

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

FIRE & RESCUE AUTHORITY SUMMONS

SOUTH WALES FIRE & RESCUE AUTHORITY

You are required to attend a meeting of the South Wales Fire & Rescue Authority to be held at **South Wales Fire & Rescue Service Headquarters, Forest View Business Park, Llantrisant, CF72 8LX** on **Monday, 16 March 2015 at 1030 hours.**

A G E N D A

1. Apologies for Absence

2. Declarations of Interest

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

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Signature of Proper Officer:



MEMBERSHIP
Councillors:

D	Ali	Cardiff	J	Jones	Caerphilly
S	Bradwick	Rhondda Cynon Taff	S J	Jones	Rhondda Cynon Taff
D T	Davies	Caerphilly	R	McKerlich	Cardiff
P	Drake	Vale of Glamorgan	B	Morgan	Rhondda Cynon Taff
C	Elsbury	Caerphilly	J	Morgan	Blaenau Gwent
E	Galsworthy	Merthyr Tydfil	G	Phillips	Cardiff
E	Hacker	Vale of Glamorgan	S	Pickering	Rhondda Cynon Taff
P	Hannon	Newport	M	Powell	Monmouthshire
K	Hyde	Cardiff	M	Rahman	Newport
C	James	Bridgend	P	Seabourne	Torfaen
M	Javed	Cardiff	C	Smith	Bridgend
A	Jones	Torfaen	V	Smith	Monmouthshire

SOUTH WALES FIRE & RESCUE AUTHORITY
MINUTES OF THE FINANCE, AUDIT & PERFORMANCE
MANAGEMENT MEETING
HELD ON MONDAY 24 NOVEMBER 2014 AT
SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS

29. PRESENT:

Councillor	Left
P Hannon (Chair)	Newport
J Jones	Caerphilly
E Galsworthy	Merthyr Tydfil
P Drake	Vale of Glamorgan
S J Jones	Rhondda Cynon Taff
M Powell	Monmouthshire
A Jones	Torfaen

APOLOGIES:

J Morgan	Blaenau Gwent
D Sage	Bridgend
S Chapman	Deputy Chief Officer

ABSENT:

M Javed	Cardiff
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ALSO PRESENT:- Mr C Powell – Deputy Monitoring Officer, ACO Phil Haynes – Director of People Services, Mr C Barton – Treasurer, Mrs L Mullen - Senior Accountant, Mr S Barry - Welsh Audit Officer

30. DECLARATIONS OF INTEREST

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

31. CHAIR'S ANNOUNCEMENTS

There were no new items to report.

32. MINUTES OF PREVIOUS MEETING

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

- Finance, Audit & Performance Management Working Group meeting held on 21 July 2014
- Finance, Asset & Performance Management Working Group meeting held on 12 September 2014
- Finance, Asset & Performance Meeting held on 15 September 2015

33. REVENUE MONITORING REPORT 2014/2015

The Senior Accountant provided Members with details of the second revenue budget report this year, the projected outturn, and variance analysis for the financial year ending 31 March 2015.

It was noted that Headquarter relocation mileage should have been included in previous reports.

The Treasurer reported that there had been a significant underspend which would be factored into the 2015/16 budget.

RESOLVED THAT

Members agreed to note the content of the report and that it was a work in progress.

34. CAPITAL MONITORING REPORT 2014/2015

The Senior Accountant provided Members with details of the total capital budget for the year, expenditure to date, and the forecast outturn position. There has not been a lot of movement since the last report but notably an overspend in Aberbargoed.

RESOLVED THAT

Members agreed to note the progress of the capital schemes and associated funding streams.

35. BUDGET SETTLEMENT FOR WALES & 2015/16 BUDGET PROPOSALS

The Treasurer went through the report with Members and it was confirmed that the Fire & Rescue Authority had agreed to bring forward the 2015/16 budget from February to December.

There was a question and answers session where the Chairman and Treasurer both advised that after the consultation period all points had been considered and noted but the proposed budget would go to the next Fire & Rescue Authority Meeting if approved. It was noted that most Local Authorities were grateful to receive budget details sooner than previously given by the Fire & Rescue Authority.

The Treasurer advised that the Chair of the Fire & Rescue Authority had written to the Minister after they reduced the Community Safety budget by 50% but to no avail.

The Treasurer reported that the final settlement would be out five days before the next Fire & Rescue Authority Meeting and he would update any differences at that meeting.

RESOLVED THAT

Members agreed to recommend the draft budget 2015/16 to the Fire & Rescue Authority for approval in the December meeting.

36. TREASURY MANAGEMENT MID-TERM REVIEW REPORT 2014/15

The Senior Accountant went through the second of this years report with the Members.

RESOLVED THAT

Members noted the results and performance of Treasury Management activities for the period 1 April – 30 September 2014 and agreed to recommend approval to the Fire & Rescue Authority.

37. INTERNAL AUDIT REPORT

The Deputy Monitoring Officer presented the report to Members. He advised that the Auditors had previously met with ACO Phil Haynes, Chris Barton and AM Ian Greenman, advising where the Service currently was regarding the report relating to Third Party Income.

Members went through Appendix 1 – Summary Internal Audit Progress Report where concerns were raised regarding income targets, compliance issues and the management action plan.

The Chair proposed that the report be given back to the internal auditors as the answers provided within the report were not comprehensive, mainly:

- Concern over income targets
- The contract does not seem to be serving either parties
- What could the Service do to increase capacity
- Nobody gains from the gain share

Members went through Appendix 2 and 3 and requested that the formal disposal procedures which had been added to the Fleet Services Department's Business Management System be distributed to the group for their information.

RESOLVED THAT

Appendix 1, The Compliance Review of the Third Party Income Arrangements Audit to be taken back to the Internal Auditors by the Director of People Services as it was considered not comprehensive enough.

Members noted the work and findings of the internal Audit Appendix 2 and 3.

38. INDEPENDENT REMUNERATION PANEL FOR WALES – DRAFT ANNUAL REPORT

The Deputy Monitoring Officer presented the report which highlighted that the Independent Remuneration Panel had issued their draft annual report for consultation.

RESOLVED THAT

Members noted the extracts from the Independent Remuneration Panel's Draft Annual Report and there were no comments to be made in relation to the consultation process.

39. STRATEGIC PLAN

The Deputy Monitoring Officer advised that the Strategic Plan was currently being finalised and would be presented to the next Fire & Rescue Authority meeting in December, and asked Members to note the work taken so far.

RESOLVED THAT

Members noted the work done so far.

SOUTH WALES FIRE & RESCUE AUTHORITY

MINUTES OF THE FIRE & RESCUE AUTHORITY MEETING HELD ON MONDAY 9 FEBRUARY 2015 AT SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS

47. PRESENT:

Councillor	Left	Authority
D T Davies (Chair)		Caerphilly
D Ali		Cardiff
S Bradwick		Rhondda Cynon Taff
P Drake		Vale of Glamorgan
C Elsbury		Caerphilly
E Galsworthy		Merthyr Tydfil
E Hacker		Vale of Glamorgan
P Hannon		Newport
K Hyde		Cardiff
C James		Bridgend
M Javed		Cardiff
S J Jones		Rhondda Cynon Taff
R McKerlich		Cardiff
B Morgan		Rhondda Cynon Taff
G Phillips		Cardiff
S Pickering		Rhondda Cynon Taff
M Powell		Monmouthshire
P Seabourne		Torfaen
C Smith		Bridgend
V Smith		Monmouthshire

APOLOGIES:

A Jones	Torfaen
J Jones	Caerphilly
J Morgan	Blaenau Gwent
M Rahman	Newport
DCO S Chapman	Monitoring Officer

ABSENT:

OFFICERS PRESENT:- CFO H Jakeway, A/ACFO R Prendergast – Director of Technical Services, ACO P Haynes – Director of People Services, ACFO A Thomas – Director of Service Delivery, Mr C Barton – Treasurer, Mr C Powell – Deputy Monitoring Officer

48. DECLARATIONS OF INTEREST

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

Officers declared an interest in agenda item 6.ii.

49. CHAIR'S ANNOUNCEMENTS

RETURN OF COUNCILLOR CLIVE JAMES

The Chair extended a special warm welcome to Councillor James, who had returned to the Fire & Rescue Authority following a lengthy illness. Councillor James responded by thanking Members and Officers for all their kindness and consideration shown towards himself and his wife Pauline whilst recovering from illness.

Best wishes were also extended to Councillor Sage, and Councillor Alan Jones, who were currently both in hospital. The Chair assured Members that on behalf of the Fire & Rescue Authority he would write to both Councillors wishing them a speedy recovery.

NEW MEMBER

The Chair was also pleased to welcome new Member, Councillor Charles Smith, who was attending his first Fire & Rescue Authority meeting, on behalf of Bridgend Unitary Authority.

2014 DEFENCE EMPLOYER RECOGNITION SCHEME AWARDS

The Chair was pleased to report that on 30 January 2015, ACFO Andrew Thomas had received a silver award on behalf of the Service at the '2014 Defence Employer Recognition Scheme Awards' ceremony held at Cardiff City Stadium. Members congratulated Officers on their achievement, and ACFO Thomas responded by stating that he was proud to receive the award on behalf of the Service.

50. MINUTES OF PREVIOUS MEETING

The minutes of the HR & Equalities meeting held on 13 October 2014, were received and accepted as a true record of proceedings.

The minutes of the Fire & Rescue Authority held on 15 December 2014, were received and accepted as a true record of proceedings, subject to the following amendments:-

- Councillor S Jones represented Rhondda Cynon Taff Unitary Authority, and not Caerphilly as recorded.
- Councillor J Jones represented Caerphilly Unitary Authority, and not Rhondda Cynon Taff as recorded.

51. UPDATE ON ACTIONS

The Deputy Monitoring Officer informed Members of actions undertaken since the last meeting, and provided updates on minute numbers:- 13/14-24.1, 13/14-24.2, 13/14-59, 13/14-78.12, 14/15-28.1

52. REPORTS FOR DECISIONS

52.1 REPORT ON RESPONSES TO THE CONSULTATION ON THE DRAFT IMPROVEMENT PLAN – ‘HOW DID WE DO IN 2013/2014? AN ASSESSMENT OF OUR PERFORMANCE’, AND PROPOSED IMPROVEMENT OBJECTIVES 2015/2016

The Deputy Monitoring Officer requested Members consideration of the responses received during the consultation process.

RESOLVED THAT

- 52.1.1 Members agreed to note the responses received.
- 52.1.2 Members approved the Improvement Objectives consulted on to be published in the Improvement Plan ‘How we intend to improve in 2015/2016’ to be published on 31 March 2015.

The Principal Officers withdrew from the meeting whilst the next agenda item was being considered by Members.

52.2 PRINCIPAL OFFICERS PAY

The ACO People Services presented a report to Members explaining the circumstances and issues relating to the National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services circular governing the Pay Award for 2014.

The HR & Equalities Committee were asked to consider these factors and to make a recommendation to the Fire and Rescue Authority.

Following a lengthy question and answer session on whether a decision on a differential and anomaly would be required at this stage and

whether Members would need to chose between the National Joint Council Award or to establish a Local Agreement, Members noted that this was a decision of the Fire Authority as the employing body. The ACO People Services withdrew from the meeting while Members considered the report.

RESOLVED THAT

- 52.2.1 Members agreed to acknowledge the HR & Equalities Committee's recommendations.
- 52.2.2 Members agreed to acknowledge the Independent Remuneration Panel's recommendation.
- 52.2.3 Members agreed that the pay award for 2014 as determined by the National Joint Council for Brigades of Local Authority Fire and Rescue Services be approved.
- 52.2.4 Members noted that a further Pay Policy report would be presented to the Fire & Rescue Authority on 16 March 2015

All Officers returned to the meeting.

52.2 REPORT ON THE CONSULTATION FOR THE PROPOSED STATUTORY PERFORMANCE INDICATORS 2015/2016

The Deputy Monitoring Officer informed Members of the consultation process and the proposed statutory performance indicators for Fire & Rescue Authorities in Wales.

RESOLVED THAT

Following a question and answer session, Members agreed to note the proposals within the consultation, and South Wales Fire & Rescue Service's response.

52.3 DISMISSAL APPEALS

The ACO People Services informed Members that the report sought consistency in all organisational policies and procedures by ensuring that any appeal against dismissal would be heard by a panel of three members of the Executive Leadership Team to ensure consistency of approach and decision-making for the organisation.

RESOLVED THAT

- 52.4.1 Members agreed that all dismissal appeals would be heard by a panel of three members of the Executive Leadership Team.
- 52.4.2 Members agreed that the Director of People Services and the Deputy Chief Officer be given the authority to amend the organisation's policies, procedures and Scheme of Delegations to reflect the decision above and its implications.

53. REPORTS FOR INFORMATION**53.1 SUMMARY OF THE NATIONAL ISSUES COMMITTEE MEETING**

The Chief Fire Officer updated Members on the outcomes of the January 2015 meeting of the Fire & Rescue Services' All Wales National Issues Committee.

RESOLVED THAT

- 53.1.1 Following discussion on the importance of collaboration, joint working, and queries on income generation, Members agreed to note the content of the National Issues Committee summary report.
- 53.1.2 Officers agreed to consider arranging a Members Conference to take place during 2015.

Members congratulated Officers on successfully receiving and being nominated for awards on behalf of the National Issues Committee.

53.2 FIREFIGHTERS' PENSION DISPUTE - UPDATE ON INDUSTRIAL ACTION

The Acting ACFO Technical Services provided Members with a verbal update on the Firefighters' Pension Dispute. He reported that the Service and the Fire Brigades Union were waiting for the result of the consultation process which had recently been carried out by the Welsh Government. Members were also made aware that the deadline for launching the new Firefighters Pension Scheme was 1 April 2015.

RESOLVED THAT

Following discussion, Members agreed to note the verbal update on the Firefighters Pension Dispute.

53.3 UPDATE ON THE IMPLEMENTATION OF THE FIRE COVER REVIEW

The ACFO Service Delivery informed Members that the purpose of the Fire Cover Review was to identify the optimum station locations and crewing arrangements to accurately match resources against risk. The report provided a brief update on the recommendations the Fire & Rescue Authority had agreed to implement from each of the three phases of the Fire Cover Review.

RESOLVED THAT

53.3.1 Members agreed to note the progress made to date on the implementation of the Fire Cover Review recommendations.

53.3.2 Following a request by Councillor James, Officers agreed that the Property Services Manager would provide the Member with regular updates on issues concerning Kenfig Hill Fire & Rescue Station.

53.4 CEFN FFOREST FIRE & RESCUE STATION, PWLLGLAS ROAD, BLACKWOOD

The Deputy Monitoring Officer informed Members that terms had been agreed for the sale of Cefn Fforest Fire & Rescue Station to Seren Group Limited for social housing use.

RESOLVED THAT

Members agreed to proceed with the disposal of Cefn Fforest Fire & Rescue Station at the value reported by the District Valuer.

53.5 FORWARD WORK PROGRAMME

The Deputy Monitoring Officer presented the Forward Work Programme for 2014/2015.

RESOLVED THAT

Members accepted the Forward Work Programme for 2014/2015.

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

There were no items of urgent business.

AGENDA ITEM NO 5

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

Meeting of: Fire & Rescue Authority

Sally Chapman – DCO Huw Jakeway – CFO Andy Thomas – ACFO SD	Chris Barton – Treasurer Phil Haynes – ACO PS Richie Prendergast – T/ACFO TS
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Minute No	Item	Action	Leading Officer	Current Status:
12/13 – 62	Second Pumping Appliance Review Update	Savings identified in report to be achieved via voluntary reductions in percentage contracts or natural wastage through retirements/resignations.	ACFO SD	<p>Approx 50% of savings have already been achieved through natural retirements/resignation. Management have entered into negotiations with the FBU to consider alternative ways of achieving the outstanding savings before 1 April 2015.</p> <p>Only two of the nine stations have not realised the reductions to date. However, it is anticipated the savings will be realised before April 2015.</p>
13/14 – 18.1 & 18.2	Ebbw Vale Fire & Rescue Station	<p>Transfer of small area of forecourt to Blaenau Gwent Council for the nominal sum of £1 plus reasonable legal fees.</p> <p>Forecourt of station to be resurfaced to the</p>	DCO	<p>Specification has been agreed by the Building Maintenance Manager.</p> <p>Works have been completed and</p>

Minute No	Item	Action	Leading Officer	Current Status:
		Service's specification prior to transfer of legal title to area of forecourt.		<p>signed off. Solicitors have been notified of completion of the works and transfer is expected to be completed imminently.</p> <p>The Service is chasing completion but Blaenau Gwent CBC lawyers have not received instructions to complete to date.</p>
13/14 – 24.1	Aberbargoed Station	<p>Officers continue negotiations to reduce the additional claims.</p> <p>Advice be sought on the potential of pursuing a legal claim.</p>	DCO	A report is on the agenda.
13/14 – 24.2	Hirwaun Station	<p>Officers continue negotiations to reduce the additional claims.</p> <p>Advice be sought on the potential of pursuing a legal claim.</p>	DCO	<p>Lawyers have given a written advice and we have held a “without prejudice” meeting with Wildig Lammie to try to resolve this amicably. We have now received two letters from Wildig Lammie – one stating that they do not believe we have a claim against them, and one offering a discount on another project. As a consequence based upon legal advice we have now sent a formal letter before claim.</p> <p>We have received a response to the letter before claim. Wildig Lammie dispute their liability so our</p>

Minute No	Item	Action	Leading Officer	Current Status:
				<p>solicitors have sent a further letter responding to their points and requesting agreement to the appointment of a single joint expert to advise on negligence.</p> <p>A round table meeting has now been held between SWFRS, Wildig Lammie, their contractor Austen Partnership and respective lawyers. Settlement could not be reached at this time as both companies are maintaining a denial of liability. We will wait for approx a week to see whether they subsequently make any offer and if not will take further advice from our solicitor.</p>
13/14 - 59	Fire Cover Review Phase 1	<p>Further report on land availability for the new fire and rescue station in the South Cornelly area.</p> <p>Further public consultation on the transition to the new station.</p>	<p>DCO</p> <p>DCO</p>	<p>Discussions have commenced with a local landowner in respect of a two acre site. Enquiries to identify further options for consideration are also ongoing.</p> <p>On hold pending new site being acquired.</p>

Minute No	Item	Action	Leading Officer	Current Status:
		Implementation of the Barry proposals.	ACFO SD	Recruitment campaign has commenced for RDS firefighters at Barry to crew the second appliance. To date the Service has recruited 16 individuals, and the RDS appliance went live on 26 January 2015. Recruitment to optimum levels will continue. Action Completed
13/14 - 62	Disposal of Lanelay Hall	Disposal to the preferred bidders on the agreed heads of term.	DCO	<p>In accordance with our remarketing strategy, tenders were received by 28 November 2014. A range of competitive bids were received and Members resolved to select David Wilson Homes as the preferred bidder at the December FRA meeting. Solicitors for both sides have been instructed and started work on the contract. The target for exchange of contracts is by the end of March 2015.</p> <p>In relation to Members' enquiries about seeking wasted costs from Persimmon Homes, this is not an option because Persimmon had not entered into a contract so they are not legally liable for any costs. Negotiations were undertaken on a commercially confidential basis.</p>

Minute No	Item	Action	Leading Officer	Current Status:
				Officers met with the buyer and their solicitor on 9 February 2015 to discuss outstanding issues on the legal documentation and other site issues. The meeting was very positive and we hope to have an agreed contract shortly. We still appear to be on track for exchange of contracts in March.
13/14 – 78.12	Bargoed & Cefn Fforest	Disposal of sites to housing association under General Disposal Consent (Wales) Order 2003.	DCO	<p>The District Valuer's office has prepared a draft valuation for the subject sites and the Property Strategy Manager is meeting with both prospective purchasers to progress the disposal. Both sites will be disposed of for a social housing use subject to planning. It is advised that the sale of Bargoed will be delayed whilst industrial action continues, and be made available for use by auxiliaries. The disposal process will continue in the background with a view to completing the sale when the period of industrial action ends.</p> <p>Members have agreed the disposal price prepared by the district valuer and the sale of both assets is progressing. The proposed use is</p>

Minute No	Item	Action	Leading Officer	Current Status:
				<p>for social housing, subject to planning.</p> <p>In respect of Bargoed it is advised that the sale will be delayed whilst industrial action continues, and be made available for use by auxiliaries. The disposal process will continue in the background with a view to completing the sale when the period of industrial action ends.</p>
13/14 – 86.6.2	NIC Fire Control Feasibility Study Update	<p>Review the internal funding mechanism for repayment of the loan</p> <p>Review the internal funding mechanism to fund the upfront element of the loan</p>	Treasurer Treasurer	<p>Action Completed</p> <p>It will be a priority to minimise the set up costs of the project which constitute much of the Authority's initial investment. Given that much of this cost relates to existing staff resource, it is likely that the base revenue budget will be able to contribute the funding necessary to finance these upfront costs. Final review will take place at the financial year end when the outturn is known.</p>
13/14 – 92.1.2	Fire Cover Review Phase 2	<p>Monmouthshire –</p> <p>A further report to be brought back to the FA in 12 months on the availability of the second appliances at Chepstow, Monmouth and Abergavenny stations.</p>	ACFO SD	Report scheduled for September 2015

Minute No	Item	Action	Leading Officer	Current Status:
14/15 – 21.6	Electricity Sub-station at Aberbargoed Fire & Rescue Station	Transfer the electricity sub-station at Aberbargoed Fire & Rescue Station to Western Power Distribution for £1 consideration	DCO	The transfer has now been completed. Action Completed
14/15 – 21.7	Proposed Flood Defence Works on Land Forming Part of Risca Fire & Rescue Station	Transfer the subject land to Caerphilly CBC for a nominal consideration	DCO	Natural Resources Wales are updating their proposed scheme. No further update from Caerphilly CBC; seems unlikely to proceed. Will remove from future updates.
14/15 – 28.1	Fire Cover Review Phase 2 Outcomes	<p>Blaenau Gwent –</p> <ul style="list-style-type: none"> • Determine appropriate timing for the closure of the station, taking into account the legal requirements and circumstances of the individual staff affected. • Provide Members with an update on discussions and brief the Authority when timelines are agreed. • If required, serve Notice of Redundancy on affected individuals at the appropriate time. • If required, determine the most appropriate method of funding redundancy payments. 	<p>ACFO SD</p> <p>DCO</p> <p>ACO PS</p> <p>Treasurer</p>	Action Completed

Minute No	Item	Action	Leading Officer	Current Status:
		<p>Torfaen –</p> <ul style="list-style-type: none"> Determine appropriate timing for the removal of the retained duty system appliance from the station, taking into account the legal requirements and circumstances of the staff affected. Provide Members with an update on discussions and brief the Authority when timelines are agreed. If required, serve Notice of Redundancy on affected individuals at the appropriate time. If required, determine the most appropriate method of funding redundancy payments. 	<p>ACFO SD</p> <p>DCO</p> <p>ACO PS</p> <p>Treasurer</p>	<p>Officers will deliver this within the 2015/16 financial year. Currently engaging with the staff affected and the FBU to secure suitable alternative employment where possible.</p> <p>As per action update and further reports, if required.</p> <p>On hold pending outcome of first action.</p> <p>On hold pending outcome of first action.</p>
14/15 – 35.1	Fire Cover Review Phase 3	<p>Merthyr Tydfil –</p> <ul style="list-style-type: none"> Retain a watching brief on land availability for a potential merger of Treharris and Abercynon Fire & Rescue Stations at a suitable location on the A472 	DCO	<p>A watching brief will be maintained and reviewed in line with operational requirements.</p> <p>Action Completed</p>
		<p>Rhondda Cynon Taf –</p> <ul style="list-style-type: none"> Determine the appropriate implementation of the closure of Porth Fire & Rescue Station, taking into account the circumstances of the individual staff affected Update Members on discussions and timelines If required, serve Notice of Redundancy on 	<p>ACFO SD</p> <p>DCO</p> <p>ACO PS</p>	<p>Officers will deliver this within the 2015/16 financial year. Currently engaging with the staff affected and the FBU to secure suitable alternative employment where possible.</p> <p>As per action update and further reports, if required.</p> <p>On hold pending outcome of first</p>

Minute No	Item	Action	Leading Officer	Current Status:
		<p>affected individuals at the appropriate time</p> <ul style="list-style-type: none"> • If required, determine the most appropriate method of funding redundancy payments 	Treasurer	<p>action.</p> <p>On hold pending outcome of first action.</p>
14/15 – 35.2	Redundancy Payments	To introduce an effective re-deployment evaluation process for determining suitable alternative employment.	ACO PS	Action Completed
14/15 – 35.14	Amendment to Standing Orders	Amend Standing Orders to reflect Regulation changes	DCO	Action Completed
14/15 – 52.1	Draft Improvement Plan and Improvement Objectives	Publish the Improvement Plan – ‘How we intend to improve in 2015/16’ including the agreed improvement objectives by 31 March 2015.	DCO	Action Completed
14/15 – 52.3	Dismissal Appeals	Amend the organisation’s policies, procedures and Scheme of Delegations to reflect the agreed changes	DCO/ ACO PS	In progress

AGENDA ITEM NO 6

Reports for Decision

SOUTH WALES FIRE & RESCUE AUTHORITYAGENDA ITEM NO 6.i
16 MARCH 2015

REPORT OF THE TREASURER

TREASURY MANAGEMENT STRATEGY 2015/16**SUMMARY**

To provide Members with the Treasury Management Strategy, policies and indicators for approval and as required by statute.

