

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

SOUTH WALES FIRE & RESCUE AUTHORITY

COMMITTEE: Finance, Audit & Performance Management Committee

DATE: **Monday, 9 September 2019 at 1030 hours**

VENUE: South Wales Fire & Rescue Service Headquarters,
Room 8, Forest View Business Park, Llantrisant
CF72 8LX

AGENDA

1. Apologies for Absence
2. Declarations of Interest

Members of the Fire & Rescue Authority are reminded of their personal responsibility to both verbally and in writing declare any personal and/or prejudicial interests 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:
 - Finance Audit & Performance Management Meeting held on 10 June 2019 3
5. Business Plan Actions Report Health Check 2019/20 Quarter 1 5
6. Revenue Monitoring Report 2019/20 33
7. Capital Monitoring Report 2019/20 49
8. 2018/19 Annual Treasury Management Review 57

9.	Medium Term Financial Strategy (MTFS), Reserve Strategy and Budget Update	63
10.	Internal Audit Report	87
11.	Presentation by Wales Audit Office	119
12.	Forward Work Programme 2019-20	169
13.	To consider any items of business that the Chairperson deems urgent (Part 1 or 2)	175

Signature of Proper Officer:



MEMBERSHIP

Councillors:

M	Colbran	Merthyr Tydfil
K	Critchley	Newport
P	Drake	Vale of Glamorgan
S	Ebrahim	Cardiff
S	Evans	Torfaen
J	Harries	Rhondda Cynon Taff
J	Holt	Blaenau Gwent
A	Hussey	Caerphilly
V	Smith	Monmouthshire
D	White	Bridgend

SOUTH WALES FIRE & RESCUE SERVICE

MINUTES OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE MEETING HELD ON MONDAY, 10 JUNE 2019 AT SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS

01. PRESENT

Councillor

Left

S Evans (Chair)

P Drake

V Smith

J Holt

A Hussey

D White

S Ebrahim

J Harries

M Colbran

Torfaen

Vale of Glamorgan

Monmouthshire

Blaenau Gwent

Caerphilly

Bridgend

Cardiff

Cardiff

Merthyr Tydfil

APOLOGIES

K Critchley

Newport

OFFICERS PRESENT: Mrs S Chapman – Monitoring Officer, Mr G Thomas – Head of Finance & Procurement; Mrs S Watkins - Deputy Monitoring Officer; Mr D Rose - ACFO, Service Delivery, Mrs L Mullan, Senior Accountant

02. DECLARATIONS OF INTEREST

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

03. CHAIR'S ANNOUNCEMENTS

There were no announcements from the Chair.

04. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 8 April 2019 were received and accepted as a true record of proceedings.

05. STATEMENT OF ACCOUNTS 2018-19

The Head of Finance and Procurement presented the Statement of Accounts for 2018-19, and gave an overview of the contents.

He advised that completion and approval of the Statement of Accounts is earlier than previous years, and that completion was required by 31 May 2019, with approval by the Fire and Rescue Authority required by the end of July. He advised that the Statement of Accounts are currently undergoing a full audit, the fully audited version will be presented to the fire and Rescue Authority at its meeting taking place Monday 29 July 2019.

He thanked the Senior Accountant and her team for all their hard work in ensuring the Authority met the deadline of 31 May.

RESOLVED THAT

- 5.1 Members note the Statement of Accounts for 2018/19; and
- 5.2 the Treasurer be given authority to make any necessary amendments that may be required as a consequence of the audit process.

06. FORWARD WORK PROGRAMME

The Monitoring Officer requested that Members consider the draft Forward Work Programme for 2019/20, for discussion at the next meeting.

RESOLVED THAT

Members noted the draft Forward Work Programme for 2019/20 and agreed to consider in more detail at the next meeting.

07. TO CONSIDER ANY ITEMS OF BUSINESS THAT THE CHAIRPERSON DEEMS URGENT (PART 1 OR 2)

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

AGENDA ITEM NO 5

BUSINESS PLAN ACTIONS REPORT

Health Check

2019/20 Quarter 1

Report Date 16th August 2019



Gwasanaeth Tân ac Achub
De Cymru

South Wales
Fire and Rescue Service

Produced in

BMIS
Business Management
Information System

Summary

This paper will give assurance to the Members of the Fire & Rescue Authority and senior management within the South Wales Fire & Rescue Service on progress towards achievement of the Strategic Objectives and performance of the Strategic Performance Indicators for Quarter 1 (April – June) 2019/20.

Background

- 1.1 The Welsh Government requires the South Wales Fire & Rescue Service to develop Strategic Plans to identify the direction for the Service and address particular areas for improvement. The Service does this by developing a five year Strategic Plan, implementing actions and measuring indicators to enable the Service to achieve these organisational goals.
- 1.2 All departments link actions within their annual department plans to the appropriate Strategic Objectives. This enables us to measure how well we are performing against these objectives by how many of the linked actions are on target and review how the associated indicators are performing.
- 1.3 Quarterly updates are recorded by action owners onto the Business Management Information System (BMIS), and staff within the Planning, Performance and Risk Team monitor the information and extract reports accordingly.
- 1.4 To further support the performance management framework, National Strategic Indicators were introduced for reporting year 2015/16. Together these provide data and information to inform and support decision making processes within the Service to target activity and drive improvement. The Statistics and Risk Team monitors the information and extract reports accordingly.
- 1.5 This report will provide Members and Officers with a health check on performance against the Strategic Objectives and Strategic Indicators for Quarter 1 (April – June) 2019/20.

Issue

- 2.1 For Members' information going forward, taking into account the Well-Being of Future Generations (Wales) Act 2015, the Service has revised the Strategic Plan to include five Strategic Themes as listed below:
- ST01 - We will Reduce Risk
 - ST02 - We will Engage and Communicate
 - ST03 - We will Nurture Sustainable Resources
 - ST04 - We will Embrace Technology
 - ST05 - We will Strengthen Partnerships
- 2.2 Each of these Strategic Themes has one or more Priority Actions that the Service has monitored progress against during 2019/20.
- 2.3 Appendix 1 attached is a summary of the Performance Monitoring Report, which reviews Quarter 1 (April – June) 2019/20 performance against agreed targets for the seven National Strategic Performance Indicators. It also includes a summary comment for each indicator.
- 2.4 Appendix 1 identifies that two indicators have not met their target but were within 0-5% of doing so and are performing worse than last year, one indicator has not achieved the target but is within 0% to 5% of the target and is performing better than last year and four indicators are achieving their target.
- 2.5 Two indicators that have not met their target but were within 0% to 5% of the target and performed worse than last year are:
1. Other Special Services Calls Attended
 2. % of Dwelling Fires confined to the room of origin
- 2.6 The one indicator that has not achieved the target but is within 0% to 5% of the target and performed better than last year is:
1. False Alarms Attended
- 2.7 The four indicators that achieved their targets were:
1. Total Fires Attended
 2. Total Road Traffic Collisions Attended
 3. Total Deaths and Injuries in Fires
 4. Accidental Deaths and Injuries in Fires

Equality Risk Assessment

1. This report, the accompanying appendices and the targets themselves have no Equality Risk Assessment impact. The Service Performance and Communications Department and the respective Directorates are working with the performance data to establish any trends and implications that would include equality implications. These will be addressed at that time.
2. It is the responsibility of the action owners to ensure that Equality Risk Assessments are carried out for their actions in the planning framework.

Recommendations

- 4.1 That Members review the performance details and statistical data for Quarter 1 (April – June) 2019/20 contained within this report.

Scorecard

The scorecard below lists the number of tasks in progress relating to each Priority Action along with a breakdown by RAG status.

The “Unknowns” indicate the number of tasks that have either:

1. Started subsequent to the completion of the previous quarter (0); or
2. Not been updated by the action owner (0).

PA1: Provide an efficient, effective and relevant response to our communities.				
▲	●	★	Unknowns	Total
0	6	11	0	17
PA2: Working with others to provide education to prevent harm / risk of harm				
▲	●	★	Unknowns	Total
1	29	28	0	58
PA3: Developing efficient and effective ways of engaging and communicating with our communities				
▲	●	★	Unknowns	Total
0	7	8	0	15
PA4: Attract, develop, retain workforce reflecting communities and deliver services				
▲	●	★	Unknowns	Total
3	28	43	0	74
PA5: Reducing our Service's impact on the environment to ensure future sustainability.				
▲	●	★	Unknowns	Total
0	1	10	0	11
PA6: Ensuring we use technology to enable efficient and improved service delivery.				
▲	●	★	Unknowns	Total
3	10	31	0	44
PA7: Working with our Public Service Boards and partners to support local communities.				
▲	●	★	Unknowns	Total
0	2	7	0	9

Priority Action Commentary

PA01 Ensure we provide an efficient, effective and relevant response to our communities.

- The Operations department are planning two large-scale exercises that will take place during the next twelve months involving 10 appliances thus enabling an Incident Command System (ICS) infrastructure to be mobilised.
- Water Awareness Type E training has been delivered to On Call Duty System initial courses during June 2019.
- A new one-day first aid at work course has been developed and scheduled for delivery.
- A Service-wide assurance metrics project is in progress examining how we can best measure and assess our performance.

PA02 Work with others to provide education to our communities to prevent harm, and protect against the risk of harm

- Engagement with premises identified as having failed cladding systems is ongoing and will continue until all remedial work is completed.
- A business impact assessment has been completed for HQ denial in the event of severe weather, industrial action or other reason. Once the business continuity plan is finalised an exercise will be programmed to test and review.
- Event planning is well underway for the delivery of a tri service event in Cardiff Bay in September 2019.
- The Bernie Pantomime & Roadshow was delivered to 20 schools across eight Unitary Authorities throughout April 2019 involving approximately 2,500 KS2 children. This was very successful and will be extended in 2020.

PA03 Develop efficient and effective ways of engaging and communicating with our communities to involve them in how we deliver our services

- The Newport Community Engagement Hub is now “live” and has received excellent feedback, e.g. Aimee Thomas Victim Services & Engagement Officer, “Accessing the Malpas Hub has allowed me to enhance the partnerships I have been looking to build in the Newport area and develop positive referral pathways. Having so many key agencies in one location has helped to reduce demand and allowed for positive outcomes to be reached much sooner for the people I support.”
- Some stations are fully engaged with social media output (predominantly Facebook) however some stations require further encouragement to engage. Some thought has been given to establishing Station Commander Twitter accounts in order to raise awareness of Community Risk Management Plan outputs e.g. Wellbeing activities with partners and other activities such as risk information / open days etc.
- Community Safety are planning station visits to upskill station commanders in order to conduct Learning Evaluation for Accidental Fires (LEAF) visits after all accidental dwelling fires.
- An additional Fire Cadet branch is now established at Aberbargoed and a Mini Cadet branch at Malpas. A further branch at Cardiff Gate is in the process of being established and a trial at HMP Parc with young offenders is being expanded.

PA04 Ensure we attract, develop and retain a workforce that reflects our communities and is capable of delivering effective services today and in the future

- A targeted approach to On Call Duty System (OCDS) firefighter attraction and recruitment continues across the Service. These events are well supported by the Media and Communications team as well as Human Resources and personnel from the relevant OCDS station. OCDS firefighters can now flex their contracts to suit their personal and station commitments.
- During June 2019 OCDS appliance availability was 83%; this has, however, been greatly assisted by Wholetime Duty System detachments.
- Additional initial OCDS training courses are being delivered by Cardiff Gate Training and Development Centre along with additional Breathing Apparatus courses in order to accommodate trainee numbers.

- Cardiff Gate Training and Development Centre has been tasked to look at the structure of the existing initial firefighters' course and check where efficiencies in time and resources can be made. Results are expected in October with an indication of delivery in the New Year.
- New breathing Apparatus sets have been ordered with an initial delivery of 40 sets to allow training to commence. A comprehensive training program has been established to complete the training of all operational staff in a 3 to 4 month period commencing in September.
- The new Compartment Fire Behaviour Training facility is nearing completion with handover scheduled for August 2019.
- The Operational Response Review and the Operational Flexi Duty Officer Response Review are awaiting sign off by SMT prior to implementation.
- Water rescue courses are currently being reviewed. Work is in progress to explore the possibility of an all Wales approach to training Water Rescue Boat Operator instructors with each Service providing quality assurance via peer assessment program.
- A new Learning and Development Strategy has been developed and will be presented to SMT on 31st July.
- The Information Governance and Compliance team hosted 5 x 30 minute Data Protection events on 23rd May 2019 to mark the 1st anniversary of the law's inception and to refresh knowledge around the key principles, data breach reporting and general responsibilities. The events were very well attended and positively received.
- The wellbeing steering group has been set up and provided with a strategic steer of achieving the Corporate Health Standard to guide and focus wellbeing strategy and actions.
- The relocation of the Occupational Health Unit from Nantgarw to Pontyclun remains on schedule, subject to the completion of building refurbishment, ICT and furniture installation, with full service being provided from the new facility from 21 October 2019.

PA05 Reducing our Service's impact on the environment to ensure future sustainability

- We continue to procure technically advanced and low emission appliances whilst exploring alternative fuel vehicles. We have completed a fleet review that has taken a measure of our carbon footprint and are in the process of receiving quotations for fully electric pool vehicles.
- Installation of LED lighting on all sites is 90% complete.
- We are reviewing the requirements for paper agendas, minutes and reports for internal meeting and exploring the options of providing these electronically.
- Biodegradable cups purchased for hot drinks use in canteen area.

PA06 Ensuring we use technology to enable efficient and improved service delivery

- Joint Fire Control continues to exchange incidents via Direct Electronic Incident Transfer (DEIT) with South Wales Police, North Wales Fire and Rescue Service, and Gwent Police. The Multi Agency Information Transfer (MAIT) hub now been commissioned and testing is to commence with connecting the Command and Control system with new ATOS hub.
- Community Safety and Partnerships are exploring commercially available virtual reality (VR) systems with a view to creating a VR home safety package.
- Community Safety officers are attending West Midlands Fire Service in August 2019 to review and update the Risk Identifier and Data Generating Engine (RIDGE) system. It is anticipated that Phase 1 of the system will undergo a test during September - October 2019.
- We are currently reviewing new specifications for multimedia facilities on Fire Stations. This should be completed by September 2019.
- Phase 3 implementation of the Business Management Information System (BMIS) includes:
 - a service wide development of assurance metrics,
 - a home safety dashboard for the management of high risk safety checks,
 - a review of the audit module,
 - developing an area for the collation of evidence of our work with the nine PSBs,
 - a review of the number of licenses required for future use of the system.

- The assurance metrics work has begun with work focusing on Information Governance, Health and Safety, Media and Communications and Home Safety. The work has included reviewing existing data capture methods, quality assuring data, creating links to the information and creating concepts dashboards for department and Senior Management Team approval.
- The implementation of the Training and Rostering modules of CoreHR is progressing albeit at a slower pace than expected due to interactions from CoreHR.
- A business impact assessment has been completed for denial of HQ personnel / facilities in the event of severe weather, industrial action or any other reason. Once the business continuity plan is finalised an exercise will be programmed to test and review.

PA07 Work with our Public Service Boards and partners to support local communities

- Joint Fire Control continue to work with South Wales Police to develop partnerships between mental health, social workers and ambulance staff within the Joint Public Service Centre.
- Joint Fire Control continue to seek and identify opportunities for collaborative training with South Wales Police, e.g. health and safety, MTFAs, etc.
- Group Managers within Operations are in constant dialogue with their respective Public Service Boards with two of them currently chairing sub groups in Torfaen (green infrastructure) and the Vale of Glamorgan (engagement).
- We continue to engage with key external stakeholders, including health boards and local education authorities, to work towards reducing unwanted fire signals from automatic fire alarms. Joint Fire Control staff contact premises, following mobilisations to unwanted fire signals, to discuss proactive management of premises to comply with responsible person duties.
- A plan to review our data sharing policies is being drafted and these will either be amended or updated as appropriate.
- Our Statistical Analysts continue to build relationships with the analysts from both South Wales Police and the Welsh Ambulance Service Trust as work progresses towards more tri service data sharing.



PERFORMANCE MONITORING REPORT

Appendix 1

2019/20 Quarter 1 - April to June 2019



Gwasanaeth Tân ac Achub
De Cymru

South Wales
Fire and Rescue Service

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Introduction

The Performance Monitoring Report for 2019/20 highlights performance for the period April 2019 to June 2019. The report includes:

1. Strategic Indicator Performance Summary.....Page 1
2. Strategic Indicator Performance Comments.....Pages 2-5
3. Analysis of incident activity levels by Unitary Authority Area (UAA).....Pages 6-15

The Strategic performance indicators included in the report show six years of data. This enables the Service to identify any long term trends in performance and identify how the service is performing compared to targets.

Following consideration by the Senior Management Team and the Fire and Rescue Authority, the report is made available to the public via the internet.

The Service Performance & Communications department co-ordinates and compiles this report on behalf of the Service Delivery Directorate. All information is extracted from updated Directorate quarterly Service Plans and the data sets are maintained and validated by the Statistics and Risk team.








We are continually seeking to improve this report and welcome comments on additional information or other changes that you would like to see, please feel free to contact Neil Herniman on 01443 232775 or Jon Carter 01443 232347 to discuss.

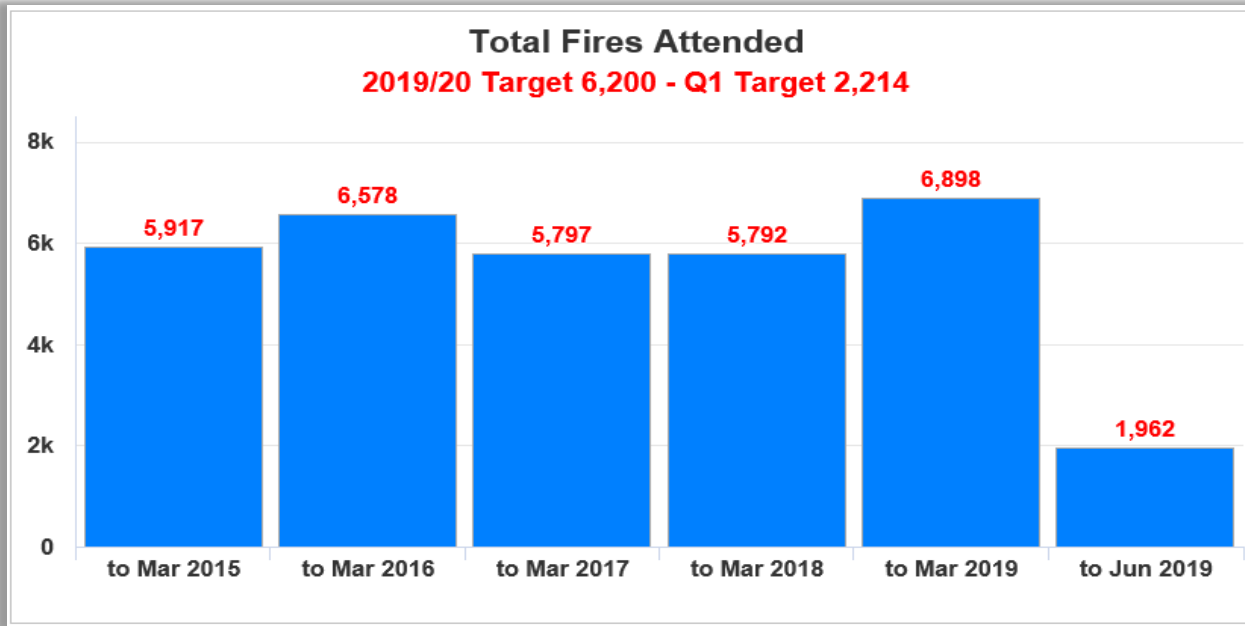
Strategic Indicators 2019/20

The sunburst below displays the progress of each Strategic Indicator based on its performance against the target set.

Performance Key	 Better than target	 0% to 5% from target	 Over 5% from target
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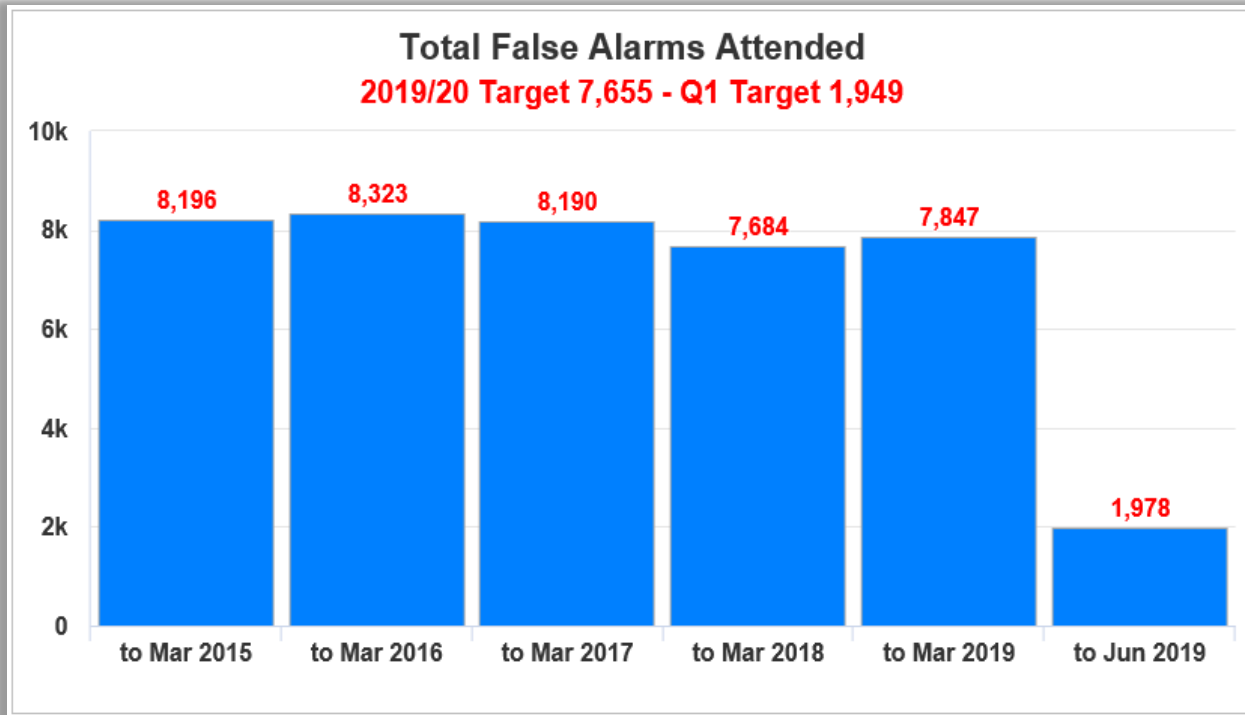


	to 30/06/2019			
	Q1 Actual (YTD)	Q1 Target (YTD)	Q1 Performance (YTD)	Q1 2018/2019 (YTD)
Total Fires Attended	1,962	2,214		1,849
Total RTCs Attended	249	260		273
Total False Alarms Attended	1,978	1,949		1,999
Total Other SSCs Attended	516	509		514
% of Dwelling Fires Confined to Room of Origin	83.15 %	85.00 %		80.37 %
Total Deaths and Injuries In Fires	13	17		30
Total Accidental Deaths and Injuries In Fires	10	15		27



