

COMMISSIONERS FOR SOUTH WALES FIRE AND RESCUE SERVICE

MINUTES OF THE FINANCE AND AUDIT COMMITTEE HELD ON FRIDAY 21 MARCH 2025 IN MEETING ROOM 8, SWFRS HQ AND REMOTELY VIA TEAMS

COMMISSIONERS PRESENT

Baroness Wilcox of Newport (Chair)
Vij Randeniya

OFFICERS PRESENT:

Chief Fire Officer Fin Monahan, Assistant Chief Fire Officer Dean Loader – Director of Service Delivery, Assistant Chief Fire Officer Christian Hadfield – Director of Corporate, Lisa Mullan - Head of Finance, Procurement and Wayne Tomas- Temporary Head of Corporate Support, Dominic Mika - Director of Strategic Change and Transformation, Lee Bunkham – Senior Procurement Officer, Steen Gourlay – TIAA Internal Auditor, Jonathan Maddock – TIAA Internal Auditor, Christian Landeg-John - Advisor to the Commissioners, Scott Morris - Governance Support Officer, Kate Owen – Secretariat.

1. APOLOGIES

Apologies for absence were received from Assistant Chief Fire Officer Brian Thompson, Director of Technical Services and Kate Havard, Audit Wales

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. CHAIRPERSON'S ANNOUNCEMENTS

There were no announcements from the Chairperson.

4. MINUTES OF THE PREVIOUS MEETING – 19 DECEMBER 2024

Matters of accuracy:

Minute 7, paragraph 6, insert the word “Rescue” after “Fire and” in the first sentence.

Minute 8, paragraph 2, substitute the word “community” for the word “committee”.

Matters arising:

Minute 7 – Budget Setting Proposal for Consultation 2025/26

The Head of Finance, Property and Procurement updated that further information on additional funding to meet increased National Insurance costs was expected in the first quarter of the next financial year.

Minute 10 – Internal Audit Update report

The Head of Finance, Property and Procurement updated that good progress was being made to remedy the issues of inconsistent record keeping and premises certificate management.

The Director of Strategic Change and Transformation reported that the Communications Strategy had now been consulted on widely with staff and the intention was to bring the finalised strategy to the May meeting of the Board of Commissioners.

RESOLVED:

- 4.1 To approve the Minutes of the meeting held on 19 December 2024 as a correct record subject to the two amendments detailed above.

5. UPDATE ON OUTSTANDING ACTIONS

The Action Log was updated as follows:-

- Action 6 Correspondence with National Resources Wales - Complete
- Action 10 Communication Strategy - To go to April Board of Commissioners
- Action 11 RTC data post speed limit changes – Complete – see Minute 11

REPORTS FOR DECISION

6. REVENUE MONITORING REPORT 2024-2025

The Head of Finance, Procurement and Property presented a report detailing the revenue budget position. The report set out the original and revised budget at 31 December 2024, the forecast at 31 March 2025 and a variance analysis. Monitoring information reported was inclusive of grant transactions to provide a full financial picture.

She reported that the forecast exceeded the budget, which had resulted in a projected overspend of £1.145 million for the 2024/25 financial year, compared to £1.658 million reported on 21 September 2024, a reduction of £513,000. The report described the changes since the last forecast.

She drew Commissioners' attention in particular to £81k received from His Majesty's Inspectorate of Constabulary and Fire and Rescue Services for the HMRC audit, the Welsh Government grant of £371k to address pay pressures, and the use of reserves in the year to date.

The Chair underlined the need for a medium-term financial plan, to be informed by reshaped delivery models, in order that reserves are not further depleted in the medium term and that the revenue budgets do not overspend. The Chief Fire Officer recognised the need for efficiencies, which the Senior Leadership Team were actively pursuing as part of the development of the 2025/26 Revenue Budget. It was anticipated that a report on the Community Risk Management Plan (CRMP) would be presented to the Board of Commissioners on 28 March 2025, which would crystallise opportunities for efficiencies in the 2026/27 budget.

The Committee further noted the need to engage early with the local authorities in the Service area in relation to budget planning, as their planning cycle for the 2026/27 financial year would begin in August 2025 – it may be useful to use the Welsh Treasurers Group as a conduit for these discussions. To this end, the Head of Finance, Procurement and Property was tasked with identifying networks to access to support this collaborative work.

In relation to grant monitoring, it was noted that:-

- The Service covered 50% of the costs of a Pension Advisor with the North Wales Service – Mid and West Wales having withdrawn from the shared service
- Regarding the provision of domestic smoke detectors, this was currently supply led, rather than demand led.

RESOLVED:

- 6.1 To note the report and endorse its contents.

7. CAPITAL MONITORING REPORT 2024/25

The Head of Finance, Procurement and Property presented a report detailing the capital schemes position. The report set out the budget position and funding analysis for all approved capital investment planes, phased over more than one financial year (slippage). She reported that the total budget (2023/24 slippage and 2024/25 budget) was £19.4 million, an increase on forecast of £0.6 million since the last meeting, primarily due to the On Call Duty System (OCDS) Station project. The report set out a position statement in relation to eight property projects, together with ICT and Joint Public Service Control (JSPC) projects.

The Committee noted that the Service did not receive direct capital funding from Welsh Government, and that this was currently a statutory position. Notwithstanding, if Services were expected to transform there were opportunities to challenge the status quo and the Chief Fire Officer and the Head of Finance, Procurement and Property undertook to explore options for lobbying for reform of Welsh Government funding.