RECOMMENDATION

The Fire & Rescue Authority approve the proposed Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy, Annual Investment Strategy, Capital and Prudential Indicators for 2015/16, as is required by section 3 of the Local Government Act 2003.

That the Fire & Rescue Authority give approval to the Treasurer to update the Strategy in line with the economic forecasts as necessary throughout the year.

1. BACKGROUND

- 1.1 The Fire & Rescue Authority has adopted the Revised CIPFA Treasury Management Code of Practice 2011. The Code requires that the Authority approve annually a Treasury Management Strategy, a MRP Strategy and Annual Investment Strategy and prudential/ treasury indicators these are referred to in Appendix 1.
- 1.2 The revised Prudential Code for Capital Finance in Local Authorities outlines the requirements for which capital spending plans are considered and approved. The intention is to ensure that capital budgets are affordable and sustainable and are developed as part of an integrated treasury management strategy.
- 1.3 This requirement is translated into a set of indicators which form the control framework within which Officers undertake treasury management activities.
- 1.4 The Authority also has regard to the Welsh Government (WG) Guidance on Local Government Investment. The guidance requires the production of an Annual Investment Strategy, a MRP Policy and a Treasury Management Strategy, and allows Authority's to combine these strategies into one document.

2. ISSUE

- 2.1 The purpose of this report is for Members to consider the treasury management activities required to deliver capital spending plans and ensure cash resources are managed effectively for the next 3 years. The following information has been compiled with the assistance of Capita Asset Services.
- 2.2 The recommendation also enables compliance with the necessary regulatory requirements.

3. EQUALITY RISK ASSESSMENT

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

4. FINANCIAL IMPLICATIONS

- 4.1 The approval of the Treasury Management Strategy provides the control framework within which Officers can operate to ensure that as far as possible the costs of borrowing are minimised, and investment opportunities are maximised, whilst ensuring risk is kept to a minimum.

5. RECOMMENDATION

- 5.1 The Fire & Rescue Authority approve the proposed Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy, Annual Investment Strategy, Capital and Prudential Indicators for 2015/16, as is required by section 3 of the Local Government Act 2003.
- 5.2 The Fire & Rescue Authority give approval to the Treasurer to update the Strategy in line with the economic forecasts as necessary throughout the year.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	<ul style="list-style-type: none"> - Revised CIPFA Treasury Management Code of Practice 2011 - Revised CIPFA Prudential Code - WG Investment Guidance - 2015/16 Capital budget submissions - 2015/16 Budget setting report

Appendix 1

1. INTRODUCTION

1.1 Background

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

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer term cash flow planning to ensure that the Authority can meet its capital spending obligations.

The accounting body for public bodies i.e. CIPFA defines treasury management as:

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

1.2 Reporting requirements

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

Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy
- the treasury management strategy and indicators; and
- an investment strategy

A mid year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

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

1.3 Treasury Management Strategy for 2015/16

The strategy for 2015/16 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

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

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

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training. This especially applies to members responsible for scrutiny.

1.5 Treasury management consultants

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

The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by

which their value will be assessed are properly agreed and documented, and subjected to regular review.

2 THE CAPITAL PRUDENTIAL INDICATORS 2015/16 – 2017/18

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

2.1 Capital expenditure

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

Capital expenditure £000's	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Total	5,979	5,826	8,740	4,572	6,849

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

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital expenditure £000's	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
capital expenditure	5,979	5,826	8,740	4,572	6,849
Financed by:					
Capital receipts	415	65	1,900	1,350	0
Capital grants	48	0	0	0	0
Capital reserves	2,861	288	0	0	0
Revenue	200	200	200	200	200
Net financing need for the year	2,455	5,273	6,640	3,022	6,649

2.2 The Authority's borrowing need (Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's underlying borrowing

need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The CFR includes any other long term liabilities e.g. PFI schemes, finance leases. Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of scheme include a borrowing facility and so the Authority is not required to separately borrow for these schemes. The Authority currently has £5,142 million of such schemes within the CFR.

The Authority is asked to approve the CFR projections below:

£m	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Capital Financing Requirement					
Total CFR	44,442	47,066	50,710	50,519	53,598
Movement in CFR	264	2,624	3,644	-191	3,079

Movement in CFR represented by					
Net financing need for the year (above)	2,455	5,273	6,640	3,022	6,649
Less MRP	-2,191	2,649	2,996	3,213	3,570
Movement in CFR	264	2,624	3,644	-191	3,079

2.3 Minimum revenue provision (MRP) policy statement

The Authority is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

Welsh Government regulations have been issued which require the full Authority to approve an **MRP Statement** in advance of each year. A variety of options are provided to Authority's and a selection should reflect a prudent provision. The Authority is recommended to approve the following MRP Statement;

For capital expenditure incurred before 1 April 2008, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outlined in former Welsh Government regulations (option 1)

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

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

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (option 3);

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

Repayments included in annual PFI or finance leases are applied as MRP.

2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales, revenue surpluses etc.). Detailed below are estimates of the year end balances for each resource.

Year End Resources £000's	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Usable reserves	12,016	13,191	11,733	9,932	9,938
Capital receipts	86	20	20	20	20
Provisions	268	223	223	223	223
Total core funds	12,370	13,434	11,976	10,175	10,181
Working capital*	5,805	5,684	5,184	4,684	4,484
Expected investments	5,000	0	0	0	0

*Working capital includes year end stock, debtors and creditors balances which may be higher mid year but albeit estimates are at year end.

2.5 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the

Authority's overall finances. The Authority is asked to approve the following indicators:

2.6 Ratio of financing costs to net revenue stream

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

	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Ratio	5.52%	6.61%	7.29%	7.83%	8.7%

The estimates of financing costs include current commitments and the proposals in this budget report.

3. BORROWING

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

3.1 Current portfolio position

The Authority's treasury portfolio position at 31 March 2014, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£000's	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
External Debt					
Debt at 1 April	34,856	38,554	37,952	39,456	42,077
Expected change in Debt	3,698	-602	1,504	2,621	4,247
Other long-term liabilities (OLTL)	6,848	6,457	5,990	5,577	5,199
Expected change in OLTL	-391	-467	-412	-378	-420
Actual gross debt at 31 March	45,011	43,942	45,034	47,276	51,103

CFR	44,442	47,066	50,710	50,573	53,706
Under/over borrowing	-569*	3,124	5,676	3,297	2,603

* The CFR was breached by gross borrowing at the end of 2013/14. £5 million of long term borrowing enabled SWFRS to benefit from the certainty rate discount, to access low rates and fix these for the long term as indications detailed a rise in the coming period. This position has been rectified during 2014/15 where borrowing has not been undertaken nor is it planned. Cash flow requirements are being serviced by internal cash balances enabled through the maturity of £5 million of investments earlier in the year.

Within the prudential indicators there are a number of key indicators to ensure that the Authority operates its activities within well defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2015/16 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

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

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed.

£000's	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Debt	46,000	50,000	51,000	52,000
Other long term liabilities	10,000	10,000	10,000	10,000
Total	56,000	60,000	61,000	62,000

The authorised limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing and represents a limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

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

2. The Authority is asked to approve the following authorised limit:

£000's	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Debt	48,000	52,000	54,000	56,000
Other long term liabilities	10,000	10,000	10,000	10,000
Total	58,000	62,000	54,000	66,000

3.3 Prospects for interest rates

The following provides a view of future interest rates movements;

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2015	0.50	2.10	3.30	3.30
Jun 2015	0.50	2.20	3.40	3.40
Sep 2015	0.50	2.30	3.60	3.60
Dec 2015	0.50	2.50	3.80	3.80
Mar 2016	0.75	2.60	3.90	3.90
Jun 2016	0.75	2.70	4.00	4.00
Sep 2016	1.00	2.80	4.20	4.20
Dec 2016	1.25	3.00	4.30	4.30
Mar 2017	1.25	3.10	4.40	4.40
Jun 2017	1.50	3.20	4.50	4.50
Sep 2017	1.50	3.30	4.60	4.60
Dec 2017	1.75	3.40	4.60	4.60
Mar 2018	2.00	3.50	4.70	4.70

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Greece: the general election on 25 January 2015 brought to power a coalition which is strongly anti EU imposed austerity.
- EZ concerns in respect of a major crisis subsided considerably in 2013. However, the downturn in growth and inflation during the second half of 2014, worries over the Ukraine situation and the Middle East, have led to a resurgence of those concerns as risks increase a prolonged period of deflation and very weak growth.
- Investment returns are likely to remain relatively low during 2015/16 and beyond;

- Borrowing rates have been highly volatile during 2014 and early 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism in financial markets.
- There will remain a cost of carry to any new borrowing which result in an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

3.4 Borrowing strategy

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need i.e. CFR, has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure (as above). This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Against this backdrop and the risks within the economic forecast, caution will be adopted with the 2015/16 treasury operations. The Treasurer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or deflation), then long term borrowings will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.*

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

In consideration of the above and over laying this with the requirement for budget certainty provides some explanation as to the temporary breach of CFR. This position has however been tempered by the need to avoid any significant 'costs of carry' with progress of capital investment being closely monitored in conjunction with interest rate movements and forecasts.

Treasury management limits on activity

There are three debt related treasury limits and the purpose of these are to restrain the activity of the treasury function, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs and improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments. **This Authority does not undertake variable rate borrowing due to the need for budget certainty.**
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Authority's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Authority is asked to approve the following treasury indicators and limits:

£000's	2015/16	2016/17	2017/18
Interest rate exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	0%	0%	0%
Maturity structure of fixed interest rate borrowing 2015/16			
	Lower	Upper	
Under 12 months	0%	10%	
12 months to 2 years	0%	20%	
2 years to 5 years	0%	35%	
5 years to 10 years	0%	35%	
10 years to 20 years	0%	50%	
20 years to 30 years	0%	50%	
30 years to 40 years	0%	50%	
40 years to 50 years	0%	50%	

3.5 Policy on borrowing in advance of need

The Authority will not borrow more than or in advance of its need purely in order to profit from the investment of the extra sums borrowed (as above). Any decision to borrow in advance will be within forward approved borrowing limits set above and will be considered to ensure value for money and security of funds.

3.6 Debt rescheduling

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

The reasons for any rescheduling to take place will include:

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

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

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

4. ANNUAL INVESTMENT STRATEGY

4.1 Investment policy

The Authority's investment policy has regard to the Welsh Government's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (CIPFA TM Code). The Authority's investment priorities will be security first, liquidity second, then return.

In accordance with the above guidance and in order to minimise the risk to investments, the Authority applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

As with previous practice, ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Authority will engage with its advisors to monitor market pricing such as "credit default swaps" and overlay it with credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in section 6 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Authority's treasury management practices.

4.2 Creditworthiness policy

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

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

This modelling approach combines the above for a weighted scoring system for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration for investments;

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

The Authority will therefore use counterparties colour coded yellow to blue.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

Our creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

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

All credit ratings will be monitored weekly. The Authority is alerted to changes to ratings of all three agencies through its use of our creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn.
- in addition to the use of credit ratings the Authority will be advised of information in movements in CDS spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

In addition, the Authority will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government.

4.3 Country limits

The Authority has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of *A- or equivalent*. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.5. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations. Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 1 of 2016. Bank Rate forecasts for financial year ends (March) are:

- 2015/16 0.75%
- 2016/17 1.25%

- 2017/18 2.00%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:

2015/16	0.60%
2016/17	1.10%
2017/18	1.75%
2018/19	2.25%
2019/20	2.75%
2020/21	3.00%
2021/22	3.25%
2022/23	3.25%
Later years	3.50%

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Authority's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Authority is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
£000's	2015/16	2016/17	2017/18
Principal sums invested > 364 days	£10,000	£10,000	£10,000

For its cash flow generated balances, the Authority will seek to potentially utilise a combination of its business bank account structure, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

4.5 Icelandic bank investments

No deposits were made with Icelandic banks

4.6 End of year investment report

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

5. Economic Background

UK. After strong UK GDP growth in 2013 at an annual rate of 2.7%, growth is expected to gain increased momentum during 2015 and 2016 to annual rates of 2.9% and 2.7% in 2017. This will be a response to two developments; firstly, the stimulative effect of the sharp fall in oil prices in quarter 4 of 2014 and then inflation potentially falling into negative territory during 2015. Secondly, due to an expected return to a significant rise in average wage rates due to the continuing fall in unemployment to approx 5.5% by mid 2015, (the long run equilibrium level is 5.0%), and the further erosion of spare capacity. This is expected to lead to total consumer disposable income rising by approx 3.5% during quarter 3 2015. This would therefore strengthen consumer expenditure, but without much downside risk to the savings ratio.

However, for this recovery to become more balanced and sustainable in the longer term, the recovery still needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. In addition, there has been a need for a major improvement in labour productivity, which has languished at dismal levels since 2008, to support longer term increases in pay rates and economic growth after the positive effect of the fall in oil prices dissipates. The February Inflation Report contained good news that productivity was forecast to increase by just under 0.75% in the first three quarters of 2015.

The February Inflation Report also explained that the initial fall in the price of oil of over 50% would cause an overall reduction in CPI and boost UK GDP during the Monetary Policy Committee's (MPC's) three year forecast period. It also forecast that the sharp fall in the price of oil and its effects, would start falling out of the twelve month calculation of CPI inflation in quarter 4 of 2015. This is expected to result in a sharp rise in inflation from zero and onward into 2016. The report also mentioned a potential risk of deflation becoming embedded, which could then require remedial action by the MPC such as a cut in Bank Rate and/or further quantitative easing. This is viewed as being a small risk given the above expected sharp increase in inflationary pressures. However, while inflation is at or will be near 0% for much of 2015, it is unlikely that the MPC would make a start on increasing Bank Rate. Market expectations for the first increase in Bank Rate have therefore moved from quarter 3 2015, to around mid year 2016. However, the MPC is focused on where inflation will be over a 2–3 year time horizon, so too much emphasis should not be placed on the short term inflation outlook, especially when the February report identified a slight increase in inflationary pressures on that time horizon to just above the 2% target. This treasury management report is therefore based on a forecast of a first increase in Bank Rate in quarter 1 of 2016, though it would be quite possible for it to be in quarter 4 of 2015 if events were to turn out favourably in Greece, the Euro Zone (EZ) as a whole and elsewhere.

The return to strong growth has helped lower forecasts for the increase in Government debt over the last year but monthly public sector deficit figures during 2014 have disappointed, being only a fraction lower than the previous year through to December 2014. The autumn statement, therefore, had to revise the speed with which the deficit is forecast to be eliminated. The flight to quality in January 2015 has seen gilt yields fall to incredibly low levels, which will reduce interest costs on new and replacement government debt.

Eurozone (EZ). The EZ is facing an increasing threat from weak or negative growth and from deflation. In January 2015, the inflation rate fell further to reach a low of -0.6%. However, this is an average for all EZ countries and includes some countries with even higher negative rates of inflation. Initially, the ECB took some rather limited action in June and September 2014 to loosen monetary policy in order to promote growth. As this failed to have much of a discernible effect, the ECB launched a massive €1.1 trillion programme of quantitative easing in January 2015 to buy up high credit quality government debt of selected EZ countries. This programme will run to September 2016.

Concern in financial markets for the EZ had subsided considerably after the prolonged crisis during 2011-2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. The ECB's pledge in 2012 to buy unlimited amounts of bonds of countries which ask for a bailout has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2013 figures) of Greece 180%, Italy 133%, Portugal 129%, Ireland 124% and Cyprus 112%, remain a cause for concern, especially as some of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US.

Greece: the general election on 25 January 2015 has brought to power a coalition which is anti EU imposed austerity. Although it is not certain that Greece will leave the Euro, the recent intractability of the troika (the EU, ECB and IMF), to finding a negotiated compromise with the new Greek government leaves this as a real possibility. However, if Greece was to leave the EZ, it is unlikely that this will directly destabilise it as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. Nevertheless, the indirect effects of the likely strengthening of anti EU and anti austerity political parties throughout the EU is

much more difficult to gauge. There are particular concerns as to whether democratically elected governments will lose the support of electorates suffering under EZ imposed austerity programmes, especially in countries which have high unemployment rates. Of particular concern is the fact that Spain and Portugal have general elections coming up in late 2015. This will give ample opportunity for anti austerity parties to make a big impact.

There are also major concerns as to whether the governments of France and Italy will effectively implement austerity programmes and undertake overdue reforms to improve national competitiveness. These countries already have political parties with major electoral support for anti EU and anti austerity policies. Any loss of market confidence in either of the two largest EZ economies after Germany, would present a huge challenge to the resources of the ECB to defend their debt.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data transpires over 2015. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

There has been exceptionally high volatility in gilt yields and PWLB rates during January and February 2015. It is likely that this trend could continue through 2015 and that there could be swings of 50 basis points, (0.50%), during a quarter.

The overall balance of risks to economic recovery in the UK is even. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis. There is an increased risk that Greece could end up leaving the Euro but if this happens, the EZ now has sufficient fire walls in place that a Greek exit would have little immediate direct impact on the rest of the EZ and the Euro. It is therefore expected that there will be an overall managed, albeit painful and tortuous, resolution of any EZ debt crisis that may occur where EZ institutions and governments eventually do what is necessary. Under this assumed scenario, growth within the EZ will be weak at best for the next couple of years with some EZ countries experiencing low or negative growth, which will, over that time period, see an increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets

lose confidence in the financial viability of one, or more, countries, especially if growth disappoints and/or efforts to reduce government deficits fail to deliver the necessary reductions. However, it is impossible to forecast whether any individual country will lose such confidence. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the larger countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

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

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK strong economic growth is weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the EZ sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the EZ and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- An adverse reaction by financial markets to the result of the UK general election in May 2015 and the EU, economic and debt management policies adopted by the new government.
- The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ.
- The commencement by the US Federal Reserve of increases in the Fed funds rate in 2015, causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities. There could also be a sharp fundamental reassessment of investments in the debt and equities of emerging countries which have chased higher yields during a prolonged period when yields and returns in western countries have been heavily suppressed; countries such as Brazil and Russia are already in recession and facing major economic and political challenges.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

6. Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum ‘high’ quality criteria where applicable.

NON-SPECIFIED INVESTMENTS: There will be no investments of this nature undertaken in the period.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria / colour band	** Max % of total investment s/ £ limit per institution	Max. maturity period
DMADF – UK Government	N/A	100%	6 months
UK Government gilts	UK sovereign rating	100%	1 year
UK Government Treasury blls	UK sovereign rating	100%	1 year
Bonds issued by multilateral development banks	AAA (or state your criteria if different)	100%	6 months
Money market funds	AAA	100%	Liquid
Enhanced money market funds with a credit score of 1.25	AAA	100%	Liquid
Enhanced money market funds with a credit score of 1.5	AAA	100%	Liquid
Local authorities	N/A	100%	1 year

Term deposits with banks and building societies	Yellow Purple Blue Orange Red Green No Colour	100%	Up to 5 years Up to 2 years Up to 1 year Up to 1 year Up to 6 Months Up to 100 days Not for use
CDs or corporate bonds with banks and building societies	Yellow Purple Blue Orange Red Green No Colour	100%	Up to 5 years Up to 2 years Up to 1 year Up to 1 year Up to 6 Months Up to 100 days Not for use
Gilt funds	UK sovereign rating	100%	1 year

7. Approved countries for investments

AAA

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

AA+

- Finland
- Hong Kong
- Netherlands
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Qatar

AA-

- Belgium
- Saudi Arabia

8. Treasury management scheme of delegation

(i) Authority

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

(ii) Finance, Audit & Performance Management (FAPM) Committees/Full Authority

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

(iii) Treasurer (S151 Officer)

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

9. The treasury management role of the section 151 officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

SOUTH WALES FIRE & RESCUE AUTHORITY

AGENDA ITEM NO 6.ii

16 MARCH 2015

REPORT OF THE ASSISTANT CHIEF FIRE OFFICER DIRECTOR OF SERVICE DELIVERY

PERFORMANCE INDICATOR TARGET SETTING 2015/16**SUMMARY**

To consider the proposed Performance Indicator Targets for 2015/16.

RECOMMENDATIONS

That Members endorse the Performance Indicator Targets proposed for 2015/16.

That Members approve the publication of the Performance Indicator Targets for 2015/16 on the South Wales Fire & Rescue Service website.

1. BACKGROUND

- 1.1 To support performance within the Service it is essential that previous performance is reviewed and future targets are set for the forthcoming year. These indicator targets are made available to the public via our website and are referenced within corporate documents produced and published by the Service.
- 1.2 A profiling process is used to enable greater accuracy in predicting full year performance data. This is now based on month by month averages using five year data sets.

2. ISSUE

- 2.1 Welsh Government (WG) has recently completed public consultation on the introduction of a new set of statutory performance indicators (PIs) for Fire & Rescue Authorities (FRA's) in Wales. The proposal is to introduce a set of 3 headline performance indicators (PIs) and to make them statutory by Order under section 8(1) (a) of the Local Government (Wales) Measure.
- 2.2 The rationale of the proposals is to measure FRA activity and outcomes wherever possible. PIs which measure activity will only be included where they have a direct or significant impact on desired outcome.
- 2.3 The new indicators are being introduced for reporting year 2015/16 and beyond and will be reportable to WG annually. The indicators are:

- Number of incidents attended by FA (made up of 4 separate indicators which are total fires, total false alarms, total road traffic collisions (RTC's) and all other special service calls (SSC's) attended).
- The number of deaths and injuries caused by all fires and accidental fires (2 indicators).
- Fires contained in room of origin: the percentage of fires which did not spread outside the room in which they started (1 indicator).

2.4 Total fires were measured within the old Strategic Indicators however, the false alarms and casualty indicators are now summed up to a higher reporting level and in the case of RTC's, other SSC's and fires contained in the room of origin these are completely new Strategic Indicators.

