Finance, Audit and Performance Management Committee on 12 November 2018.

**75. PREPARATION OF CAPITAL BUDGET SETTING 2019/20: REPORT AND/OR PRESENTATION ON THE FOLLOWING KEY AREAS:**

**75.1 Review of property strategy, budget and planning assumptions and progress against the plan and consideration of sustainability and environmental issues**

The Property Strategy Manager gave a detailed overview of the property strategy, budget and planning assumptions and progress against the plan and consideration of sustainability and environmental issues which included Building and Maintenance Strategy, 2018/19 Overview of achievements, HQ fuel pump, the CFBT Facility build at Cardiff Gate and ongoing major projects.

The Building Facilities Manager gave a presentation on the Energy Strategy, and consumption trends at Service premises was noted and discussed.

### **RESOLVED THAT**

Members noted the property strategy, budget and planning assumptions and progress against the plan and consideration of sustainability and environmental issues.

### **75.2 Review of fleet and vehicles strategy, budget and planning assumptions and progress against the plan to include Capital**

The Head of Fleet and Engineering gave a detailed overview of the fleet and vehicles strategy, budget and planning assumptions and progress against the plan.

### **RESOLVED THAT**

Members noted the fleet and vehicles strategy, budget and planning assumptions and progress against the plan.

### **75.3 Revenue Budget**

The Treasurer gave a presentation on the Revenue Budget and issues for consideration in relation to the Local Government Settlement and the Firefighters' Pension Scheme evaluation, and the possible effect on contributions to the Fire and Rescue Service from Local Authorities.

### **RESOLVED THAT**

Members noted the presentation and update given by the Treasurer.

## **76. FORWARD WORK PROGRAMME**

The Chief Fire Officer presented the Forward Work Programme for 2017/2018.



**RESOLVED THAT**

76.1 A future paper be provided by ACFO Service Delivery on the outstanding issues/recommendations of the Authority's fire cover Review.

76.2 Members accepted the Forward Work Programme for 2017/2018.

**77. TO CONSIDER ANY ITEMS OF BUSINESS THAT THE CHAIRMAN DEEMS URGENT (PART 1 OR 2)**

There were no items of urgent business for Members to consider.

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## SOUTH WALES FIRE & RESCUE AUTHORITY

### MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON MONDAY 22 OCTOBER 2018 AT SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS

#### 67. PRESENT:

##### Councillor

##### Left

S Bradwick (Chair)

V Smith (Deputy Chair)

D King

R Prendergast

Rhondda Cynon Taff

Monmouthshire

Fire & Rescue Service Association

Association of Principal Fire Officers

#### APOLOGIES:

J Harries

K McCaffer

A Psaila

Rhondda Cynon Taff

Vale of Glamorgan

Fire Brigades Union

#### ABSENT:

L Jones

Fire Brigades Union

**OFFICERS PRESENT:-** A/ACO M Malson – Director of People Services, Mr C Barton – Treasurer

#### 68. DECLARATIONS OF INTEREST

All Members declared a personal non-prejudicial interest in each agenda item which affected their Authority.

#### 69. CHAIR'S ANNOUNCEMENTS

There were no new announcements to report.

#### 70. MINUTES OF PREVIOUS MEETING

The minutes of the previous Local Pension Board Committee meeting held on 25 June 2018, were received and accepted as a true record of proceedings.

## **70.1 MATTERS ARISING**

Officers provided an update on the following items contained within the minutes:-

### **Item 59 – Local Pension Board – Training Strategy & Framework**

- Item 59.2 – There was no further progress on the Local Pension Board Training Strategy, and Members would receive an update in due course.
- Item 59.3 – The Training Needs Analysis had been completed, and would be circulated to Members shortly.
- Item 59.4 – The Training Record Log had been completed.
- Item 59.5 – The Local Pension Board Members Handbook was still work in progress, and Members would receive an update in due course.
- Item 59.6 – The Training Strategy would be incorporated into the Local Pension Board Terms of Reference.

### **Item 62 – The Firefighters’ Pension (Wales) Scheme (Amendment) Order 2014 – Pensionable Pay**

- Members were informed that the Wales Audit Office were querying the legality of a decision made by Fire Authority Members of the three Welsh Fire & Rescue Services regarding the ‘Firefighters’ Pension (Wales) Scheme (Amendment) Order 2014 – Pensionable Pay’.

Officers from each of the three Welsh Fire & Rescue Services were in the process of taking joint legal advice before meeting up with representatives from the Wales Audit Office to discuss a pragmatic resolution to the issue. Members were informed that 22 people may be affected by the ruling and may need to have their pensions recalculated and adjusted.

**RESOLVED THAT**

Following lengthy debate, and a question and answer session, Members agreed to note the update on the individual items contained with the previous minutes.

**71. WELSH GOVERNMENT'S CONSULTATION ON AMENDMENTS TO FIREFIGHTERS' PENSION SCHEMES IN WALES – SURVIVORS BENEFITS**

The Acting ACO People Services presented a report which provided Members with details of the changes to benefits for certain survivors of deceased members of the various Firefighters' Pension Schemes. These changes are reflected in the Firefighters' Pension Schemes and Compensation Scheme (Wales) (Amendment) Order 2018, and the Firefighters' Pension Schemes and Compensation Scheme (Wales) (Amendment) Order 2018, and the Firefighters' Pension Scheme (Wales) (Amendment) Regulations 2018, both of which came into force on 1 June, 2018.

**RESOLVED THAT**

Members agreed to note the content and changes detailed within the report.

**72. FIREFIGHTERS' PENSION FUND ACCOUNT 2017/2018**

The Acting ACO People Services presented a report which provided Members with an update on the Firefighters' Pension Fund for 2017/2018, relating to the Fire & Rescue Authority's management of the Firefighters' Pension Scheme 1992 (FPS 1992), the Firefighters' Pension Scheme (Wales) 2007 (FPS 2007), and the new Firefighters' Pension Scheme (Wales) 2015 (FPS 2015), and the On Call Modified Firefighters' Pension Scheme 2016.

**RESOLVED THAT**

Following a question and answer session, Members agreed to accept the information contained within the report and to consider monitoring reports on an annual basis.

### **73. HMRC RULES AND THEIR RELATIONSHIP WITH THE FIREFIGHTERS' PENSIONS SCHEMES**

The Acting ACO People Services presented a report which informed Members of the relationship between the Firefighters' Pension Schemes and HM Revenue & Customs, and the associated regulations as they were applied to Scheme members and the Pension Scheme Managers.

Members were advised that all the existing Firefighters' Pensions Schemes were identified as being 'defined benefit schemes' in which the employer promised a specified monthly benefit on retirement which was predetermined by a formula based on the employee's earnings history, tenure of service, and age, rather than depending directly on individual investment returns.

#### **RESOLVED THAT**

73.1 Members agreed to receive the report and acknowledged the significant points detailed therein.

73.2 Officers agreed to amend the date in Item 2.6 to read 'The Finance Act 2014', not 2004 as recorded.

73.3 Following a query on Item 1.1 within the report, Officers agreed to confirm the rules on tapering, and to provide a response in due course.

### **74. THE PENSIONS REGULATOR – CODE OF PRACTICE NO. 14 – GOVERNANCE AND ADMINISTRATION OF SERVICE PENSIONS SCHEMES**

The Acting ACO People Services advised Members that the Pensions Regulator's Code of Practice No. 14 (the 'Code') was directed at Scheme Managers and the members of Pension Boards of public service pension schemes, and connected schemes. The purpose of the report was to inform the Local Pension Board Members of the overarching conditions in relation to Board membership.

## **RESOLVED THAT**

Members agreed to accept the report and the conditions identified therein.

### **75. FIREFIGHTERS' PENSION SCHEMES – MEMBERSHIP DATA**

The ACO People Services reminded Members that South Wales Fire & Rescue Authority, as the duly appointed Firefighters' Pension Scheme Manager, was responsible for compiling and maintaining membership data for each of the Firefighters' Pension Schemes in accordance with the Scheme's regulations.

## **RESOLVED THAT**

75.1 Members agreed to note the composition of the Scheme(s) Membership as at 1 April, 2018.

75.2 Members agreed to note the profiling of the Scheme membership when all Scheme members would transition to the 2015 Scheme on 31 March, 2022.

75.3 Members agreed to continue to receive regular updates on the composition profile for the Firefighters' Pension Schemes.

75.4 Following discussion on the Firefighters' Pension Scheme (Wales) 2007 Regulations, Officers agreed to provide Members with an explanatory note in due course.

### **76. MANAGING RISKS & INTERNAL CONTROLS – ANNUAL RISK ASSESSMENT (2018)**

The Acting ACO People Services reminded Members that South Wales Fire & Rescue Authority, as Scheme Manager for the Firefighters' Pension Scheme (Wales) 2015, and all other associated and connected Firefighter Pension Schemes', was responsible for the administration of each scheme in accordance with that scheme's regulations.

As the Board Members were aware, the Pension Regulator identified a number of documents which were considered to be

significant to ensure effective scheme administration. The foremost of these was the Risk Assessment and register for the scheme(s). To comply with the administrative requirements a revised Risk Assessment (2018) had been prepared, and was attached to the report as Appendix 1 for consideration.

## **RESOLVED THAT**

76.1 Following consideration, Members approved the revised Risk Assessment Form (2018) at Appendix 1 attached to the report.

76.2 Members agreed an annual review to evaluate the effectiveness of management of risk management process, and to ensure adequate controls were in place.

## **77. FORWARD WORK PROGRAMME 2018/2019**

The Acting ACO People Services presented the Forward Work Programme for 2018/2019.

## **RESOLVED THAT**

77.1 Members accepted the Forward Work Programme for 2018/2019.

77.2 Following lengthy discussion on some retired members of staff experiencing delays in receiving their lump sums and first pension payments, Officers agreed to provide Members with a report on the current Service Level Agreement which would include costs.

## **78. TO CONSIDER ANY ITEMS OF BUSINESS THAT THE CHAIRMAN DEEMS URGENT (PART 1 OR 2)**

There were no items of urgent business for Members to consider.

## **79. FIREFIGHTERS PENSION SCHEMES (WALES) 2016 VALUATION PROVISIONAL RESULTS AND COSTS**

The Treasurer delivered an electronic presentation to Members entitled 'Firefighters Pension Schemes (Wales) 2016 Valuation



Provisional Results and Costs', which had been presented at the last Firefighters Scheme Advisory Board meeting.

The Treasurer highlighted the key areas and points within the presentation, and advised that there would be an impact for Fire Authority Members and Scheme members.

### **RESOLVED THAT**

Following a question and answer session, Members agreed to note the contents of the presentation, and thanked the Treasurer for his informative report.

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## SOUTH WALES FIRE & RESCUE SERVICE

### MINUTES OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE MEETING HELD ON MONDAY, 3 DECEMBER 2018 AT SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS

#### 28. PRESENT

##### Councillor

S Evans (Chair)  
A Roberts  
L Brown  
A Hussey  
R Crowley  
D White

##### Left

Torfaen  
Rhondda Cynon Taf  
Monmouthshire  
Caerphilly  
Vale of Glamorgan  
Bridgend

#### APOLOGIES

J Collins  
L Davies

Blaenau Gwent  
Merthyr Tydfil

#### ABSENT

K Critchley  
S Ebrahim

Newport  
Cardiff

**OFFICERS PRESENT:** Mrs S Chapman – Monitoring Officer, Mr C Barton – Treasurer; Mr G Thomas – Head of Finance & Procurement; Mrs S Watkins - Deputy Monitoring Officer; Mr R Prendergast - ACFO, Technical Services, Miss V Davies – TIAA; Ms A Butler – Wales Audit Office

#### 29. DECLARATIONS OF INTEREST

All Members declared a personal non-prejudicial interest in each agenda item that affected their Authority.

#### 30. CHAIR'S ANNOUNCEMENTS

There were no announcements from the Chair.

#### 31. MINUTES OF PREVIOUS MEETING

Ms A Butler, WAO advised Miss A Smith attended the last meeting, not herself. Subject to that change, the minutes of the meeting held on 12 November 2018 were received and accepted as a true record of proceedings:

### **32. TREASURY MANAGEMENT MID-TERM REPORT 2018/19**

The Treasurer presented the Treasury Management Mid Term Report 2018/19, which updates Members on the Authority's treasury activities for the period 1 April to 30 September 2018. An explanation of the scoring system was given.

#### **RESOLVED THAT**

32.1 Members noted the report and the treasury activity for the period; and

32.2 Approved the report to be presented to Fire Authority.

### **33. STRATEGIC RISK REGISTER 2018-19 – QUARTER 2 REVIEW**

The Monitoring Officer gave the background to the report, which requests that Members consider the strategic risks held within the Risk Register and the management of these risks.

#### **RESOLVED THAT:**

Members agreed the validity of the strategic risks contained within the Risk Register held on the Business Management Information System (BMIS).

### **34. REVENUE BUDGET REPORT 2019/20**

The Treasurer gave the background and outlined the proposals for the Fire Authority's revenue budget for the financial year 2019/20.

#### **RESOLVED THAT**

34.1 Members confirmed the revenue budget 2019/20 as the basis for consultation with its Constituent Authorities; and

34.2 resolved that the Treasurer provide a copy to Members of the correspondence being sent to their respective Authorities.

### **35. REPORT ON PROGRESS OF AUDIT, SCHEME AND CIRCULAR ACTION UPDATES AS AT 30 SEPTEMBER 2018**

The Monitoring Officer gave the progress recorded against actions arising from internal audits, Wales Audit Officer Thematic Reviews, Operational Assurance Peer Reviews, Corporate Schemes and Government Circulars.

#### **RESOLVED THAT**

Members noted the progress made.

### **36. AUDIT OF FINANCIAL STATEMENTS REPORT - RECOMMENDATIONS**

The Treasurer presented the addendum to the statutory ISA260 report, final statement of accounts and the letter of representation required by the auditor which was approved by the Fire Authority on 24 September 2018, and subsequently commented up on by the Appointed Auditor. The addendum outlines the progress and actions made in relation to the recommendations for both 2016/17 and 2017/18 financial years.

#### **RESOLVED THAT**

Members noted the addendum report, approved the management responses and noted the progress made against the recommendations.

### **37. INTERNAL AUDIT REPORT**

The Internal Auditor advised on the progress being made against the Internal Audit Plan 2018/19. A question and answer session took place in relation to the 'Appraisal Review of Fleet Management – Usage' report. After discussion, it was agreed that, in light of the Priority 2 areas, a further paper be considered by the Committee at its meeting on Monday 28 January 2019, particularly in relation to job cards, and actions taken in relation to the mischarged seal.

#### **RESOLVED THAT**

- 37.1 Members noted the internal audit recommendations and work completed to date on the internal Audit Annual Plan; and
- 37.2 resolved to receive a further report on 'Fleet Management – Usage' at its meeting on Monday 28 January 2019.

### **38. FORWARD WORK PROGRAMME**

The Monitoring Officer presented the Forward Work Programme for 2018/19, and confirmed that the further report requested on Fleet Management – Usage will be added to the Programme.

#### **RESOLVED THAT**

Members accepted the Forward Work Programme for 2018/19.

### **39. TO CONSIDER ANY ITEMS OF BUSINESS THAT THE CHAIRMAN DEEMS URGENT (PART 1 OR 2)**

There were no items of urgent business for Members to consider.

**40      SESSION WITH WALES AUDIT OFFICER AND INTERNAL AUDITOR**

Officers left the meeting and Members received an information session from the Wales Audit Officer and the Internal Audit Officer.

**SOUTH WALES FIRE & RESCUE AUTHORITY**  
**MINUTES OF THE FIRE & RESCUE AUTHORITY MEETING**  
**HELD ON MONDAY 17 DECEMBER 2018 AT**  
**SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS**

**30. PRESENT:**

<b>Councillor</b>	<b>Left</b>	<b>Authority</b>
D T Davies (Chair)		Caerphilly
D Ali		Cardiff
L Brown		Monmouthshire
K Critchley		Newport
R Crowley		Vale of Glamorgan
L Davies		Merthyr Tydfil
C Elsbury		Caerphilly
S Evans		Torfaen
A Hussey		Caerphilly
D Naughton		Cardiff
A Roberts		Rhondda Cynon Taff
R Shaw		Bridgend
A Slade		Torfaen
V Smith		Monmouthshire
H Thomas		Newport
D White		Bridgend
J Williams		Cardiff

**APOLOGIES:**

S Bradwick (Deputy Chair)		Rhondda Cynon Taff
J Collins		Blaenau Gwent
D De'Ath		Cardiff
S Ebrahim		Cardiff
K McCaffer		Vale of Glamorgan
S Pickering		Rhondda Cynon Taff

**ABSENT:**

J Harries		Rhondda Cynon Taff
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**OFFICERS PRESENT:-** CFO H Jakeway, DCO S Chapman – Monitoring Officer, ACFO D Rose – Director of Service Delivery, Mr C Barton – Treasurer, Mr G Thomas – Head of Finance, Ms S Watkins – Deputy Monitoring Officer, Ms R Meredith – Media & Comms officer, Mr Gwyther Lewis, Media & Comms officer

### **31. DECLARATIONS OF INTEREST**

Each Member declared a personal non-prejudicial interest in each agenda item which affected their Authority.

All Members declared an interest in Agenda Item 7.ii, 'Independent Remuneration Panel for Wales Draft Annual Report – February 2019'.

### **32. CHAIR'S ANNOUNCEMENTS**

There were no Chair's announcements to report.

### **33. MINUTES OF PREVIOUS MEETINGS**

The following minutes were received and accepted as a true record of proceedings:-

- Finance, Asset & Performance Management Working Group meeting held on 21 May, 2018
- Local Pension Board meeting held on 25 June, 2018
- HR & Equalities meeting held on 16 July 2018
- Finance, Audit & Performance Management meeting held on 10 September 2018
- Fire & Rescue Authority meeting held on 24 September 2018
- Finance, Audit & Performance Management meeting held on 12 November, 2018



## **34. UPDATE ON ACTIONS**

The Deputy Chief Officer informed Members of actions undertaken since the last meeting, and provided an update on minute number 18/19-18.2. Members were advised that Ms Alison Reed, an external candidate, had been appointed as the New ACO People Services, and would commence in the New Year.

## **35. REPORTS FOR DECISION**

### **35.1 HALF YEARLY HEALTH CHECK ON PERFORMANCE AND STRATEGIC OBJECTIVES 2018/2019**

The Deputy Chief Officer advised that the presented report would give assurance to Members of the Fire & Rescue Authority, and the senior management within South Wales Fire & Rescue Service, on progress towards achievement of the Strategic Objectives and performance of the Strategic Performance Indicators for the first two quarters of 2018/2019.

### **RESOLVED THAT**

- 35.1.1 Members agreed to review the performance details and statistical data for the first two quarters of 2018/2019 contained within the report.
- 35.1.2 Following a lengthy question and answer session on 'Deaths and Injuries in Fires', 'False Alarms', and 'Deliberate Grass Fires' indicators, Officers provided detailed explanations, and Members agreed the content of the report.
- 35.1.3 Following further debate, Officers agreed to provide Members with a further breakdown of data on 'Special Service Calls'.

### **35.2 TREASURY MANAGEMENT MID-TERM REVIEW REPORT 2018/2019**

The Deputy Chief Officer informed Members that the Treasury Management Mid-Term Review Report provided an update on the

Authority's treasury activities for the period 1 April-30 September, 2018.

## **RESOLVED THAT**

Following a question and answer session, Members agreed and approved the Treasury Management Mid-Term Review.

## **36. REPORTS FOR INFORMATION**

### **36.1 STRATEGIC RISK REGISTER 2018/2019 – QUARTER 2 REVIEW**

The Deputy Chief Officer presented a report for Members to consider the strategic risks held within the Risk Register, and the management of these risks.

## **RESOLVED THAT**

Following a lengthy question and answer session on a number of key risks, i.e. issues with pension legislation and possible industrial action, Members agreed to view the strategic risks contained within the Risk Register held on the Service's Business Management Information System, and agreed their validity.

### **36.2 INDEPENDENT REMUNERATION PANEL FOR WALES' DRAFT ANNUAL REPORT – FEBRUARY 2019**

The Deputy Chief Officer presented a report which brought Members' attention to the relevant sections of the Independent Remuneration Panel for Wales' Draft Annual Report that relates to payments to Members of Welsh Fire & Rescue Authorities.

## **RESOLVED THAT**

Members agreed to note the extract of the Independent Remuneration Panel's Draft Annual Report, attached to the report at Appendix 1, which provided details of payments to Members of Welsh Fire & Rescue Authorities.

### **36.3 FORWARD WORK PROGRAMME**

The Deputy Chief Officer presented the Forward Work Programme for 2018/2019.

#### **RESOLVED THAT**

Members agreed to note the Forward Work Programme for 2018/2019.

#### **37. TO CONSIDER ANY ITEMS OF BUSINESS THAT THE CHAIR DEEMS URGENT (PART 1 OR 2)**

There were no items of business that the Chair deemed urgent.

The Chair closed the meeting by wishing Members and Officers a very Merry Christmas and Happy New Year. He also thanked Members and Officers for their continued support and co-operation throughout the year.

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## AGENDA ITEM NO 5

## UPDATE ON OUTSTANDING ISSUES ARISING FROM PREVIOUS FIRE & RESCUE AUTHORITY MEETINGS

Sally Chapman – DCO  
Huw Jakeway – CFO  
Andy Thomas – ACFO SD

Chris Barton – Treasurer  
Mark Malson – Acting ACO PS  
Richie Prendergast – ACFO TS

Minute No	Item	Action	Leading Officer	Current Status:
17/18 – 55.4	Land Adjoining Llantwit Major Fire Station	Dispose of the land at Llantwit Major Fire Station identified as surplus to requirements.	DCO	A formal valuation has been carried out and recommends a figure for disposal of the land.
18/19 – 18.2	Principal Officer Vacancies	Commence the recruitment process to permanently appoint to the positions of ACFO Service Delivery and ACO People Services	A/ACO PS	Interviews took place on 24 October 2018 and appointment to the post of ACO People Services has been made. Members will be updated at the meeting. <b>Action completed</b>
18/19 – 26.1.2	Medium Term Financial Strategy Update	Provide Members with a further update at December's meeting of the Fire Authority.	Treasurer	<b>Action completed</b>
18/19 – 26.1.3	Medium Term Financial Strategy Update	Members to be informed when the Authority's letter of consultation on budget contributions for 2019/20 has been sent to Home Authorities.	Treasurer	<b>Action completed</b>

<b>Minute No</b>	<b>Item</b>	<b>Action</b>	<b>Leading Officer</b>	<b>Current Status:</b>
18/19 – 26.4.2	Potential Reform of Fire & Rescue Authorities	Convene a special meeting of the Fire Authority to discuss the White Paper.	DCO	Following consultation with the Chairman, a Member briefing is to be held at the conclusion of the Fire Authority meeting on 17 December 2018. <b>Action completed</b>
18/19 – 28.1	Restructure to Meet Future Challenges and Demands	Implement new structure as agreed.	ELT	In progress. Seeking appointment to affected posts by 31 March 2019.
18/19 – 35.1	Half-Yearly Health Check on Performance and Strategic Objectives 2018/19	Members to be provided with a further breakdown of data on Special Service Calls.	ACFO SD	<b>Action completed</b>

AGENDA ITEM NO 6

**Reports for Decision**

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**SOUTH WALES FIRE & RESCUE AUTHORITY**AGENDA ITEM NO 6.i  
11 FEBRUARY 2019

## REPORT OF THE TREASURER

**REVENUE BUDGET REPORT 2019/20****SUMMARY**

The report outlines the responses received in respect of the recent consultation exercise and the proposed Fire Authority revenue budget for the financial year 2019/20.

**RECOMMENDATION**

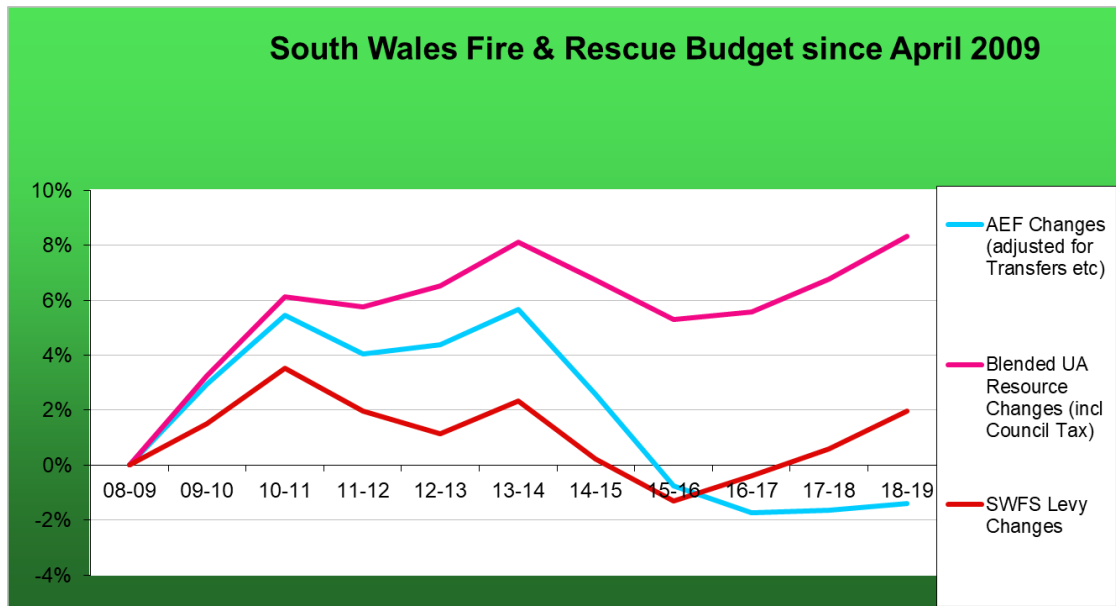
That subject to final confirmation of fire pension costs, the Fire Authority approves the attached revenue budget for 2019/20

**1. BACKGROUND**

- 1.1 The Fire Authority approved its Medium Term Financial Plan in September as the basis for agreeing the 2019/20 revenue budget.
- 1.2 Further work was undertaken to establish the appropriate level of the revenue budget for the coming financial year including consideration of pressures, inflation and savings that could be made. A consultation exercise based on this information was commenced in December.
- 1.3 The result of this work was considered by the FAPM Committee on 28<sup>th</sup> January 2019 and the attached budget was recommended to the Fire Authority subject to final confirmation of funding for pension costs.

**2. 2018/19 BUDGET PROJECTIONS**

- 2.1 Monitoring for the current financial year reveals that the revenue budget is now much more tightly aligned with spending following several years of austerity and budget reductions. The Fire Authority has taken steps to rationalise spending across the breadth of the Service including both staffing and non-staff budgets.
- 2.2 The result of this work has been to deliver a significant real terms reduction in spend over the austerity period with the current year budget still significantly below the 2010/11 budget in cash terms as shown in the chart overleaf.



- 2.3 The challenge within all public sector financial plans continues to be the ongoing uncertainty around austerity and the extent to which public services can and will be funded.

### 3 WELSH GOVERNMENT AND COUNCIL BUDGETS

- 3.1 On the 18<sup>th</sup> December, Welsh Government published the final Local Government Settlement for 2019/20. The settlement changed little from the draft previously released save for recognition of a number of budget pressures that existed in councils. The headlines from the final settlement were a 0.2% cash increase in budgets ranging from -0.3% to +0.9% within the South Wales area.

- 3.2 Councils of course have the ability to raise council tax locally. The long term trend of increases in council tax yield has been around 4.7% in South Wales. This together with the increase in funding from Welsh Government for 2019/20 would equate to an approximate average increase of over 1% in net resources year on year.

### 4. 2016 FIRE PENSION SCHEME VALUATION

- 4.1 The draft results of the 2016 Fire Pension Scheme Valuation were released in September this year. The detail of the valuation methodology, assumptions and results will be considered in detail through the Local Pension Board and the Scheme Advisory Board for Wales.
- 4.2 The Scheme is an unfunded pension scheme and largely as a result of technical changes in the calculation of the notional funding position, the scheme is now in deficit. The valuation by GAD includes the calculation

of future employers' pension contributions over the period 2019 to 2023 to address this situation. The increase is calculated at 9.6% equating to around £2.9m for the Fire Authority, equivalent to 4% of the Fire Authority's total budget.

- 4.3 The FAPM Committee has been kept abreast of the developments in respect of the valuation and progress towards funding for this cost.
- 4.4 At the time of finalising this report, there has still been no confirmation of funding from central government. Should this funding not be forthcoming, the Authority will reluctantly have to increase the contributions budget to raise this resource locally. Members will be appraised of the current situation at the meeting.

## 5. CONSTITUENT AUTHORITY POPULATION PROJECTIONS 2019/20

- 5.1 As reported to the FAPM in November, population changes will result in a shift in contributions regardless of the budget set by the Fire Authority. By way of reminder, the relevant table is repeated overleaf.

Authority	Population				Contributions		
	2018/19	2019/20	Change	%	2018/19	Projected	Change
Bridgend	142,862	143,272	410	0.29%	6,688,835	6,684,490	-4,345
Vale Of Glamorgan	128,280	128,424	144	0.11%	6,006,101	5,991,742	-14,359
Rhondda Cynon Taf	238,482	238,945	463	0.19%	11,165,782	11,148,204	-17,578
Merthyr Tydfil	59,219	59,254	35	0.06%	2,772,639	2,764,551	-8,088
Caerphilly	181,027	181,297	270	0.15%	8,475,706	8,458,582	-17,124
Blaenau Gwent	69,433	69,374	-59	-0.09%	3,250,883	3,236,709	-14,174
Torfaen	91,991	92,087	96	0.10%	4,307,043	4,296,406	-10,637
Monmouthshire	92,931	93,070	139	0.15%	4,351,053	4,342,268	-8,785
Newport	148,729	149,243	514	0.35%	6,963,525	6,963,072	-453
Cardiff	366,959	370,299	3,340	0.91%	17,181,105	17,276,648	95,543
<b>Total</b>	<b>1,519,913</b>	<b>1,525,265</b>	<b>5,352</b>	<b>0.35%</b>	<b>71,162,672</b>	<b>71,162,672</b>	<b>0</b>

- 5.2 The Fire Authority has no discretion in how it distributes the overall revenue budget contributions as the methodology is specified in the South Wales Fire Services (Combination Scheme) Order 1995.

## 6. BUDGET 2019/20

- 6.1 The Fire Authority has already considered the impact of inflation and budget pressures on its base budget and information on this was provided to the FAPM and Scrutiny Group meetings last year.

- 6.2 The one significant matter which could yet bear on the budget requirement for next financial year is the recently lodged grey book pay award of 17%. This pay claim will be dealt with through the nationally agreed negotiating mechanism in which South Wales Fire Authority plays no direct part. The request is linked to the broadening role of the firefighter in the UK and is likely therefore to be the subject of some detailed discussion. If central government agrees as part of these negotiations to any pay increase in excess of basic inflation, such costs would have to be funded on a national basis to avoid them becoming another call on constituent authority budgets. A 2% provision is currently assumed for pay.
- 6.3 Inclusion of the identified savings and pressures to date would result in a revenue budget of £71,827,144 representing a 0.93% increase over 2018/19. As outlined earlier in the report, without confirmation of funding for fire pension costs, this budget would need to be augmented with £2.9m to bring it to a total of £74,727,144 representing a 5% increase over 2018/19. An update will be provided at the meeting in terms of pensions funding.
- 6.4 The two scenarios for the revenue budget were outlined in the consultation with constituent authorities commenced in December and are outlined in the table below.

Constituent Council	With Pension Funding			Without Pension Funding		
	Proposed contribution £	Increase / Decrease £	Percentage Change	Proposed contribution £	Increase / Decrease £	Percentage Change
Bridgend	6,746,905	58,070	0.87%	7,019,310	330,475	4.94%
Vale Of Glamorgan	6,047,690	41,589	0.69%	6,291,863	285,762	4.76%
Rhondda Cynon Taf	11,252,298	86,516	0.77%	11,706,607	540,825	4.84%
Merthyr Tydfil	2,790,365	17,726	0.64%	2,903,025	130,386	4.70%
Caerphilly	8,537,563	61,857	0.73%	8,882,264	406,558	4.80%
Blaenau Gwent	3,266,932	16,049	0.49%	3,398,833	147,950	4.55%
Torfaen	4,336,523	29,480	0.68%	4,511,608	204,565	4.75%
Monmouthshire	4,382,814	31,761	0.73%	4,559,768	208,715	4.80%
Newport	7,028,089	64,564	0.93%	7,311,846	348,321	5.00%
Cardiff	17,437,965	256,860	1.50%	18,142,020	960,915	5.59%
<b>Total</b>	<b>71,827,144</b>	<b>664,472</b>	<b>0.93%</b>	<b>74,727,144</b>	<b>3,564,472</b>	<b>5.01%</b>

- 6.5 The responses to the consultation are included as Appendices to this report for Members consideration.

## 7. FINANCIAL IMPLICATIONS

- 7.1 Details of the financial implications are included within the body of this report.

## 8. EQUALITY RISK ASSESSMENT

- 8.1 There are no equality implications resulting directly from this report. Each significant project within the Fire Authority's financial planning framework undergoes equality and diversity risk assessment by the responsible budget holder as part of the budget planning process.

## 9. RECOMMENDATION

- 9.1 That subject to final confirmation of fire pension costs, the Fire Authority approves the attached revenue budget for 2019/20

<b>Contact Officer:</b>	<b>Background Papers:</b>
Geraint Thomas Head of Finance and Procurement	

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## Appendix A - Revenue Budget 2019/20 (Subject to Pension Funding)

Expenditure/Income Head	18-19	19-20
	£	£
<b>Direct Employee Costs</b>	47,642,161	48,459,033
<b>Indirect Employee Costs</b>	8,126,585	8,261,573
<b>Premises Related Expenses</b>		
Repair & maintenance	810,760	835,083
Lease costs - Occ Health unit	75,000	5,000
Grounds, Cleaning & Security	596,500	546,500
Rates etc.	1,148,000	1,370,960
Water	42,000	42,000
Energy	583,730	508,730
Telephones/Communications	1,413,000	1,413,000
<b>Sub Total Premises Related</b>	<b>4,668,990</b>	<b>4,721,273</b>
<b>Training Expenses</b>	<b>1,525,925</b>	<b>1,465,925</b>
<b>Supplies &amp; Services</b>		
Furniture	77,640	77,640
Operational equipment	281,700	241,700
Other equipment	81,520	81,520
RTC (scrap vehicles)	55,000	55,000
Fitness/training equipment	70,000	50,000
Equipment repair & maintenance	142,640	142,640
Fire Ground consumables (foam)	20,000	20,000
I.C.T.	717,100	657,100
Clothing & Uniforms	566,200	566,200
Printing, Stationery & Postage	137,618	127,618
Advertising (vacancies, etc.)	203,700	203,700
Licences, Literature etc	262,525	242,525
Provisions, catering, medical etc	67,280	67,280
Insurances	996,278	1,036,129
<b>Sub Total Supplies and Services</b>	<b>3,679,201</b>	<b>3,569,052</b>
<b>Transport Costs</b>	<b>1,252,942</b>	<b>1,162,942</b>
<b>Contracted Services</b>	<b>744,139</b>	<b>734,139</b>
<b>Other Central Costs</b>		
Capital Costs and Leasing	4,498,825	4,548,825
Transfer from / to Reserves	-	(100,000)
<b>Sub Total Other Central Costs</b>	<b>4,498,825</b>	<b>4,448,825</b>
<b>Sub Total Expenditure</b>	<b>72,138,768</b>	<b>72,822,762</b>
<b>Income</b>	<b>(976,096)</b>	<b>(995,618)</b>
<b>TOTAL BUDGET</b>	<b>71,162,672</b>	<b>71,827,144</b>

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## Appendix B

### Consultation Responses

#### Caerphilly County Borough Council

Dear Chris

Thanks for the opportunity for CCBC to express our views in respect of the proposed budget for the South Wales Fire & Rescue Authority. The Authority's comments are listed below:-

-It is recognised and appreciated that the final proposals for both options (with Pension funding and without Pension funding) are now lower than the original estimates.

-Furthermore we welcome and appreciate the fact that the 'with Pension funding' option is requesting cash growth overall of 0.93%. This shows a commitment of the Fire service to try to deliver savings to avoid passporting all of the growth pressures onto Local Authorities.

-Finally we sympathise and accept the position and predicament you find yourselves in as a consequence of the lack of funding and clarification in respect of the funding for the increased employers pension costs. We have a major issue with this ourselves in relation to Teachers

Regards

Nicole Scammell

Pennaeth Cyllid Corfforaethol a Swyddog Adran 151 Dros Dro | Head of Corporate Finance and Section 151 Officer  
Cyngor Bwrdeistref Sirol Caerffili | Caerphilly County Borough Council

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Dyddiad/Date: 22 January 2019

Gofynnwch am/Ask for: Managing Director

Rhif ffôn/Telephone: 01446 709202

Eich Cyf/Your Ref:

Cyf/My Ref:

e-bost/e-mail: DRT/AMB/S19/5420

Cyngor Bro Morgannwg

Swyddfeydd Dinesig, Heol Holton, Y Barri CF63 4RU

Ffôn/Tel: (01446) 700111

Ffôn Testun/Textphone: (01446) 741219

The Vale of Glamorgan Council

Civic Offices, Holton Road, Barry CF63 4RU

VALE of GLAMORGAN<sup>43</sup>

[managingdirector@valeofglamorgan.gov.uk](mailto:managingdirector@valeofglamorgan.gov.uk)

Chris Barton  
South Wales Fire & Rescue Service HQ  
Forest View Business Park  
Llantrisant  
CF72 8LX

Dear Chris,

**SOUTH WALES FIRE AND RESCUE AUTHORITY BUDGET AND CONTRIBUTIONS 2019/20**

Thank you for the opportunity to comment on the Fire and Rescue Authority's budget for the coming financial year.

As you note in your letter of 21<sup>st</sup> December 2018, the delay in setting your budget for the coming year does impact on this authority. The Council's Cabinet is due to consider the final budget proposals on 18<sup>th</sup> February 2018 with the final decision on the budget and the setting of the Council Tax being made at Full Council on 27<sup>th</sup> February. As the papers for our Cabinet meeting will be made public on 12<sup>th</sup> February I would request notification of your final agreed budget, and our contribution, as a matter of urgency following the meeting of the Fire and Rescue Authority on 11<sup>th</sup> February.

The timing of your budget setting process is more critical this year due to the possible increase in our contribution of 4.76% as outlined in your letter. The main reason for this increase is outlined in your letter and I accept that this is outside the control of the Fire and Rescue Authority. However, this level of increase (£285,762), represents a 0.41% increase on the Council Tax for 2019/2020 which, when trying to meet the conflicting pressures on the Council's budget for the coming financial year, is a significant pressure. I would seek reassurances from you that, if this funding is forthcoming from Welsh Government, the increase for this authority is capped at 0.69% as outlined in your letter.

