

SOUTH WALES FIRE & RESCUE AUTHORITY

MINUTES OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE MEETING HELD ON MONDAY, 15 MARCH 2021 VIA STARLEAF

48. PRESENT

Councillor	Arrived	Left	
S Evans (Chair)			Torfaen
S Bradwick			Rhondda Cynon Taf
M Colbran			Merthyr Tydfil
DT Davies		10:55	Caerphilly
P Drake			Vale of Glamorgan
J Harries		11:47	Rhondda Cynon Taf
S Ebrahim		12:01	Cardiff
A Hussey	10:40		Caerphilly
V Smith			Monmouthshire
M Spencer			Newport
D White		12.10	Bridgend

APOLOGIES

W Hodgins Blaenau Gwent

OFFICERS PRESENT: DCO S Chapman – Monitoring Officer; Mr C Barton – Treasurer; Mr G Thomas – Head of Finance & Procurement; Mrs S Watkins – Head of Corporate Services; Mr S Gourlay – TIAA.

49. DECLARATIONS OF INTEREST

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

The Chair declared an interest in agenda item 56 - Capital Monitoring Report 2020/21 in relation to New Inn Fire and Rescue Station, advising that he is a member of the Planning Committee within his home authority.

50. CHAIR'S ANNOUNCEMENTS

There were no Chair's announcements.

51. MINUTES OF PREVIOUS MEETINGS

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

- Finance, Audit & Performance Management Committee meeting held on 23 November 2020.
- Finance, Asset & Performance Management Scrutiny Group meeting held on 12 October 2020.

52. TREASURY MANAGEMENT STRATEGY 2021/22

The Treasurer presented the Authority's Treasury Management Strategy for 2021/22 for members' consideration.

He drew Members attention to the table on page 23 showing the estimates for capital expenditure for each year, advising that there will not be any significant increases, and that slippage from the current financial year has been accounted for.

He also drew Members attention to the table on page 26 which details the actual gross debt as at 31st March. He advised this reflects an element of aspiration, and depends on programme being delivered with no other finances being received via grant funds.

The last table on page 27 shows actual percentage of revenue budget which shows a gradual increase of 7.5% which reflects the aspirations of the current programmes. He confirmed that it is not intended for financing costs to reach 10%, confirming that slippage is experienced throughout the year, also some projects attract grants, so avoiding the need to borrow.

RESOLVED THAT

52.1 Members approved the following:

- Treasury Management Strategy Statement (TMSS)
- Capital prudential indicators and Minimum Revenue Provision (MRP) policy
- Borrowing policy and treasury indicators/limits
- Annual Investment Strategy (AIS)

52.2 Members approved the Treasurer to update strategies and policies as necessary throughout the year.

53. HEALTH CHECK OF PRIORITY ACTIONS AND Q3 PROGRESS AGAINST THE STATUTORY PI'S

The Deputy Chief Officer presented the Health Check of priority actions and Quarter three progress against the statutory performance indicators.

Of note, she advised that the Learning Evaluation After a Fire (LEAF) training has been rolled out to all stations. 30 invitations to participate have been sent but no responses have been received as yet, hence no evaluation information is available. Also, the Waterside Community Responder Scheme that has been underway in Cardiff Bay has now been rolled out in Newport which will hopefully be of benefit when Covid restrictions have been lifted.

She further advised that Business Fire Safety have now completed all site specific risk audits of high rise and residential care premises.

She further confirmed that a response has been submitted to the Welsh Government consultation on Fire and Rescue Authority statutory consultees for planning applications which is likely to be coming into place shortly. The Deputy Chief Officer confirmed a report will be presented to the Fire and Rescue Authority at their next meeting in relation to the Building Safety White paper recently consulted upon.

Regards Job Evaluation, the Deputy Chief Officer advised that it will not be possible to report the findings to the HR & Equalities Committee and the Fire and Rescue Authority as indicated within the report due to a slight delay as moderation needs to be undertaken to ensure consistency of application of the conventions.