2.5 Welsh Government also advised that the Statutory PIs should be supported by a set of defined All-Wales non-statutory "Standard" or "Core" PIs that will not be formally reported annually but will be referenced in annual Improvement Plans.

2.6 The Core PIs will be developed by the 3 Welsh FRA's through a partnership approach, whereby consistency in definitions, recording methods and calculations are agreed which will support benchmarking within and outside Wales. This work has yet to commence and, therefore, no internal targets have been set for 2015/16.

2.7 Appendix 1 attached identifies the proposed targets for the new statutory PIs for 2015-16.

2.8 The Background Paper, which can be found at the Fire & Rescue Authority Members Page on the SWFRS Intranet, provides further in-depth analysis of the rationale supporting the proposed targets. It also includes full details of the five year trend performance based on the new strategic indicators.

3. Equality Risk Assessment

3.1 This report, together with accompanying Appendix, Background Papers and the targets themselves have no Equality Risk Assessment impact.

3.2 It is the responsibility of the appropriate Director as the Performance Indicator holder to ensure that appropriate risk assessment in relation to Equality and Diversity has been carried out across all relevant supporting activity levels.

4. RECOMMENDATIONS

- 4.1 That Members endorse the Performance Indicator Targets proposed for 2015/16.
- 4.2 That Members approve the publication of the Performance Indicator Targets for 2015/16 on the South Wales Fire & Rescue Service website.

Contact Officer:	Background Papers:
Dai Morris Statistics and Risk Manger	Performance Indicator targets for 2015/16.

Appendix 1

Proposed Performance Indicator Targets for 2015/16

Category	Indicator Ref	Description	Actuals Yr End Prediction 2014/15	Target Number 2015/16	Target PI 2015/16	Direction of Travel
Incident Measures	FRS/RRC/S/001 (i)	All fires attended per 10,000 population	6104	5800	38.83	↓
Incident Measures	FRS/RRC/S/001 (ii)	All false alarms attended per 10,000 population	8305	7800	52.22	↓
Incident Measures	FRS/RRC/S/001 (iii)	All road traffic collisions attended per 10,000 population	1221	1200	18.20	↓
Incident Measures	FRS/RRC/S/001 (iv)	All other special service calls attended per 10,000 population	2019	1950	13.06	↓
Deaths and Injuries	FRS/RRC/S/002 (i)	The total number of deaths and injuries arising from all fires per 100,000 population	67	42	3.48	↓
Deaths and Injuries	FRS/RRC/S/002 (ii)	The total number of deaths and injuries arising from all accidental fires per 100,000 population	53	45	3.01	↓
Effective Response	FRS/EFR/S/003	The percentage of dwelling fires which were contained in the room in which they originated.	60%	62%	62%	↑

**PUBLICATION OF STAGE 1 OF THE ANNUAL IMPROVEMENT PLAN
2015/2016****SUMMARY**

To publish Stage 1 of the Service's Annual Improvement Plan in accordance with the requirements of the Local Government (Wales) Measure 2009.

RECOMMENDATION

That Members note the contents of this report and agree the general content of the Improvement Plan for 2015/16.

That Members approve the publication of the Improvement Plan 2015/16 on the South Wales Fire & Rescue Service website by 31 March 2015, and subsequent publications of the document.

1. BACKGROUND

- 1.1 The Authority is required to produce an Annual Improvement Plan in accordance with the Local Government (Wales) Measure 2009 - Part 1, Guidance to Fire & Rescue Authorities, November 2009.
- 1.2 Members will be aware of the requirement in accordance with the 'Welsh Statutory Instrument No 1143 (W.137) 2012' and 'The Fire and Rescue Authorities (Improvement Plans) (Wales) Order 2012', to publish Stage 1 of the Annual Improvement Plan as soon 'as is reasonably practicable after 31 December, but prior to the financial year to which it relates'.
- 1.3 The Annual Improvement Plan 2015/16 will clearly classify improvement objectives which will be benchmarked against our previous service delivery standards. It will identify key improvement objectives that will directly relate to the Service's Strategic Plan 2015-2020 and improvement objectives for 2015/16.
- 1.4 The Annual Improvement Plan will provide all our employees with a clear focus and direction on the Service's improvement objectives. In turn, this will ensure that we provide service delivery to the wider communities of South Wales as efficiently and effectively as possible, whilst adhering to our primary objective of 'making South Wales safer by reducing risk'.
- 1.5 The Improvement Plan is an essential management tool which enables the public and other stakeholders to review our current activities, future direction and performance. Therefore, this document is an essential

organisational instrument when holding the Service to account and ultimately reaching the requisite standards.

2. ISSUE

- 2.1. The Improvement Plan outlines the arrangements we have in place to secure continuous improvement when delivering services to our communities. These will be benchmarked against the standards we reached in 2014/15, with the intention of surpassing these and providing even greater value for money.
- 2.2. Appendix 1 of the document includes a one page summary which will outline the primary objectives in a single document. It will demonstrate how individuals' daily activities will influence the success of the organisation and how it links into the Service's strategic objectives.

3. FINANCIAL IMPLICATIONS

- 3.1. This year, the Annual Improvement Plan will be drastically reduced in page numbers, being more concise and specific to the objectives we have set ourselves for this year and will make a brief reference to our performance for last year. It will follow the theme used by the Strategic Plan 2015-2020 to maintain continuity. In order to minimise printing and publication costs, the document will be available to all employees and stakeholders via the South Wales Fire & Rescue Service website.
- 3.2. Hard copies of the Improvement Plan will be available on request. Approximately sixty summary documents will be produced and distributed to fire & rescue stations and other Service locations for easy reference, but will clearly indicate where the full document can be found.

4. EQUALITY RISK ASSESSMENT

- 4.1. The Annual Improvement Plan 2015/16 and related documentation will undergo Equality Impact Assessment in accordance with the Service's Equality and Diversity Schemes prior to final publication.
- 4.2. The Plan will be published in English and Welsh languages in accordance with the Service's Welsh Language Scheme.

5. RECOMMENDATION

- 5.1. That Members note the contents of this report and agree the general content of the Improvement Plan for 2015/16.

- 5.2. That Members approve the publication of the Improvement Plan 2015/16 on the South Wales Fire & Rescue Service website by 31 March 2015 and subsequent publications of the document.

Contact Officer:	Background Papers:
Anne Fairclough Engagement, Transformation and Performance Officer	Draft Annual Improvement Plan 2015/16



South Wales Fire and Rescue Service
IMPROVEMENT PLAN FOR 2015-2016

DRAFT

FOREWORD



Huw Jakeway

Chief Fire Officer
South Wales Fire and Rescue Service



Cllr Tudor Davies

Chairman
South Wales Fire and Rescue Authority

It gives us great pleasure to present our Improvement Plan for 2015-2016. The aim of this document is to explain how we performed in 2013-14 and looking forward; what we intend to improve during 2015-16. Our vision of **“making South Wales safer by reducing risk”** continues to be our focus as we will strive to accomplish this during this coming financial year; despite the significant financial challenges that we face. Community demographics and risks change; this can be road and rail routes, age profiles or new business and accommodation premises. We therefore recognise our Service delivery needs to evolve with these changes, so that we can ensure our resources are in the right place at the right time to meet the needs of our communities. In consideration of this, South Wales Fire and Rescue Service has undergone a number of developments over the past year and these were published in October 2014. If you would like further information concerning these developments, they can be found by clicking this link Our ‘forward Looking’ developments for this year will be published in October 2015.

You will be aware that Government have guaranteed a continued reduction in funding to Public Services in order to reduce debt and improve value for money. With the continued threat of reduced funding; there is a temptation to concentrate on reducing organisational

costs with no regard to the quality of the service we deliver, but as a Senior Management Team, we have concluded that our Service must concentrate on how we continually improve the way we work and as a result; we will identify efficiencies. We are of the belief that if we challenge our current practices, whilst still maintaining a safe, competent and driven workforce and we actively promote innovation in the design of our services; then we will meet our aims.

We hope this year’s Improvement Plan will give you a clear indication of how we did last year and how we intend to build on this good practice into 2015-16. However, should you wish to provide us with feedback on our Plan or our objectives, we would welcome your views. You may do this by various means and these can be found below.

INTRODUCTION

Welcome to our Improvement Plan for 2015-16. We have structured this plan in a way which will help you understand how we intend to provide our services.

Firstly, we would like to invite you to consider if our objectives and priorities meet your needs. These can be found on page ? and page ? In addition, if you feel that you could help us understand our communities, their expectations and needs, please get in touch and give us your view. Details of how you can do this are on the first and last page of this document.

As we know, Public Sector services have been facing substantial reductions in budgets, and indications are that this will continue for many years to come. South Wales Fire and Rescue Service has estimated a financial shortfall of between £8m to £20m over the next five years. If these forecasts come to fruition it will mean even more difficult decisions surrounding the services we deliver as well as changes to current work practices.

Over the past few years, the Service has reduced its staffing levels by 200 employees. It was important to us to avoid compulsory redundancy, so we reached our decisions using a number of carefully controlled phases. We consulted with Trade Unions and employees to ensure that our proposals were fair, equitable and appropriate. As a result, the reduction in staff numbers was achieved through a review of fire station shift patterns, the amalgamation and re-location of appropriate stations and a review of all staff posts across the whole organisation. Decisions were reached using detailed analysis of comprehensive and wide reaching intelligence and data which ensured that our communities were not put at risk by our decisions.

We will continue to review the services we currently provide the difference it s making to our communities and whether we will be able

to sustain all of these services into the future. We have a range of statutory duties that include responding to fire, road traffic collisions and providing community safety advice, to name but a few, but we also attend non-statutory incidents such as rope rescues, flooding and animal rescue incidents. These particular services will need to receive close scrutiny; as to whether we continue to train, equip and respond to such incidents. I can assure you that we will again follow closely controlled, consultative procedures and carefully consider the impact on our staff, communities and other public bodies. If you have a view on these consideration, please let us know.

We are unwilling to compromise the safety of our personnel or the communities that we serve, but we must strive for continuous improvement and value for money against a backdrop of severe budget restrictions.

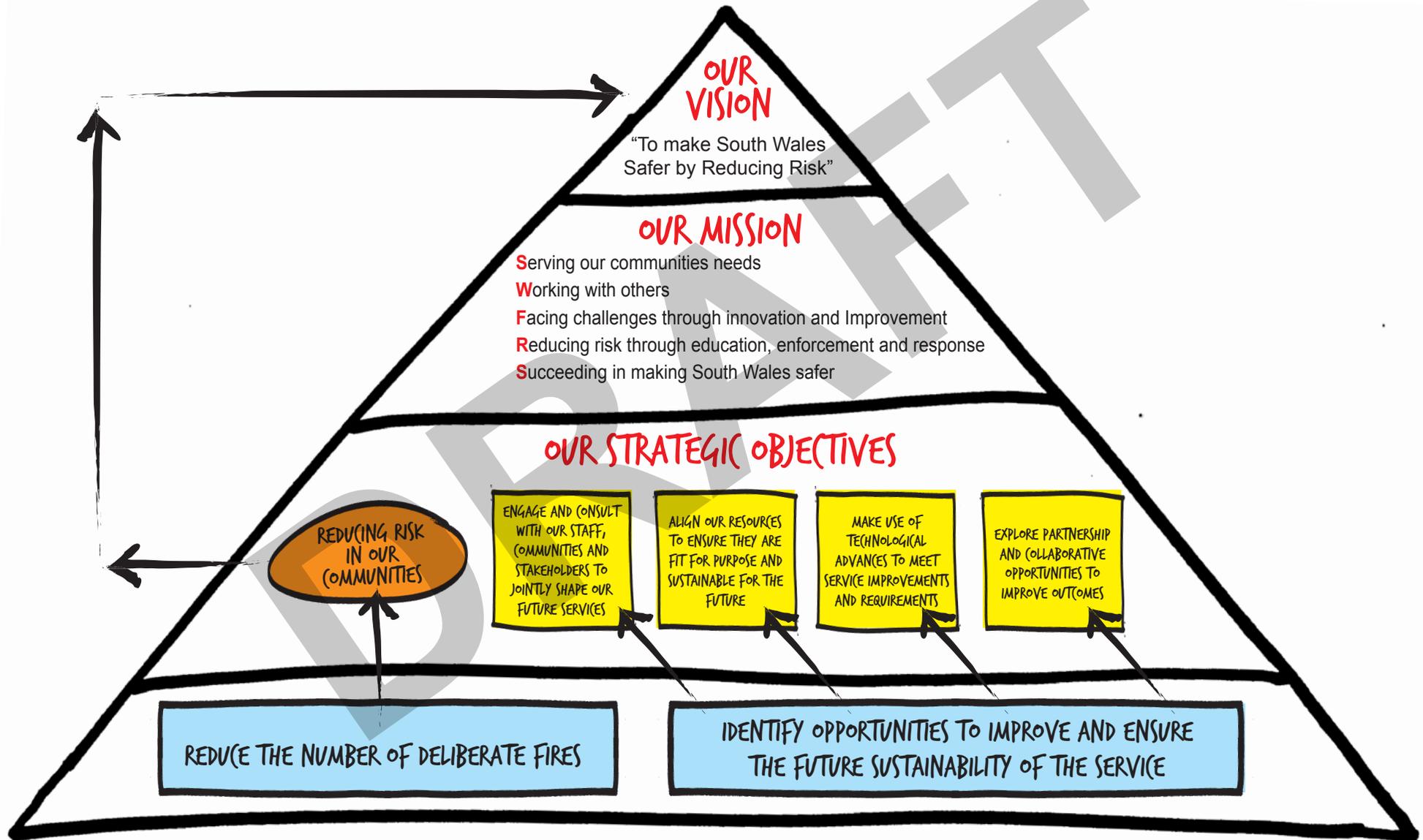
With the potential budget shortfall over the next five years; the Service has been proactive and successful in addressing this in recent years and we will strive to continue to do so. As a consequence, one of our two improvement objectives is to 'Identify opportunities to improve and ensure the future sustainability of the service'.

In the spring we will be undertaking an Awareness Campaign and this will offer our communities, citizens, employees and stakeholders the opportunity to contribute to decisions on the future of our Service.

If you have any suggestions or views, please either complete the 'Have Your View' form at the back of this document or use the other communication options which can be found at the bottom of this page.

We hope you find it useful and informative.

IMPROVEMENT PLAN FOR 2015-16



OUR OBJECTIVES

The local Government (Wales) Measure 2009 guides Fire and Rescue Authorities (FRA's) on their duties. It says that Public Services have a duty to improve their services so that local tax payers receive value for money and service delivery that reflects their needs. It also says that it must plan how it will improve and meet its objectives.

Our objectives for 2015-16 will help us to concentrate on areas which require the greatest attention.

The first is 'to reduce deliberate fire setting', this was chosen because we have identified that deliberate fire setting creates the highest risk in our communities. 71% of fires we attend are caused by deliberate fire setting. This Improvement Plan demonstrates how we intend to counter such unacceptable behaviour and consequently, reduce the number of deliberate fires.

The second objective is to 'Identify opportunities to improve and ensure the future sustainability of the Service'. This has been chosen because we have identified that our budget will be drastically reduced over the next five years. We will need to make our processes and practices more efficient and economical. As a consequence, we have introduced a 'Shaping Our Future' Programme. The aim of this is Programme is to provide a systematic and structured way of identifying inefficiencies and replace these with more innovative and productive ways of working.

We will be publishing our progress on a quarterly basis and this can be found on our website or by clicking on this link www.????



MAKING SOUTH WALES SAFER
BY REDUCING RISK IN OUR COMMUNITIES

OUR IMPROVEMENT OBJECTIVES FOR 2015-2016

Our Improvement objectives help us to focus on what we need to improve this year. We use a range of information to identify and target problem areas, put preventative measures in place and to measure how well we are doing. It also helps us to meet our Vision.

REDUCE DELIBERATE FIRE SETTING

This objective was chosen because deliberate fires, such as grass and refuse fires, continues to account for a large proportion of all fires we attend (71% of all fires attended).

OUR PERFORMANCE

The following data shows how we have performed during 2013-14 and up to Quarter 3 (Q3), which is December 2014 as figures are not yet available for the full financial year.

Statutory Performance Indicators – This is set by Welsh Government (WG).

Statutory PI's	2013/14 Actual	2014/15 Q1-Q3	Target 2014/15	Cause	Effect	Outcome
Total Fires	6838	4598	6000	Dwelling fires account for 13% of all fires attended and deliberate fires account for 71% of all fires attended.	We have intensified reduction initiatives.	Significant improvements at the start of this year. An improvement on previous years. Projections from Q1-Q3, will not meet target
Total Deliberate Fires	4978	3260	4100	Deliberate fires are attributed to grass and refuse fires.	'Bernie'* initiative applied	Improvements in Q1. An improvement compared to last year. Projections from Q1-Q3, will not meet target
Accidental Fire Injuries	53	33	52	Injuries involving cooking appliances can account for the majority of these incidents.	"Get out and Stay Out" campaign over the Christmas period	If reduction is maintained, we will be well below our target.
Accidental Fire Fatalities	5	3	5	These are very low, but an example of the cause is a fatality as a result of a faulty extension lead.	"Get out and Stay Out" campaign over the Christmas period	If this reduction is maintained, we will be well below our target.
Accidental Dwelling Fires	681	498	678	Fires involving cooking appliances can account for the majority of these incidents.	'Electrical safety week' in September and 'Home fire safety' initiative in Jan/Feb	If this reduction is maintained, we will be well below our target.

*Bernie see [Link ...](#)

OUR PERFORMANCE

Local Performance Indicators – This is about performance that is specific to the Service.

Local PI's	2013/14 Actual	2014/15 Q1-Q3	Target 2014/15	Cause	Effect	Outcome
Road Traffic Collisions	1334	962		RTC incidents attribute to 7% of our incidents attended	Poor Weather Driving', 'Drivers and Passengers' and 'Distraction-Eyes On The Road' campaigns	RTC incidents attended are expected to reduce compared with 2013/14..
Attacks on Crew	16	14		Attacks occur on crews mostly from verbal abuse (11 of the 14)	Work continues with the Police to reduce attacks by looking to charge and prosecute the perpetrators.	Despite a number of campaigns and initiatives the number of crews that come under attack are likely to rise in 2014/15. Police made 22 arrests at operational incidents during Quarter 3 of 2014/15
Other Special Service Calls	2182	1559		Incidents such as flooding, rescues of animal and bariatric releases and assistance to other agencies..	Fire Control are aiming to challenge more SSC calls to either 'not attend' or redirect to a more suitable agency.	An increasing trend over the past 5 years with incident like bariatric support and animals rescues. A small decline in flooding and water rescues.
Deliberate Secondary Fires	4196	2705	3289	Account for approx 60% of the total fires attended this year to date.	'Bernie Campaign' (Grass fires), 'Arson Awareness Week' (May)	There have been reductions in deliberate secondary fires attended, but in comparison with other Fire and Rescue Services, we need improvement.
% of Dwelling fires with No Smoke Alarm Fitted	36.54%	40.14%		These incidents account for 232 of our total Primary Dwelling Fires so far this year (578).	Targeted Home Fire Safety Checks to most vulnerable/high risk groups. 3rd Sector Partner agencies; Advertising via Twitter/Facebook and radio adverts 'Test it Tuesday'.	Could potentially rise this year

NB: For 2015-16, the Welsh Government (WG) will be publishing their proposal to replace the current statutory performance indicators (PIs) for Fire and Rescue Authorities (FRA's) in Wales. There will be a set of 3 headline performance indicators (PIs) made statutory under the Local Government (Wales) Measure.

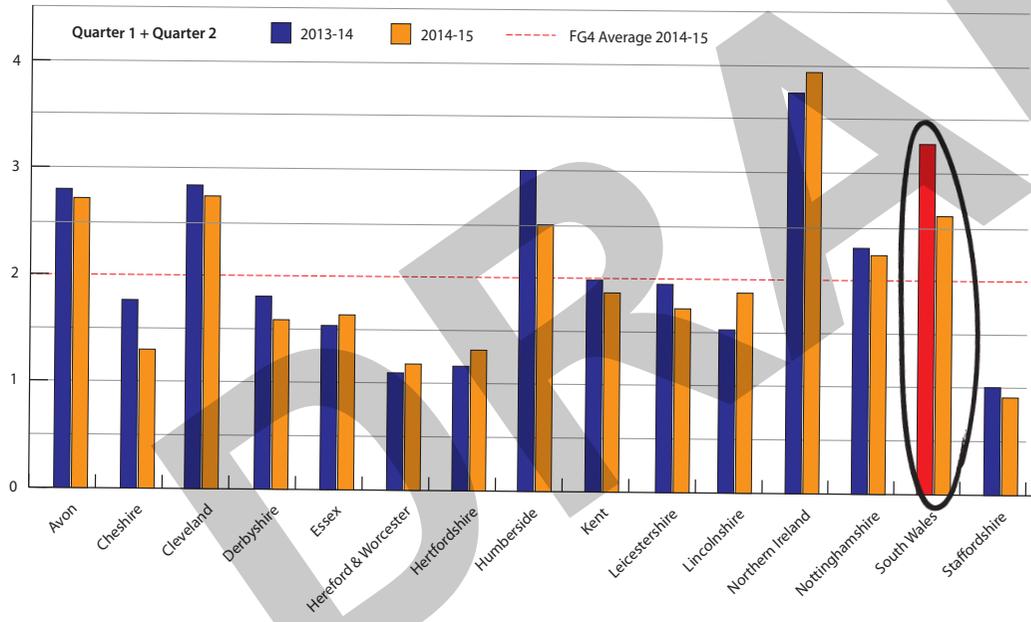
This is because they want us to only measure that which has the greatest impact on our communities. They also propose that supporting PI's, will be referenced in our future Improvement Plans. The three FRA's in Wales will work in partnership to ensure consistency in data collection and reporting.

OUR PERFORMANCE COMPARED WITH OTHER UK FIRE AND RESCUE SERVICES

This graphs show how SWFRS is performing compared to some Fire and Rescue Services in the UK.

The figures for 2014-15 are projected end of year results, meaning that if the same pattern of deliberate fires is followed, this would be the result at the end of the year. This is because the last quarter of 2014-15 figures are not yet available.

DELIBERATE *PRIMARY FIRES PER 10,000 POPULATION



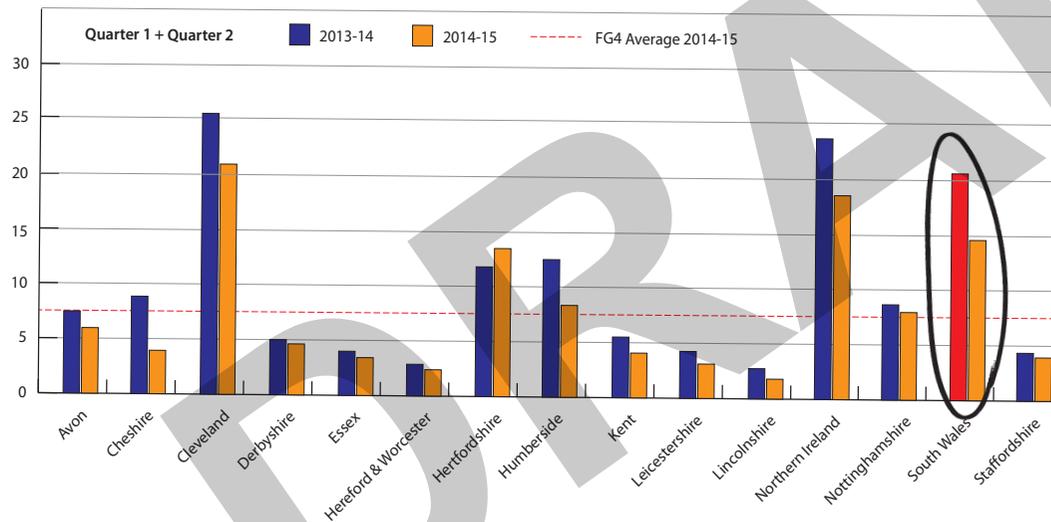
This graph shows that if SWFRS continues with the same number of deliberate primary fires in Quarter 3 and Quarter 4, then it will have the second highest number of deliberate primary fires in the group shown.