Again, as outlined in your letter, this external factor to take into account when setting our budgets is an additional issue for our members to consider at this time. In response to the Welsh Government White Paper "Reform of the Fire

and Rescue Authorities in Wales' Governance and Funding Arrangements", this Council will be supporting the proposal that in future, the Fire and Rescue Authority should have access to its own direct source of funding rather than drawing down on the limited funding available to Councils. This would also improve transparency for the Council Tax payers in the Vale of Glamorgan.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Thomas', with a long horizontal line extending to the right.

Robert Thomas  
**MANAGING DIRECTOR**

My Ref/Cyf:  
Your Ref/Eich Cyf: CB/HE

Date/Dyddiad:

South Wales Fire and Rescue Service Headquarters  
View Business Park  
Llantrisant  
Pontyclun  
CF72 8LX

Dear Chris,

### **South Wales Fire & Rescue Authority Budget and Contributions 2019/20**

Thank you for your recent letter, in which you set out indicative changes in the Fire and Rescue Authority's budget for the coming financial year.

#### **Population**

I recognise that the Fire and Rescue Authority has no discretion in how it distributes the contributions budget, which is in line with population. With this in mind, and given Cardiff's population growth, our financial planning assumptions anticipate that Cardiff's proportion of the fire levy is likely to increase annually. Your initial table outlining the impact of population data is therefore not unexpected.

As you point out, Cardiff's particular demographic profile resulted in an above average 2019/20 settlement. However, I would add two caveats to this. Firstly, the above average settlement is indicative of increased financial pressure and demand for services. Secondly, published figures cannot be taken at face value, as they include new responsibilities and technical adjustments that are not immediately apparent.

#### **Contributions**

It is appreciated that, once again, the Fire Authority has been proactive in taking action to mitigate budgetary growth wherever possible, managing to contain initial budgetary increases to 0.93%. Even combined with the impact of Cardiff's increased population, this level could be accommodated within our existing planning assumptions. Accommodating the higher proposed level however, would be far more challenging.

#### **Pension Fund Valuation**

I note the pressure placed on your Authority resulting from HM Treasury's changes to the SCAPE rate used in relation to unfunded pension schemes, and recognise that this adds extreme pressure in an already challenging set of circumstances. I appreciate that given the size of the Fire Authority this may be too significant a sum to absorb without a material impact on front line services. However, I would respectfully request that you consider whether there is any scope to increase efficiency savings to avoid passing the full impact onto constituent Authorities. The Council is facing its own challenges in this

#### **ATEBWCH I/PLEASE REPLY TO:**

Cyfarwyddwr Corfforaethol Adnoddau/Corporate Director Resources,  
Ystafell / Room 343C, Neuadd y Sir / County Hall, Glanfa'r Iwerydd / Atlantic Wharf, Caerdydd /  
Cardiff, CF10 4UW.

Ffon / Tel (029) 20872300; E-bost / E-Mail: [Treasurersoffice@cardiff.gov.uk](mailto:Treasurersoffice@cardiff.gov.uk)

regard, with a £7m increase to Teachers' Pensions contributions, of which £4m affects 2019/20.

**Consultation**

Thank you for noting the Welsh Government White Paper consultation into "Reform of the Fire and Rescue Authorities in Wales' Governance and Funding Arrangements." This has been reviewed and Cabinet are due to consider a response later this month.

**Christine Salter****Corporate Director Resources** / Cyfarwyddwr Corfforaethol Adnoddau

**SOUTH WALES FIRE & RESCUE AUTHORITY**AGENDA ITEM NO 6.ii  
11 FEBRUARY 2019

## REPORT OF THE TREASURER

**TREASURY MANAGEMENT STRATEGY 2019/20****SUMMARY**

To submit for approval the Authority's Annual Treasury Management Strategy.

**RECOMMENDATION**

That the Fire & Rescue Authority approve the following;

- The Treasury Management Strategy Statement (TMSS);
- Capital prudential indicators and Minimum Revenue Provision (MRP) policy;
- Borrowing policy and treasury indicators / limits;
- Annual Investment Strategy (AIS);
- The Treasurer to update strategies and policies as necessary throughout the year.

**1. BACKGROUND**

- 1.1 The Fire & Rescue Authority is required to approve in advance of each financial year its governance arrangements for treasury management activities for the year. Detailed explanations and information are set out in Appendix 1 below.
- 1.2 All Local Authority bodies are required by statute to approve the treasury management strategy and associated policies annually.
- 1.3 This report has been drafted during revisions to the CIPFA Treasury Management and Prudential Codes. Arising from this is a new requirement to produce a capital strategy and CIPFA recognises that this may not be fully implemented until 2019/20. Officers are working to ensure this is in place for the implementation date.

**2. ISSUE**

- 2.1 The purpose of this report is for Members to consider the treasury management activities required to deliver capital spending plans in a prudent and sustainable manner and ensure cash resources are managed effectively for the next 3 years.

### 3. EQUALITY RISK ASSESSMENT

- 3.1 There are no Equality implications resulting directly from this report. Each element of both the capital and revenue budgets will have undergone Equality Risk Assessments by the responsible project lead. The Treasury Management Strategy determines our counter parties in accordance with Member appetite for risk and return and in the context of affordability.

### 4. FINANCIAL IMPLICATIONS

- 4.1 The approval of the Treasury Management Strategy provides the control framework within which officers can operate to ensure that as far as possible the costs of borrowing are minimised, and investment opportunities are maximised, whilst ensuring risk is kept to a minimum.
- 4.2 The capital prudential indicators show the financial impact of capital investment decisions to assess if those decisions are affordable, prudent and sustainable.
- 4.3 The treasury management indicators set constraints to ensure decisions are made in accordance with good practice.
- 4.4 The MRP policy determines how the Authority will determine the amount that must be set aside from revenue each year to repay external debt.

### 5. RECOMMENDATION

- 5.1 That the Fire & Rescue Authority approve the following;
- The Treasury Management Strategy Statement (TMSS);
  - Capital prudential indicators and Minimum Revenue Provision (MRP) policy;
  - Borrowing policy and treasury indicators / limits;
  - Annual Investment Strategy (AIS);
  - The Treasurer to update strategies and policies as necessary throughout the year.

<b>Contact Officer:</b>	<b>Background Papers:</b>
Geraint Thomas Head of Finance & Procurement	<ul style="list-style-type: none"> <li>- Local Government Act 2003</li> <li>- CIPFA Treasury Management Code</li> <li>- CIPFA Prudential Code</li> <li>- WG MRP &amp; Investment Guidance</li> <li>- 2017/18 Capital budget working papers</li> </ul>



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# 1. INTRODUCTION

## 1.1 Background

The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus cash is invested in low risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that the Authority can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Authority risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

*“The management of the Authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

Revised reporting is required for the 2019/20 reporting cycle due to revisions of the Welsh Government (WG) Investment Guidance, the WG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy is being reported separately.

This authority has not engaged in any commercial investments and has no non-treasury investments.

## 1.2 Reporting requirements

### 1.2.1 Capital Strategy

The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report, a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full Authority fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

### 1.2.2 Treasury Management reporting

The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
  - the capital plans, (including prudential indicators);
  - an MRP policy;
  - the treasury management strategy; and
  - an investment strategy.
- A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

#### Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Authority. This role is undertaken by the Finance, Audit & Performance Management (FAPM) committee.

### 1.3 Treasury Management Strategy for 2019/20

The strategy for 2019/20 covers two main areas:

#### Capital issues

- the capital expenditure plans and the associated prudential indicators;
- MRP policy.

#### Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Authority;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;

- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, WG MRP Guidance, the CIPFA Treasury Management Code and WG Investment Guidance.

#### **1.4 Training**

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. The Authority trusts Members to attend appropriate training as provided by their 'home Authority'.

The training needs of treasury management officers are periodically reviewed.

#### **1.5 Treasury management consultants**

The Authority uses Link Asset Services, Treasury solutions as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions remains with the organisation and works to ensure that undue reliance is not placed on the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority will ensure the terms of their appointment are properly agreed and documented, and subject to regular review.

## 2 THE CAPITAL PRUDENTIAL INDICATORS 2019/20 – 2021/22

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

### 2.1 Capital expenditure

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure £000	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Total	4,234	7,298	6,819	6,055	5,144

Other long-term liabilities - The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the Authority's finance. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure £000	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital grants	170	467	0	0	0
Reserves	331	4,119	1,798	0	0
Third party contributions	690	314	0	0	0
Revenue	200	200	200	200	200
<b>Net financing need for the year</b>	<b>2,843</b>	<b>2,198</b>	<b>4,821</b>	<b>5,855</b>	<b>4,944</b>

### 2.2 The Authority's borrowing need (the Capital Financing Requirement - CFR)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Authority's indebtedness and so, its underlying borrowing need. Any capital expenditure that has not immediately been paid for through a revenue or capital resource, will increase the CFR and the Authority's need to borrow.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR also includes any other long-term liabilities e.g. PFI schemes, finance leases. Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of scheme include a borrowing facility by the PFI lease provider and so the Authority is not required to separately borrow for these schemes. The Authority currently has £4.8m of such schemes within the CFR.

The Authority is required to approve the CFR projections below:

£000	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
CFR	44,146	43,456	45,042	47,318	48,560
Movement in CFR	-192	-690	1,586	2,276	1,243

Movement in CFR represented by					
Net financing need for the year (above)	2,843	2,198	4,821	5,855	4,944
Less MRP	3,035	2,888	3,235	3,579	3,701
Movement in CFR	192	690	1,586	2,276	1,243

### 2.3 Minimum revenue provision (MRP) policy statement

The Authority is required to pay off an element of the accumulated General Fund capital spend each year i.e. the CFR, through a revenue charge i.e. MRP, although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP). This Authority does not make VRP charges to the revenue budget.

Welsh Government regulations have been issued which require the full Authority to approve **an MRP Statement** in advance of each year. Options are provided to Authorities, so long as there is a prudent provision. The Authority is recommended to approve the following MRP Statement:

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outlined in Welsh Government regulations, i.e. option 1;

These options provide for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases), the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

These options provide for a reduction in the borrowing need over approximately the asset's life.

### 3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

#### 3.1 Current portfolio position

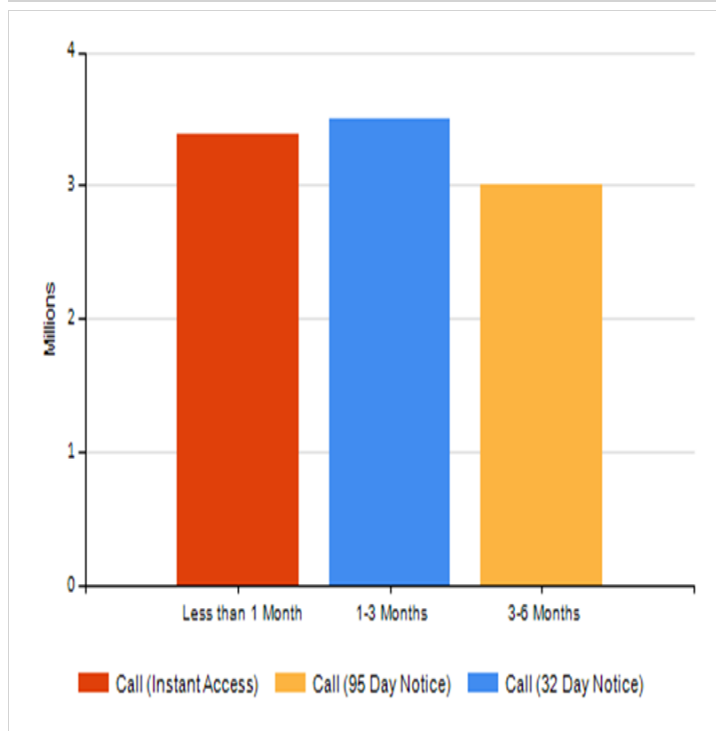
The overall treasury management portfolio as at 31 December 2018 is detailed below for both borrowing and investments;

## Portfolio Summary for South Wales Fire & Rescue Service

Show in Excel, hide from Web

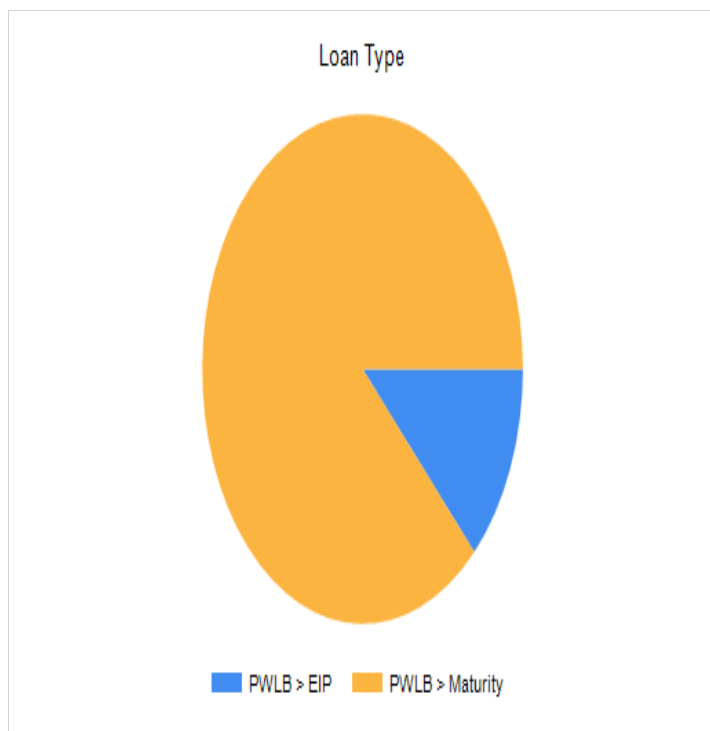
### Investments

Institution	Time to maturity Band (Mo)	Principal
Barclays Bank PLC (NRFB) (1)	Less than 1 Month (1)	£3,387,722
	<b>Total</b>	£3,387,722
Lloyds Bank Plc (RFB) (2)	1-3 Months (1)	£3,500,000
	3-6 Months (1)	£3,000,000
	<b>Total</b>	£6,500,000
<b>Total</b>		£9,887,722



### Debt

HRA or GF	Loan Type	Principal
GF	PWLB > EIP	£3,814,069
	PWLB > Maturity	£26,125,000
	<b>Total</b>	£29,939,069
<b>Total</b>		£29,939,069



The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the CFR, highlighting any over or under borrowing.

<b>£000</b>	<b>2017/18 Actual</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>
<b>External Debt</b>					
Debt at 1 April	37,224	33,903	30,987	30,072	28,656
Expected change in Debt	(3,321)	(2,916)	(916)	(1,416)	84
Other long-term liabilities (OLTL)	5,163	4,780	4,700	4,691	4,462
Expected change in OLTL	(383)	(81)	(9)	(229)	(365)
Gross debt at 31 March	<b>38,683</b>	<b>35,687</b>	<b>34,762</b>	<b>33,117</b>	<b>32,837</b>
The CFR	<b>44,146</b>	<b>43,456</b>	<b>45,042</b>	<b>47,318</b>	<b>48,560</b>
Under/(over) borrowing	<b>5,463</b>	<b>7,769</b>	<b>10,280</b>	<b>14,201</b>	<b>15,723</b>

Within the range of prudential indicators there are a number of key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Treasurer reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.



## 3.2 Treasury Indicators: limits to borrowing activity

### The operational boundary

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £000	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt	40,000	40,000	42,000	43,000
Other long term liabilities	5,000	8,000	8,000	8,000
Total	45,000	48,000	50,000	51,000

### The authorised limit for external debt

This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Authority. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all Authorities plans, or those of a specific Authority, although this power has not yet been exercised.
2. The Authority is asked to approve the following authorised limit:

Authorised limit £000	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt	40,000	42,000	44,000	45,000
Other long term liabilities	5,000	9,000	9,000	9,000
Total	45,000	51,000	53,000	54,000

### 3.2.1 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the following indicators:

#### Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

%	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Total	6.86	6.32	6.88	7.2	7.26

The Authority has set a limit on this ratio at 10% with an operational boundary of 9%. The estimates of financing costs include current commitments and the proposals in this budget report.

### **3.2.2 Maturity structure of borrowing**

Maturity structure of borrowing. The Authority will utilise the current maturity of debt profile to decide future borrowing and assess risk.

### 3.3 Prospects for interest rates

The Authority has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. The following table gives our central view.

Link Asset Services Interest Rate View													
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

The flow of generally positive economic statistics after the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, from 0.5% to 0.75%. Growth became increasingly strong during 2018 until slowing significantly during the last quarter. At their November quarterly Inflation Report meeting, the MPC left Bank Rate unchanged, but expressed some concern at the Chancellor's fiscal stimulus in his Budget, which could increase inflationary pressures. However, it is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. On a major assumption that Parliament and the EU agree a Brexit deal in the first quarter of 2019, then the next increase in Bank Rate is forecast to be in May 2019, followed by increases in February and November 2020, before ending up at 2.0% in February 2022.

Future trends are for gilt yields, and consequently PWLB rates, to rise, albeit gently. However, over about the last 25 years, we have been through a period of falling bond yields as inflation subsided to, and then stabilised at, much lower levels than before, and supported by central banks implementing substantial quantitative easing purchases of government and other debt after the financial crash of 2008. Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns and purchased riskier assets. In 2016, we saw the start of a reversal of this trend with a sharp rise in bond yields after the US Presidential election in November 2016, with yields then rising further as a result of the big increase in the US government deficit aimed at stimulating even stronger economic growth. That policy change also created concerns around a significant rise in inflationary pressures in an economy which was already running at remarkably low levels of unemployment. Unsurprisingly, the Fed has continued on its series of robust responses to combat its perception of rising inflationary pressures by repeatedly increasing the Fed rate to reach 2.25 – 2.50% in December 2018. It has also continued its policy of not fully reinvesting proceeds from bonds that it holds from of quantitative easing, when they mature. We therefore saw US 10 year bond Treasury yields rise above 3.2% during October 2018 and also investors causing a sharp fall in equity prices as they sold out of holding riskier assets. However, by early January 2019, US 10 year bond yields had fallen back considerably on fears that the Fed was being too aggressive in raising interest rates and was going to cause a recession. Equity prices have been very volatile on alternating good and bad news during this period.

From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

### Investment and borrowing rates

- Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.
- Borrowing interest rates have been volatile so far in 2018-19 and while they were on a rising trend during the first half of the year, they have backtracked since then until early January. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;
- There will remain a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

### 3.4 Borrowing strategy

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2019/20 treasury operations. The Treasurer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast (perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks), then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

### **3.5 Policy on borrowing in advance of need**

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### **3.6 Debt rescheduling**

As short-term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the FAPM Committee, at the earliest meeting following its action.

### **3.7 Municipal Bond Agency**

It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. The Agency hopes that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This Authority may make use of this new source of borrowing as and when appropriate.

## 4 ANNUAL INVESTMENT STRATEGY

### 4.1 Investment policy – management of risk

The Authority's investment policy has regard to the following: -

- The Welsh Government's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Authority's investment priorities will be security first, portfolio liquidity second and then yield, (return).

The above guidance from the Welsh Government and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that the finance team are authorised to use. There are 'specified', this Authority will not, at this time consider, 'non-specified' investments.
  - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
5. **SPECIFIED INVESTMENTS:** All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in appendix 5.4.

8. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 4.4).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
10. This authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2018/19 under **IFRS 9**, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. Preserving principle values invested will be a key investment criteria.

However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

**Changes in risk management policy from last year.**

The above criteria are unchanged from last year.



## 4.2 Creditworthiness policy

This Authority applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration for investments. The Authority will therefore use counterparties within the following durational bands:

- Yellow            5 years \*
- Dark pink       5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink      5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple            2 years
- Blue             1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange          1 year
- Red              6 months
- Green            100 days
- No colour       not to be used

The Link Asset Services' creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Authority use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored monthly. The Authority is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn.
- in addition to the use of credit ratings the Authority will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Authority will also use market data and market information, information on any external support for banks to help support its decision making process.

### UK banks – ring fencing

The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Authority will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered) will be considered for investment purposes.

### 4.3 Country limits

Due care will be taken to consider the exposure of the Authority’s total investment portfolio to non-specified investments, countries, groups and sectors.

- a) **Non-specified investment limit.** Investment will not be made in these.
- b) **Country limit.** The Authority has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA** from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.6. This list will be added to, or deducted from by officers should ratings change in accordance with this policy.

### 4.4 Investment strategy

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates i.e. rates for investments up to 12 months. Greater returns are usually obtainable by investing for longer periods while most cash balances are required in order to manage the ups and downs of cash flow. Where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

#### **Investment returns expectations.**

Bank Rate is forecast to increase steadily but slowly over the next few years to reach 2.00% by quarter 1 2022. Bank Rate forecasts for financial year ends (March) are:

- 2018/19 0.75%
- 2019/20 1.25%
- 2020/21 1.50%
- 2021/22 2.00%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

	<b>Now</b>
2018/19	0.75%
2019/20	1.00%
2020/21	1.50%
2021/22	1.75%
2022/23	1.75%
2023/24	2.00%
Later years	2.50%

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PwLB rates, are probably also even and are dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

#### **4.6 End of year investment report**

At the end of the financial year, the Authority will report on its investment activity as part of its Annual Treasury Report.

## 5 APPENDICES

1. Economic background
2. Approved countries for investments
3. Treasury management scheme of delegation
4. The treasury management role of the section 151 officer

## 5.1 ECONOMIC BACKGROUND

**GLOBAL OUTLOOK.** World growth has been doing reasonably well, aided by strong growth in the US. However, US growth is likely to fall back in 2019 and, together with weakening economic activity in China and the eurozone, overall world growth is likely to weaken.

**Inflation** has been weak during 2018 but, at long last, unemployment falling to remarkably low levels in the US and UK has led to a marked acceleration of wage inflation. The US Fed has therefore increased rates nine times and the Bank of England twice. However, the ECB is unlikely to start raising rates until late in 2019 at the earliest.

### **KEY RISKS - central bank monetary policy measures**

Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as quantitative easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

**The key issue now** is that that period of stimulating economic recovery and warding off the threat of deflation, is coming towards its close. A new period is well advanced in the US, and started more recently in the UK, of reversing those measures i.e. by raising central rates and, (for the US), reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of a reduction in spare capacity in the economy and of unemployment falling to such low levels, that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this also encouraged investors into a search for yield and into investing in riskier assets such as equities. Consequently, prices in both bond and equity markets rose to historically high valuation levels simultaneously. This meant that both asset categories were exposed to the risk of a sharp downward correction and we have indeed, seen a sharp fall in equity values in the last quarter of 2018. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery, by taking too rapid and too strong action, or, conversely, let inflation run away by taking action that was too slow and/or too weak. **The potential for central banks to get this timing and strength of action wrong are now key risks.** At the time of writing, (early January 2019), financial markets are very concerned that the Fed is being too aggressive with its policy for raising interest rates and was likely to cause a recession in the US economy.

The world economy also needs to adjust to a sharp change in **liquidity creation** over the last five years where the US has moved from boosting liquidity by QE purchases, to reducing its holdings of debt, (currently about \$50bn per month). In addition, the European Central Bank ended its QE purchases in December 2018.

**UK.** The flow of positive economic statistics since the end of the first quarter of 2018 has shown that pessimism was overdone about the poor growth in quarter 1 when adverse weather caused a temporary downward blip. Quarter 1 at 0.1% growth in

GDP was followed by a return to 0.4% in quarter 2 and by a strong performance in quarter 3 of +0.6%. However, growth in quarter 4 is expected to weaken significantly.

At their November quarterly Inflation Report meeting, the MPC repeated their well-worn phrase that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years time, but declined to give a medium term forecast. However, with so much uncertainty around Brexit, they warned that the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, they warned they could also raise Bank Rate in the same scenario if there was a boost to inflation from a devaluation of sterling, increases in import prices and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor could potentially provide fiscal stimulus to support economic growth, though at the cost of increasing the budget deficit above currently projected levels.

It is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. Getting parliamentary approval for a Brexit agreement on both sides of the Channel will take well into spring 2019. However, in view of the hawkish stance of the MPC at their November meeting, the next increase in Bank Rate is now forecast to be in May 2019, (on the assumption that a Brexit deal is agreed by both the UK and the EU). The following increases are then forecast to be in February and November 2020 before ending up at 2.0% in February 2022.

**Inflation.** The Consumer Price Index (CPI) measure of inflation has been falling from a peak of 3.1% in November 2017 to 2.3% in November. In the November Bank of England quarterly Inflation Report, inflation was forecast to still be marginally above its 2% inflation target two years ahead, (at about 2.1%), given a scenario of minimal increases in Bank Rate. This inflation forecast is likely to be amended upwards due to the Bank's report being produced prior to the Chancellor's announcement of a significant fiscal stimulus in the Budget; this is likely to add 0.3% to GDP growth at a time when there is little spare capacity left in the economy, particularly of labour.

As for the **labour market** figures in October, unemployment at 4.1% was marginally above a 43 year low of 4% on the Independent Labour Organisation measure. A combination of job vacancies hitting an all-time high, together with negligible growth in total employment numbers, indicates that employers are now having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to 3.3%, (3 month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates less CPI inflation), earnings are currently growing by about 1.0%, the highest level since 2009. This increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC was right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy.

In the **political arena**, there is a risk that the current Conservative minority government may be unable to muster a majority in the Commons over Brexit. However, our central position is that Prime Minister May's government will endure, despite various setbacks, along the route to reaching an orderly Brexit in March 2019. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary and fiscal policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

**USA.** President Trump's massive easing of fiscal policy is fuelling a, (temporary), boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2%, (annualised rate), in quarter 1 to 4.2% in quarter 2 and 3.5%, (3.0% y/y), in quarter 3, but also an upturn in inflationary pressures. The strong growth in employment numbers and the reduction in the unemployment rate to 3.9%, near to a recent 49 year low, has fed through to an upturn in wage inflation which hit 3.2% in November, However, CPI inflation overall fell to 2.2% in November and looks to be on a falling trend to drop below the Fed's target of 2% during 2019. The Fed has continued on its series of increases in interest rates with another 0.25% increase in December to between 2.25% and 2.50%, this being the fifth increase in 2018 and the ninth in this cycle. However, they did also reduce their forecast for further increases from three to two. This latest increase compounded investor fears that the Fed is over doing the rate and level of increases in rates and that it is going to cause a US recession as a result. There is also much evidence in previous monetary policy cycles, of the Fed's series of increases doing exactly that. Consequently, we have seen stock markets around the world plunging under the weight of fears around the Fed's actions, the trade war between the US and China, an expectation that world growth will slow, Brexit etc.

The tariff war between the US and China has been generating a lot of heat during 2018, but it is not expected that the current level of actual action would have much in the way of a significant effect on US or world growth. However, there is a risk of escalation if an agreement is not reached soon between the US and China.

**Eurozone.** Growth was 0.4% in quarters 1 and 2 but fell back to 0.2% in quarter 3, though this was probably just a temporary dip. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of manufacturing exports e.g. cars. For that reason, although growth is still expected to be in the region of nearly 2% for 2018, the horizon is less clear than it seemed just a short while ago. Having halved its quantitative easing purchases of debt in October 2018 to €15bn per month, the European Central Bank ended all further purchases in December 2018. The ECB is forecasting inflation to be a little below its 2% top limit through the next three years so it may find it difficult to warrant a start on raising rates by the end of 2019 if the growth rate of the EU economy is on a weakening trend.

**China.** Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. Progress has been made in reducing the rate of credit creation, particularly from the shadow banking sector, which is feeding through into lower economic growth. There are concerns that official economic statistics are inflating the published rate of growth.

**Japan** - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. It is likely that loose monetary policy will endure for some years yet to try to stimulate growth and modest inflation.

**Emerging countries.** Argentina and Turkey are currently experiencing major headwinds and are facing challenges in external financing requirements well in excess of their reserves of foreign exchange. However, these countries are small in terms of the overall world economy, (around 1% each), so the fallout from the expected recessions in these countries will be minimal.

## **INTEREST RATE FORECASTS**

The interest rate forecasts provided by Link Asset Services in paragraph 3.2 are predicated on an assumption of an agreement being reached on Brexit between the UK and the EU. In the event of an orderly non-agreement exit, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall. If there was a disorderly Brexit, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

#### **The balance of risks to the UK**

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed for ten years since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

#### **Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:**

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England monetary policy** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **eurozone sovereign debt crisis**, possibly in **Italy**, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March of a government which has made a lot of anti-austerity noise. The EU rejected the initial proposed Italian budget and demanded cuts in government spending which the Italian government initially refused. However, a fudge was subsequently agreed, but only by *delaying* the planned increases in expenditure to a later year. This can have therefore only been kicked down the road to a later time. The rating agencies have started on downgrading Italian debt to one notch above junk level. If Italian debt were to fall below investment grade, many investors would be unable to hold it. Unsurprisingly, investors are becoming increasingly concerned by the words and actions of the Italian government and consequently, Italian bond yields have risen – at a time when the government faces having to refinance large amounts of debt maturing in 2019.
- Weak capitalisation of some **European banks**. Italian banks are particularly vulnerable; one factor is that they hold a high level of Italian government debt - debt which is falling in value. This is therefore undermining their capital ratios and raises the question of whether they will need to raise fresh capital to plug the gap.



- **German minority government.** In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Then in October 2018, the results of the Bavarian and Hesse state elections radically undermined the SPD party and showed a sharp fall in support for the CDU. As a result, the SPD is reviewing whether it can continue to support a coalition that is so damaging to its electoral popularity. After the result of the Hesse state election, Angela Merkel announced that she would not stand for re-election as CDU party leader at her party's convention in December 2018, (a new party leader has now been elected). However, this makes little practical difference as she is still expected to aim to continue for now as the Chancellor. However, there are five more state elections coming up in 2019 and EU parliamentary elections in May/June; these could result in a further loss of electoral support for both the CDU and SPD which could also undermine her leadership.
- **Other minority eurozone governments.** Spain, Portugal, Ireland, the Netherlands and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile. Sweden is also struggling to form a government due to the anti-immigration party holding the balance of power, and which no other party is willing to form a coalition with. The Belgian coalition collapsed in December 2018 but a minority caretaker government has been appointed until the May EU wide general elections.
- **Austria, the Czech Republic and Hungary** now form a strongly anti-immigration bloc within the EU while **Italy**, in 2018, also elected a strongly anti-immigration government. Elections to the EU parliament are due in May/June 2019.
- Further increases in interest rates in the US could spark a **sudden flight of investment funds** from more risky assets e.g. shares, into bonds yielding a much improved yield. Throughout the last quarter of 2018, we saw sharp falls in equity markets interspersed with occasional partial rallies. Emerging countries which have borrowed heavily in dollar denominated debt, could be particularly exposed to this risk of an investor flight to safe havens e.g. UK gilts.
- There are concerns around the level of **US corporate debt** which has swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions. This has resulted in the debt of many large corporations being downgraded to a BBB credit rating, close to junk status. Indeed, 48% of total investment grade corporate debt is now rated at BBB. If such corporations fail to generate profits and cash flow to reduce their debt levels as expected, this could tip their debt into junk ratings which will increase their cost of financing and further negatively impact profits and cash flow.
- **Geopolitical risks**, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

#### **Upside risks to current forecasts for UK gilt yields and PWLB rates**

- **Brexit** – if both sides were to agree a compromise that removed all threats of economic and political disruption.
- **The Fed causing a sudden shock in financial markets** through misjudging the pace and strength of increases in its Fed Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- **UK inflation**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

### **Brexit timetable and process**

- March 2017: UK government notified the European Authority of its intention to leave under the Treaty on European Union Article 50 on 29 March 2019.
- 25.11.18 EU27 leaders endorsed the withdrawal agreement
- Dec 2018 vote in the UK Parliament on the agreement was postponed
- 21.12.18 – 8.1.19 UK parliamentary recess
- 14.1.19 vote in Parliament on a 'no deal' scenario
- By 29.3.19 second vote (?) in UK parliament if first vote rejects the deal
- By 29.3.19 if the UK Parliament approves a deal, then ratification by the EU Parliament requires a simple majority
- By 29.3.19 if the UK and EU parliaments agree the deal, the EU Authority needs to approve the deal; 20 countries representing 65% of the EU population must agree
- 29.3.19 UK leaves the EU, (or asks the EU for agreement to an extension of the Article 50 period if the UK Parliament rejects the deal and no deal departure?)
- 29.3.19: if an agreement is reached with the EU on the terms of Brexit, then this will be followed by a proposed **transitional period ending around December 2020**.
- UK continues as a full EU member until March 2019 with access to the single market and tariff free trade between the EU and UK. Different sectors of the UK economy may leave the single market and tariff free trade at different times during the transitional period.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.
- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK could also exit without any such agreements in the event of a breakdown of negotiations.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU - but this is not certain.
- On full exit from the EU: the UK parliament would repeal the 1972 European Communities Act.

## 5.2 APPROVED COUNTRIES FOR INVESTMENTS

*This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link Asset Services credit worthiness service.*

### **Based on lowest available rating**

#### AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

#### AA+

- Finland
- U.S.A.

#### AA

- Abu Dhabi (UAE)
- France
- Hong Kong
- U.K.

#### AA-

- Belgium
- Qatar

**THIS LIST IS AS AT 8.1.19**

### **5.3 TREASURY MANAGEMENT SCHEME OF DELEGATION**

#### **(i) Full Fire Authority**

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

#### **(ii) Full Fire Authority/Finance, Audit & Performance Management Committee**

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

#### **(iii) Treasurer & Head of Finance**

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

## 5.4 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

### The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, and treasury management, with a long term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all investments and is in accordance with the risk appetite of the authority

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**SOUTH WALES FIRE & RESCUE AUTHORITY**

AGENDA ITEM NO 6.iii

11 FEBRUARY 2019

**REPORT OF THE ASSISTANT CHIEF FIRE OFFICER DIRECTOR  
OF SERVICE DELIVERY****PERFORMANCE INDICATOR TARGETS 2019/2020 REPORT****SUMMARY**

To consider the proposed Performance Indicator Targets for 2019/2020.

**RECOMMENDATIONS**

That Members endorse the Performance Indicator Targets proposed for 2019/2020.

- Fires – 6,200
- False Alarms – 7,655
- Road Traffic Collisions – 1,074
- Other Special Service Calls – 2,048
- Deaths and Injuries from Fires – 66
- Deaths and Injuries from Accidental Fires - 60
- Dwelling fires which were contained in the room of origin – 85%

That Members approve its publication onto the SWFRS internet site.

**1. BACKGROUND**

- 1.1 To support performance within the Service it is essential that previous performance is reviewed and future targets are set for the forthcoming year. These indicator targets are made available to the public via our internet site and are referenced within corporate documents produced and published by the Service.
- 1.2 There is a requirement under the Local Government (Wales) Measure to report annually to Welsh Government (WG) on seven Strategic Performance Indicators. There are four incident based indicators, two fatality and injury indicators and one effective response indicator.

**2. ISSUE**

- 2.1 The purpose of these indicators is to measure activity that has a direct or significant impact on desired outcomes. The indicators are:
- Number of incidents attended (made up of four separate indicators which are total fires, total false alarms, total road traffic collisions (RTCs) and all other special service calls (SSCs) attended.

- The number of deaths and injuries caused by all fires, and accidental fires (two indicators).
- The percentage of dwelling fires which were contained in the room of origin (one indicator).

2.2 The targets for 2019/2020 are set prior to the start of the reporting year. For our analysis we use 5 years of actual incident data for quarter 1 and quarter 2 of the current reporting year, 2018/2019. We estimate quarter 3 and quarter 4 of this reporting year, 2018/2019, using a weighted average of the previous quarter 3 and quarter 4 incident data from the last 5 years, applying more weight to the most recent incidents. The predicted totals for 2018/2019 are analysed along with a further five years of historic incident data to produce a forecasted incident number for 2019/2020, this is analysed to provide a baseline target figure.

2.3 The baseline target figures are further reviewed with due consideration given to changing call profiles, ongoing risk reduction activities and public safety campaigns planned for 2019/2020.

2.4 The target for fires attended in 2019/2020 has been set at 6,200 which aligns with the increase in the number of fires in 2018/2019 which are estimated to be ~ 6,700, up from ~ 5,800 in 2017/2018. The number of fires in 2018/2019 are estimated to be the highest in 5 years, driven by the number of grass fires in Jun and July 2018, where we experienced long dry hot summer months. The forecast for 2019/2020 ranges from ~6,780 to ~5,750, (calculated using the standard deviation of number of fires attended over the past 5 years) depending on whether we anticipate a year similar to 2018/2019 or 2017/2018 respectively. Given the research on the future weather trends indicating dryer hotter weather, our target has been set at 6,200, which is close to 2018/2019 target of 5,900, but recognises the increase in longer dryer and hotter periods, which triggers grass fires.

The All Wales grass fire reduction strategy "Dawns Glaw" continues to target reductions in grass fires and the organisation will work closely with the PSBs to target areas of fly tipping problems across the authorities that pose continued fire risk. Targeted campaigns aim to reduce cooking/kitchen fires and there is continuing development in the targeting of high risk individuals that allows stations to target Home Safety Checks more effectively.

2.5 The total false alarms target for 2019/2020 has been set at 7,655. The number of false alarms are due to increase from ~7,700 in 2017/2018 to ~7,900 in 2018/2019, again a large proportion of the increase was due to the number of false alarms related to grass fires. We forecasted the



number of false alarms to be ~7,950 for 2019/2020, with a range of 8,230 to 7,655. We have set an target of 7,655 which is at the lowest level of the forecasted range.

Fire Control will continue to challenge all Automatic Fire Alarms (AFAs) to prevent unwanted mobilisations and agreements are being negotiated with health and educational premises to reduce attendances during business hours. There is also an all Wales AFA initiative in place which aims to target regular offenders through a three tier redress process. Fire and Rescue Stations are working to identify regular actuations at premises and will work to reduce these types of calls, further reductions are therefore expected.

- 2.6 The road traffic collisions target for 2019/2020 has been set at 1,074. The number of Road Traffic Collisions attended in 2018/2019 is predicted to be higher than the number attended in 2017/2018. The prediction of ~1,140 is 90 incidents more than the target set (1,050) which we are unlikely to achieve over the remaining months of 2018/2019 and similar to the number of incidents that we attended in 2017/2018.

The target for 2019/2020 has been set above the target for 2018/2019 due to a number of factors that might come into play over the come year. 1) The benefit that comes with sharing a call service centre with police might result in the fire service being deployed to more incidents. 2) The increase number of dwellings being built across south wales, will increase in the number of journeys being taken. However of all the RTC incidents we attend only 20% of the time we release or extricate people.