Q1 Performance V Q1 last year

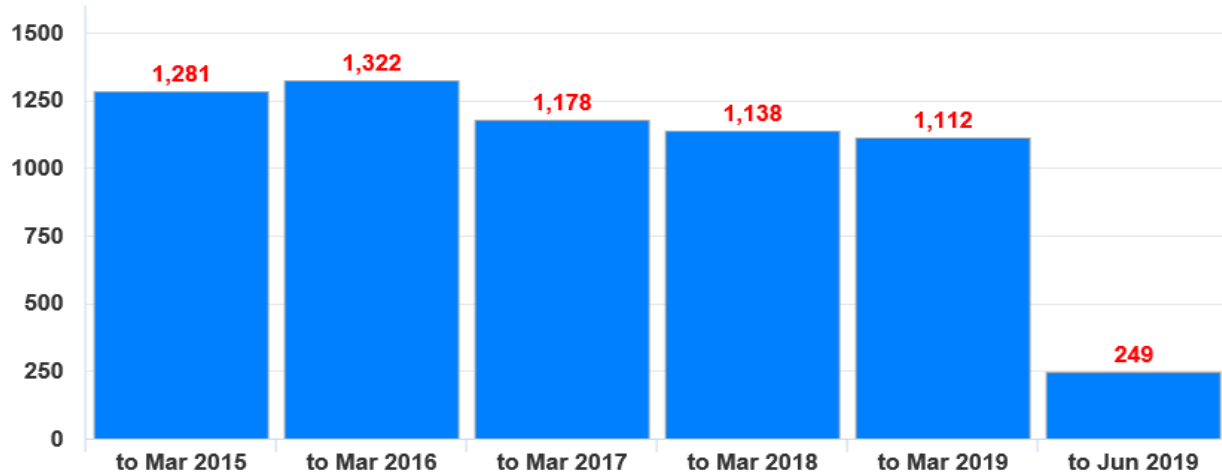
- Total Fires ↑ 113 (6%)
- 23% Accidental ,
77 % Deliberate
- 11% below the Q1 target of 2,214
- April ↑ 109%, June ↓ 48%
- Deliberate grass fires ↑ 120 (23%), deliberate refuse ↑ 10 (2%)
- Accidental dwelling fires ↑ 19 (13%)



Q1 Performance V Q1 last year

- Total False Alarms ↓ 21 (1%)
- 2% above the Q1 target of 1,949
- False alarm due to apparatus ↓ 3%
- Alarms to residential homes ↓ 32%
- Alarms to hospitals ↓ 6%
- Appliances in attendance at false alarms ↓ 1%

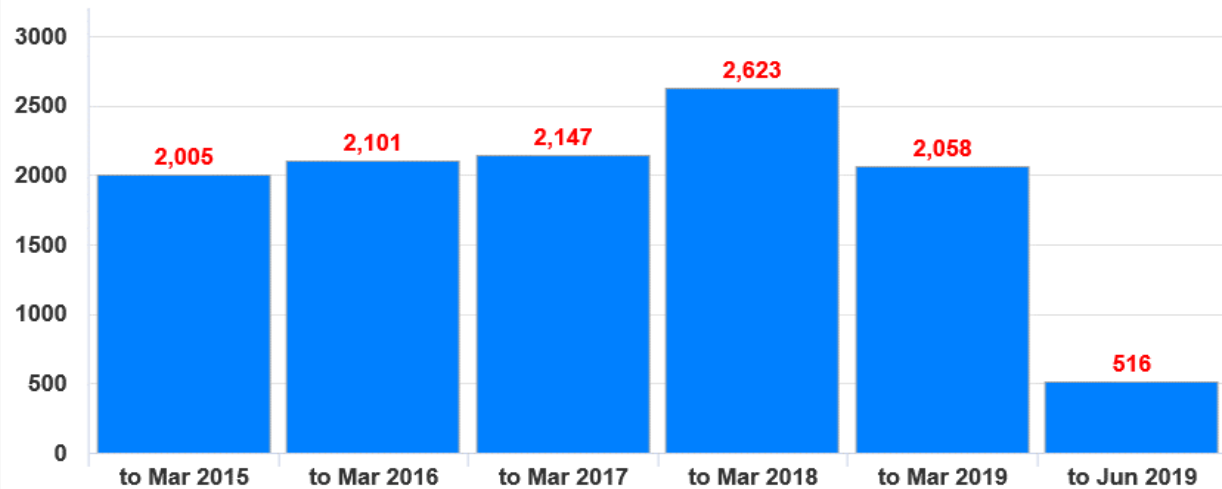
Total RTCs Attended
 2019/20 Target 1,074 - Q1 Target 260



Q1 Performance V Q1 last year

- Total RTCs ↓ 24 (-9%)
- 4% below the Q1 target of 260
- Extrications of persons ↑ 25%.
- 5 extrications in Tonypanyd station ground.
- Making the scene safe ↓ 4%
- Standby no action ↑ 14%
- Vale of Glamorgan ↑ 23%.
- Torfaen ↑ 20%
- Bridgend ↓ 31%

Total Other SSCs Attended
 2019/20 Target 2,048 - Q1 Target 509

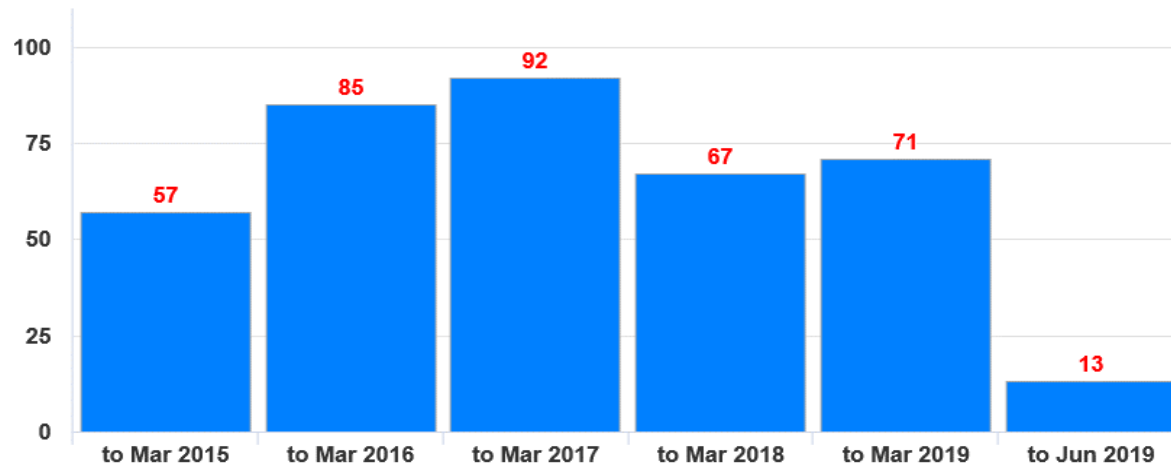


Q1 Performance V Q1 last year

- Other SSCs ↑ 2 (+0.4%)
- 1% above Q1 target of 509
- Flooding ↑ 67%
- 26 flooding calls attended in 1 day (6th July 2019)
- Animal assistance ↑ 17%
- Assisting other agencies ↑ 11%
- Cardiff UA had the highest number of incidents in Q1(160), 33 of which were flooding

Total Deaths and Injuries In Fires

2019/20 Target 66 - Q1 Target 17

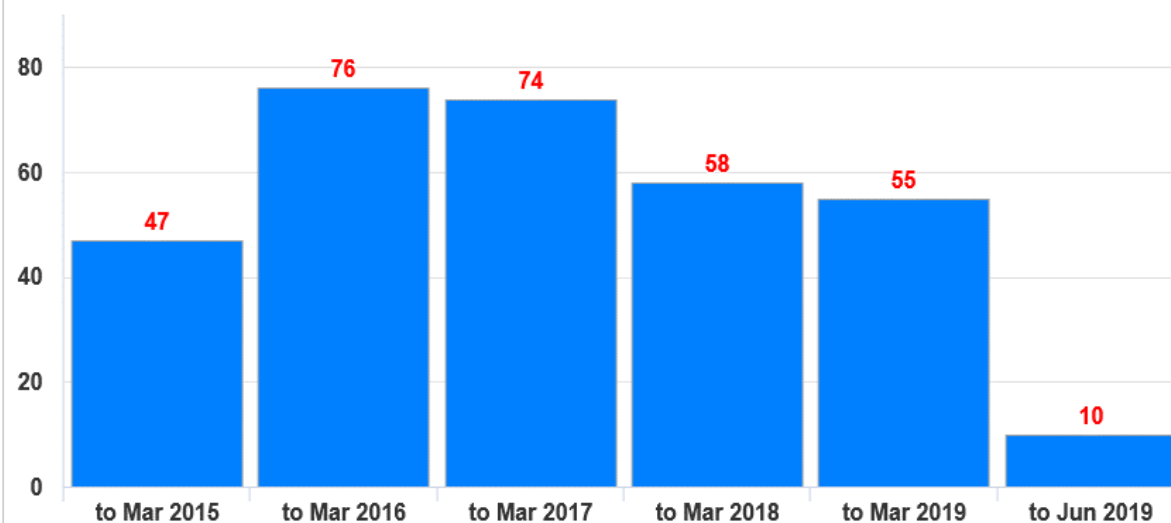


Q1 Performance V Q1 last year

- Fatalities and Injuries ↓ 57%
- 25% below the Q1 target of 17
- 3 fatalities from fires compared to 2 last year
- 2 of these were in accidental dwelling fires
- Serious injuries ↓ 57%, (7 to 3)
1 was caused by a person smoking in a hospital bed who set fire to his blankets.
- Slight injuries ↓ 67% (21 to 7)

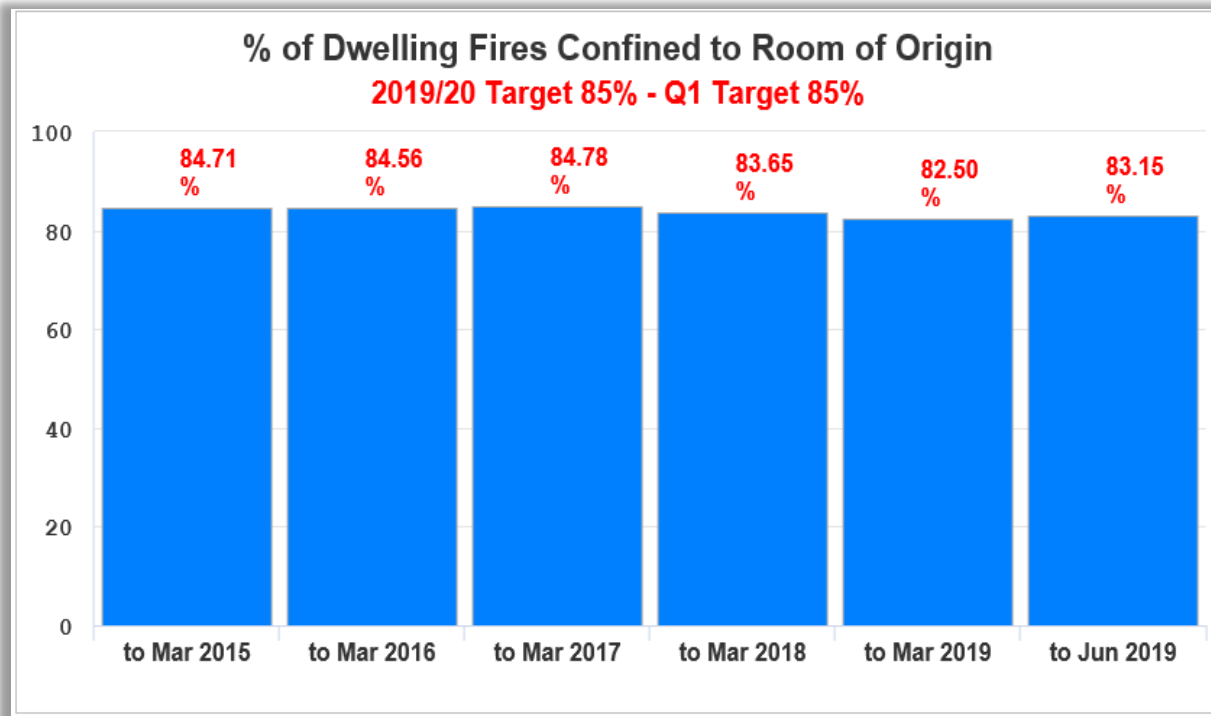
Total Accidental Deaths and Injuries In Fires

2019/20 Target 59 - Q1 Target 15



Q1 Performance V Q1 last year

- Accidental fatalities and Injuries ↓ 63% (27 to 10)
- 34% below the Q1 target of 15
- 2 accidental fatalities from fires - the same as last year, both in accidental dwelling fires
- Accidental serious injuries ↓ 50% (6 to 3)
- Accidental slight injuries ↓ 74% (19 to 5)



Q1 Performance V Q1 last year

- 153 of 184 dwelling fires have been confined to the room of origin (83%)
- 2.75% below the Q1 target of 85%
- Torfaen UA had the lowest numbers with 6 of the 10 fires (60%) confined.
- The Vale of Glamorgan UA had the highest numbers with 17 of the 18 (94%) confined to the room of origin.



Incident Categories	Apr 2018 - Mar 2019	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %	
Total Incidents	1,063	94	87	47										228				228	263	-35	-13 %	★
Special Service Call	131	8	15	8										31				31	35	-4	-11 %	★
Total RTCs Attended	36	4	4	1										9				9	10	-1	-10 %	★
Total Other SSCs Attended	95	4	11	7										22				22	25	-3	-12 %	★
Total False Alarms Attended	364	36	29	18										83				83	86	-3	-3 %	★
Malicious False Alarms	8	0	0	0										0				0	2	-2	-100 %	★
Good Intent False Alarm	212	27	21	10										58				58	48	10	21 %	▲
Automatic False Alarms	144	9	8	8										25				25	36	-11	-31 %	★
Total Fires Attended	568	50	43	21										114				114	142	-28	-20 %	★
Deliberate Fire	488	42	37	15										94				94	121	-27	-22 %	★
Deliberate grass fires attended	220	19	10	1										30				30	46	-16	-35 %	★
Deliberate refuse fires attended	199	19	19	9										47				47	56	-9	-16 %	★
Accidental Fire	80	8	6	6										20				20	21	-1	-5 %	★
Accidental Dwelling Fires Attended	21	2	1	2										5				5	7	-2	-29 %	★
Total Deaths and Injuries In Fires	3	0	0	0										0				0	1	-1	-100 %	★
Total Accidental Deaths and Injuries In Fires	2	0	0	0										0				0	1	-1	-100 %	★

The total number of incidents for Q1 has reduced by 35 incidents from 263 last year compared to 228 in Q1 this year. The total number of fires in Q1 has reduced from 142 to 114 (-20.0%). Deliberate fires accounted for 82% of all fires attended in Q1. Deliberate refuse fires have reduced from 56 in Q1 last year to 47 in Q1 this year, a reduction of 16.1% although numbers did rise in April (9 to 17, +88.9%) compared to last year. Deliberate grass fires have reduced from 46 in Q1 last year to 30 in Q1 this year, a reduction of 35.0%, although numbers also rose in April (5 to 19, +280.0%). Road traffic collisions have reduced from 10 in Q1 last year to 9 in Q1 this year, a reduction of 10.0%. There were two incidents which involved the extrication of persons in Q1 compared to zero in Q1 last year. Other Special service calls are down on Q1 last year with incidents falling from 25 to 22 (-12.0%). Effecting entry /exit has reduced from 3 to 1 (-67.0%) and assisting other agencies from 4 to 3 (-25.0%) Flooding incidents however have increased from 1 to 5 (+400.0%) and there have been 3 incidents of lift release in Q1 compared to zero last year. Automatic false alarms (AFA) have decreased from 36 to 25 (-31.0%) compared to Q1 last year. AFAs in Residential homes have decreased from 15 to 2 (-86.7%). We have seen an increase in AFAs in self-contained sheltered housing however from 3 to 10 (+233.0%) mainly driven by cooking/burnt toast. The overall number of incidents for good intent false alarm (FAGI) have increased from 48 to 58 (+21.0%).



Incident Categories	Apr 2018 - Mar 2019	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %	
Total Incidents	1,500	201	144	128										473				473	416	57	14 %	▲
Special Service Call	326	28	17	23										68				68	78	-10	-13 %	★
Total RTCs Attended	129	13	5	4										22				22	32	-10	-31 %	★
Total Other SSCs Attended	197	15	12	19										46				46	46	0	0 %	★
Total False Alarms Attended	619	62	55	70										187				187	152	35	23 %	▲
Malicious False Alarms	9	2	0	5										7				7	3	4	133 %	▲
Good Intent False Alarm	353	42	23	17										82				82	95	-13	-14 %	★
Automatic False Alarms	257	18	32	48										98				98	54	44	81 %	▲
Total Fires Attended	555	111	72	35										218				218	186	32	17 %	▲
Deliberate Fire	373	89	60	23										172				172	141	31	22 %	▲
Deliberate grass fires attended	134	73	28	2										103				103	58	45	78 %	▲
Deliberate refuse fires attended	174	14	20	17										51				51	59	-8	-14 %	★
Accidental Fire	182	22	12	12										46				46	45	1	2 %	●
Accidental Dwelling Fires Attended	59	5	3	6										14				14	17	-3	-18 %	★
Total Deaths and Injuries In Fires	4	0	0	0										0				0	4	-4	-100 %	★
Total Accidental Deaths and Injuries In Fires	4	0	0	0										0				0	4	-4	-100 %	★

The total number of fires have increased from 186 last year in Q1 to 218 (+17.0%) in Q1 this year. The main driver was deliberate grass fires rising from 58 to 103 (+78.0%). Caerau (Bridgend) ward had the highest number of incidents in Q1 with 24 deliberate grass fires. Ogmores Vale (13) and Blackmill (11) also had high numbers in Q1. Deliberate refuse fires however fell from 59 to 51 (-14.0%). The total number of RTCs in Q1 have decreased from 32 to 22 (-31.3%) this year. We have seen a decrease in extrications (4 to 1) and release of persons (2 to 1). Within other special service calls we have seen the same numbers as last year with 46 incidents. Effecting entry/exit incidents have increased from 9 to 10 (+11.1%) and Bridgend UA has also seen an increase in assistance to other agencies with incidents rising from 6 to 14 (+133.3%). False alarm due to apparatus have increased from 54 to 98 (+81.0%), driven by an increase in alarms set off in residential homes 9 to 24 (+166.7%) and educational properties 4 to 19 (+375.0%). Incidents involving cooking/burnt toast accounted for 17 of the 24 in residential properties and faulty alarms accounted for 8 of the 19 incidents in educational properties.



Incident Categories	Apr 2018 - Mar 2019	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY %	Q1 YoY %	
Total Incidents	2,118	256	184	105										545				545	539	6	1 %	🟡
Special Service Call	326	30	15	19										64				64	83	-19	-23 %	🟢
Total RTCs Attended	117	12	7	7										26				26	29	-3	-10 %	🟢
Total Other SSCs Attended	209	18	8	12										38				38	54	-16	-30 %	🟢
Total False Alarms Attended	735	64	58	43										165				165	177	-12	-7 %	🟢
Malicious False Alarms	25	8	1	4										13				13	6	7	117 %	🔴
Good Intent False Alarm	405	43	36	18										97				97	104	-7	-7 %	🟢
Automatic False Alarms	305	13	21	21										55				55	67	-12	-18 %	🟢
Total Fires Attended	1,057	162	111	43										316				316	279	37	13 %	🔴
Deliberate Fire	874	142	96	29										267				267	225	42	19 %	🔴
Deliberate grass fires attended	375	80	59	5										144				144	105	39	37 %	🔴
Deliberate refuse fires attended	394	47	29	17										93				93	92	1	1 %	🟡
Accidental Fire	183	20	15	14										49				49	54	-5	-9 %	🟢
Accidental Dwelling Fires Attended	53	4	6	1										11				11	13	-2	-15 %	🟢
Total Deaths and Injuries In Fires	6	1	1	0										2				2	2	0	0 %	🟢
Total Accidental Deaths and Injuries In Fires	3	1	1	0										2				2	2	0	0 %	🟢

The total number of fires have increased from 279 in Q1 to 316 (+13.0%) compared to last year in Q1. The main driver for the increase was deliberate grass fires increasing from 105 to 144 (+37.0%), with further increases in deliberate refuse fires from 92 to 93 (+1.0%). RTCs have decreased from 29 to 26 (-10.0%) with extrications of person/s decreasing from 5 to 3 (-40.0%) compared to Q1 last year. Other special service incidents have decreased from 54 to 38 (-30.0%). Assisting other agencies however rose from 9 to 10 (+11.1%). The largest decrease was in removal of objects from people with incidents reducing from 7 last year to 2 incidents (-71.4%) in Q1 this year. Automatic false alarms have reduced from 67 to 55 (-18.1%), with the majority of the decrease coming from incidents attended at residential homes from 14 to 7 (-50.0%). Faulty alarms accounted for 12 of the incidents attended in Caerphilly UA, with unknown (11) and cooking/burnt toast (10) also accounting for the majority of the incidents. There was one fatality in Q1 in an accidental dwelling fire that was caused by smoking materials and also one slight injury that was caused by an accidental road vehicle fire.



Incident Categories	Apr 2018 - Mar 2019	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %	
Total Incidents	3,921	310	346	332										988				988	1,040	-52	-5 %	★
Special Service Call	728	59	68	84										211				211	192	19	10 %	▲
Total RTCs Attended	199	17	16	18										51				51	49	2	4 %	●
Total Other SSCs Attended	529	42	52	66										160				160	143	17	12 %	▲
Total False Alarms Attended	2,030	148	154	162										464				464	548	-84	-15 %	★
Malicious False Alarms	72	4	5	9										18				18	20	-2	-10 %	★
Good Intent False Alarm	747	63	57	42										162				162	187	-25	-13 %	★
Automatic False Alarms	1,211	81	92	111										284				284	341	-57	-17 %	★
Total Fires Attended	1,163	103	124	86										313				313	300	13	4 %	●
Deliberate Fire	774	67	86	61										214				214	183	31	17 %	▲
Deliberate grass fires attended	207	26	19	7										52				52	46	6	13 %	▲
Deliberate refuse fires attended	454	30	55	42										127				127	109	18	17 %	▲
Accidental Fire	389	36	38	25										99				99	117	-18	-15 %	★
Accidental Dwelling Fires Attended	163	23	14	12										49				49	38	11	29 %	▲
Total Deaths and Injuries In Fires	20	5	2	0										7				7	8	-1	-13 %	★
Total Accidental Deaths and Injuries In Fires	17	4	2	0										6				6	8	-2	-25 %	★

Cardiff UA have seen an increase in the number of fires attended from 300 to 313 (+4.0%). We have seen increases in deliberate grass fires with numbers rising from 46 to 52 (+13.0%) and deliberate refuse fires increasing from 109 to 127 (+16.5%). There was an increase in accidental dwelling fires from 38 last year in Q1 to 49 (+29.0%) in Q1 this year. Incidents involving a cooker accounted for 14 (30.0%) of the 49 incidents in Cardiff. There was also an increase in incidents involving a grill/toaster (1 to 5) and a microwave oven (0 to 3). RTCs have increased from 49 to 51 (+4.1%) with the number of extrications of person/s increasing from 3 to 5 (+66.7%). The number of times when the service has attended for a stand by – no action call has increased from 4 last year to 10 (+150.0%). Other special service calls have increased from 143 last year in Q1 to 160 (+12.0%) this year. The main drivers to the increase are flooding 9 to 33 (+266.7%) and animal rescues from 10 to 16 (+60.0%). Automatic false alarms have decreased from 341 to 284 (-17.0%) with the largest reduction coming from hospitals with numbers falling from 84 to 56 (-33.3%). We have also attended less offices and call centres with a reduction from 43 last year to 31 (-27.9%) in Q1 this year. There have been 2 serious injuries in Q1 and 5 slight injuries, compared with 2 fatalities and 6 slight injuries last year in Q1.