The Deputy Chief Officer noted there is just one indicator over 5% on target - Total False alarms Attended, advising this is due to many premises being closed due to Covid. There are two performance indicators up to 5% above target, and four indicators better than or equal to target. She confirmed that all Members will receive a breakdown for their home authority.

Councillor White advised that his authority are informed of all applications as a statutory requirement, and queried whether there will be any difference for the Service.

The Deputy Chief Officer advised that the new proposals will make the Service statutory consultees for all local planning applications of specific types for all 10 unitary authorities, which will see a big rise in consultations and consequently workload for the Service.

Councillor Evans advised that he is involved with the planning process in his home authority as well as licencing applications and queried whether the Fire and Rescue Service are consulted with licencing applications.

The Deputy Chief Officer confirmed that the Service does not get consulted on licences but the new proposals will mean the Service being consulted on key developments in council areas from a planning perspective.

Councillor Smith queried the incident with the faulty freezer querying what process is in place. The Deputy Chief Officer confirmed that data is collated nationally by all fire and rescue services in relation to fires in specific white goods, and any trends picked up nationally.

RESOLVED THAT

Members noted the contents of the report.

54. DRAFT ANNUAL REPORT OF THE WORK OF THE FINANCE AUDIT & PERFORMANCE MANAGEMENT COMMITTEE AND THE DISCHARGE OF THE TERMS OF REFERENCE OF THE FINANCE, ASSET & PERFORMANCE MANAGEMENT SCRUTINY GROUP

The Head of Corporate Services presented the report on the work of the Finance, Audit and Performance Management Committee and its Scrutiny Group for the municipal year 2020/2021, providing a summary of the report.

The Chair thanked the Head of Corporate Services for a very clear concise report and summary.

RESOLVED THAT

Members considered the report and resolved there were no amendments to be made to the content prior to reporting to the Fire & Rescue Authority as a summary of the workload carried out by the Committee and Scrutiny Group during the municipal year.

55. REVENUE MONITORING REPORT 2020/21

The Head of Finance and Procurement presented the report detailing the annual revenue budget and associated information for the year ending 31 March 2021, and an update of the major changes affecting the revenue budget since the last meeting held on 23 November 2020.

He advised that the updated projections indicate an underspend of £453k, a change of £876k on the previously reported overspend of £424k.

He gave a detailed summary of all costs, including employee costs, training costs and transport.

Councillor Smith commented on the considerable staff movements and queried whether the Authority covers the costs for individuals retiring on ill health grounds.

The Head of Finance and Procurement confirmed that the majority of pension costs are funded through Welsh Government, but added that the Service does incur some costs in the event of an individual retiring with ill health.

The Chair queried whether Covid funding from Welsh Government is up to date. The Head of Finance and Procurement confirmed that requests are submitted to Welsh Government on a quarterly basis, and all is line with timelines.

Councillor Drake queried misting systems, and where they will be fitted.

The Head of Finance and Procurement advised that misting systems are provided to extremely vulnerable individuals where risk has been identified.

Councillor White advised that it was his understanding the legal requirement was for sprinklers to be fitted.

The Deputy Chief Officer confirmed that it is a legal requirement that all new residential homes built in Wales to be fitted with sprinklers, but that this does not apply to commercial buildings. Commercial buildings are regulated by the Fire Safety Order.

RESOLVED THAT

Members noted and agreed the content of the report.

56. CAPITAL MONITORING REPORT 2020/21

The Head of Finance and Procurement presented the Capital Monitoring report which provides detail of the capital budget, transactions to date and the forecast year end position.

He drew Members attention to a number of areas that have an impact, advising that overspend is mainly driven by one project, the Search and Rescue (USAR)

building at Whitchurch. He advised that whilst this is an unbudgeted project, it will be fully funded by Welsh Government.