- 2.7 The other special service calls target for 2019/2020 has been set at 2,048. The target set is much reduced from the number of incidents in 2017/2018 of ~2,620. A national decision to discontinue the FMR pilot in September 2017 saw the number of incidents attended return to the levels witnessed prior to 2017/2018. The estimated number of incidents for 2019/2020 are ~2,185 and therefore the target reflects the drive to reduce the number of incidents to a historic low of below 2,048.

The organisation will also aim to reduce incidents of effecting entry/exit and lift rescues which are determined to be of lesser risk, by challenging calls via control and working closely with repeat callers to reduce the burden on the organisation. The stations will work with the owners of lifts, where we have frequent calls for lift rescue, to reduce the burden on the organisation.

- 2.8 The total number of deaths and injuries from fires and the total number deaths and injuries from accidental fires targets have been set at 66 and 60 respectively for 2019/2020 same as the targets for 2018/2019. We

continue to work with our partners to reduce risk in our communities and are determined to achieve a target of 66 and 60. These numbers are significantly lower than the peak in 2016/2017 of 92 for fire deaths and injuries and 76 in 2014/2015 for accidental fire deaths and injuries.

Continuing the good progress we will push forward to further understand the root causes of fire related injuries, using both the data recorded from previous fire-related injuries and additional data gathered through further engagement with the individual casualties involved. This will be achieved primarily through 'Major Injury (M37) Case Studies' (which are carried out for all fire related fatalities and serious injuries), the organisation's ongoing commitment to the Lifebid project, which has now turned into LEAF (Learning and evaluating after fire) which is now an all Wales approach. To further help achieve the target, we have set a target of 100% for number of Home Safety Checks carried out following an Accidental Dwelling Fire (ADF) and continue to target dwellings in the surrounding area for the ADFs.

- 2.9 The target for the percentage of dwelling fires which were contained in the room of origin' has been set at 85%. The annual trend for this indicator shows a marginal decrease but each annual variance is extremely small. This indicator is very much influenced by actions and behaviours of the dwelling occupants before or at the time of ignition.
- 2.10 The Background Paper, which can be found at the Fire & Rescue Authority Members Page on the SWFRS Intranet, provides further in-depth analysis of the rationale supporting the proposed targets. It also includes full details of the five year trend performance based on the Strategic indicators.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications.

### **4. EQUALITY RISK ASSESSMENT**

- 4.1. This report, the accompanying Background Paper and the targets themselves have no ERA impact.
- 4.2. It is the responsibility of the appropriate Director as the Performance Indicator holder to ensure that appropriate risk assessment in relation to Equality and Diversity has been carried out across all relevant supporting activity levels.

## 5. RECOMMENDATIONS

5.1 That Members endorse the Performance Indicator Targets proposed for 2019/2020.

- Fires – 6,200
- False Alarms – 7,655
- Road Traffic Collisions – 1,074
- Other Special Service Calls – 2,048
- Deaths and Injuries from Fires – 66
- Deaths and Injuries from Accidental Fires - 60
- Dwelling fires which were contained in the room of origin – 85%

5.2 That Members approve its publication onto the SWFRS internet site.

<b>Contact Officer:</b>	<b>Background Papers:</b>
Steven Griffiths Statistics and Risk Analyst	Appendix A - Performance Indicator targets for 2019/2020.

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# Back Ground Paper FA PI Targets 2019/2020

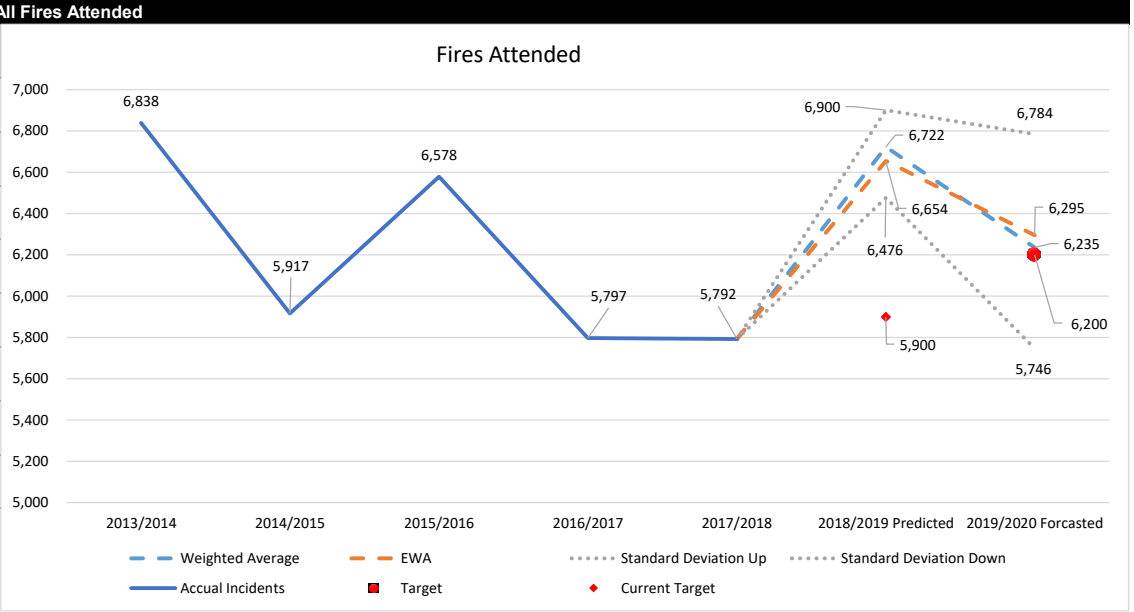
# Target Setting 2019/2020 Total Incidents

Total Incidents			
Indicator I.D.	1	Description:	Total Fires attended per 10,000 population.
Indicator Ref:	FRS/RRC/S/001 (i)		
Target	6200	The data shown in the tables and chart below are the actual number of incidents. These are then divided by the population and multiplied by either 10,000 or 100,000, as specified, in order that meaningful comparisons can be made across other FRS's, e.g. Welsh FRS's and Family Group 4.	

Direction of Travel:



All Fires Attended							
Year No	1	2	3	4	5	6	7
Year	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019 Predicted	2019/2020 Forcasted
Data	6,838	5,917	6,578	5,797	5,792		
Weighted Average						6,722	6,235
EWA						6,654	6,295
Upper Range						6,900	6,784
Lower Range						6,476	5,746
Target						5,900	6,200



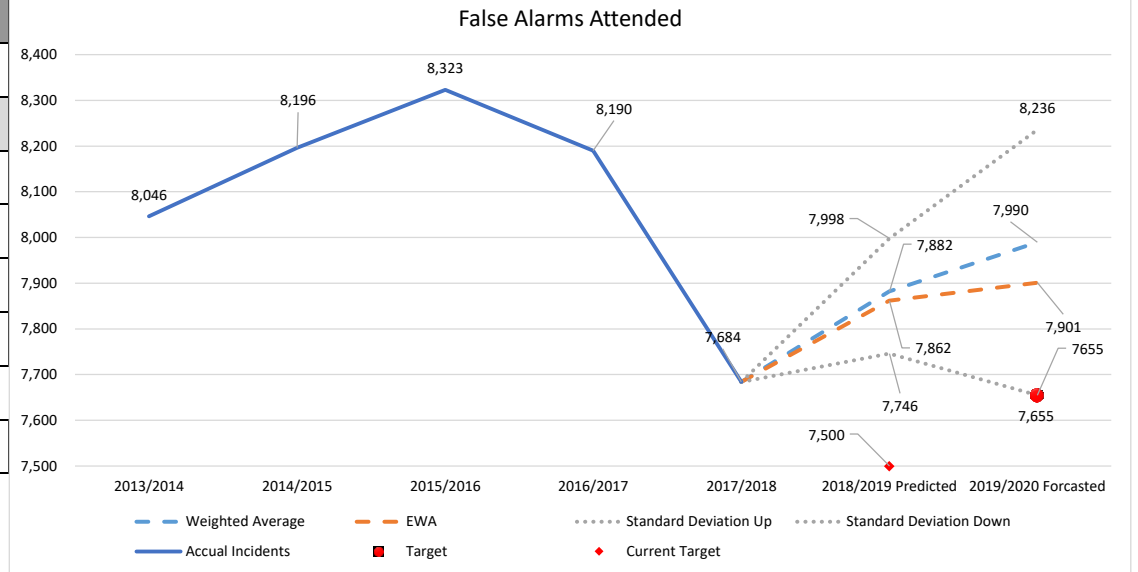
Target 2019/20	Target Setting Rationale
6,200	The number of fires attended in 2018/19 is predicted to be higher than the number attended during the previous reporting year, which can be largely attributed to an increase in grass fires attended as a result of a long dry hot summer. Grass fires increased from 939 in the first 2 quarters of 2017/2018 to 1,776 in the first 2 quarters of 2018/2019 a 90% increase. The all Wales grass fire reduction strategy "Dawns Glaw" continues to target reductions in this area. Refuse fires attended has continued to rises but at a slower rate than previous years. The organisation will work closely with the PSBs we will target areas of fly tipping problems across the authorities that pose continued fire risk as an operations priority. Targeted campaigns aim to reduce cooking/kitchen fires and there is continuing development in the targeting of high risk individuals that allows stations to target Home Safety Checks more effectively. The target for fires attended in 2019/2020 has been set at 6,200, which is close to 2018/2019 target of 5,900, but recognises the increase in longer dryer and hotter periods, which triggers grass fires.

**Total Incidents**

<b>Indicator I.D.</b>	2	<b>Description:</b>	Total False Alarms attended per 10,000 population.	<b>Direction of Travel:</b>
<b>Indicator Ref:</b>	FRS/RRC/S/001 (ii)			↑
<b>Target</b>	7655	The data shown in the tables and chart below are the actual number of incidents. These are then divided by the population and multiplied by either 10,000 or 100,000, as specified, in order that meaningful comparisons can be made across other FRS's, e.g. Welsh FRS's and Family Group 4.		

**All False Alarms Attended**

Year No	1	2	3	4	5	6	7
<b>Year</b>	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019 Predicted	2019/2020 Forcasted
<b>Data</b>	8,046	8,196	8,323	8,190	7,684		
<b>Weighted Average</b>						7,882	7,990
<b>EWA</b>						7,862	7,901
<b>Upper Range</b>						7,998	8,236
<b>Lower Range</b>						7,746	7,655
<b>Target</b>						7,500	7,655



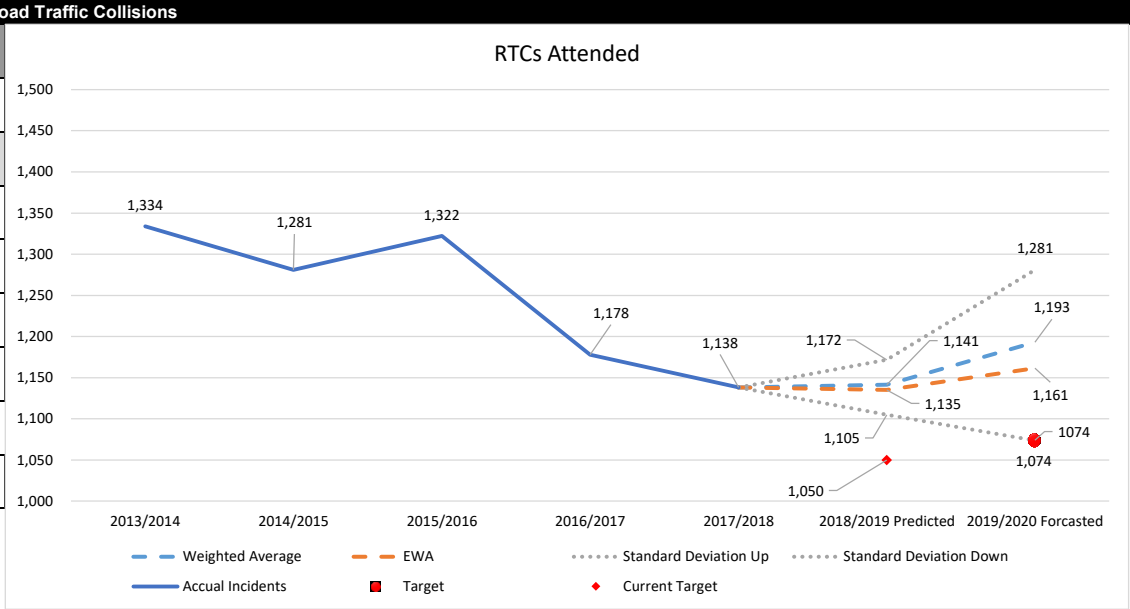
Target 2019/20	Target Setting Rationale
7,655	The number of False Alarms attended in 2018/19 is predicted to be much high than reported in 2017/18. The increase number of incidents was a result of significant increase in False Alarm Good Intent, in the first 2 quarters of 2018/19 we recorded 1,944 incidents compared with 1,481 of the first 2 quarters in 2017/18, a 30% increase . There has been a decrease in the number of Automated Fire Alarms by ~8% and a decrease in the number of False Alarm Malicious by ~16%. Due to the increase in the number of False Alarm Good Intent in 2018/19, these are now predicted to account for 45% of all False Alarms up from 35%. Automated Fire Alarm account for 52% down from 62% and False Alarm Malicious holding at ~3%. A number of initiatives have been implemented to drive down the number of attendances during the year which will continue into 2019/2020. Fire Control will continue to challenge all AFAs to prevent unwanted mobilisations and agreements are being negotiated with health and educational premises to reduce attendances during business hours. There is also an all Wales AFA Initiative in place which aims to target regular offenders through a three tier redress process. Fire Stations are working to identify regular actuations at premises and will work to reduce these types of calls, further reductions are therefore expected. Leading to an ambitious target of 7,655 which is at the lowest level of the forecasted range.



Total Incidents			
Indicator I.D.	3	Description:	Total Road Traffic Collisions attended per 10,000 population.
Indicator Ref:	FRS/RRC/S/001 (iii)		
Target	1074	The data shown in the tables and chart below are the actual number of incidents. These are then divided by the population and multiplied by either 10,000 or 100,000, as specified, in order that meaningful comparisons can be made across other FRS's, e.g. Welsh FRS's and Family Group 4.	



All Road Traffic Collisions							
Year No	1	2	3	4	5	6	7
Year	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019 Predicted	2019/2020 Forcasted
Data	1,334	1,281	1,322	1,178	1,138		
Weighted Average						1,141	1,193
EWA						1,135	1,161
Upper Range						1,172	1,281
Lower Range						1,105	1,074
Target						1,050	1,074

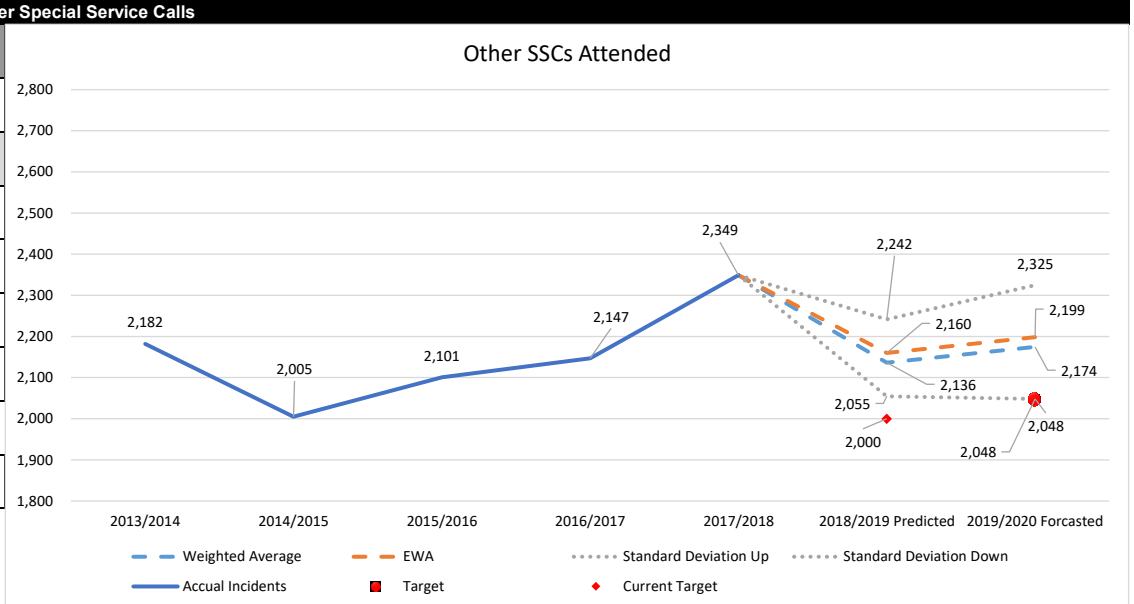


Target 2019/20	Target Setting Rationale
1,074	The number of Road Traffic Collisions attended in 2018/19 is predicted to be slightly higher than the number attended in 2017/2018. The prediction of ~1,140 is 90 incidents more than the target set (1,050) which we are unlikely to achieve over the remaining months of 2018/2019 and similar to the number of incidents that we attended in 2017/2018. The delivery of DOMINO events will continue and specific targeting of workplace drivers will continue throughout the coming year. The target for 2019/2020 has been set at 1,074, this is a slight increase on the target from 2018/2019 of 1,050, due to a number of factors that might come into play. 1) The benefit that comes with sharing a call service centre with police might result in the fire service being deployed to more incidents. 2) The increase number of dwellings being built across South Wales, will increase in the number of journeys being taken. However of all the RTC incidents we attend only 20% of the time we release or extricate people.

Total Incidents			
Indicator I.D.	4	Description:	Total Other Special Service Calls attended per 10,000 population.
Indicator Ref:	FRS/RRC/S/001 (iv)		
Target	2048	The data shown in the tables and chart below are the actual number of incidents. These are then divided by the population and multiplied by either 10,000 or 100,000, as specified, in order that meaningful comparisons can be made across other FRS's, e.g. Welsh FRS's and Family Group 4.	



All Other Special Service Calls							
Year No	1	2	3	4	5	6	7
Year	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019 Predicted	2019/2020 Forecasted
Data	2,182	2,005	2,101	2,147	2,349		
Weighted Average						2,136	2,174
EWA						2,160	2,199
Upper Range						2,242	2,325
Lower Range						2,055	2,048
Target						2,000	2,048



Target 2019/20	Target Setting Rationale
2,048	The number of Other Special Service calls attended during 2018/19 is predicted to be significantly lower, at ~2,150, than the number attended during the previous year and higher than the target of 2,000. The predicted number of incidents for 2019/2020 are ~2,185, with the organisation aiming to reduce incidents of effecting entry/exit and lift rescues which are determined to be of lesser risk, by challenging calls via control. The stations will work with the owners of lifts, where we have frequent calls for lift rescue, to reduce the burden on the organisation. The target has been set at 2,048 for 2019/2020 which is a slight increase on the target for 2018/2019 and at the lower end of the forecast for 2019/2020. There was a national decision to discontinue the FMR pilot in September 2017 therefore when calculating the target and the forecasts, FMR incidents have been excluded from 2017/2018.

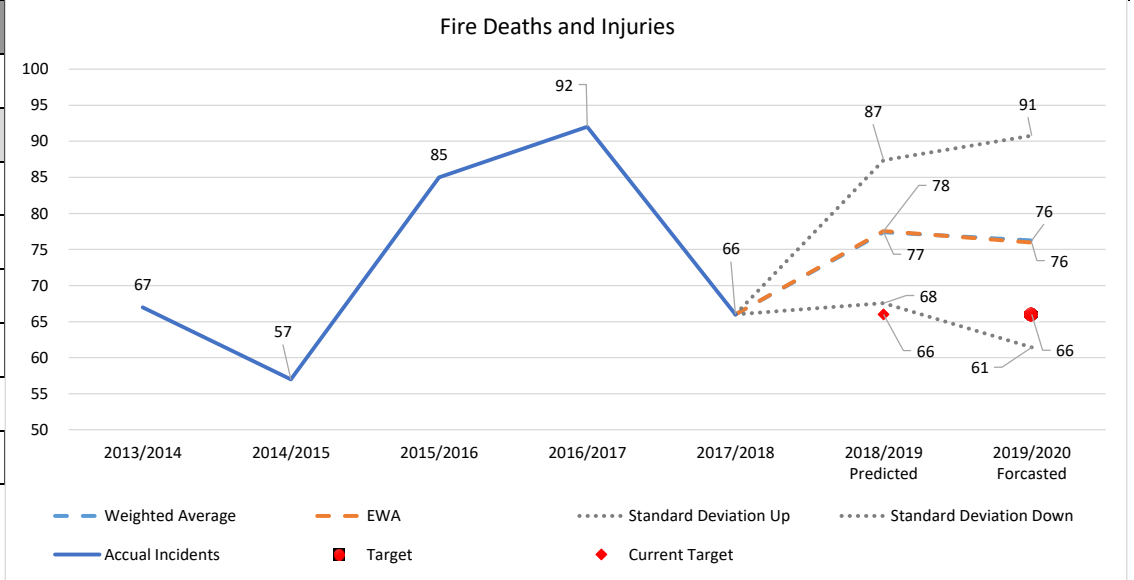
# Target Setting 2019/2020 Deaths and Injuries

**Deaths and Injuries**

<b>Indicator I.D.</b>	5	<b>Description:</b>	Deaths and Injuries arising from all fires per 100,000 population.	<b>Direction of Travel:</b>
<b>Indicator Ref:</b>	FRS/RRC/S/002 (i)			↑
<b>Target</b>	66	The data shown in the tables and chart below are the actual number of incidents. These are then divided by the population and multiplied by either 10,000 or 100,000, as specified, in order that meaningful comparisons can be made across other FRS's, e.g. Welsh FRS's and Family Group 4.		

**Total Fire Deaths and Injuries**

Year No	1	2	3	4	5	6	7
<b>Year</b>	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019 Predicted	2019/2020 Forcasted
<b>Data</b>	67	57	85	92	66		
<b>Weighted Average</b>						77	76
<b>EWA</b>						78	76
<b>Upper Range</b>						87	91
<b>Lower Range</b>						68	61
<b>Target</b>						66	66



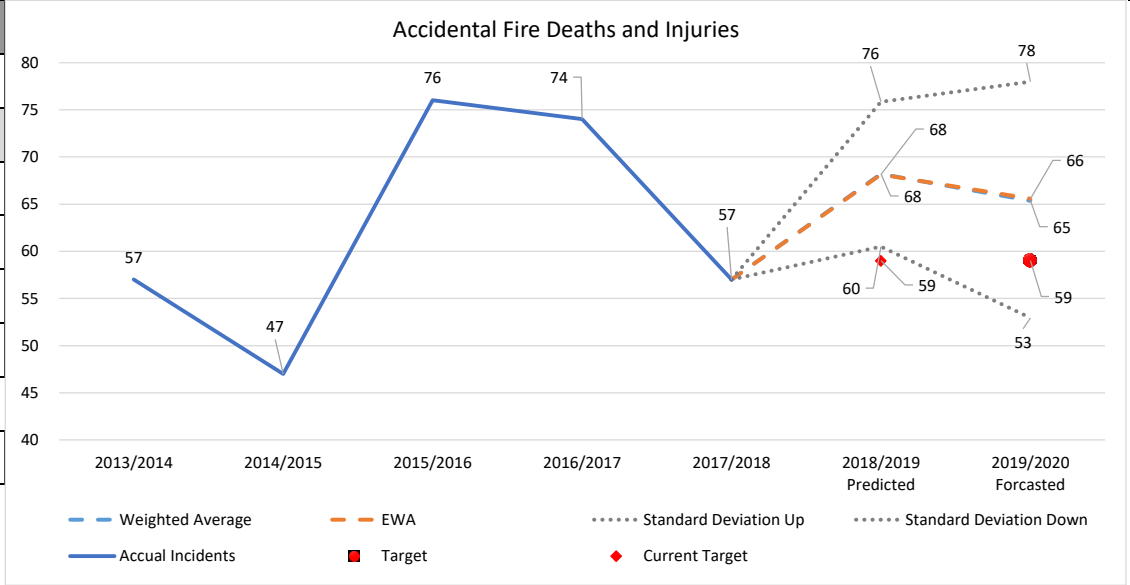
Target 2019/20	Target Setting Rationale
<b>66</b>	The total number of deaths and injuries arising from all fires is predicted to be ~77 for 2018/2019, which is an increase compared to the number recorded during the previous year. This looks set to be over the target of 66 for 2018/2019 but still much lower than 2016/17 with the number of incidents reaching 92. Continuing the good progress we will push forward to further understand the root causes of fire related injuries, using both the data recorded from previous fire-related injuries and additional data gathered through further engagement with the individual casualties involved. This will be achieved primarily through 'Major Injury (M37) Case Studies' (which are carried out for all fire related fatalities and serious injuries), the organisation's ongoing commitment to the Lifebid project, which has now turned into LEAF (Learning and evaluating after fire) which is now an all Wales approach. Also a number of campaigns which include Summer, Kitchen and Bonfire Safety. We continue to work with our partners to reduce risk in our communities and are determined to achieve a target of 66, hence we have set a target of 66 for 2019/2020 with a forecast of ~76. To further help achieve the target, we have set a target of 100% for number of HFSC for each ADF and continue to target dwellings in the surrounding area for the ADFs.

**Deaths and Injuries**

<b>Indicator I.D.</b>	6	<b>Description:</b>	Deaths and Injuries arising from all fires which were started accidentally per 100,000 population.	<b>Direction of Travel:</b>
<b>Indicator Ref:</b>	FRS/RRC/S/002 (ii)			↑
<b>Target</b>	59	The data shown in the tables and chart below are the actual number of incidents. These are then divided by the population and multiplied by either 10,000 or 100,000, as specified, in order that meaningful comparisons can be made across other FRS's, e.g. Welsh FRS's and Family Group 4.		

**Accidental Fire Deaths and Injuries**

Year No	1	2	3	4	5	6	7
<b>Year</b>	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019 Predicted	2019/2020 Forecasted
<b>Data</b>	57	47	76	74	57		
<b>Weighted Average</b>						68	65
<b>EWA</b>						68	66
<b>Upper Range</b>						76	78
<b>Lower Range</b>						60	53
<b>Target</b>						59	59



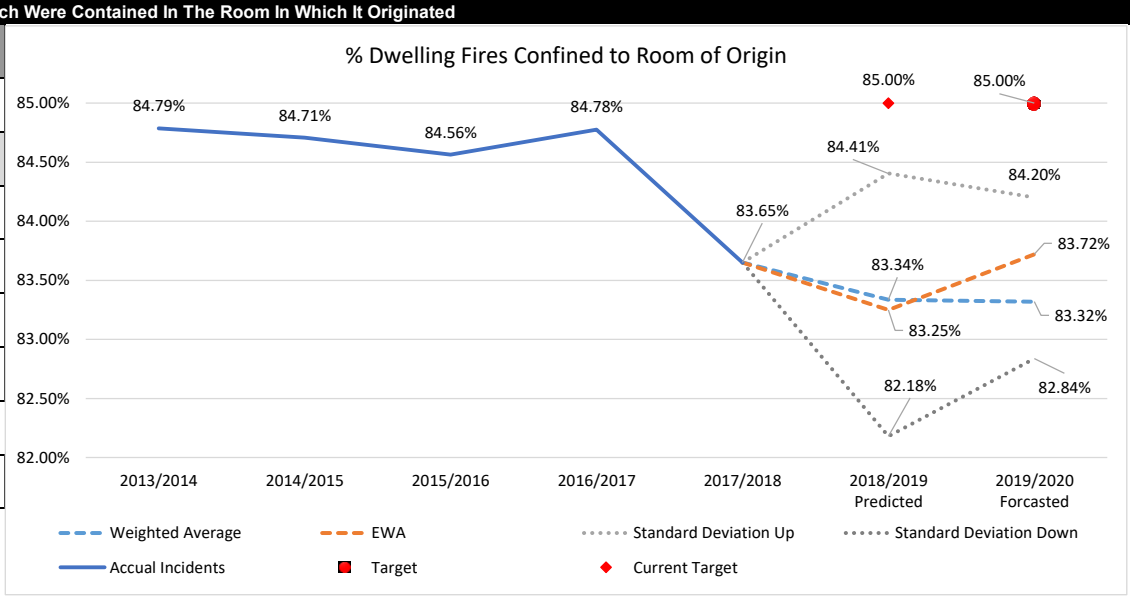
Target 2019/20	Target Setting Rationale
59	The total number of deaths and injuries arising from accidental fires is predicted to increase, to ~68, compared to the number recorded during the previous year, 57, and also looks set to miss the target for 2018/2019 by only 9 incidents. We will push forward to further understand the root causes of fire related injuries, using both the data recorded from previous fire-related injuries and additional data gathered through further engagement with the individual casualties involved. This will be achieved primarily through 'Major Injury (M37) Case Studies' (which are carried out for all fire related fatalities and serious injuries), the organisation's ongoing commitment to the Lifebid project, which has now turned into LEAF (Learning and evaluating after fire) which is now an all Wales approach. Also a number of campaigns which include Summer, Kitchen and Bonfire Safety. We continue to work with our partners to reduce risk in our communities and are determined to achieve the target of 59, hence we have set a target of 59 for 2019/2020 with a forecast of ~65. To further help achieve the target, we have set a target of 100% for number of HFSC for each ADF and continue to target dwellings in the surrounding area for the ADFs.

# Target Setting 2019/2020 Effective Response

**Effective Response**

<b>Indicator I.D.</b>	7	<b>Description:</b>	The Percentage of dwelling fires which were contained in the room in which they originated.	<b>Direction of Travel:</b>
<b>Indicator Ref:</b>	FRS/EFR/S/003			
<b>Target</b>	85.00%	The data shown in the tables and chart below are the actual number of incidents. These are then divided by the population and multiplied by either 10,000 or 100,000, as specified, in order that meaningful comparisons can be made across other FRS's, e.g. Welsh FRS's and Family Group 4.		

The Percentage Of Dwelling Fires Which Were Contained In The Room In Which It Originated							
Year No	1	2	3	4	5	6	7
<b>Year</b>	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019 Predicted	2019/2020 Forcasted
<b>Data</b>	84.79%	84.71%	84.56%	84.78%	83.65%		
<b>Weighted Average</b>						83.34%	83.32%
<b>EWA</b>						83.25%	83.72%
<b>Upper Range</b>						84.41%	84.20%
<b>Lower Range</b>						82.18%	82.84%
<b>Target</b>						85.00%	85.00%



Target 2019/20	Target Setting Rationale
85.00%	The target for 'The Percentage of Dwelling Fires which were contained in the room of origin' has been set at 85%. The annual trend for this indicator shows a marginal decrease but each annual variance is extremely small. This indicator is very much influenced by actions and behaviors of the dwelling occupants before or at the time of ignition.

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**SOUTH WALES FIRE & RESCUE AUTHORITY**AGENDA ITEM NO 6.iv  
11 FEBRUARY 2019

REPORT OF THE DEPUTY CHIEF OFFICER

**REPORT ON RESPONSES TO THE CONSULTATION ON THE STRATEGIC PLAN AND PRIORITY ACTIONS FOR 2019/2020****SUMMARY**

The service recently consulted with the public on the Priority Actions developed for 2019/2020. Members are to consider the responses received during the consultation that ran from September 27 2018 to December 20 2018.

**RECOMMENDATIONS**

That Members approve the Strategic Themes and Priority Actions detailed in Appendix A (collectively considered as our improvement objectives).

Members note the consultation responses detailed in Appendices B, C and D.

**1. BACKGROUND**

- 1.1 In accordance with the Local Government (Wales) Measure 2009, we have a duty to consult on our proposed improvement objectives that support our long-term strategic vision. We also publish an annual report on our achievement and performance.
- 1.2 The objectives in Appendix A (referred to as strategic themes and priority actions), which help support the well-being objectives and have a clear link with the National Framework, are contained within the document "How did we do in 2017/2018 and what do we plan to do in 2019/2020".
- 1.3 The proposed Priority Actions were approved for public consultation by the South Wales Fire and Rescue Authority on July 9 2018. Following the approval, an engagement strategy was developed with the goal to increase the response rate compared to previous years.
- 1.4 The strategy was to:
  - Launch the consultation at the United Kingdom Rescue Organisation (UKRO) event in Cardiff Bay on 27 September 2018.
  - Planned engagement with the following groups (Rhondda 50+ Forum, Torfaen Engagement Group, Blaenau Gwent Engagement Group, USK, USW Careers fayre, Treforest, Cardiff West Community Fayre, Pill Action Day, Millennium Centre)

- Invitations to respond sent to all constituent Local Authorities, Town Councils, South Wales Police, Gwent Police, Health Boards, Public Service Boards, Welsh Government contacts, third party and voluntary organisations.
- Shared widely on South Wales Fire and Rescue' social media platforms including Twitter and Facebook.

## **2. ISSUE**

- 2.1 The total number of responses received to the consultation was 1,375, which is an increase 1108% on the previous year (110).
- Welsh survey responses received was 46, an increase from 0 for last year.
  - English survey responses received was 1,329, an increase from 110 last year.
- 2.2 The results of the consultation show significant support for each of the priority actions. The agreement on each priority action ranged from 94% (Work with others to provide education to our communities to prevent harm and protect against the risk of harm (PA02) to 80% (Ensure we attract, develop and retain a workforce that reflects our communities and is capable of delivering effective services today and in the future (PA04).
- 2.3 The Improvement Plan page on the Welsh Website was visited 20 times. The Improvement Plan Page on the English Website was been visited 303 times during the consultation period.
- 2.4 The social media campaign for the consultation ran at regular intervals throughout the consultation period. Examples of the posts and tweets of this Social Media Campaign can be seen at Appendix D.
- 2.5 The highest level of response from a Unitary Authority area was received from Newport (333) with the fewest from Blaenau Gwent (34).
- 2.6 Responses were received from 49% female, 47% male, 3% preferred not to say and 1% were Intersex. There was a high response from people identifying themselves as White Welsh 70% and a much lower response from people identifying themselves from other groups.

## **3. EQUALITY RISK ASSESSMENT**

- 3.1 An equality risk assessment was carried out for both the document and the survey. All documentation was offered in Welsh and English. The

consultation also sought to obtain equalities data to analyse demographics for our responses.

#### 4. RECOMMENDATIONS

- 4.1 That Members approve the Strategic Themes and Priority Actions detailed in Appendix A (collectively considered as our improvement objectives).
- 4.2 Members note the consultation responses detailed in Appendices B, C and D.

<b>Contact Officer:</b>	<b>Background Papers:</b>
Paul Conway Engagement, Transformation and Performance Officer	Appendix A - Strategic Themes and Priority Actions collectively considered as our improvement objectives for 2019-2020. Appendix B - Consultation Response Statistics Appendix C - Consultation Responses Appendix D - Website and Social Media Campaign Examples of the posts and tweets

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**Appendix A**

Strategic Themes and Priority Actions collectively considered as our improvement objectives for 2019-2020.

Strategic Theme	Priority Action
Reduce Risk	<p>Ensure we provide an efficient and effective response to our communities (PA01).</p> <p>Work with others to provide education to our communities to prevent harm and protect against the risk of harm (PA02).</p>
Engage and Communicate	<p>Develop more efficient and effective ways of engaging and communicating with our communities about our services (PA03).</p>
Nurture Sustainable Resources	<p>Ensure we attract, develop and retain a workforce that reflects our communities and is capable of delivering effective services today and in the future (PA04).</p> <p>Reduce our Services' impact on the environment to ensure future sustainability (PA05).</p>
Embrace Technology	<p>Ensure we use technology to enable efficient and improved service delivery (PA06).</p>
Strengthen Partnerships	<p>Work with our Public Service Boards and partners to support local communities (PA07).</p>

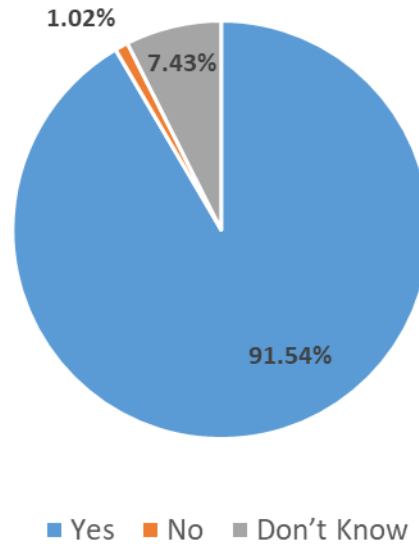
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**Appendix B  
Consultation Response Statistics**

**Strategic Theme: Reduce Risk**

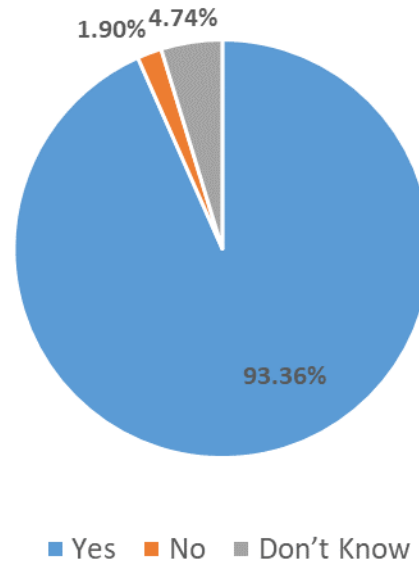
Question 1 – Do you agree with **Priority Action 1?**  
 “Ensure we provide an efficient and effective response to our communities”

Yes	91.54%	1,256
No	1.02%	14
Don't Know	7.43%	102
	<b>Answered</b>	<b>1372</b>
	<b>Skipped</b>	<b>3</b>



Question 2 – Do you agree with **Priority Action 2?**  
 “Work with others to provide education to our communities to prevent harm and protect against the risk of harm”?

Yes	93.36%	1,279
No	1.90%	26
Don't Know	4.74%	65
	<b>Answered</b>	<b>1,370</b>
	<b>Skipped</b>	<b>5</b>

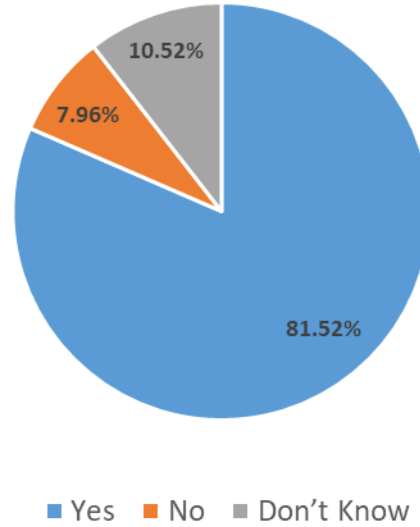


**Strategic Theme: Engage and Communicate**

Question 3 – Do you agree with **Priority Action 3?**

“Develop more efficient and effective ways of engaging and communicating with our communities about our services”?