*Primary fires - include all fires in buildings, vehicles and outdoor structures or any fire involving casualties, rescues or fires attended by 5 or more appliances.

OUR PERFORMANCE COMPARED WITH OTHER UK FIRE AND RESCUE SERVICES

This graphs show how SWFRS is doing compared to some Fire and Rescue Services in the UK.

DELIBERATE *SECONDARY FIRES PER 10,000 POPULATION



This graph shows that if SWFRS continues with the same number of deliberate secondary fires in Quarter 3 and Quarter 4, then it will have the third highest number of deliberate secondary fires in the group show

***Secondary fires** - are the majority of outdoor fires including grassland and refuse fires unless they involve casualties or rescues, property loss or five or more appliances attend. They include fires in single derelict buildings.

REDUCE DELIBERATE FIRE SETTING

Why is this important?	How will we do this?	What will be the impact on communities?	How will we measure it?
<p>Deliberate fire setting accounts for 71% of all fires attended by SWFRS. We are experiencing a considerably higher level of deliberate fire setting compared with the Welsh average and other Fire and Rescue Services in the UK. * See page ?</p>	<ul style="list-style-type: none"> • Further develop initiatives and activities to change the behaviours of those who fire set. • Work closely with other agencies and stakeholders. • Publicise our “Bernie Project” *which focuses on the areas affected by the highest levels of deliberate grass fires. • Work closely with the Police to share information on suspected arson activity. • Use information sharing between departments and agencies. • Engage with land owners to address issues in the countryside. • Develop Community Risk Management Plans at Fire Station to focus on local issues. • Consider further grass arson initiatives. • Develop a strategy for dealing with refuse arson. • Targeted risk reduction activity. 	<ul style="list-style-type: none"> • The risk to communities will be reduced. • There will be less disruption caused by deliberate fires in communities. • Less time spent on clearance after incidents. • The cost of dealing with deliberate fires will reduce. • The community will see a reduction in anti-social behaviour associated with deliberate fire setting. • Less damage to the environment flora and fauna improving feel good factor. 	<p>Using data, we will identify that by April 2016, that there will have been a 41% reduction in deliberate fires compared with the 2010/11 baseline.</p>

<p>This will ensure the safety of life and properties in our communities.</p>	<ul style="list-style-type: none"> Using a variety and wide scope of data. 	<p>We will be better informed of vulnerable groups and how we have performed.</p>	<p>A variety of assessments and statutory audits and inspections. Benchmark against performance from other Services. Customer satisfaction and feedback on service delivery and successful outcomes of projects.</p>
<p>Understanding how other Fire and Rescue Services provide their services.</p>	<ul style="list-style-type: none"> Identify and review UK and international methods of fire and rescue service delivery. 	<p>Insight into more innovative and different ways of working. Success. Improvement on service delivery, better value for money as citizens.</p>	<p>Evaluate practices to assess best interests of our communities. Record efficiencies and improvements.</p>
<p>The right number of people in the right place, with the right skills and equipment, who reflect our community demographics.</p>	<ul style="list-style-type: none"> Assess our current practices in recruitment and development and undertake Positive Action. Investigate Succession Planning. Research to identify modern firefighting equipment options. We will develop comprehensive Communication Plans and enhance our communication methods to ensure our employees are informed to ensure they are aware of the Service priorities and how this impacts on them. 	<p>Ensure sufficient numbers of skilled staff who are correctly positioned. Identify community need and protect them from incidents. Ensure that our staff have appropriate and safest equipment to carry out their duties. Be able to recruit people who reflect our communities. Select and promote people with proven ability and the correct knowledge and skills.</p>	<p>Learning, development evaluated for success rates, the difference it makes to individuals when carrying out their duties. Assess our Fire Cover Review Project* to ensure the recommendations are implemented, still address current risks, meet the needs of the service and the public we serve. Identify recent developments in firefighting and business safety equipment and evaluate the value these have made to the Service. Benchmark developments against current success and build upon these. Through Shaping Our Future Programme*, measure the success of communication and engagement within the Service</p>
<p>Our data informs us that currently, parts of South Wales are experiencing high incidents of deliberate fire setting.</p>	<ul style="list-style-type: none"> Consult with our citizens', communities and local businesses needs, Continue to communicate and educate to 	<p>Will influence and educate those who deliberately fire set by informing them of the negative and sometimes devastating</p>	<p>Continue to monitor and evaluate the results to ensure that they continue or improve.</p>

	<p>inform on measures they can put in place to prevent incidents and explain the impact of incidents. Provide a variety of methods to inform them where this information can be found and how we can help. Work closely with other Services and Agencies to share and utilise essential information about our communities.</p>	<p>effects of such action.</p> <ul style="list-style-type: none">• Communities will become more knowledgeable and proactive in incident prevention. This will increase as younger generations become older generations. Specific community risk and vulnerable groups will be easier to identify and we can therefore target those most in need. Thereby ensuring that their safety is in hand.	<p>Monitor any improvements in intelligence and identify where and why success has occurred,</p>
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*See link for further information on the Fire Cover Review [Link:](#)

*See link for further information on the Shaping Our Future Programme [Link:](#)

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OUR IMPROVEMENT OBJECTIVES FOR 2015-2016

Our Improvement objectives help us to focus on what we need to improve this year. We use a range of information to identify and target problem areas, put preventative measures in place and to measure how well we are doing. It also helps us to meet our Vision.

**IDENTIFY OPPORTUNITIES TO IMPROVE AND ENSURE
THE FUTURE SUSTAINABILITY OF THE SERVICE**

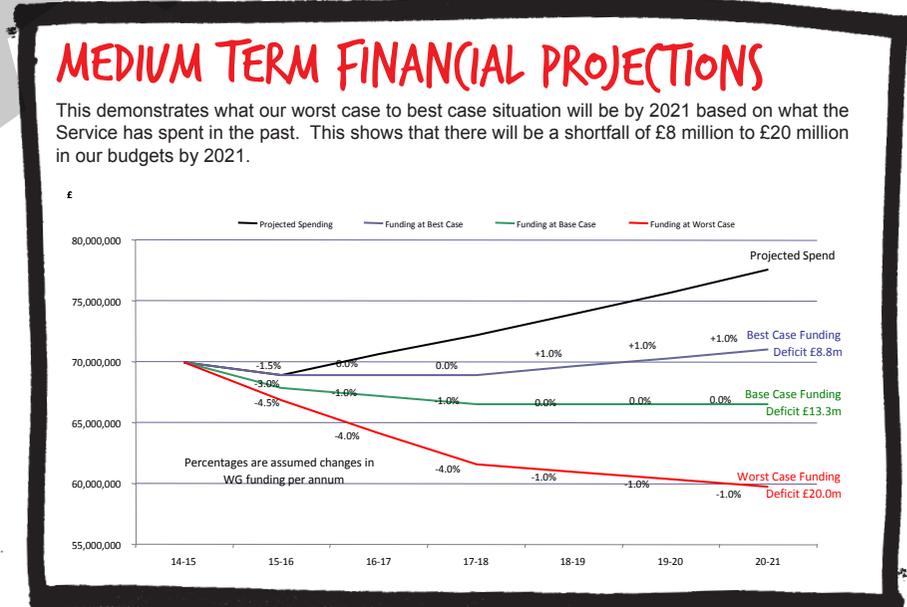
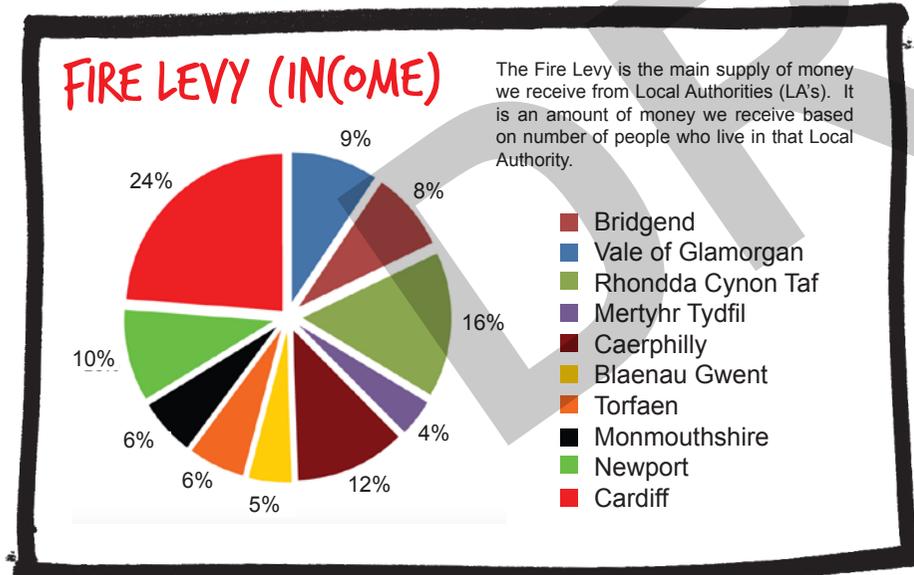
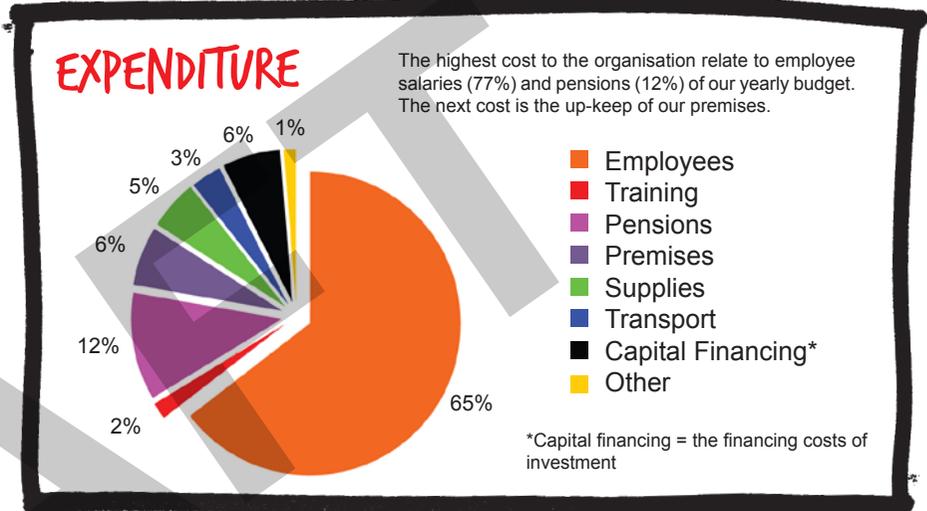
In the current economic climate, our goal is to ensure the services we provide are fit for purpose, balanced against risk, provide value for money to tax payers and remain sustainable. This objective will help us ensure that efficiency is at the heart of our daily work.

OUR BUDGET

As is the case for all Public Sector Organisations, the Fire and Rescue Service will also be affected by the ongoing financial pressures. However, through our financial planning arrangements, we continue to balance service delivery against community needs, whilst seeking continual improvement opportunities. Our Medium-term Financial Plan provides us with a measured and timely approach to addressing current funding challenges and is the foundation for our long-term planning assumptions.

We have made long-term financial predications, which will assist us in deciding on our strategic planning objectives from this. We have identified that there is a potential budget deficit of between £8.8m and £20m.

The graphs below outline our expenditure our income and our long-term financial prediction to 2020-21.



IDENTITY OPPORTUNITIES TO IMPROVE AND ENSURE THE FUTURE SUSTAINABILITY OF THE SERVICE

Why is this important?	How will we do this?	What will be the impact on communities?	How will we measure it?
<p>So that we can consider different ways of providing our service delivery. Our communities have changed and SWFRS needs to ensure that our assets and resources are correctly positioned and fit for purpose to be sustainable in the future.</p>	<p>Review resources and assets against priorities and implement a flexible approach. Investigate ways of further generating income. Review our current process to identify more efficient and effective ways of working, supported by our Shaping Our Future Programme*. Human Resource methodologies will be investigated and implemented, such as succession planning, structural re-planning and improved use of personal development reviews. We will continue to review the Services Information Communication and Technology (ICT) software to become more efficient, effective and economical. Alongside this we will ensure that we have sufficient and fit for purpose ICT equipment to facilitate a technological environment.</p>	<p>Communities will receive better value for money and service delivery will improve.</p>	<p>A part of our five year ambition for 2020. There will be an ongoing year on year process of building on our previous year's performance. We will continue to use our evaluation and performance measures, but we will also capture evidence of tangible and non-tangible benefits. These will also enable us to ensure that we have skilled leaders, now and for the future. With the use of technology, we will accurately identify the skills of our workforce and highlight any gaps. This information will direct our Training and Development initiatives.</p>

<p>As a Public Service, we have an obligation to continuously improve. SWFRS is striving to be as efficient as possible. Becoming more innovative in how we do things. Understanding the needs of our communities and ensuring that we maintain our high standard of service delivery, against the on-going financial constraints.</p> <p>The Commission on Public Service Governance and Delivery Report *highlighted a number of changes required by Public Services and this included Fire and Rescue Services. We will need to plan and adhere to items highlighted in this Report.</p>	<p>Reduce duplication across Departments and other Welsh Fire and Rescue Services, Benchmark against other similar Services. Further collaborate with other Agencies to develop joint working. Further publicise our role within communities and the flexibility of our functions and change perceptions.</p> <p>Continue to use the very successful National Issues Committee* to identify further collaborative and integrated working. Shaping Our Future Project* will, over time identify how we can work more efficiently and provide better value for money</p>	<p>Better value for money and greater efficiencies. Through openness and accountability; communities will be able to identify what work we have done to strive for these and how successful we have been. This will reassure communities that we are trying to do our best. Through publication, communities will see differences to their service delivery. This may be a change in boundaries for Public Service, including contract and expansion of services we currently provide.</p>	<p>Through small incremental changes or vast large scale project implementation. Financial monitoring and control will be essential to ensure our communities still receive a high standard of service delivery.</p>
<p>Our communities have changed over time and SWFRS needs to ensure that our assets and resources are correctly positioned and fit for purpose for us to be sustainable in the future.</p>	<p>We will continue with our Fire Cover Review; this is a programme of information gathering in order to make informed decisions on whether our stations are correctly positioned against risk</p>	<p>Fire stations will be located where they can best serve their communities. The sale of land will generate income to the Service. There will be a reduction in staff levels. Stations will be correctly located according to risk</p>	<p>We will monitor income generation from the sale of land and expenditure of new properties. Due to positive changes to working conditions, there will be positive effects on employees.</p>
<p>We will continue to work in partnership with other emergency services and agencies to identify where the greatest need for our services are.</p>	<p>Use of a variety of information from stakeholders, partners and other agencies, such as it is adding value to the understanding we have of our communities.</p>	<p>Understand the needs of our communities to target those most in need.</p>	<p>Assess whether we gain access to a greater amount of information than we previously had and to measure if it is more informative and constructive to us.</p>

Obligation to ensure our employees work in a safe environment and their health and well-being is considered.	Through Policies and Procedures and initiatives, we will ensure that health, safety and wellbeing are at the forefront of our People Management. By continuing to offer flexible working conditions which ensure adequate work-life balance and meet family and dependant commitments.	By adhering to Health and Safety and Employment Law and by appropriate training and education, our employees will work in a safe environment, which will ensure our service delivery remains high.	Monitor our sickness levels and use of our Occupational Health Services. Monitor accidents and injuries to our employees to identify if there are any risks or vulnerability that must be countered.
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*See link for further information on the National Issues Committee [Link:](#)

*See link for further information on the Williams Report [Link:](#)

* See link for further information on the Shaping Our Future Programme [Link:](#)

*See link for further information on the Fire Cover Review [Link:](#)

See link for further information on the Shaping Our Future Programme [Link:](#)

DRAFT

DID YOU KNOW?

DID YOU KNOW?

DWELLINGS WITH NO SMOKE ALARM ACCOUNTED FOR 38% OF DEATHS IN HOME FIRES IN GREAT BRITAIN⁽¹⁾

HOME FIRE SAFETY CHECK SCHEME

WE WILL VISIT YOU AT HOME TO OFFER ADVICE ON HOW TO MAKE YOUR HOME SAFE AND WHERE APPROPRIATE FIT A SMOKE ALARM FOR FREE

DID YOU KNOW?

THE MAIN CAUSE OF ACCIDENTAL FIRES IN DWELLINGS IS THE MISUSE OF EQUIPMENT OR APPLIANCES (13,300 CASES IN 2013-14)

DID YOU KNOW?

THAT THE MAJORITY OF CARS INVOLVED IN CRASHES ACROSS SOUTH WALES WERE DRIVEN BY SOMEONE AGED 16-24 (22.62%)⁽²⁾

DOMINO

'DOMINO EFFECT' IS A HARD HITTING INITIATIVE WHICH AIMS TO EDUCATE NEW DRIVERS & YOUNG PEOPLE OF THE EFFECTS ONE ROAD TRAFFIC COLLISION CAN HAVE ON MANY LIVES.

DID YOU KNOW?

THERE WERE 21,900 DELIBERATE PRIMARY FIRES IN GREAT BRITAIN IN 2013-14, 44% OF THESE INVOLVED ROAD VEHICLES.⁽¹⁾

YOUTH AND EDUCATION SERVICES

EDUCATION SERVICES OFFER AN EXTENSIVE MENU OF OPPORTUNITIES FOR THE PUBLIC TO ENGAGE WITH FIRE SAFETY ISSUES FROM EARLY YEARS TO POST-RETIREMENT. WE OFFER A VIVID SERIES OF SCENARIOS THAT MAY BE ACCESSED BY TEACHERS OR DELIVERED DIRECTLY BY OUR HIGHLY SKILLED AND EXPERIENCED TEAM OF EDUCATION ADVISORS.



'THE HEAT IS ON'

WE CARRY OUT AN ANNUAL MEDIA CAMPAIGN HIGHLIGHTING SAFETY IN THE HOME AND THE DANGERS OF IRRESPONSIBLE COOKING.

IF YOU WOULD LIKE TO KNOW MORE ABOUT OUR ROAD SAFETY, YOUTH AND EDUCATIONAL SERVICES, OUR FIRE CRIME UNIT, HOME FIRE SAFETY CHECKS, ASSISTANCE FOR THOSE WHO ARE HARD OF HEARING; PLEASE CONTACT US ON ...

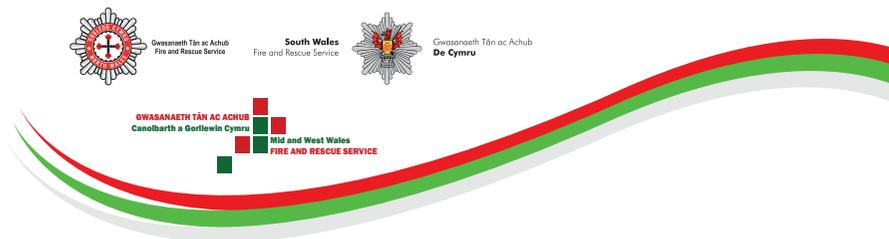
⁽¹⁾Department for Communities and Local Government; Fire Statistics: Great Britain April 2013 – March 2014

⁽²⁾Department of Transport, Road Traffic Collisions for South Wales Unitary Authority, 2008-2012

OUR COLLABORATIVE AND PARTNERSHIP WORK

Partnership work between agencies is essential and we have formed many wide-reaching and very effective partnership links which have been very useful in the identification of vulnerable groups in the South Wales area. These partnerships have helped us to improve how we identify those most at risk in our communities, as well as helping us to work closer to serve our public more pro-actively.

NATIONAL ISSUES COMMITTEE



The National Issues Committee (NIC) was introduced in 2012 by Fire and Rescue Services in Wales. Its aim is to encourage collaborative working, to identify savings, efficiencies and economic benefits within the communities of Wales.

SWFRS has been recently awarded the 'Outstanding Change Leadership' at the recent All Wales Continuous Improvement Community National Conference for their exceptional collaborative work it carries out.

Currently, there are six key collaborative areas. These are:

• NATIONAL (REWIND) ARRANGEMENTS

This will identify the best way to ensure we have the right number of staff in the right place at the right time. It will look at how blue light services, other public sector and private sector organisations in the UK, Europe.

• NATIONAL COMMUNITY SAFETY DELIVERY SYSTEMS

This will ensure that there is consistency to Business Fire Safety and Community Safety work across Wales. The three Fire and Rescue Services will work the same and that there is an 'all Wales approach'. There will be best practice wherever possible

• JOINT PUBLIC SERVICE CENTRE PROJECT

This project concerns the merging SWFRS and Mid and West Wales Fire and Rescue Service (MAWWFRS). We have relocated to the newly formed team with the South Wales Police (SWP) Emergency Control Centre at South Wales Police Headquarters. The benefits of this project will be an improved level of service delivery to the public experiencing emergencies and a financial saving of over £1m per annum.

• NATIONAL FIRE COVER REVIEW

Over time, communities have changed, such as newly built homes, roads and businesses. However, many of our Fire Stations are still in the same place with the same number of fire engines and Firefighters. Over the last ten years the number of emergencies we have attended has reduced. This means that the people of Wales are safer than ever before, but we believe we can still do more if our Firefighters and stations are in the right place at the right time.

We have carefully considered a lot of different information and from this and in consultation with yourselves, we have been able to identify whether we needed to move our resources to areas where they were needed most.

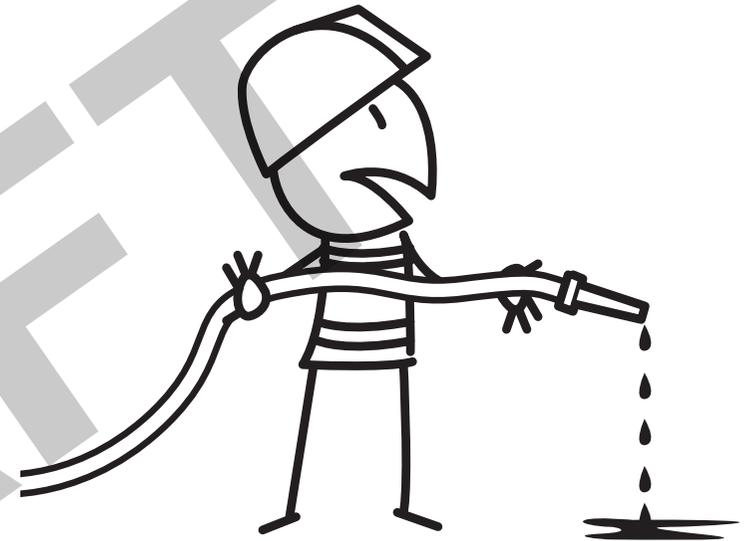
• NATIONAL FLEET AND TRANSPORT

This project will identify areas where efficiency savings can be made by working closer together, and establishing a joint approach to managing our fleet and maintenance and assets. It will build upon the all Wales Fire and Rescue Service's strong relationships to help us to succeed.

• NATIONAL ICT PLATFORM

This will ensure that all three Services are able to work with modern equipment and software. It will investigate local and international approaches and will identify the most efficient and appropriate ways of working, so that we can keep our communities safe.