Incident Categories	Apr 2018 - Mar 2019	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %	
Total Incidents	838	90	67	62										219				219	233	-14	-6 %	★
Special Service Call	148	16	6	11										33				33	29	4	14 %	▲
Total RTCs Attended	58	4	1	3										8				8	12	-4	-33 %	★
Total Other SSCs Attended	90	12	5	8										25				25	17	8	47 %	▲
Total False Alarms Attended	317	24	28	30										82				82	90	-8	-9 %	★
Malicious False Alarms	9	1	0	0										1				1	2	-1	-50 %	★
Good Intent False Alarm	158	13	8	8										29				29	40	-11	-28 %	★
Automatic False Alarms	150	10	20	22										52				52	48	4	8 %	▲
Total Fires Attended	373	50	33	21										104				104	114	-10	-9 %	★
Deliberate Fire	301	43	29	15										87				87	92	-5	-5 %	★
Deliberate grass fires attended	151	22	12	1										35				35	49	-14	-29 %	★
Deliberate refuse fires attended	108	14	11	12										37				37	32	5	16 %	▲
Accidental Fire	72	7	4	6										17				17	22	-5	-23 %	★
Accidental Dwelling Fires Attended	19	3	1	4										8				8	5	3	60 %	▲
Total Deaths and Injuries In Fires	4	0	0	0										0				0	1	-1	-100 %	★
Total Accidental Deaths and Injuries In Fires	4	0	0	0										0				0	1	-1	-100 %	★

Total fires have decreased from 114 in Q1 last year to 104 (-9.0%) with deliberate grass fires showing a decrease compared to last year from 49 to 35 (-29.0%). Deliberate refuse fires increased from 32 to 37 (+16.0%). Accidental dwelling fires increased from 5 to 8 (+60.0%) with incidents involving the cooker accounting for 4 (50.0%) of the 8 incidents. RTCs have decreased from 12 last year in Q1 to 8 (-33.3%) this year although extrication of person incidents increased from 1 to 3 (+200.0%). Other special service calls have increased from 17 to 25 (+47.0%) compared to Q1 last year, with the biggest increase coming from assisting other agencies with incidents rising from 2 to 8 (+300.0%) and lift release rising from 2 last year to 6 (+200.0%) this year. There has been an increase in automatic false alarms with incidents rising from 48 last year in Q1 to 52 (+8.0%). The main reason for the increase is the incidents in hospitals with numbers rising from 10 last year in Q1 to 16 (+60.0%) this year, with cooking/burnt toast (4) and steam (4) the main reasons for the alarm calls.



Incident Categories	Apr 2018 - Mar 2019	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %	
Total Incidents	957	72	66	71										209				209	254	-45	-18 %	★
Special Service Call	204	12	12	15										39				39	52	-13	-25 %	★
Total RTCs Attended	90	7	6	3										16				16	22	-6	-27 %	★
Total Other SSCs Attended	114	5	6	12										23				23	30	-7	-23 %	★
Total False Alarms Attended	496	47	34	42										123				123	135	-12	-9 %	★
Malicious False Alarms	11	1	0	1										2				2	3	-1	-33 %	★
Good Intent False Alarm	137	9	14	8										31				31	33	-2	-6 %	★
Automatic False Alarms	348	37	20	33										90				90	99	-9	-9 %	★
Total Fires Attended	257	13	20	14										47				47	67	-20	-30 %	★
Deliberate Fire	103	6	4	6										16				16	30	-14	-47 %	★
Deliberate grass fires attended	39	1	2	0										3				3	13	-10	-77 %	★
Deliberate refuse fires attended	38	1	1	3										5				5	11	-6	-55 %	★
Accidental Fire	154	7	16	8										31				31	37	-6	-16 %	★
Accidental Dwelling Fires Attended	29	2	4	2										8				8	7	1	14 %	▲
Total Deaths and Injuries In Fires	1	0	1	0										1				1	0	1	100 %	▲
Total Accidental Deaths and Injuries In Fires	1	0	1	0										1				1	0	1	100 %	▲

Total fires from have reduced from 67 in Q1 last year to 47 (-29.9%) in Q1 this year. Deliberate grass fires have reduced from 13 to 3 (-77.0%) and deliberate refuse fires reduced from 11 to 5 (-55.0%) compared to Q1 last year. Accidental fires have experienced a decrease of 16.0% compared to Q1 last year with fires in non-residential buildings falling from 9 to 6 (-33.3%). RTCs have decreased from 22 last year compared to 16 (-27.0%) in Q1 this year. Extractions of persons have decreased slightly from 3 to 1 (-66.7%). Making the vehicle or scene safe accounted for 12 (75%) of the 16 RTCs in Q1. Other special service call have decreased from 30 last year to 23 this year (-23.0%) although we did see an increase in animal assistance incidents from 3 to 6 (+100.0%). There has been a decrease in automatic false alarms from 99 last year to 90 (-9.0%) this year. Incidents in residential homes have decreased from 15 to 6 (-60.0%). Incidents in Industrial manufacturing however have increased from 8 to 13 (+62.5%). The number of accidental dwelling fires has increased slightly in Q1 from 7 last year to 8 this year (+14.0%). Sadly there has been a fatality in one of the accidental dwelling fires in Q1.



Incident Categories	Apr 2018 - Mar 2019	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %	
Total Incidents	2,216	218	217	171										606				606	534	72	13 %	▲
Special Service Call	324	31	27	10										68				68	82	-14	-17 %	☆
Total RTCs Attended	117	7	12	3										22				22	28	-6	-21 %	☆
Total Other SSCs Attended	207	24	15	7										46				46	54	-8	-15 %	☆
Total False Alarms Attended	1,022	93	103	98										294				294	237	57	24 %	▲
Malicious False Alarms	40	1	10	10										21				21	11	10	91 %	▲
Good Intent False Alarm	386	34	32	24										90				90	85	5	6 %	▲
Automatic False Alarms	596	58	61	64										183				183	141	42	30 %	▲
Total Fires Attended	870	94	87	63										244				244	215	29	13 %	▲
Deliberate Fire	673	77	72	51										200				200	161	39	24 %	▲
Deliberate grass fires attended	141	35	17	8										60				60	35	25	71 %	▲
Deliberate refuse fires attended	399	31	41	28										100				100	98	2	2 %	●
Accidental Fire	197	17	15	12										44				44	54	-10	-19 %	☆
Accidental Dwelling Fires Attended	59	6	8	5										19				19	13	6	46 %	▲
Total Deaths and Injuries In Fires	12	0	0	1										1				1	5	-4	-80 %	☆
Total Accidental Deaths and Injuries In Fires	9	0	0	0										0				0	4	-4	-100 %	☆

Total fires have increased from 215 in Q1 last year to 244 (+13.0%) in Q1 this year. We have seen a large increase in deliberate grass fires from 35 to 60 (+71.0%) with particularly high numbers in Liswerry (10), Bettws (7) and Caerleon (7) wards. Deliberate refuse fires did increase from 98 to 100 (+2.0%) compared to Q1 last year with particularly high numbers in Shaftesbury (16) and Pillgwenlly (14) wards. There has been a reduction in the number of RTC incidents attended from 28 last year in Q1 to 22 (-21.0%) this year. The number of extrications of persons is down from 6 to 4 (-33.3%). Other special service calls have decreased from 54 last year to 46 (-15.0%) this year, with effecting entry (11 to 6) and removal of objects from people (5 to 1) showing decreases. The number of automatic false alarms has increased from 141 in Q1 last year to 183 (+30.0%) this year mainly due to an increase in attendances to hospitals with incidents rising from 13 to 36 (+176.0%) and Educational properties rising from 18 to 26 (+44.4%). There has been one fatality from fire and this was a deliberate ignition in a vehicle fire. There were no fatalities from fire last year.



Incident Categories	Apr 2018 - Mar 2019	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %	
Total Incidents	2,935	329	285	169										783				783	734	49	7 %	▲
Special Service Call	518	38	39	37										114				114	118	-4	-3 %	☆
Total RTCs Attended	207	15	20	15										50				50	54	-4	-7 %	☆
Total Other SSCs Attended	311	23	19	22										64				64	64	0	0 %	☆
Total False Alarms Attended	1,055	112	87	66										265				265	262	3	1 %	●
Malicious False Alarms	21	0	1	1										2				2	8	-6	-75 %	☆
Good Intent False Alarm	538	71	56	31										158				158	118	40	34 %	▲
Automatic False Alarms	496	41	30	34										105				105	136	-31	-23 %	☆
Total Fires Attended	1,362	179	159	66										404				404	354	50	14 %	▲
Deliberate Fire	1,076	158	129	42										329				329	280	49	18 %	▲
Deliberate grass fires attended	497	100	74	4										178				178	135	43	32 %	▲
Deliberate refuse fires attended	472	48	39	30										117				117	114	3	3 %	●
Accidental Fire	286	21	30	24										75				75	74	1	1 %	●
Accidental Dwelling Fires Attended	92	9	9	12										30				30	28	2	7 %	▲
Total Deaths and Injuries In Fires	8	0	1	0										1				1	2	-1	-50 %	☆
Total Accidental Deaths and Injuries In Fires	3	0	1	0										1				1	0	1	100 %	▲

Total fires have increased from 354 last year in Q1 to 404 (+14.0%) this year. There has been an increase in deliberate grass fires from 135 to 178 (+32.0%) with the majority (100) coming in April compared to 17 in April last year. There has also been an increase in deliberate refuse fires from 114 to 117 (+3.0%). There has also been an increase in accidental dwelling fires from 28 to 30 (+7.0%) with 9 incidents where the cooker was involved, 7 of which were in June. There has been a decrease in the number of RTC incidents attended from 54 last year in Q1 compared to 50 (-7.0%) this year, although the number of extrication of persons increased from 7 to 12 (+71.4%). The number of other special service calls has remained the same as last year in Q1 with 64 incidents. There has been an increase in incidents of effecting entry for persons in distress with crews attending on 4 occasions in Q1. The number of automatic false alarms has decreased from 136 to 105 (-23.0%) with incidents to residential homes falling from 26 to 19 (-26.9%) and educational properties falling from 20 to 13 (-35.0%). Cooking /burnt toast is still the main reason for automatic false alarm attendances in Q1 in Rhondda Cynon Taf. The number of good intent false alarms has also increased from 118 to 158 (+34.0%) and this rise coincides with the increase in grass fires. There has been one serious fire injury in Q1 in an accidental road vehicle fire.



Incident Categories	Apr 2018 - Mar 2019	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %	
Total Incidents	1,228	123	118	92										333				333	323	10	3 %	🟡
Special Service Call	189	22	22	18										62				62	56	6	11 %	🟡
Total RTCs Attended	64	6	7	5										18				18	15	3	20 %	🟡
Total Other SSCs Attended	125	16	15	13										44				44	41	3	7 %	🟡
Total False Alarms Attended	668	57	58	48										163				163	176	-13	-7 %	🟢
Malicious False Alarms	18	0	3	0										3				3	3	0	0 %	🟢
Good Intent False Alarm	233	28	16	11										55				55	60	-5	-8 %	🟢
Automatic False Alarms	417	29	39	37										105				105	113	-8	-7 %	🟢
Total Fires Attended	371	44	38	26										108				108	91	17	19 %	🟡
Deliberate Fire	257	30	30	20										80				80	62	18	29 %	🟡
Deliberate grass fires attended	77	15	13	2										30				30	24	6	25 %	🟡
Deliberate refuse fires attended	125	12	11	12										35				35	23	12	52 %	🟡
Accidental Fire	114	14	8	6										28				28	29	-1	-3 %	🟢
Accidental Dwelling Fires Attended	34	4	1	2										7				7	10	-3	-30 %	🟢
Total Deaths and Injuries In Fires	9	0	1	0										1				1	7	-6	-86 %	🟢
Total Accidental Deaths and Injuries In Fires	8	0	0	0										0				0	7	-7	-100 %	🟢

Total fires have increased from 91 last year in Q1 to 108 (+19.0%) this year. The increase is mainly due to deliberate refuse fires increasing from 23 to 35 (+52.0%) and deliberate grass fires increasing from 24 to 30 (+25.0%). Accidental dwelling fires have fallen slightly from 10 to 7 (-30.0%) in Q1. There has been an increase in the number of RTC incidents attended in Q1 compared to last year from 15 to 18 (+20.0%). The number of incidents involving extrication of persons has increased from 1 to 4 (+300.0%) with 3 extrications in April. Other Special Service call have increased from 41 in Q1 last year to 44 (+7.0%) this year. We have seen the number of animal assistance incidents rise from 4 last year in Q1 to 8 (+100.0%) this year, with 4 of these being animals rescued from height. We have seen a decrease in automatic false alarms from 113 last year in Q1 to 105 (-7.0%) this year. We have seen a decrease in the number of callouts to residential homes from 19 to 8 (-57.9%) and educational properties from 17 to 14 (-17.6%) although attendances to hospitals have increased from 11 to 17 (+54.5%) in Q1 with faulty alarms (4) and accidentally set off (3) the main reasons for the actuations. There has been one slight fire injury in Q1 which was a deliberate act in a dwelling. There were 7 fire injuries in the same period last year.



Incident Categories	Apr 2018 - Mar 2019	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %	
Total Incidents	1,139	115	115	91										321				321	299	22	7 %	▲
Special Service Call	276	23	29	23										75				75	62	13	21 %	▲
Total RTCs Attended	95	10	12	5										27				27	22	5	23 %	▲
Total Other SSCs Attended	181	13	17	18										48				48	40	8	20 %	▲
Total False Alarms Attended	541	52	50	50										152				152	136	16	12 %	▲
Malicious False Alarms	18	0	0	0										0				0	6	-6	-100 %	★
Good Intent False Alarm	216	27	25	14										66				66	46	20	43 %	▲
Automatic False Alarms	307	25	25	36										86				86	84	2	2 %	●
Total Fires Attended	322	40	36	18										94				94	101	-7	-7 %	★
Deliberate Fire	181	23	22	5										50				50	64	-14	-22 %	★
Deliberate grass fires attended	51	5	7	0										12				12	16	-4	-25 %	★
Deliberate refuse fires attended	99	12	9	5										26				26	34	-8	-24 %	★
Accidental Fire	141	17	14	13										44				44	37	7	19 %	▲
Accidental Dwelling Fires Attended	46	8	2	7										17				17	11	6	55 %	▲
Total Deaths and Injuries In Fires	4	0	0	0										0				0	0	0	0 %	★
Total Accidental Deaths and Injuries In Fires	4	0	0	0										0				0	0	0	0 %	★

Total fires have decreased from 101 last year in Q1 to 94 (-7.0%) this year. There has been a decrease in deliberate grass fires from 16 last year in Q1 to 12 (-25.0%) this year. There has also been a decrease in deliberate refuse fires with incidents falling from 34 to 26 (-24.0%). Accidental fires have increased in Q1 with accidental dwelling fires rising from 11 to 17 (+55.0%) with 10 (58.8%) of these incidents starting in the kitchen. 9 (52.9%) of the incidents were cooking related. There has been an increase in the number of RTC incidents attended in Q1 compared to last year with incidents rising from 22 to 27 (+23.0%). The number of extrications of persons has risen from 2 to 5 (+150.0%) and there has also been 1 release of person in Q1. Other special service call have increased from 40 last year in Q1 to 48 (+20.0%) this year. There has been an increase in the number of lift release incidents from 4 last year in Q1 to 6 (+50.0%) this year and we have also assisted other agencies on 6 occasions in Q1. Total false alarms have increased from 136 to 152 (+12.0%) with good intent false alarms rising from 46 to 66 (+43.0%). Calls to dwellings account for the majority of these good intent calls with 25 incidents in Q1. Automatic false alarms have increased from 84 to 86 (+2.0%) with calls to hospitals accounting for 15 of these call outs and residential homes accounting for 10. Faulty alarm (29) is still the main reason crews are called out to automatic false alarms in the Vale of Glamorgan.

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REVENUE MONITORING REPORT 2019/20

SUMMARY

The Revenue Monitoring Report provides details of the annual revenue budget and associated information for the year ending 31 March 2020.

RECOMMENDATION

That the Finance, Audit and Performance Management Committee note and agree the report content and approve the virement.

1. BACKGROUND

- 1.1 The revenue budget for 2019/20 was approved by the Fire and Rescue Authority on 11th February 2019 and this report presents the major changes since.
- 1.2 Appendix 1 details the original budget, a revised budget to reflect authorised virements, transactions to date, the forecast outturn position and variance analysis.
- 1.3 The reserve statement in Appendix 2 presents the potential year end movements and position.

2. ISSUES

- 2.1 The projected £942k over spend comprises £3.2 million over spend on the employee budget, offset by a 'net decrease' of £2.3 million in non-employee related spending.
- 2.2 Greater detail of the above position is provided below:

2.2.1 EMPLOYEE COSTS - £3.2 million overspend

Firefighter pension costs have increased in excess of £3.5 million as a result of the employer's contribution rate changes and is the main growth area in this budget heading.

Employer pension rate changes from 1 April 2019 are as follows:

	Previous Rate (%)	New Rate (%)
1992 scheme	25.5	29.3
2006 scheme	16.8	26.6
2015 scheme	14.3	27.3
RMS	25.5	29.3

Funding of £3 million has been confirmed by Welsh Government to offset the increase in pension costs and has been included within income forecasts reported below.

Due to staff vacancies, a £161k reduction in forecast salary costs offset the above, additional charges and are factored into the overall overspend position.

The latest establishment figures shown below:

Establishment figures (FTE) as at 31 July 2019

	Strength	Budgeted
WDS	792.00	791.00
RDS (100%)	342.40	426.40
Control	38.94	36.50
Support Staff	261.17	271.00
YFF	64.88	85.00
Auxiliary Reserve	78.00	80.00

Leavers & Joiners

	Starters	Leavers
Control	0	0
Support Staff	31	12
RDS	33	36
WDS	19	15
YFF Staff	0	1
Auxiliary Reserve	11	3
Total	94	67

*Includes new starters or leavers to the service, not additional contracts

Furthermore, there is a reduction of £77k forecast against ill health pension costs since budget setting. It is worth noting that any additional ill health retirements that occur during the course of the year will change this position.

Members are requested to approve a virement of £80,959 from the Auxiliary Reserve budget contained in salaries to the Contracted Services budget to cover the Auxiliary Management costs paid via invoice. This relates to the contract payment with Securitas for the annual retainer of incident commanders.

2.2.2 PREMISES COSTS - £139k overspend

A £60k increase in lease costs for the Occupational Health Unit (OHU) at Nantgarw has been forecast. It was anticipated that OHU would re-locate to Pontyclun earlier in the financial year and so the rental costs would not become payable. The move is now

expected to take place in January 2020, with lease charges being incurred until occupation ends.

Following the latest rates revaluation an additional £32k is required to meet increased costs.

Telephone and Communication costs are also set to increase by £66k. Overspending on Firelink charges will continue as we await the transition to the Emergency Services Network (ESN), in addition increases in mobile data usage and tariffs and are offset by savings on wide area network (WAN).

2.2.3 SUPPLIES AND SERVICES - £508k overspend

There are under and over spends contributing the above and the below represents the major variances.

Other equipment is forecast to increase by £343k for Home Fire Safety equipment to maintain activity levels in this area as previously supported by the Fire and Rescue Authority. A grant agreement of £223k from Welsh Government has been received and as in previous years, the overspend will be reviewed throughout the year for the potential to be offset/covered with any underspending from our Welsh, fire counterparts. A key action for SWFRS officers would be to secure a 'more realistic share' of the grant which reflects established trends of activity and work that is being undertaken by SWFRS.

Operational equipment is forecast to increase by £61k which is due to the upgrade of the Hydra training simulator at Cardiff Gate. These charges have been anticipated and are planned to be financed from the carry forward reserve set up specifically for this purpose.

A £78k increase in Subscriptions; and Support and Maintenance agreement budgets is offset by a matching amount within income. This relates to Core HR system, which is part of a cost sharing agreement with MWWFRS, in addition to HR Xpert charges which are shared between the three Welsh Fire authorities.

2.2.4 TRANSPORT - £23k overspend

Lease car costs are to increase by £23k due to an increase in pool car costs since budget setting relating to increased renewal and replacement vehicle costs.

2.2.5 **CONTRACTED SERVICES - £31k overspend**

An additional £20k has been estimated for Joint Control costs and moving forward, this will be taken into account in the budget setting process. There has also been an increase in legal fees in line with the volume of work required.

A £53k under spend relates to charges associated with the financial system upgrade being re-allocated to the capital costs budget which will be over spent by the corresponding amount.

2.2.6 **CAPITAL COSTS / LEASING - £545k overspend**

The cost of capital investment is higher than budgeted as a result of a revision of schemes after budget setting in addition to higher value of scheme slippage from 2018/19.

The biggest impact is in Minimum Revenue Provision (MRP) charges which have increased by £484k

A further £278k increase in Capital Expenditure from Revenue Account (CERA) charges is to support investment in a co-location project and the financial system upgrade (as above). This increase is offset by income receivable from South Wales Police for co-location at Llantwit Major station. The remaining £53k was originally budgeted under contracted services (above). These two items increase the CERA charges from the initial budget of £200k to £478k.

The above over spends are offset by a reduction of £217k in projected, new borrowing costs, i.e. interest. Before new borrowing is arranged, an assessment of current and future cash flow and capital spending is made in addition to having regard for the treasury strategy. Due to borrowing rates being significantly higher than investment rates, the current strategy is to liquidise investments before borrowing is undertaken.

2.2.7 **INCOME - £3.581 million additional**

The majority of the increase in income is to offset the additional expenditure incurred in areas detailed in the above report. The result of which includes the £3 million pension funding, a £225k co-location funding and £76k of third party funding to offset both support, maintenance and subscription costs.

Unbudgeted additional income of £105k is due to be received from CAPITA as financial compensation for the late delivery of the command and control system for Joint Control. A further £70k is also expected as a contribution from MWWFRS for employee costs in relation to Joint Control in line with 60/40 salary split. Moving

forward, this contribution will be taken into account in future budget setting.

Lease car contributions by employees have increased by £13k due to a change in lease agreements since the budget was initially set. A further £13k back dated rates rebate has been received relating to Porthcawl and Maesteg stations. A number of other premises rateable values are currently being challenged and any significant changes reported accordingly.

Backdated lease income of £28k has also been received in relation to Pontycymmer station and a further £11k in bank interest based on higher cash balances held, is also forecast.

3. FINANCIAL IMPLICATIONS

- 3.1 An overall projected overspend on the revenue budget equating to £942k.

4. EQUALITY RISK ASSESSMENT



- 4.1 There are no equality implications resulting directly from this report. Each element of the revenue budget will have undergone equality and diversity risk assessments by the responsible budget holder as part of the budget planning process.

5. RECOMMENDATION

- 5.1 That the Finance, Audit and Performance Management Committee note and agree the report content and approve the virement.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance and Procurement	- Revenue Determination Report - Revenue Budget Working Papers - Budget Holder Reports - Capital Monitoring Report

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SOUTH WALES FIRE & RESCUE SERVICE							
BUDGET MONITORING 2019/20					APPENDIX 1		
		Original Budget 2019/20 £	Budget (vired budget) 2019/20 £	Actual at 01.08.19 £	Forecast 31.03.20 £	Over/Under Spend Against Revised Budget	Over/ Under Spend %
Employee Costs							
	Salaries, NI & superann.	54,933,131	54,852,172	18,958,612	58,223,387	-3,371,215	-4.7%
	Pensions (ill health)	965,029	965,029	206,888	888,222	76,807	0.1%
	Travel and Subsistence	461,000	462,000	107,003	452,751	9,249	0.0%
	Total Employee Costs	56,359,160	56,279,201	19,272,503	59,564,360	-3,285,159	-4.6%
	Premises Related Expenses	4,788,327	4,788,327	948,073	4,927,810	-139,483	-0.2%
	Training Expenses	1,473,382	1,472,857	101,936	1,464,571	8,286	0.0%
	Supplies & Services	3,860,881	3,861,406	2,138,988	4,369,219	-507,813	-0.7%
	Transport Related Expenses	1,160,876	1,328,376	437,148	1,351,603	-23,227	0.0%
	Third Party Payments (Contracted Services)	806,000	886,959	146,841	917,776	-30,817	0.0%
	Capital costs / leasing	4,448,826	4,448,826	157,258	4,993,923	-545,098	-0.8%
	Contingency	0	0	0	0	0	0.0%
	Total Expenditure	72,897,452	73,065,952	23,202,747	77,589,261	-4,523,309	-6.3%
Income							
	Employee Related	0	-91,000	-18,816	-3,172,096	3,081,096	4.3%
	Lease Car Contributions	0	-167,500	-57,836	-180,782	13,282	0.0%
	Co-Location Re-imburement	0	0	36,543	-225,000	225,000	0.3%
	Other Income	-1,070,308	-980,308	-474,757	-1,242,394	262,086	0.4%
	Total Income	-1,070,308	-1,238,808	-514,865	-4,820,271	3,581,463	5.0%
	CONTRIBUTION BUDGET 2019/2020	71,827,144	71,827,144	22,687,882	72,768,990	-941,846	-1.3%
Key							
	 Overspend						
	 Underspend						

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					APPENDIX 2
Reserve	Purpose and Control	Balance at year start	Transfers in and (out)	Balance at year end	Variations arising between budgeted and actual levels of reserves
General	To cover general financial risks including council funding, grants, inflation and interest.	-3,000,000	0	-3,000,000	
Managed under spends	To meet costs associated with rolling programmes of expenditure incomplete at year end. Controlled via routine budget monitoring procedures.	-115,659	72,014	-43,646	Spending against carry forward requests within revenue
Change Management	Costs of change arising from 'Shaping our 'Future' programme, investment in change projects to improve service and / or reduce spend.	-5,894,982	2,025,391	-3,869,591	Capital expenditure on Energy Efficiency, Website, Revenue overspend and £500k to CFBT as per FA, Occ Health
CFBT Reserve	This reserve has been set up to fund capital investment activities in this facility which is to be housed at Cardiff Gate.	-1,976,488	1,852,810	-123,677	Capital spend on CFBT includes £500k transferred from Change Management
PFI Equalisation	To meet future costs of the Training Centre PFI project	-3,860,537	59,071	-3,801,466	Current figures which includes estimated additional value for indexation at year end
Capital Receipts	To meet costs of the capital programme. Reserve applied as receipts are generated	-901,023	787,607	-113,416	Capital Receipts Reserve in 19/20, £857k to fund Fleet within Capital Programme
Joint Control Lease Reserve	To meet the lease costs over an eight year period (from 2017/18)	-600,000	100,000	-500,000	Annual Joint Control lease costs
TOTAL		-16,348,690	4,896,893	-11,451,797	

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Appendix 3 - GRANT MONITORING REPORT 2019/20

1. BACKGROUND

- 1.1 This report presents the grant position for the 2019/20 financial year. Information on initial grant awards paired with the forecast spending will provide members with the cost of running the various grant funded initiatives in addition to the impact over spending has on the revenue and capital budgets.