He advised that works at Pontypridd station have been completed with the exception of external works, which will include the demolishing of the existing drill tower and a build of a new drill tower within the next financial year.

He advised that procurement tenders have been returned for the purchase of rescue tenders at a cost of £299k per vehicle rather than the £235k per vehicle stated in the Vehicle Replacement Programme, thus creating an overspend of £192k as the three tenders have been ordered. It was noted that they will not be delivered during this financial year.

The purchase of operational equipment is slightly over budget due to changes within the purchase framework the Service uses, plus a number of improvements that were identified as required to the helmets.

The Chair commended the utilisation of one old vehicle, which is prudent considering the costs of the tenders. He touched on the impact Brexit has had on rising costs.

Councillor Ebrahim commented that there was a lot of uncertainty last year with Brexit, and now with Covid-19 it is anticipated that there will be a big rise in costs of vehicles.

The Head of Finance and Procurement advised that the Service is not seeing a huge increase because of Brexit, and that costs are naturally rising. He confirmed that a big impact on budget is the shift to electric vehicles, which will result in a rise in costs, but added that savings will be seen within the running costs of the electric vehicles. He confirmed that only a small proportion of purchasing comes direct from Europe.

Councillor Smith queried the absence of Abergavenny station within the capital programme and queried whether the Police are still occupying the porta cabin, and whether there is any income from co-locating stations.

The Head of Finance and Procurement confirmed that the Police are still occupying the site, adding that the Police have decided to look for an alternative site so the planned refurbishment will not now go ahead. He confirmed that the Service does receive income from co-locating stations to offset higher running and maintenance costs.

The Chair declared an interest in New Inn advising that he is a member of the Planning Committee within his home authority.

RESOLVED THAT

Members noted the budget and progress of capital schemes and approved alterations identified in appendix 1 and associated movements in funding.

57. INTERNAL AUDIT REPORT

The auditor from TIAA gave Members a detailed overview of the progress being made against the Internal Audit Plan 2020/2021 and ran through the recommendations.

Of note, the auditor advised that the Service is the first to request a sustainability audit including paper usage and should be commended for their forward thinking.

Councillor Smith advised that whilst she accepts there are costs associated with the provision of paper copies of agendas and reports, until such time as ICT improves, she would not be able to manage without paper copies.

The auditor outlined the risks in relation to Brexit and Core HR, which centred on the location of stored HR data. He also advised on an important recommendation in relation to internal controls, which centres on procedure of roles clearly affected by Covid, and long term effects of new ways of working.

Regards Estate management he reported an overall robust governance, with just two recommendations in place, which deal with ensuring spreadsheets used are kept up to date and the enhancement of how decisions are documented for planned/reactive maintenance to ensure transparency.

Discussion ensued in relation to the Summary of recent Fraud alerts, particularly the parking machine scam.

The Chair advised he has seen an increase in scams during lockdown, particularly email scams, and queried what providers can do to help eliminate.

The Treasurer advised internet providers would block scams as a matter of course. There has been a trend recently for computerised creation of server addresses which are more difficult to identify as they change regularly.

The auditor advised that the Service does have preventative measures in place such as fire walls, and advised Members of 'Action Fraud', the UK's national reporting centre for fraud and cyber-crime.

RESOLVED THAT

Members noted the internal audit recommendations and work completed to date on the Internal Audit Annual Plan.

58. INTERNAL AUDIT ANNUAL PLAN 2021/2022

The Auditor presented the report detailing the proposed Internal Audit Annual Plan for 2021/2022, for Members approval.

RESOLVED THAT

Members approved the Internal Audit Annual Plan for 2021/2022.

59. INTERNAL AUDITORS ANNUAL REPORT YEAR ENDING 31 MARCH 2021

The Auditor presented the report that summarised the internal audit work that has been undertaken this year. He stressed that the Annual Report is currently in draft, but he is not anticipating any changes. He confirmed that it has been agreed that the 'outside commitments, personal and business interests' audit will now be reviewed, commencing this week.