**If you would like further information on the NIC
and any of these initiatives, please go to
www.nicwalesfire.org.uk**



ALIGN OUR RESOURCES TO ENSURE THEY
ARE FIT FOR PURPOSE

IF YOU ARE AN AGENCY OR A MEMBER OF THE PUBLIC WHO WOULD LIKE TO LEARN MORE, PLEASE GET IN TOUCH.

WWW.SOUTHWALES-FIRE.GOV.UK

01443 232000

CONSULTATION - LISTENING TO WHAT YOU HAVE TO SAY

South Wales Fire and Rescue Service is anticipating a great deal of change to their service delivery over the next five years and we need our communities to help us make the right decisions on how we can improve.

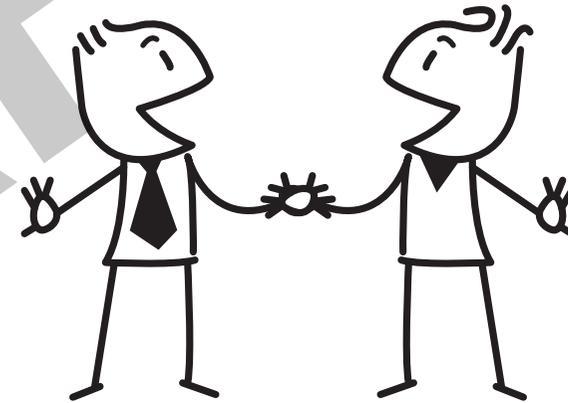
It is important for us to provide opportunities for our citizens to have their say about the services we provide. More importantly, we fully understand that if we do not listen and act on what you tell us is important to you; our services will not reflect your needs and expectations.

We will be launching a campaign in April called the 'We Are...' campaign*. It aims to raise awareness of the services we provide and send a clear message to our communities about how their fire and rescue service help them and why.

This initiative will be launched through a series of newspaper articles and radio campaigns. We will offer you the opportunity to tell us about what matters most to you and invite you to provide us with further information by asking you to complete a survey. The results of this survey will inform us of what you think of the services we provide, what matters most to you and help us to design our services for the future.

We already provide a number of communication and consultation activities such as focus groups, surveys and panels to make sure that we keep you informed. This, alongside partnership working with a range of other organisations and groups, enables us to reduce fire crime and disorder, to educate you on what you must do in the event of a fire; as well as how you can stop fires happening.

Come along and help us to shape the services you want us to provide.



EXPLORE PARTNERSHIP AND COLLABORATIVE OPPORTUNITIES

IF YOU WOULD LIKE FURTHER INFORMATION ABOUT THE CAMPAIGN, PLEASE GO TO OUR WEBSITE ON

WWW.SOUTHWALES-FIRE.GOV.UK

HELP US TO HELP YOU!



HAVE YOUR SAY

Please take some time to provide us with feedback on this Improvement Plan and provide us with your views and expectations from South Wales Fire and Rescue Service.

CONSULTATION ENDS ON 31ST MAY 2015 - HELP US TO HELP YOU!

Your Local Authority area Date

IF YOU WOULD LIKE TO TAKE PART IN ANY FUTURE SURVEYS, PLEASE CONTACT A MEMBER OF THE ENGAGEMENT, TRANSFORMATION AND PERFORMANCE TEAM ON 01443 232000 OR HAVEYOVSAY@SOUTHWALES-FIRE.GOV.UK

Our Improvement Plan		
1. Did you find this document easy to read?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2. Did you understand the language used?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
3. Was the information meaningful and useful?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4. Did we explain the information contained in the document clearly?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5. Did we explain our objectives clearly?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
6. Did we explain our achievements clearly?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
7. Did this document help you understand how our service delivery can help you and your community?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If you answered NO to any of the above questions, please give us the reason why and ideas on how we could improve		

Use of our services	
1. Have you ever needed to call on the Fire and Rescue Service?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. What was the reason?	
3. How well did we deliver this service? (Please score 1 = Very badly 5 = Highly)	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
4. Where could we improve?	
5. What else could we do to may you feel safer?	
6. What services would you like us to deliver to you and your community that we currently do not?	
7. Our vision and primary aim is "to make South Wales safer by reducing risk", how do you think SWFRS is doing in relation to achieving our vision? (Please score 1 = Very badly 5 = Highly) Please provide further information:	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>

Our Objectives
1. Do you have any suggestions for future improvements we may consider?
2. If YES, why have you chosen these suggestions? How will this information help you? How will this information help you?



South Wales Fire and Rescue Service IMPROVEMENT PLAN FOR 2015-2016

OUR STRATEGIC OBJECTIVES FOR 2015-2020

- Reducing Risk in our Communities
- Engage and Consult with our staff, communities and stakeholders to jointly shape our future services
- Align our resources to ensure they are fit for purpose and sustainable for the future
- Make use of technological advances to meet service improvement and requirements
- Explore partnership and collaborative opportunities to improve outcomes

OUR VISION

"To make
South Wales Safer
by Reducing Risk"

OUR IMPROVEMENT OBJECTIVES FOR 2015-2016

Our Improvement objectives help us to focus on what we need to improve this year. We use a range of information to identify and target problem areas, put preventative measures in place and to measure how well we are doing. It also helps us to meet our Vision.

REDUCE DELIBERATE FIRE SETTING

This objective was chosen because deliberate fires, such as grass and refuse fires, continues to account for a large proportion of all fires we attend. (71% of all fires attended).

IDENTIFY OPPORTUNITIES TO IMPROVE AND ENSURE THE FUTURE SUSTAINABILITY OF THE SERVICE

In the current economic climate, our goal is to ensure the services we provide are fit for purpose, balanced against risk, provide value for money to tax payers and remain sustainable. This objective will help us ensure that efficiency is at the heart of our daily work.

STATUTORY PERFORMANCE INDICATORS

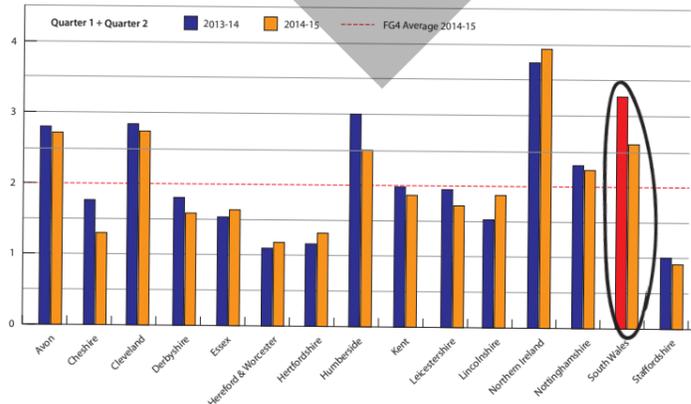
STATUTORY PI'S	2013-14 ACTUAL	2014-15 Q1-Q3	TARGET 2014-15	TARGET ACHIEVED?
Total Fires	6,838	4,598	6,000	No
Total Deliberate Fires	4,978	3,260	4,100	No
Accidental Fire Injuries	53	33	52	Yes
Accidental Fire Fatalities	5	3	5	Yes
Accidental Dwelling Fires	681	498	678	Yes

LOCAL PERFORMANCE INDICATORS

LOCAL PI'S	2013-14 ACTUAL	2014-15 Q1-Q3	TARGET 2014-15	TARGET ACHIEVED?
Road Traffic Collisions	1,334	962		Not set
Other Special Service calls (e.g. Flooding)	2,182	1,559		Not set
Deliberate Secondary Fires (e.g. Grass)	4,196	2,705	3,289	Not set
% of Dwelling Fires with no smoke alarm fitted	36.54%	40.14%		Not set

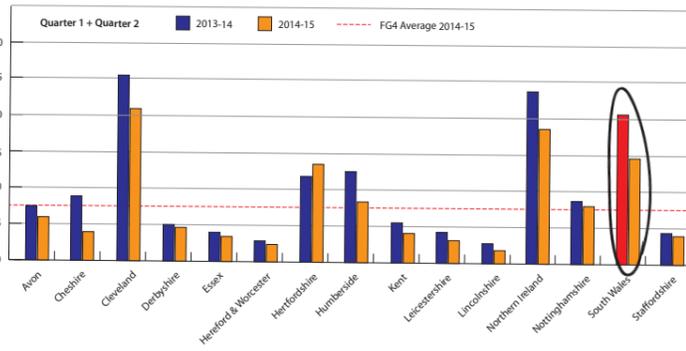
OUR PERFORMANCE COMPARED WITH OTHER UK FIRE AND RESCUE SERVICES - 2013-14 Q1-Q4; 2014-15 Q1-Q2

DELIBERATE *PRIMARY FIRES PER 10,000 POPULATION



*Primary fires - include all fires in buildings, vehicles and outdoor structures or any fire involving casualties, rescues or fires attended by 5 or more appliances.

DELIBERATE *SECONDARY FIRES PER 10,000 POPULATION



*Secondary fires - are the majority of outdoor fires including grassland and refuse fires unless they involve casualties or rescues, property loss or five or more appliances attend. They include fires in single derelict buildings.

NEED A HOME FIRE SAFETY CHECK OR A BUSINESS PREMISE FIRE SAFETY CHECK? THEN GET IN TOUCH!
HAVE YOUR SAY! ANY SUGGESTIONS FOR IMPROVEMENT? HELP US TO HELP YOU!



CONTACT US: WWW.SOUTHWALES-FIRE.GOV.UK - 01443 232000

SOUTH WALES FIRE & RESCUE AUTHORITY

AGENDA ITEM NO 6.iv
16 MARCH 2015

REPORT OF THE ASSISTANT CHIEF OFFICER PEOPLE SERVICES**LOCALISM ACT 2011 – PAY POLICY STATEMENT****SUMMARY**

The Localism Act which came into being in November 2011 requires South Wales Fire & Rescue Authority to publish a Pay Policy Statement by 31 March of each financial year that provides information for the following financial year.

RECOMMENDATION

Members endorse South Wales Fire & Rescue Authority's Pay Policy Statement for re-publication on 31 March 2015.

1. BACKGROUND

1.1 The Localism Bill 2011 includes the provision that requires stand alone Fire & Rescue Authorities to publish a Pay Policy Statement each year.

1.2 A Pay Policy Statement is expected to comply with the following elements:-

1.2.1 A relevant Authority must prepare a Pay Policy Statement for the financial year 2012/2013, and each subsequent year.

1.2.2 A Pay Policy Statement for a financial year must set out the Authority's policies for the financial year relating to:-

- (a) the remuneration of its Chief Officers
- (b) the remuneration of its lowest paid employees, and
- (c) the relationship between:-
 - the remuneration of its Chief Officers, and
 - the remuneration of its employees who are not Chief Officers.

1.3 The Statement must state:-

1.3.1 The definition of 'lowest paid employees' adopted by the Authority for the purposes of the Statement, and

1.3.2 The Authority's reasons for adopting that definition.

1.4 The Statement must include the Authorities policies relating to:-

1.4.1 The lever and elements of remuneration for each Chief Officer.

- 1.4.2 Remuneration of Chief Officers on recruitment.
 - 1.4.3 Increases and additions to remuneration for each Chief Officer.
 - 1.4.4 The use of performance related pay for Chief Officers.
 - 1.4.5 The use of bonuses for Chief Officers
 - 1.4.6 The approach to the payment of Chief Officers on their ceasing to hold office or to be employed by the Authority, and
 - 1.4.7 The publication of and access to information relating to remuneration of Chief Officer.
- 1.5 A Pay Policy Statement for a financial year may also set out the Authority's policies for the financial year relating to the other terms and conditions applying to the Authority's Chief Officers.
- 1.6 There are supplementary provisions relating to Statements as follows:-
- 1.6.1 A relevant Authority's Pay Policy Statement must be approved by a resolution of the Authority before it comes into force.
 - 1.6.2 The first Statement was prepared and approved before the end of 31 March 2015.
 - 1.6.3 A relevant Authority may by resolution amend its Pay Policy Statement, including after the beginning of the financial year to which it relates.
 - 1.6.4 As soon as is reasonably practicable after approving or amending a Pay Policy Statement, the Authority must publish the Statement or the amended Statement, in such manner as it things fit, which must include publication on the Authority's website.

2. ISSUES

- 2.1 Attached at Appendix 1 is the South Wales Fire & Rescue Authority's revised Pay Policy Statement which addressed the current requirements of the Localism Act 2011.
- 2.2 Wales Government initiated a consultation exercise to update 'Pay Accountability in Local Government in Wales'. The consultation event resulted in the creation of the current format Pay Policy Statement.

2.3 Wales Government is expected to issue revised governance guidance to enable Authorities to redefine their Pay Policy Statement.

2.4 At its meeting on 26 January 2015, the HR & Equalities Committee determined that the revised Pay Policy Statement be recommended to the Fire & Rescue Authority for approval, and publication for the 2014/2015 financial year.

3. EQUALITY RISK ASSESSMENT

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

3.2 The assessment concluded that in light of recent salary related determinations there will be a need for individual Equality Risk Assessments to ensure that there are no adverse impacts on any individual or group of personnel arising from the publication of the Policy Statement.

4. RECOMMENDATION

4.1 That Members endorse South Wales Fire & Rescue Authority's Pay Policy Statement for re-publication on 31 March 2015.

Contact Officer:	Background Papers:
ACO Philip Haynes Director of People Services	Localism Act 2011 Hutton 2011 – Review of Fair Pay in the Public Sector

SOUTH WALES FIRE & RESCUE AUTHORITY



LOCALISM ACT 2011: PAY POLICY STATEMENT

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

	<p>services (Green Book)</p> <ul style="list-style-type: none"> British Medical Association (BMA) guidance within the Occupational Physician (Consultant initial appointment) salary range Joint Negotiating Committee for Local Authority Craft and Associated Employees 	
2.3	Pay levels are reviewed annually by these committees and any “cost of living” award is reported to the Fire & Rescue Authority for agreement and to authorise implementation.	FA 15.12.14
2.4	The Fire & Rescue Authority has local pay bargaining arrangements for other employees in scope of this policy and any locally agreed ‘cost of living’ award is approved by the Fire and Rescue Authority and applied to their remuneration rate. (Auxiliary Firefighters)	FA 15.12.14
3.	LEGAL CONTEXT	
3.1	Section 38 (1) of the Localism Act 2011 requires English and Welsh Local Authorities to produce a Pay Policy Statement for 2012/2013 and for each financial year after that. The Bill as initially drafted referred solely to Chief Officers (a term which includes both statutory and non-statutory Chief Officers, and their Deputies); but amendments reflecting concerns over low pay and also drawing on Will Hutton’s 2011 ‘Review of Fair Pay in the Public Sector’ introduced requirements to compare the policies on remunerating Chief Officers and other employees, and to set out policy on the lowest paid.	FA 15.12.14
3.2	<p>The Act as finally passed requires the Pay Policy Statement to range over disparate aspects of remuneration policy and must include the following:-</p> <ul style="list-style-type: none"> A Local Authority’s policy on the level and elements of remuneration for each Chief Officer A Local Authority’s policy on the remuneration of its lowest-paid employees (together with its definition of “lowest-paid employees” and its reasons for adopting that definition) A Local Authority’s policy on the relationship between the remuneration of its Chief Officers and other Officers A Local Authority’s policy on other specific aspects of Chief Officers’ remuneration: remuneration on recruitment, increases and additions to 	FA 15.12.14

	remuneration, use of performance-related pay and bonuses, termination payments and transparency	
3.3	The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments.	FA 15.12.14
3.4	For the purposes of this statement the term “Chief Officer” is not limited to Heads of Paid Service or statutory Chief Officers. It also includes those who report directly to them both statutory and non statutory. For South Wales Fire & Rescue Service this includes the Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officers and Assistant Chief Officers.	FA 15.12.14
3.5	The Localism Act 2011 requires Authorities to develop and make public their Pay Policy on all aspects of Chief Officer Remuneration (including on ceasing to hold office), and that pertaining to the ‘lowest paid’ in the Authority, explaining their Policy on the relationship between remuneration for Chief Officers and other groups.	FA 15.12.14
3.6	In discharging its legislative responsibilities for transparency under the above Localism Act, South Wales Fire & Rescue Authority’s Pay Policy details each of the arrangements that have been resolved.	FA 15.12.14
4.	PRINCIPAL OFFICERS’ PAY CONSTRUCT	
4.1	National Joint Council circular (ref number 28/05/04) dated 28 May 2004 dealt with the Principal Officers pay settlement and reinforced a previous recommendation that a local review of the pay levels of senior staff should be undertaken.	FA 15.12.14
4.2	Fire & Rescue Authority, (ref number Minute 11) May 2004, considered the issue of senior staff remuneration in the context of the modernisation agenda and national advice was that local reviews of pay levels of senior staff should be undertaken where there has been no such review in recent years.	FA 15.12.14
4.3	The Fire & Rescue Authority recently resolved that the HR & Equalities Committee should be assigned to consider Principal Officers’ remuneration and their findings reported to the full Fire & Rescue Authority for final determination.	FA 15.12.14

4.4	South Wales Fire & Rescue Authority's Executive Leadership Team remuneration matrix is identified as comprising:-	FA 15.12.14
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Title	% of CFO salary		Comp Level	Non Ops %
Chief Fire Officer	100%			
Either, Deputy Chief Fire Officer	80%			100%
Or, Deputy Chief Officer				95%
Assistant Chief Fire Officer	75%	Point 4	Operational	100%
Assistant Chief Officer		Point 3	Strategic Response	95%
		Point 2	Business Continuity	82.5%
		Point 1	Baseline	70%
Treasurer*			Baseline	60%
* The Treasurer reports directly to the FRA, holds no directorate responsibility and is employed for 100 days per annum.				

4.5	Fire and Rescue Authority, (Ref number Minute 156 May 2009), determined that the non-uniformed Assistant Chief Officer salary bandings would be competency based and determined in direct proportion to the job activities.	FA 15.12.14
4.6	To meet the Service's functional needs the resulting remuneration structure had to reflect the commitment to providing a resilient and flexible service.	FA 15.12.14
4.7	Fire & Rescue Authority, (Ref number Minute 67, September 2009), resolved that the Executive Leadership Team would be comprised of five directors. In addition, the Treasurer reports directly to the Fire and Rescue Authority, but holds no directorate responsibility.	FA 15.12.14
4.8	Fire and Rescue Authority, (December 2010), resolved to advertise the Deputy Chief Officer's post and to open the applications to both uniformed and non-uniformed candidates, with a Deputy Chief Officer's remuneration	FA 15.12.14

	being set at 95% of that of a Deputy Chief Fire Officer.	
4.9	Fire and Rescue Authority revisited relevant percentage variances at Deputy and Assistant levels and in February 2011 further resolved that the titles and grading arrangements identified in Paragraph 4.4 be introduced.	FA 15.12.14
4.10	Assistant Chief Officer's baseline remuneration is established at 70% of the full rate of the Assistant Chief Fire Officer, and is subject to additional emoluments. There is no automatic entitlement to a competence related level as each emolument must be evidence based prior to enactment.	FA 15.12.14
4.11	Chief Officers, remuneration on appointment is determined by the full Fire and Rescue Authority. South Wales Fire and Rescue Authority does not pay performance related pay or bonuses, and no additional allowances or enhancements to salary or pension are offered upon employment. On cessation of their duties no additional payments are made other than those that are due for salary purposes or payments made to the individual in line with the appropriate pension scheme on retirement.	FA 15.12.14
4.12	Information on the remuneration of Chief Officers is published as part of the South Wales Fire and Rescue Service annual end of year Financial Statement.	FA 15.12.14
4.13	In accordance with this Pay Policy Statement, Chief Officers' remuneration levels should be reviewed annually as part of South Wales Fire and Rescue Authority's commitment to maintaining a competitive grading and remuneration structure. In the absence of nationally determined guidance on 'cost of living' increases the Fire and Rescue Authority may identify and agree a local rate and implementation date. The HR and Equalities Committee will be responsible for reviewing this situation, and for making recommendations to the full Fire and Rescue Authority. Only the Fire and Rescue Authority may make a final determination in respect of remuneration rates for Chief Officers, including annual cost of living awards.	FA 15.12.14
4.14	Fire and Rescue Authority (July 2013), resolved to establish an Occupational Health Physician post jointly with Cardiff Council. Remuneration is in accordance with British Medical Association (BMA) guidance within the Occupational Physician (Consultant initial appointment) salary range.	FA 15.12.14

5.	AREA MANAGERS (4 POSTS) – LOCAL AGREEMENT	
5.1	Following a review of the Area Managers' establishment and operational rota it was determined that the number of posts would reduce from 6 to 4 from August 2009 with a move to a continuous duty system rota.	FA 15.12.14
5.2	The remuneration scheme for this group of staff was locally agreed as follows: AMB salary, as per agreed NJC Fire & Rescue Services uniformed pay scales, plus 20% flexi duty allowance, plus 14% continuous duty system payment.	FA 15.12.14
6.	NON UNIFORMED HEADS OF SERVICE (4 POSTS)	
6.1	Heads of Service remuneration rate is determined at a point above the National Joint Council (NJC) for Local Government services salary scales and is expressed as a percentage of an Assistant Chief Officer's baseline salary.	FA 15.12.14
7.	ALL OTHER STAFF	
7.1	All other staff employed by South Wales Fire and Rescue Authority are encompassed within Wholetime, Retained, Control or Support Staff categories, and as such their remuneration is based on the relevant NJC agreed salary schemes as identified in paragraph 2.2.	FA 15.12.14
7.2	In general the terms and conditions of employment for all staff are covered by existing collective agreements negotiated with those trade unions recognised by the Fire and Rescue Authority for collective bargaining purposes. These arrangements are embodied in the Scheme of Conditions of Service of the National Joint Council, and are supplemented by the Fire and Rescue Authority's rules, records, Organisational, Policy & Procedural Documents and other instructions, as amended, along with such other employment law legislation which will apply from time to time.	FA 15.12.14
7.3	The "lowest salary" used by the Fire and Rescue Authority is the National Joint Council (NJC) for Local Government services (Green Book), spinal column point 10, which was identified by the Service following the completion of the Job Evaluation Scheme in 2001/2.	FA 15.12.14
7.4	An examination of the current pay levels within the Authority enables the Authority to identify the multiplier between the lowest pay point and that of the Chief Fire Officer. The multiple between the lowest paid (full time	FA 15.12.14

	equivalent) employee and the Chief Fire Officer is 1:8.22.	
8.	DELEGATED AUTHORITY LEVELS	
8.1	Any variation in pay detailed within this policy is subject to appropriate approval, as described below.	FA 15.12.14
8.2	Decisions on pay detailed within this policy are delegated as follows:	FA 15.12.14

DECISION	DELEGATED AUTHORITY LEVEL
Starting pay (above grade minimum), but not including, Assistant Chief Officer (and equivalent level)	Assistant Chief Officer (As identified in the Fire & Rescue Authority Standing Orders)
Starting Pay Assistant Chief Officer (and equivalent) level and above	Full Authority to agree the senior management organizational structure including grades and salary bands. Appointment panel to agree and approve actual salary on appointment within the management structure agreed by Full Authority above.
Appointment to higher graded job (above grade minimum) up to, but not including, Assistant Chief Officer level.	Assistant Chief Officer or delegated Head of HR Service
Acting-up payment at Assistant Director level where total salary package is less than £100k.	Chief Fire Officer
Acting up payment for posts where total salary package is more than £100k.	Full Fire & Rescue Authority