Yes	81.52%	1,116
No	7.96%	109
Don't Know	10.52%	144
	<b>Answered</b>	<b>1,369</b>
	<b>Skipped</b>	<b>6</b>

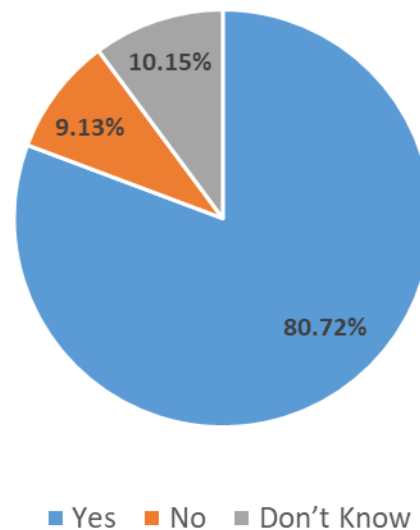


**Strategic Theme: Nurture Sustainable Resources**

Question 4 – Do you agree with **Priority Action 4?**

“Ensure we attract, develop and retain a workforce that reflects our communities and is capable of delivering effective services today and in the future”?

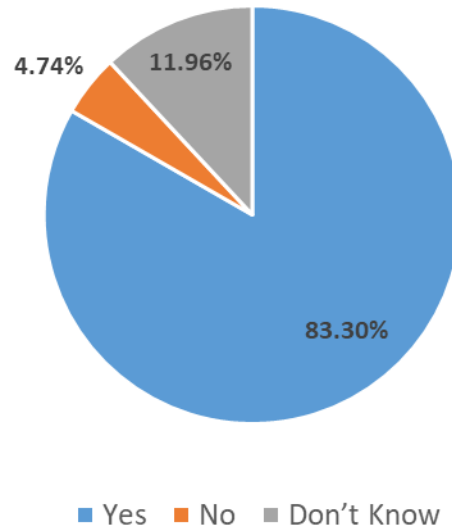
Yes	80.72%	1,105
No	9.13%	125
Don't Know	10.15%	139
	<b>Answered</b>	<b>1,369</b>
	<b>Skipped</b>	<b>6</b>





Question 5 – Do you agree with **Priority Action 5?**  
 “Reduce our Services’ impact on the environment to ensure future sustainability”?

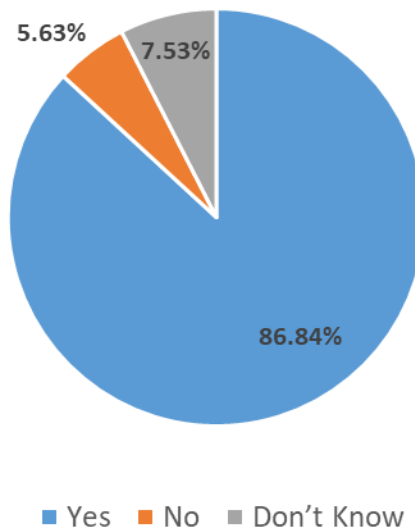
Yes	83.30%	1,142
No	4.74%	65
Don't Know	11.96%	164
	<b>Answered</b>	<b>1,371</b>
	<b>Skipped</b>	<b>4</b>



**Strategic Theme: Embrace Technology**

Question 6 – Do you agree with **Priority Action 6?**  
 “Ensure we use technology to enable efficient and improved service delivery”?

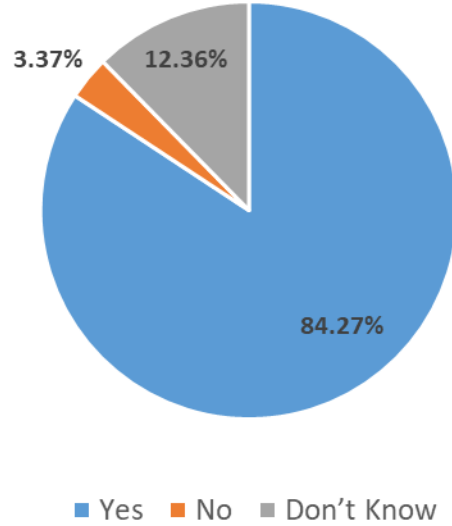
Yes	86.84%	1,188
No	5.63%	77
Don't Know	7.53%	103
	<b>Answered</b>	<b>1,368</b>
	<b>Skipped</b>	<b>7</b>



**Strategic Theme: Strengthen Partnerships**

Question – Do you agree with the priority to “Work with our Public Service Boards and partners to support local communities”?

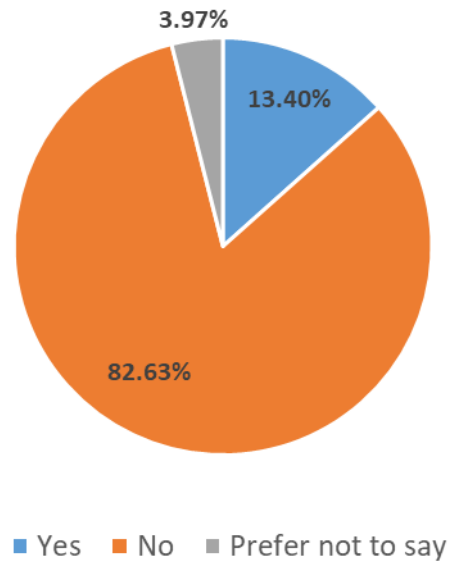
Yes	84.27%	1,152
No	3.37%	46
Don't Know	12.36%	169
	<b>Answered</b>	<b>1,367</b>
	<b>Skipped</b>	<b>8</b>



**Equal Monitoring Survey Responses (Optional)**

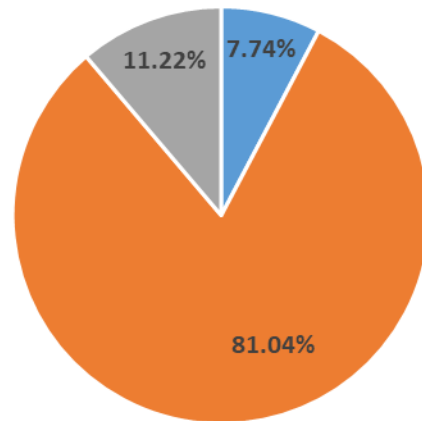
Question 1 - Do you identify with having a disability?

Yes	13.40%	169
No	82.63%	1042
Prefer not to say	3.97%	50
	<b>Answered</b>	<b>1,261</b>
	<b>Skipped</b>	<b>114</b>



Question 2 - Do you consider yourself to be part of the LGBT + Communities?

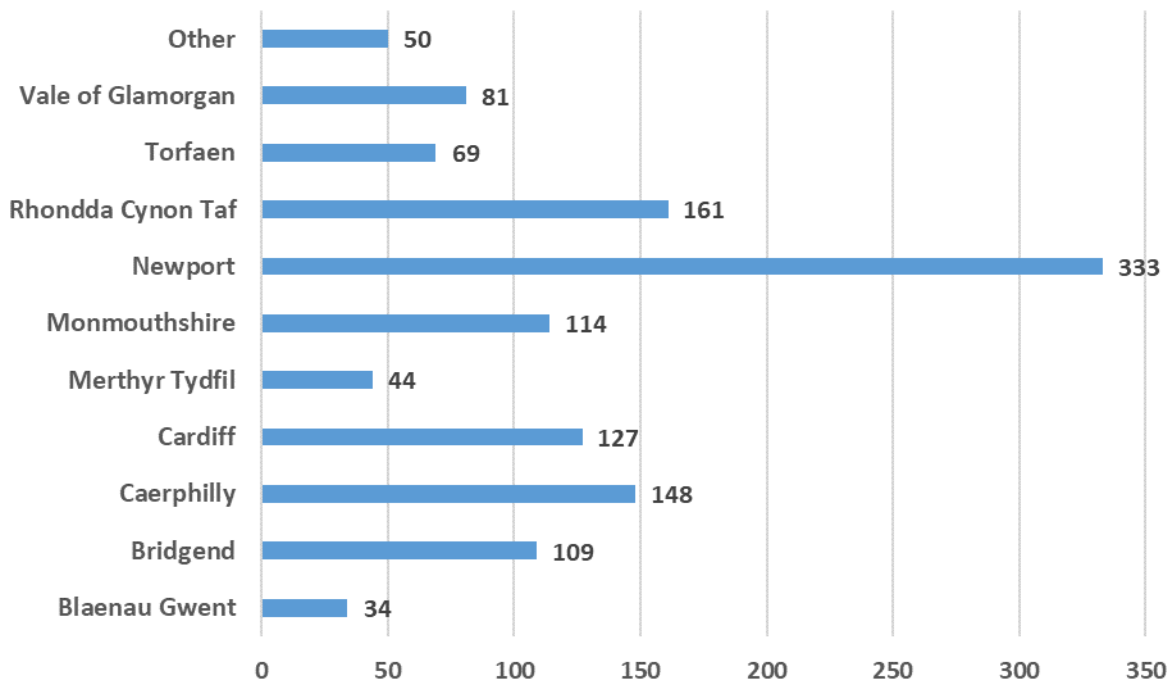
Yes	7.74%	80
No	81.04%	838
Prefer not to say	11.22%	116
	<b>Answered</b>	<b>1,034</b>
	<b>Skipped</b>	<b>341</b>



■ Yes ■ No ■ Prefer not to say

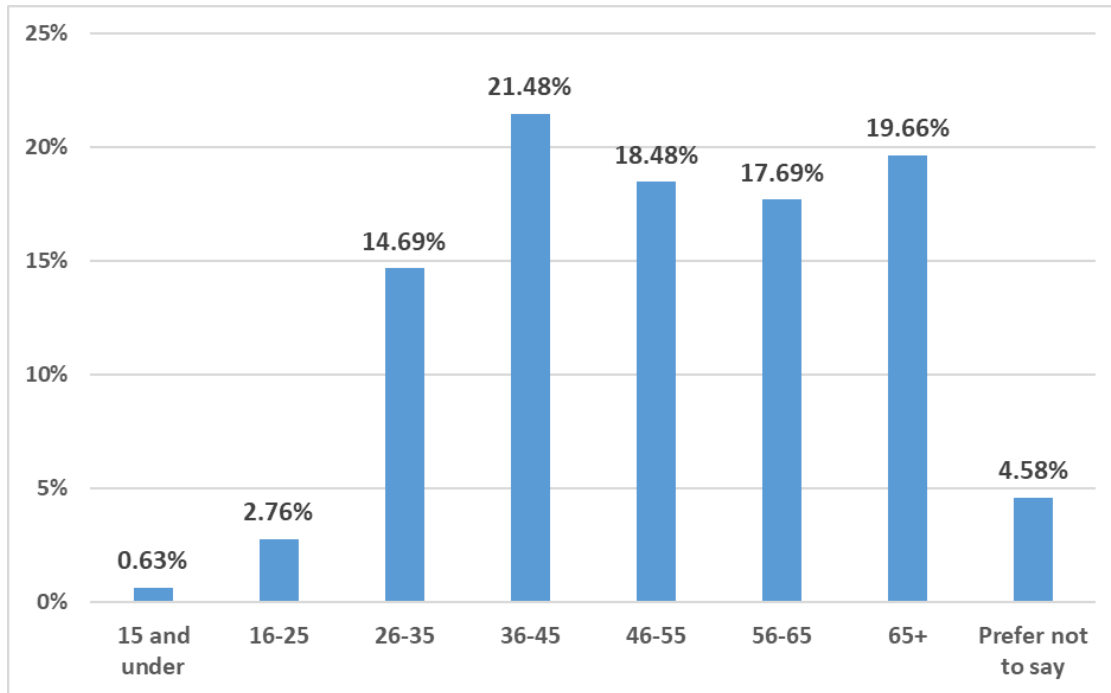
Question 3 – What area do you live in?

<b>Answered</b>	1,270
<b>Skipped</b>	105



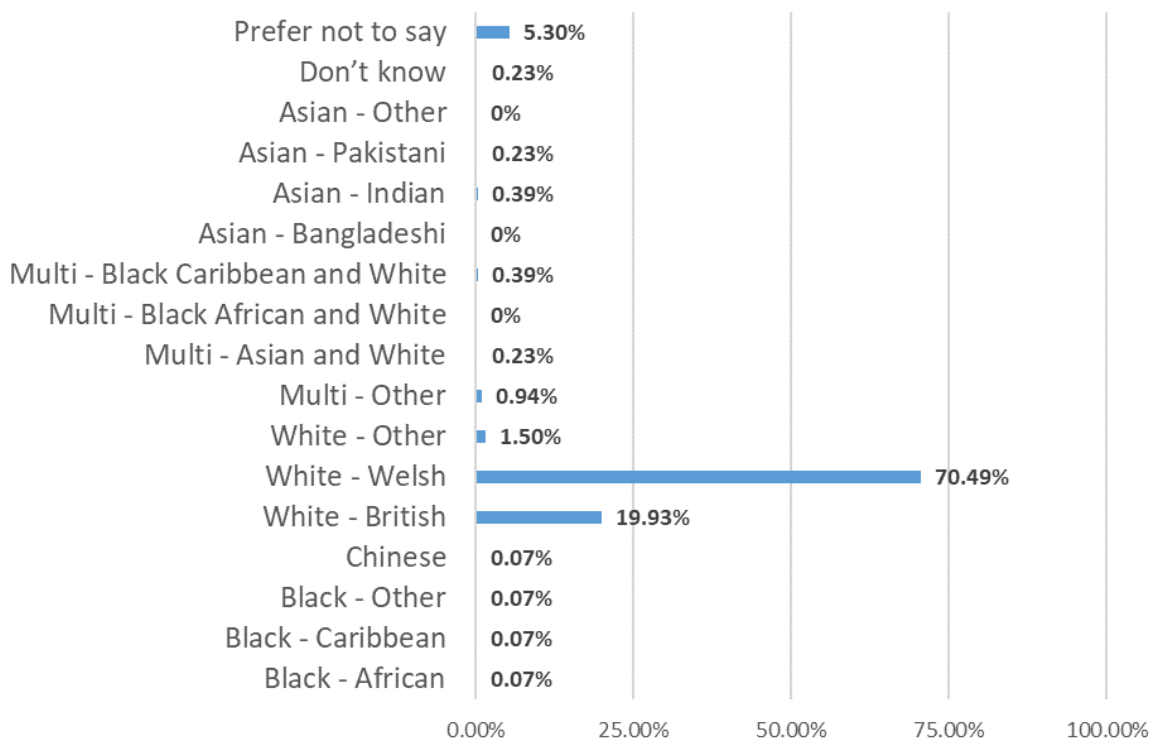
Question 4 – What age group are you in?

<b>Answered</b>	1,266
<b>Skipped</b>	109



Question 5 – Which of these groups would you identify yourself with?

<b>Answered</b>	1,264
<b>Skipped</b>	111



## Appendix C - Consultation Responses

Following the completion of the survey, respondents were asked to make any comments they felt were relevant. The comments received below have been categorised for ease of reading.

Comments are included in the format received

General Responses
You are heroes
You're doing a fab job ,thank you
Hope you get the funding you deserve.
Keep on doing what you do. Thank you.
You are doing a good job, and deal with a lot of difficult folk.
Thank you for all you do
Thank you to everyone in the fire service. You do a fantastic job x
Thanks for what your already doing to keep communities safe
Continue to keep our communities well informed
I'm sure the fire service do the best they can, and prioritise as needed.
keeping up the amazing work
My role with the RNLI is around water safety and drowning prevention. I feel South Wales FRS are a leading light in this field and would support a continued commitment in this area. I already work closely with Dave Ansell and other in this field and look forward to doing so more in the future,
I would agree with any priorities as long as they were community based and keeping the population safe and educated around fire's
You all do a first class job
Keep up the good work they are always there when called on in an emergency maintain the level of staff and equipment without cutbacks to continue to provide excellent service.
I think we have a wonderful fire service, they do such a diverse service and do it well, I for the one think they do a worthwhile and brilliant job.
They do a wonderful job. Highly trained and dedicated to their job.
No I think you do a brilliant job as it is
keeping up the amazing work
They should prioritise looking after each other physically and emotionally... You all do an amazing job supporting communities but don't forget your own ❤️👍
Just to keep going, you are doing well.
They do a wonderful job. Highly trained and dedicated to their job.

Education Responses
Educating people on arson (Young people mainly)
We will ensure that people who may have physical and/or learning difficulties are properly supported via education and appropriate resources which meet their education, understanding and knowledge.
Teaching kids at school about fire prevention in the home and outside at play.
Educating youngsters not to light grass fires, look at what is happening in California right now

Education Responses
carry on educating the kids about the dangers of setting fires in woodland and playing with fireworks together with the impact it can have on everyone and everything around us
Educate young people in schools more about risks of grass fires
"Not sure if this happens much. But get involved with school projects and local family community groups to educate signpost and share information regarding safety and so on"
"Yes, education should start at primary and secondary school levels on what to do if a person's clothes are on fire i.e. stop, drop roll or whatever that is. Also education candles, electrical equipment charges, chip pans, barbeques, flammable liquids and the safe way to handle or not to handle at all, and fireworks etc, as kids do remember these things and will take them through life and perhaps educate others who don't know, particularly their parents. Also Gas in the home (Carbon Monoxide) how deadly it is with most people not realising that a gas boiler can be like a bomb within the home when not maintained. Most of all not to fiddle with gas/electricity themselves and only contact those qualified to deal with these utilities in the home. Water safety too, all kids like to go near water and educate them on the fact that jumping into very cold water is very dangerous and why and also swimming in quarry pits and rivers and the sea stupidly can cost them their life or that of someone trying to rescue them. Wasting another person's life because of their stupidity. Not much for you to do?? However, car accidents etc now take alot of your time that would interest kids on what you have to do at these incidents. Fires appear to be less now due to your preventative education, perhaps i am wrong in this assumption and i feel alot of what you do is preventative. All drivers and school children should have to do First Aid courses as done in some countries."
More public awareness on how to stay safe in their homes and workplace.
Schools input as part of education re safety, and also future careers to aid recruitment
Do as much as possible to educate the community on the dangers of wildlifes
Making kids aware of the dangers setting a small fire can cause.. and making it get through to them
More courses or talks on fire safety for parents and children
Educate folk on the danger of starting fires and using fireworks in public places.
education awareness for young children
More education in schools
Working more with community groups and youth schemes
Educate youngsters at a young age so they do not abuse our protectors.
Fire safety education in schools?
Educate the youngsters of the importance of the fire service and prevent arson, ASB towards fire crews etc
Continue with fire prevention and education. Targeting vulnerable and at risk groups.
Fire safety for children in schools and nurseries.
Helping teenagers understand dangers of grass fires etc
More education in schools and offer to give talks in churches they are eager to have guest speakers.
My daughters brownie group visited the local community fire station which I think is brilliant that they do/allow. I know they also visit local schools to try to educate children from a young age. An invaluable service, keep up the great work all 🍷
Making kids aware of the dangers setting a small fire can cause.. and making it get through to them
Work with children and young people in order that they understand the priorities and importance of the service to the community both as children and young people and future adults - fostering good relationships from an early age
more interaction with young children to educate them on the dangers earlier

Education Responses
Educate the youngsters of the importance of the fire service and prevent arson, ASB towards fire crews etc
Visit Communities with fire engine and engage with people more. Using the fire engine will attract people and you may be able to provide support and offer advice especially to the elderly.
To include links with schools in broader work programme
More School liaison please
Working with vulnerable people, such as drug addicts, alcoholics and people with illness. Working inside schools teaching kids from a young age of the dangers of lighting fires and what they can do in event of emergencies
More interaction with schools and teaching children fire safety
More outreach educating on the danger/cost of arson particularly given the past few years mountain fires. Maybe this is something that could be partnered with community policing?
Tailor education resources to make sure different communities have understandable resources for example easy read pictorial for the learning disability community
Water education and great blue light collaboration around education
Helping teenagers understand dangers of grass fires etc
Educating young people about the dangers of starting fires.
Firefighting training in schools can help educate people.

Service Responses
Make sure older people have their appliances checked at least once a year
I really hope you do prioritise education on fire safety, including going out to residents in sheltered housing who may not be able to attend education events.
Support for elderly who can't always reach the ceiling alarms to change batteries as climbing is unsafe.
Discuss Safety aspects to OAP Groups
Carry on with smoke alarm checks in vulnerable people's properties
Be extra knowledgeable where people that are disabled are living and to check their homes are accessible to evacuate in an emergency x e.g. Renting for example in housing associations etc
Maybe having a record of houses that have disabled infirm occupants ?
more work with the elderly
Fire alarms in disabled people's homes
Prevention is better than a cure, make sure flats, especially for elderly people are made safe. Work with planning to check what's being built and changed in the safe way.
Awareness both by the fire service and local community of residents who are disabled and have mobility issues which might affect them in case of emergency and needing to evacuate building quickly - I appreciate this might not be a priority and something might be in place already
We will ensure that people who may have physical and/or learning difficulties are properly supported via education and appropriate resources which meet their education, understanding and knowledge

Internal Issue Responses
Policy should be changed to allow personnel to self refer to OHU with any mental fitness issue. Not just from a critical incident.

Internal Issue Responses
Promotion should be on ability within a chosen department. Not the ability to sell yourself in a interview or have friends complete endorsements within the process.
The management should look after staff they have, as well as looking after the public, seems to be a lot of effort going into the public but very little into current crews/staff
To ensure the mental health needs of staff are recognised and that the staff receive the help and allowances they deserve.
How about a focus on the staff after recruitment?
More full time stations for better response times
i have no problem in taking on extra/additional work streams, but i we do the we must have additional pay, training and conditions
To ensure the well being of all staff within South Wales Fire & Rescue Service.
Crew welfare for on call staff, when on big shouts (wildfires)
Reduce email quantity so that people can talk face to face or over the phone.
BETTER COMMUNICATION BETWEEN SMT AND STAFF
To look after the wellbeing of the staff
Staff Moral, despite what management says or thinks, moral is at an all time low.
Looking after their temporary support staff; understanding the importance of what they do and how important they are to delivering a first class service to the internal and external customers and understanding that without them, the standard of work delivered will be massively affected.
"A Strategic, Long term plan to address Physical and Mental needs of Firefighters. Especially as they will be working until they are 60."
Ensuring the welfare of non uniformed personnel. Fairness within the grade structure.
Not sure if it is an issue for the Fire & Rescue Service to address, themselves, but I have concerns about the safety and security of their staff, especially when they come 'under physical attack' by members of the local community.
Provide Separate Facilities for women to encourage more women become fire fighters.
Offer full support to Fire service personnel at all times and continually look for ways to ensure they have best working conditions possible
To ensure the well being of all staff within South Wales Fire & Rescue Service.
Crew welfare for on call staff, when on big shouts (wildfires)
recruit the highest calibre people
From an Operational perspective; education, training and exercising of our Fire-fighters should sit alongside education of the public in order to keep everyone safe. It is easy to take your eye off Operational competence when you are focused on education of the public in isolation.
Recruit firefighters from within the South Wales area, with experience of working in these tough communities
Working environments in which there is transparency, safety, and non discriminatory practice

Safety Responses
Important to identify vulnerable locations eg residential homes for older/disabled people or high rise properties.
Make sure public buildings adhere to their responsibilities under fire safety regulations
Awareness both by the fire service and local community of residents who are disabled and have mobility issues which might affect them in case of emergency and needing to evacuate building quickly - I appreciate this might not be a priority and something might be in place already
Provide fire safety advice and guidance for building modifications and new buildings.



Safety Responses
Push for legislation that all rented properties have mains powered smoke detection fitted
Maintain local fire stations; develop knowledge of locations of premisses in rural areas to enable quicker access in emergency
I suggest a contact point to get advice and help with the practicalities of ensuring your home is safe e.g. sourcing first class alarms, installation etc
"When not on call: Help people with fire alarms, visit local schools educate people on fire risks and car accidents.
Ensure you use minimum amount of water with improved equipment to help environment."
Try to get the Local government to implement a mandatory build of new properties to include sprinkler systems to cut down on fire deaths and property damage
More outreach educating on the danger/cost of arson particularly given the past few years mountain fires. Maybe this is something that could be partnered with community policing?
We need to do more with police and education ahead of mountain fire season and helping people to understand the impact of their antisocial behaviour towards crews too.
Checking landlords residences to ensure fire safety is accounted for in rented accommodation.
Yes especially during summer months - closely monitor wooded/forest area to stop / prevent arson attacks - make use of drone technology.
More involvement in construction projects - if funding was available, it would be great to have the fire service inspect fire stopping and protection
Informing communities how you ensure readiness against risk such as tower block evacuation. Preparedness with shared regional access to maximum reach ladders, carrying out simulation drills and set up close liaison with planning authorities over fire safety in design and renovation. Seek talent widely and thus bring fresh thinking to the familiar local scene.
More public awareness on how to stay safe in their homes and workplace.
Visit schools, Pensioners and community associations to advise. Preventing fires is cheaper than putting them out
More proactive stance on setting standards of fire and accident prevention (eg fire inspections and building regs)
Discuss the Fire Sprinkler legislation with construction companies and small builders involved with renovation projects.
Provide 1 extinguisher to family homes
Yes especially during summer months - closely monitor wooded/forest area to stop / prevent arson attacks - make use of drone technology.
Prevention is better than a cure, make sure flats, especially for elderly people are made safe. Work with planning to check what's being built and changed in the safe way.
Not sure if this is for the fire service or the police. There should be some education on "run, hide, and tell" for terrorist attacks. Maybe a small card kept in wallet / handbag.

Survey Dissatisfaction Responses
Item 13 is not sensibly phrased- does "identify" mean "have"?
Please remember there are many who may want a say but are computerless and want to stay that way, as well as many disabled individuals..
Wording used in this survey is not great
vacuous unspecific waffle
questions were a little "loaded" as in of course we need to engage with the people of south wales! why would we not?
Main questions on survey did not give any scope for expansion
Questions don't allow for less than positive results

Survey Dissatisfaction Responses
The so-called priorities read as woolly questions penned by a PR department. Your communities have quite simple expectations of you : to attend and help resolve and/or prevent emergencies. Your overriding priority is never to allow personal and corporate expediency to cloud these essential goals.
The consultation is meaningless. Where is the meat for us to have an input? You need to develop other than technology services, especially in communication. Who are the Public service Boards and and partners.
"Very leading survey as all questions asked are going to be agree but we don't know what you are proposing"
I think this questionnaire is awul. How can anyone not answer yes to all the questions!
Difficult to disagree with any of these statements, as they are very high-level priorities that seem fundamental to the service. Could be more specific – how will you ensure all communities have a say, what influence will they have, how are you working within the public sector?
Ask residents using a sensible questionnaire. For god's sake you can't have yes / no answers to questions lie this. Unless leading questions are used, it should always be graded on a 1-5 or a scale of 1-10.
Learning how to write questions for a survey like this properly. The priorities started with 'we will...' so it doesn't make sense for the answer to be yes / no!

Funding Responses
Less budget cuts is you can employ more service people so you are not stretched
More funding from the UK Government. As our fire service is really important, helps save life's.
The fire service are already doing the best of their abilities with limited funding and resources
Your job is so important to us all but you need more fire officers
Maintain resource levels
Fight any cuts in the service and keep fire stations open
Ensure well funded
difficult to maintain this level of service with continued cuts to the budgets
Fighting for a sufficient budget.
Safeguard the service from bureaucrats and accountants. Just look at how shocking the ambulance service has become
No more cuts, more funding, more pay
I cannot think of anything. But with regards to the above unless we receive more funding surely this will effect the service we give.
Hope you get the funding you deserve.
No. In times of austerity, focus on only the most important things.
Save lives and property by ensuring that there is enough staff to do the job safely and sufficiently, front line and support staff
More full time stations for better response times
Keeping staions, not closing them.
protect the services they already offer
Safeguard the service from bureaucrats and accountants. Just look at how shocking the ambulance service has become
keep fire stations open
I cannot think of anything. But with regards to the above unless we receive more funding surely this will effect the service we give.

Funding Responses
More investment to be given for rural/ retained stations as they do the exact same job as full time stations but for a lot less.
Minimise expenditure. Continually improve in emergency response times and abilities to deal with emergencies
Obviously less cuts.
More fire stations + firefighters

Communication Responses
Continue to keep our communities well informed
Local information events to educate residents on how to stay safe, I run a local community centre & we'd be more than happy to hold such an event, our centre is Sarn Lifelong Learning Centre, Sarn, Nr Bridgend.
Better communication with the general public in the local community
Number 3 could also include we will feedback to those we talk to in the communities so that they see the value of consultation and having a voice. Feedback is key to continuing to engage
Ensure the public are informed of any changes or increased tasks outside firefighter current remit.
Ensuring communication between operational and support staff is improved and made more fluid, this will improve effectiveness and reassurance of operational staff
more open days
<b>BETTER COMMUNICATION BETWEEN SMT AND STAFF</b>
Trainings and clear communication with the community
Engage with local communities to identify their needs/wants
The Fire Service could consult with the community more.
Education on Fire Prevention and Safety and Traffic Safety. Could this be included in Councillors Ward Meetings?

Recruitment / retention Responses
The retainer staff are not having the opportunity to progress into full-time roles. You invest in them with training, knowledge and skills and then make it difficult for them to get full time jobs. This does not make sense.
Do more to retain staff rather than making a decision to leave for a different brigade easy.
Looking after their temporary support staff; understanding the importance of what they do and how important they are to delivering a first class service to the internal and external customers and understanding that without them, the standard of work delivered will be massively affected.
a sustainable pay rise for staff!!!!
Train Firefighters to the highest standards
assistance in promotion ie how to go about it and how to try again
better staffing levels.
We also need to prioritise the needs of our employees.
<b>EQUALITY OF RECRUITMENT - NOT USING THE RDS AS A CHEAP RECRUITMENT GROUND WHICH FLAWS OUR EQUALITY AND DIVERSITY POLICY</b>
Mental health of all your staff
Pay employees adequately for the additional roles they carry out.
Looking after firefighter welfare - in and out of work
Paying a decent wage, for the risks they have to take

Recruitment / retention Responses
To promote the use of neutral language and attitudes that promotes/ assists/ encourages fairness, equality and equity within the service.
Ensuring the welfare of non uniformed personnel. Fairness within the grade structure.
Recruitment, employ individuals who would make good firefighters and not those who can just pass a flawed process. More engagement with the communities at operational level
Look after firefighters and stations.
More apprenticeships
To look like a Fire service with proper, robust and clearly identifiable uniform (working rig )
Targeted recruitment so we can retain our OCDS staff
Protecting firefighters by providing quality training
Focus on recruitment and training for on call crews to ensure communities are safe and costs are reduced on strategic reserve
look at the way we recruit rds personal and the length of time it take to train them
Ensuring longevity & succession planning for future resilience of all staff levels to provide an ongoing service to communities.
Commitment to staff motivation/morale Promotional process: Review ADC development process, presently a pass or fail
Staff morale. Ensuring there is enough staff to carry out the work. Manager's taking time to get to know/understand what staff do on a daily basis
More focus on frontline services and management engagement with frontline firefighters and their ideas to make the service more effective and safer
Support under represented groups within the Fire Service and Community
we will look after the wellbeing of our personnel including their mental health
Yes. Their support staff should be better look after.
The recruitment should include the practical skills required to be able to do the role of a firefighter as well as the people skills to deal with a community
To ensure staff are provided with time and training to meet the priorities
Look after the workforce and respect their commitment to improving the Service as a whole
Educate the public to respect their firefighters. Reward firefighters with the wages they deserve for the many facets of the dangerous job they do.
Yes, less nepotism.
Get the right person for the right job regardless of creed/colour/race
Diversity in employment
More money for a tough job!
Protest UkGovv for better funding for resources to better equipt yourself in doing an even greater job. EXTRA PAY WOULD BE GOOD TOO!
Go out to more diverse audiences for recruitment like temples, mosks etc
A more suitable placement and standards for Fire Control
To maintain a high standard of training in special techniques to be able to deal effectively with unusual or unexpected events such as railway accidents or industrial mishaps.
Difficult as when on duty they are on immediate call and cannot be far from their station.

Medical Responses
Greater involvement as first medical responders and in safe and well visits and general people wellbeing.
Fire medical response should be undertaken like mid and west wales do. This puts the community first.
Medical support to the ambulance service
"responding to medical emergencies reducing the number of false alarm calls attended"
Medical response
As times change so should the service. I know FMR has been trailed but possibly rural search and rescue. Fire call have dropped so fill the void
Medical response to make our community safer and save lives
Fire medical response should be undertaken like mid and west wales do. This puts the community first.
FIRST MEDICAL RESPONSE MUST NOT BECOME A BRANCH OF SOCIAL SERVICES LOOK AFTER THE MENTAL WELFARE OF STAFF BETTER
Medical response
Medical response to make our community safer and save lives
Fair pay for extra duties such as cardiac arrest
Flood and medical response

Other Responses
recycling
To be more supportive of young people in the community
staff awareness of what each department does and the end result
Joint working with other emergency services, partner agencies to ensure those who need help get it quickly
"Reflect the ethnic and cultural diversity of the population. Set a mandatory response time for attendance at an incident"
Making it more cost effective. Not wasting so much money
Reviewing existing policies, procedures and systems as appropriate/ continuously. Looking for ways to improve.
"We will review and monitor our practices to ensure continuous improvement. We will achieve value for money and transparency."
A promise to care for the mental health of its members, promote, support and educate on all aspects of mental health
Fire crime, reduction in fire setting
No. Like the focus on environment and working with PSB partners to help tackle some of the key challenges facing communities and Wales as a whole.
Maintain local fire stations; develop knowledge of locations of premeises in rural areas to enable quicker access in emergency
emergency calls should be priority
"I think we should work closer with environmental groups to tackle concerns on climate change. which we can help educate communities as part of our message . "
general role modelling for community - promote fitness/healthy lifestyles.
More resources for prevention mechanism

Other Responses
"Visit Communities with fire engine and engage with people more. Using the fire engine will attract people and you may be able to provide support and offer advice especially to the elderly."
Don't forget large animal rescue
utilising equipment that has come to the end of its shelf life ,but is perfectly good to use for other partnerships, communities and maybe even other organisations. E.g. De-fibs
To make more use of technology for our communities perhaps we should invest in systems that can talk to each other instead of many stand alone ones
More visibility and partnership working with relevant Third Sector organisations.
The Fire Service could consult with the community more.
Do not respond to non-urgent calls. I was appalled to see a fire appliance being used in Newport High Street last week to rescue a trapped pigeon. I do not expect to see our taxes being wasted in this manner!
More access to my local fire stations availability would be encouraging
As Chair of our Residents' association I would like to discuss the implications of a possible upgrade to our alarm system, and how this affects our stay put policy - block of 50 retirement flats, Llys Pegasus, Llanishen
More appraisal/ commendations from the Fire Service to members of the public, if they have deemed to help us in emergencies ..eg RTC's...Property Fires etc
Ensure SWF&RS is more representative of the communities it serves
The consultation is meaningless. Where is the meat for us to have an input? You need to develop other than technology services, especially in communication. Who are the Public service Boards and and partners.
Going to emergencies is the most important thing.
This as a survey states the obvious as to what you should be doing,the questions are pretty uncontroversial and in some respects something that are already being undertaken. What are the issues being taken forwards to PSB, may be more relevant? How is integration to health being developed,how is ASB being developed,how is future generations act being met ? How do you work best with the housing sector? How do you contribute to youth sector involveo(great cadet system) Yes there are the staturarory elements of F&R but in the questions you under sell your service
They should use volunteers and volunteer organisations more to save money and allow for better jesip
Joint working with other emergency services, partner agencies to ensure those who need help get it quickly
greater working collaboration with other FRS in Wales
Employing the correct personnel for their relevant roles, To improve the morale of the workforce. To assess thoroughly weather certain projects actually achieve anything before more funds are wasted on similar projects
We will review and monitor our practices to ensure continuous improvement. We will achieve value for money and transparency.
educating the relevant councils in the difficulties we face in dealing with the travelling communities.
Yes, making sure there is enough cover to respond quickly to all fire and related emergencies. With the worsening of traffic congestion in South Wales this means more fire stations to me.
Up to date equipment
More resources for prevention mechanism
ensure the fastest response to incidents is mobilised irrespective of boarders
Yes - you should explain HOW you are going to achieve all of the above!
Maintaining the latest vehicles and equipment. Using budget wisely.

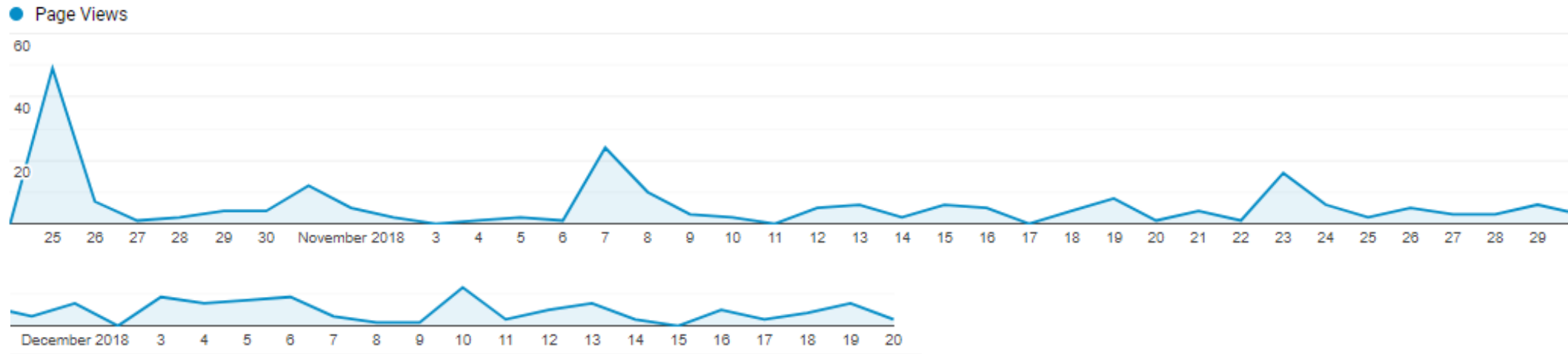


Other Responses
Stop continuous change and maybe create a solid sustainable service with what we already have. Also maybe stop duplicating the work of other agencies.
I suggest a contact point to get advice and help with the practicalities of ensuring your home is safe e.g. sourcing first class alarms, installation etc
PUTTING OUT FIRES AND ATTENDING RTC INCIDENTS RATHER THAN WASTING TIME AND MONEY ON POLITICAL CORRECT TICK BOXING.
When not on call: Help people with fire alarms, visit local schools educate people on fire risks and car accidents. Ensure you use minimum amount of water with improved equipment to help environment.
Form closer links with communities to find out what's important to them and how we can work together to achieve safer communities.
We should use our resources in a more economic way
utilising equipment that has come to the end of its shelf life ,but is perfectly good to use for other partnerships, communities and maybe even other organisations. E.g. De-fibs
Point 5 should have an emphasis with the single use plastics issues and general environmental impact
Concentrate on putting out fires and stop wasting money on safety initiatives that are not the responsibility of the fire service like road safety.
you use to give monthly details of call outs by each station on your website.. this is no longer the case . Why?
Continue to seek to develop collaborative working/interoperability with other emergency service providers
Ensure we have the best equipment
Collaboration with other public services and ongoing community fire sfetybmessage prevention is the key and the way forwards
Not sure if it is an issue for the Fire & Rescue Service to address, themselves, but I have concerns about the safety and security of their staff, especially when they come 'under physical attack' by members of the local community.
Priority should be saving lives / preventing death / injury
Concentrate on getting the core service - saving lives by putting out fires - right. Leave the fluffy, 'speaking to our communities' non-issues, they are not important. Do continue visiting schools to educate children on fire safety.
Make people who phone the service about garden fires etc known to the people that they report if there is clearly no need to contact the Fire Service. Why should they remain anonymous?
Make people who phone the service about garden fires etc known to the people that they report if there is clearly no need to contact the Fire Service. Why should they remain anonymous?
Prioritising the provision of firefighting and accident rescue service. Providing a fire prevention service.
We need to do more with police and education ahead of mountain fire season and helping people to understand the impact of their antisocial behaviour towards crews too.
"We will take a proactive role in the setting of Fire safety standards and carry out inspections of new builds to ensure adherence." - Community interaction is nice but focus on the core purpose of an Emergency service.
Yes! Start charging pet owners for rescuing their animals/birds from trees
Ultimately, quick delivery of service is paramount. With rural areas around us, it is vital that cover can be provided in all areas.
Do not respond to non-urgent calls. I was appalled to see a fire appliance being used in Newport High Street last week to rescue a trapped pigeon. I do not expect to see our taxes being wasted in this manner!
Concentrate on core requirements rather than all the stuff around the edges.