RESOLVED:

- 7.1 To note the budget and progress of capital schemes.
- 7.2 To approve the alterations and associated movements in funding set out in Appendix 1 of the report.

8. TREASURY MANAGEMENT STRATEGY 2025/26

The Head of Finance, Procurement and Property presented a report setting out the Annual Treasury Management Strategy Statement, which provided the necessary framework within which the Senior Leadership Team managed treasury activities. The Strategy broadly covered two strands – Capital investment and Treasury Management respectively – and allowed the Service to meet its obligations under the Local Government Act 2003 and associated Codes and guidance.

The Committee discussed:

- the management of borrowing (Section 3 of the Strategy), with particular reference to Borrowing Limits and the ratio of financing costs to net revenue stream
- the sovereign rating of countries approved for investment
- the bank base rate on which the report had been formulated
- the use of specialist treasury advisors to support the development of the strategy.

It was noted that the specialist advisors had provided initial training to the Commissioners at the start of their term, and that it would be useful to refresh this as part of the 2026/27 budget planning process.

RESOLVED:

- 8.1 To note the report and approve the following:
 - The Treasury Management Strategy Statement (TMSS)
 - Capital / Prudential Indicators
 - Minimum Revenue Provision (MRP) policy
 - Borrowing Strategy
 - Treasury Indicators and limits
 - Annual Investment Strategy (AIS)

8.2 To authorise the Treasurer to update related strategies and policies as necessary.

9. ESTABLISHMENT OF A PORTFOLIO MANAGEMENT OFFICE (PMO)

The Director of Strategic Change and Transformation presented a report proposing the establishment of a permanent Portfolio Management Office (PMO) in order to build the necessary resource and capability to deliver on the transformation agenda.

It was proposed to create five two-year fixed term contract posts, comprising a Portfolio Manager, three Transformation Programme Managers and a Transformation Project Manager, and the report set out indicative gradings, subject to job evaluation.

The Chief Fire Officer emphasised his support for the proposal as a critical step forward in the delivery of strategic improvement programmes, and the Commissioners present confirmed their support. It was noted that at present funding for the posts, at an annual cost of c£215k, was yet to be identified.

RESOLVED TO RECOMMEND:

That the Board of Commissioners approves the following:-

- 9.1 The implementation of a permanent Portfolio Management Office.
- 9.2 The recruitment of personnel to resource the Portfolio Management Office.

10. INTERNAL AUDIT UPDATE

The Head of Finance, Procurement and Property introduced a report setting out progress made against the Internal Audit plans for 2023/24 and 2024/25.

The Senior Procurement Officer and Auditors from TIAA updated the Committee on the key findings of the three audits completed since the last meeting, namely:-

- Health and Safety Management
- Compliance Review of Station Visits
- Assurance Review of Fleet Strategy

In relation to the Health and Safety Management Audit, it was reported that Thomas Carroll Consultants had been engaged to undertake a wholesale policy review, and the findings would be reported to the Board of Commissioners in

due course. The Committee were assured that vacancies in the Health and Safety Team had been filled, ownership of actions identified in the audit had been allocated and progress would be reviewed by both the auditors and the Service's audit support function. The Committee requested that the action tracker used to monitor progress be brought to this Committee to assist with scrutiny.

The Chair welcomed the progress made against the Internal Audit reports in 2024/25.

RESOLVED:

- 10.1 To note the internal audit recommendations and work completed to date.

11. PERFORMANCE REPORTS – STRATEGIC PERFORMANCE INDICATORS

ACFO Dean Loader presented a report setting out the organisation's performance against the Strategic Performance Indicators, compared to the projected outcomes for the Quarters 1-3 or 2024/25.

He reported that the overall number of fires was down, including in key categories such as schools, which was pleasing to note. Additionally, there had been a decrease in fatalities as a result of road traffic collisions (RTCs), a decrease in the number of RTCs requiring extractions and a marked decrease in the number of serious injuries resulting from RTCs. The timing of these falls meant that it could be directly attributable to the national speed limit reductions introduced by Welsh Government – this data would be collated and shared with Welsh Government.

The Committee noted a recent spike in fatal house fires and were advised that post incident debriefs were being closely analysed to identify any lessons learned.

An increase in special service calls was largely attributable to storm and flood responses. Given that water rescue was now a statutory response, the Committee felt it would be useful for such responses to be recorded in their own right rather than as special service calls, and to have a separate additional performance indicator to that end. The Chief Fire Officer noted further that there were no specific indicators relating to other special category calls which now had statutory footing, in particular marauding terror attacks, and that Welsh Government had no mechanism to measure Services' preparedness. The Committee requested that this feedback about the continuing appropriateness of existing PIs be made to Welsh Government.

The Committee welcomed the performance reported, in particular in relation to RTCs. It was noted that while data at this level was required for government monitoring purposes, the Commissioners would find it useful to have this data presented to them at a more granular level.

RESOLVED

- 11.1 To note the Service's Strategic Performance Indicator totals for Q1-3 2024/2025

12. FORWARD WORK PROGRAMME FOR FINANCE AND AUDIT COMMITTEE

The Committee noted the Committee's Forward Work Programme and noted the inclusion of the audit action tracker (Minute 10 refers) going forward.

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

No such business was brought forward.

14. ITEMS TO REPORT BACK TO THE BOARD OF COMMISSIONERS

The report considered at Minute 9 – Establishment of a Portfolio Management Office – requires the approval of the Board of Commissioners.