8.3	Human Resources is responsible for overseeing any decisions on pay in order to ensure that they are made in accordance with the delegated authority levels and are compliant with the terms of the Pay Policy and legislation.	FA 15.12.14
8.4	Delegations for decision on pay cannot be delegated below the levels outlined in table above.	FA 15.12.14
9.	PAY RELATIVITIES WITHIN THE FIRE AND RESCUE AUTHORITY	
9.1	The lowest paid persons employed under a Contract of Employment with the Fire and Rescue Authority are employed on full time [37 hours] equivalent salaries in accordance with the minimum spinal column point	FA 15.12.14

	currently in use within the Fire and Rescue Authority's grading structure. As at 1 April 2015, this is £15,207 per annum. The Fire and Rescue Authority occasionally employs Apprentices [and other such Trainees] who are not included within the definition of 'lowest paid employees' as they are not employed under Contracts of Employment.	
9.2	The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers.	FA 15.12.14
9.3	The Authority remunerates substantive personnel above the National Living Wage.	FA 15.12.14
10.	STARTING SALARY	
10.1	Employees appointed to jobs within the Authority will normally be appointed to the minimum point of the pay grade for the job.	FA 15.12.14
10.2	In certain circumstances it may be appropriate to appoint to a higher point in the pay grade. This may arise when the preferred candidate for the job is in or has been in receipt of a salary at a higher level than the grade minimum.	FA 15.12.14
10.3	An Appointment Panel wishing to appoint a candidate up to, but not including Assistant Chief Officer level, at a salary above the grade minimum must seek approval from the Assistant Chief Officer, fully outlining the business case. Managers may seek guidance from Human Resources, if required.	FA 15.12.14
10.4	The business case should incorporate the following: <ul style="list-style-type: none"> • preferred candidate's current or most recent salary; • salary range for job being appointed to; preferred candidate's interview assessment outcome and details of point scores for other interviewees; • benefits to service and customers of appointing the preferred candidate; • potential impact on other jobholders of appointing the preferred candidate at a level higher than the grade minimum; • confirmation that increased employee costs will be met by the existing service budget. 	FA 15.12.14
10.5	The Assistant Chief Officer will: <ul style="list-style-type: none"> • consider the request presented by the recruiting 	FA 15.12.14

	<p>manager;</p> <ul style="list-style-type: none"> • discuss their proposed decision with Head of Human Resources to ensure it is compliant with the terms of the Pay policy; • respond to the appointment panel; • complete the relevant payroll authorization so that the recruitment process can be completed. 	
10.6	The decision of the Assistant Chief Officer is final.	FA 15.12.14
10.7	A resolution of the full Fire and Rescue Authority is required for all organizational re-structures and associated grading and salary.	FA 15.12.14
11.	RE-EMPLOYMENT OF FORMER EMPLOYEES	
11.1	Former employees are able to be re-employed by the Fire and Rescue Authority, but there are several determining factors.	FA 15.12.14
11.2	The Fire and Rescue Authority resolved to introduce the application of abatement of salaries/pension for a fixed term period in order to retain specialist skills, expertise and knowledge.	FA 15.12.14
11.3	Fire and Rescue Authority further resolved to refer applications for abatement of salaries/pension by directors back to the full Fire and Rescue Authority for consideration based on business needs.	FA 15.12.14
11.4	When someone retires, or is released on voluntary or compulsory redundancy, it would not be expected that they would be re-employed as either an employee or an agency worker/contractor in the same or similar job role or service area from which they were made redundant. Such action could indicate that the original decision on the voluntary or compulsory redundancy was not a value for money decision for the tax payer. Therefore, any exceptions to this approach leading to the re-engagement of voluntary or compulsory redundant employees will have to be justified to ensure that the original terms of the redundancy i.e. cessation of work has actually occurred.	FA 15.12.14
11.5	Managers who wish to recruit former employees or procure workers who have previously been made redundant from the same service area will need to provide a business case for doing so, and request authorization from the Fire and Rescue Authority or designated Assistant Chief Officer	FA 15.12.14

11.6	When a Local Government Pension Scheme or Fire and Rescue Services (on Grey book terms and conditions) pensioner is re-employed within the Local Government sector, and combined earnings and pension exceeds final salary in the original employment when adjusted for inflation, the pension will be abated.	FA 15.12.14
12.	ACTING-UP TO A HIGHER GRADED JOB	
12.1	Acting-up is appropriate when the higher graded post becomes vacant due to maternity leave, sick leave etc. Acting-up allowances are made to employees who agree to carry out the full or partial duties, and responsibilities of a higher grade job. The higher graded job must be part of the Authority's agreed staffing establishment.	FA 15.12.14
12.2	The allowance is payable when an employee carries out the work of the higher grade job for a continuous period for any reason other than annual leave.	FA 15.12.14
12.3	Employees who undertake the full duties and responsibilities of a higher graded job will receive the salary that would apply if they were promoted to the higher graded post.	FA 15.12.14
12.4	Employees who undertake part of the duties and responsibilities of a higher grade job will receive a partial acting-up allowance. For example, if the employee is covering 20% of the higher graded duties and responsibilities then they would receive 20% of the grade differential as acting up allowance.	FA 15.12.14
12.5	Where there are only one or two employees who are able to "act-up" to the higher grade job it is relatively easy to identify the jobholder(s) who could reasonably be asked to carry out the higher graded job. Where there are a large number of employees who may be in a position to "act-up" to the higher graded job, then there will be a need to advertise the temporary vacancy or the acting-up arrangement.	FA 15.12.14
12.6	Managers who wish to use either full or partial acting up arrangements must seek approval from the Assistant Chief Officer (or Head of Human Resources, depending on the level of the post). In addition, managers may also seek guidance from Human Resources, if required.	FA 15.12.14
12.7	The approving officer will: <ul style="list-style-type: none"> • consider the request presented by the requesting 	FA 15.12.14

	<p>manager;</p> <ul style="list-style-type: none"> • discuss their proposed decision within the Human Resources Department to ensure it is compliant with the Pay policy; • provide a response to the requesting manager, normally within 10 working days; • complete and notify the Payroll Section if a pay variation is to be implemented. 	
12.8	Any acting up arrangements at Assistant Chief Officer level must be agreed by the Chief Fire Officer. Any acting up arrangements for posts with remuneration package at or above £100k must also be agreed by the full Fire and Rescue Authority. In both cases the salary must be within the organizational structure agreed by full Fire and Rescue Authority and be financed in full.	FA 15.12.14
12.9	Acting-up allowances are removed once the need for the acting-up arrangement no longer exists. Managers are responsible for ensuring that employees receive sufficient notice of this.	FA 15.12.14
13.	HONORARIUM PAYMENTS	
13.1	<p>An honorarium payment is a one-off payment. It can only be made where there is clear evidence to support the following circumstances:</p> <ul style="list-style-type: none"> • where an employee temporarily carries out significant additional work over and above their usual responsibilities; • where an employee carries out a significant amount of work over their normal contracted hours, but is not eligible for overtime payments because of their placing on a salary scale. 	FA 15.12.14
13.2	<p>An honorarium payment cannot be made in the following circumstances:</p> <ul style="list-style-type: none"> • where the employee is carrying out the full or partial duties and responsibilities of a higher graded job, when an acting-up payment should be made; • where the ongoing duties and responsibilities of the job have changed to the extent that the job should be submitted for re-evaluation; • where the additional work undertaken is commensurate with the employees current job description/salary grade. 	FA 15.12.14

13.3	In the payment of a honoraria leads to a remuneration package exceeding £100k it must also be approved by the Chief Fire Officer and the Chairman of the Fire and Rescue Authority having taken advice from the Assistant Chief Officer for People Services or their nominated representative.	FA 15.12.14
13.4	Honorarium payments are a one-off payment and will be paid on a pro-rata basis to part-time employees, proportionate to their working hours.	FA 15.12.14
13.5	Honorarium payments based on spinal column point differentials will be subject to any cost of living increase applied by the Fire and Rescue Authority.	FA 15.12.14
13.6	Honorarium payments are pensionable.	FA 15.12.14
13.7	Information on all honoraria payments will be compiled and reviewed annually by Human Resources and reported to the HR and Equalities Committee for monitoring purposes.	FA 15.12.14
14.	SEVERANCE	
14.1	On ceasing to be employed by the Fire and Rescue Authority, employees will be paid contractual payments due under their contract of employment. In the event of redundancy, severance pay will be paid in line with the employer's discretions as set out in the Employment Protection Policy published by the Fire and Rescue Authority and retained by Rhondda Cynon Taff Pensions Section.	FA 15.12.14
14.2	All business cases for redundancy, early retirement and severance must be reported to the Fire and Rescue Authority for scrutiny prior to the Authority making a resolution to either accept or reject.	FA 15.12.14
15.	UNIFORMED FIRE AND RESCUE SERVICES	
15.1	All Fire and Rescue Services employees, up to and including Area Managers, are paid in line with the National Joint Council for Local Authorities' Fire and Rescue Services, Scheme of conditions of service. These are nationally agreed terms and conditions (the 'Grey' book).	FA 15.12.14
15.2	Under the National Joint Council for Brigade Managers of Fire and Rescue Services, Constitution and scheme of conditions of service (the 'Gold' book), the Chief Fire	FA 15.12.14

	<p>Officer and Brigade Managers have separate pay arrangements in place. The Chief Fire Officer's salary is reviewed prior to a new appointment being made and a number of factors are taken into account during this process. These are summarized below:</p> <ul style="list-style-type: none"> • The relevant minimum salary of the Chief Fire Officer and the most relevant benchmark data; • The relationship of current salary to the national benchmark; • Any substantial local factors not common to Fire and Rescue Authorities of similar type and size; • Comparative information to on salaries in other similar authorities; • Top management structures and size of management team compared to those of other fire and rescue authorities of similar type and size; • The relative job size of each post; and • Incident command responsibility and the requirement to provide operational cover within the employing authority and beyond. 	
15.3	Other Fire and Rescue Service Managers who are paid as a percentage of the Chief Fire Officer's salary may be reviewed at the same time as any review to the Chief Fire Officer's salary takes place.	FA 15.12.14
15.4	For a review, the benchmarking and associated analysis will be collated by the Human Resources Department and any recommendations presented to the HR and Equalities Committee before being submitted to the full Fire and Rescue Authority for final determination.	FA 15.12.14
16.	OTHER PAY RELATED POLICIES	
16.1	<p>Other pay related policy areas that are applicable to all employees are:</p> <ul style="list-style-type: none"> • Business Travel and Expenses • Relocation expenses • Handling redundancy • Early retirement – including redundancy, flexible retirement and efficiency of service • Pensions – LGPS, Firefighters' Pension Scheme 1992, New Firefighters' Pension Scheme 2007 and the proposed Firefighters' Pension Scheme 2015 	FA 15.12.14

17.	OTHER TERMS AND CONDITIONS	
17.1	The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments. (Ref. Section 4. Principal Officers Pay Construct).	FA 15.12.14
17.2	South Wales Fire and Rescue Service contributes to the lease vehicle payments for its Senior Members of staff that choose to take part in the Services lease vehicle scheme.	FA 15.12.14
17.3	Contributions level vary and are dependent on the specific post. These Service contributions form only part of the lease vehicle cost with the majority paid for by the individuals.	FA 15.12.14
18.	MONITORING AND REVIEW	
18.1	The Assistant Chief Officer People Services will review the application of this policy on an annual basis.	FA 15.12.14
18.2	The Pay Policy will then be presented to the HR and Equalities Committee for review before being submitted to the full Fire and Rescue Authority for final determination annually in March.	FA 15.12.14
18.3	Any change or deviation from this policy outside of such a review requires full Fire and Rescue Authority approval.	FA 15.12.14
19.	SALARY SCALES	
19.1	South Wales Fire and Rescue Authority Principal Officers and Heads of Service, salary matrix – Appendix 1	FA 15.12.14
19.2	National Joint Council for Local Authorities' Fire and Rescue Services, salary matrix – Appendix 2	FA 15.12.14
19.3	South Wales Fire and Rescue Service, Retained Payment Structure – Appendix 3.	FA 15.12.14
19.4	National Joint Council for Local Government service, salary matrix – Appendix 4.	FA 15.12.14
19.5	Joint Negotiating Committee for Local Authority Craft & Associated Employees – Appendix 5	FA 15.12.14

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

	WT Salary	Actual Salary
DIRECTORS (5 posts)		
Chief Fire Officer	£125,002	£125,002
<i>Deputy Chief Fire Officer (80% CFO)</i>	<i>£100,002</i>	
Deputy Chief Officer (95% - DCFO)	£95,001	£95,001
Assistant Chief Fire Officer - Technical Services (75% CFO)	£93,751	£93,751
Assistant Chief Fire Officer - Service Delivery (75% CFO)	£93,751	£93,751
Assistant Chief Officer - People Services (95% - ACFO)	£89,064	£89,064
<i>Assistant Chief Officer (82.5% - ACFO)</i>	<i>£77,345</i>	
<i>Assistant Chief Officer (70% - ACFO)</i>	<i>£65,626</i>	
STATUTORY OFFICER (1 post)		
Treasurer (60%)	£54,827	£21,087
* The Treasurer reports directly to the FRA, holds no directorate responsibility and is employed for 100 days per annum.		
HEADS OF SERVICE (8 posts)		
Head of Service - Finance	£49,219	£49,219
Head of Service - Corporate	£49,219	£49,219
Head of Service - HR	£49,219	£49,219
Head of Service - ICT	£49,219	£49,219
Area Manager – Operations †	£76,016	£76,638
Area Manager - Head of Operational Risk Management †	£76,016	£76,638
Area Manager - Risk Reduction †	£76,016	£76,638
Area Manager - Training & Development †	£76,016	£76,638
† Area Manager - Baseline Salary	£55,568	
20% flexi duty allowance	£11,113	
14% continuous duty system pay	£9,335	
CPD	£622	
† Includes National Joint Council for Local Authorities' Fire and Rescue Services, Scheme of conditions of service w.e.f. 1 July 2014		
MEDICAL (1 post)		
Occupational Health Physician*	£50,726	£50,726
* British Medical Association (BMA) guidance within the Occupational Physician Consultant initial appointment) – salary funded 50% South Wales Fire and Rescue Authority and 50% Cardiff Council, i.e. £25,363 per authority		

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

FIREFIGHTING ROLES - PAY RATES FROM 1st JULY 2014

	Basic annual £	Basic hourly rate £	Overtime rate £
Firefighter			
Trainee	21,799	9.95	14.93
Development	22,706	10.37	15.56
Competent	29,054	13.27	19.91
Crew Manager			
Development	30,880	14.10	21.15
Competent	32,211	14.71	22.07
Watch Manager			
Development	32,908	15.03	22.55
Competent A	33,822	15.44	23.16
Competent B	36,021	16.45	24.68
Station Manager			
Development	37,467	17.11	25.67
Competent A	38,591	17.62	26.43
Competent B	41,324	18.87	28.31
Group Manager			
Development	43,150	19.70	Not Applicable
Competent A	44,445	20.29	“
Competent B	47,835	21.84	“
Area Manager			
Development	50,658	23.13	Not applicable
Competent A	52,177	23.83	“
Competent B	55,568	25.37	“

**FIREFIGHTING ROLES – PAY RATES FROM 1st JULY 2014
(RETAINED DUTY SYSTEM)**

	(1) £ per annum	(2) £ per annum	(3) £ per Hour	(4) £ per occasion
Firefighter				
Trainee	2,180	1,090	9.95	3.82
Development	2,271	1,135	10.37	3.82
Competent	2,905	1,453	13.27	3.82
Crew Manager				
Development	3,088	1,544	14.10	3.82
Competent	3,221	1,611	14.71	3.82
Watch Manager				
Development	3,291	1,645	15.03	3.82
Competent A	3,382	1,691	15.44	3.82
Competent B	3,602	1,801	16.45	3.82
Station Manager				3.82
Development	3,747	1,873	17.11	3.82
Competent A	3,859	1,930	17.62	3.82
Competent B	4,132	2,066	18.87	3.82
Group Manager				3.82
Development	4,315	2,158	19.70	3.82
Competent A	4,445	2,222	20.29	3.82
Competent B	4,784	2,392	21.84	3.82
Area Manager				
Development	5,066	2,533	23.13	3.82
Competent A	5,218	2,609	23.83	3.82
Competent B	5,557	2,778	25.37	3.82

Column 1 shows the full annual retainer
Column 2 shows the retainer for employees on the day crewing duty system
Column 3 shows the hourly rate for work undertaken
Column 4 shows the disturbance payment per call-out

CONTROL SPECIFIC ROLES - PAY RATES FROM 1st JULY 2014

	Basic annual £	Basic hourly rate £	Overtime rate £
Firefighter (Control)			
Trainee	20,709	9.46	14.19
Development	21,571	9.85	14.78
Competent	27,601	12.60	18.90
Crew Manager (Control)			
Development	29,336	13.40	20.10
Competent	30,600	13.97	20.96
Watch Manager (Control)			
Development	31,263	14.28	21.42
Competent A	32,131	14.67	22.01
Competent B	34,220	15.63	23.45
Station Manager (Control)			
Development	35,594	16.25	24.38
Competent A	36,661	16.74	25.11
Competent B	39,258	17.93	26.90
Group Manager (Control)			
Development	40,993	18.72	Not applicable
Competent A	42,223	19.28	“
Competent B	45,443	20.75	“

NON-OPERATIONAL STAFF - PAY RATES FROM 1st JULY 2014

	£ per annum
Fire Control Operator equivalent	
During first six months	18,565
After six months and during 2 nd year	19,387
During 3 rd year	20,309
During 4 th year	21,308
During 5 th year	23,207
Leading Fire Control Operator equivalent	24852
Senior Fire Control Operator equivalent	
During 1 st year in rank	25,490
During 2 nd year in rank	26,456

JUNIOR FIREFIGHTERS - PAY RATES FROM 1st JULY 2014

	£ per annum
Aged 16	10,084
Aged 17	10,836
Aged 18	21,799

SOUTH WALES FIRE AND RESCUE SERVICE

RETAINED PAYMENT STRUCTURE

Effective from 1st July 2014

Below are the structures for the 3 differing contracts.

100%	Firefighter			Crew Manager		Watch Manager			Station Manager	
	Trainee	Development	Competent	Development	Competent	Development	A	B	Development	A
Hourly Rate	£9.95	£10.37	£13.27	£14.10	£14.71	£15.03	£15.44	£16.45	£17.11	£17.62
Number of Hours Paid a Month	50	50	50	60	60	60	60	60	60	60
Allowance A	£5,970	£6,222	£7,962	£10,152	£10,591	£10,822	£11,117	£11,844	£12,319	£12,686
Flexi Wage %	25	25	25	25	25	25	25	25	25	25
Allowance B	£1,493	£1,556	£1,991	£2,538	£2,648	£2,705	£2,779	£2,961	£3,080	£3,172
Total Salary 100%	£7,463	£7,778	£9,953	£12,690	£13,239	£13,527	£13,896	£14,805	£15,399	£15,858
Gross cost to Service	£8,208	£8,550	£11,157	£14,446	£15,102	£15,451	£15,899	£16,992	£17,702	£18,259
75%	Firefighter			Crew Manager		Watch Manager			Station Manager	
	Trainee	Development	Competent	Development	Competent	Development	A	B	Development	A
Hourly Rate	£9.95	£10.37	£13.27	£14.10	£14.71	£15.03	£15.44	£16.45	£17.11	£17.62
Number of Hours Paid a Month	37.5	37.5	37.5	45	45	45	45	45	45	45
Allowance A	£4,478	£4,667	£5,972	£7,614	£7,943	£8,116	£8,338	£8,883	£9,239	£9,515
Flexi Wage %	25	25	25	25	25	25	25	25	25	25
Allowance B	£1,119	£1,167	£1,493	£1,904	£1,986	£2,029	£2,084	£2,221	£2,310	£2,379
Total Salary 100%	£5,597	£5,833	£7,464	£9,518	£9,929	£10,145	£10,422	£11,104	£11,549	£11,894
Gross cost to Service	£6,156	£6,412	£8,204	£10,633	£11,125	£11,387	£11,723	£12,542	£13,075	£13,493
50%	Firefighter			Crew Manager		Watch Manager			Station Manager	
	Trainee	Development	Competent	Development	Competent	Development	A	B	Development	A
Hourly Rate	£9.95	£10.37	£13.27	£14.10	£14.71	£15.03	£15.44	£16.45	£17.11	£17.62
Number of Hours Paid a Month	25	25	25	30	30	30	30	30	30	30
Allowance A	£2,985	£3,111	£3,981	£5,076	£5,296	£5,411	£5,558	£5,922	£6,160	£6,343
Flexi Wage %	£25	£25	£25	£25	£25	£25	£25	£25	£25	£25
Allowance B	£746	£778	£995	£1,269	£1,324	£1,353	£1,390	£1,481	£1,540	£1,586
Total Salary 100%	£3,731	£3,889	£4,976	£6,345	£6,620	£6,764	£6,948	£7,403	£7,700	£7,929
Gross cost to Service	£4,104	£4,275	£5,470	£6,973	£7,273	£7,433	£7,637	£8,137	£8,462	£8,726

During Induction Training
Basic Recruits Course
Post Recruits Course

Trainee Rate
Trainee Rate
Development Rate
Allowance A
Allowance A
Allowance A

Allowance B
Allowance B
Allowance B

APPENDIX 4

NJC PAY SPINE 2014-16

SCP	1 Apr 13	1 Jan 15
5 (until 1 Oct 15)	£12,435	£13,500
6	£12,614	£13,614
7	£12,915	£13,715
8	£13,321	£13,871
9	£13,725	£14,075
10	£14,013	£14,338
11	£14,880	£15,207
12	£15,189	£15,523
13	£15,598	£15,941
14	£15,882	£16,231
15	£16,215	£16,572
16	£16,604	£16,969
17	£16,998	£17,372
18	£17,333	£17,714
19	£17,980	£18,376
20	£18,638	£19,048
21	£19,317	£19,742
22	£19,817	£20,253
23	£20,400	£20,849
24	£21,067	£21,530
25	£21,734	£22,212
26	£22,443	£22,937
27	£23,188	£23,698
28	£23,945	£24,472
29	£24,892	£25,440
30	£25,727	£26,293
31	£26,539	£27,123
32	£27,323	£27,924
33	£28,127	£28,746
34	£28,922	£29,558
35	£29,528	£30,178
36	£30,311	£30,978
37	£31,160	£31,846
38	£32,072	£32,778
39	£33,128	£33,857
40	£33,998	£34,746
41	£34,894	£35,662
42	£35,784	£36,571
43	£36,676	£37,483
44	£37,578	£38,405
45	£38,422	£39,267
46	£39,351	£40,217
47	£40,254	£41,140
48	£41,148	£42,053
49	£42,032	£42,957

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

Pay for craft & associated employees from the pay week including **1 January 2015** are as follows:

Designation	1 January 2015 £ Per Week	1 January 2015 £ Per Annum
Engineer & Electrician	£316.36	£16,496

Apprentice Engineers & Electricians

Engineering and Electrical Apprentices following a recognised training course. Rate per week and rate for calculation of overtime and other premium payments from the pay week including **1 January 2015** are as follows (percentage of full time rate is denoted in brackets).

Age at Entry	1st Year 1 January 2015	2nd Year 1 January 2015	3rd Year 1 January 2015	4th Year 1 January 2015
16 Yrs	£174.00 (55%)	£221.45 (70%)	£284.72 (90%)	£300.54 (95%)
17 Yrs	£174.00 (55%)	£253.09 (80%)	£284.72 (90%)	£300.54 (95%)
18 Yrs +	£253.09 (80%)	£268.91 (85%)	£284.72 (90%)	£300.54 (95%)

JOINT REPORT OF THE ACO PEOPLE SERVICES & THE DEPUTY CHIEF OFFICER

LOCAL PENSION BOARD – RESPONSIBILITIES OF THE FIRE & RESCUE AUTHORITY

SUMMARY

Individual Fire & Rescue Authorities must consider and reach a determination on how they intend to advance the programme of governance in respect of the three Firefighters' Pension Schemes.