Other Responses
More hard-line for those who offend should help firefighters clean-up!
Integration with other emergency services, ambulance and police.



## Appendix D Website and Social Media Campaign Examples of the posts and tweets



 **Gwasanaeth Tân ac Achub De Cymru** @TanDeCymru · 29 Nov 2018  
 Mae GTADC wedi cyhoeddi ei gynlluniau ar gyfer y flwyddyn nesaf (2019-2020). Hoffem ymgynghori ag aelodau o'r cyhoedd i weld a ydych yn cytuno â'r 7 blaenoriaeth y credwn eu bod yn bwysig i bobl De Cymru.

Ewch i'r ddolen ganlynol am yr arolwg: [ow.ly/2Dz030mvVNI](https://www.southwalesfireandrescue.gov.uk/2019-2020)

Diolch!



 **South Wales Fire and Rescue Service**  
 Published by Dan Brown [?] · December 3, 2018 ·

South Wales Fire & Rescue Service has published its plans for next year (2019-2020). We would like to consult with members of the public, in the communities we serve, to see if you agree with the seven priorities that we think are important to the people of South Wales. The consultation only takes a few minutes and we would really appreciate your feedback. Please click the following link for survey: <https://www.surveymonkey.co.uk/r/SW-FR-S>



 **South Wales Fire and Rescue Service** @SWFireandRescue · 26 Oct 2018

We would like to consult with members of the public, in the communities we serve, to see if you agree with the 7 priorities that we think are important to the people of South Wales.

We would appreciate your support by completing the following survey [ow.ly/I0QY30mn6G4](https://www.southwalesfireandrescue.gov.uk/2019-2020)

:)



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**SOUTH WALES FIRE & RESCUE AUTHORITY**

AGENDA ITEM NO 6.v

11 FEBRUARY 2019

## REPORT OF THE ASSISTANT CHIEF OFFICER PEOPLE SERVICES

**GENDER PAY GAP STATEMENT – 30 MARCH 2019****SUMMARY**

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 (the public sector Regulations), all public authorities are required to publish gender pay gap information by reporting the percentage differences in pay between their male and female employees.

Public authorities must publish the required information based on data captured on the snapshot date of 31 March, within 12 months. Accordingly the deadline for publication is 30 March, 2019.

This report details the legal background and requirements placed on the Fire & Rescue Authority to publish a Gender Pay Gap Statement, the reporting metrics set out in legislation, and the definitions for the relevant pay period, full pay relevant employee, ordinary pay and bonus pay.

The Gender Pay Gap Statement is presented in the report attached at Appendix 1.

**RECOMMENDATIONS**

That Members approve the 2019/2020 Gender Pay Gap Statement to be published by 30 March, 2019.

**1. BACKGROUND**

- 1.1 The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, came into force from 6 April, 2017, where relevant employers in the private and voluntary sectors are required to publish gender pay gap information by reporting the percentage differences in pay between their male and female employees.
- 1.2 There are separate but parallel gender pay gap reporting provisions for public sector employers which are contained in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 (The public-sector Regulations).
- 1.3 The Authority must publish the information within 12 months of the 'snapshot date' of 31 March, meaning that the deadline for publication is 30 March, 2019. The prescribed information must be published on an annual basis.

- 1.4 Members should not confuse the gender pay gap with equal pay, which concerns pay differences between male and female employees performing the same or similar work.
- 1.5 For the purposes of calculating the gender pay gap the Authority must identify which of its employees are 'relevant employees', and 'full-pay relevant employees'.
- 1.6 The Authority must base its gender pay gap calculations on pay data from a specific pay period.
- 1.7 Having collected details of all full-pay relevant employees' ordinary pay and bonus pay, the Authority must calculate each employee's hourly rate of pay.
- 1.8 The Authority must calculate the differences in mean pay, median pay, mean bonus pay, and median bonus pay between male and female employees.
- 1.9 The Authority must also identify the proportion of male and female employees in each pay quartile by reference to their hourly pay, and the proportion of male and female employees who were paid bonus pay.
- 1.10 The Authority must publish its gender pay gap information, together with a written statement confirming its accuracy, on its own website or a Government website. While there is no legal requirement to do so, the Authority may also publish a narrative to explain their gender pay gap information.
- 1.11 Although the Regulations contain no sanctions for non-compliance, the explanatory note to the Regulations states that non-compliance will constitute an unlawful act under s.34 of the Equality Act 2006.

## **2. ISSUES**

### **The Reporting Metrics**

- 2.1 The Authority must publish six metrics in respect of the 'relevant pay period'.
  - The difference in the mean hourly rate of pay between male and female full pay relevant employees.
  - The difference in the median hourly rate of pay between male and female full pay relevant employees.
  - The proportions of male and female full pay relevant employees in each of the four quartile pay bands.

- The difference in mean bonus pay between male and female relevant employees.
- The difference in median bonus pay between male and female relevant employees, and
- The proportions of male and female relevant employees who received bonus pay.

Each metric listed above must be expressed as a percentage figure.

- 2.2 The term ‘full-pay relevant employee’ is relevant only to the hourly pay calculations and quartile pay bands required by the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
- 2.3 A full-pay relevant employee is ‘a relevant employee who is not, during the relevant pay period, being paid at a reduced rate or nil as a result of the employee being on leave’. For these purpose ‘leave’ includes:- annual leave, maternity, paternity, adoption, parental or shared parental leave, sick leave, and special leave. ‘Special leave’ is not defined in the Regulations.
- 2.4 Consequently, employees who are absent from work during the relevant pay period because of leave, and who are in receipt of less than full pay as a result of that leave, are excluded for the purposes of calculating the differences in mean and median hourly pay between male and female employees. Such employees are also excluded from the employer’s calculations in respect of the quartile pay bands. Including such employees may result in a higher gender pay gap where the employer has a high number of employees on maternity leave, for example.
- 2.5 Regulation 3(1) of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 defines ‘ordinary pay’ as basic pay, allowances, pay for piecework, pay for leave, and shift premium pay. An allowance is defined as for example, London weighting, purchase, lease or maintenance of a vehicle or an allowance paid to recruit or retain an employee. Out-of-pocket expenses, for example travel or fuel costs, are excluded.
- 2.6 Regulation 4(1) of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 defines ‘bonus pay’ as any remuneration that is in the form of money, vouchers, securities, securities options, or interests in securities, or relates to profit-sharing, productivity, performance, incentive or commission. The Regulations do not contain a requirement that bonus pay should be contractual. Therefore, both contractual and non-contractual bonus payments are covered by the Regulations.

## **Gender Pay Gap Statement for South Wales Fire & Rescue Authority – 30 March 2019**

2.7 Attached at Appendix 1 of this report is the South Wales Fire & Rescue Authority Gender Pay Gap Statement for 30 March 2019. The statement summarises the required reporting metrics and the Authority's position in terms of the gender pay gap. Members should note that there is no reporting against the metrics that relate to the payment of bonuses because the Authority does not pay performance related bonuses to any of its staff or operate any bonus schemes.

### **3. EQUALITY RISK ASSESSMENT**

3.1 An Equality Risk Assessment has been undertaken to assess the potential impact relative to the protected characteristics arising from the publication of a Gender Pay Gap Statement.

3.2 The assessment concluded that there is an impact based on the evaluation of the gender pay gap. This is being addressed through the Authority's review of organisational structures that includes an analysis of pay strategy, pay structures, job roles, job descriptions, and person specifications to include all related allowances to address any identified inequalities in pay and grades.

### **4. RECOMMENDATIONS**

4.1 That Members approve the 2019/2020 Gender Pay Gap Statement to be published by 30 March, 2019.

<b>Contact Officer:</b>	<b>Background Papers:</b>
ACO Mark Malson Acting Director of People Services	Equality Act 2006 Equality Act 2019 Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

## SOUTH WALES FIRE AND RESCUE SERVICE

# GENDER PAY GAP REPORT 2018

From 2017 onwards, any UK organisation employing 250 or more employees has to publicly report on its gender pay gap. We are required to report on the mean and median gender pay gap and also a breakdown, by quartiles of the proportion of men and women in each quartile, based on hourly rate.

The gender pay gap is the difference between the average hourly rates of pay between males and females employees regardless of their role in the Service. This is different to equal pay which is the difference, in pay, between men and women undertaking the same roles and being paid the same rate of pay. We are confident that men and women are paid equally for undertaking equivalent roles across the Service, as staff are paid, irrelevant of gender, using nationally agreed pay scales.

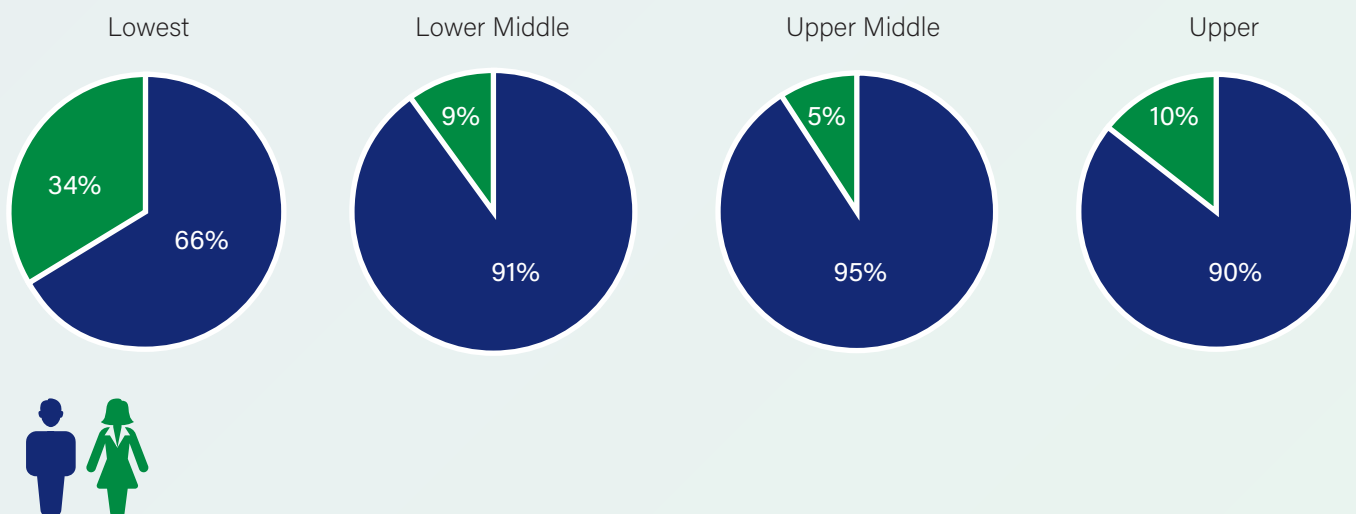
## Mean and Median Data

Difference between men and women		
	Mean (Average)	Median (Mid Point)
Hourly rate	16.33% (17.57%)	14.38% (16.34%)

**Note:** The figures in brackets are the 2017 figures for comparison purposes.

The table above shows our overall mean (average) and median (mid-point) gender pay gap based on hourly rates of pay as at the 31st March 2018. It can be seen that there has been an improvement in the mean and median figures during 2018. This reflects the Service's success in increasing the number of employment contracts secured by female employees.

## Pay Quartiles (based on hourly rates)



The above information illustrates the gender distribution at South Wales Fire and Rescue Service, as at 31st March 2018, as per Gender Pay Gap Reporting requirements.

## SOUTH WALES FIRE AND RESCUE SERVICE

**GENDER PAY GAP  
REPORT 2017**

The gender pay gap is based on average pay of females and males, so one of the biggest causes of it can be the numbers of women and men in different roles and at different levels in the organisation.

For example: if the majority of employees in the upper pay levels are male and the majority of employees in the lower pay levels are female, there is likely to be a gender pay gap, even though everyone is being paid the correct pay for the roles they are undertaking.

Other reasons which may contribute to a gap include:

- Differing terms and conditions and pay scales for groups of staff across the Service
- A high proportion of women in often lower paid part-time roles
- Pay choices that are made at various points of an individual's working life

There are many possible root causes to these reasons. Some may be personal, such as choices people make because of their own circumstances, their work preferences and their aspirations. Other causes are part of society generally, such as the roles that people have historically been attracted to or feel comfortable working in.

Because there are many contributing factors to a gender pay gap, there isn't one simple solution that fixes it.

As part of our Recruitment and Attraction Strategy, South Wales Fire & Rescue Service actively encourages applications from women, from all backgrounds, across all roles and is also working actively with focus groups to better understand how we break down any perceived barriers to females undertaking uniformed roles in the Service.



**Councillor Tudor Davies**

Chairman, South Wales Fire and Rescue Authority



**SOUTH WALES FIRE & RESCUE AUTHORITY**

AGENDA ITEM NO 6.vi

11 FEBRUARY 2019

## REPORT OF THE ASSISTANT CHIEF OFFICER PEOPLE SERVICES

**SOUTH WALES FIRE & RESCUE AUTHORITY – ANNUAL PAY POLICY STATEMENT 2019/2020****SUMMARY**

South Wales Fire & Rescue Authority is required to publish a Pay Policy Statement for each financial year, which provides information for the following financial year.

The Fire & Rescue Authority at their meeting held on 6 February 2012, adopted and published its first Pay Policy Statement. The Fire & Rescue Authority also determined that the HR & Equalities Committee should review the Pay Policy Statement and report to the full Committee. In 2014 Welsh Government issued new guidelines with further amendments which determined the contents of the Pay Policy. The 2019/2020 Pay Policy Statement has been drafted for Members

**RECOMMENDATION**

1. Members review South Wales Fire & Rescue Authority's Pay Policy 2019/2020 Statement.
2. Members approve the 2019/2020 Pay Policy Statement to be published by 31 March 2019.

**1. BACKGROUND**

- 1.1 The Localism Bill 2010 was enacted in Parliament in November 2011, and as such required South Wales Fire and Rescue Authority to publish a Pay Policy Statement by 31 March 2012, and for each subsequent financial year, which provides information for the following financial year.
- 1.2 The Localism Act includes the provision of general powers for stand alone Fire & Rescue Authorities with a requirement to publish a Pay Policy Statement each year.
- 1.3 A Pay Policy Statement is expected to contain the following elements:-
  - A Pay Policy Statement must set out the Authority's policies for the financial year relating to:-
    - (a) the remuneration of its Chief Officers
    - (b) the remuneration of its lowest paid employees and

(c) the relationship between –

- The remuneration of its Chief Officers, and
- The remuneration of its employees who are not Chief Officers

The Statement must state:-

- The definition of ‘lowest paid employees’ adopted by the Authority for the purposes of the Statement, and
- The Authority’s reasons for adopting that definition

The Statement must include the Authorities policies relating to:-

- The level and elements of remuneration for each Chief Officer
- Remuneration of Chief Officers on recruitment
- Increases and additions to remuneration for each Chief Officer
- The use of performance related pay for Chief Officers
- The use of bonuses for Chief Officers
- The approach to the payment of Chief Officers on their ceasing to hold office or to be employed by the Authority, and
- The publication of and access to information relating to remuneration of the Chief Officers

1.4 A Pay Policy Statement should also set out the Authority’s policies for the financial year relating to the other terms and conditions applying to the Authority’s Chief Officers.

1.5 There are supplementary provisions relating to statements as follows:-

- A relevant Authority’s Pay Policy Statement must be approved by a resolution of the Authority before it comes into force.
- The Statement must be prepared and approved before the end of 31 March.

1.6 Each subsequent Statement must be prepared and approved before the end of 31 March immediately preceding the financial year to which it relates.

- 1.7 The Fire & Rescue Authority may by resolution amend its Pay Policy Statement, including after the beginning of the financial year to which it relates.
- 1.8 As soon as is reasonably practicable after approving or amending a Pay Policy Statement, the Authority must publish the Statement or the amended Statement in such a manner as it thinks fit, which would include publication on the Authority's website.

## **2. ISSUES**

- 2.1 Attached at Appendix A is the South Wales Fire & Rescue Authority's 2019/2020 Pay Policy Statement.
- 2.2 The Policy Statement reflects Welsh Government guidance on the structure of Pay Policy Statements.
- 2.3 The areas included within the Pay Policy are:- Purpose, Legislative Framework, Scope, Pay Structures (with examples), Market Supplements, Honoraria, Re-employment (abatement position), Definition of Chief Officer and pay levels, additions to salary of Chief Officers, Performance Related Pay for Chief Officers, Payments on Termination (assumed redundancy), Pay Relatives with the Authority (remuneration of lowest level and multipliers within the Authority), Independent Remuneration Panel, Accountability and Decision Making, and Reviewing the Policy.
- 2.4 All relevant changes have been identified in red text in Appendix A.

## **3. EQUALITY RISK ASSESSMENT**

- 3.1 An Equality Risk Assessment has been undertaken to assess the potential impact relative to the protected characteristics arising from the publication of a Pay Policy Statement.
- 3.2 A number of equal pay and equal value issues were identified and are subject to ongoing research and evaluation in advance of being brought to members for consideration.

## **4. RECOMMENDATIONS**

- 4.1 Members review South Wales Fire & Rescue Authority's Pay Policy 2019/2020 Statement.
- 4.2 Members recommend that the 2019/2020 Pay Policy Statement be published by 31 March 2019.

<b>Contact Officer:</b>	<b>Background Papers:</b>
T/ACO Mark Malson Director of People Services	2019/2020 Pay Policy Statement

## SOUTH WALES FIRE & RESCUE AUTHORITY



### LOCALISM ACT 2011: PAY POLICY STATEMENT

<b>1.</b>	<b>INTRODUCTION</b>	
1.1	South Wales Fire & Rescue Authority is committed to operating consistent and equitable pay arrangements for employees. This policy sets out the key principles that must be adhered to in establishing employee pay levels and in approving pay related allowances. It sets out the basis for determining salaries, how salary levels are arrived at, the method of pay progression and the approval for acting up, honoraria and severance payments.	FA 15.12.14
1.2	In accordance with the Localism Act and the Code of Recommended Practice for Local Authorities on Data Transparency, this policy, the pay multiple between the highest paid employee, and the levels for senior employees, are published on the Fire & Rescue Service's website.	FA 15.12.14
1.3	The legislation requires pay to include all remuneration including salary, allowances, and expenses. All such payments are covered within this policy or the other pay related policies referred to in Section 16. There are no discretions to make further payments outside of these policies.	FA 15.12.14
<b>2.</b>	<b>SCOPE</b>	
2.1	This policy applies to all South Wales Fire & Rescue Authority employees.	FA 15.12.14
2.2	The Fire & Rescue Authority advocates collective bargaining arrangements and supports existing national level provisions that govern pay and conditions of service for the following employee groups: <ul style="list-style-type: none"> <li>• National Joint Council for Local Authorities' Fire and Rescue Services, Scheme of Conditions of Service</li> <li>• National Joint Council for Brigade Managers of Fire and Rescue Services, Constitution and Scheme of Conditions of Service</li> <li>• National Joint Council for Local Government</li> </ul>	FA 15.12.14

	<p>Services (Green Book)</p> <ul style="list-style-type: none"> <li>British Medical Association (BMA) guidance within the Occupational Physician (Consultant initial appointment) salary range</li> <li>Royal College of Nursing – NHS Agenda for Change – Pay Rates</li> <li>Joint Negotiating Committee for Local Authority Craft and Associated Employees</li> <li><b>Joint Negotiating Committee (JNC) for Youth and Community Workers</b></li> </ul>	
2.3	<p>Pay levels are reviewed annually by these committees and any ‘cost of living’ award is reported to the Fire &amp; Rescue Authority by way of Employers Groups. These are nationally agreed pay awards reached by collective bargaining and binding on Employers, and paid as soon as possible to staff. The Fire Authority is informed at the next Fire Authority meeting by Chair’s Announcements.</p>	<p>FA 15.12.14</p> <p>FA 12.02.18</p>
2.4	<p>The Fire &amp; Rescue Authority has local pay bargaining arrangements for other employees in scope of this policy and any locally agreed ‘cost of living’ award is approved by the Fire and Rescue Authority and applied to their remuneration rate. (Auxiliary Firefighters)</p>	<p>FA 15.12.14</p>
<b>3.</b>	<b>LEGAL CONTEXT</b>	
3.1	<p>Section 38 (1) of the Localism Act 2011 requires English and Welsh Local Authorities to produce a Pay Policy Statement for each financial year. The Bill as initially drafted referred solely to Chief Officers (a term which includes both statutory and non-statutory Chief Officers, and their Deputies); but amendments reflecting concerns over low pay and also drawing on Will Hutton’s 2011 ‘Review of Fair Pay in the Public Sector’ introduced requirements to compare the policies on remunerating Chief Officers and other employees, and to set out policy on the lowest paid.</p>	<p>FA 15.12.14</p>
3.2	<p>The Act as finally passed requires the Pay Policy Statement to range over disparate aspects of remuneration policy and must include the following:-</p> <ul style="list-style-type: none"> <li>A Local Authority’s policy on the level and elements of remuneration for each Chief Officer</li> <li>A Local Authority’s policy on the remuneration of its lowest-paid employees (together with its definition of “lowest-paid employees” and its reasons for adopting that definition)</li> </ul>	<p>FA 15.12.14</p>

	<ul style="list-style-type: none"> <li>• A Local Authority's policy on the relationship between the remuneration of its Chief Officers and other Officers</li> <li>• A Local Authority's policy on other specific aspects of Chief Officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency</li> </ul>	
3.3	The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments.	FA 15.12.14
3.4	For the purposes of this statement the term "Chief Officer" is not limited to Heads of Paid Service or statutory Chief Officers. It also includes those who report directly to them both statutory and non statutory. For South Wales Fire & Rescue Service this includes the Chief Fire Officer, Deputy Chief Fire Officer, Deputy Chief Officer, Assistant Chief Fire Officers, Assistant Chief Officers, <b>and Treasurer</b> .	FA 15.12.14  FA 12.02.18
3.5	The Localism Act 2011 requires Authorities to develop and make public their Pay Policy on all aspects of Chief Officer Remuneration (including on ceasing to hold office), and that pertaining to the 'lowest paid' in the Authority, explaining their Policy on the relationship between remuneration for Chief Officers and other groups.	FA 15.12.14
3.6	In discharging its legislative responsibilities for transparency under the above Localism Act, South Wales Fire & Rescue Authority's Pay Policy details each of the arrangements that have been resolved.	FA 15.12.14
<b>4.</b>	<b>PRINCIPAL OFFICERS' PAY CONSTRUCT</b>	
4.1	National Joint Council circular (ref number 28/05/04) dated 28 May 2004 dealt with the Principal Officers pay settlement and reinforced a previous recommendation that a local review of the pay levels of senior staff should be undertaken.	FA 15.12.14
4.2	The Fire & Rescue Authority employs Chief Officers under Joint National Council terms and conditions which are incorporated in their contracts. The Joint National Councils for Chief Fire Officers / Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis.	FA 12.10.15

	Chief Fire Officers / Chief Officers employed under Joint National Council terms and conditions are contractually entitled to any national Joint National Council determined pay rises and this Fire & Rescue Authority will therefore pay these as and when determined in accordance with current contractual requirements.	
4.3	The Fire & Rescue Authority recently resolved that the HR & Equalities Committee should be assigned to consider Principal Officers' remuneration and their findings reported to the full Fire & Rescue Authority for final determination.	FA 15.12.14

4.4	South Wales Fire and Rescue Authority's Executive Leadership Team remuneration matrix is identified as comprising:															
	<table border="1"> <thead> <tr> <th><b>Title</b></th> <th><b>Notional % of CFO salary</b></th> </tr> </thead> <tbody> <tr> <td>Chief Fire Officer (CFO)</td> <td>100%</td> </tr> <tr> <td>Deputy Chief Fire Officer (DCFO)</td> <td>80% of CFO</td> </tr> <tr> <td>Deputy Chief Officer (DCO)</td> <td>95% of DCFO</td> </tr> <tr> <td>Assistant Chief Fire Officer (ACFO)</td> <td>75% of CFO</td> </tr> <tr> <td>Assistant Chief Officer (ACO)</td> <td>82.5% of ACFO</td> </tr> <tr> <td>Treasurer*</td> <td>70.88% of ACFO</td> </tr> </tbody> </table>	<b>Title</b>	<b>Notional % of CFO salary</b>	Chief Fire Officer (CFO)	100%	Deputy Chief Fire Officer (DCFO)	80% of CFO	Deputy Chief Officer (DCO)	95% of DCFO	Assistant Chief Fire Officer (ACFO)	75% of CFO	Assistant Chief Officer (ACO)	82.5% of ACFO	Treasurer*	70.88% of ACFO	
<b>Title</b>	<b>Notional % of CFO salary</b>															
Chief Fire Officer (CFO)	100%															
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Deputy Chief Officer (DCO)	95% of DCFO															
Assistant Chief Fire Officer (ACFO)	75% of CFO															
Assistant Chief Officer (ACO)	82.5% of ACFO															
Treasurer*	70.88% of ACFO															
	<p>* The Treasurer reports directly to the FRA, holds no directorate responsibility and is employed for 118 days per annum.</p> <p>Note: From time to time the percentage figures may need to be amended to reflect the pay award made to ensure that each roles salary actually receives the pay award. For example:-</p> <p>CFO 1% award – Salary £129,820 p.a. to £131,118 p.a.  DCFO 80% of CFO – Salary £103,856 p.a. to £104,895 p.a.  DCO 95% of DCFO – Salary £98,859 p.a. to £99,650 p.a. (less than 1% pay award £98,859 + 1% = £99,848 p.a.). Therefore, the award should be adjusted by 0.189% to 95.189% = £99,848 p.a.</p>															



4.5	The Fire and Rescue Authority on 9 July 2018 determined that the non-uniformed DCO, ACO and Treasurer's posts would be single salary points and determined on a percentage basis as set out in point 4.4.	FA 15.12.14  FA 09.07.18
4.6	To meet the Service's functional needs the resulting remuneration structure had to reflect the commitment to providing a resilient and flexible service.	FA 15.12.14
4.7	Fire & Rescue Authority, (Ref number Minute 67, September 2009), resolved that the Executive Leadership Team would be comprised of five directors. In addition, the Treasurer reports directly to the Fire and Rescue Authority, but holds no directorate responsibility.	FA 15.12.14
4.8	Fire and Rescue Authority, (December 2010), resolved to advertise the Deputy Chief Officer's post and to open the applications to both uniformed and non-uniformed candidates, with a Deputy Chief Officer's remuneration being set at 95% of that of a Deputy Chief Fire Officer.	FA 15.12.14
4.9	Fire and Rescue Authority revisited relevant percentage variances at Deputy and Assistant levels and <b>at its meeting 9 July 2018</b> further resolved that the titles and grading arrangements identified in Paragraph 4.4 be introduced.	FA 15.12.14  FA 09.07.18
4.10	Assistant Chief Officer's remuneration is established at <b>82.5%</b> of the full rate of the Assistant Chief Fire Officer.	FA 15.12.14 FA 09.07.18
4.11	Chief Officers, remuneration on appointment is determined by the full Fire and Rescue Authority. South Wales Fire and Rescue Authority does not pay performance related pay or bonuses, and no additional allowances or enhancements to salary or pension are offered upon employment. On cessation of their duties no additional payments are made other than those that are due for salary purposes or payments made to the individual in line with the appropriate pension scheme on retirement.	FA 15.12.14
4.12	Information on the remuneration of Chief Officers is published as part of the South Wales Fire and Rescue Service annual end of year Financial Statement.	FA 15.12.14
4.13	In accordance with this Pay Policy Statement, Chief Officers' remuneration levels should be reviewed annually as part of South Wales Fire and Rescue Authority's	FA 15.12.14

	commitment to maintaining a competitive grading and remuneration structure. In the absence of nationally determined guidance on 'cost of living' increases the Fire and Rescue Authority may identify and agree a local rate and implementation date. The HR and Equalities Committee will be responsible for reviewing this situation, and for making recommendations to the full Fire and Rescue Authority. Only the Fire and Rescue Authority may make a final determination in respect of remuneration rates for Chief Officers, including annual cost of living awards.	
4.14	On 27 March 2017 the HR & Equalities Committee received a report detailing the cessation of the joint arrangements for the provision of a joint post of Senior Occupational Health Physician. It was resolved that SWFRS would solely employ the SOHP on a part time basis. Remuneration is in accordance with British Medical Association (BMA) guidance within the Occupational Physician (Consultant initial appointment) salary range.	FA 15.12.14  FA 12.02.18
<b>5.</b>	<b>AREA MANAGERS (4 POSTS) – LOCAL AGREEMENT</b>	
5.1	Following a review of the Area Managers' establishment and operational rota it was determined that the number of posts would reduce from 6 to 4 from August 2009 with a move to a continuous duty system rota.	FA 15.12.14
5.2	The remuneration scheme for this group of staff was locally agreed as follows: AMB salary, as per agreed NJC Fire & Rescue Services uniformed pay scales, plus 20% flexi duty allowance, plus 14% continuous duty system payment.	FA 15.12.14
<b>6.</b>	<b>NON UNIFORMED HEADS OF SERVICE (4 POSTS)</b>	
6.1	Heads of Service remuneration rate is determined at a point above the National Joint Council (NJC) for Local Government Services salary scales and is expressed as a percentage of an Assistant Chief Officer's baseline salary.	FA 15.12.14
<b>7.</b>	<b>ALL OTHER STAFF</b>	
7.1	All other staff employed by South Wales Fire and Rescue Authority are encompassed within Wholetime, On-Call, Control or Support Staff categories, and as such their remuneration is based on the relevant NJC agreed salary schemes as identified in paragraph 2.2.	FA 15.12.14

7.2	In general the terms and conditions of employment for all staff are covered by existing collective agreements negotiated with those trade unions recognised by the Fire and Rescue Authority for collective bargaining purposes. These arrangements are embodied in the Scheme of Conditions of Service of the National Joint Council, and are supplemented by the Fire and Rescue Authority's rules, records, Organisational, Policy & Procedural Documents and other instructions, as amended, along with such other employment law legislation which will apply from time to time.	FA 15.12.14
7.3	The "lowest salary" used by the Fire and Rescue Authority is the National Joint Council (NJC) for Local Government services (Green Book), spinal column <b>point 1</b> .	FA 15.12.14
7.4	An examination of the current pay levels within the Authority enables the Authority to identify the multiplier between the lowest pay point and that of the Chief Fire Officer. The multiple between the lowest paid (full time equivalent) employee and the Chief Fire Officer is <b>1:7.62</b> .	FA 15.12.14
<b>8.</b>	<b>DELEGATED AUTHORITY LEVELS</b>	
8.1	Any variation in pay detailed within this policy is subject to appropriate approval, as described below.	FA 15.12.14
8.2	Decisions on pay detailed within this policy are delegated as follows:	FA 15.12.14

<b>DECISION</b>	<b>DELEGATED AUTHORITY LEVEL</b>
Starting pay (above grade minimum), but not including, Assistant Chief Officer (and equivalent level)	Assistant Chief Officer <b>People Services</b> (As identified in the Fire & Rescue Authority Standing Orders)
Starting Pay Assistant Chief Officer (and equivalent) level and above	Full Authority to agree the senior management organizational structure including grades and salary bands.  Appointment panel to agree and approve actual salary on appointment within the management structure agreed by Full Authority above.
Appointment to higher graded job (above grade minimum) up to, but not including, Assistant Chief Officer level.	Assistant Chief Officer <b>People Services</b> or delegated to Head of HR.