2. ISSUES

- 2.1 Since grant award there have been a number of changes to individual projects as summarised below:

2.1.1 FIRE CRIME - £4k forecast overspend

Included in the forecasts are salary costs which are largely 'weather dependent'. During 18/19 costs increased due to the vast amount of deliberate grass fires which meant an increase in sessional workers carrying out patrols to provide education on the risks to communities as a means of preventing grass fires. We have therefore increased the estimates in line with this at this time although we are not requesting a virement until data on activity levels are more defined.

2.1.2 HFS STOCK - £340k forecast overspend

Forecasts are based on the 18/19 outturn and also include costs relating to the new 'Safe and Well' project commencing 1st August 2019 where households within the Merthyr Tydfil and RCT areas will receive carbon dioxide (CO) detectors. We have set up a partnership with Wales & West Utilities who will be providing units free of charge on our behalf.

2.1.3 MOMENTUM - £5k forecast overspend

Accurate forecasting of 18/19 salary costs did not occur to allow reserves to be accounted for within the faster closure of accounts process. As a result there is overspill of 2018/19 costs into £2.6k 19/20 Qtr1 that relates to a course that was run in 18/19. As faster closure of accounts is here to stay, more detailed work needs to be undertaken by CS and finance officers together to determine year end costs otherwise plans for spending in the new year may be inhibited.

Actual spending is dependent on how many families attend the Momentum courses, if the numbers do not materialise, the grant will not be spent and this is the reality of a fairly new initiative where established trends have not yet been set.

2.1.4 YOUTH /ANTI-SOCIAL BEHAVIOUR - £2k forecast overspend

Grant funding is received from the Police & Crime Commissioner for Gwent to fund an Anti-Social Behaviour post within Community Safety. This funding stream has been established for several years although the value of the grant has not increased in line with pay inflation resulting in an overspend. If officers are not able to secure a grant that reflects real costs a number of considerations should to be made, i.e. paying a rate not in line with police pay increases, changing police personal to ensure grant and costs align, committing future revenue resources through budgeting etc. Members should be aware any one of these things can impact delivery of the initiative although need to be considered as budgets become constrained.

2.1.5 NATIONAL RESILIENCE - £14k forecast overspend

In April 2019 the employer's pension contribution rate increased across all FF pension schemes. This increase was not included in the grant bid to Welsh Government for 19/20 although it affected 3 members of the National Resilience team. The finance team will liaise with WG to explore the option of receiving additional funding.

A further increase in salary costs relates to an honorarium being awarded to a member of the team for leading on NR for Wales. This is a fairly recent change although we would be expecting MWWFRS who previously provided the lead officer to provide access to the grant funding to cover these extra costs.

2.1.6 MTA - £2k forecast overspend

Again increased employer's contribute to this over spend and the above action for finance is applicable.

3. FINANCIAL IMPLICATIONS

Overall there is a projected overspend on grants equating to £367k. Financing over spends from respective revenue and capital budgets can be undertaken to address the shortfall and there is also scope to utilise underspends from our Welsh Fire counterparts for a large part of the over spend (although not all), although this carries a risk that these may not materialise. Realistic grant monitoring information is required to be

shared by all three Welsh services to ascertain whether this can be achieved.

4. RECOMMENDATIONS

That the Finance, Audit and Performance Management Committee note and agree the report content.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance and Procurement	Revenue and capital monitoring reports Grant register Welsh Government grant award letters

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SOUTH WALES FIRE & RESCUE SERVICE GRANT REPORTING 2019/20		APPENDIX 4								
	Revenue	FIRE CRIME	HFS STOCK	YOUTH	MOMENTUM	ANTI-SOCIAL BEHAVIOUR	NATIONAL RESILIENCE	MTA	USAR	Capital
	Budget	107,748	223,400	111,355	70,000	28,000	844,589	177,806	387,484	555,000
Employee Costs	Forecast	101,153	0	90,028	66,694	30,278	289,950	86,838	372,478	
Training Expenses	Forecast	0	0	3,000	0	0	98,578	0	460	
Supplies & Services	Forecast	0	563,362	11,520	8,388	0	464,032	91,000	13,330	355,000
Transport Related Expenses	Forecast	10,635	0	6,258	0	0	6,382	2,115	1,216	200,000
Income	Forecast	(107,748)	(223,400)	(111,355)	(70,000)	(28,000)	(844,589)	(177,806)	(387,484)	(555,000)
(Under)/Overspend	Forecast	4,040	339,962	(549)	5,082	2,278	14,353	2,146	0	0

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CAPITAL MONITORING REPORT 2019/20

SUMMARY

The capital monitoring report provides detail of the capital budget, transactions to date and the forecast year end position.

RECOMMENDATION

That Members note the progress of the capital schemes, approve alterations identified in Appendix 1 and note the associated funding streams.

1. BACKGROUND

- 1.1 This report provides an update on the capital budget since budget setting.
- 1.2 Appendix 1 provides detailed figures illustrating budget slipped from 2018/19, the 2019/20 budget, spending this financial year to date, a forecast year end position and budget slipped into the new year to enable completion of schemes in future periods.
- 1.3 In summary appendix 1 presents the total budget (2018/19 budget slippage + 2019/20 budget) for 2019/20 as £9.7 million and the forecast outturn and slippage for the year at £8.9 million and £1.6 million respectively. This is supported by a detailed breakdown of contributing schemes together with a funding analysis of the various financing streams we plan to utilise.
- 1.4 The following narrative supplements the detailed figures presented in appendix 1.

2. ISSUES

2.1 Property

- 2.1.1 Forecast spending and slippage into the new year are £4.1 and £1.5 million respectively indicating an overall overspend of £169k on the total budget as follows;

	Budget	Current Forecast	Variance
CFBT	2,527	2,353	174 US
PLANNED & PREVENTATIVE MAINTENANCE	150	0	150 US
ENERGY EFFICIENCY SCHEMES	209	339	-130 OS
LLANTWIT MAJOR	37	300	-263 OS
OCCUPATIONAL HEALTH RELOCATION	136	236	-100 OS
	3,159	3,242	-169 OS

Key

US - Under spend

OS - Over spend

2.1.2 CFBT

Completion is scheduled for 31 August 2019 with a projected under spend of £174k although this may decrease depending on fees being incurred to ensure a quality completion of the project.

2.1.3 Planned & Preventative Maintenance

It was anticipated that remedial work and replacement of Cardiff Central station roof would take place this year although a full assessment of issues at the station are required before proceeding. The £150k under spend will be diverted to support the additional budget requirements of the Occupational Health relocation (below) and the remaining amount to the Llantwit Major scheme.

2.1.4 Energy Efficiency Schemes

The LED project is forecast to overspend by £174k and this is offset by a saving of £44k on the building management systems. The original budget was costed out without a contingency element which were the reason for the over spend. Contingency works were undertaken on stations that did not have a standard installation and this wasn't known until works commenced onsite and to additional cabling, ancillary materials and labour.

	Budget	Forecast	Variance
LED LIGHTING PROJECT	158k	332k	-174k OS
BUILDING MANAGEMENT SYSTEM	51k	7k	44k US
	209k	339k	-130k OS

With Members approval, additional costs will be funded from the change management reserve in line with the original budgeted costs.

2.1.5 Llantwit Major

Works will be completed within the next few weeks. Variations to works have increased the project cost to £300k, with £225k of this funded from South Wales Police (SWP) as a contribution to capital

as part of co-location agreement and requirements. This means there are £38k of additional costs, over and above the £37k budget for the year, to be funded by SWFRS.

2.1.6 Occupational Health Relocation

The Fire Authority has recently approved a budget increase of £100k to ensure a revised budget of £250k for the relocation of SWFRS's Occupational Health unit (report 29 July). Project work has already commenced and is expected to be completed this financial year.

2.1.7 Pontypridd

The refurbishment of Pontypridd Fire Station is scheduled to be completed in 2020/21 with 80% of the costs payable in 2019/20. This has meant £200k has been slipped into next year.

2.2 Vehicle Replacement Programme (VRP)

2.2.1 From discussions with the Fleet Engineer, there is a projected £18k under spend on the vehicle replacement programme. This relates to the following vehicle categories;

	Budget (inc Slippage)	Current Forecast	Variance
WATER LADDERS	1,160k	1,202k	-42k OS
OPERATIONAL 4WD	300k	240k	60k US
	1,460k	1,442k	18k US

It is useful to note that the majority of vehicles have yet to be ordered which is when we will have actual costs. There is also a risk if orders are not actioned soon, the under spend will increase due to lead times and the inability to secure a delivery date prior to the 31 March.

2.2.2 Water ladders

An order has been placed for 5 water ladders, 2 delayed from the 18/19 VRP and 3 current year. The £42k over spend is due to some optional extras being chosen from the original tender.

2.2.3 Operational 4WDs

The plan is to purchase 4 vehicles equating to £240k although discussions are currently ongoing around specifications and this can impact cost.

2.3 EQUIPMENT / ICT

2.3.1 A projected over spend of £634k is attributable to the following projects;

	Budget	Current Forecast	Variance	Grant
HELMETS	242k	272k	-30k	
MOBILE DATA TERMINALS <i>partial grant</i>	0	189k	-189k	143k
DATA CENTRE	100k	107k	-7k	
EFINANCIALS UPGRADE	0	53k	-53k	
MASS DECONTAMINATION UNIT <i>grant</i>	0	35k	-35k	35k
LCD DETECTION UNITS <i>grant</i>	0	320k	-320	320k
	342k	976k	-634k	498k

£498k of the above overspend relates to unbudgeted items that attract grant funding. The remaining £146k will be financed from SWFRS resources.

2.3.2 Helmets

The forecast is £30k over budget because of a change in specification, which now includes 'helmet lights'.

2.3.3 Mobile Data Terminals (MDTs)

75 MDTs have now been delivered equating to £189k. These are part funded, i.e. £143k by Welsh Government as part of the larger Emergency Services Network (ESN) project. The remaining £38k is to be funded from SWFRS resources as an unbudgeted item.

2.3.4 Data Centre

The order has been placed and the final quote was returned £7k higher than budgeted as the initial quote expired.

2.3.5 Efinancials Upgrade (Finance & Procurement System)

A budget for this project was originally included in the revenue budget although due to the nature and cost of the project, it's appropriate to include this as capital item. Budget set aside in revenue are now being used to support capital financing leaving no requirement for borrowing for this project and a marginal increase in revenue costs, i.e. £5k.

The project includes £43k for the system upgrade and £10k for an additional server to support this. This project has become essential as support and maintenance on previous iterations, ceases at the end of this year.

3 FINANCIAL IMPLICATIONS

- 3.1 Appendix 1 illustrates capital spending plans for the year and how this differs from the original budget set. The above paragraphs 2.1 to 2.3 provide explanation of variances that have arisen.

Overall the capital budget is over spent by £784k and is largely offset by grants and third party contributions of £498k and £225k respectively. The difference is managed by utilising under spending budgets to support over spends in addition to resources such as reserves and revenue budget contributions.

4. EQUALITY RISK ASSESSMENT

- 4.1 There are no equality implications resulting directly from this report. Each element of the capital programme will have undergone Equality risk assessments by the responsible project lead, prior to the commencement of the scheme.

5. RECOMMENDATION

- 5.1 That Members note the progress of the capital schemes, approve alterations identified in Appendix 1 and note the associated funding streams.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	Revenue & Capital Budget Capital Monitoring working papers 2019/20 Budget Holder Reports

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CAPITAL PROGRAMME 2019/20								APPENDIX 1
	Project Total £000	SLIPPAGE B/F 2018/19 £000	2019/20 BUDGET £000	ACTUAL AS AT 02.08.2019 £000	COMMITTED AS AT 02.08.19 £000	OUTTURN POSITION 31.03.20 £000	BUDGET UNDER/OVER SPEND £000	SLIPPAGE C/F 2020/21 £000
PROPERTY								
STATION REFURBISHMENTS								
PONTYPRIDD	1,000	0	1,000	20	39	800	0	200
MONMOUTH	600	597	0	0	9	9	0	588
NEW INN	2,550	497	0	0	4	8	0	489
TONYPANDY	300	269	0	3	33	36	0	233
OCCUPATIONAL HEALTH RELOCATION	150	136	0	1	238	236	(100)	0
LLANTWIT MAJOR (co-location cont's offset overspend)	0	37	0	258	70	300	(263)	0
NEW BUILDS								
CFBT FACILITY CARDIFF GATE (reserve funding)	5,000	475	2,052	1,763	372	2,353	174	0
PLANNED & PREVENTATIVE MAINT	150	150	0	0	0	0	150	0
ENERGY EFFICIENCY SCHEMES (reserve funding)	1,054	209	0	339	0	339	(130)	0
	10,804	2,370	3,052	2,385	765	4,082	(169)	1,510
VEHICLES								
OPERATIONAL 4WD	240	120	180	0	0	240	60	0
TRUCK (SLIDE DECK / CRANE)	150	150	0	0	0	150	0	0
VANS (LIGHT VEHICLES)	40	40	0	0	30	40	0	0
WATER LADDERS	1,202	464	696	0	1,202	1,202	(42)	0
RESCUE TENDERS	235	0	235	0	0	235	0	0
RECOVERY UNIT	115	0	115	0	0	115	0	0
VAN/OPS ESTATE CAR	155	0	155	0	0	155	0	0
RESCUE BOAT	45	45	0	0	0	0	0	45
	2,182	819	1,381	0	1,232	2,137	18	45
EQUIPMENT & ICT								
			(1,174)					
BREATHING APPARATUS	932	0	900	0	851	900	0	0
HELMETS	242	0	242	0	0	272	(30)	0
RADIOS AND BATTERIES	435	0	435	0	0	435	0	0
MOBILE DATA TERMINALS (part grant funded)		0	0	189	0	189	(189)	0
SERVICE DESK	50	26	0	21	0	26	0	0
HQ SWITCH REPLACEMENT	200	10	0	8	1	10	0	0
WEBSITE PROJECT (reserve funding)	40	8	0	6	0	8	0	0
UNIFIED COMMUNICATION REPLACEMENT	101	101	0	101	0	101	0	0
DATA CENTRE	100	0	100	0	107	107	(7)	0
INFRASTRUCTURE MANAGEMENT	50	0	50	0	0	50	0	0
MICROSOFT 365	40	0	40	0	0	40	0	0
PERIMETER FIREWALL REPLACEMENT	25	0	25	0	0	25	0	0
MULTIMEDIA	120	0	120	0	0	120	0	0
EFINANCIALS UPGRADE (inc CERA)	53	0	0	0	43	53	(53)	0
MASS DECONTAMINATION UNIT (grant funded)	35	0	0	0	0	35	(35)	0
LCD DETECTION UNITS (grant funded)	320	0	0	0	0	320	(320)	0
	2,743	145	1,912	325	1,002	2,691	(634)	0
TOTAL	15,729	3,334	6,345	2,710	2,999	8,909	(784)	1,555
FUNDING ANALYSIS								
						BORROWING	4,139	
		9,679				CO-LOCATION CONTRIBUTIONS	225	
						REVENUE CONTRIBUTION	253	
						REVENUE RESERVES	2,937	
						CAPITAL GRANT	498	
						CAPITAL RECEIPTS	857	
							8,909	

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SOUTH WALES FIRE & RESCUE AUTHORITY
FINANCE AUDIT & PERFORMANCE
MANAGEMENT COMMITTEE
REPORT OF THE TREASURER

AGENDA ITEM NO 8
9 SEPTEMBER 2019

2018/19 ANNUAL TREASURY MANAGEMENT REVIEW

SUMMARY

To consider the results of treasury management activities for the year ending 31 March 2019, in accordance with the Authority's approved Treasury Management Strategy.

RECOMMENDATION

This committee recommend that the Fire & Rescue Authority note the annual treasury management review for 2018/19 and approve the actual 2018/19 prudential and treasury indicators set therein.

1. BACKGROUND

1.1 There exists a statutory and regulatory obligation for the Authority to comply with the reporting requirements detailed in Appendix 1. An 'Annual Treasury Management Review Report' is required to be presented to full Authority as soon after the close of the financial year as is practicable or by the 30 September at the latest. The purpose of this is to compare the actual position to the treasury management strategy set in advance of the year to confirm or otherwise, compliance and assess performance.

2. ISSUE

2.1 Effective treasury management can be measured by its budget impact i.e financing costs and investment income, organisational solvency and cash flow.

2.2 The Authority receives annual bank deposits in the region of £90 million throughout any one year. In general, monthly bank payments can total as much as 8 million and are dependant on various factors. The timing of these cash flows can be uncertain and as such, it is imperative that the flow of cash in and out of Authority bank accounts is managed to support budget strategies and minimise risk.

2.3 The Authority contracts with 2 banking providers, i.e. Barclays and Natwest. The main banking contract was awarded to Barclays in November 2014. Natwest provide a contingency service to manage funds surplus to the counter party limits set by Members within the strategy, i.e. £10 million.

3. FINANCIAL IMPLICATIONS

3.1 Borrowing Outturn

The Authority maintains a competitive, average debt book rate of approx 4%. The current borrowing strategy is to utilise the Authority's cash reserves in the first instance and to undertake external borrowing for long term investment. During the year, long term borrowing reduced as a result of debt repayments and there were no new loans as cash inflows came from maturing investments. There was no debt restructuring undertaking in 2018/19.

3.2 Investment Outturn

Per the above, external investments have decreased during the year to negate the requirement for borrowing. This strategy has worked well in maintaining low borrowing costs as the first port of call for capital investment cash is maturing investments. Investment returns have also exceeded the budget for the year.

4. EQUALITY RISK ASSESSMENT

4.1 There are no equality implications resulting directly from this report.

5. RECOMMENDATION

5.1 This committee recommend that the Fire & Rescue Authority note the annual treasury management review for 2018/19 and approve the actual 2017/18 prudential and treasury indicators set therein.

Contact Officer:	Background papers:
Chris Barton Treasurer	<ul style="list-style-type: none"> - CIPFA Code Treasury Management - CIPFA Prudential Code - Treasury Management Strategy - Treasury Management Practices (TMP's)

APPENDIX 1

Annual Treasury Management Review 2018/19

1. Introduction

This Authority is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2018/19 the minimum reporting requirements were that the full Authority should receive the following reports:

- an annual treasury strategy in advance of the year (26 March 2018 Fire Authority)
- a mid-year (minimum) treasury update report (17 December Fire Authority 2018)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

The regulatory environment places responsibility on Fire Authority Members (Members) for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Authority's policies previously approved by Members.

This Authority confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Finance Audit & Performance Management (FAPM) Committee before they were reported to the full Authority. Member training on treasury management issues was undertaken should be undertaken at each Members 'home authority'.

2. The Authority's Capital Expenditure and Financing

The Authority undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Authority's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

£000's	2017/18 Actual	2018/19 Budget	2018/19 Actual
Capital expenditure	4,234	7,651	4,667
Financed in year	1,390	4,753	3,826
Unfinanced capital expenditure	2,844	2,898	841

3. The Authority's Overall Borrowing Need

The Authority's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Authority should ensure that its gross external borrowing does not, except in the short term, exceed the total of the CFR in the preceding year (2017/18) plus the estimates of any additional capital financing requirement for the current (2018/19) and next two financial years. This essentially means that the Authority is not borrowing to support revenue expenditure. This indicator allows the Authority some flexibility to borrow in advance of its immediate capital needs in 2018/19. The table below highlights the Authority's gross borrowing position against the CFR. The Authority has complied with this prudential indicator.

£000's	31 March 2018 Actual	31 March 2019 Budget	31 March 2019 Actual
CFR	44,146	44,335	42,185
Gross borrowing position	38,588	37,592	37,592
Under funding of CFR	5,558	6,743	4,593

The authorised limit - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. Once this has been set, the Authority does not have the power to borrow above this level. The table below demonstrates that during 2018/19 the Authority has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Authority during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of 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.

	2018/19 £000's
Authorised limit	50,000
Maximum gross borrowing position during the year	35,687
Operational boundary	45,000
Financing costs as a proportion of net revenue stream budget/actual	6.48%/6.13%

4. Treasury Position as at 31 March 2019

At the beginning and the end of 2018/19 the Authority's treasury, (excluding borrowing by PFI and finance leases), position was as follows:

DEBT PORTFOLIO	31 March 2018 Principal	Rate/ Return	31 March 2019 Principal	Rate/ Return
Fixed rate funding:				
-PWLB	£31,841m		£29,939m	
-other	£2,062m		£1,048m	
Total debt	£31,841m	4.23%	£30,987	4.29%
CFR	£44,146m		£42,185	
Over / (under) borrowing	£10,243m		£11,198m	
Total investments	£10,035m		£6,186m	
Net debt	£21,806m		£24,801	

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**MEDIUM TERM FINANCIAL STRATEGY (MTFS), RESERVE STRATEGY
AND BUDGET UPDATE**

SUMMARY

The report includes an update of the Medium-Term Financial Strategy and Reserve Strategy of the Authority together with an update on the Revenue Budget for 2020/21.

RECOMMENDATION

That the Committee agrees the report content as the basis of its financial planning framework for consideration by the Fire Authority

1. BACKGROUND

- 1.1 The Authority operates a Medium-Term Financial Strategy (MTFS) which provides a backdrop to the planning of resource allocation and spending. This report updates the current MTFS (Appendix 1) and Reserves Strategy and discusses the immediate challenges facing the Authority in setting its budget for next financial year and any planning assumptions into the next decade.
- 1.2 The Fire Authority will consider the updated strategies at its meeting on 16 September 2019.

2. ISSUES

- 2.1 For over a decade now, the public sector has been subject to the Government's austerity agenda and despite recent signals that the situation is easing, settlements and resources for local government in particular, have remained very tight. The MTFS includes historical data on spending and budget reductions within the Service throughout this period.
- 2.2 Brexit continues to dominate the political agenda and the uncertainty this has created in terms of economic forecasts has resulted in short term settlements being the order of the day. No firm forward financial plans have been released by central government whether nationally or regionally. The recent announcement that there would be no real UK Spending Review of any significance allows us to draw a conclusion that little will change in terms of the pattern of funding for next year.
- 2.3 Planning for fire services in Wales is further compromised by the ongoing review of governance and funding being undertaken by Welsh

Government. Until this review has concluded, the number and structure of Fire Authorities in the future is uncertain as is the method of funding the services they provide.

- 2.4 The MTFs attached at Appendix 1, identifies the operational context in which the financial management of the Authority takes place currently and sets out the challenges, risks and responses which are relevant in the short to medium term where this is possible.
- 2.5 The MTFs can only plan on the basis of knowns and accordingly, no attempt has been made to forward project further until the outcome of the governance and funding review is known. If that review significantly changes the constitution and / or funding of Fire Authorities, an update of the MTFs will be required.