Consideration will need to be given to the discharge of responsibilities in relation to the creation of a Local Pension Board and scheme management.

Consideration will also need to be given to issues surrounding Member roles and responsibilities and amendment to relevant documents to reflect Members' decisions.

RECOMMENDATIONS

That the Authority utilises a Committee, to be known as 'the Local Pensions Board' to carry out and discharge its responsibilities to manage or administer the Firefighters' Pension Schemes.

That the Local Pensions Board be responsible for ensuring good governance and compliance with requirements imposed by the Pensions Regulator.

That the terms of reference for the Local Pensions Board detailed at Appendix 2 to the report are approved.

That the Chair of the Local Pensions Board be the Deputy Chair of the Fire & Rescue Authority.

That the Deputy Chief Officer be given delegated authority to amend the necessary documents and Member role descriptions to reflect the changes brought about by the creation of the Local Pensions Board.

That the Authority makes its first appointments to the Local Pensions Board at its Annual General Meeting.

That Members agree to undertake mandatory training prior to sitting on the Local Pensions Board.

1. BACKGROUND

- 1.1 The publication of the Independent Public Service Pensions Commission's (IPSPC) report led by Lord Hutton has had wide ranging implications for the future of public sector Pension Schemes.
- 1.2 The IPSPC was tasked to conduct a fundamental structural review of public service pension provision and to make recommendations on pension arrangements that are sustainable and affordable in the long term, fair to both the public service workforce and the taxpayer, and consistent with the fiscal challenges ahead, while protecting accrued rights.
- 1.3 One of Lord Hutton's main recommendations was concerned with improving the public sector pension schemes' governance arrangements. This recommendation has now been incorporated into the Public Service Pensions Act 2013.
- 1.4 The Public Service Pensions Act 2013 establishes the requirements for scheme governance, regulation and administration to deliver transparency and accountability and places particular responsibilities on the 'Responsible Authority', the 'Scheme Manager', the 'Local Pensions Board' and the 'Pensions Regulator'.
- 1.5 In Wales, Welsh Government will be the 'Responsible Authority' for all Firefighters' Pension Schemes and as such will be responsible for making scheme regulations.
- 1.6 The Fire & Rescue Authority is to become the 'Scheme Manager' for its area and as such is required to confirm to Welsh Government through which mechanism it intends to fulfil its role and obligations in respect of the Firefighters' Pension Scheme 1992; the Firefighters' Pension Scheme 2007; and the Firefighters' Pension Scheme 2015. The Local Government Pension Schemes will be dealt with through Rhondda Cynon Taff as our nominated Pension Scheme Administrators.
- 1.7 The Act establishes the roles and responsibilities of the Responsible Authority, Scheme Actuary, Pension Regulator, the Pension Advisory Board, the Scheme Manager and the newly identified Local Pension Board. A summary of the roles and responsibilities and their inter-relationships is shown in the flow chart at Appendix 1.

2. ISSUE

- 2.1 The Scheme Manager for South Wales for the Firefighters' Pension Schemes will be the Fire & Rescue Authority.

2.2 The Fire & Rescue Authority is responsible for:

- Managing and administering the Scheme locally
- Setting up and appointing a Local Pensions Board
- Keeping specified records in accordance with regulations, eg information about contributions due to the Scheme
- Having in place an adequate system of internal control
- Collecting and collating Scheme information in accordance with regulations
- Notifying the Pensions Regulator of an employer's failure to pay pensions contributions on time if that failure is likely to be something that the Pensions Regulator would consider to be materially significant
- Ensure that no conflict of interest exists at the time of appointing a Board member and while the member continues to serve on that Board
- Other responsibilities set out in the Act, Scheme legislation and guidance.

2.3 The Fire & Rescue Authority will be able to delegate aspects of their management and administration responsibilities if the Scheme regulations allow.

2.4 The Fire & Rescue Authority will be required to set up and appoint a Local Pensions Board.

2.5 The Local Pension Board will be charged with helping the Fire & Rescue Authority to ensure that the Scheme is operated to an appropriate standard and, in particular, will:

- Ensure that the Pension Schemes are administered in accordance with all relevant legislation and any directions given to the Board by the Pensions Regulator
- Assist the Fire & Rescue Authority in securing the effective and efficient administration of the Pension Schemes
- Have appropriate knowledge about the Schemes they are helping to run
- Ensure that information is available to Scheme members and other interested parties so that they can easily see and understand who is a Pension Board member, how Pension Scheme members are represented on the Pension Board and what the responsibilities of the Pension Board are
- Prevent a person from being a member of a Pension Board where they have another interest that could prejudice them carrying out the role.

2.6 Board Membership

- 2.6.1 The Scheme regulations require the Welsh Government be satisfied that an appointed Board member does not have a conflict of interest on appointment or from time to time (by the member providing information to the Welsh Government as required).
- 2.6.2 The Authority will be required to appoint and train sufficient members to the Board to ensure that it is able to have a panel of four members plus the Chair available for a meeting as and when required.
- 2.7 Attached at Appendix 2 for Members' consideration is a proposed draft terms of reference for the South Wales Fire & Rescue Authority Local Pension Board.
- 2.8 The Local Pensions Board general conditions identifies that those who sit on the Board must have appropriate knowledge about the Schemes they are helping to run. To ensure this it is recommended that mandatory training is received by all Fire & Rescue Authority Members who could sit on the Local Board.
- 2.9 There is an opportunity for collaboration between the three Fire & Rescue Authorities in Wales to establish a governance arrangement which will ensure consistency of approach and sharing expertise, and this is being pursued.
- 2.10 As a consequence of Members' decision to put in place the necessary mechanisms to discharge their statutory duties in relation to the Firefighters' Pension Schemes, there will be a requirement to amend various documents and Member role descriptions. It is recommended that the Deputy Chief Officer is given delegated authority to make the required changes to accommodate Members' decisions.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no immediate financial issues arising from this report. It should be noted that there is no ability to remunerate the Chair of the Local Pensions Board outside of the current remuneration provisions for the Fire & Rescue Authority. To this end, it is recommended that the roles and responsibilities of the Deputy Chair of the Fire & Rescue Authority be amended to include the chairing role of the Board.

4. EQUALITY RISK ASSESSMENT

- 4.1 An Equality Risk Assessment has been undertaken to assess the potential impact relative to the future roles and responsibilities associated with the governance of the Firefighters' Pensions Schemes.
- 4.2 The assessment concluded that there were no adverse impacts on any individual or group of personnel.

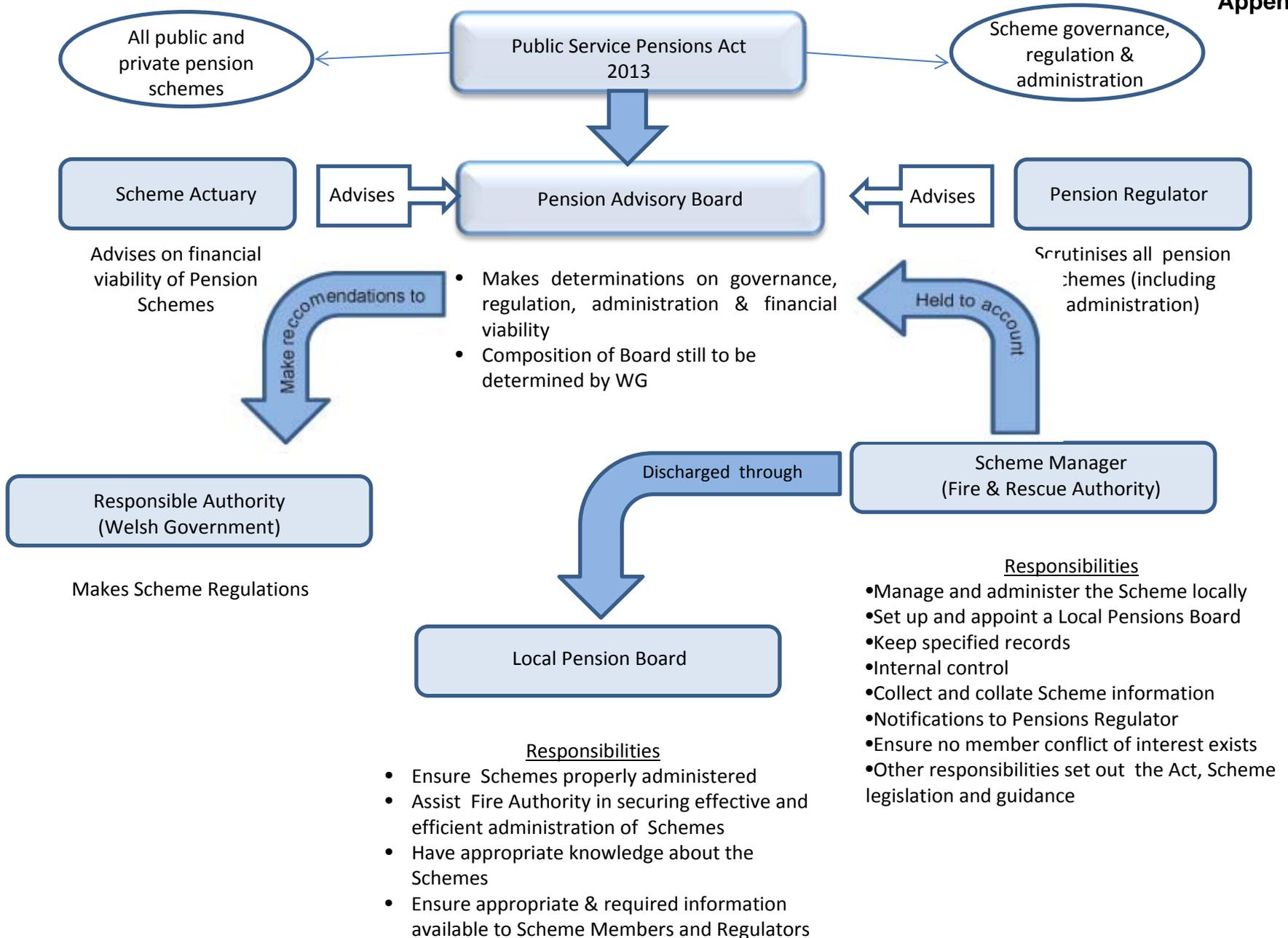
5. REPRESENTATIVE BODIES

- 5.1 In accordance with the nationally identified terms, it will be necessary to enter into consultation with every representative body with Scheme members.

6. RECOMMENDATIONS

- 6.1 That the Authority utilises a committee, to be known as 'the Local Pensions Board' to carry out and discharge its responsibilities to manage or administer the Firefighters' Pension Schemes.
- 6.2 That the Local Pensions Board be responsible for ensuring good governance and compliance with requirements imposed by the Pensions Regulator.
- 6.3 That the terms of reference for the Local Pensions Board detailed at Appendix 2 to the report are approved.
- 6.4 That the Chair of the Local Pensions Board be the Deputy Chair of the Fire & Rescue Authority.
- 6.5 That the Deputy Chief Officer be given delegated authority to amend the necessary documents and Member role descriptions to reflect the changes brought about by the creation of the Local Pensions Board.
- 6.6 That the Authority makes its first appointments to the Local Pensions Board at its Annual General Meeting.
- 6.7 That Members agree to undertake mandatory training prior to sitting on the Local Pensions Board.

Contact Officers:	Background Papers:
<ul style="list-style-type: none"> • ACO Philip Haynes Director of People Services • DCO Sally Chapman Director of Corporate Services 	None



DRAFT**SOUTH WALES FIRE AND RESCUE AUTHORITY
LOCAL PENSION BOARD****TERMS OF REFERENCE AND DELEGATED AUTHORITIES
(as determined for a Sub-Committee of South Wales Fire and Rescue
Authority)****1. INTRODUCTION**

The purpose of this document is to set out the Terms of Reference for the Local Pension Board of the South Wales Fire and Rescue Authority (Firefighters' Pension Fund). Appendix 'A' establishes the relationship between the Fire and Rescue Authority and the Local Pension Board).

2. ROLE OF THE LOCAL PENSION BOARD

The role of the Local Pension Board as defined by Sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to:

- Assist the South Wales Fire and Rescue Authority as Scheme Manager:
 - To secure compliance with the Firefighters' Pension Scheme(s) regulations and any other legislation relating to the governance and administration of the Firefighters' Pensions Scheme(s)
 - To secure compliance with requirements imposed in relation to the Firefighters' Pension Scheme(s) by the Pension Regulator
 - In such other matters as the Firefighters' Pension Scheme(s) regulations may specify
- Secure the effective and efficient governance and administration of the Firefighters' Pension Scheme(s) for the South Wales Fire and Rescue Authority (Firefighters' Pension Fund)
- Provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest.

The Local Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Local Pension Board will also help ensure that the Firefighters' Pension Scheme(s) are managed and administered effectively and efficiently and complies with the code of practice on the governance and

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administration of public service pension schemes issued by the Pension Regulator.

The Local Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

3. APPOINTMENT OF MEMBERS OF THE LOCAL PENSION BOARD

The process for selecting members of the Local Pension Board is set out below.

The Local Pension Board shall consist of up to 9 members and be constituted as follows:-

- (a) 4 employer representatives
- (b) 4 scheme member representatives
- (c) 1 independent member selected by Scheme Manager

Scheme member and employer representatives shall be appointed in equal number and shall together form the majority of the Local Pension Board's membership.

The Chair of the Local Pension Board will be the Fire and Rescue Authority Deputy Chair person. It will be the role of the Chair to ensure that all members of the Board show due respect for the process, that all views are fully heard and considered and to determine when consensus has been met.

In the first year of the Local Pension Board, the employer and scheme member representatives shall serve for a mixed tenure of X years. *Fire and Rescue Authority members appointed remain members as long as they are eligible.*

Each Board member should endeavour to attend all Local Pension Board meetings during the year. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the unanimous agreement of all of the other members. The removal of the independent member requires the consent of the Scheme Manager.

The Local Pension Board may, with the approval of the Scheme Manager, co-opt persons who are not members of the Board to serve on sub-committees, particularly where this would add skills and experience. The maximum number of co-opted members to a committee shall be 6 years with an option for a further 4. Notwithstanding the appointment of co-opted members, the majority of

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the Board shall be comprised of employer and Scheme member representatives, represented in equal number.

4. QUORUM

At least four people must be present, including the Chair and at least half members present are employee representatives.

Advisers and co-opted persons do not count towards the quorum.

5. CONFLICTS OF INTEREST

The policy for identifying conflicts of interest is set out in a separate statement.

6. LOCAL PENSION BOARD REVIEW PROCESS

The Local Pension Board will undertake each year a formal review process to assess how well it and its committees, and the members are performing with a view to seeking continuous improvement in the Board's performance. *Annual report to Fire and Rescue Authority.*

7. ADVISERS TO THE LOCAL PENSION BOARD

The Local Pension Board may make use of advisers from time to time, subject to any applicable regulation and legislation in force, but this will be optional resource subject to budget agreements.

8. KNOWLEDGE AND SKILLS

A member of the Local Pension Board must be conversant with:-

- (a) The legislation and associated guidance of the Firefighters' Pension Scheme(s)
- (b) Any document recording policy about the administration of the Firefighters' Pension Scheme(s) which is for the time being adopted by the South Wales Fire and Rescue Authority (Firefighters' Pension Fund).

A member of the Local Pension Board must have knowledge and understanding of:-

- The law relation to pensions, and
- Any other matters which are prescribed in regulations

It is for the individual Local Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Local Pension Board.

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In line with this requirement, Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

Local pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

Local Pension Board members will comply with the Scheme Manager's training policy.

9. LOCAL BOARD MEETINGS – NOTICE AND MINUTES

The Scheme Manager shall give notice to all Local Pension Board members of every meeting of the Pension Board.

The Scheme Manager shall ensure that a formal record of Local Pension Board proceedings is maintained.

Following the approval of the minutes by the Chair of the Local Pension Board, they shall be circulated to all members.

There will be two Local Pension Board meetings per year, with the option to call more as required.

10. REMIT OF THE LOCAL PENSION BOARD

The Local Pension Board must assist the Scheme Manager with such other matters as the scheme regulations may specify. It is for scheme regulations and the Scheme Manager to determine precisely what the Local Pension Board's role entails.

11. STANDARDS OF CONDUCT

The role of Local Pension Board members requires the highest standards of conduct and therefore the 'seven principles of public life' will be applied to all Local Pension Board members. There are: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.

12. DECISION MAKING

Each member of the Local Pension Board will have an individual voting right but it is expected the Local Pension Board will as far as possible reach a consensus. The Chair of the Local Pension Board will have the final 'casting' vote which will be reported to the Scheme Manager.

DRAFT**13. PUBLICATION OF LOCAL PENSION BOARD INFORMATION**

Scheme members and other interested parties will want to know that the South Wales Fire and Rescue Authority (Firefighters' Pensions Fund) is being efficiently and effectively managed. They will also want to be confident that the Local Pension Board is properly constituted, trained and competent in order to comply with scheme regulations, the governance and administration of the scheme and requirements of the Pension Regulator.

Up to date information will be posted on the South Wales Fire and Rescue Authority website. (*Pensions page*)

The names and information of the Local Pension Board members

- How the scheme members are represented on the Pension Board
- The responsibilities of the Local Pension Board as a whole
- The full terms of reference and policies of the Pension Board and how they operate
- The Pension Board appointment process (as per independent member of Standards Committee)
- Who each individual Pension Board member represents
- Any specific roles and responsibilities of individual Pension Board members

Local Pension Board papers, agendas and minutes of meetings will be published on the South Wales Fire and Rescue Authority website. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

14. ACCOUNTABILITY

The Local Pension Board will be collectively and individually accountable to the Scheme Manager.

15. EXPENSE REIMBURSEMENT (REMUNERATION AND ALLOWANCES)

Members allowance will be XXXX. South Wales Fire and Rescue Authority – independent members will claim as per South Wales Fire and Rescue Authority agreed rates for independent members.

16. REPORTING BREACHES

Any breach brought to the attention of the Local Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in a separate policy document., and would be dealt with through the appropriate channels currently in existence.

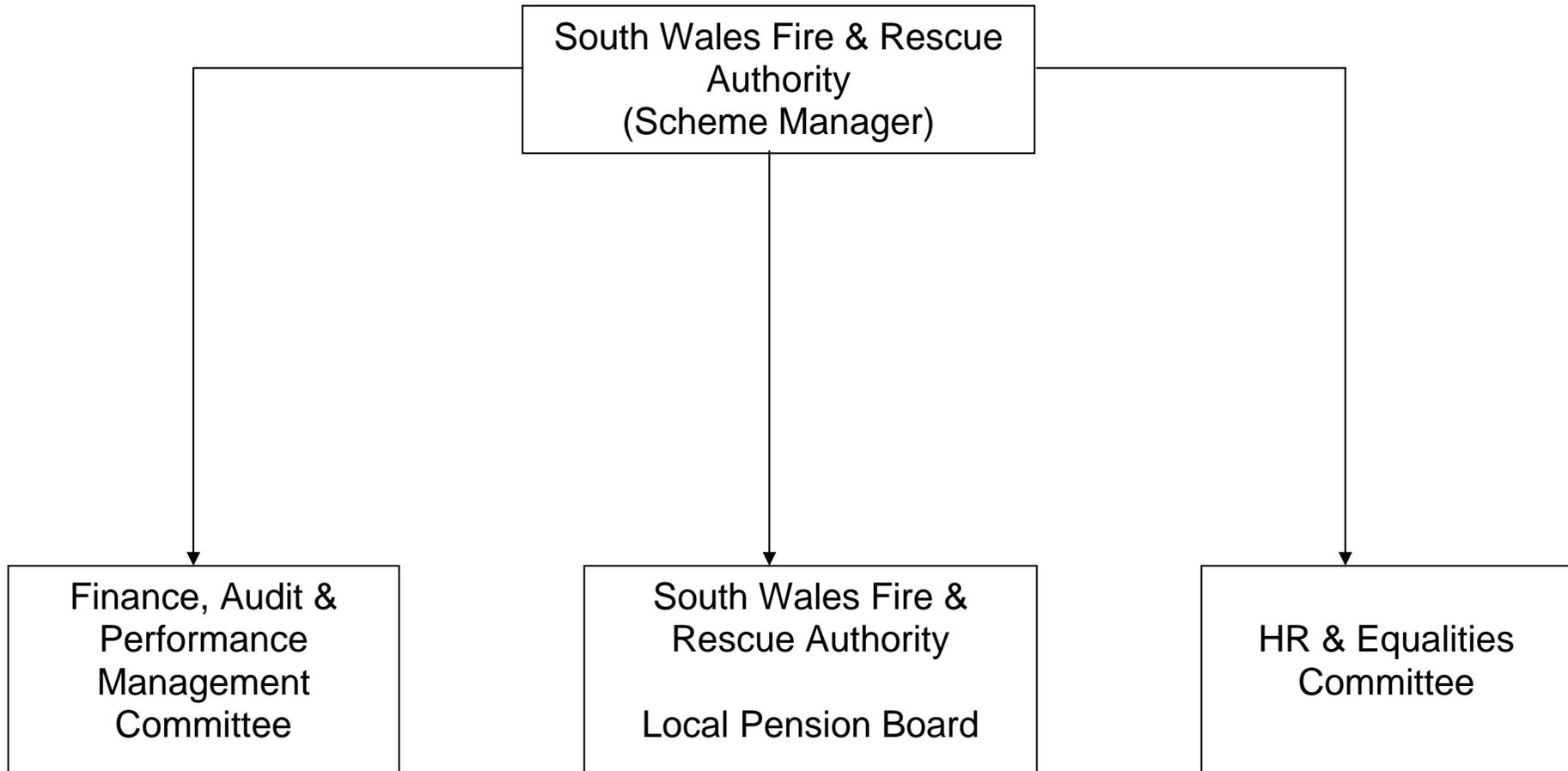
17. INTERPRETATION

Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Scheme Manager.

18. DEFINITIONS

- The term ‘Local Pension Board’ means the Local Pension Board for the South Wales Fire and Rescue Authority, administering authority for the South Wales Fire and Rescue Authority (Firefighters’ Pension Fund) as required under the Public Service Pensions Act 2013.
- ‘Scheme Manager’ means the South Wales Fire and Rescue Authority as the administering authority for South Wales Fire and Rescue Authority (Firefighters’ Pension Fund)
- ‘Chair’ refers to duties to be performed, or authorities exercised, by the Chair.
- ‘Scheme’ means the Firefighters’ Pension Scheme 1992 and New Firefighters Pension Scheme 2015.

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AGENDA ITEM NO 7

Reports for Information

SOUTH WALES FIRE & RESCUE AUTHORITY

AGENDA ITEM NO 7.i

16 MARCH 2015

JOINT REPORT OF THE CHAIR OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE AND THE DEPUTY CHIEF OFFICER

ANNUAL REPORT ON THE WORK OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE & ITS WORKING GROUP DURING 2014/15**SUMMARY**

This report is the annual report on the work of the Finance, Audit & Performance Management Committee and its Working Group for the municipal year 2014/15.

RECOMMENDATION

That Members note the work undertaken by the Finance, Audit & Performance Management Committee and its Working Group during the municipal year.

1. BACKGROUND

1.1 This report sets out the annual report of the Committee and its Working Group during the municipal year.

2. ISSUE

2.1 As Members will be aware, the Finance, Audit & Performance Management Committee was established to demonstrate the Authority's commitment to the efficient and effective deployment of public resources and the attainment of related performance targets.