RESOLVED THAT

Members noted the work and overall opinion of the Internal Auditors for the financial year 2020/2021.

60. COMPLETION OF 2019/20 ACCOUNTS

The Treasurer presented the Audit of Accounts Report for 2019-20 from Audit Wales. He expressed apologies from the WA auditor, who, due to technical issues, has been unable to link into the meeting. The Treasurer confirmed that the auditor did not intend to raise anything from the report.

The Treasurer advised that Members will be receiving a request to complete their End of Year Related Party Transactions for 2020-21, he requested that Members complete the forms.

The Treasurer advised that regards to the capital budget setting process, he will be recommending that a review take place due to the slippage that has been encountered. He also advised that the review and development of the Authority's medium term strategy and how capital will be built in will be picked up in due course.

RESOLVED THAT

Members noted the report.

61. PROPOSED NEW TERMS OF REFERENCE FOR SCRUTINY COMMITTEE

The Deputy Chief Officer presented the report that proposes updated Terms of Reference for a newly formed Scrutiny Committee further to Members consideration of earlier reports since the 12 October 2020 on proposed reform of Fire & Rescue Authority (FRA) scrutiny.

The Deputy Chief Officer summarised the reports that had been taken to the current Scrutiny Committee and HR & Equalities committee and highlighted the ramifications of changing the current structures in terms of member numbers on each committee if other committees remained in situ, terms of reference, meeting frequency and decision making.

The Deputy Chief Officer also advised that combining the Finance Committee and the HR & Equalities Committee into a single Resources Committee would allow for more members on the Scrutiny Committee meaning attaining quorum at meetings would be easier.

Members considered the information provided and discussed the implications these changes will have on other committees, and with one abstention, agreed to the proposal.

The Deputy Chief Officer agreed to include proposals into the report to the Fire and Rescue Authority, reflecting today's discussions.

RESOLVED THAT

The amalgamation of the HR and Equalities Committee and the Finance Committee into a Resources Committee be included within the report on scrutiny reform for consideration by the Fire and Rescue Authority at its meeting in March.

62. STRATEGIC RISK REGISTER REPORT 2020/21 QUARTER 3

The Deputy Chief Officer presented the Strategic Risk Register report for 2020/21 Quarter three.

RESOLVED THAT

Members noted the report.

63. REGISTER OF GIFTS AND HOSPITALITY

The Head of Corporate Support presented the report that provides Members with an overview of the gifts and hospitality offered and accepted or declined that are recorded on the Hospitality and Gifts Register for 2020.

She wished to advise Members of an error in the entry, where an individual won a home office makeover, confirming that the gift was not accepted.

She confirmed that there has been an increase in gifts being received, this is due to Covid 19 and the public wishing to show their appreciation and advised that, compared to previous years there has been a 183% increase,

The Chair commented that it shows the esteem the Service is held in by public.

RESOLVED THAT

Members noted the contents of the Hospitality and Gifts Register.

64. SECOND DRAFT OF ANNUAL GOVERNANCE STATEMENT 2020/21

The Head of Corporate Support presented the report that advises Members of the second draft of the Annual Governance Statement to be included with the 2020/21 Statement of accounts.

RESOLVED THAT

Members agreed the Statement and did not wish to make any amendments to the document.

65. AUDIT WALES ENQUIRIES TO 'THOSE CHARGED WITH GOVERNANCE' – DRAFT RESPONSE

The Head of Finance and Procurement presented the draft response to the Audit Wales paper on 'Those Charged with Governance' when approving financial statements.

RESOLVED THAT

Members confirmed the response to the Audit Wales questions, as detailed in Appendix 1.

66. FORWARD WORK PROGRAMME 2021/21

The Deputy Chief Officer presented the Forward Work Programme.

RESOLVED THAT

Members noted the completion of the Forward Work Programme for 2020/21.

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

There were no items of business that the Chairman deemed urgent (Part 1 or 2)