3 LOCAL GOVERNMENT SETTLEMENT 2020/21

- 3.1 There was no indicative level given for the 2020/21 local government settlement. In the current financial year, Welsh Government heavily skewed additional resources towards the health sector in Wales and accordingly, local authorities were again provided with a reduced real terms settlement. Councils responded with further cuts to services and increases in Council Tax which now accounts for around one quarter of their net spending.
- 3.2 In previous years, the Fire Authority has been informed of the consistent pattern of increases in local taxation which assists in budget setting for Council Services which includes fire and rescue services. Council tax yield has typically increased by an average of around between 4% and 5%.

4 SPECIFIC BUDGET PLANNING CONSIDERATIONS

- 4.1 The Fire Authority approved a revised staffing structure in September 2018 and this now forms the basis of the revenue budget.
- 4.2 In terms of the employee budget of the Authority, pay inflation is the biggest single factor at play. There is ongoing dialogue with representative bodies for grey book (uniformed) staff and whilst there is likely to be a continued commitment to an underlying inflationary pay increase (2% in 2019/20), the pay and conditions and the widening role of the firefighter remain unresolved.
- 4.3 In terms of 2020/21 inflationary pressures, the most significant is likely to be pay awards. 2% seems to have become the norm for public sector now following a large number of years with zero or 1% increases. The

impact of a 2% award is around £1.0m per annum for both grey and green book staff.

- 4.4 Prior to setting the 2019/20 budget, the Fire Authority were kept abreast of the ongoing Firefighters Pension Fund Revaluation. At the time of setting the budget, the Authority had not received confirmation of grant funding to meet the proposed substantial increases in employer pension costs arising from changes imposed by HM Treasury. Following the budget setting meeting, Welsh Government confirmed over £3m of specific grant funding. Since that funding was announced, it has transpired that the increased costs likely to fall on the Fire Authority are approximately £0.7m higher and this is now a matter of ongoing management and discussion with Welsh Government.
- 4.5 In terms of future budgets, these increased pension costs are permanent and the sustainability of the Fire Authority's revenue budget is therefore dependant on Welsh Government continuing to meet them, in full. Failure to do so could add around £3.8m to the revenue budget representing an increase to the contributions budget of around 5%.
- 4.6 The recent legal cases which the Government lost in respect of the tapering arrangements for the firefighters' pension schemes will also have an impact on costs at some future date. The degree and timing of the impact will not become apparent until a solution is agreed. The MTFs does not attempt to quantify this outcome until the situation becomes clearer.
- 4.7 Generally, the Authority has not added inflationary increases to non-staff budgets for a number of years and it is likely that this tack will again be necessary to constrain spending. Such increases have been dealt with through general efficiency savings measures in previous years by reducing activity at the margins as a cost avoidance measure. As each year passes, the scope to continue this type of efficiency activity reduces. The Service has made initial assessments of other spending pressures within the budget including capital financing, property maintenance, energy costs, business rates, ICT, transport and supplies costs.
- 4.8 Based on the first review of pressures within the revenue budget, the contribution budget for 2020/21 could increase as follows:-

+8.7%	With no pension grant from Welsh Government
+4.5%	With pension grant per current year
+3.4%	With pension grant increased to cover full costs

4.9 As usual, work will continue to identify potential savings to offset any upward pressure wherever possible.

5. BUDGET TIMETABLE

5.1 The Authority has in recent years sought to set its revenue budget requirement at the December meeting of the Fire & Rescue Authority with a consultation period prior to that meeting. This was seen as advantageous to the constituent councils in terms of their budget planning cycles.

5.2 Last year, there were a number of factors which conspired against the Authority not least of which was the pension funding question. It may again be necessary to defer this decision until the February meeting.

5.3 Welsh Government usually sets its budget in early October with draft local government settlements available in October however, it is uncertain what the 'short' spending review process being undertaken in Westminster will do to this timeframe or indeed the looming 31st October Brexit deadline.

5.4 It is therefore appropriate for the Fire & Rescue Authority to review its budget setting timetable for 2020/21.

5.5 In order to work towards this approval, the following meetings will consider relevant information.

Date	Meeting	Consideration
9 Sep 2019	FAPM Committee	This meeting
16 Sep 2019	Fire & Rescue Authority	MTFS and Reserves Strategy
7 Oct 2019	FAPM Scrutiny	Revenue Budget Preparation and Assumptions
25 Nov 2019	FAPM Committee	Revenue Budget Preparation and Assumptions
13 Dec 2019	Fire & Rescue Authority	Revenue Budget Update
13 Dec 2019 – 12 Jan 2020	Consultation Period	
13 Jan 2020	FAPM Scrutiny	Draft Revenue Budget and Consultation Feedback
10 Feb 2020	Fire & Rescue Authority	Revenue Budget Approval

6. RESERVES STRATEGY

6.1 The Strategy set out by the Fire Authority was aimed at ensuring that

- all known and quantifiable liabilities were funded within its reserves and provisions
- there was sufficient general reserve to avoid any in year call on constituent council budgets from unforeseen financial risks
- the Authority maintained a flexible investment reserve to facilitate change within the organisation without the need to resort to substantial and inconsistent calls on annual budget contributions.

6.2 The Authority has previously stated that it will not use reserves to effectively operate a budget deficit as this is not a sustainable plan of action. This policy has been successful with the Service maintaining downward pressure on budgets and delivering underspends in most financial years. These underspends have allowed the Authority to create and utilise the 'invest to save' reserve.

6.3 As a result of the 'Faster Closure of Accounts' initiative, the Authority is in a position to confirm its Reserves position at 31st March 2019. There is a reduction of £2.5m over the year mainly due to the planned financing of the Cardiff Gate CFBT facility.

Reserve	Balance at 31/03/19 £000	Purpose
General Reserves	3,000	General financial resilience
Change Management Reserve	5,895	To fund projects aimed at efficiency, service improvement and change
PFI Equalisation Reserve	3,861	To balance out timing difference in grants and costs of the PFI Training Centre project at Cardiff Gate
Managed Under Spend Reserve	116	To meet costs of ongoing projects falling into the next financial year
Joint Control Lease Reserve	600	To finance the contribution to the Joint Control Facility in Bridgend
CFBT Facility	1,976	To finance the building of the new facility at Cardiff Gate
Total Revenue Reserves	15,448	

7. FINANCIAL IMPLICATIONS

7.1 Details of the financial projections are included within the Strategy.

8. EQUALITY RISK ASSESSMENT

- 8.1 There are no equality implications resulting directly from this report. Each significant change in the Authority's budgets will undergo equality and diversity risk assessment by the responsible budget holder as part of the budget planning process.

9. RECOMMENDATION

- 9.1 That the Committee agrees the report content as the basis of its financial planning framework for consideration by the Fire Authority.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance and Procurement	

Appendix 1

Medium Term Financial Strategy 2019/20 – 2021/22

September 2019

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About SWFRS

South Wales Fire and Rescue Service is one of three Fire and Rescue Services in Wales and is one of the largest fire and rescue service areas within the UK.

Service and Incident Profile

The Service is coterminous with the ten unitary authorities in South and South East Wales, covering an area of 2,800 square kilometres of rural, coastal and urban areas. The Service serves a population of over 1.5 million.

The Service operates out of an HQ, Training Centre, joint control facility and 47 Fire Stations some of which are permanently crewed and others crewed by on-call firefighters. The Service has over 300 operational vehicles including fire appliances, off road vehicles, light vehicles and boats. The service takes around 35,000 emergency calls per year, responding to around 17,000 incidents of which a third are fires. Of these fires, around 70% are deliberate. Besides fires, the Service also responds to road traffic collisions, flooding and water rescues, animal rescues, medical emergencies and environmental incidents.

The Service proactively seeks to reduce risk mainly by prevention through annual early intervention, education and engagement activities. Approximately 20,000 home fire safety checks are undertaken and 50,000 children and young people are met face to face as part of educational and engagement events. As a result of this activity, the Service has been successful in significantly reducing the number of fires over recent years.

Strategic Plan

South Wales Fire and Rescue Service's vision is set out in our strategic plan for 2017-22. This Medium-Term Financial Strategy underpins that vision.

The plan outlines the strategic direction over the five year period and explains how the Service intends to meet its challenges in order to continue to deliver a high quality service that meets the needs of our communities. The long-term strategic Themes and shorter term Priority Actions within the Plan will enable South Wales Fire and Rescue Service to not only deliver a sustainable service but also support our partners in the wider public sector.

The Service's vision remains the key focus; "making South Wales safer by reducing risk." The Service recognises that safer communities can only be achieved by challenging and improving the way it works, through a safe and competent workforce and by effectively managing its resources.

At times of austerity, there is a temptation to concentrate on costs and reduced budgets with no regard to the quality of services delivered. However, the Service has made the decision to concentrate on how improvements can be made with the strongly held belief that efficiencies and savings will result. The key strategic themes are

Key Strategic Theme	Resource impact
Reducing the number of deliberate fires	Reducing fires reduces the need for response and the impact such incidents can have in the wider community
Undertaking engagement to obtain views on service delivery, risk and priorities	Engagement ensures that resources are used on what matters to the public
Ensuring that we attract, develop and retain a suitably resilient workforce that reflects our communities and is capable of delivering services	An effective workforce delivers efficient and effective services
Ensuring ICT systems and services are available to enable efficiency and support service delivery.	ICT systems underpin many of the services we provide and speed up business processes

This financial strategy sets out the approach and identifies how the Service intends to plan and manage its resources in the light of the Government's continued downward pressure on public sector spending. It also focuses on how the Service will remain viable and respond to the various risks and pressures which it will face.

Key Achievements

The Service has been successful in significantly reducing the number of fires and fire related deaths and injuries over recent years. For example, between 2011/2012 and 2016/2017, fires reduced by 33.82%. This has been achieved against a background of reducing resources whilst at the same time, maintaining fire cover and continuing the standards of service expected by the public of South Wales.

Financial Context

Fire and Rescue is a devolved function and Welsh Government therefore have national oversight of the service. The South Wales Fire & Rescue Service is one of three Fire and Rescue Services operating in Wales. That said, both the national UK environment and devolved Welsh Government impact on the finances and operations of the Service.

The UK Context

The Service's financial position is impacted by the wider global economy and this strategic plan is written in this context. However, the Service cannot accurately predict or influence these factors and therefore has to plan on the basis of the best information available to it.

The International Monetary Fund judges that the outlook for growth has improved in advanced economies however, uncertainty around the global outlook is heightened at present, associated among other things, with policy and political risks. UK Government policy on spending has been the key determinant which has set the scene for resources in the UK public sector.

The latest spending review of the UK Government set out parameters for public spending over the medium term. Whilst there have been some signals that austerity is easing, particularly in respect of pay awards, there was no move away from the overall downward pressure on spending.

Significant uncertainty remains about the short and long term financial effects of "Brexit" and the prospect of a "no deal Brexit" on 31st October has further heightened concerns over the economy.

Wales

Overall spending limits set in Westminster determine the Barnett Formula consequential for resources in Wales each year. In the latest budget, the forecast spending limits showed:

- Wales Departmental Resource Budget as £13.4bn in 17/18 and 18/19 and £13.5bn in 19/20
- Wales Departmental Capital Budget as £1.7bn in 17/18, £1.8bn in 18/19 and £1.9bn in 19/20

With no Comprehensive Spending Review now taking place in the autumn of 2019, it is anticipated that departmental budgets will remain significantly unchanged. These limits and the budget agreed by Welsh Government impact the funding of unitary authorities (which in turn meet the costs of Fire

and Rescue Services) together with community safety and other sector specific initiatives which are directly funded through specific grants and contributions.

Welsh Government has now obtained the powers to vary income tax. This MTFS does not assume that these powers will be used to increase revenue and therefore funding.

Unitary Authority Funding

Unitary authorities contribute to the Fire & Rescue Service budget and in consequence, their funding settlement is relevant to the Service. In recent years, the trend in reducing public expenditure has resulted in downward pressure in the un-hypothecated grant resources distributed to unitary authorities.

Current Cost & Budget Structure

The starting point for any Financial Strategy is to understand the cost base of the Service.

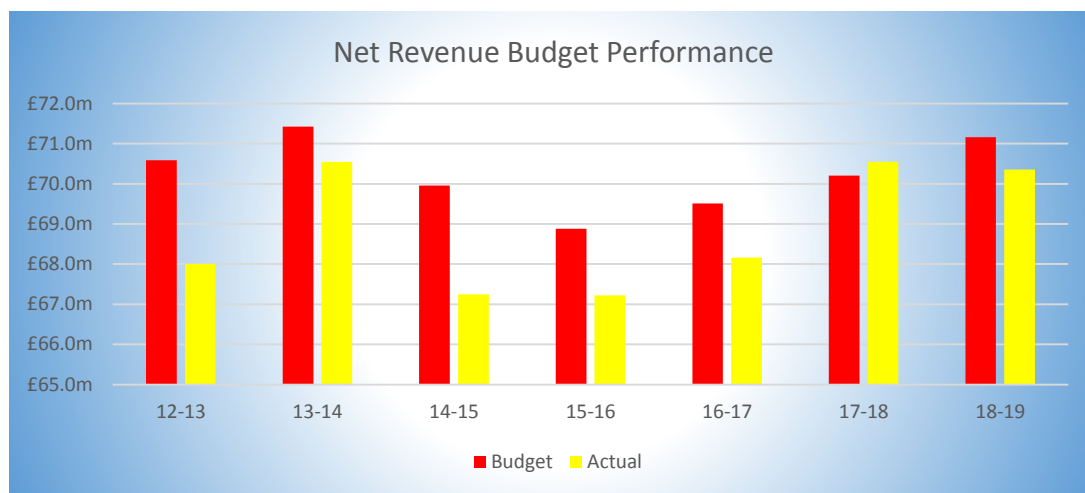
Revenue Budget

The Service's net annual revenue budget in 2019/20 is around £71.8m, the equivalent of less than £50 for each resident of South Wales. It equates to 0.5% of the total public service spending in Wales each year.

The table below shows the breakdown of the annual budget in 2019/20

	£000
Employees	48,459
Indirect Employee costs	10,911
Premises	4,788
Training	1,473
Supplies & Services	3,861
Transport	1,161
Contracted Services	806
Capital Financing	4,449
Gross Budget	72,139
Income	-4,081
Net Budget	71,827

The following chart shows the movement in the net revenue budget since 2008/09 together with the actual spend for each year.



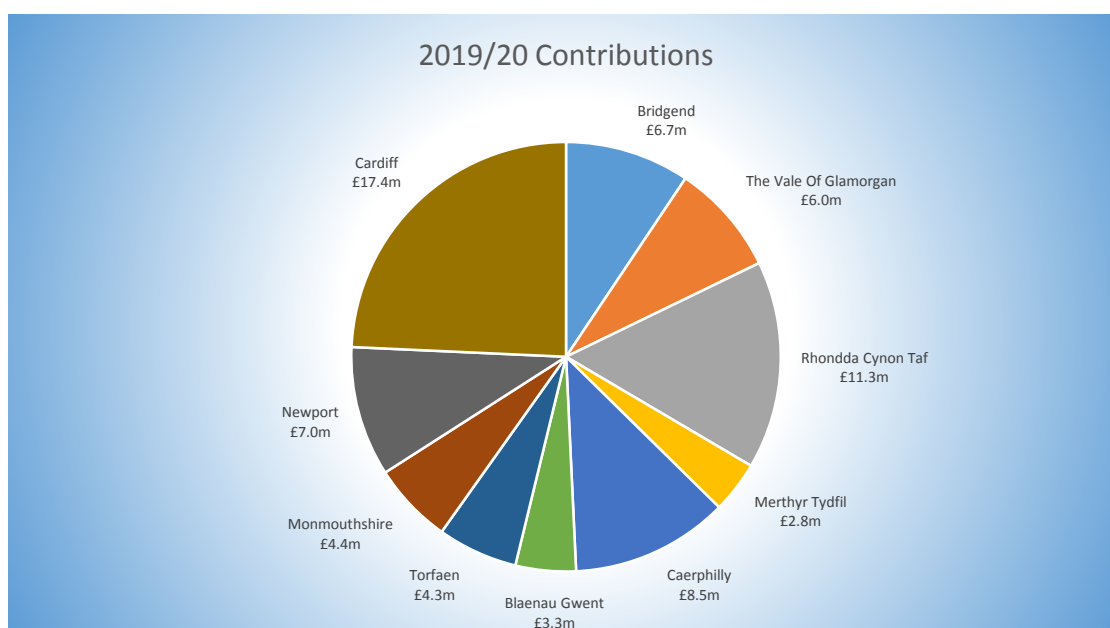
The Service has proactively managed to stay within its budget every year despite numerous challenges to its operations including a sustained period of industrial action. Surpluses generated from the revenue budget are utilised to invest in Service Improvement, asset renewal and efficiency projects which in turn keeps the requirement for annual funding at a lower level than would otherwise be the case.

An analysis of the outturn consistently reveals that staffing budgets are underspent particularly in the retained and whole-time firefighter categories. This stems from an ongoing struggle to recruit, train and retain sufficient numbers of staff whilst at the same time losing experienced firefighters to retirement and other full-time employment.

SWFRS Revenue funding

By virtue of the 1995 Fire Combination Orders, Fire and Rescue Services in Wales are funded from contributions made by constituent unitary authorities within their area. Each year, the Fire and Rescue Service determines its budget requirement and notifies each constituent council of its contribution. Contributions are proportionately split based on population.

The current distribution of funding in South Wales is show below.



The Welsh Government is currently undertaking a review into the governance and funding of fire authorities in Wales. If this review changes the structure, composition or funding of fire authorities, it could significantly impact the MTFS as drafted.

During 2019, HM Treasury amended the SCAPE rates used to underpin Pension Fund Valuations. As a result of this exercise, a significant increase in employer's pension contributions occurred. In Wales, specific grant funding of over £3m was provided to the Authority to meet these costs. The Authority believes this funding to be insufficient to meet the annual cost increase and the lack of a forward commitment to fund these increased costs could significantly impact the MTFS.

Forecast Cost Changes

There are a number of known factors which impact the cost base of the Authority. The main categories are outlined below.

Inflation

The financial strategy includes inflation where this is a contractual obligation but assumes that the majority of other spending is cash-limited. The exceptions include items where prices are generally more volatile than CPI such as vehicle fuel, energy costs and insurance premiums where specific allowances are made. Total inflation of £2.0m is assumed between 2019/20 and 2021/22. An anticipated 2% rise in fees and charges is also built in.

Pay

The Authority is part of the collective bargaining arrangements for 'grey book' (fire fighters) and 'green book' (non-uniformed) employees and therefore implements respective national pay awards as part of its pay policy arrangements. The Authority abides by the statutory Minimum and Living Wage legislation. The cost of pay inflation (including related pension overheads) over the period of the strategy is £2.1m. This is currently assessed with reference to the public sector pay settlements achieved of around 2% per annum. The wider role of firefighters is still subject to ongoing discussion with representative bodies and the outcome of this activity could impact pay levels. The MTFS assumes that such costs agreed on a national basis would be accompanied with funding. This situation will be monitored on an ongoing basis.

Pensions

The Authority operates a number of pension schemes for the benefit of its employees and makes employer contributions to each. Uniformed staff are eligible to join the national Fire Fighters' Pension Scheme (FFPS) and non-uniformed employees are eligible to join the Local Government Pension Scheme (LGPS). The schemes are administered by Rhondda Cynon Taf County Borough Council on behalf of the Authority. Employees are automatically enrolled in the relevant scheme unless they opt out.

Regular actuarial valuations are carried out to determine employer contribution rates to the Schemes. The LGPS is a funded scheme unlike the FFPS which is unfunded and underwritten by Welsh Government.

- The LGPS employers' pension contribution rate is currently 16.3% of gross pensionable pay.
- The FFPS employers' pension contribution rates vary as there are three schemes in operation. Rates are currently between 11% and 21% of gross pensionable pay. The strategy assumes that Welsh Government will continue to fund any scheme deficit over and above the employee and employer contributions and that it will continue to fund the SCAPE costs arising in 2019/20.

The cost of firefighters' pensions is in a state of flux currently with the government having lost legal cases around the tapering transitions from the 1992 to the 2015 scheme. Until a solution becomes clear, it is not possible to quantify the impact on the Service's base budget.

Service Demand

The strategy recognises that there is an increasing population trend in South Wales particularly within the urban areas of Cardiff and Newport. Pressures on the Authority's services will increase as a result of this and other factors.

According to Welsh Government statistical modelling, the population of South Wales has grown by around 6.5% in 10 years and growth forecasts are assumed to continue at a steady rate. This rate includes disproportionate increases in certain at risk groups such as the elderly. As demographics change, the need for fire cover and other rescue services change.

An average growth in population of around 0.66% per annum is not reflected in an annual need to increase expenditure. However, the Authority's cost base may eventually need a step change in response to overall demand. Such changes are traditionally dealt with through ongoing reviews of fire cover and other necessary service provision.

Demographic trends towards and ageing population with more people living alone and with life limiting health conditions are likely to increase demand on services.

Environmental and legislative changes also drive the demand for services in areas such as flooding, wild fires, road traffic collisions and bariatric rescue. The Authority's partnership arrangements also result in an increased number of service calls such as co-responding to medical emergencies. The current climate of terror related incidents also demands a significant training and response capability in the fire service. These specific areas are considered in terms of budget provision as and when spending pressures crystallise.

Capital Financing Costs (Debt repayments and interest)

The strategy includes an increase in the Authority's estimated capital financing costs of £0.3m reflecting the approved capital programme. This programme together with the Treasury Management Strategy of the Authority determines the principal debt repayments and interest costs which will fall on the revenue budget. The programme includes a range of investments aimed at maintaining, renewing and supplementing the Authority's assets to achieve its strategic objectives. Affordability is a key component of the capital programme.

The Authority does not receive separate funding for capital borrowing costs and as such, all borrowing costs must be met from its core revenue budget.

Specific Projects

The nature of the Fire & Rescue Service entails participation in collaborative regional and national initiatives, some of which are sponsored by central government. Changes to the costs and funding within these projects can impact the budget of the Authority. One particular project is currently being monitored in this regard.

- Emergency Services Mobile Communications Platform (ESMCP) is a project aimed at rolling out a new Emergency Service Network (ESN) across the UK. Currently Welsh Government supports the cost of this network in Wales through financial contributions. This equates to around £0.6m per annum in South Wales. The project aims to not only modernise and improve the network but also to reduce ongoing costs. Until the future cost of the ESN is

known for certain, the financial impact of the project is uncertain. Further delays in the delivery of this project will be monitored in terms of their financial impact.

Forecast Funding Changes

Both national and local changes to funding can affect the Service's income streams.

National Funding Changes

The Government's policy direction shows a continued reduction in public spending and likely downward pressure on sector spending both at a Wales and local government level. That said, the scale of the reductions is less certain. Recent analysis of public sector spending in Wales has shown real terms reductions but not necessarily cash reductions in the medium term.