Acting-up payment at <b>Assistant Chief Officer</b> level where total salary package is less than £100k.	Chief Fire Officer
Acting up payment for posts where total salary package is more than £100k.	Full Fire & Rescue Authority

8.3	Human Resources is responsible for overseeing any decisions on pay in order to ensure that they are made in accordance with the delegated authority levels and are compliant with the terms of the Pay Policy and legislation.	FA 15.12.14
8.4	Delegations for decision on pay cannot be delegated below the levels outlined in table above.	FA 15.12.14
<b>9.</b>	<b>PAY RELATIVITIES WITHIN THE FIRE AND RESCUE AUTHORITY</b>	
9.1	The lowest paid persons employed under a Contract of Employment with the Fire and Rescue Authority are employed on full time [37 hours] equivalent salaries in accordance with the minimum spinal column point currently in use within the Fire and Rescue Authority's grading structure. As at <b>1 April 2019</b> , this is <b>£17,364</b> per annum. The Fire and Rescue Authority occasionally engages Apprentices [and other such Trainees] who are not included within the definition of 'lowest paid employees'.	FA 15.12.14
9.2	The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers.	FA 15.12.14
9.3	The Authority remunerates substantive personnel above the National Living Wage.	FA 15.12.14
<b>10.</b>	<b>STARTING SALARY</b>	
10.1	Employees appointed to jobs within the Authority will normally be appointed to the minimum point of the pay grade for the job.	FA 15.12.14
10.2	In certain circumstances it may be appropriate to appoint to a higher point in the pay grade. This may arise when the preferred candidate for the job is in or has been in receipt of a salary at a higher level than the grade minimum.	FA 15.12.14

10.3	An Appointment Panel wishing to appoint a candidate up to, but not including Assistant Chief Officer level, at a salary above the grade minimum must seek approval from the Assistant Chief Officer, fully outlining the business case. Managers may seek guidance from Human Resources, if required.	FA 15.12.14
10.4	The business case should incorporate the following: <ul style="list-style-type: none"> <li>• preferred candidate's current or most recent salary;</li> <li>• salary range for job being appointed to; preferred candidate's interview assessment outcome and details of point scores for other interviewees;</li> <li>• benefits to service and customers of appointing the preferred candidate;</li> <li>• potential impact on other jobholders of appointing the preferred candidate at a level higher than the grade minimum;</li> <li>• confirmation that increased employee costs will be met by the existing service budget.</li> </ul>	FA 15.12.14
10.5	The Assistant Chief Officer <b>People Services</b> will: <ul style="list-style-type: none"> <li>• consider the request presented by the recruiting manager;</li> <li>• discuss their proposed decision with Head of Human Resources to ensure it is compliant with the terms of the Pay policy;</li> <li>• respond to the appointment panel;</li> <li>• complete the relevant payroll authorization so that the recruitment process can be completed.</li> </ul>	FA 15.12.14
10.6	The decision of the Assistant Chief Officer <b>People Services</b> is final.	FA 15.12.14
10.7	A resolution of the full Fire and Rescue Authority is required for all organizational re-structures and associated grading and salary.	FA 15.12.14
<b>11.</b>	<b>RE-EMPLOYMENT OF FORMER EMPLOYEES</b>	
11.1	Former employees are able to be re-employed by the Fire and Rescue Authority, but there are several determining factors.	FA 15.12.14
11.2	The Fire and Rescue Authority resolved to introduce the application of abatement of salaries/pension for a fixed term period in order to retain specialist skills, expertise and knowledge.	FA 15.12.14

11.3	Fire and Rescue Authority further resolved to refer applications for abatement of salaries/pension by directors back to the full Fire and Rescue Authority for consideration based on business needs.	FA 15.12.14
11.4	When someone retires, or is released on voluntary or compulsory redundancy, it would not be expected that they would be re-employed as either an employee or an agency worker/contractor in the same or similar job role or service area from which they were made redundant. Such action could indicate that the original decision on the voluntary or compulsory redundancy was not a value for money decision for the tax payer. Therefore, any exceptions to this approach leading to the re-engagement of voluntary or compulsory redundant employees will have to be justified to ensure that the original terms of the redundancy i.e. cessation of work has actually occurred.	FA 15.12.14
11.5	Managers who wish to recruit former employees or procure workers who have previously been made redundant from the same service area will need to provide a business case for doing so, and request authorization from the Fire and Rescue Authority or designated Assistant Chief Officer	FA 15.12.14
11.6	When a Local Government Pension Scheme or Fire and Rescue Services (on Grey book terms and conditions) pensioner is re-employed within the Local Government sector, and combined earnings and pension exceeds final salary in the original employment when adjusted for inflation, the pension will be abated.	FA 15.12.14
<b>12.</b>	<b>ACTING-UP TO A HIGHER GRADED JOB</b>	
12.1	Acting-up is appropriate when the higher graded post becomes vacant due to maternity leave, sick leave etc. Acting-up allowances are made to employees who agree to carry out the full or partial duties, and responsibilities of a higher grade job. The higher graded job must be part of the Authority's agreed staffing establishment.	FA 15.12.14
12.2	The allowance is payable when an employee carries out the work of the higher grade job for a continuous period for any reason other than annual leave.	FA 15.12.14
12.3	Employees who undertake the full duties and responsibilities of a higher graded job will receive the salary that would apply if they were promoted to the higher graded post.	FA 15.12.14

12.4	Employees who undertake part of the duties and responsibilities of a higher grade job will receive a partial acting-up allowance. For example, if the employee is covering 20% of the higher graded duties and responsibilities then they would receive 20% of the grade differential as acting up allowance.	FA 15.12.14
12.5	Where there are only one or two employees who are able to “act-up” to the higher grade job it is relatively easy to identify the jobholder(s) who could reasonably be asked to carry out the higher graded job. Where there are a large number of employees who may be in a position to “act-up” to the higher graded job, then there will be a need to advertise the temporary vacancy or the acting-up arrangement.	FA 15.12.14
12.6	Managers who wish to use either full or partial acting up arrangements must seek approval from the Assistant Chief Officer (or Head of Human Resources, depending on the level of the post). In addition, managers may also seek guidance from Human Resources, if required.	FA 15.12.14
12.7	The approving officer will: <ul style="list-style-type: none"> <li>• consider the request presented by the requesting manager;</li> <li>• discuss their proposed decision within the Human Resources Department to ensure it is compliant with the Pay policy;</li> <li>• provide a response to the requesting manager, normally within 10 working days;</li> <li>• complete and notify the Payroll Section if a pay variation is to be implemented.</li> </ul>	FA 15.12.14
12.8	Any acting up arrangements at Assistant Chief Officer level must be agreed by the Chief Fire Officer. Any acting up arrangements for posts with remuneration package at or above £100k must also be agreed by the full Fire and Rescue Authority. In both cases the salary must be within the organizational structure agreed by full Fire and Rescue Authority and be financed in full.	FA 15.12.14
12.9	Acting-up allowances are removed once the need for the acting-up arrangement no longer exists. Managers are responsible for ensuring that employees receive sufficient notice of this.	FA 15.12.14
<b>13.</b>	<b>HONORARIUM PAYMENTS</b>	
13.1	An honorarium payment is a <b>one-off</b> payment. It can only be made where there is clear evidence to support the	FA 15.12.14

	<p>following circumstances:</p> <ul style="list-style-type: none"> <li>• where an employee temporarily carries out significant additional work over and above their usual responsibilities;</li> <li>• where an employee carries out a significant amount of work over their normal contracted hours, but is not eligible for overtime payments because of their placing on a salary scale.</li> </ul>	
13.2	<p>An honorarium payment <b>cannot</b> be made in the following circumstances:</p> <ul style="list-style-type: none"> <li>• where the employee is carrying out the full or partial duties and responsibilities of a higher graded job, when an acting-up payment should be made;</li> <li>• where the ongoing duties and responsibilities of the job have changed to the extent that the job should be submitted for re-evaluation;</li> <li>• where the additional work undertaken is commensurate with the employees current job description/salary grade.</li> </ul>	FA 15.12.14
13.3	<p>In the payment of a honoraria leads to a remuneration package exceeding £100k it must also be approved by the Chief Fire Officer and the <b>Chair</b> of the Fire and Rescue Authority having taken advice from the Assistant Chief Officer for People Services or their nominated representative.</p>	FA 15.12.14
13.4	<p>Honorarium payments are a one-off payment and will be paid on a pro-rata basis to part-time employees, proportionate to their working hours.</p>	FA 15.12.14
13.5	<p>Honorarium payments based on spinal column point differentials will be subject to any cost of living increase applied by the Fire and Rescue Authority.</p>	FA 15.12.14
13.6	<p>Honorarium payments are pensionable.</p>	FA 15.12.14
13.7	<p>Information on all honoraria payments will be compiled and reviewed annually by Human Resources and reported to the HR and Equalities Committee for monitoring purposes.</p>	FA 15.12.14
<b>14.</b>	<b>SEVERANCE</b>	
14.1	<p>On ceasing to be employed by the Fire and Rescue Authority, employees will be paid contractual payments</p>	FA 15.12.14



	due under their contract of employment. In the event of redundancy, severance pay will be paid in line with the employer's discretions as set out in the Employment Protection Policy published by the Fire and Rescue Authority and retained by Rhondda Cynon Taff Pensions Section.	
14.2	All business cases for redundancy, early retirement and severance must be reported to the Fire and Rescue Authority for scrutiny prior to the Authority making a resolution to either accept or reject.	FA 15.12.14
14.3	Regulation 30(6), "Flexible Retirement" – Local Government Pension Scheme Discretion.  This discretion will be applied, subject to the Chief Fire Officer and Assistant Chief Officer, People Services agreeing to the application after taking into account the costs and benefits to the organisation. There will be a requirement by the employee to reduce their working hours by at least 40%. Any actuarial reductions in pension benefits will apply.	FA 14.03.15
	The Fire and Rescue Authority / HR & Equality Committee will receive reports to countersign the Chief Fire Officer and Assistant Chief Officer, People Services' decisions	FA 14.03.15
<b>15.</b>	<b>UNIFORMED FIRE AND RESCUE SERVICES</b>	
15.1	All Fire and Rescue Services employees, up to and including Area Managers, are paid in line with the National Joint Council for Local Authorities' Fire and Rescue Services, Scheme of Conditions of Service. These are nationally agreed terms and conditions (the 'Grey' book).	FA 15.12.14
15.2	Under the National Joint Council for Brigade Managers of Fire and Rescue Services, Constitution and Scheme of Conditions of Service (the 'Gold' book), the Chief Fire Officer and Brigade Managers have separate pay arrangements in place. The Chief Fire Officer's salary is reviewed prior to a new appointment being made and a number of factors are taken into account during this process. These are summarized below: <ul style="list-style-type: none"> <li>• The relevant minimum salary of the Chief Fire Officer and the most relevant benchmark data;</li> <li>• The relationship of current salary to the national</li> </ul>	FA 15.12.14

	<p>benchmark;</p> <ul style="list-style-type: none"> <li>• Any substantial local factors not common to Fire and Rescue Authorities of similar type and size;</li> <li>• Comparative information to on salaries in other similar authorities;</li> <li>• Top management structures and size of management team compared to those of other fire and rescue authorities of similar type and size;</li> <li>• The relative job size of each post; and</li> <li>• Incident command responsibility and the requirement to provide operational cover within the employing authority and beyond.</li> </ul>	
15.3	Other Fire and Rescue Service Managers who are paid as a percentage of the Chief Fire Officer's salary may be reviewed at the same time as any review to the Chief Fire Officer's salary takes place.	FA 15.12.14
15.4	For a review, the benchmarking and associated analysis will be collated by the Human Resources Department and any recommendations presented to the HR and Equalities Committee before being submitted to the full Fire and Rescue Authority for final determination.	FA 15.12.14
<b>16.</b>	<b>OTHER PAY RELATED POLICIES</b>	
16.1	Other pay related policy areas that are applicable to all employees are: <ul style="list-style-type: none"> <li>• Business Travel and Expenses</li> <li>• Relocation expenses</li> <li>• Handling redundancy</li> <li>• Early retirement – including redundancy, flexible retirement and efficiency of service</li> <li>• Pensions – LGPS, Firefighters' Pension Scheme 1992, New Firefighters' Pension Scheme 2007 and the Firefighters' Pension Scheme (Wales) 2015</li> </ul>	FA 14.03.16
<b>17.</b>	<b>OTHER TERMS AND CONDITIONS</b>	
17.1	The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments. (Ref. Section 4. Principal Officers Pay Construct).	FA 15.12.14
17.2	South Wales Fire and Rescue Service contributes to the lease vehicle payments for its Senior Members of staff that choose to take part in the Services lease vehicle scheme.	FA 15.12.14

17.3	Contributions level vary and are dependent on the specific post. These Service contributions form only part of the lease vehicle cost with the majority paid for by the individuals.	FA 15.12.14
17.4	<p>The Fire &amp; Rescue Authority has implemented a strategic framework to ensure the Service has identified its key posts and has considered issues of resilience in support of the delivery of Fire &amp; Rescue Service workforce planning. The aim is to utilise a structured approach to both identifying critical positions and developing managers and staff with high potential within the organisation, and to steer their career development and progression to fulfil these positions.</p> <p>Succession planning is the systematic process whereby the Fire &amp; Rescue Service identifies, assesses and develops their employees to ensure they are ready to take on key roles within the Service. It is a strategic approach to ensure that the necessary talent and skills will be available when needed, and that essential knowledge and abilities will be maintained when employees in critical positions leave.</p>	14.03.16
<b>18.</b>	<b>MONITORING AND REVIEW</b>	
18.1	The Assistant Chief Officer People Services will review the application of this policy on an annual basis.	FA 15.12.14
18.2	The Pay Policy will then be presented to the HR and Equalities Committee for review before being submitted to the full Fire and Rescue Authority for final determination annually in March.	FA 15.12.14
18.3	Any change or deviation from this policy outside of such a review requires full Fire and Rescue Authority approval.	FA 15.12.14
<b>19.</b>	<b>SALARY SCALES</b>	
19.1	South Wales Fire and Rescue Authority Principal Officers and Heads of Service, salary matrix – Appendix 1	FA 15.12.14  FA 12.02.18
19.2	National Joint Council for Local Authorities' Fire and Rescue Services, salary matrix – Appendix 2	FA 15.12.14

		FA 12.02.18
19.3	South Wales Fire and Rescue Service, Retained Payment Structure – Appendix 3.	FA 15.12.14  FA 12.02.18
19.4	National Joint Council for Local Government service, salary matrix – Appendix 4.	FA 15.12.14  FA 12.02.18
19.5	Joint Negotiating Committee for Local Authority Craft & Associated Employees – Appendix 5	FA 15.12.14  FA 12.02.18
19.6	South Wales Fire & Rescue Authority – Auxiliary Firefighters - Appendix 6	FA 21.9.15  FA 12.02.18

**SOUTH WALES FIRE AND RESCUE AUTHORITY, PRINCIPAL OFFICERS  
AND HEADS OF SERVICE, SALARY MATRIX**

	<b>WT Salary</b>	<b>Actual Salary</b>
<b>DIRECTORS (5 posts)</b>		
Chief Fire Officer	£132,416	£132,416
<i>Deputy Chief Fire Officer (80% CFO)</i>	£105,933	-
Deputy Chief Officer (95.18% - DCFO)	£100,836	£100,836
Assistant Chief Fire Officer - Technical Services (75.14% CFO)	£99,509	£99,509
Assistant Chief Fire Officer - Service Delivery (75.14% CFO)	£99,509	£99,509
Assistant Chief Officer - People Services (82.5% - ACFO)	£82,095	£82,095
<b>STATUTORY OFFICER (1 post)</b>		
Treasurer (70.88%)	£58,194	£26,408
* The Treasurer reports directly to the FRA, holds no directorate responsibility and is employed for 118 days per annum.		
<b>HEADS OF SERVICE (8 posts)</b>		
Head of Service - Finance	£51,729	£51,729
Head of Service - Corporate	£51,729	£51,729
Head of Service - HR	£51,729	£51,729
Head of Service - ICT	£51,729	£51,729
Area Manager – Operations †	£80,539	£80,539
Area Manager - Head of Operational Risk Management †	£80,539	£80,539
Area Manager – Head of Risk Reduction †	£80,539	£73,482
Area Manager - Training & Development †	£80,539	£80,539
† Area Manager - Baseline Salary	£58,397	
20% flexi duty allowance	£11,679	
14% continuous duty system pay	£9,810	
CPD	£653	
† Includes National Joint Council for Local Authorities' Fire & Rescue Services, Scheme of conditions of service w.e.f. 1 July 2018		
<b>MEDICAL (1 post)</b>		
Occupational Health Physician*50%	£101,451	£50,725
* British Medical Association (BMA) guidance within the Occupational Physician Consultant initial appointment)		

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**NATIONAL JOINT COUNCIL FOR LOCAL AUTHORITIES' FIRE AND  
RESCUE SERVICES, SALARY MATRIX**

**FIREFIGHTING ROLES - PAY RATES FROM 1st JULY 2018**

	<b>Basic annual £</b>	<b>Basic hourly rate £</b>	<b>Overtime rate £</b>
<b>Firefighter</b>			
Trainee	22,908	10.46	15.69
Development	23,862	10.90	16.35
Competent	30,533	13.94	20.91
<b>Crew Manager</b>			
Development	32,452	14.82	22.23
Competent	33,851	15.46	23.19
<b>Watch Manager</b>			
Development	34,583	15.79	23.69
Competent A	35,544	16.23	24.35
Competent B	37,854	17.29	25.94
<b>Station Manager</b>			
Development	39,374	17.98	26.97
Competent A	40,556	18.52	27.78
Competent B	43,428	19.83	29.75
<b>Group Manager</b>			
Development	45,347	20.71	Not Applicable
Competent A	46,707	21.33	"
Competent B	50,270	22.95	"
<b>Area Manager</b>			
Development	53,238	24.31	Not applicable
Competent A	54,833	25.04	"
Competent B	58,397	26.67	"

**FIREFIGHTING ROLES – PAY RATES FROM 1st JULY 2018  
(RETAINED DUTY SYSTEM)**

	(1) £ per annum	(2) £ per annum	(3) £ per Hour	(4) £ per occasion
<b>Firefighter</b>				
Trainee	2,291	1,145	10.46	4.02
Development	2,386	1,193	10.90	4.02
Competent	3,053	1,527	13.94	4.02
<b>Crew Manager</b>				
Development	3,245	1,623	14.82	4.02
Competent	3,385	1,693	15.46	4.02
<b>Watch Manager</b>				
Development	3,458	1,729	15.79	4.02
Competent A	3,554	1,777	16.23	4.02
Competent B	3,785	1,893	17.29	4.02
<b>Station Manager</b>				
Development	3,937	1,969	17.98	4.02
Competent A	4,056	2,028	18.52	4.02
Competent B	4,343	2,171	19.83	4.02
<b>Group Manager</b>				
Development	4,535	2,267	20.71	4.02
Competent A	4,671	2,355	21.33	4.02
Competent B	5,027	2,514	22.95	4.02
<b>Area Manager</b>				
Development	5,324	2,662	24.31	4.02
Competent A	5,483	2,742	25.04	4.02
Competent B	5,840	2,920	26.67	4.02

Column 1 shows the full annual retainer (10% of the full-time basic annual salary, as set out in Appendix A)  
 Column 2 shows the retainer for employees on the day crewing duty system (5% of the full-time basic annual salary, as set out in Appendix A)  
 Column 3 shows the hourly rate for work undertaken  
 Column 4 shows the disturbance payment per call-out



### CONTROL SPECIFIC ROLES - PAY RATES FROM 1st JULY 2018

	Basic annual £	Basic hourly rate £	Overtime rate £
<b>Firefighter (Control)</b>			
Trainee	21,763	9.94	14.91
Development	22,669	10.35	15.53
Competent	29,006	13.25	19.388
<b>Crew Manager (Control)</b>			
Development	30,829	14.08	21.12
Competent	32,158	14.68	22.02
<b>Watch Manager (Control)</b>			
Development	32,854	15.00	22.50
Competent A	33,767	15.42	23.13
Competent B	35,961	16.42	24.63
<b>Station Manager (Control)</b>			
Development	37,405	17.08	25.62
Competent A	38,528	17.59	26.39
Competent B	41,257	18.84	28.26
<b>Group Manager (Control)</b>			
Development	43,080	19.67	<b>Not applicable</b>
Competent A	44,372	20.26	“
Competent B	47,757	21.81	“

\*(95% of the respective firefighting role basic annual salary, as set out in Appendix A)

**NON-OPERATIONAL STAFF - PAY RATES FROM 1st JULY 2018**

	<b>£ per annum</b>
<b>Fire Control Operator equivalent</b>	
During first six months	19,511
After six months and during 2nd year	20,375
During 3rd year	21,342
During 4th year	22,392
During 5th year	24,388
<b>Leading Fire Control Operator equivalent</b>	26,118
<b>Senior Fire Control Operator equivalent</b>	
During 1st year in rank	26,787
During 2nd year in rank	27,803

**JUNIOR FIREFIGHTERS - PAY RATES FROM 1st JULY 2018**

	<b>£ per annum</b>
Aged 16	10,598
Aged 17	11,387
Aged 18	22,908

## ON CALL PAYMENT STRUCTURE

Effective from 1st July 2018

100% (105 Hours)	Firefighter			Crew Manager		Watch Manager			Station Manager	
	Trainee	Development	Competent	Development	Competent	Development	A	B	Development	A
Hourly Rate	£10.46	£10.90	£13.94	£14.82	£15.46	£15.79	£16.23	£17.29	£17.98	£18.52
Number of Hours Paid a Month	62.5	62.5	62.5	75 (12.5 admin)	75 (12.5 admin)	75 (12.5 admin)	75 (12.5 admin)	75 (12.5 admin)	75 (12.5 admin)	75 (12.5 admin)
Allowance A	£7,845.00	£8,175.00	£10,455.00	£13,338.00	£13,914.00	£14,211.00	£14,607.00	£15,561.00	£16,182.00	£16,668.00
Allowance B	£1,961.25	£2,043.75	£2,613.75	£3,334.50	£3,478.50	£3,552.75	£3,651.75	£3,890.25	£4,045.50	£4,167.00
<b>Total Salary 100%</b>	<b>£9,806.25</b>	<b>£10,218.75</b>	<b>£13,068.75</b>	<b>£16,672.50</b>	<b>£17,392.50</b>	<b>£17,763.75</b>	<b>£18,258.75</b>	<b>£19,451.25</b>	<b>£20,227.50</b>	<b>£20,835.00</b>

90% (94.5 Hours)	Firefighter			Crew Manager		Watch Manager			Station Manager	
	Trainee	Development	Competent	Development	Competent	Development	A	B	Development	A
Hourly Rate	£10.46	£10.90	£13.94	£14.82	£15.46	£15.79	£16.23	£17.29	£17.98	£18.52
Number of Hours Paid a Month	56.25	56.25	56.25	67.5 (11.25 admin)	67.5 (11.25 admin)	67.5 (11.25 admin)	67.5 (11.25 admin)	67.5 (11.25 admin)	67.5 (11.25 admin)	67.5 (11.25 admin)
Allowance A	£7,060.50	£7,357.50	£9,409.50	£12,004.20	£12,522.60	£12,789.90	£13,146.30	£14,004.90	£14,563.80	£15,001.20
Allowance B	£1,765.13	£1,839.38	£2,352.38	£3,001.05	£3,130.65	£3,197.48	£3,286.58	£3,501.23	£3,640.95	£3,750.30
<b>Total Salary 100%</b>	<b>£8,825.63</b>	<b>£9,196.88</b>	<b>£11,761.88</b>	<b>£15,005.25</b>	<b>£15,653.25</b>	<b>£15,987.38</b>	<b>£16,432.88</b>	<b>£17,506.13</b>	<b>£18,204.75</b>	<b>£18,751.50</b>

80% (84 Hours)	Firefighter			Crew Manager		Watch Manager			Station Manager	
	Trainee	Development	Competent	Development	Competent	Development	A	B	Development	A
Hourly Rate	£10.46	£10.90	£13.94	£14.82	£15.46	£15.79	£16.23	£17.29	£17.98	£18.52
Number of Hours Paid a Month	50	50	50	60 (10 admin)	60 (10 admin)	60 (10 admin)	60 (10 admin)	60 (10 admin)	60 (10 admin)	60 (10 admin)
Allowance A	£6,276.00	£6,540.00	£8,364.00	£10,670.40	£11,131.20	£11,368.80	£11,685.60	£12,448.80	£12,945.60	£13,334.40
Allowance B	£1,569.00	£1,635.00	£2,091.00	£2,667.60	£2,782.80	£2,842.20	£2,921.40	£3,112.20	£3,236.40	£3,333.60
<b>Total Salary 100%</b>	<b>£7,845.00</b>	<b>£8,175.00</b>	<b>£10,455.00</b>	<b>£13,338.00</b>	<b>£13,914.00</b>	<b>£14,211.00</b>	<b>£14,607.00</b>	<b>£15,561.00</b>	<b>£16,182.00</b>	<b>£16,668.00</b>

70% (73.5 Hours)	Firefighter			Crew Manager		Watch Manager			Station Manager	
	Trainee	Development	Competent	Development	Competent	Development	A	B	Development	A
Hourly Rate	£10.46	£10.90	£13.94	£14.82	£15.46	£15.79	£16.23	£17.29	£17.98	£18.52
Number of Hours Paid a Month	43.75	43.75	43.75	52.5 (8.75 admin)	52.5 (8.75 admin)	52.5 (8.75 admin)	52.5 (8.75 admin)	52.5 (8.75 admin)	52.5 (8.75 admin)	52.5 (8.75 admin)
Allowance A	£5,491.50	£5,722.50	£7,318.50	£9,336.60	£9,739.80	£9,947.70	£10,224.90	£10,892.70	£11,327.40	£11,667.60
Allowance B	£1,372.88	£1,430.63	£1,829.63	£2,334.15	£2,434.95	£2,486.93	£2,556.23	£2,723.18	£2,831.85	£2,916.90
<b>Total Salary 100%</b>	<b>£6,864.38</b>	<b>£7,153.13</b>	<b>£9,148.13</b>	<b>£11,670.75</b>	<b>£12,174.75</b>	<b>£12,434.63</b>	<b>£12,781.13</b>	<b>£13,615.88</b>	<b>£14,159.25</b>	<b>£14,584.50</b>

60% (63 Hours)	Firefighter			Crew Manager		Watch Manager			Station Manager	
	Trainee	Development	Competent	Development	Competent	Development	A	B	Development	A
Hourly Rate	£10.46	£10.90	£13.94	£14.82	£15.46	£15.79	£16.23	£17.29	£17.98	£18.52
Number of Hours Paid a Month	37.5	37.5	37.5	45 (7.5 admin)	45 (7.5 admin)	45 (7.5 admin)	45 (7.5 admin)	45 (7.5 admin)	45 (7.5 admin)	45 (7.5 admin)
Allowance A	£4,707.00	£4,905.00	£6,273.00	£8,002.80	£8,348.40	£8,526.60	£8,764.20	£9,336.60	£9,709.20	£10,000.80
Allowance B	£1,176.75	£1,226.25	£1,568.25	£2,000.70	£2,087.10	£2,131.65	£2,191.05	£2,334.15	£2,427.30	£2,500.20
<b>Total Salary 100%</b>	<b>£5,883.75</b>	<b>£6,131.25</b>	<b>£7,841.25</b>	<b>£10,003.50</b>	<b>£10,435.50</b>	<b>£10,658.25</b>	<b>£10,955.25</b>	<b>£11,670.75</b>	<b>£12,136.50</b>	<b>£12,501.00</b>

50% (52.5 Hours)	Firefighter			Crew Manager		Watch Manager			Station Manager	
	Trainee	Development	Competent	Development	Competent	Development	A	B	Development	A
Hourly Rate	£10.46	£10.90	£13.94	£14.82	£15.46	£15.79	£16.23	£17.29	£17.98	£18.52
Number of Hours Paid a Month	31.25	31.25	31.25	37.5 (6.25 admin)	37.5 (6.25 admin)	37.5 (6.25 admin)	37.5 (6.25 admin)	37.5 (6.25 admin)	37.5 (6.25 admin)	37.5 (6.25 admin)
Allowance A	£3,922.50	£4,087.50	£5,227.50	£6,669.00	£6,957.00	£7,105.50	£7,303.50	£7,780.50	£8,091.00	£8,334.00
Allowance B	£980.63	£1,021.88	£1,306.88	£1,667.25	£1,739.25	£1,776.38	£1,825.88	£1,945.13	£2,022.75	£2,083.50
<b>Total Salary 100%</b>	<b>£4,903.13</b>	<b>£5,109.38</b>	<b>£6,534.38</b>	<b>£8,336.25</b>	<b>£8,696.25</b>	<b>£8,881.88</b>	<b>£9,129.38</b>	<b>£9,725.63</b>	<b>£10,113.75</b>	<b>£10,417.50</b>

40% (42 Hours)	Firefighter			Crew Manager		Watch Manager			Station Manager	
	Trainee	Development	Competent	Development	Competent	Development	A	B	Development	A
Hourly Rate	£10.46	£10.90	£13.94	£14.82	£15.46	£15.79	£16.23	£17.29	£17.98	£18.52
Number of Hours Paid a Month	25	25	25	30 (5 admin)	30 (5 admin)	30 (5 admin)	30 (5 admin)	30 (5 admin)	30 (5 admin)	30 (5 admin)
Allowance A	£3,138.00	£3,270.00	£4,182.00	£5,335.20	£5,565.60	£5,684.40	£5,842.80	£6,224.40	£6,472.80	£6,667.20
Allowance B	£784.50	£817.50	£1,045.50	£1,333.80	£1,391.40	£1,421.10	£1,460.70	£1,556.10	£1,618.20	£1,666.80
<b>Total Salary 100%</b>	<b>£3,922.50</b>	<b>£4,087.50</b>	<b>£5,227.50</b>	<b>£6,669.00</b>	<b>£6,957.00</b>	<b>£7,105.50</b>	<b>£7,303.50</b>	<b>£7,780.50</b>	<b>£8,091.00</b>	<b>£8,334.00</b>

30% (31.5 Hours)	Firefighter			Crew Manager		Watch Manager			Station Manager	
	Trainee	Development	Competent	Development	Competent	Development	A	B	Development	A
Hourly Rate	£10.46	£10.90	£13.94	£14.82	£15.46	£15.79	£16.23	£17.29	£17.98	£18.52
Number of Hours Paid a Month	18.75	18.75	18.75	22.5 (3.75 admin)	22.5 (3.75 admin)	22.5 (3.75 admin)	22.5 (3.75 admin)	22.5 (3.75 admin)	22.5 (3.75 admin)	22.5 (3.75 admin)
Allowance A	£2,353.50	£2,452.50	£3,136.50	£4,001.40	£4,174.20	£4,263.30	£4,382.10	£4,668.30	£4,854.60	£5,000.40
Allowance B	£588.38	£613.13	£784.13	£1,000.35	£1,043.55	£1,065.83	£1,095.53	£1,167.08	£1,213.65	£1,250.10
<b>Total Salary 100%</b>	<b>£2,941.88</b>	<b>£3,065.63</b>	<b>£3,920.63</b>	<b>£5,001.75</b>	<b>£5,217.75</b>	<b>£5,329.13</b>	<b>£5,477.63</b>	<b>£5,835.38</b>	<b>£6,068.25</b>	<b>£6,250.50</b>

**NJC PAY SCALES from April 2019 (GREEN BOOK STAFF)**

<b>SCP</b>	<b>1 Apr 19</b>
1	£17,364
2	£17,711
3	£18,065
4	£18,426
5	£18,795
6	£19,171
7	£19,554
8	£19,945
9	£20,344
10	£20,751
11	£21,166
12	£21,589
13	£22,021
14	£22,462
15	£22,911
16	£23,369
17	£23,836
18	£24,313
19	£24,799
20	£25,295
21	£25,801
22	£26,317
23	£26,999
24	£27,905
25	£28,785
26	£29,636
27	£30,507
28	£31,371
29	£32,029
30	£32,878
31	£33,799
32	£34,788
33	£35,934
34	£36,876
35	£37,849
36	£38,813
37	£39,782
38	£40,760
39	£41,675
40	£42,683
41	£43,662
42	£44,632
43	£45,591

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## APPENDIX 5

**Extract****Joint Negotiating Committee for Local Authority Craft & Associated Employees****CRAFT & ASSOCIATED EMPLOYEES**

Pay for craft & associated employees from the pay week including **1 April 2019** are as follows:

**Apprentice Engineers & Electricians**

Engineering and Electrical Apprentices following a recognised training course. Rate per week and rate for calculation of overtime and other premium payments from the pay week including **1 April 2016** are as follows (percentage of full time rate is denoted in brackets).

<b>Age at Entry</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>4th Year</b>
	<b>1 April 2019</b>	<b>1 April 2019</b>	<b>1 April 2019</b>	<b>1 April 2019</b>
<b>16 Yrs</b>	£198.25 (55%)	£252.32 (70%)	£324.41 (90%)	£342.43 (95%)
<b>17 Yrs</b>	£198.25 (55%)	£288.36 (80%)	£324.41 (90%)	£342.43 (95%)
<b>18 Yrs +</b>	£288.36 (80%)	£306.38 (85%)	£324.41 (90%)	£342.43 (95%)

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## APPENDIX 6

**SOUTH WALES FIRE & RESCUE AUTHORITY AUXILIARY FIREFIGHTERS****Auxiliary Firefighter pay will be made up of the following components:-**

- £1,000 per year retainer (paid in quarterly instalments of £250) for the availability of previous 3 months
- £1,000 per year for training attendance (paid in quarterly instalments of £250) for the attendance and compliance with training requirements
- £250 per year enhancement for LGV drivers (to include a one day per year EDRT)

Therefore (subject to availability in meeting retainer requirements and attendance on quarterly training):

- An Auxiliary Firefighter will receive £2,000 per annum
- An Auxiliary Firefighter that is also a EDRT (LGV response driver) will receive £2,250 per annum
- An Auxiliary who is only EDRT (LGV Response driver) will receive £1,250 per annum

Additionally, WDS and RDS personnel of all ranks (up to and including Area Manager) are also able to apply for a “Resilience Contract”. The salary will be between £2,000 and £3,250, depending on skill sets.

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AGENDA ITEM NO 8

**RESOLUTION TO RETURN MEETING TO PUBLIC SESSION**

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AGENDA ITEM NO 9

**Reports for Decision**

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**SOUTH WALES FIRE & RESCUE AUTHORITY**

AGENDA ITEM NO 9.i

11 FEBRUARY 2019

## REPORT OF THE TREASURER

**STATEMENT OF ACCOUNTS 2017/18****SUMMARY**

The Appointed Auditor is required to give his opinion on the financial statements for the year ended 31 March 2018. This report considers the final statement of accounts.

**RECOMMENDATIONS**

That Members note the amended audited Statement of Accounts. (provided electronically)

**1. BACKGROUND**

- 1.1 The Treasurer to the South Wales Fire & Rescue Authority is responsible for the preparation of the statutory financial statements and information contained within the annual Statement of Account according to accepted accounting practices.
- 1.2 The Auditor General is also required to give an opinion on whether the financial statements of the Authority and the Fire Fighters Pension Fund Account give a true and fair view of the financial position as at 31 March 2018, and its income and expenditure for the year then ended.

**2. ISSUE**

- 2.1 The Treasurer approved the draft Statement of Accounts for 2017/18 on 30 June 2018, and these have been subject of the external audit process.
- 2.2 The audit has now been completed by the Wales Audit Office (WAO) as the appointed auditors and the accounts have been updated to reflect the audit opinion following the report covered in the previous agenda item.
- 2.3 The amended final audited statement of accounts will be re-published on the Authority's website following Fire and Rescue Authority approval and Chair, Treasurer and Auditor endorsement.
- 2.4 The overall opinion of the external auditor is regarded as favourable and references the improvements that have been made.

### 3. FINANCIAL IMPLICATIONS

- 3.1 Whilst there have been changes made to the financial statements, these do not affect the overall financial position of the Fire & Rescue Authority and as a result there are no financial implications arising directly from this report.

### 4. RECOMMENDATIONS

- 4.1 That Members note the amended audited Statement of Accounts. (provided electronically).

<b>Contact Officer:</b>	<b>Background Papers:</b>
Geraint Thomas Head of Finance & Procurement	Statement of Accounts 2017-18 WAO ISA260 Report Report of the Auditor General to the South Wales Fire & Authority Letter of Representation



AGENDA ITEM NO 10

**Reports for Information**

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**SOUTH WALES FIRE & RESCUE AUTHORITY**AGENDA ITEM NO 10.i  
11 FEBRUARY 2019

## REPORT OF THE DEPUTY CHIEF OFFICER

**SUMMARY OF THE NATIONAL ISSUES COMMITTEE MEETING****SUMMARY**

This report outlines the key issues discussed at the National Issues Committee meeting of 25 September 2018.

**RECOMMENDATION**

That Members note the content of the report.

**1. BACKGROUND**

- 1.1 As Members will be aware, the National Issues Committee was established in order to progress greater collaboration between the three Fire & Rescue Services and Authorities within Wales where benefits, improvements or efficiencies in service provision could be secured.
- 1.2 The Committee last met on 25 September 2018 to consider a number of reports, a summary of which follow below.

**2. NATIONAL ARRANGEMENTS FOR FIRE CONTROL**

- 2.1 Members considered a paper that provided an update on the progress of the Joint Fire Control (Mid & West Wales Fire & Rescue Service and South Wales Fire & Rescue Service) and the North Wales Fire & Rescue Service Control Rooms projects.
- 2.2 The report updated Members on the Southern Joint Fire Control Project which went live on 11 October 2017, and some of the key operational issues that the Joint Fire Control had experienced during its first year of operation. These included snow and adverse weather conditions during the early months of the merger and challenging periods during the hot summer months from protracted grass fires. Members were advised that the few residual issues left to be resolved on the Command and Control software systems were being addressed by the supplier, yet as the issues were minor they were within the accepted tolerance levels for a project of this size and scope.
- 2.3 Members also received updates on staff welfare to resolve outstanding staff concerns following the change.
- 2.4 Following the successful implementation of the project, a debrief was undertaken so that the learning outcomes from the merger project could

be captured and used to inform and shape future policies and practice. The benefits of the co-location of the Fire and Police Control Rooms were highlighted and examples provided of benefits already derived from the greater collaborative working, which included information sharing at operational incidents enabling the service provided to the communities to be enhanced and risk reduced to both the public and frontline operational staff.

- 2.5 Members were also briefed on the secondary go-live date scheduled for the first quarter of 2019 which would implement Command and Control system software updates and their interface with a number of ancillary software systems.
- 2.6 In relation to the North Wales Fire & Rescue Service Control Room, Members were updated on the new software system introduced into the Control Room which has been operational for nearly 18 months.

### **3. FITNESS, HEALTH & WELLBEING**

- 3.1 The report highlighted the implementation of the MIND Blue Light Programme across the three Welsh Fire & Rescue Services which raised awareness of mental health problems within the workplace, and challenges mental health stigma. In addition, Services have each undertaken various health and wellbeing days and events to promote various health topics across their workforce.

### **4. ALL-WALES STRUCTURAL FIRE KIT**

- 4.1 The report provided Members with an update on the All-Wales Structural Fire Kit Procurement Project which detailed the work undertaken in researching the range of modern structural firefighting personal protective equipment available on the market, together with an in-depth examination of the component layers, fabrics and generic construction of the kit and how this offers solutions to the current aging structural firefighting personal protective equipment currently worn by firefighters. The working group established to progress with the procurement was considering innovative solutions to weight, breathability, moisture management, flexibility and comfort of the kit, whilst maintaining a high level of thermal protection but lowering the risk of heat stress.
- 4.2 As a consequence, the proposal put forward to the National Issues Committee recommended that the three Welsh Services run their own joint procurement process with an emphasis on extensive end-user engagement to inform the chosen supplier. Members of the National Issues Committee agreed to this proposed course of action with the project team to take note of the experiences of other Fire & Rescue Services who

have fallen foul of legal challenges to their procurement processes by unsuccessful tenderers for the supply of structural fire kit. Every precaution will be built into the procurement process to avoid such a scenario happening for the three Welsh Services.

## **5. FINANCIAL SAVINGS ON ALL-WALES BREATHING APPARATUS PROCUREMENT**

The final report updated Members on the financial savings that had been achieved by the All-Wales procurement of the new breathing apparatus equipment for each of the three Services. It was estimated that the financial savings identified to date totals £139,157. This figure was broken down in the report into the detailed savings on the equipment costs for the breathing apparatus sets for each of the three Services. The savings on the total Care package and pool-stock required, together with the savings on the tripods where an alternative supplier was secured, enabled significant savings to be made on this element of the equipment.

## **6. RECOMMENDATION**

6.1 That Members note the content of the report.

<b>Contact Officer:</b>	<b>Background Papers:</b>
Sally Chapman Deputy Chief Officer	Reports to the NIC Meeting – 25 September 2018.

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**SOUTH WALES FIRE & RESCUE AUTHORITY**

AGENDA ITEM NO 10.ii  
11 FEBRUARY 2019

## REPORT OF THE DEPUTY CHIEF OFFICER

**WELSH GOVERNMENT WHITE PAPER - REFORM OF THE FIRE AND RESCUE AUTHORITIES IN WALES****SUMMARY**

This report advises Members of the consultation responses submitted by the South Wales Fire and Rescue Authority (SWFRA) and the South Wales Fire and Rescue Service (SWFRS) in relation to the consultation.

**RECOMMENDATION**

That Members note the content of the SWFRA and SWFRS responses to the Welsh Government White Paper – Reform of the Fire and Rescue Authorities in Wales.

**1. SUMMARY**

- 1.1 This report details SWFRA and the SWFRS responses to the Welsh Government's recent White Paper on the Reform of Fire and Rescue Authorities in Wales that has been collated following weekly meetings of the Working Group of Members set up to consider the consultation. The SWFRA response is detailed at appendix 1 for Members' information,
- 1.2 Also attached to this report at appendix 2 is the SWFRS response to the consultation for Members' information.

**2. RECOMMENDATION**

- 2.1 That Members note the content of the SWFRA and SWFRS responses to the Welsh Government White Paper – Reform of the Fire and Rescue Authorities in Wales.

<b>Contact Officer:</b>	<b>Background Papers:</b>
Sally Chapman Deputy Chief Officer	SWFRA and SWFRS responses (Appendix 1 and 2)

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**APPENDIX 1****Consultation Response Form**

Name: South Wales Fire & Rescue Authority

Organisation: SWFRA

Email/Telephone: Tel 01443 232005

Address: c/o SWFRS HQ, Fforest View Business Park, Llantrisant, Rhondda Cynon Taf, CF72 8LX

**Question 1: Do you agree the objectives for reform are appropriate and important?**

The FRA are of the opinion that reform of the Authority is unnecessary as it considers that the FRA already meets the objectives stated within the paper and will continue to do so provided there are not fewer members appointed to SWFRA. The current model supports good democratic representation of the communities within each unitary authority area.

The FRA is always open to opportunities to improve the FRS but most importantly enhance the service provided to the communities of South Wales

It is questionable whether some of the identified objectives are the most important issues facing the service today and in the foreseeable future – some key issues that could have a major impact on the Authorities ability to continue to deliver an effective and diverse service are outside of the FRA control. For example:

- The continued and ongoing risk of industrial action through a live pension dispute involving national government both in Wales and at UK level
- The inability to secure greater diversification of role pending resolution at National Joint Council level (at which the affected FRAs have no seat) or Welsh Government level (as per Scotland)
- The operational and financial risks posed by the significant delay of the National Airwave project (now scheduled for 2022, but still not set in stone) where current resources are at end of life
- Terrorist response
- Uncertainty of public sector funding and other issues following Brexit

The Authority welcomes and promotes clear and effective leadership of, and accountability for the development and delivery of fire and rescue services. However, it is suggested that some of the shortcomings identified within the White Paper in relation to FRA members are not based in fact and would equally apply to all other tiers of local and national government.