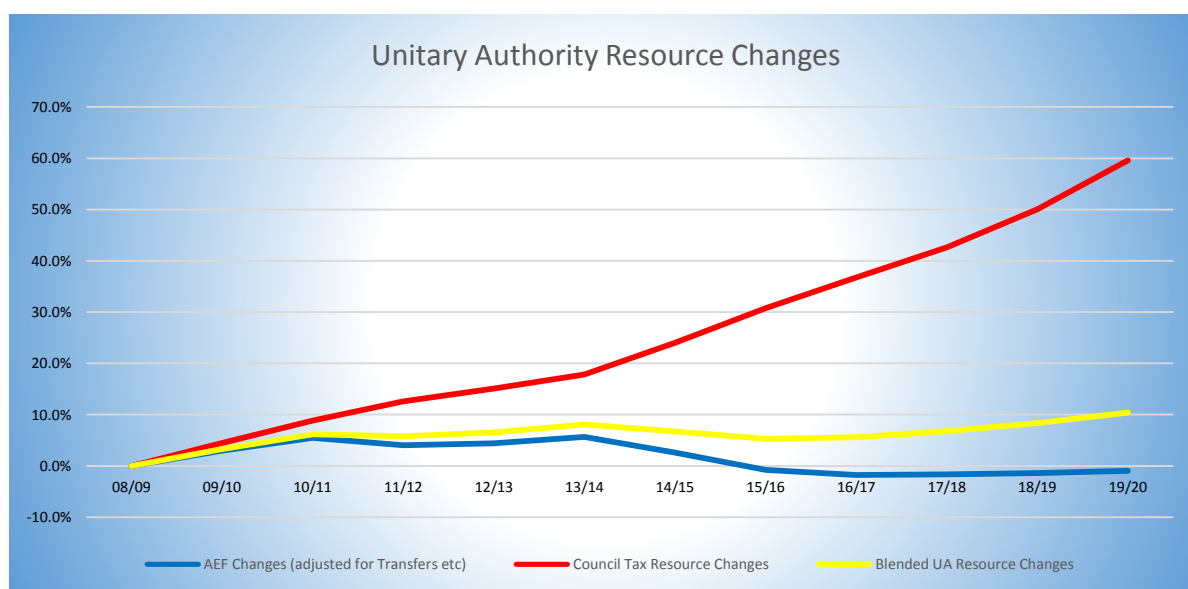
Clearly in the light of Brexit, it is almost impossible to make meaningful assumptions beyond this steady state position.

Welsh Local Authority Settlement Funding Assessment

The outcome of the budget decisions of Welsh Government in terms of health, social care and education will be major determining factors given the relative size of those budgets. In 2019/20, the Welsh Government signalled its priority by significantly increasing health spending to the detriment of local authorities.

Aside from external funding from Welsh Government, Unitary authorities also have revenue raising powers through council tax which they can use to fund local services. The Office of Budget Responsibility forecasts 4% increase in council tax revenues which mirrors the increases seen over the austerity period in South Wales.

The chart below shows the historical changes in unitary authority funding within South Wales.



Based on the Welsh Government and IFS published numbers and the historical patterns of local taxation, the range of settlements for local government in cash terms could be as follows:-

	2020/21	2021/22
Best Case	+1.00%	+1.00%
Worst Case	-1.00%	-1.00%

Beyond 2019/20 there are no projections on which to base assumptions around funding. Previous practice has been to assume a nominal change in settlement in respect of such periods.

Grants and other Funding Streams

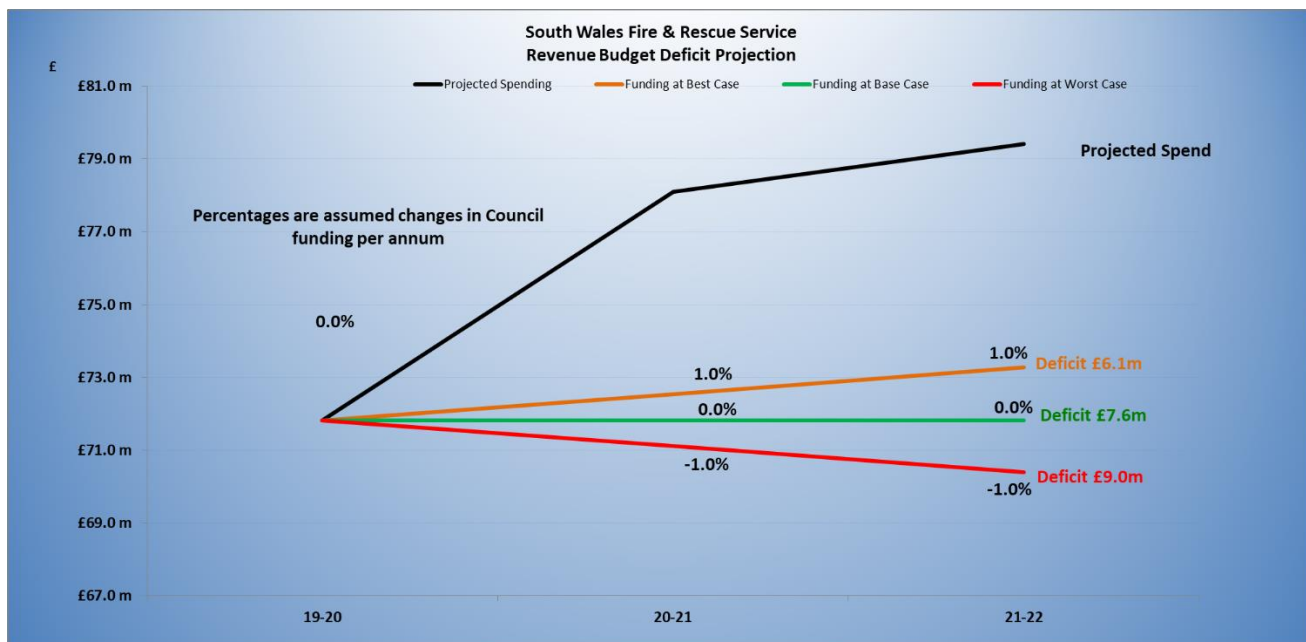
As Welsh Government departments have seen their own budgets cut, there has been a regular trend of reductions or withdrawals of specific grant funding streams. The Service has seen these cuts already in the Community Safety initiatives it operates.

Given the trend and commentary to date on grant funding, it is reasonable to assume that these funding sources may be further withdrawn over the medium to longer term however, in advance of any announcements, it would be wrong to assume such reductions yet. The table below outlines the grants and contributions currently in payment together with the basis of forecasts.

Grant	2019/20 £'000	Received from	Forecast Basis
COMMUNITY SAFETY	518	WG	Continue - cash flat profile
COMMUNITY SAFETY	28	GWENT POLICE	Continue - cash flat profile
NATIONAL RESILIENCE/USAR	1,567	WG	Continue - cash flat profile
FIRELINK	632	WG	Continue - cash flat profile short term until ESMCP implemented
CROWN PREMISES INSPECTOR	TBC	WG	Continue - cash flat profile
PENSION TOP UP GRANT	16,694	WG	Continue – excess funding required met in full by WG
PFI	1,082	WG	Pre-defined grant profile
MOBILE DATA TERMINALS	144	WG	One off
PENSION SCAPE COSTS	3,012	WG	Continue – based on ongoing real costs
TOTAL FUNDING 19/20	23,677		

Estimated Budget Gap

The graph below sets out the Service's estimated budget gap throughout the period of the Strategy. It includes a range of certainty around the extremes of the assumptions included in the plan.



	19-20	20-21	21-22	Deficit	
Projected Spending	£71.8 m	£78.1 m	£79.4 m		
Best Case		£72.5 m	£73.3 m	£6.1 m	8.7%
Base Case		£71.8 m	£71.8 m	£7.6 m	10.8%
Worst Case		£71.1 m	£70.4 m	£9.0 m	12.8%

The worst case deficit position of £9.0m (12.8%) assumes that the Authority would only request funding in accordance with the assessed worst case local authority settlement and that Welsh Government do not continue to fund Pension Scape costs. In practice, the Authority has to request the resources it requires to fund its services regardless of settlements. That said, the Authority has always striven to take account of the climate of public sector budgets in which it operates and to reduce the burden on its constituent councils wherever possible.

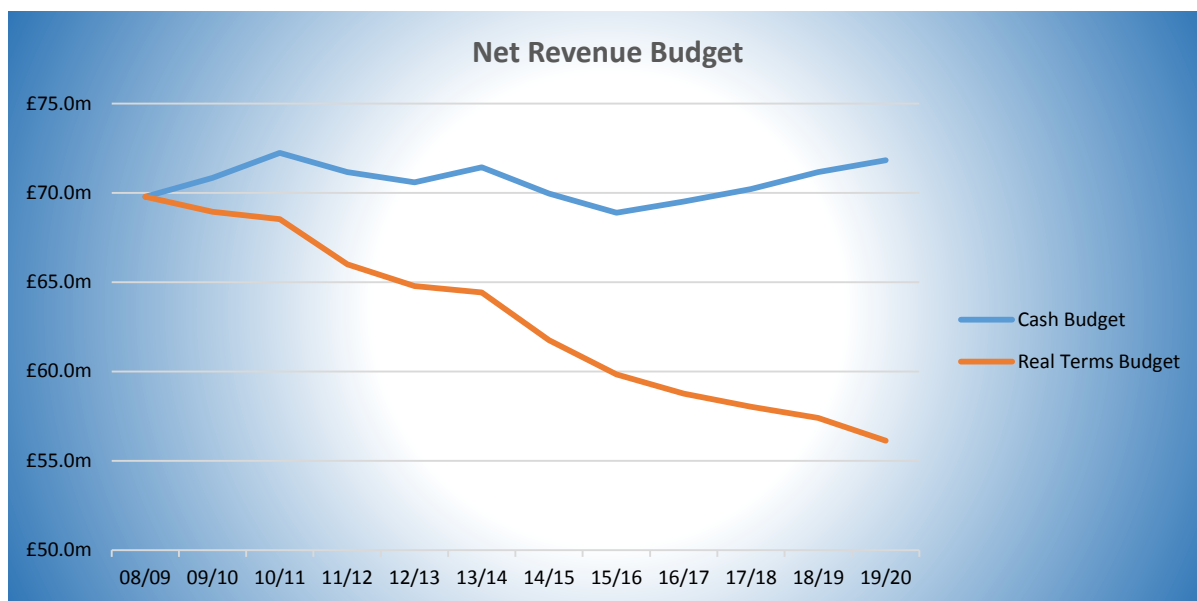
Welsh Government funding of the ongoing SCAPE costs of firefighter pensions is critical to financial position of the Fire Authority and constituent councils.

Medium Term Financial Plan

To address the budget gap identified, the Service intends to manage down risk, unnecessary response, inflationary and other budget pressures whilst maximising income and making business processes as efficient as possible. Some of this work is part of an ongoing business delivery model whilst some of it depends on specific project work targeted at efficiency and savings.

Finance and Efficiencies

Since the commencement of the current economic downturn in 2008/09, the Authority has delivered approximately £15m real terms budget reduction. The budget for 2019/20 is £71.8m which in cash terms is less than in 2010/11. The chart below shows the trend in the revenue budget. It represents an estimated real terms reduction of around 20% in 10 years



The Authority has taken a number of approaches in relation to savings and efficiency over this period including reviews of fire cover, the Shaping Our Future Programme and various efficiency projects focussed on reducing expenditure and increasing income.

If there is a continued downward pressure on expenditure, it will become increasingly difficult to identify further financial savings without significant changes in what services the Authority provides and how it delivers them.

This could have implications for the public, businesses, operational partners and employees. To deliver the Authority's plan to reduce risk, services that are no longer affordable or less impactful may be delivered differently or, in some cases, stopped. Such changes would not be considered or implemented without Fire Authority approval following consultation and engagement.

Fire Cover Reviews

The Service continues to review fire cover across the whole South Wales Area. The most recent whole authority review resulted in the closure of several retained stations and a reduction in crewing at other sites. As part of that review, a number of identified station amalgamations and moves are still being held in abeyance. Availability of potential sites has created a delivery problem but these options remain open.

Shaping our Future Programme

The Authority has devoted resources to reviewing parts of the organisation to identify improvements and efficiencies. The programme continues to look at operational and back office business processes. As part of this coming budget cycle, consideration of areas for investment and savings within the structure of the Authority's staffing is being undertaken. These will be the subject of reports to the Fire Authority for consideration once developed.

Accounting Measures

The Authority, through its Finance, Asset & Performance Management Committee, has reviewed its budget for opportunities to create savings / budget reductions. This has included contingencies, inflation allowances, vacancy provisions, method of manpower budgeting and treasury management practice. The Authority will continue to monitor all of these aspects of the budget to identify further

opportunities to drive down the underlying resource requirement where this is prudent and sustainable.

Reserves Policy

Under the 2003 Local Government Act, the Treasurer is required to make a statement to the Authority on the adequacy of reserves as part of the annual budget setting process. It is good practice for the Authority to have a reserves policy which is reviewed regularly. The Authority follows this practice, ensuring that liabilities and risks are adequately managed from a financial perspective.

General Reserves

General reserves are maintained to ensure financial stability in the longer term thus allowing the Authority time to plan, mitigate and deal with future financial challenges.

The reserve policy includes an assessment of financial risks and a quantification of those risks where this is possible. The overall value of general reserves held reflects the value of assessed risks, the overall quantum of the budget and previous experience of variations resulting from volatility in specific areas.

Due to the ongoing austerity measures facing the public sector in the UK, the financial risks in the overall budget remain high and the Authority is maintaining general reserves at a healthy level to reflect this. Fire Services in the UK remain under threat of industrial action which represents a further risk to continued service provision.

The financial strategy is predicated on no planned use of general reserves to fund ongoing revenue spending. The Authority regards this as an unsustainable financial planning parameter.

Earmarked Reserves

The Authority creates, maintains and utilises earmarked reserves to fund specific projects and liabilities as they are developed or identified. An overall change management reserve is maintained to fund projects aimed at increasing efficiency and improving or changing services. The Authority has little recourse to capital funds aside from borrowing and as such these earmarked reserves are also used to assist in meeting the financial demands arising from larger projects.

Reserve (Subject to audit)	Balance at 31/03/19 £000	Purpose
General Reserves	3,000	General financial resilience
Change Management Reserve	5,895	To fund projects aimed at efficiency, service improvement and change
Compartment Fire Behaviour Training (CFBT) Reserve	1,976	To fund the training facility at Cardiff Gate
PFI Equalisation Reserve	3,861	To balance out timing difference in grants and costs of the PFI Training Centre project at Cardiff Gate
Managed Under Spend Reserve	116	To meet costs of ongoing projects falling into the next financial year
Joint Control Lease Reserve	600	To finance the contribution to the Joint Control Facility in Bridgend
Total Revenue Reserves	15,488	

Treasury Management Strategy

The objective of the Authority's treasury management is to ensure that the Authority's cash, borrowing and investments are appropriately and efficiently managed within agreed financial and legislative parameters.

The Authority is required to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Codes covering such activities. In accordance with the Code, the Authority procures and retains the services of an external Treasury Management Advisor.

Reports on the Authority's Strategy and agreed parameters are approved prior to the commencement of each financial year. A half year progress report is made during the year and an annual report is received at the completion of each year end outlining performance and compliance.

Temporary borrowing is undertaken to fund short term cash flow deficits with long term borrowing being used to fund the Authority's capital requirements. Given the recent history of low interest rates, the Authority continues to pursue a policy of utilising internal cash balances (Internal borrowing) to minimise external interest costs. Forecasts for the UK and World economy are kept under review to determine if this strategy should change in response to potential interest rate rises.

The Authority's Capital Financing Requirement is the measure of its need to borrow to fund its capital requirements. This is forecast at £45.0m at March 2020 with external borrowing being estimated at £34.8m. The difference of £10.2m represents internal borrowing and the exposure of the Authority to increasing interest rates should it need to borrow externally. This exposure is forecast to rise to £15.7m by March 2022.

Exposure to increasing interest rates is mitigated by having a portfolio of external loans at fixed rates maturing over a range of short, medium and long dates. The profile of the Authority's debt maturity provides certainty over borrowing costs with 40% maturing after 10 years or more.

Investment activity is minimised by the current borrowing strategy. However, when cash flow dictates, short term cash investments are made to approved counterparties to generate income.

Further detail on the relevant forecasts can be found in the Authority's approved Treasury Management Strategy.

Asset Management Plan

The Authority operates within fire and rescue stations, offices, workshops, training facilities and control room accommodation. At these sites, in order to assist us in delivering our service to the public, we also hold a large number of assets, ranging from our fleet of emergency response and support vehicles, operational plant and equipment, ICT equipment and other minor assets (such as office and station furniture, specialist clothing etc.).

In order for us to properly manage these assets it is necessary for the Service to have an Asset Management Strategy. This ensures that our assets are still fit for purpose and relevant for evolving service needs and changing legislative requirements. In addition as a large public sector owner of assets there is an overarching requirement for us to ensure value for money in the management and maintenance of these assets. To this end, our Asset Management Strategy determines the high level priorities where financial resources are to be targeted to meet service requirements.

Our Asset Management Strategy is supported by a number of management plans which provide the detail upon how our assets will be managed. These include:

- Land & Buildings
- Fleet
- Plant & Equipment
- ICT
- Minor Assets
- Procurement

These Operational Equipment Plans are an essential tool in how we manage our operational equipment assets. Regular reviews of our equipment are essential to ensure that it is still fit for purpose and suitable for our evolving service needs and changing legislative requirements.

As part of the public sector there is a responsibility for us to ensure value for money is obtained when we procure and maintain operational equipment. We also have a duty to ensure the health and safety of operational personnel using the equipment and that the equipment we provide is fit for purpose.

Capital Programme

Capital investment in assets is required to maintain an effective operational response and according a planned capital programme exists. The Fire Authority has little recourse to capital funding other than from self-financed borrowing and capital receipts from the disposal of surplus assets and accordingly, the financing costs of the programme fall on the revenue budget. Affordability is therefore key in making decisions about the level of investment that can be undertaken.

The programme contains elements to fund new or replacement assets as well as repairs and preventative maintenance for existing assets. The programme broadly covers the following categories of investment:

Property	Site acquisitions, new build, refurbishment and planned maintenance
Vehicles	Operational appliances and light vehicles
Equipment	Operational equipment including PPE
ICT	Hardware and software

Collaboration

Collaborative working with partner agencies is seen as a priority. This includes other emergency services, local authorities and the third sector in Wales but also other service providers on a national level. This collaboration delivers efficiency but also resilience which is especially important in a world subject to emerging global threats such as climate change and terrorism.

The service continues to seek other collaborative opportunities to improve outcomes for the population of South Wales but also to make efficiency savings.

National Issues Committee and Welsh Government (NIC)

All three Fire and Rescue Authorities in Wales have one common objective which is a safer Wales. The NIC was formed to actively promote and enable collaboration between the Services but also across the wider Welsh public sector. It also aims to achieve objectives detailed in Welsh Government strategic policies and programmes.

The aim of the NIC is to deliver measureable improvements, including greater efficiency and a more citizen focused service. There are currently eleven work streams:

- Business continuity
- Control
- Community risk reduction
- Common & specialist services
- Fleet & transport
- Health & safety
- Human resources
- ICT (shared services)
- Operations
- Procurement
- Training & development

Partnership with other 'blue light' services

There are obvious synergies between the work of the Service and that of other 'blue light' services across South Wales. Emergency services are often attending the same incidents in the same localities and can in certain circumstances provide resources to assist one another. These resources include employees, property and other assets.

Co-location of services within properties has begun to achieve cost efficiencies. A good operational example is Abertillery Fire Station which is now a tripartite facility housing police, fire and ambulance personnel.

The service is currently engaged with Mid and West Wales in delivering a joint control facility within the South Wales Police HQ. This facility was developed with a business plan to save around £1m per annum in running costs.

Recently the Service has been trialling an emergency medical response service. Fire service personnel and assets are now responding to certain categories of medical emergencies alongside paramedics and ambulances.

Partnership with local authorities and the third sector

The Service often comes face to face with the same service users of local authorities and the active third sector operating in the area. This provides opportunities to join up service provision when interfacing with service users and members of the general public in many communities.

Prevention activities are key in reducing risks for everybody within the Service Area and activities are now focussed on providing information and advice and sharing information across a wide range of operational front line services.

Workforce Strategy

The Authority employs around 1,700 staff as both operational firefighters and a range of professional and supporting roles. The nature of the Service means that 75% of expenditure is on staff or staff related budgets and there is a high expenditure on training and related matters.

The Service is part of collective bargaining agreements with both uniformed (grey book) and non-uniformed (green book) Trade Unions. Staff communication and engagement is high on the

priorities of the Service to ensure staff fully understand the plans, rationale and motives of the Service.

Given the high percentage of staff costs, efficiencies or budget cuts inevitably impact on staffing levels. The Service tries to avoid redundancies wherever possible by using retirement and natural staff turnover to reduce numbers if required.

Risk Management

The Fire & Rescue Service National Framework for Wales and the Wales Programme for Improvement Framework requires the Service to consider risk management whilst discharging its statutory duties and take into account the risks facing the organisation when making strategic decisions.

Risk Management Framework

A risk is an event that has the potential to help or hinder the achievement of a strategic objective or the delivery of core business. All risks are rated as manageable (low), material (medium) or significant (high).

Directors, department heads and team leaders are responsible for identifying risks during the business planning process and taking the appropriate actions to manage or mitigate risk within their areas. Only risks that impact upon the achievement of a strategic objective or delivery of core business are monitored via the Corporate Risk Register. The Senior Management Team formally reviews the Corporate Risk Register on a regular basis and endorses the inclusion of any new or emerging risks identified

Financial Risks

The Service's current and future financial position and adequacy of resources are subject to regular review.

Budget monitoring is regularly undertaken with resources prioritised on key risk areas. Monitoring operates on a devolved and centralised model with budget holders across the Service at various levels of the organisation. The Service's Standing Orders and Financial Regulations set out procedures, roles and responsibilities to ensure accountability.

Key specific financial risks within the Strategy and Plan include:

- The national economy and public finances
- The level of interest rates and the cost of borrowing
- Variations in Inflation assumptions - 1% of pay equals £0.5m and 1% of price equals £0.2m
- Failure to deliver or late delivery of budget savings
- Project delays
- Withdrawal of key funding streams by Government
- The cost of pensions

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INTERNAL AUDIT REPORT

SUMMARY

This report updates Members upon progress being made against the Internal Audit Plan 2019/2020.

RECOMMENDATION

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

1. BACKGROUND

- 1.1 As Members will be aware, TIAA Limited are appointed as the Authority's Internal Auditors to undertake work covered in the Internal Audit Plan 2019/2020 which was approved by this Committee on 8 April 2019.
- 1.2 As previously agreed, all audit reports with an assurance level of limited or no assurance will be provided in full. Recommendations only will be provided for reports with an assurance level of substantial or reasonable.

2. ISSUE

- 2.1 The areas of internal audit reviews within the Annual Plan were completed with 4 final report being issued:-
 - **Annual Assurance Review of Pensions**
 - **Estate Management Strategy**
 - **Fleet & Equipment Strategy**
 - **ICT Strategy**

The Summary Internal Audit Progress Report written by TIAA Limited is attached as Appendix 5.

2.2 Annual Assurance Review of Pensions

- 2.2.1 The review considered the arrangements for the creation, amendment and deletion of pension records and payment of pensions. The review considered compliance with the Firefighters

Pension Scheme Guidance to ensure correct treatment of ill health/injury award retirements.

2.2.2 The audited area was given a substantial level of assurance with one area of operational effectiveness identified.

2.3 Estate Management Strategy

2.3.1 The review considered the arrangements for the preparation and development of the Estates Strategy, including the risks, financial implications and management information, and KPIs that are reported to the Authority in relation to estates management.

2.3.2 The audit was given a substantial level of assurance with no recommendations made.

2.4 Fleet & Equipment Strategy

2.4.1 The review considered the effectiveness of the application of the Fleet & Equipment Strategy, including the usage planning and replacement arrangements.

2.4.2 The audit was given a substantial level of assurance with no recommendations made.

2.5 ICT Strategy

2.5.1 The review considered the effectiveness of the application of the ICT Strategy.

2.5.2 This audit received a reasonable level of assurance with seven recommendations' (2 important and 5 routine), and two areas of operational effectiveness identified.

3 EQUALITY RISK ASSESSMENT

3.1 The issues raised within this report have no adverse impact on the protected characteristics, and would have been considered during the audit process.

4 RECOMMENDATION

- 4.1 Members are asked to note the internal audit recommendations, and work completed to date on the Internal Audit Annual Plan.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	Appendix 1 – Annual Review of Pensions Appendix 2 – Estate Management Strategy Appendix 3 – Fleet & Equipment Strategy Appendix 4 – ICT Strategy Appendix 5 – Summary Internal Audit Progress Road

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APPENDIX 1

South Wales Fire and Rescue Service

Assurance Review of Pensions

2019/20

May 2019

Executive Summary

OVERALL ASSURANCE ASSESSMENT



OVERALL CONCLUSION

South Wales Fire and Rescue Service has robust processes and procedures in place for the administration and management of its pension arrangements.