The FRA consider that they have met the challenges facing them head on by effective leadership, scrutiny and decision making. Key decisions have been taken following extensive scrutiny and public consultation on a variety of issues to ensure the FRS is as efficient, effective and responsive as it needs to be in today's society. These decisions have included closing four fire and rescue stations (Bargoed; Cefn Fforest; Porth; and Blaina) with resultant redundancies of firefighters; the removal of 2nd appliances at stations where required; the reduction in very expensive and specialist appliances where a more efficient method has been identified; changes to the crewing arrangements on stations resulting in a reduction of 40 firefighter posts without affecting front line service delivery; the amalgamation of stations from two to one where appropriate (Bargoed and Cefn Fforest to Aberbargoed; Porthcawl and Kenfig Hill to South Cornelly (subject to a suitable site being found); and Treharris and Abercynon to the A472 between Treharris and Nelson (subject to a suitable site being found); the amalgamation of control rooms with an adjoining FRS and one of our Police partners; the provision of some specialist services on an all Wales basis to name a few. All of these decisions and changes have been successfully implemented without industrial unrest in a sector that is highly unionised and in some instances following personal threats against Members of the FRA. During such challenges, the Authority has continued to deliver an efficient, effective and reliable service to the communities of South Wales.

Despite assertions to the contrary in the White Paper, existing members of the FRA do remain accountable to their home authorities over the manner in which they discharge their role and if authorities are dissatisfied with the way in which the FRA is being led, can change their nominated member(s) at any time to reflect this. They are also accountable to the electorate through the annual reports they prepare, which includes their role as a FRA member.

The disqualification criteria for standing for election for any publicly elected role are set out clearly in statute. There is no differentiation for those that take on more senior leadership roles within the public body and no requirement for specific skills or experience, presumably reinforcing our democratic process of our public leaders reflecting the society we live in. Unless or until there are qualification criteria for election to any public member role (Community Council, LA, AMs, MPs, MEPs) there is no guarantee that an individual appointed to a specific role would have the skills and competencies to discharge that role. It is suggested that with structured training programmes for elected members, any concerns could be addressed in the same manner as they are in other democratically elected appointments. It is queried why Fire and Rescue Authority Members are being singled out for different treatment than other members elected into public office.

Linked to this, the FRA supports through its effective strategic leadership, sustained and effective collaboration. There is a very long history of leading and delivering against this already with both emergency service partners, other public sector bodies and the third sector. However, given the development of PSBs, the NRFs and other mechanisms

already in existence, it is queried why a cabinet member would be in a better position to facilitate this.

The FRA strongly supports the desire to secure sustainable funding mechanisms to reflect the more diverse role that the FRS could deliver against and would welcome these issues being addressed as a matter of urgency. However, this is likely to require Welsh Government adopting a separate pay and funding settlement (as per Scotland) to achieve this if UK level negotiations are not appropriately concluded swiftly – these issues are currently outside of the control of the FRA.

In relation to FRA numbers, the current legal constraints dictate a maximum of 24 members which SWFRA has adhered to and it is suggested that the current mechanisms could already reduce the headcount of FRAs in Wales if strictly adhered to.

The Authority strongly supports the wish to avoid any adverse changes to front line operations or resources. However, whilst very laudable and highly desirable, it is the Authorities opinion that this is not achievable through some of the solutions proposed – budget mechanisms that allow final decisions to be taken outside of the FRA legal entity could very likely cause changes (potentially significant changes) to front line service delivery and resources to the detriment of the communities we serve. They also raise some interesting legal and liability implications should levels of funding prove insufficient or result in adverse consequences.

**Question 2: Are there other objectives that the reform programme should pursue?**

Please see suggestions detailed in the response to Question 1 above. In addition, it is queried that if, as is mentioned, the cost of the Fire and Rescue Service is in issue, some simple efficiencies could be generated by strict compliance to the existing Combination Orders on the number of FRA Members.

Members of the FRA undergo comprehensive and detailed training following their appointment, which is refreshed annually with all members. In addition, a structured programme is in place for the most technical aspects of their work, such as Pensions, to ensure that the statutory requirements on understanding and knowledge of the relevant schemes and the members role is properly understood.

Other bespoke training is scheduled as appropriate, often following Authority or committee meetings. Topics have included the preventative agenda; high rise and fire safety enforcement; risk modelling for fire and rescue resources; audit and governance training; treasury management; contingency planning; preparedness for industrial action; major events planning and preparedness; grassfires; data protection; and diversification of the service. In addition, FRA members also attend bespoke FRA training provided by the Local Government Association in England in relation to areas such as being an effective Chair and Deputy Chair of a FRA and Equality and Diversity

training for FRAs. Systems are also in place to keep FRA members updated on key issues or incidents in relation to their LA area or affecting the FRA as a whole. This includes incidents resulting in a fatality; large or significant impact incidents; industrial action and resilience plans; business continuity for major events (such as major sporting or political events held in the South Wales area; and key press issues.

**Question 3: Do you agree that FRAs should remain as separate and distinct entities, with the same boundaries as now?**

It is agreed that the FRA should remain as distinct and separate legal entities. This is a situation that currently works extremely well and should continue.

The statutory responsibilities under relevant legislation sit with the FRA. Unless there is an immediate desire to change the legislation, it is essential that FRAs remain a distinct legal entity.

The White Paper does appear to rule out the option of a consideration on the number and/or boundaries of the three FRAs in Wales. However, it was noted that when the paper was debated in plenary session on 13<sup>th</sup> November, in response to a question from Mike Hedges AM, the then Minister, Alun Davies AM appeared to bring the issue back in scope if arguments were persuasive.

There has been much debate over the years around the appropriate number and geographic boundaries for much of the public sector in Wales. This creates huge amounts of uncertainty and anxiety for the staff affected in these organisations and the communities they serve. This is therefore an issue that requires definitive clarification as a matter of urgency.

**Question 4: Do you agree that transferring control of fire and rescue services to Police and Crime Commissioners or local authorities would not be appropriate?**

It is agreed that transferring control of the FRS to PCCs would be inappropriate. Policing is not a devolved function within Wales and therefore having control of the Service (a devolved function) through a non-devolved body is inappropriate. Different priorities and responsibilities in the two distinct functions do not sit neatly together. It would also prove highly complex for South Wales, being spread over two police boundaries.

The FRA has very different and complex functions to the police, but appreciate the need to collaborate with them on a number of issues, which it successfully does at a regional and national level. Further, the FRA has worked tirelessly to secure its current branding and trusted reputation. It is suggested that this could be severely compromised in the community were the PCC to take control of FRAs due to the very different relationships the police have with the community.

Indeed, this was the same arguments the then Minister, Leighton Andrews AM, had when opposing such proposals in Wales. He firmly stated that any such change in Wales could damage the work of the FRA here and jeopardise the trust the public have in them. He went on to say, "It is clearly important for FRAs to collaborate closely with the police on many matters. However, the excellent programmes the FRAs run to divert people away from fire-related crime depend on the trust and respect firefighters have in all sections of the community. In Wales, we have very low re-offending rates among participants on such programmes. If FRAs were seen as just an adjunct to the police, this could easily be jeopardised." (Source BBC News 21 December 2015)

It is also agreed that it would be inappropriate to transfer control of FRSs to local authorities. The FRAs in Wales currently operate well at a regional and often national level through its National Issues Committee. Disaggregation of the FRA to 10 constituent LAs in South Wales would create a far less efficient and effective service provision. Overheads would be significantly increased, duplication would become common place and service delivery in different areas of South Wales could become a postcode lottery.

It would also prove highly ineffective in terms of resilience both locally and nationally. Fire risk modelling would prove inordinately complex as there would be no control over adjoining fire cover and during spate conditions, mutual aid could test local authority relationships to the extreme. Specialist vehicle and/or skills deployment could not work effectively on such a small scale and business continuity arrangements would also prove costly at such a small scale.

**Question 5: Do you agree that there are legitimate but limited national interests in the Service that need to be reflected in its governance arrangements?**

It is correct that there are a variety of national and indeed international interests that need to be considered as part of any proposal for reform. Many specialist services are delivered through regions larger than the relevant FRA. These services are also part of a much bigger UK picture of national resilience and cannot be compromised. In addition, mutual aid arrangements take into account the bigger national picture. It should be noted however that these mutual aid arrangements may not be feasible for any new areas of work sought to be achieved through diversification of the role in Wales unless similar diversification and requisite training arrangements are in place in England.

**Question 6: Do you agree that local authorities should continue to nominate FRA members?**

It is agreed that Local authorities should continue to nominate FRA members. Maintaining local level leadership of FRAs in Wales is appropriate. Risk is peculiar to local areas and local need, and to remove leadership away from such roots would be inappropriate. This process of nomination also enhances the local connections the

FRA's have with the local communities that they serve, leading to enhanced understanding of need and local issues.

**Question 7: Do you agree that local authorities should nominate one FRA member each, drawn from their cabinets?**

This is not agreed and in fact, strongly opposed. This proposal is inequitable and could lead to detrimental impacts upon the FRA for a number of reasons.

In the first instance, it is suggested that it would not be fair and equitable for LAs to nominate just one member. This would lead to the situation that for authorities that pay a greater proportion of the FRA budget by reason of their population, having a disproportionate say in its determination. For example Cardiff currently pays just over 1/5 of the total FRA budget, but would only have 1/10 of the voting influence on such decisions. This cannot be fair or equitable.

It is also questioned why the member needs to be drawn from a LA cabinet, as it is not considered that such a position would facilitate greater collaboration as suggested in the paper, given the mechanisms already in place for key partners; most notably a statutory seat at Public Service Boards, Community Safety Partnerships, Local Resilience Forums, the Joint Emergency Services Group, National Fire Chiefs Council and relevant committees, National Issues Committee, Tri Service Intelligence Hub and various voluntary and third sector partnership meetings such as the Princes Trust.

Drawing membership from cabinet members would also not guarantee any greater level of competency of that member as already described in the response given to question 1 above. Indeed, at all tiers of public governance, all members are initially elected as "backbench" councilors, until some are appointed by their peers to a more senior position. Indeed, South Wales FRA is comprised of many members with more senior responsibilities in their home LA – this includes many chairs of committees and scrutiny committees and until very recently, cabinet members, who were forced to resign due to the workload of their cabinet post and their inability to undertake both roles.

It is also considered, taking into account the comments of the Independent Remuneration Panel that it would not be possible to appoint from within the existing LA cabinet member cohort, as it is noted that they are salaried based on a 40 hour week. The Panel received considerable evidence that cabinet members were struggling already to cope with existing workloads. Therefore, if additional cabinet members were required to be appointed, such an approach would immediately contradict one of the arguments for reform detailed in chapter 1, by costing the public purse considerably more.

The current costs of FRA salaries (excluding travel) in South Wales is £62,520 (using 2019/20 costs contained within the Independent Remuneration Panel 2018 Report as basis). If the FRA were changed to just 10 LA executive members, in the first place

there would need to be an assessment of the appropriate banding in serving a population of approximately 1.6m. Even taking the existing banding schedules detailed by the Independent Remuneration Panel, the costs of 10 members would be around £288,000 (based on Band C – up to 100,000 population) and £352,000 (based on Band A – up to 200,000 population). These costs assume one chairperson and nine other executive members.

Of course, in view of the population and geographic area being covered, there is the potential that alternative salaries would be appropriate. Certainly, the health boards could be a more appropriate comparator, where recently one of the unelected vice chair position was advertised for £56,316 (Aneurin Bevan Health Board). Added to this would then be the costs of any non- executive positions proposed, which are currently undetermined.

This would be a substantial increase in the cost of running the FRA; greater than the costs of keeping one retained duty station open each year. Given the annual budgets of each of the FRSs in Wales, and the assertion within the White Paper that any new governance structure should reflect the fact that fire only accounts for 1% of public spend, this would appear to be wholly disproportionate when compared to other public sector bodies and substantially more expensive.

In addition, if it was proposed that such additional Cabinet salaries should be funded from within the Local Authorities, it should be noted that several Councils have already reduced their Cabinet size purely to achieve financial savings. As highlighted above, the financial savings accruing from removing the existing structures only amount to £62,500 across the 10 LAs (£6,250 per LA) – a single Band A Cabinet Member costs circa £32,000.

It is also considered that the appointment of a cabinet member would not necessarily add anything to the ability of the member to scrutinise. Indeed, it could be argued that “backbench” councillors are provided with considerable training on effective scrutiny, and are therefore in a better position to undertake this role.

Appointing from the Cabinet would change the political make-up of the FRA, as the cabinet members would come from the ruling group in each Local Authority. Currently, membership is appointed to based on the political balance within each LA. This could detract from the more diverse political representation that currently exists, where FRA Members are broadly representative of the political balance of the area. In addition, it could detract from effective scrutiny as the broad range of views currently harnessed through the existing system would be lost.

Added to this, appointment of Cabinet members is likely to detract from the diversity of the FRA, thereby potentially compromising scrutiny. Currently, the FRA is comprised of a third women, an eighth from minority ethnic groups and a high proportion of younger members. The members come from a diverse range of backgrounds with a wide variety of professionals and business leaders, bringing a large array of skills and experience to

the role. Conversely, within South Wales, whilst the gender balance across LA Cabinets is positive, the ethnic minority breakdown is significantly worse, comprising only about 1.25% of all cabinet members. In addition, the age breakdown of Cabinet members is also not as diverse, with very few cabinet members falling into the younger age brackets. This has the potential to reduce the diversity of opinions, challenge and scrutiny of decision making.

Issues of quorum and conflict of interest could also be a factor with so few members, especially when considered in the light of the number of meetings individuals would be required to attend and the restrictions on appointment to specific roles. For example, a pensions board is required by statute. There must also be an equal number of members to trade union representatives (which in the case of South Wales is currently 4 operational trade unions) and the members of the pensions board cannot also sit on the Strategic Advisory Board at WG. For a FRA that only has 6 members (as is proposed for Mid and West and North Wales FRA), this could cause a huge issue on membership and/or conflict of interest and/or quorum. It is considered that effective scrutiny will not be able to take place on some of these issues due to conflict.

Finally, it is considered that the ability of a single FRA member to be able to effectively represent a large unitary area with high population levels on their own would result in less effective representation, especially when key service delivery issues were being considered. To have the same member representation for our smallest council representing a population of 59,000 to our largest representing a population of 367,000 would inevitably mean a member's ability to spend quality time with constituents is compromised for the larger authorities.

**Question 8: Do you believe any changes are needed to the law on the size and remuneration of council cabinets, to allow their members also to serve on FRAs?**

This is a matter for WG, but it is noted that in the most recent draft of the IRP report for 2019/20, the IRP again concluded that the executive members should be considered as working the equivalent of full time (upto 40 hours per week) but not necessarily 9am-5pm. However, they go on to say that discussions with members and officers have indicated that executive member workloads have increased. In the light of this it would therefore be essential to ensure there was an adequate time commitment to allow them to effectively discharge the role.

The cost implications of this, as detailed within the response to question 7 should not be underestimated, as this would result in significant additional costs being imposed on respective constituent authorities.

**Question 9: Do you agree that FRAs should also have non-executive members?**

This is not agreed. In the majority of other public sector bodies, the member's role is to provide the strategic leadership and direction, scrutiny, governance and overview. They are assisted by professionally qualified officers who are there to provide specialist



advice as and when required. There is also no limitation on current FRAs to co-opt a member in for a specific issue or obtain external specialist advice if none is available through officers, which has on appropriate occasions been utilised.

Current FRA members come from a wide range of professional disciplines and have diverse business and public sector backgrounds, leading to effective governance and scrutiny precisely because of those experiences. The public hold these individuals to account at the ballot box, which would not occur for non-executive members. It is also questioned whether their rationale for undertaking the role would be influenced by financial reward rather than a desire to deliver effective public services for minimal reward – it should be noted that the basic take home salary for a basic FRA member is less than £115 a month.

This current system of not appointing non-executive members is a system that works well in both local authorities, Welsh Government and the UK Parliament. Indeed, there have been several instances where specialist advice has been sought and received by the FRA from people or bodies outside of the FRS when required. This is a situation that should remain and continue.

**Question 10: Who should appoint non-executive members of FRAs?**

It is not considered that non-executive members should be appointed. However, if this option were to be pursued (given the response in question 9 above), it would be the FRA that should appoint as they are the body that would have the detailed knowledge of any specialist skills gaps that may exist on the Authority. It is considered that Welsh Government would not be privy to such detailed information and therefore it would be wholly inappropriate for them to appoint.

There would also be an issue with the term of such appointment. As previously highlighted, LAs can change their nomination to the FRA at any time and for any reason, including dissatisfaction with the current governance and policy direction of the FRA, a change in political balance at the home LA, the need for the member to exercise other functions at their home LA which would not be compatible with them continuing their FRA role – these are just a few example. Therefore, any skills gap in the FRA could change quite regularly, requiring a change in non-executive members.

Finally, it is questioned who such non-executive members would be accountable to? If democratically elected councillors are considered unaccountable, then appointees would appear to be even less accountable, thereby not addressing this area of concern highlighted within the case for reform.

**Question 11: Do you agree that, in the longer term, responsibility for the service should vest in a statutory Chief Fire Officer, with FRAs fulfilling a scrutiny and oversight role? If so, would that require any change to membership arrangements?**

This proposal is strongly opposed. In all other comparable devolved public sectors, it is the Authority / Board / Government that has the statutory responsibility to deliver and/or plan, to agree budgets and to ensure sufficient challenge and scrutiny. This is then delivered through officers. Serious concerns are raised about vesting all of the powers and responsibility for delivery in one individual, especially if they do not also have control over the budget they require to discharge their statutory requirements.

This remains the case for Councils, where responsibility for provision of services rests with the Council and final budget determinations are also made by them through their ability to increase their funding levels through local taxation. It is queried why Welsh Government is seeking to change this tried and tested method of administration.

Indeed, such a proposal would create an artificial split between the policy and operational functions, as has happened in the police, a change that is considered not to be beneficial to the communities they serve.

Finally, any move to create a single statutory officer who retains all of the responsibility for service provision means that the arguments for reform in chapter one of the White Paper are being contradicted. Officers are appointed on permanent contracts and have no accountability to the electorate. Whilst they would be subject to scrutiny by a FRA, their removal from post could only be secured for reasons set out in employment legislation. This would result in less accountability than currently exists with the current FRA governance, where LAs and/or the electorate can remove the member from office.

**Question 12: Do you have any other proposals for how to reform FRA governance which meet the criteria in Chapters 1 and 2?**

This Authority considers that the case for reform has not been made and therefore it would be inappropriate to propose solutions without a full understanding of the outcomes to be achieved.

It is unclear what aspects of governance are ineffective. Performance of the service is noted in the White Paper as of a very high standard and powers in relation to funding etc. have been utilized responsibly. Various audits have scrutinised and challenged both policy and financial decisions and have considered the extent of consultations on key policy decisions. The Independent Remuneration Panel has also stated in its most recent report (in relation to FRAs) that “The Chair has a leadership and influencing role in the authority, and a high level of accountability especially when controversial issues relating to the emergency service arise”. They go on to highlight that “there is a strong training ethos in FRAs. Members are expected to participate in training and development”. (Source: para 8.5 draft Independent Remuneration Panel Report February 2019). Further clarification is therefore sought from WG on their concerns in the light of the evidence presented in the FRAs responses to these issues, as this suggests that the current system is working effectively, and the old adage “if it’s not broken, don’t fix it” springs to mind.

**Question 13: Do you agree that FRAs and local authorities should agree the level of FRA funding each year, with a reserve arbitration power for the Welsh Ministers?**

This is not agreed and strongly opposed. South Wales FRA takes its budget setting powers very seriously, and it is pleased that the White Paper acknowledges that such powers have been exercised responsibly. As such, it is therefore questioned why any reform proposals are required.

Every year the FRA consults with all of its constituent authorities and reports in full the responses it receives in full to the FRA. Indeed, until relatively recently, we attempted to undertake budget consultation meetings with our constituent councils which were more often than not unattended by our constituent councils. This was partly because of the information provided by the FRA Treasurer during the budget formulation process. The proposals are therefore strongly opposed for several reasons.

In the first instance, the position of the Minister determining the FRA budget if agreement cannot be reached (rather than arbitrating as stated in the question – report para 4.6) results in the position where there is absolutely no incentive for individual local authorities to agree. It is stated that the Minister would not determine a figure any higher than the budget requested but could set one lower. Authorities would have nothing to lose in exercising this default position and everything to gain.

Given the legal timelines for FRA and LA budget setting, the Minister would be faced with making a determination within a few weeks in order to meet LA budget setting deadlines. This is considered insufficient time to fully understand the proposed budget and the parties' arguments with respect to this (up to 11 parties – 10 LAs and 1 FRA). It is noted that no appeal mechanism is proposed.

This scenario could also raise the potential of future less scrupulous FRAs detailing a budget for discussion in excess of requirements to ensure that they ultimately received a budget in line with what they actually required to deliver the service.

Another reason for such strong opposition is that the default power would result in the position of a Minister determining the budget for a service which they have no statutory responsibility to deliver. What would happen if the FRA overspent as a consequence of being awarded a budget less than that required to deliver the service? Would Welsh Government meet the overspend as they do for health or would LAs be expected to fund this nearing year end when they would likely be struggling themselves financially?

Additionally, who would be responsible if there was a service delivery failure specifically attributable to a budget reduction determined by a Minister? This does become a real possibility given the specific breakdown of a FRA budget. Over 80% of all costs are staff costs. Of the remaining 20%, many are fixed costs such as capital charges, rates, fuel,

appliances and vehicles, personal protective equipment, insurance etc. Therefore, any budget reductions are more than likely going to impact upon staff numbers (especially given budget settlement timelines) and ultimately front line service delivery.

The proposals also do not appear to address one of Welsh Government's stated concerns in relation to health work being subsidised by LAs. These proposals make no mention of funding coming anywhere other than from LAs. It is suggested that if the diversification of the role of the firefighter is to be seriously pursued (as supported by the FRA), then securing the additional funding from within health budgets would seem wholly appropriate and needs to be addressed.

The proposals do not promote the principles of the Wellbeing of Future Generations Act and the move to longer term planning and considerations. FRAs would have little or no control over their annual budgets and this would render longer term financial planning almost impossible.

Finally, another area of concern expressed in the White Paper is that the local authority members are not directly accountable to their electorate or their home authority. The proposals outlined do not appear to increase this accountability for budget or performance. As LA appointed members, they remain only appointed to the FRA by virtue of their LA membership.

To resolve this and several other issues, the FRA would suggest maintenance of the current position until legislation can be introduced to allow FRAs in Wales to precept. This would then address all issues concerned with transparency, openness, scrutiny and accountability in one measure. FRAs would be required to publicly detail to the electorate how the budget was arrived at and what the community receives as a consequence. Welsh Government would also gain a level of control through capping provisions in the same way as LA capping is exercised.

It is not accepted that precepting by FRAs would prove a burden, challenge or significant cost. LA systems already exist for billing council tax on behalf of multiple precepting authorities (community councils and the PCC). Save for the appropriate notifications of council tax bases and precepts and any minor amendments to ICT systems and bills, the FRA believes that the addition of a further precept mirroring arrangements already in place should not prove complex at all.

The White Paper suggests that the process of moving to an FRA precept would be practically difficult because any increase in council tax arising from an FRA precept may not be offset due to a refusal by LAs to implement commensurate and proportional reductions in their bills. This implies that LA budget decisions are at best self-serving. If this is the measure of the trust in the financial governance and decision making within LAs, the FRA would be rightly concerned with any suggestion that LAs are best placed to play a balanced role in determining FRA budgets.

**Question 14: Do you agree that, in the longer term, FRAs should have powers to set a council tax precept, with the balance of their funding from Welsh Government grants?**

Yes, this is agreed and strongly supported. For the reasons detailed within question 13 above, the FRA consider that should change be required, the only sensible and pragmatic way forward would be to progress straight to precepting. This is the only method that addresses the areas of concern detailed with the white paper. The time taken to progress the relevant legislation should not mean that a wholly unsatisfactory interim solution should be implemented as per question 13. The status quo should remain whilst legislation is progressed at the earliest opportunity.

It is considered that the retention of grants for the current areas of award and any further new duties or national initiatives / contracts placed upon the FRA should continue

**Question 15: Do you have any other proposals for how to reform FRA funding which meet the criteria in Chapters 1 and 2?**

Please refer to the response at questions 13 and 14

**Question 16: Do you agree that the performance management system for FRAs should be grounded in the National Framework for Fire and Rescue Services?**

It is agreed that the current performance management arrangements require reform as currently some of the key measures of success of performance are actually measuring other devolved body performance and measuring the wrong thing.

The FRA would support the removal of the Local Government Measure requirements for the FRA, as these only serve to confuse and complicate reporting processes. The FRA believe that any new system should be grounded in not just the National Framework for Wales, but also the legislative requirements placed upon the FRA.

The metrics utilized need to be more meaningful in terms of outcomes to the community and what the information collected / measured is being used for. For example, the current measure of fires confined to room of origin supports improved performance if the fire is contained to the room, regardless of the outcome for the individual. It cannot be right that an indicator is perceived to be good performance if fires are contained, yet the individual dies or is injured.

Metrics should be developed that influence behaviours and enhance the safety of the community and our firefighters. The FRA supports that this may include metrics that require considerably greater qualitative information than quantitative information and have no opposition to the inclusion of the National Framework in performance metrics.

However, the FRA does consider that the proposals have missed an opportunity to join up the performance reporting of devolved functions is a more effective way to encourage changed behaviours and create efficiencies. For example, the current metric around the number of AFAs attended (false alarms) measures the number of incidents of this the FRS attends. This is actually a measure of how property owners are managing their alarm systems. It is common knowledge, supported by data, that health and education are the two primary offenders for AFAs yet there is no proposal to join up performance management across devolved sectors to encourage more effective and efficient service delivery, both for the FRA and the other functions who loose considerable down time due to these occurrences. The performance framework for other devolved functions could also be aligned in the area of collaboration, as of course collaboration can only work effectively between two or more willing partners. The FRA would strongly advocate that this issue needs to be considered in any review of performance frameworks.

**Question 17: Do you agree with the need for such a system to give FRAs flexibility on planning and reporting cycles, and on the sources of information about performance that they use?**

This is agreed. The current systems are not joined up and have become inordinately bureaucratic for no apparent reason. It is necessary for all planning and reporting cycles to be aligned, not only just in relation to performance, but also for other legislative areas where plans and update reports are required (for example, Wellbeing and Future Generations objectives and reporting; Equality Plans; Environment Act 2016 plans etc.).

**Question 18: Do you agree that the Welsh Ministers should retain their duty to report to the Assembly about delivery of the Framework, and their powers of intervention?**

It is accepted that the Minister should retain responsibility for Fire and therefore it is a matter for WG on their own internal reporting processes. However, it is suggested that the Ministers Independent Fire and Rescue Advisor would have an instrumental role in reporting to and advising the Minister in this regard, through their role in working closely with the FRS. The FRA would also support the formalization of appropriate procedures to ensure FRAs and FRSs report in on delivery of the Framework, as in recent years, such report has been prepared with little or no reporting on progress by these bodies to WG officials.

It would also be appropriate for arrangements to be put in place were the Minister to retain and exercise default powers to determine a FRA budget, especially if reductions were imposed that would ultimately impact upon resources available to deliver against the Framework priorities. In the interests of fairness, it would be appropriate for the respective FRA / FRS to be able to respond to any concerns.

**Question 19: We would like to know your views on the effects that the policy proposals would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

It is considered the proposals are not likely to hinder or promote the ability of the community to use the Welsh language, as the same Welsh Language Standards would be in operation. They do however have the potential for a reduced percentage of Welsh speakers to be members of the FRA.

**Question 20: Please also explain how you believe the policy proposals could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

By reducing the number of proposed FRA members, there is the potential that the number of Welsh speakers on the FRA is also reduced, potentially disproportionately. For all of the reasons already outlined in the responses to earlier questions, it is not considered that reducing the number of FRA members is the correct solution to the perceived concerns with the FRA. Retaining numbers would reduce this risk.

**Question 21: We have asked a number of specific questions about FRA governance, finance and performance management. If you have any related issues which we have not specifically addressed, please use this space to report them: Please enter here:**

The FRA strongly oppose the proposals put forward in the White Paper for reform of the governance arrangements of FRAs. The current mechanisms work well, are cost effective, provide adequate accountability to constituent LAs and the electorate and have delivered high performing services to the communities they serve. The proposals are disproportionate given the size of public spend and considerably more costly. The FRA do not consider that the case for reform has been made or that the proposals address in any way the arguments put forward for the reform.

South Wales FRA would be only too happy to extend the current arrangements they have in place for presenting to their constituent councils on performance and budget, in addition to the formal methods adopted. This includes the provision of all FRA and committee papers to each of our 10 LAs, formal budget consultations, PSB presentations on key performance and council or committee presentations when time is allocated on an agenda or requests are made on a particular issue.

In relation to funding, it is considered that whilst current arrangements work well with constituent LAs, the option of precepting provides an even more transparent, sustainable and accountable method of funding for FRAs. This would also assist LAs who would not be required to factor in FRA budgets into their own budgets. It is not considered that the requirement for legislation to implement this change should in any way prevent progression of this proposal. The FRA does however strongly believe that the interim arrangement of the Minister having default powers is wholly unacceptable and leads to a plethora of conundrums and the potential for the Minister to be placed in a difficult position should adverse consequences flow from the budget determination.

In summary therefore, the FRAs response to the key areas of the consultation can be summed up as follows:

- The FRA welcome any opportunities to improve the service delivered to the communities of South Wales
- The performance of the service (during a considerable period of austerity and budgets cuts) has improved year on year
- It is of disappointment to the FRA that greater engagement did not take place to clearly identify with evidence the shortcomings that WG consider are present in the current governance and funding
- The case for reform has not been made in chapter one of the white paper
- The proposed changes to governance arrangements will not guarantee more effective leadership, scrutiny or collaboration than currently exists. The proposals will also cost substantially more than the current model and lead to ineffective and or inequitable representation of unitary authority areas
- The FRA also believe it would be wholly inappropriate to transfer all statutory responsibilities to a single individual who has no line of accountability to the public and can only be removed for employment reasons
- It would not be appropriate to recommend alternative models of governance whilst the rationale for change is not properly identified
- The FRA considers the interim funding models introduce increased complexity into the current funding system which has been working well for in excess of 20 years and separates the responsibility for delivering statutory services from the ability to set the appropriate budget. It also does not address any of the arguments for reform detailed in the first chapter
- The FRA however strongly support the proposal to make FRAs precepting bodies as this would provide a clear line of accountability to the public
- The FRA also support the proposal to reform the performance management regime although do consider that there is an opportunity for WG to lead by example and promote greater synergies between different devolved sectors performance matrix where there are obvious and important synergies in the outcomes sought to be achieved. Until this happens, the current regimes promote siloed working in different sectors.
- The FRA would welcome more constructive discussions with WG around these key proposals



Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:

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**APPENDIX 2****Consultation Response Form**

Name: South Wales Fire & Rescue Service

Organisation: SWFRS

Email/Telephone: Tel 01443 232005

Address: SWFRS HQ, Fforest View Business Park, Llantrisant, Rhondda Cynon Taf, CF72 8LX

**Question 1: Do you agree the objectives for reform are appropriate and important?**

It is not agreed that the objectives for reform are appropriate.

The South Wales FRS is always open to opportunities to improve, but most importantly enhance the service provided to the communities of South Wales

It is questionable whether some of the identified objectives are the most important issues facing the service today and in the foreseeable future – some key issues that could have a major impact on the Service's ability to continue to deliver an effective and diverse service are outside of both the FRAs and FRSs control. For example:

- The continued and ongoing risk of industrial action through a live pension dispute involving national government both in Wales and at UK level
- The inability of the Services to secure greater diversification of role pending resolution at National Joint Council level (at which the affected FRAs or FRSs have no seat) or Welsh Government level (as per Scotland)
- The operational and financial risks posed by the significant delay of the National Airwave project (now scheduled for 2022, but still not set in stone) where current resources are at end of life
- Terrorist response
- Uncertainty of public sector funding and other issues following Brexit

The Service welcomes clear and effective leadership of, and accountability for the development and delivery of fire and rescue services and would commit to working with whatever governance structure is deemed appropriate. It considers that it has had this good governance over a considerable period, as evidenced by its performance. Good performance goes hand in hand with strong and effective leadership and challenge. In the last ten years alone, SWFRSs performance speaks for itself, and indeed was an area praised in the Williams Report and in the introduction to the White Paper by the then Minister for Local Government and Public Services, Alun Davies AM. Successes include:

- A reduction in the number of incidents attended by over 50% since 2003, whilst at the same time responding to an ever more diverse range of emergency calls, due to the decisive leadership of the FRA to respond in new areas
- A reduction in the number of fires attended by 72% (6,536 incidents attended in 2018 compared with 23,059 incidents in 2003). This is set against a backdrop of increasing population; ageing population; an increase in the number of homes
- A reduction in the number of fatalities from fire by 62% (13 deaths in 2008/09 compared with 5 in 2018)
- A reduction in the number of accidental dwelling fires by 39% (573 incidents today compared to 946 incidents in 2003). This is set against a backdrop of increasing housing numbers and an ageing housing stock in areas of the community
- A reduction in the number of unwanted fire signals attended by 12% (4,423 incidents attended in 2018 compared to 5,033 incidents in 2003). This is set against a backdrop of an increase in the number of business premises within South Wales and an increase in the number of properties having alarm systems. This is also against the backdrop of ageing and greatly extended systems following premise expansion or alteration in some of our higher repeat offenders, in particular health and education establishments who generate the majority of calls. This sector also experiences extreme financial pressures in maintaining such systems appropriately
- An increase in the number of all types of special service calls attended (i.e., any emergency call other than for a fire) from 2,981 calls in 2003 to 3,345 calls attended in 2018. This is set against a backdrop of reduced FRS staffing numbers, reduced fire and rescue station numbers, reducing FRS budgets and a vastly greater array of FRS services provided within existing resources, thereby demonstrating greater efficiency and effectiveness and value added in the services we are able to provide
- A fairly static level of response to road traffic collisions, set against a backdrop of significantly increased numbers of motorists on the roads of South Wales
- An increase in other special service calls (excluding road traffic collisions), including new areas of response such as water and flooding response, bariatric rescue, large animal rescue, rescue at height, urban search and rescue, chemical response and terrorist response, again demonstrating increased value for money for the public of South Wales.
- A reduction in real time cash budgets of 14% over the last ten years since austerity bit, with the Service operating today with the same budget levels as it was ten years ago for a more diverse range of incidents
- Collaborative occupation of 8 of its fire and rescue stations, enabling other public services to release capital funding and ongoing revenue expenditure. The sites are predominantly shared with the Welsh Ambulance Service Trust (WAST) at present, with a few sites being tri service or four services in one building (fire, WAST, police and coastguard). We are also actively progressing a number of other collaborative opportunities with our blue light partners; Gwent Police, South Wales Police and WAST through our joint Emergency Services Estates Group

- Collaborative service delivery in a wide range of areas with an equally wide range of partners from fire, the police, the ambulance service, coastguard, local authorities, private sector partners and the voluntary sector

It is also noteworthy that there have been no complaints to the Public Services Ombudsman for Wales in recent years on the service provision provided to the communities of South Wales.

Whilst wishing to remain neutral on any political dimension to governance structures, it is suggested that some of the shortcomings identified within the White Paper in relation to FRA members are not based in fact and would equally apply to all other tiers of local and national government.

The experience of the FRS in working with the FRA is that they have met the challenges facing them head on by effective leadership, scrutiny and decision making. Key and difficult decisions have been taken following extensive scrutiny by constituent local authorities' scrutiny committees and council meetings and public consultation on a variety of issues to ensure the FRS is as efficient, effective and responsive as it needs to be in today's society. These decisions have included closing two fire and rescue stations with resultant redundancies of firefighters; the removal of 2nd appliances with resultant redundancies at those stations; the amalgamation of stations where appropriate with consequent reductions in staffing numbers; a reduction in the number of very specialist appliances where a more efficient method of response has been identified; changes to the crewing arrangements on all wholtime stations resulting in a reduction of 40 firefighter posts without affecting front line service delivery; the amalgamation of control rooms with an adjoining FRS and one of our Police partners; the provision of some specialist services on an all Wales basis, to name but a few. All of these decisions and changes have been successfully implemented without industrial unrest in a sector that is highly unionised and in some instances following threats against both Members and senior officers of the FRA and FRS.

The assertions that FRA members "do not necessarily have all the capability that they need to provide strategic leadership to the Service or to challenge senior officers" is not grounded or supported by any evidence. Welsh Government officials have not attended FRA or its committee meetings to view members 'in action' or witness the extensive experience they possess – it would appear that a desktop review has been undertaken by reviewing minutes of meetings. As any practitioner within the field will be aware, minutes of meetings are not intended to be a comprehensive verbatim record or transcript of proceedings, but a concise record of the decisions that were taken. Challenge of officers and their reports is a regular occurrence and has been complemented by a senior academic professional when they observed several FRA meetings as part of a governance paper they were preparing.

In relation to the assertions on member capability, it is important to consider that the disqualification criteria for standing for election for any publicly elected role are set out

clearly in statute. There is no differentiation for those that take on more senior leadership roles within the public body and no requirement for specific skills or experience, presumably reinforcing our democratic principles and process that our public leaders reflect the society we live in. Unless or until there are pre-qualification criteria for election to any public member role (Community Council, LA, AMs, MPs & MEPs) there is no guarantee that an individual appointed to a specific role would have any greater level of skills and competencies to discharge that role. It is suggested that with the structured training programmes that are in place for FRA elected members (and indeed the additional training they receive through their home LAs), any concerns on WG views of gaps in knowledge or experience could be addressed in the same manner as they are in other democratically elected appointments. It is queried why Fire and Rescue Authority Members are being singled out for different treatment than other members elected into public office.

Linked to this, the FRS supports FRAs providing effective strategic leadership and sustaining effective collaboration. The FRS has a very long history of leading and delivering against this already with both emergency service partners, other public sector bodies, the private sector and the third sector. However, given the development of Public Service Boards, National Resilience Forums and the numerous other mechanisms already in existence, it is queried why a cabinet member would be in a better position to facilitate this moving forward.

The FRS strongly supports the desire to secure sustainable funding mechanisms to reflect the more diverse role that the FRS could deliver against and would welcome these issues being addressed as a matter of urgency. However, this is likely to require Welsh Government adopting a separate pay and funding settlement (as per Scotland) to achieve this – these issues are currently outside of the control of the FRS and FRA. This is particularly the case in respect of Fire Medical Response, where the FRS would welcome any proposals to sustainably fund the additional costs that would fall to the FRS in delivering against this (in line with relevant case law). It is noted however, that the proposals for reform put forward in the White Paper do not deal with these issues at all, as discussed later.

In relation to FRA numbers, the FRS does not hold a view on the appropriate number of members – the current legal constraints dictate a maximum of 24 members.

The Service strongly supports the wish to avoid any adverse changes to front line operations or resources. However, whilst extremely desirable and the right thing to do, it is the Service's opinion that this is not achievable through some of the solutions proposed in the White Paper – budget mechanisms that allow final decisions to be taken outside of the FRA legal entity could very likely cause changes (potentially significant changes) to front line service delivery and resources to the detriment of the communities we serve. They could also potentially impact upon firefighter safety, an area we have extreme issues with. They also raise some interesting legal responsibility and liability implications should levels of funding prove insufficient or result in adverse consequences identified at the time budgets were set.

**Question 2: Are there other objectives that the reform programme should pursue?**

Please see suggestions detailed in the response to Question 1 above. In addition, it is queried that if, as is mentioned, the cost of the Fire and Rescue Service is in issue, some simple efficiencies could be generated by strict compliance to the existing Combination Orders on the number of Fire & Rescue Authority Members.

**Question 3: Do you agree that FRAs should remain as separate and distinct entities, with the same boundaries as now?**

The statutory responsibilities under relevant legislation sits with the FRA. Unless there is an immediate desire to change the legislation, it is essential that FRAs remain a distinct legal entity.

The White Paper does appear to rule out the option of a consideration on the number and/or boundaries of the three FRAs in Wales. However, it was noted that when the paper was debated in plenary session on 13<sup>th</sup> November, in response to a question from Mike Hedges AM, the then Minister, Alun Davies AM appeared to bring the issue back in scope if arguments were persuasive.

There has been much debate over the years around the appropriate number and geographic boundaries for much of the public sector in Wales. This creates huge amounts of uncertainty and anxiety for the staff affected in these organisations and the communities they serve. This is therefore an issue that requires definitive clarification as a matter of urgency.

As was alluded to in many of the responses to the Local Government reform proposals, “bigger does not always mean better”. Risk profiles are diverse and require local knowledge to ensure service delivery is planned effectively to meet a community’s needs. In addition, whilst some may argue efficiencies may be generated, effective regional, national and UK working already exists. Indeed, the National Issues Committee and other collaborative forums we are party to have resulted in many key areas of work being delivered on a national or larger regional basis without the cost and disruption of reorganisation. Examples include the shared control rooms of Mid and West Wales FRA, South Wales FRA and South Wales Police; a national procurement service for FRAs in Wales which also delivers national procurement of key assets, supplies and services; shared specialist operational teams (for example Urban Search and Rescue); national community safety campaigns delivered by lead FRAs; consistent procedures for fire safety and enforcement, enabling greater national resilience; national recruitment campaigns and recruitment processes for firefighter roles; tri service data hubs within South Wales; shared ICT software for people resources (including pay) between South Wales FRA and Mid and West Wales FRA; combined recruits training courses between Cambridgeshire FRS and South Wales FRS; and national leadership and development programmes for FRS leaders (the Pioneer Programme).

**Question 4: Do you agree that transferring control of fire and rescue services to Police and Crime Commissioners or local authorities would not be appropriate?**

It is agreed that transferring control of the FRS to PCCs would be inappropriate. Policing is not a devolved function within Wales and therefore having the Fire Service (a devolved function) controlled by a non-devolved body is inappropriate. It would also prove highly complex for South Wales, being spread over two police boundaries.

Where required, effective collaboration already exists with our police partners and the FRS would echo the view elaborated by the WG that such a move would be inappropriate.

Transfer of responsibility of control of the FRA to the PCC would also contradict one of the arguments set out in chapter one of the case for reform, where it was considered that there was less requirement for political involvement in FRAs. Such a move would put politics at the heart of the FRA.

It is also agreed that it would be inappropriate to transfer control of FRSs to local authorities. The FRSs and the FRAs in Wales currently operate well at a regional and often national level. Disaggregation of the FRS to 10 constituent LAs in South Wales would create a far less efficient and effective service. Overheads would be significantly increased, duplication would become common place and service delivery in different areas of South Wales could become a postcode lottery.

It would also prove highly ineffective in terms of resilience both locally and nationally. Fire risk modelling would prove inordinately complex as there would be no control over adjoining fire cover and during spate conditions, mutual aid could test local authority relationships to the extreme. Specialist vehicle and/or skills deployment could not work effectively on such a small scale and business continuity arrangements would prove costly at such a local level.

Where required, effective collaboration already takes place with our constituent LAs to promote better outcomes for our communities, which has been enhanced through our statutory seat on Public Service Boards. In addition, the national work that is undertaken between the three FRAs and FRSs in Wales (as detailed in the response to question 3 above (final paragraph)) could also be compromised by such a large disaggregation from 3 governing bodies to 22.

**Question 5: Do you agree that there are legitimate but limited national interests in the Service that need to be reflected in its governance arrangements?**

It is correct that there are a variety of national and indeed international interests that need to be considered as part of any proposal for reform. Many specialist services are delivered through regions larger than the relevant FRS. These services are also part of a much bigger UK picture of national resilience and cannot be compromised. In



addition, mutual aid arrangements take into account the bigger national picture. It should be noted however that these mutual aid arrangements may not be feasible for any new areas of work sought to be achieved through diversification of the role in Wales unless similar diversification and requisite training arrangements are in place in England.

**Question 6: Do you agree that local authorities should continue to nominate FRA members?**

It is agreed that maintaining local level leadership of FRAs in Wales is appropriate. Risk is peculiar to local areas and local need, and to remove leadership away from such roots would be inappropriate. This process of nomination also enhances the local connections the FRAs and FRSs have with the local communities that they serve, leading to enhanced understanding of need and local issues, resulting in improved service delivery.

**Question 7: Do you agree that local authorities should nominate one FRA member each, drawn from their cabinets?**

Whilst not wanting to get into the intricacies over ultimate governance structures, if it is proposed that the current funding mechanisms would remain save for the Minister's ability to take a final decision on budget, it is questioned whether it would be fair and equitable for one authority (for example Cardiff), that currently pays just over 1/5 of the total FRS budget, to only have 1/10 of the voting influence on such decisions.

It is also questioned why the member needs to be drawn from a LA cabinet, as it is not considered that such a position would facilitate greater collaboration given the mechanisms already in place for key partners, many of whom sit outside of the LAs; most notably a statutory seat at Public Service Boards, Community Safety Partnerships, Local Resilience Forums, the Joint Emergency Services Group, National Fire Chiefs Council and relevant committees, National Issues Committee, Tri Service Intelligence Hub and various voluntary and third sector partnership meetings such as the Princes Trust. Drawing membership from cabinet members would also not guarantee any greater level of competency of member as already described in the response given to question 1 above.

It is considered, taking into account the comments of the Independent Remuneration Panel that it would not be possible to appoint from within the existing LA cabinet member cohort, as it is noted that they are salaried based on a 40 hour week. The Panel received considerable evidence that cabinet members were struggling already to cope with existing workloads. Adding an additional reference to an existing cabinet member would likely mean that attendance could be detrimentally affected at the number of meetings required and the time members could devote to the role and

requisite training would be compromised, resulting in a lesser degree of leadership and scrutiny.

Therefore, if additional cabinet members were required to be appointed, such an approach would immediately (and significantly) contradict one of the arguments for reform detailed in chapter 1, by costing the public purse considerably more.

The current costs of FRA salaries (excluding travel) in South Wales is £62,520 (using 2019/20 costs contained within the Independent Remuneration Panel 2018 Report as base). If the FRA were changed to just 10 LA executive members, in the first place there would need to be an assessment of the appropriate banding in serving a population of approximately 1.6m. Even using the existing banding schedules detailed by the Independent Remuneration Panel, the costs for 10 members would be around £288,000 (based on Band C – up to 100,000 population) and £352,000 (based on Band A – up to 200,000 population). These costs assume one chairperson and nine other executive members. Added to this would then be the costs of any non-executive positions proposed.

This would be a substantial increase in the cost of running the FRA; greater than the costs of keeping one on-call fire and rescue station open each year. Given the annual budgets of each of the FRSSs in Wales, and the assertion within the White Paper that any new governance structure should reflect the fact that fire only accounts for 1% of public spend, this would appear to be wholly disproportionate when compared to other public sector bodies.

In addition, if it was proposed that such additional Cabinet salaries should be funded from within the Local Authorities' budgets, it should be noted that several Councils have already reduced their Cabinet size purely to achieve financial savings. As highlighted above, the financial costs of the existing structures only amount to £62,500.

It is also considered that the appointment of a cabinet member would not necessarily add anything to the ability of the member to scrutinise. Indeed, it could be argued that “backbench” councillors are provided with considerable training on effective scrutiny and are therefore in a better position to undertake this role. Further, there is a greater diversity amongst “backbench” councillors, thereby ensuring that scrutiny is more comprehensive (please also see the response to question 21 below in relation to diversity which is applicable here also).

Indeed, the Welsh Government's recent Green Paper Consultation on “Strengthening Local Government: Delivering for People” issued the same year has a whole section of the report dedicated to valuing councillors and the “opportunity to recognise the huge commitment and professionalism of local elected representatives.” It goes on to acknowledge that “committed councillors are at the heart of local democracy and local communities” and that WG “want councillors to fully reflect our communities and be representative of the diversity of experience, interest and priorities in those communities. The WG believes we should recognise the commitment involved in being

a councillor and ensure they are properly remunerated, respected and recognised for the work they do in their communities. Equally, it will mean providing councillors with the support and resources necessary to undertake their role....Elected members, whether or not they are part of the executive should be at the heart of the Authority.”

Appointing from the cabinet would also change the political make-up of the FRA, as the cabinet members would come from the ruling group in each Local Authority. This could detract from the more diverse political representation that currently exists, where FRA Members are broadly representative of the political balance of the area. In addition, it could detract from effective scrutiny as the broad range of views currently harnessed through the existing system would be lost.

**Question 8: Do you believe any changes are needed to the law on the size and remuneration of council cabinets, to allow their members also to serve on FRAs?**

This is a matter for WG, but it is noted that in the most recent draft of the IRP report for 2019/20, the IRP again concluded that the executive members should be considered as working the equivalent of full time (up to 40 hours per week) but not necessarily 9am-5pm. However, they go on to say that discussions with members and officers have indicated that executive member workloads have increased. In the light of this it would therefore be essential to ensure there was an adequate time commitment to allow them to effectively discharge the role.

The cost implications of this, as detailed within the response to question 7 should not be underestimated, as this would result in significant additional costs being imposed on respective constituent authorities.

**Question 9: Do you agree that FRAs should also have non-executive members?**

It is not considered that there is necessarily a need, although as an FRS we would commit to working effectively with whatever governance arrangements were in place. In our experience, in the majority of public sector bodies in Wales, the member's role is to provide the strategic leadership and direction, scrutiny, governance and overview. They are assisted by professionally qualified officers who are there to provide specialist advice as and when required. Many of our current FRA members have extensive experience in a wide field of disciplines. Presently, we have ex-cabinet members, many chairs of scrutiny and other committees, many business leaders, an ICT specialist, several lawyers, members with trade union experience and members from other professional disciplines. There is also no limitation on the current FRAs to co-opt a member in for a specific issue or obtain external specialist advice if none is available through officers.

This is a system that works well in both local authorities, Welsh Government and the UK Parliament. Indeed, there have been several instances where specialist advice has been sought and received by the FRA from people or bodies outside of the FRS when

required. In addition, the FRS provides all of its constituent councils with copies of all FRA and Committee reports for them to review the work of the FRA and the FRS has on many an occasion undertaken presentations and been subject to scrutiny on performance, budget setting and key policy decisions where appropriate. This has occurred both through the FRS requesting such an opportunity and requests received from LAs and Community Councils. This is a situation that should remain and continue.

There is some concern over the cost implications of appointing independent members, as this would appear to increase the cost of any new FRA further, when cost and numbers of members were part of the rationale for reform initially.

**Question 10: Who should appoint non-executive members of FRAs?**

It is suggested that if this option were to be pursued (given the response in question 9 above), it would be the FRA that would have the detailed knowledge of any specialist skills gaps that may exist on the Authority. It is considered that Welsh Government would not be privy to such detailed information and therefore it would be wholly inappropriate for them to appoint.

There would be an issue with the term of such appointment which would need to be resolved. As previously highlighted, LAs can change their nomination to the FRA at any time and for any reason, including dissatisfaction with the current governance and policy direction of the FRA; a change in political balance at the home LA; the need for the member to exercise other functions at their home LA which would not be compatible with them continuing their FRA role – are just a few examples. Therefore, by consequence, any skills gap in the FRA could change quite regularly, potentially requiring a change in non-executive membership skills.

Finally, it is questioned to whom would such non-executive members be accountable? If democratically elected councillors are considered unaccountable, then appointees would appear to be even less accountable, thereby not addressing this area of concern highlighted within the case for reform. Clarification is therefore sought as it is assumed that they would be accountable to the FRA itself.

**Question 11: Do you agree that, in the longer term, responsibility for the service should vest in a statutory Chief Fire Officer, with FRAs fulfilling a scrutiny and oversight role? If so, would that require any change to membership arrangements?**

This proposal is strongly opposed. In all other comparable devolved public sectors, it is the Authority / Board / Government that has the statutory responsibility to deliver and/or plan, to agree budgets and to ensure sufficient challenge and scrutiny. The implementation of such decisions is then delivered through officers. Serious concerns are raised about vesting all of the powers and responsibility for delivery in one

individual, especially if they do not also have control over the budget they require to discharge their statutory requirements.

This remains the case for Councils, where responsibility for provision of services rests with the Council and final budget determinations are also made by them through their ability to increase their funding levels through local taxation. It is queried why Welsh Government is seeking to change this tried and tested method of administration for what is a very small proportion of the Welsh Public Sector.

Any move to create a single statutory officer who retains all of the responsibility for service provision means that the arguments for reform in chapter one of the White Paper are being contradicted. Officers are appointed on permanent contracts and have no accountability to the electorate. Whilst they would be subject to scrutiny by an FRA, their removal from post could only be secured for reasons set out in employment legislation. This would result in less accountability than currently exists with the current FRA governance, where LAs and/or the electorate can remove the member from office.

**Question 12: Do you have any other proposals for how to reform FRA governance which meet the criteria in Chapters 1 and 2?**

This Service considers that the case for reform in relation to governance is not clear and contains several contradictions. It would therefore be inappropriate to propose solutions without a full understanding of the outcomes sought to be achieved. The FRS would of course be willing to engage if clear rationale of the reasons for change could be detailed.

**Question 13: Do you agree that FRAs and local authorities should agree the level of FRA funding each year, with a reserve arbitration power for the Welsh Ministers?**

South Wales FRA takes its budget setting powers and process very seriously, undertaking extensive scrutiny through both its scrutiny group and its Finance Committee and formal consultation with each of our constituent LAs to ensure proposed budgets are appropriate. It is pleasing to note therefore, following such a detailed process, that the White Paper acknowledges that such powers have been exercised responsibly. As such, it is therefore questioned why any reform proposals are required.

Every year the FRA consults with all of its constituent authorities and reports the responses it receives in full to the FRA. Indeed, until relatively recently, we attempted to undertake budget consultation meetings with our constituent councils which were more often than not poorly attended. This was partly because of the information provided by the FRA Treasurer during the budget formulation process, rather than waiting until a consultation budget had been set by the FRA. The proposals are therefore strongly opposed for several reasons.

In the first instance, the position of the Minister determining the FRA budget if agreement cannot be reached (rather than arbitrating as stated in the question – report para 4.6) results in the position where there is absolutely no incentive for individual local authorities to agree. It is stated that the Minister would not determine a figure any higher than the budget requested but could set one lower. Authorities would have nothing to lose in exercising this default position and everything to gain.

Given the legal timelines for FRA and LA budget setting, the Minister would be faced with making a determination within a few weeks in order to meet LA budget setting deadlines. This is considered insufficient time to fully understand the detail of the proposed budget and the parties' arguments with respect to this (up to 11 parties – 10 LAs and 1 FRA). It is noted that no appeal mechanism is proposed.

This scenario could also raise the potential of future less scrupulous FRAs detailing a budget for discussion in excess of requirements to ensure that they ultimately received a budget in line with what they actually required to deliver the service.

Another reason for such strong opposition is that the default power would result in the position of a Minister determining the budget for a service which they have no statutory responsibility to deliver. What would happen if the FRA overspent as a consequence of being awarded a budget less than that required to deliver the service? Would Welsh Government meet the overspend as they do for health or would LAs be expected to fund this nearing year end when they would likely be struggling themselves financially?

Additionally, who would be responsible if there was a service delivery failure specifically attributable to a budget reduction determined by a Minister? This does become a real possibility given the specific breakdown of an FRA budget. Over 80% of all costs are staff costs. Of the remaining 20%, many are fixed costs such as capital charges, rates, fuel, appliances and vehicles, personal protective equipment, insurance etc. Therefore, any budget reductions are more than likely going to impact upon staff numbers (especially given budget settlement timelines) and ultimately front-line service delivery.

The proposals also do not appear to address one of Welsh Government's stated concerns in relation to health work being subsidised by LAs. These proposals make no mention of funding coming anywhere other than from LAs. It is suggested that if the diversification of the role of the firefighter is to be seriously pursued (as supported by the FRA & FRS), then securing the additional funding from within health budgets would seem wholly appropriate and needs to be addressed. This is especially so given recent reports that highlight that for every £1 invested in the FRS in elements of health work, it would save the health budget £4. This key benefit and argument for reform of budgets is left unaddressed in the proposals and does nothing to aid sustainability.

The proposals do not promote the principles of the Wellbeing of Future Generations Act and the move to longer term planning and considerations. FRAs and FRSs would have little or no control over their annual budgets and this would render longer term financial

planning almost impossible. Indeed, their position could be worsened by an extension to the existing procedure by the addition of the fallback position for the Minister. This could mean very late determination of budget levels, impacting upon the FRS's ability to plan appropriately.

Finally, another area of concern expressed in the White Paper is that the local authority members are not directly accountable to their electorate or their home authority. The proposals outlined do not appear to increase this accountability for budget or performance. As LA appointed members, they remain only appointed to the FRA by virtue of their LA membership.

To resolve this and several other issues, the FRS would suggest maintenance of the current position until legislation can be introduced at the earliest opportunity to allow FRAs in Wales to precept. This would then address all issues concerned with transparency, openness, scrutiny and accountability in one measure. FRAs would be required to publicly detail to the electorate how the budget was arrived at and what the community receives as a consequence. Welsh Government would also gain a level of external control through capping provisions in the same way that LA capping is exercised.

It is not accepted that precepting by FRAs would prove a burden, challenge or significant cost. LA systems already exist for billing council tax on behalf of multiple precepting authorities (community councils and the PCC). Save for the appropriate notifications of council tax bases and precepts and any minor amendments to ICT systems and bills, the FRS believes that the addition of a further precept mirroring arrangements already in place should not prove complex at all.

The White Paper suggests that the process of moving to an FRA precept would be practically difficult because any increase in council tax arising from an FRA precept may not be offset due to a refusal by LAs to implement commensurate and proportional reductions in their bills. This implies that LA budget decisions are at best self-serving. If this is the measure of the trust in the financial governance and decision making within LAs, the FRS would be rightly concerned with any suggestion that LAs are best placed to play a balanced role in determining FRA budgets.

**Question 14: Do you agree that, in the longer term, FRAs should have powers to set a council tax precept, with the balance of their funding from Welsh Government grants?**

For the reasons detailed within question 13 above, the FRS considers that should change be required, the only sensible and pragmatic way forward would be to progress straight to FRA precepting. This is the only method that addresses all of the areas of concern detailed with the white paper. It is open, transparent and provides clear accountability back to the citizen.

It is considered that the retention of grants for the current areas of award and any further new duties or national initiatives / contracts placed upon the FRA should continue.

**Question 15: Do you have any other proposals for how to reform FRA funding which meet the criteria in Chapters 1 and 2?**

Please refer to the response at questions 13 and 14

**Question 16: Do you agree that the performance management system for FRAs should be grounded in the National Framework for Fire and Rescue Services?**

It is agreed that the current performance management arrangements require reform as currently some of the key measures of success of performance are actually measuring other devolved body performance and measuring the wrong thing.

The FRS would support the removal of the Local Government Measure requirements for the FRAs, as these only serve to confuse and complicate reporting processes. The FRS believe that any new system should be grounded in not just the National Framework for Wales, but also the legislative requirements placed upon the FRA.

The metrics utilised need to be more meaningful in terms of outcomes to the community and what the information collected / measured is being used for. For example, the current measure of fires confined to room of origin supports improved performance if the fire is contained to the room, regardless of the outcome for the individual. It cannot be right that an indicator is perceived to be good performance if fires are contained, yet the individual dies or is injured.

Metrics should be developed that influence behaviours and enhance the safety of the community and our firefighters. The FRS supports that this may include metrics that require considerably greater qualitative information than quantitative information and have no opposition to the inclusion of the National Framework in performance metrics.

However, the FRS does consider that the proposals have missed an opportunity to join up the performance reporting of devolved functions in a more effective way to encourage changed behaviours and create efficiencies. For example, the current metric around the number of AFAs attended (false alarms) measures the number of incidents the FRS attends. This is actually a measure of how property owners are managing their alarm systems. It is common knowledge, supported by data, that health and education are the two primary offenders for AFAs yet there is no proposal to join up performance management across devolved sectors to encourage more effective and efficient service delivery, both for the FRS and FRA and the other functions who lose considerable down time due to these occurrences.

**Question 17: Do you agree with the need for such a system to give FRAs**



**flexibility on planning and reporting cycles, and on the sources of information about performance that they use?**

This is agreed. The current systems are not joined up and have become inordinately bureaucratic for no apparent reason. It is necessary for all planning and reporting cycles to be aligned, not only just in relation to performance, but also for other legislative areas where plans and update reports are required (for example, Wellbeing and Future Generations objectives and reporting; Equality Plans; Environment Act 2016 plans etc).

**Question 18: Do you agree that the Welsh Ministers should retain their duty to report to the Assembly about delivery of the Framework, and their powers of intervention?**

It is accepted that the Minister should retain responsibility for Fire and therefore it is a matter for WG on their own internal reporting processes. However, it is suggested that the Minister's Independent Fire and Rescue Advisor would have an instrumental role in reporting to and advising the Minister in this regard, through their role in working closely with the FRS. The FRS would also support the formalisation of appropriate procedures to ensure FRAs and FRSs report in on delivery of the Framework, as in recent years, such report has been prepared with little or no reporting on progress by these bodies to WG officials.

It would also be appropriate for arrangements to be put in place were the Minister to retain and exercise default powers to determine an FRA budget. This is especially important if budget reductions were imposed that could, in the opinion of the FRA or FRS ultimately impact upon resources available to deliver against the Framework priorities or service delivery to the public. The situation could arise that this could result in a conflict of interest for the Minister should budget reductions be the FRA's / FRS's rationale for failure.

**Question 19: We would like to know your views on the effects that the policy proposals would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

It is considered the proposals are not likely to hinder or promote the ability of the community to use the Welsh language, as the same Welsh Language Standards would be in operation. They do however have the potential for a reduced percentage of Welsh speakers to be members of the FRA.

**Question 20: Please also explain how you believe the policy proposals could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects**

**on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

By reducing the number of proposed FRA members, there is the potential that the number of Welsh speakers on the FRA is also reduced, potentially disproportionately. For all of the reasons already outlined in the responses to earlier questions, it is not considered that reducing the number of FRA members is the correct solution to the perceived concerns with the FRA. Retaining numbers would reduce this risk. The FRS would strongly advocate that this issue needs to be considered in any review of performance frameworks.

**Question 21: We have asked a number of specific questions about FRA governance, finance and performance management. If you have any related issues which we have not specifically addressed, please use this space to report them: Please enter here:**

It is considered that some of the equality impacts of the proposals have not been fully explored in the Integrated Impact Assessment undertaken alongside the White Paper. For example, whilst it is accepted that the impact of the proposals has to a very limited extent been considered, this assessment has not been extended to consider how the proposals could impact upon protected characteristics of the FRA.

Whilst it is accepted that FRA members are nominated by their constituent LA and the Authority has no control over this, historically there has been a positive balance in relation to protected characteristics. The FRA at present is probably far more representative of the community than many cabinets. There are currently more males than females on the Authority (75%/25% split), but of the 24 members, 12.5% come from ethnic minority backgrounds, compared to approximately 2% in our ten constituent Councils and we have an extremely fair balance of age ranges on the Authority, with a substantial proportion of members under 40, many of those being under 25. However, the average composition of Cabinets within South Wales is predominantly older. We also have a number of members with other protected characteristics.

This means that the FRA currently has a diverse composition, meaning that decision making and scrutiny takes a balanced approach, taking into account the views of those from diverse backgrounds. Unfortunately, were this to change to one cabinet member per Authority, this could result in a significantly higher proportion of older white males, thereby diluting the rich range of views and experiences we currently have.

In addition, it is the FRS's view that the assessments in relation to the potential impacts of the proposal upon FRS is also not correct. Any proposals to remove final budget determination from the corporate body that employs staff mean that an impact upon them cannot be ruled out. As previously mentioned, 80% of FRA budgets are staff related, with the vast majority of the remainder being fixed costs outside of the FRA control. Therefore, if a Minister determines a lower budget settlement than that required to deliver the service in the FRA opinion, this will ultimately have a direct impact on staff

numbers and has the potential to detrimentally affect certain groups with protected characteristics.

Additionally, if budgets were reduced from that requested, the ultimate consequence could be a reduction in service delivery to the communities we serve, thereby potentially adversely affecting more vulnerable sections of the community who are in need of our services most. It may also have a detrimental impact upon the business community

It is considered that the wellbeing assessment is also incorrect. Any proposal that would take budget setting outside of the control of the body responsible for the delivery of those services means that longer term budget and resource planning becomes almost impossible. This could ultimately mean that shorter term planning has to be undertaken out of necessity.

A further consequence of this could be a detrimental impact from the requirements under the Integrated Impact Assessment to support sustainable management of natural resources. Secure stable employment may not be possible due to lack of control of budgets. Short term temporary contracts may become more heavily relied upon in key areas of the FRS to enable swift changes to employment numbers to be made should the budgets required not be forthcoming.

It is also noted that within the Integrated Impact Assessment, reference is made to a recent study suggesting that “for every £1 invested in fire services response to medical emergencies on behalf of the NHS, £4 saving to the NHS was realised”. It is also noted that this was one of the arguments for reform within the White Paper. However, it is the FRS’s opinion that the interim funding model proposed with default power to the Minister does nothing to address this issue in any way, in fact it could be argued, as in the case for reform in chapter one, that under the proposal, LAs would continue to subsidise such services. As already discussed, the only way to positively meet this challenge, contrary to the Integrated Impact Assessment assertions is to move directly to precepting.

The FRS also strongly disagrees with the assertion in the Integrated Impact Assessment that it is the existing governance and funding arrangements that prevent this work being commenced and that the proposals for reform would resolve this. This is not the case. Both the FRA and FRS have on numerous occasions expounded their desire to undertake such work. The only issue preventing this is resolution of the pay dispute to determine the additional remuneration required for this work. The proposals do not address this issue, as the status quo would remain. The Integrated Impact Assessment is therefore wrong in this regard.

In summary to the FRS response, it is pertinent to briefly review the case for reform detailed in chapter one to the White Paper and summarise the FRS’s response to the proposals to address this:

**Governance:**

- Numbers & Cost
  - Reducing to 10 cabinet members would increase current costs to approximately £280,000
  - There would be additional costs for non-executive members
  - Reducing to 10 members would result in less diverse membership and too wide a representative role of the unitary area
  - Quorum could be an issue with such limited representation, especially where conflicts of interest may arise
- Accountability & Scrutiny
  - Cabinet Members are accountable to the electorate in exactly the same manner as “backbench” councillors, so the current position relating to accountability would not change
  - The proposals ignore the current accountability mechanism of LAs being able to change FRA membership at any time
  - Scrutiny by a more diverse membership as the FRA currently has is preferable to ensure balanced and reasoned decision making
- Membership
  - Insisting on cabinet members would not guarantee any more effective leadership of the FRA
  - Insisting on cabinet member appointments would result in less diversity on the FRA
  - The ability of cabinet members to devote the time to FRA work is questioned given LA representations received by the FRS in this regard and the content of the Independent Remuneration Panel report
- Innovation & Change
  - Insisting on cabinet members would not promote greater collaboration or innovation in the FRA due to the current extensive mechanisms already in place

### **Funding:**

- External Control
  - The short term funding proposals would inevitably lead to behaviours that discourage agreement of budgets
  - The short term proposals would result in funding decisions being taken by a single individual who has no statutory responsibility to deliver the service
  - The short term proposals do not assist in longer term budget planning or meet wellbeing objectives
  - The longer term proposal of making FRAs precepting is the only truly accountable, transparent and sustainable method of funding explored and should be pursued as the only viable option in any programme of change
- Value for Money
  - The consultation ignores the statutory value for money audits undertaken by the Wales Audit Office and the challenges to both policy and funding decisions they make where appropriate
- NHS Subsidy
  - The proposals do not address the perceived “LA subsidy” of NHS work

- The proposals do not advance the ability of FRAs or FRSs to diversify the role of the firefighter

**Performance Management:**

- Local Government measure
  - The FRS supports the repeal of the LG Measure requirements on FRAs
- National Framework
  - The proposal to ground FRS performance in the National Framework is supported, but there should also be inclusion of the vast array of other statutory requirements placed upon the FRA
- Operating Context
  - The FRS support the ability to have more meaningful performance measures, involving both qualitative and quantitative data
  - The FRS considers that the proposals on performance management do however continue the silo mentality of performance management for devolved sectors, rather than embracing an opportunity to review the interactions of devolved functions and how aligned performance metrics may result in improved service delivery to the public and greater efficiency in the use of the Welsh pound.

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:

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**FORWARD WORK PROGRAMME FOR  
FIRE & RESCUE AUTHORITY 2018/19**

<b>Expected Date of Report</b>	<b>Report Name</b>	<b>Purpose of Piece of Work</b>	<b>Lead Director/ Contact Officer</b>	<b>Progress</b>
Each meeting following the NIC meeting	Update Report on the work of the NIC	To keep Members up-to-date with the work of the NIC.	DCO  Contact Officer: Sally Chapman	
9 July 2018	Strategic Risk	To advise Members of the Strategic Risks of the organisation and how these are being treated, managed or reduced.	DCO  Contact Officer: Sarah Watkins	Completed
9 July 2018	WAO Certificate of Compliance	To advise Members of the WAO Certificate of Compliance received in relation to the publication of the 2018/19 Improvement Plan.	DCO  Contact Officer: Sally Chapman	Completed
9 July 2018	Principal Officer Vacancy	To seek authority to advertise and recruit to vacant Principal Officer post.	CFO  Contact Officer: Mark Malson	Completed
	<b>Annual Reports:</b>			
9 July 2018	End of year Health Check on Performance and Strategic Objectives 2017/18	To advise Members of end of year performance against agreed targets and to advise Members of the end of year health check position in securing the achievement of the Strategic Objectives.	DCO  Contact Officer: Sarah Watkins	Completed

<b>Expected Date of Report</b>	<b>Report Name</b>	<b>Purpose of Piece of Work</b>	<b>Lead Director/ Contact Officer</b>	<b>Progress</b>
9 July 2018	Health & Safety Annual Report 2017/18	To advise Members of Health & Safety performance of the organisation.	ACFO TS  Contact Officer: Richie Prendergast	Completed
9 July 2018	Report on Proposed Priority Actions 2019/20	To advise Members of the proposed Priority Actions 2019/20 and to seek authority to enter into public consultation on these.	DCO  Contact Officer: Sarah Watkins	Completed
24 Sept 2018	Welsh Government Review of Fire & Rescue Authorities	To update Members on recent correspondence from the Cabinet Secretary on proposals to reform Welsh Fire & Rescue Authorities.	CFO/DCO  Contact Officer: Huw Jakeway	Completed
24 Sept 2018	Update on MTFs and Reserves Strategy	To update Members on the Financial Strategy and Reserves Strategy of the Authority prior to considering the report on the 2019/20 Budget Setting Strategy.	Treasurer  Contact Officer: Chris Barton	Completed
24 Sept 2018	Budget Strategy 2018/19	To obtain clarification upon the political steer for the Budget Strategy for 2019/20 budget setting process.	Treasurer  Contact Officer: Chris Barton	Completed
24 Sept 2018	Statement of Accounts (Revenue and Capital) for 2017/18 budget	To seek Members' approval for publication of the Statement of Accounts.	Treasurer  Contact Officer: Geraint Thomas	Completed



<b>Expected Date of Report</b>	<b>Report Name</b>	<b>Purpose of Piece of Work</b>	<b>Lead Director/ Contact Officer</b>	<b>Progress</b>
24 Sept 2018	Treasury Management Outturn 2017/18	To advise Members of the year end treasury management position.	Treasurer  Contact Officer: Chris Barton & Geraint Thomas	Completed
17 Dec 2018	WAO Annual Improvement Report	To advise Members of the key issues emanating from the annual report and to provide an opinion on adequacy and effectiveness of the organisation and its potential to improve, its approach to risk management, control and governance processes based on the WAO work undertaken during the year, including data quality & PIs, HR work, a Framework update, whistleblowing and forward planning.	DCO  Contact Officer: Sally Chapman	Completed – reported to the FA meeting on 24 Sept 2018
17 Dec 2018	Half Yearly Health Check of Performance and Review of Strategic Themes	To advise Members of performance against agreed targets and achievement of Strategic Themes at the mid-way point through the year.	DCO  Contact Officer: Sarah Watkins	Completed
17 Dec 2018	Half Yearly Review of Strategic Risk	To keep Members advised of the Strategic Risks of the organisation and how these are being treated, managed or reduced.	DCO  Contact Officer: Sarah Watkins	Completed
17 Dec 2018	Treasury Management Mid Term Report 2018/19	To advise Members of the mid year position in relation to our treasury management.	Treasurer  Contact Officer: Geraint Thomas	Completed

<b>Expected Date of Report</b>	<b>Report Name</b>	<b>Purpose of Piece of Work</b>	<b>Lead Director/ Contact Officer</b>	<b>Progress</b>
17 Dec 2018	Independent Remuneration Panel for Wales' Draft Annual Report	To consider the IRPW's draft Annual Report and enable comments to be submitted to the Panel within required timescales.	DCO Contact Officer: Sally Chapman	Completed
11 Feb 2019	Estimated Revenue & Capital Budget determination for 2019/20	To consider consultation responses and to set the recommended budget determination for consideration by the Fire Authority.	Treasurer Contact Officer: Geraint Thomas	On agenda
11 Feb 2019	KPI Target Setting 2019/20	To set the targets for the following financial year.	ACFO SD Contact Officer: Sarah Watkins	On agenda
11 Feb 2019	Report on Responses to the Consultation of the draft rolling Strategic Plan and Priority Actions 2019/20	To advise Members of consultation responses and seek approval for a final version of the rolling Strategic Plan.	DCO Contact Officer: Sarah Watkins	On agenda
11 Feb 2019	Pay Policy Statement 2018/19	To consider the Authority's Pay Policy Statement in compliance with the Localism Act 2011 and associated guidance.	ACO PS Contact Officer: Mark Malson	On agenda
11 Feb 2019	Treasury Management Strategy 2018/19	To secure Members' approval to the adoption of the Treasury Management Strategy 2019/20.	Treasurer Contact Officer: Geraint Thomas	On agenda
11 Feb 2019	Gender Pay Gap Statement	To update Members on the analysis of the gender pay gap across the Service.	ACO PS Contact Officer: Mark Malson	On agenda

<b>Expected Date of Report</b>	<b>Report Name</b>	<b>Purpose of Piece of Work</b>	<b>Lead Director/ Contact Officer</b>	<b>Progress</b>
29 April 2019	Annual Report of the work of the Finance, Audit & Performance Management Committee & its working group during 2018/19	To advise Members of the work of the Committee.	DCO  Contact Officer: Sally Chapman	
29 April 2019	Annual Report of the work of the HR & Equalities Committee during 2018/19	To advise Members of the work of the Committee	ACO PS  Contact Officer: Mark Malson	
29 April 2019	Annual Report of the Work of the Local Pensions Board 2018/19	To advise Members of the work of the Board.	ACO PS  Contact Officer: Mark Malson	
29 April 2019	Work of the PSB's	To update Members on the work of each of the PSB's and how this impacts upon the work of SWFRS.	DCO  Contact Officer: Sarah Watkins	
29 April 2019	Welsh Language Standards	To update Members on compliance against the Welsh Language Standards.	ACO PS  Contact Officer: Mark Malson	
29 April 2019	Fire Authority & Committee Meeting Dates for 2019/20	To present Members with proposed dates of Authority & Committee meetings for 2019/20	DCO  Contact Officer: Sally Chapman	

Huw Jakeway – CFO  
Sally Chapman – DCO  
Dewi Rose – ACFO Service Delivery  
Richie Prendergast – ACFO Technical Services  
Mark Malson – Acting ACO People Services

Chris Barton – Treasurer  
Geraint Thomas – Head of Finance & Procurement  
Alison Kibblewhite – Head of Operations  
Sarah Watkins – Head of Corporate Services  
Andrew Jones – Head of Human Resources

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## AGENDA ITEM NO 11

**To consider any items of business that the Chairperson deems urgent  
(Part 1 or 2)**

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1.	Apologies for Absence	
2.	Declarations of Interest	
	Members of the Fire & Rescue Authority are reminded of their personal responsibility to declare both orally and in writing any personal and/or prejudicial interest in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Fire & Rescue Authority's Standing Orders and the Members Code of Conduct.	
3.	Chairperson's Announcements	
4.	To receive the minutes of;	
	<ul style="list-style-type: none"> <li>• Finance, Asset &amp; Performance Management Working Group held on 8 October 2018</li> <li>• Local Pension Board Committee held on 22 October 2018</li> <li>• FAPM Meeting held on 3 December 2018</li> <li>• Fire and Rescue Authority Meeting held on 17 December 2018</li> </ul>	<p style="text-align: right;">5</p> <p style="text-align: right;">11</p> <p style="text-align: right;">19</p> <p style="text-align: right;">23</p>
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6.vi.	South Wales Fire & Rescue Authority – Annual Pay Policy Statement 2019/2020	129
7.	<b>RESOLUTION TO EXCLUDE FROM PUBLICATION TO PRESS AND PUBLIC BY VIRTUE OF SECTION 100A AND PARAGRAPHS 12, 13 &amp; 14 OF PART 4 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 (AS AMENDED)</b>	163
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