- **No recommendations have been made to further strengthen the control environment.**
- **One Operational Effectiveness Matters have been presented for consideration.**
- **This involves prompting new staff members to return the forms sent out in their welcome packs.**
- **This would enable them to transfer their pension from another source into the new employers' scheme.**

SCOPE

The review considered the arrangements for: the creation, amendment and deletion of pension records and payment of pensions. The review considered compliance with the Fire Fighters Pension Scheme guidance to ensure correct treatment of ill health/injury award retirements. The scope of the review did not include determination of pension rates, retirement and reappointment of staff and severance payments.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	1

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No Recommendations were made.							

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
1	Compliance	Reminders be issued to all new starters to complete and return Death Grant and new starter forms within one year of starting the new employment.	<i>We will consider how we can set up automatic alerts that will remind the individual staff members that they need to return their pensions history forms. This does not affect the commencement of their pension record however this would affect them if they do wish to transfer any pension entitlements from another provider.</i>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

APPENDIX 2

South Wales Fire and Rescue Service

Assurance Review of Estate Management - Strategy

2019/20

June 2019

Executive Summary

OVERALL ASSURANCE ASSESSMENT

The diagram features a central green circle labeled 'SUBSTANTIAL ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right is a legend with four colored circles and corresponding labels: a green circle for 'SUBSTANTIAL ASSURANCE', a yellow circle for 'REASONABLE ASSURANCE', an orange circle for 'LIMITED ASSURANCE', and a red circle for 'NO ASSURANCE'.

OVERALL CONCLUSION

There are comprehensive governance arrangements in place for oversight of the delivery of the Estates Strategy.

- Robust reporting is in place on key risks, financial implications, management information and key performance indicators.**
- An annual Strategic Plan for the next five years is in place which directly relates to lower level asset management strategies.**

SCOPE

The review considered the arrangements for the preparation and development of the Estates Strategy, including the risks, financial implications and Management information and KPIs that are reported to the Authority in relation to estates management.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	0

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No recommendations have been made.							

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
No Operational Effectiveness Matters were identified.			

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

APPENDIX 3


South Wales Fire and Rescue Service

Assurance Review of Fleet and Equipment Strategy

2019/20

July 2019

Executive Summary

<p>OVERALL ASSURANCE ASSESSMENT</p> 	<p>OVERALL CONCLUSION</p> <ul style="list-style-type: none"> SWFRS has an appropriate and effective Fleet Asset Management Plan in place to provide focus for the activities of the Fleet Services Department in support of the wider organisational goals. 								
<p>SCOPE</p> <p>The review considered the effectiveness of the application of the Fleet and Equipment strategy, including the usage planning and replacement arrangements.</p>	<p>ACTION POINTS</p> <table border="1" data-bbox="1209 1045 2049 1204"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	0	0	0
Urgent	Important	Routine	Operational						
0	0	0	0						

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No Recommendations were made.							

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
No Operational Effectiveness Matters were identified.			

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

APPENDIX 4

South Wales Fire and Rescue Service

Assurance Review of ICT Strategy

2019/20

August 2019

Executive Summary

OVERALL ASSURANCE ASSESSMENT



OVERALL CONCLUSION

The ICT Strategy 2019/22 is currently being drafted with a view to it being approved by the next Finance Asset Performance Management Committee in September 2019.

- Verification of assets identified some differences from the register and also assets that were not formally tagged. The Service needs to introduce an element of self-audit where users are periodically to confirm desktop asset numbers. Where asset tags are missing or damaged these need to be replaced.
- A number of the Information Security Management (ISMS) policies were overdue for review and need to be updated.

SCOPE

The review considered the effectiveness of the application of the ICT Strategy.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	5	2

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	The ICT Strategy for 2019/22 which will replace the ICT Strategy 2016/19 is currently being prepared.	The ICT Strategy 2019/22 be completed and presented to the next Finance Asset Performance Management Committee for approval as intended.	2	<i>The draft ICT Strategy will be completed and will then proceed through our formal governance procedure.</i>	31/12/19	Head of ICT

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Compliance	The total ICT register comprises 4,336 assets across various operational sites and Stations. Testing of 20 assets identified two errors when tested from physical location and number to the register.	The current process of rolling ICT asset auditing be continued and a self-audit process where users are requested to confirm desktop asset numbers be introduced	2	<p>A full asset audit will continue to be undertaken as planned following the implementation of our new asset management system. Once this has been completed it had always been planned to undertake a self-audit process bi-annually and a full audit by ICT every three years.</p> <p>The full audit will be completed by December 2019 and the bi-annual audit will be undertaken in 2020/21.</p>	31/12/19	ICT Service Manager
2	Directed	It is best practice to develop a strategic planning timetable which ensures that there is continuity between the plan periods and that all key tasks are scheduled in advance of the implementation date.	A formal ICT strategy planning timetable be developed.	3	A formal ICT strategy planning timetable will be developed.	31/03/20	Head of ICT

PRIORITY GRADINGS

1

URGENT

Fundamental control issue on which action should be taken immediately.

2

IMPORTANT

Control issue on which action should be taken at the earliest opportunity.

3

ROUTINE

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	<p>A suite ICT policies are in place but the following have not been reviewed and updated since 2015:</p> <ul style="list-style-type: none"> • ISMS 001 Information Security Management System; • ISMS 002 Internet and Email Usage procedures; and • ISMS 011 Removable Media and Mobile Data Devices. 	<p>The Information Security Management (ISMS 001), Internet and Email Usage procedures (ISMS 002) and Removable Media and Mobile Data Devices policies be reviewed to ensure they remain relevant and up to date.</p>	3	<p><i>There is a project already in progress to review the whole ISMS suite.</i></p>	31/03/20	<p><i>ICT Transformation Manager</i></p>

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Compliance	There has been progress towards the creation of a central data hub integrating all existing asset management systems utilising "House on the Hill" software, which brings together the Support Functions' Asset Management Systems and ICT asset management. The Red Kite asset management system for operational equipment and the Tranman Vehicle Fleet Management system can be accessed through the hub but are stand-alone systems with potential for Red Kite to be incorporated within the ICT Asset Management system	The Red Kite Assets system be incorporated into the central data hub to provide an overarching asset management system in accordance with the ICT Strategy.	3	<p><i>The tender specification for the new Asset Management System included requirements for replacing the Red Kite System. However other areas of the service are currently being integrated into the new Asset Management System with the Red Kite System being left until last as this had a useable system and some other areas did not.</i></p> <p><i>ICT Applications Manager will meet with the Head of Operational Risk Management to discuss integrating the Red Kite System into the new Asset management System.</i></p> <p><i>Note: The implementation date is for the decision to integrate the Red Kite System following extensive research and consultation.</i></p>	31/03/20	ICT Applications Manager

PRIORITY GRADINGS

1

URGENT

Fundamental control issue on which action should be taken immediately.

2

IMPORTANT

Control issue on which action should be taken at the earliest opportunity.

3

ROUTINE

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Compliance	The RAPS rostering system needs to be incorporated within the CORE HR system to enable the development of an employee "Golden Record" which would hold all personnel/payroll data in order to achieve the strategic objective relating to the achievement of an employee "Golden Record".	The RAPS rostering system be migrated into the CORE HR system as intended to enable the delivery of the strategic objective of an employee "Golden Record".	3	<i>A project team is currently in discussion with the supplier of our HR system about the next two modules. These are Training Records and Rostering System (RAPS) for Wholtime Duty System employees. Once these discussions have been completed the project team will present a report to the Senior Management Team (SMT) for a decision. Note: The implementation date is for the decision by SMT.</i>	30/10/19	ICT Service Manager
7	Compliance	Two assets were located during testing where asset tags had been replaced by hand written or temporary labels.	Asset tags be replaced immediately where damaged or missing.	3	Agreed.	30/09/19	ICT Service Manager

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
1	Reputational	The BMIS system be updated to allow a full activity profile of individual Delivery Plans for review purposes.	<i>This item will be discussed with the Head of Corporate Support.</i>
2	Reputational	Consideration be given to development of a number of reportable quarterly KPI's that would be of use to the Finance Asset and Performance management Committee.	<i>This item will be discussed with the Director of Technical Services.</i>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

APPENDIX 5

South Wales Fire and Rescue Service

Summary Internal Controls Assurance (SICA)
Report

2019/20

August 2019

Introduction

1. This summary report provides the Audit Committee with an update on the progress of our work at South Wales Fire and Rescue as at 14th August 2019 SICA report.

Progress against the 19/20 Annual Plan

2. Our progress against the Annual Plan for 201-20 is set out in Appendix A.

Internal Control Framework

3. The key strategic governance, risk management and control matters identified from the four reviews completed since the previous SICA are summarised below. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Key Strategic Governance, Risk Management and Control Matters

Review	High level
Pensions	<p>South Wales Fire and Rescue Service has robust processes and procedures in place for the administration and management of its pension arrangements.</p> <ul style="list-style-type: none"> • No recommendations have been made to further strengthen the control environment. • One Operational Effectiveness Matter has been presented for consideration. This involves prompting new staff members to return the forms sent out in their welcome packs. This would enable them to transfer their pension from another source into the new employers' scheme.
Estate Management Strategy	<p>There are comprehensive governance arrangements in place for oversight of the delivery of the Estates Strategy.</p> <ul style="list-style-type: none"> • Robust reporting is in place on key risks, financial implications, management information and key performance indicators. • An annual Strategic Plan for the next five years is in place which directly relates to lower level asset management strategies.
Fleet and Equipment Strategy	<p>SWFRS has an appropriate and effective Fleet Asset Management Plan in place to provide focus for the activities of the Fleet Services Department in support of the wider organisational goals.</p>
ICT Strategy	<p>The ICT Strategy 2019/22 is currently being drafted with a view to it being approved by the next Finance Asset Performance Management Committee in September 2019.</p> <ul style="list-style-type: none"> • Verification of assets identified some differences from the register and also assets that were not formally tagged. The Service needs to introduce an element of self-audit where users are periodically to confirm desktop asset numbers. Where asset tags are missing or damaged these need to be replaced. <p>A number of the Information Security Management (ISMS) policies were overdue for review and need to be updated.</p>

Emerging Governance, Risk and Internal Control Related Issues

4. We have identified no emerging risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation.

Audits Completed since the last report to Committee

5. The table below sets out details of audits finalised since the previous meeting of the Finance, Audit and Performance Committee.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
Pensions	Substantial	25 th April 2019	25 th April 2019	1 st May 2019	0	0	0	1
Estate Management - Strategy	Substantial	17 th May 2019	30 th May 2019	5 th June 2019	0	0	0	0
Fleet and Equipment Strategy	Substantial	19 th June 2019	30 th July 2019	31 st July 2019	0	0	0	0
ICT Strategy	Reasonable	15 th July 2019	5 th August 2019	6 th August 2019	0	2	5	2

Changes to the Annual Plan 19/20

6. There are no changes proposed to the Annual Plan at this time.

Frauds/Irregularities

7. We have not been advised of any frauds or irregularities in the period since the last summary report was issued.

Liaison

8. **Liaison with external audit:** We have ongoing liaison with Wales Audit Office.

Progress actioning Priority 1 recommendations

9. No Priority 1 recommendations have been made.

Other Matters

10. The following newsletters and fraud digests have been issued since the last Finance, Audit and Performance Committee and are available through the Client Portal or can be provided upon request.

- Audit Committee Newsletter (July 2019)
- FRAUD ALERT: Common Subjects Lines used in Phishing Emails Central Alert (13/05/2019)
- FRAUD ALERT: HR Departments targeted to steal salaries Central Alert (13/05/2019)

Details of the briefing notes issued since the last Finance, Audit and Performance Committee are included at Appendix B.

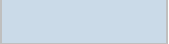
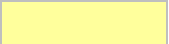

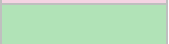
Responsibility/Disclaimer

11. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.





Progress against the Annual Plan for 2019/20

System	Planned Quarter	Days	Current Status	Comments
Pensions	1	6	Final Report issued 1 st May 2019	
Estate Management - Strategy	1	5	Final Report issued 5 th June 2019	
Fleet and Equipment Strategy	1	6	Final Report issued 31 st July 2019	
ICT Strategy	1	5	Final Report issued 6 th August 2019	
Station Visits	2	4	Draft Report issued 30 th July 2019	
Governance – Strategic Planning	3	6	Field work planned for 30 th September 2019	
Finance/HR System – Data Import arrangements	2	6	Field work planned for 23 rd September 2019	
Risk Management – Mitigating Controls	3	2	Field work planned for 19 th December 2019	
Key Financial Controls	4	6	Field work planned for 06 th January 2020	
Payment Cards	4	5	Field work planned for 10 th February 2020	
Follow-up	4	3	Field work planned for 10 th January 2020	
Contingency	-	6		
Annual Planning	1	2	Final Report Issued 17 th April 2019	
Annual Report	4	1		
Client Portal	01-Apr			
Management, Planning & Finance, Performance Management, Audit and Reporting/Support Committee	01-Apr	7		

KEY:

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

Briefings on Developments in Governance, Risk and Control

Date Issued	CBN Ref	Subject	Status	TIAA Comments
05/08/2019	19014	All – Home Office Guidance on Victims of Modern Slavery	 <p>For Information</p>	Audit Committees and Boards/Governing Bodies are advised to note the guidance.
14/06/2019	19009	All: Counter-fraud Arrangements – Welsh Public Sector	 <p>For Action</p>	Audit Committees and Boards/Governing Bodies are advised to consider the points outlined in WAO's counter fraud arrangements report to develop a focused and proportionate anti-fraud strategy.
07/05/2019	19005	All: Company Provided Dash Cams Subject to Data Protection Act 2018	 <p>For Possible Action</p>	Audit Committees and Boards/Governing Bodies are advised to consider the data protection impacts of using Dash Cams for business use.
15/04/2019	19004	All: Online Right to Work Checks	 <p>For Information</p>	Audit Committees and Boards/Governing Bodies are advised to note this development in the government's approach to tackle the employment of illegal workers, and to make it easier for employers to check individual's right to work.

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AGENDA ITEM NO 11

PRESENTATION BY WALES AUDIT OFFICE ON THEIR FINDINGS IN:

Appendix 1 – Annual Improvement Report
South Wales Fire and Rescue Authority

Appendix 2 – South Wales Fire and Rescue Authority
WFG examination – Partnership Working on Safe and Well Assessments/Visits
and Deliberate Fire Setting

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WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

APPENDIX 1

Annual Improvement Report

South Wales Fire and Rescue

Authority

Issued: May 2019

Document reference: 1294A2019-20



This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Nick Selwyn, Steve Frank, Euros lake, Matt Brushett, Ron Price and Sara Leahy under the direction of Jane Holownia.

Adrian Crompton
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office Board, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.

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Recommendations and proposals for improvement	4
Audit, regulatory and inspection work reported during 2018-19	6

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Summary report

2018-19 performance audit work

- 1 To decide the range and nature of the work we would undertake during the year, we considered how much we already know from all previous audit and inspection work and from other sources of information including South Wales Fire and Rescue Authority's (the Authority) own mechanisms for review and evaluation. For 2018-19, we undertook improvement assessment work; an assurance and risk assessment project and work in relation to the Wellbeing of Future Generations Act at all authorities. At some authorities, we supplemented this work with local risk-based audits, identified in the Audit Plan for 2018-19.
- 2 The work carried out since the last Annual Improvement Report (AIR), including that of the relevant regulators, is set out in [Exhibit 2](#).

The Authority is meeting its statutory requirements in relation to continuous improvement

- 3 Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Authority is likely to comply with the requirements of the Local Government Measure (2009) during 2019-20.

Recommendations and proposals for improvement

- 4 Given the wide range of services provided by the Authority and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
 - make proposals for improvement – if proposals are made to the Authority, we would expect it to do something about them and we will follow up what happens;
 - make formal recommendations for improvement – if a formal recommendation is made, the Authority must prepare a response to that recommendation within 30 working days;
 - conduct a special inspection, publish a report and make recommendations; and
 - recommend to ministers of the Welsh Government that they intervene in some way.

- 5 During the course of the year, the Auditor General did not make any formal recommendations. However, we have made a number of proposals for improvement and these are repeated in this report. We will monitor progress against them and relevant recommendations made in our national reports ([Appendix 3](#)) as part of our improvement assessment work.

Audit, regulatory and inspection work reported during 2018-19

Exhibit 2: audit, regulatory and inspection work reported during 2018-19

Issue date	Brief description	Conclusions	Proposals for improvement
May 2019	<p>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations</p> <p>Examination of the extent to which the Authority has acted in accordance with the sustainable development principle when taking steps to meet the following wellbeing objective[s]:</p> <p>‘Partnership working on Safe and well Assessments/Visits and deliberate fire setting’.</p> <p>As part of this review we also completed a partnership survey and assessed the effectiveness of the Authority’s partnership work under the Safe and Well and Arson reduction partnerships. The findings of these reviews were reported within our WFG examination.</p>	<p>The Authority has positive examples of how it has taken account of the Sustainable Development Principle when taking steps to meet objectives, but further work is required to widen and mainstream how it is delivering the five ways of working:</p> <ul style="list-style-type: none"> the Authority has a track record of long-term prevention activity driven by good intelligence but greater use of forecasting data and addressing funding challenges will strengthen its long-term focus and resilience; the Authority has some good examples of how it is integrating to improve impact but there is scope to further integrate services, plans and strategies; the Authority has some positive examples of how it involves communities in reducing arson and deliberate fire setting but has more work to do to mainstream involvement to help deliver wellbeing objectives; the Authority can demonstrate the positive impact of its collaborations with some key partners and avoiding duplication and improving the strategic framework for collaboration will secure further benefits; and 	<p>Whilst our examination did not make any recommendations, our report did set out opportunities for improvement. These include:</p> <ul style="list-style-type: none"> considering how to address ongoing capacity issues and short-term funding challenges as some plans are overly focused on short term gains; improving the quality, sharing and availability of data to determine current levels of community resilience and the outcomes the Authority is aiming for; systematic evaluation of prevention initiatives to help pinpoint impact; further integration of plans and strategies; setting out a strategic approach to collaborations including conditions of exit;

Issue date	Brief description	Conclusions	Proposals for improvement
		<ul style="list-style-type: none"> • prevention is at the heart of the work of FRAs and the Authority has good examples of its positive work. Strengthening evaluation will help avoid duplication and maximise impact. 	<ul style="list-style-type: none"> • improving Involvement and making the results of engagement a strategic resource; and • capacity issues caused by servicing PSBs needs to be managed.
February 2019	Annual audit letter 2017-18 Letter summarising the key messages arising from the Auditor General's statutory responsibilities under the Public Audit (Wales) Act 2004 and his reporting responsibilities under the Code of Audit Practice. The Annual Audit Letter is in Appendix 2 .	<ul style="list-style-type: none"> • The Authority complied with its responsibilities relating to financial reporting and use of resources. • I issued an unqualified audit opinion on 26 February 2019. • I am satisfied that the Authority has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources. 	None
Improvement planning and reporting			
June 2018	Wales Audit Office annual improvement plan audit Review of the Authority's published plans for delivering on improvement objectives.	The Authority has complied with its statutory improvement planning duties.	None.
November 2018	Wales Audit Office annual assessment of performance audit Review of the Authority's published performance assessment.	The Authority has complied with its statutory improvement reporting duties.	None.

Appendix 1

Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake a forward-looking annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. Improvement authorities (defined as local councils, national parks, and fire and rescue authorities) have a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'.

The annual improvement assessment considers the likelihood that an authority will comply with its duty to make arrangements to secure continuous improvement. The assessment is also the main piece of work that enables the Auditor General to fulfil his duties. Staff of the Wales Audit Office, on behalf of the Auditor General, produce the annual improvement report. The report discharges the Auditor General's duties under section 24 of the Measure, by summarising his audit and assessment work in a published annual improvement report for each authority. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether (as a result of his improvement plan audit under section 17) he believes that the authority has discharged its improvement planning duties under section 15.

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2

Annual Audit Letter

Councillor D T Davies
 Chair of the South Wales Fire and Rescue Authority
 Forest View Business Park
 Llantrisant CF72 8LX

Reference: 1059A2019-20

Date issued: 26 February 2019

Dear Councillor Davies

Annual Audit Letter – South Wales Fire and Rescue Authority 2017-18

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

The Authority complied with its responsibilities relating to financial reporting and use of resources

It is South Wales Fire and Rescue Authority's (the Authority's) responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a statement of accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

On 25 September 2018 I issued:

- an unqualified audit opinion on the 2017-18 accounting statements of the Fire Fighters' Pension Fund; and
- an unqualified audit opinion on the 2017-18 accounting statements of the Authority.

My audit report is set out at pages 26 to 28 of the audited Statement of Accounts¹. Prior to my certification of the 2017-18 accounting statements, on 24 September 2018 the key matters arising from my audit were reported to the members of the Authority through my Audit of Financial Statements Report². In addition to reporting my intention to issue an unqualified opinion and noting the corrections made to the financial statements, I also reported one significant matter relating to the potential unlawfulness of payments made under the Firefighters' pension scheme prevented me from closing the audit.

On 11 February 2019 the Authority's Members approved the recommendations to resolve the Firefighter pension scheme issue and I have now received outstanding documentation. I am content with the approach taken by the Authority and on 26 February I reissued my audit opinion, additionally including a certificate confirming that the audit of the 2017-18 accounting statements was complete.

I am satisfied that the Authority had appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources

My consideration of the Authority's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounting statements, as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009. Since my issue of the 2016-17 Annual Audit Letter in November 2017, under the Measure I have issued my Annual Improvement Report 2017-18.³

Based on the results of my work I am satisfied that for 2017-18 the Authority had appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

¹ <https://www.southwales-fire.gov.uk/app/uploads/2018/04/Statement-of-Accounts-2017-18-FINAL.pdf>

² <https://www.southwales-fire.gov.uk/app/uploads/2018/04/SWFRA-Audit-of-Financial-Statements-Report-Final.pdf>

³ <http://audit.wales/system/files/publications/swfra-air-eng.pdf>

The final financial audit fee for 2017-18 is £63,201, which is £6,179 more than the estimate that I communicated to you in the 2018 Audit Plan. The final fee includes legal fees of £3,050⁴, which is the Authority's third share (the other shares will be billed to North and Mid and West Wales Fire Authorities) of the external legal costs that we incurred in obtaining legal advice on the matters relating to the Fire Fighters' Pension Fund.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'MJ', followed by a horizontal line.

Mark Jones

For and on behalf of the Auditor General for Wales

cc. Huw Jakeway, Chief Fire Officer
Sally Chapman, Deputy Chief Officer
Chris Barton, Treasurer and Section 151 Officer

⁴ The legal fees attract VAT, which is included in the £3,050.

Appendix 3

National report recommendations 2018-19

Exhibit 3: national report recommendations 2018-19

Summary of proposals for improvement relevant to local government, included in national reports published by the Wales Audit Office, since publication of the last AIR.

Date of report	Title of review	Recommendation
November 2018	<u>Local Government Services to Rural Communities</u>	R1 Socio economic change, poor infrastructure and shifts in provision of key services and facilities has resulted in the residualisation of communities in rural Wales. We recommend that the Welsh Government support public bodies to deliver a more integrated approach to service delivery in rural areas by: <ul style="list-style-type: none"> • refreshing rural grant programmes to create sustainable financial structures, with multi-year allocations; and • helping people and businesses make the most of digital connectivity through targeted and more effective business and adult education support programmes.

Date of report	Title of review	Recommendation
November 2018	<u>Local Government Services to Rural Communities</u>	<p>R2 The role of Public Service Boards is evolving but there are opportunities to articulate a clearer and more ambitious shared vision for rural Wales (see paragraphs 2.2 to 2.9 and 2.28 to 2.31). We recommend that PSB public services partners respond more effectively to the challenges faced by rural communities by:</p> <ul style="list-style-type: none"> • assessing the strengths and weaknesses of their different rural communities using the Welsh Government’s Rural Proofing Tool and identify and agree the local and strategic actions needed to support community sustainability; and • ensuring the Local Well-Being Plan sets out a more optimistic and ambitious vision for ‘place’ with joint priorities co-produced by partners and with citizens to address agreed challenges.

Date of report	Title of review	Recommendation
November 2018	<u>Local Government Services to Rural Communities</u>	<p>R3 To help sustain rural communities, public services need to think differently in the future (see paragraphs 3.1 to 3.12). We recommend councils provide a more effective response to the challenges faced by rural communities by:</p> <ul style="list-style-type: none"> • ensuring service commissioners have cost data and qualitative information on the full range of service options available; and • using citizens' views on the availability, affordability, accessibility, adequacy and acceptability of council services to shape the delivery and integration of services.

Date of report	Title of review	Recommendation
November 2018	<u>Local Government Services to Rural Communities</u>	<p>R4 To help sustain rural communities, public services need to act differently in the future (see paragraphs 3.1 to 3.12). We recommend councils do more to develop community resilience and self-help by:</p> <ul style="list-style-type: none"> • working with relevant bodies such as the Wales Co-operative Centre to support social enterprise and more collaborative business models; • providing tailored community outreach for those who face multiple barriers to accessing public services and work; • enhancing and recognising the role of town and community councils by capitalising on their local knowledge and supporting them to do more; • encouraging a more integrated approach to service delivery in rural areas by establishing pan-public service community hubs, networks of expertise, and clusters of advice and prevention services; • enabling local action by supporting community asset transfer identifying which assets are suitable to transfer, and having the right systems in place to make things happen; and • improving community-based leadership by developing networks of interest, training and coaching, and encouraging volunteering.

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru



Drawing Conclusions

April 2019

South Wales Fire and Rescue Authority

WFG examination – Partnership working on Safe and Well Assessments/Visits and deliberate fire setting.

Steve Frank and Ron Price

The Auditor General's responsibilities under the Act

The Auditor General must...

1. Examine public bodies to assess the extent to which they have acted in accordance with the Sustainable Development Principle when:
 - setting well-being objectives
 - taking steps to meet them

Overall question for this Examination:

To what extent has South Wales FRA acted in accordance with the sustainable development principle when undertaking the step relating to 'Partnership working on Safe and well Assessments/Visits and deliberate fire setting'.

Brief overview of the step being reviewed

Our audit approach included:

- early fieldwork scoping meetings in August and tailored project brief;
- involving the FRAs in deciding the two partnerships to be examined and in the design of the survey;
- integrated WFG fieldwork with audit of partnerships and collaborations; and
- a further scoping session with senior staff to agree the steps

Then we:

- reviewed documentation;
- undertook eight interviews, including Senior Officers, Authority members, and a staff focus group;
- a visit to Barry Emergency Services Station;
- a visit to the Joint Emergency Control Centre; and
- we propose to feed back the findings through a Feedback and Response Workshop.

Brief overview of the step being reviewed

We:

- reviewed documentation and supplemented what we already know;
- reviewed the FRA websites in line with [making-your-service-accessible](#);
- carried out a partnership survey with key partners of two partnerships:
 - SWFRA: Safe & Well and Arson reduction, NWFRA: Safe & Well and Arson reduction, and M&WWFRA: Fire Control project and partnership with Pembrokeshire and Carmarthenshire Councils;
- focused our examination on a small number of steps that help meet one collaboration related Wellbeing Objective; and
- undertook 24 interviews, eight in each FRA.

South Wales Fire and Rescue Authority – Strategic context and risks

- South Wales Fire and Rescue Authority (the Authority) is making clear progress in delivering the aims and aspiration in the FRS National Framework 2016.
- Maintaining resilience in senior management posts and leadership capacity can ensure continuity, boost capacity to innovate and reduce uncertainty – an overreliance on the ‘go to’ organisational leaders is risky.
- Making community resilience a reality includes developing a better shared understanding about what this looks like and what communities need to be more self sufficient.
- Making further inroads to prevention and in developing community resilience requires continued efforts in firefighter skills upgrades and role development.
- Longer term agreement and collaboration with the Unions about the direction of travel will ensure better resilience and enable longer term workforce planning, eg on safe and well visits, terms and conditions harmonisation.
- Deeper collaboration and data sharing with social services will maximise the benefits of home fire safety checks and evolution to Safe and Well visits.
- Making the Welsh Government’s Reform Agenda a reality includes risks and opportunities.
- BMIS and the FRAs data insights team represent a national asset.

Overall conclusions to WFG examination and partnership audit 2018-19

The Authority has positive examples of how it has taken account of the Sustainable Development Principle when taking steps to meet objectives but further work is required to widen and mainstream how it is delivering the five ways of working

- The Authority has a track record of **long-term** prevention activity driven by good intelligence but greater use of forecasting data and addressing funding challenges will strengthen its long-term focus and resilience.
- The Authority has some good examples of how it is **integrating** to improve impact but there is scope to further integrate services, plans and strategies.
- The Authority has some positive examples of how it **involves** communities in reducing arson and deliberate fire setting but has more work to do to mainstream involvement to help deliver wellbeing objectives.
- The Authority can demonstrate the positive impact of its **collaborations** with some key partners and avoiding duplication and improving the strategic framework for collaboration will secure further benefits.
- **Prevention** is at the heart of the work of FRAs and the Authority has good examples of its positive work. Strengthening evaluation will help avoid duplication and maximise impact.

South Wales Fire and Rescue Authority Corporate Arrangements relating to WFG examination 2018-19

Strengths:

- leadership of a high number of national projects;
- self-awareness and scoring in FGC self-reflection tool broadly accurate;
- good quality fire safety information on the FRS website but more scope to make this interactive and improve clarity and timeliness of performance reporting;
- BMIS system has been designed alongside staff and other users – good tool;
- further shift towards prevention in Safe and Well visits, widening of arson reduction and road safety activity, learning about preventing refuse fires;
- significant commitment to educational campaigns;
- integration and reduction of high level strategic themes and steps;
- significant examples of collaborations, although many are opportunistic;
- collaboration supported by agreements and contractual arrangements;
- impact of integrated Community Safety centre in Barry on response and resilience capabilities; and
- examples of involving partners to target the vulnerable.

South Wales Fire and Rescue Authority Corporate Arrangements relating to WFG examination 2018-19

Areas for improvement:

- the Authority considers how its steps will meet short term need but long term planning is constrained by on-going capacity and short term funding challenges. As a result, some plans are overly focused on short term gains;
- the quality and availability of data to determine current levels of community resilience and what outcomes the Authority is aiming for;
- excellent work on long term trend data but more to do on forecasting data;
- we asked all staff what was the one thing they wanted to see improved – most common plea was for partners to share data;
- systematic evaluation of prevention initiatives will help pinpoint impact;
- scope to further integrate plans & strategies + concise committee reports;
- strategic approach to collaborations needs clarity, and exit strategies;
- lots of co-location but some partners not always sharing data;
- least visible progress is in improving Involvement and making the results of engagement a strategic resource; and
- capacity issues caused by servicing PSBs need to be managed.

Positive indicators for Long-Term

What would show a body is fully applying the long-term way of working?

- There is a clear understanding of what 'long-term' means in the context of the Act.
- They have designed the step to deliver the well-being objective/s and contribute to the their long-term vision.
- They have designed the step to deliver short or medium term benefits, which are balanced with the impact over the long-term (within the project context).
- They have designed the step based on a sophisticated understanding of current and future need and pressures, including analysis of future trends.
- Consequently, there is a comprehensive understanding of current and future risks and opportunities.
- Resources have been allocated to ensure long-term as well as short-term benefits are delivered.
- There is a focus on delivering outcomes, with milestones/progression steps identified where outcomes will be delivered over the long-term.
- They are open to new ways of doing things which could help deliver benefits over the longer term.
- They value intelligence and pursue evidence-based approaches.

Overall conclusions

Long-term

The Authority has a track record of long-term prevention activity driven by good intelligence but greater use of forecasting data and addressing funding challenges will strengthen its long-term focus and resilience.

Strengths

- A history and track record of long term programmes of arson reduction has supported a downward trend in fire incidents.
- Planning for appropriate long-term activity of prevention work is based on good data and information with a positive focus on prioritising vulnerability and risk.
- New BMIS system has been designed with a long term view and is showing progress in delivering against Wellbeing Objectives.
- Making good use of FSEC information, Mosaic, Western Power, and Dŵr Cymru data to establish referral pathways.

Overall conclusions

Long-term

The Authority has a track record of long-term prevention activity driven by good intelligence but greater use of forecasting data and addressing funding challenges will strengthen its long-term focus and resilience.

Strengths

- Investment in data quality and baselines of activity – staff and community fire safety team have access to Police data systems (South Wales Police and Gwent Police).
- Clear focus on preventing long term effects of climate change and clear consideration of Value for Money from arson and deliberate fire setting reduction activity.
- 40 year time horizon applied to Joint Emergency Service Centre arrangements.

Overall conclusions

Long-term

The Authority has a track record of long-term prevention activity driven by good intelligence but greater use of forecasting data and addressing funding challenges will strengthen its long-term focus and resilience.

Areas for Development

- Ensure that the step is assessed to deliver short and medium term benefits which are balanced with the impact over the long term.
- Reducing impact of reliance on short term government funding: SWFRA directly employing 17 staff most at risk.
- Excellent work on long term trend data, but more to do on forecasting data to identify emerging risks.
- Short term nature of some Service Level Agreements and Memorandums of Understanding.

Positive indicators for Integration

What would show a body is taking an 'integrated' approach?

- **Individuals at all levels understand their contribution to the delivery of the vision and well-being objectives.**
- **Individuals at all levels understand what different parts of the organisation do and proactively seek opportunities to work across organisational boundaries. This is replicated in their work with other public bodies.**
- **Individuals at all levels recognise the cross-organisation dependencies of achieving the ambition and objectives.**
- **There is an open culture where information is shared.**
- **There is a well-developed understanding of how the well-being objectives and steps to meet them impact on other public sector bodies.**
- **Individuals proactively work across organisational boundaries to maximise their contribution across the well-being goals and minimise negative impacts.**
- **Governance, structures and processes support this, as do behaviours.**

Overall conclusions

Integration

The Authority has some good examples of how it is integrating to improve impact but there is scope to further integrate services, plans and strategies.

Strengths

- Integration and reduction of actions/steps in the 5 high level strategic themes and greater clarity on how the FRA will prevent negative environmental impacts from organisational activity and from fires
- Linkage between national wellbeing goals and Corporate Strategy, strategic themes, All Wales Joint Arson Group Delivery Plan 2019/22, and All Wales FRS People and Organisational Development Strategy 2018-21
- Significant commitment of resources to engage with Public Service Board partners.

Overall conclusions

Integration

Integration activities are progressing through commitment to Public Service Boards, however there is scope to further integrate plans and strategies.

Areas for Development

- Scope to further integrate plans and strategies to ensure that there is recognition of how to meet National Wellbeing goals.
- Capacity issues working across multiple PSBs needs to be managed.
- Different targets across Wales to complete home safety visits, and differing criteria for vulnerability have the potential for differential outcomes for individuals and the Service's ability to meet Wellbeing goals.

Positive indicators for Involvement

What would show a body is involving people effectively?

- Having an understanding of who needs to be involved and why.
- Reflecting on how well the needs and challenges facing those people are currently understood.
- Working co-productively, working with stakeholders to design and deliver.
- Seeing the views of stakeholders as vital sources of information that will help deliver better outcomes.
- Ensuring that the full diversity of stakeholders are represented and they are able to take part.
- Having mature and trusting relationships with its stakeholders where there is ongoing dialogue and information is shared in an open and transparent way.
- Ensure stakeholders understand the impact of their contribution.
- Seek feedback from key stakeholders which is used to help learn and improve.

Overall conclusions

Involvement

The Authority has some positive examples of how it involves communities in reducing arson and deliberate fire setting but has more work to do to mainstream involvement to help deliver wellbeing objectives.

Strengths

- Positive work with the third sector on a wide range of initiatives focussed on vulnerable people and those with protected characteristics.
- Significant range of educational activities.
- Significant levels of referrals from partner agencies with appropriate 'triage' arrangements to prioritise based on risk.
- A focus on 'Making Every Contact Count' with involvement and engagement with communities and individuals.

Overall conclusions

Involvement

The Authority has involved and engaged with communities to reduce arson and deliberate fire setting through education and behaviour change activities. However, there is scope to make involvement more of a strategic resource to improve and shape service delivery.

Areas for Development

- Good engagement examples, but further work is required to ensure the Authority is involving communities and citizens in key decisions and future priorities.
- The FRA has a traditional and well-established approach to engaging with communities and citizens and has more work to do to ensure it is involving people in planning, service choices and delivery options. For example, it has not moved beyond consulting on plans/strategies to involving the breadth of interested parties in determining priorities.

Positive indicators for Collaboration

What would show a body is collaborating effectively?

- The body is focused on place, community and outcomes rather than organisational boundaries.
- The body has a good understanding of partners' objectives and their responsibilities, which helps to drive collaborative activity.
- The body has positive and mature relationships with stakeholders, where information is shared in an open and transparent way.
- The body recognises and values the contributions that all partners can make.
- The body seeks to establish shared processes and ways of working, where appropriate.

Overall conclusions

Collaboration

The Authority can demonstrate the positive impact of its collaborations with some key partners and avoiding duplication and improving the strategic framework for collaboration will secure further benefits.

Strengths

- Significant examples of collaboration with some inroads into effectively mapping where and how collaboration works well
- Step change in monitoring progress in delivering all steps to deliver Theme 5 – Strengthening partnerships according to latest data and information on BMIS (Business Management Information System) all steps are Green
- Key collaboration supported by agreements and contractual arrangements
- Examples of targeting help on the vulnerable through partnerships
- Collaboration with Police Service and Mid and West FRA on Joint Public Service Centre.
- Added occupational Therapist capacity to the Arson reduction Team
- Local campaigns are linked to National Fire Safety Campaigns

Overall conclusions

Collaboration

The Authority can demonstrate the positive impact of its collaborations with some key partners and avoiding duplication and improving the strategic framework for collaboration will secure further benefits.

Areas for Development

- Framework for reasons why collaborations exist not always clear – can appear overly opportunistic – lack of clarity on the ‘why’ not just ‘how’
- Clarity needed to support the rationale for Safe and Well visits to avoid duplication with other services (e.g. health and social services)
- Greater clarity around vulnerability criteria with partners to adequately target highest risks.
- Some remaining issues around creating a truly ‘combined culture’ at the Joint Emergency Service Centre.
- Demonstrating all opportunities to collaborate with Ambulance services and local councils is not as clear as it could be

Overall conclusions

Collaboration

Significant successful collaboration activity in place targeting key groups on a risk based preventative agenda. However, avoiding duplication, and improving the strategic framework for collaboration are areas for development.

Areas for Development

- Opportunities to work closer with Health Boards on risks associated with hospital discharges.
- Strategic approach to collaborations needs clarity, and exit strategies
- Lots of co-location but some partners not always sharing data
- Examples given of housing providers not giving full information on referrals for Home Safety Checks which is placing Community Fire Safety staff at risk
- The work with PSBs is a significant resource commitment and the impact of this work is not well evidenced and still evolving

Partnership Survey

- South Wales Fire and Rescue Authority (SWFRA)
 - Safe and Well Checks
 - Arson Reduction Team
- 36 respondents across both partnerships.

Key survey findings

- Partners surveyed believe the Authority and its partners have a good mutual understanding, on areas ranging from understanding of the local context and environment in which partners work, to identifying needs. Some responses suggest potential room for improvement in understanding partners' operating culture.
- Partners clearly value the Authority's commitment to partnership working. Comments describe regular participation at Public Service Board meetings, as well as a strong focus on outcomes through working with third sector bodies.
- We received positive responses from partners on the Authority's clarity of purpose and objectives when it comes to partnership working. The responses show potential room for improvement in how the Authority involves partners in designing new services and how it provides opportunities for people to have their say on partnerships and collaborations.

Key survey findings

- Resources and capacity to service and support partnerships recognised as challenging. This includes individuals with responsibilities for partnership work having sufficient time allocated to them to undertake the work required, and working with partners to address any shortfalls in partnership funding or capacity.
- Despite this, partners describe a range of benefits to the joint use of resources. These range from accessing shared premises, expertise and knowledge, as well as utilising links with third sector organisations to access different resources, including volunteers.

Key survey findings

- Most partners believe the Authority has appropriate processes in place to scrutinise and judge partners' performance, although there are fewer positive responses on whether the Authority has agreed appropriate exit, end or change arrangements with partners for partnerships.
- Partners surveyed clearly believe that working in partnership with the Fire and Rescue Authority has led to positive outcomes for citizens. Comments describe the Authority's proactive approach to partnership working and the key part it has played in ensuring positive outcomes.
- Comments suggest partners value the working relationships with Authority staff. Examples cited include the commitment and enthusiasm of officers and maintaining relationships that lead to partners 'feeling valued'. Others welcome the Authority's readiness to always engage, challenge and innovate.

Positive indicators for Prevention

What would show a body is fully applying the preventative way of working?

- The body seeks to understand the root causes of problems so that negative cycles and intergenerational challenges can be tackled.
- The body sees challenges from a system-wide perspective, recognising and valuing the long-term benefits that they can deliver for people and places.
- The body allocates resources to preventative action that is likely to contribute to better outcomes and use of resources over the longer-term, even where this may limit the ability to meet some short-term needs.
- There are decision-making and accountability arrangements that recognise the value of preventative action and accept short-term reductions in performance and resources in the pursuit of anticipated improvements in outcomes and use of resources.

Overall conclusions

Prevention

Prevention is at the heart of the work of FRAs and the Authority has good examples of its positive work. Strengthening evaluation will help avoid duplication and maximise impact.

Strengths

- A recognition of the importance of prevention is well embedded in the service. There are extensive examples of risk-based prevention activity taking place which are underpinned and directed by a good understanding of data. Significant resources are focused on education coupled with effective core fire responsive services.
- Positive impact of prevention in Safe and Well visits, widening of arson reduction and road safety activity, and preventing wildfires.
- Significant commitment to educational campaigns seeking to change behaviour and perception and prevent arson.
- Good work on making deliberate fire setting 'socially unacceptable'.

Overall conclusions

Prevention

Prevention is at the heart of the work of FRAs and the Authority has good examples of its positive work. Strengthening evaluation will help avoid duplication and maximise impact.

Strengths

- Significant investment in planning Home Safety Visits and in evolution towards Safe and Well Visits
- New website includes vast amount of information on improving community resilience and preventing fires and other emergencies
- Well developed approach to other societal issues – Violence against women, isolation, diversity and equality considerations, fly-tipping and waste disposal, smoking cessation and anti-social behaviour

Overall conclusions

Prevention

Prevention is at the heart of the work of FRAs and the Authority has good examples of its positive work. Strengthening evaluation will help avoid duplication and maximise impact.

Areas for Development

- Systematic evaluation of prevention initiatives will help pinpoint impact and more effectively identify risk.
- Integrating learning from prevention initiatives will reduce duplication of effort and reduce the need to 'reinvent the wheel'.
- Differing approaches on the use of prevention data and information across the three Welsh FRAs.

Overall conclusions

Prevention

- Include conclusions in the Annual Improvement Report.
- Review progress by the authority in responding to our findings.
- Present these findings to a future meeting of the Authority's Finance Audit and Performance Management Committee.

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**FORWARD WORK PROGRAMME FOR
FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE 2019/20**

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
As required	Internal Audit Progress Report & Audit Action Updates	To provide an updated position of work performed against the internal audit plan and to highlight any significant issues arising from the internal audit work performed	DCO Contact Officer: Geraint Thomas	
As required	Performance Report	To scrutinise specific issues of performance identified and referred by Fire Authority	DCO Contact Officer: Sally Chapman	
As required	Statistics Report	To scrutinise specific statistics or trends as identified and referred by Fire Authority	ACFO SD Contact Officer: Sarah Watkins	
As required	WAO Reports	To advise Members of the conclusions of WAO Reports and to consider the implications for the Service	DCO Contact Officer: Sally Chapman	
10 June 2019	Revenue Outturn	To advise on total revenue expenditure for the year against the set revenue budget following the year end and to explain variations	Treasurer/DCO Contact Officer: Geraint Thomas	Completed
10 June 2019	Capital Outturn	To advise on total capital expenditure for the year against the set capital budget following the year end and to explain variations	Treasurer/DCO Contact Officer: Geraint Thomas	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
10 June 2019	Draft Statement of Accounts	To advise Members of the content of the Draft Statement	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	Completed
9 Sept 2019	Health Check of Priority Actions and Q1 progress against the Statutory PI's	To scrutinise the issues in relation to each of the Priority Actions and to review what the Service has planned to do to address each issue in the current financial year, and review Q1 progress against each of the statutory PI's	DCO Contact Officer: Sarah Watkins	On agenda
9 Sept 2019	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	On agenda
9 Sept 2019	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	On agenda
9 Sept 2019	Treasury Management Outturn Report	To advise on performance against the treasury management policy and strategy following financial year end	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	On agenda
9 Sept 2019	Medium Term Financial Strategy Update; Reserves Strategy & Revenue & Capital Budget Setting Report	To Update Members on the MTFS to inform and influence the 2020/21 budget setting process to meet the Service's requirements for the following financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	On agenda

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
25 Nov 2019	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
25 Nov 2019	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
25 Nov 2019	Revenue & Capital Budget Setting Update Report	To assist in determining the appropriate revenue & capital budget required to meet the Service's requirements for the financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	
25 Nov 2019	Audit & Plan Scheme Updates	To seek Members' views upon the progress of Audit & Plan Scheme Actions	DCO Contact Officer: Sarah Watkins	
25 Nov 2019	Treasury Management Interim Report	To update Members on treasury management activity during the year to date	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	
2 March 2020	Treasury Management Strategy Report	To secure Members' approval to the adoption of the Treasury Management Strategy 2020/21	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	
2 March 2020	Health Check of Priority Actions and Q3 progress	To scrutinise the issues in relation to each of the Priority Actions and to	DCO	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
	against the Statutory PI's	review what the Service has planned to do to address each issue in the current financial year, and review Q3 progress against each of the statutory PI's	Contact Officer: Sarah Watkins	
2 March 2020	Draft Annual Report of the Work of the FAPM Committee and the Discharge of the Terms of Reference of the Finance, Asset & Performance Management Scrutiny Group	To consider the draft report on the annual work of the Committee before its submission to the Fire Authority and to ensure the Authority has efficient use of resources and robust procedures in place to ensure and manage this	Chair of FAPM, Chair of Scrutiny Group & DCO Contact Officer: Sally Chapman	
2 March 2020	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
2 March 2020	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
2 March 2020	Internal Audit Programme	To outline the planned internal audit coverage for the financial year and to seek comment and approval	DCO Contact Officer: Sally Chapman/ Geraint Thomas	
2 March 2020	Internal Audit Annual Report	To provide an opinion on the adequacy and effectiveness of risk management, control and governance processes based on the internal audit work undertaken during the financial year. This will support the statement of	DCO Contact Officer: Sally Chapman/ Geraint Thomas	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
		internal control.		
2 March 2020	Corporate (Strategic) Risk Register	To seek Members' views upon the Corporate (Operational) Risk Register	DCO Contact Officer: Sarah Watkins	
2 March 2020	Register of Gifts and Hospitality	To advise Members of gifts and hospitality accepted and declined by Members and Officers during the year	DCO Contact Officer: Sally Chapman	

Sally Chapman - DCO
Dewi Rose - ACFO Service Delivery
Chris Barton - Treasurer

Geraint Thomas - Head of Finance & Procurement
Andrew Jones - Head of Human Resources
Sarah Watkins - Head of Corporate Support

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AGENDA ITEM NO 13

**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 both verbally and in writing declare any personal and/or prejudicial interests 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:
 - Finance Audit & Performance Management Meeting held on 10 June 2019 3
5. Business Plan Actions Report Health Check 2019/20 Quarter 1 5
6. Revenue Monitoring Report 2019/20 33
7. Capital Monitoring Report 2019/20 49
8. 2018/19 Annual Treasury Management Review 57
9. Medium Term Financial Strategy (MTFS), Reserve Strategy and Budget Update 63
10. Internal Audit Report 87
11. Presentation by Wales Audit Office 119
12. Forward Work Programme 2019-20 169
13. To consider any items of business that the Chairperson deems urgent (Part 1 or 2) 175

At the close of the meeting Members will meet with the Wales Audit Office and Internal Auditors to discuss Service progress