2.2 The Committee is responsible for the planning and management of the Authority's financial resources including authorising expenditure, virement of funds and donations of equipment or other property. It oversees the financial reporting process and provides a detailed examination of financial performance including the extent that this affects the Authority's exposure to risk and weakens the control environment. The Committee also provides assurance of the adequacy of the risk management framework and associated control environment. Within the scope of the Committee it also assists the Fire & Rescue Authority in policy and strategy development issues relating to Finance, Audit & Performance Management and Good Governance issues.

2.3 To discharge its functions the Committee plans its work through a Forward Work Programme. The work of the Committee broadly falls under three distinct categories, namely: financial; policy, audit or development; and scrutiny. For the purposes of this report it is intended that an overview of the work undertaken by the Committee in the 2014/15 municipal year is detailed under each of the sub headings.

2.4 In addition, the Committee is also responsible for the Authority's Finance, Asset & Performance Management Working Group. The Working Group has prepared an annual report which forms part of this report at Appendix 1.

2.5 Financial

2.5.1 The Committee is specifically tasked with reviewing and challenging where necessary the Authority's financial statements, interim reports, preliminary projections and related formal statements before clearance by the auditors. Particular attention is paid to:

2.5.1.1 The critical accounting policies and practices and any changes in them

2.5.1.2 The extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed

2.5.1.3 The clarity of reports

2.5.1.4 Significant adjustments resulting from audits

2.5.1.5 Compliance with accounting standards

2.5.1.6 Compliance with other legal requirements

2.5.2 The Committee also monitors the management action in response to issues raised in relation to financial reporting and carries out spending reviews of budgets to enable reviews of current spending policy.

2.5.3 In discharging these functions the Committee has undertaken a large amount of work this year on a variety of financial issues. This work has included the following:

2.5.4 **Revenue & Capital Monitoring** – The Committee has considered in detail regular monitoring reports in respect of the current financial year's revenue and capital budgets which provide an update of expenditure against the budget for the year. Detailed scrutiny has taken place in respect of variations against budget, and further reports or information have been requested where appropriate to address Members' queries. Detailed questioning

has been undertaken in respect of delays in achieving spends, particularly in respect of capital property works, and the adequacy of measures to mitigate delays have been considered. Clarifications have also been received where genuine underspends have arisen on specific projects.

- 2.5.5 Revenue and Capital Outturn** – Members considered the revenue and capital outturn reports for the previous financial year which advise on total revenue and capital expenditure against the respective set budgets following the year end. Members have scrutinised year end variations and have used this information to help understand the budget pressures and to influence budget setting for subsequent years.
- 2.5.6 Revenue and Capital Budget Setting** – The Committee and its Finance, Asset & Performance Management Working Group have taken a particularly detailed role in assisting in the formulation of the appropriate revenue and capital budgets required to meet the Service's requirements for the next financial year. The work has been greatly assisted this year by a full review of the Medium Term Financial Plan. The culmination of this work resulted in a consultation budget recommendation of -1.54% on the equivalent figure for the current financial year. To assist local authorities in their budget setting, the process was brought forward which allowed this Committee to consider the budget in November.
- 2.5.7 Audit Office – Audit of Accounting Statements** – The Committee considered the Wales Audit Office report which provides an opinion on the accuracy, adequacy and statutory compliance of the Authority's Statement of Accounts for Members. The Committee was pleased to note the opinion of the Auditor was favourable.
- 2.5.8 Treasury Management** – In September, the Committee considered the Treasury Management annual report which advises on performance against the Treasury Management Policy and Strategy following the financial year end. The report provided Members with an opportunity to scrutinise performance and also to assess any implications for the current strategy and budget setting proposals for the following financial year.
- 2.5.9** In November, the Committee considered the Treasury Management mid term report which outlined performance against the Treasury Strategy from April to September of the current financial year.

2.6 Policy, Audit or Development

2.6.1 The Committee has specific responsibilities in relation to internal control and risk management; internal audit; external audit and inspection; performance management; and the Local Government Measure. In relation to internal control and risk management, the Committee is responsible for reviewing the Authority's procedures for detecting fraud and corruption and whistleblowing, and ensuring that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, finance control and any other matters. The Committee also reviews Officers and the internal auditor's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management, and monitors the integrity of the Authority's internal financial controls. The Committee is also required to review and approve the Authority's assurance statements, including the Statement of Internal Control, and be satisfied that they properly reflect the risk environment and any actions required to improve it. In addition Members assess the scope and effectiveness of the systems established to identify, assess, manage and monitor financial risk, and review and approve the Authority's corporate risk register.

2.6.2 **Internal Audit** – In relation to internal audit the Committee is required to review and approve the internal audit programme for the Authority and ensure that the internal audit function is adequately resourced. In this respect it receives reports on the results of the internal auditor's work on a periodic basis and receives the annual report of the internal auditor. The Committee reviews and monitors action taken by Departments as a result of the internal auditor's findings and recommendations, and monitors and assesses the role and effectiveness of the internal audit function in the overall context of the Authority's risk management system. Where necessary, direct action is to be taken as a consequence of an internal audit report if required.

2.6.3 The Committee agreed an annual internal audit programme for 2014/15 covering the areas identified below and has considered in detail the progress and findings of the relevant audits:

- Governance Performance Management
- Risk Management – Insurance
- Anti Fraud – Payroll and Allowances
- ICT Strategy, Policies and Procedures
- Estates Management – Planned Repairs
- Fleet Management – Disposals
- Third Party Income (Babcocks)
- Station Visits
- Stocks and Stores (Community Safety stock)
- HR – Rostering System
- New Finance/HR System controls check
- Key Financial Controls
- Audit Follow Up

2.6.4 **External Audit** – In relation to external audit and inspection the Committee is responsible for overseeing the Authority's relations with the external auditor. It approves the terms of engagement to the external auditor in respect of auditing inspection services received by the Authority.

2.6.5 The Committee also reviews with the external auditor the findings of their work including any major issues that arise during the course of an audit, key accounting and audits judgements, level of errors identified during the audit, and obtain explanations from Managers or Auditors as to why certain errors might remain unadjusted. In addition the Committee reviews and monitors the actions taken by Departments as a result of the external auditor's findings and recommendations and, where necessary, direct action should be taken as a consequence of an external audit report.

2.6.6 Members also assess at the end of the audit cycle the effectiveness of the audit process by reviewing whether the auditor has met the agreed audit plan and understanding the reasons for any change (including changes in perceived audit risks and the work undertaken by the external auditors to address those risks); consideration of the robustness and perceptiveness of the auditors in handling of the key accounting and audit judgements; responding to questions from the Committee, and their commentary, where appropriate, on the systems of internal control.

2.6.7 Consideration of the annual financial report and the Annual Audit Letter and Improvement Assessment is due to be discharged this year in March 2015.

2.6.8 The previous Fire & Rescue Authority required that the Committee meets on an annual basis with both internal and external auditors without management present to discuss the audit work of the Authority. Provision is now made for these meetings to take place

after every meeting of the Finance Audit & Performance Management Committee meeting.

2.6.9 Performance Management – The Committee receives all external reports on the performance of the Authority and considers and recommends to the Fire & Rescue Authority action plans relating to these reports and monitors progress against the approved action plans. In relation to the Wales Programme for Improvement, the Committee reviews, approves and challenges, where necessary, the performance and improvement plan; the operational and non-operational assurance self-assessment; the joint risk assessment; and any other periodic reports on performance management of relevant areas of the Service. In addition, the Committee considers comparative studies, including benchmarking and best practice.

2.7 Scrutiny

2.7.1 As it has already been highlighted, the Committee is responsible for the scrutiny function of the Authority and has undertaken a considerable amount of scrutiny throughout the year on a variety of topics. It provides service improvement through regular challenge and scrutiny of reports and assumptions, with some detailed scrutiny provided by the Working Group.

2.7.2 The Committee, through its Working Group, undertook detailed scrutiny work in relation to the Authority's Medium Term Financial Strategy and assumptions that had been made in writing that strategy.

2.7.3 It is considered that the scrutiny role of this Committee can be further enhanced by adopting a thematic approach, whereby a specific topic or area is examined which will allow the Authority to develop its policies and respond more effectively to local needs.

3. RECOMMENDATION

3.1 That Members note the work undertaken by the Finance, Audit & Performance Management Committee and its Working Group during the municipal year.

Contact Officer:	Background Papers:
Sally Chapman Deputy Chief Officer	Appendix 1 – Annual Report of the Finance, Asset Performance Management Working Group

APPENDIX 1

1. PURPOSE OF THE WORKING GROUP

1.1 As Members will be aware, the Finance, Asset & Performance Management Working Group was established to achieve two purposes:

1.1.1 Firstly, to demonstrate the Authority's commitment to the efficient and effective deployment of public resources and to give assurance that available funding is utilised as efficiently and effectively as possible to protect the level of service offered to the public within the core priorities defined by the Fire & Rescue Authority. This was considered necessary to enable detailed and in depth scrutiny of the Service's operations and its budgets in a manner that was not possible within the time constraints posed within the Committee structure.

1.1.2 Secondly, to demonstrate the Authority's commitment to the efficient and effective management of its assets; and to give assurance that its assets are utilised as efficiently and effectively as possible to ensure that the level of service offered to the public, within the core priorities defined by the Fire & Rescue Authority, is delivered.

1.2 For clarity, it is proposed to deal with each of the functions of the Working Group separately.

2. FINANCIAL RESPONSIBILITIES

2.1 The Working Group is responsible for reviewing and challenging the make up of the Authority's revenue and capital budget with a view to cost reduction or value enhancement. In carrying out these functions, the working group pays particular regard to:

- The clarity of budget headings
- The statutory requirements of the Authority to deliver a service to the public of South Wales
- The national commitments of the Authority to deliver a service on strategic issues such as national resilience
- The relationship of the budget with key corporate documents of the Authority

- Carrying out spending reviews of budgets to enable assessments of current spending policy against future financial predictions of the organisation within the Medium Term Financial Strategy.
 - Reviewing past performance of selected budget areas when assessing current and future years' requirements; and
 - Reviewing the budget setting process for revenue and capital budgets for improvements that could be made in future years
- 2.2 To discharge its functions the Working Group plans its work through a forward work programme which is agreed at the beginning of the year and reviewed at each meeting. The work of the group broadly comprises scrutiny of the Medium Term Financial Strategy and financial projections for the future, scrutiny of budget holders, scrutiny of revenue and capital budget monitoring reports and reports to the Finance, Audit & Performance Management Committee.
- 2.3 As Members will be aware, much of the work of the Working Group is geared towards preparations for striking the revenue and capital budget each year, set in the context of the adopted Improvement Plan (IP), the Medium Term Financial Strategy (MTFS) and the approved budget strategy. Briefings were received on the budget settlements for Wales and specifically the impact for the Service and a fundamental review and update of the MTFS was undertaken by the Group.
- 2.4 In addition, the following specific areas of work were considered:
- 2.4.1 Medium Term Financial Strategy 2013-17**
Members received electronic presentations on the determination of the MTFS and were informed of the best, medium and worst case scenarios that had been used in the financial modelling that had been undertaken and were afforded the opportunity to scrutinise the process.
- 2.4.2 Revenue and Capital Setting 2015/16**
During this process, the Working Group received updates on the main strands of budget production and agreed recommendations for the wider consideration of Members, designed to help balance the 2015/16 budget which was being delivered in a continued period of financial constraint. Members noted the 50% reduction in the National Framework Grants, and also the reduced funding for the Grant Award by 52%, which supported youth engagement, the Phoenix Project and other youth arson reduction activities.

2.4.3 This process allowed Members to apply a robust level of scrutiny by questioning Officers over the process and assumptions made in reaching their conclusions. Members agreed that the budget timetable should be brought forward for the final 2015/16 budget to be approved by the Fire & Rescue Authority in December 2014 which would inevitably assist constituent authorities in their budget setting processes.

2.4.4 **Shaping Our Future Review Programme**

Members were provided with an overview of a large new programme the Service was launching to meet the anticipated budget shortfalls, entitled 'Shaping Our Future Programme'. This programme would scrutinise working processes, patterns, structures, policies and procedures across the organisation over a 2-3 year period and resultant financial savings would be fed into the ongoing budget process. Members were presented with a case study of an example of a process analysis which took place within the Fire Safety Department to help them understand the type of process review that the organisation will be going through.

2.4.5 **Staff Allowances**

Members reviewed the Out of Hours Allowances that had been identified as one of the nine strategic reviews initiated by the South Wales Fire & Rescue Service. Members noted that the Service had evaluated the component parts of Grey Book and Green Book terms and conditions, specifically overtime and allowances.

2.4.6 This information gave Members a better understanding of the relevant national and local terms and conditions that were applied to all groups of employees which assisted Members by summarising the detailed considerations of the Service's out of hours allowances, as incorporated within the revenue budget setting process.

2.4.7 **Strategic Improvement Plan - Consideration of Responses to Stage 1 2014/15 and Plan Overview 2015-20**

Members scrutinised the responses received from the consultation contained within the Strategic Improvement Plan Stage 1 - "How we intend to Improve 2014-15", noting that stakeholders, the public and members of staff could give their views on the document produced, our plans for improvement and suggest future improvement objectives. In particular Members noted the comments around visits to schools and requested further information to increase their knowledge on this area of work undertaken by the Service.

2.4.8 **Strategic Planning**

Members considered the planning framework used by the Service and the plans to change it in favour of the development of a Strategic Plan covering the period 2015-20 which would have annual improvement objectives. This gave Members a fuller understanding of the process and the opportunity to challenge Officers over the concept.

2.4.9 **School Visits – Key Stage Programme**

Members received a report outlining South Wales Fire & Rescue Service's schools visit programme and targeting strategy. This afforded Members the opportunity to scrutinise the initiatives and give their support to future programmes.

3. ASSET MANAGEMENT RESPONSIBILITIES

3.1 The Working Group is responsible for reviewing, monitoring and challenging the management of the Authority's assets. In carrying out these functions, the Working Group pays particular regard to:

- The statutory requirements of the Authority to deliver a service to the public of South Wales
- The statutory requirements of the Authority of running an organisation (including health and safety management)
- The relationship of our assets with key corporate documents of the Authority
- Carrying out specific reviews of the Authority's performance in the management of its assets
- To consider and challenge the performance review systems and targets
- To consider collaborative opportunities for the Authority in the management of its assets

3.2 As with its financial responsibilities, to discharge its functions effectively, the Working Group plans its work through a forward work programme. The work of the group broadly comprises scrutiny of the following documents and reports to the Finance, Audit & Performance Management Committee:

- Asset Management Strategy
- Land and Buildings Management Plan

- ICT Management Plan
- Fleet and Vehicles Management Plan
- Operational Equipment Management Plan
- Minor Assets Management Plan

3.3 In addition, the following specific areas of work were considered:

3.3.1 Review of Asset Management Strategy

The group reviewed the Asset Management Strategy 2014-18 and were able to acknowledge the progress that had been made in the development of specific plans to manage each of the asset groups since the first version of the strategy was introduced on 2009, which reinforced the culture of continuous improvement which was inherent within the Service.

3.3.2 Outcomes of Independent Review into Light Vehicle Fleet

It was noted that an independent review of the light fleet had been undertaken by the Fleet Transport Association, with the aim of interrogating light vehicle numbers and type and to review the varying provision methodologies as adopted by the Service. Whilst it was noted that the conclusion of the report identified that the provision was fit for purpose with vehicle numbers and type close to or at optimum levels, concerns were expressed about the use of a “grey” fleet through casual and essential user designations, and Members raised concerns about the risk to the Authority concerning insurance liability. This review is to be further considered by this group at their April 2015 meeting.

3.3.3 Review of Property Strategy including consideration of Sustainability and Environmental issues

Members received a progress update on each of the following key areas and questioned Officers on specific areas of work.

- Key refurbishments
- Planned maintenance projects
- New builds
- Surplus assets/acquisitions
- Capital Programme forecast

3.3.4 The Group were informed that due to recent budget cuts it had been agreed to put the Property Strategy on hold throughout 2015, and in the meantime the Strategy would be re-designed in order to deliver essential requirements with less funding.

3.3.5 Review of Fleet Strategy

The group reviewed the Fleet and Vehicle Strategy through the Fleet Asset Management Plan 2014-17 and noted that the format that the plan was based upon was that recommended by the Chief Fire Officers' Association and with the guidance of the National Issues Committee. The group scrutinised the various elements of the plan including:

- Vehicle Replacement Programme
- Capital budget
- Revenue budget
- Planned preventative maintenance
- Local performance indicators
- Collaboration and National Issues Committee

3.3.6 Review of ICT Strategy

The ICT Strategy was considered and Members noted that the current Strategy ended in 2015. It was noted however that a number of the projects would be continuing beyond that date. In particular, the following areas of the strategy were considered:

- External drivers
- Public Service Network
- Common desktop strategy
- Collaboration
- Data Exchange Project
- Firelink Project
- Wales ICT Policy Group
- All Wales ICT Group
- CIO Council for Wales
- Business System Integration Project
- Operational Intelligence Project
- Emergency Services Mobile Communications Project
- Internal drivers
- Governance
- Service management
- Business continuity

3.3.7 Future challenges that the organisation were likely to face in times of fiscal restraint were also considered and the importance that ICT played in the development of the organisation was acknowledged.

4. FUTURE WORK FROM FORWARD WORK PROGRAMME

4.1 Members have yet to consider the following areas of work:

4.1.1 January 2015

- Review of Grant Funding
- Progress on Training PFI
- Review of Fuel Strategy
- Improvement objectives progress Quarter 2
- Changing terms and conditions of service

4.1.2 April 2015

- Review of Personal Equipment Strategy
- Review of Operational Equipment Strategy
- Review of Minor Assets
- Update on financial performance of projects
- Analysis of projected under/overspend
- Annual Governance Statement
- Progress on implementation of Fleet Review

SOUTH WALES FIRE & RESCUE AUTHORITY

AGENDA ITEM NO 7.ii

16 MARCH 2015

REPORT OF THE ASSISTANT CHIEF OFFICER PEOPLE SERVICES**ANNUAL REPORT ON THE WORK OF THE HR & EQUALITIES COMMITTEE****SUMMARY**

This report informs Members of the work that the HR & Equalities Committee have undertaken in the Municipal Year 2014/2015.

RECOMMENDATION

That Members note the work of the HR & Equalities Committee in the 2014/2015 Municipal Year.

1. BACKGROUND

- 1.1 This report summarises the work that the HR & Equalities Committee has undertaken over the last twelve months.

2. ISSUES

- 2.1 As Members will be aware, the HR & Equalities Committee was established to demonstrate the Authority's commitment to ensuring that the Service has a well-equipped, skilled, and motivated workforce, that is able to work safely and whose composition reflects the diverse communities it services.
- 2.2 To discharge its functions the Committee plans its work through a Forward Work Programme. The work of the Committee broadly falls under distinct categories, namely: Human Resources (including Occupational Health), Training and Development, and Equality/Diversity.
- 2.4 For the purposes of this report it is intended that an overview of the work undertaken by the Committee in the 2014/2015 Municipal Year is detailed under each of the sub headings.

2.5 HUMAN RESOURCES DEPARTMENT

- 2.5.1 The work of the Committee broadly falls into distinct categories, namely: Human Resources, Training and Development, Occupational Health and Equality/Diversity. For the purposes of this report the overview of the People Plan work reported to the Committee is detailed under each of the Departments' activity headings.

- 2.5.2 The Committee established a Pensions Sub Committee to enable the Fire & Rescue Authority to fulfil its statutory commitments to the management of its devolved Pension Schemes and as a Board for Internal Disputes Resolution for pension matters, administered through the department.
- 2.5.3 The HR Department is continuously working towards devolving more HR responsibilities to line management to equip Line Managers with the skills to undertake HR activities, and to improve HR performance management and reporting procedures.
- 2.5.4 It continues to develop standardised HR processes and procedures, consolidating HR administration, developing greater self-service HR technology, and implementing revised and new policies and procedures. Additionally it provides greater support to Line Managers on a day-to-day and face-to-face basis.
- 2.5.5 South Wales Fire & Rescue Service Occupational Health Unit shares facilities with Cardiff Council Occupational Health Services at Parc Nantgarw. The shared centre has resulted in improved facilities, a more accessible location for employees and consolidation of the Service's Occupational Health team.
- 2.5.6 The Occupational Health Unit provides the range of service required by Fire & Rescue Authorities under Health and Safety Law, Employment Law, Pension Provisions, and in accordance with directions issued by relevant government departments. Firefighting can be an extremely demanding and hazardous occupation, requiring high level of medical and physical fitness. The prevention of unnecessary ill health and incapacitation are essential factors in our efforts to maintain optimum operational effectiveness and efficiency.

2.6 TRAINING & DEVELOPMENT DEPARTMENT

- 2.6.1 Committee Members received presentations which appraised them of the structure and functions of the Training and Development Department, the major objectives and issues facing the department, and the issues associated with the delivery of functions through the Cardiff Gate Training Centre contract.
- 2.6.2 Members noted that the work of the department has developed to continuously meet the ever-changing demands of South Wales Fire & Rescue Service by developing a flexible approach to changing demands linked to key legislation, including: Fire &

Rescue Services Act 2004, Civil Contingencies Act 2004, Health and Safety at Work Act 1974, etc., and Road Traffic Act 1974.

2.6.3 As the Private Finance Initiative (PFI) contract with Babcock progresses through its twenty-five year partnership for the provision and facility management of Cardiff Gate Training and Development Centre, the department has embarked on a continuous review of the contract arrangements with Babcock to ensure continued success of the partnership.

2.7 EQUALITY AND DIVERSITY

2.7.1 Within South Wales Fire & Rescue Service the main Diversity Unit reports through the HR Department.

2.7.2 The various strands of equality and diversity are embedded in all directorate plans and throughout functional and operational activities.

2.7.3 In the widest terms topics encompassing equality and diversity address the following ensuring that no person is treated less favourably on grounds of race, colour, nationality, ethnic or national origin, disability, gender, marital or parental status, age, religion or belief, sexual orientation, proposed or actual gender re-assignment, economic group, employment status, politics, staff association or trade union membership, or any other condition which cannot be shown to be wholly justified in relation to employment.

2.7.4 Commonly within Wales public bodies now incorporate Welsh language provisions as part of their wider diversity agenda.

2.8 Attached at Appendix 1 is a summary of the reports and presentation received by the HR & Equalities Committee in 2014/2015.

3. FINANCIAL IMPLICATIONS

3.1 There are no immediate budget implications, but the framework plan provides a strategic planning framework for future years.

4. EQUALITY RISK ASSESSMENT

4.1 An Equality Risk Assessment has been undertaken to assess the potential impact of this report. The assessment concluded that there were no immediate or long term adverse impacts on any individual or group of personnel arising from this particular report.

- 4.2 It is the responsibility of department submitting reports to the Committee to ensure that Equality Risk Assessments are undertaken to ensure that there are no adverse impacts on any individual or group of personnel.

5. RECOMMENDATIONS

- 5.1 That Members note the work of the HR & Equalities Committee in the 2014/2015 municipal year.

Contact Officer: ACO Philip Haynes Director of People Services	Background Papers: None
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APPENDIX 1

REPORTS RECEIVED BY THE HR & EQUALITIES COMMITTEE

HUMAN RESOURCES REPORTS:-

- **All Wales HR Strategy 2014-2017**
Purpose is to provide Members with an update on the Service's progress against the Strategy in order to promote Organisational Improvement.
- **Overview of the Human Resources Department**
Purpose is to provide Members with an insight on the Service's Human Resources Department activities and commitments which identifies how we attract and develop our people to promote Organisational Improvement.
- **Absence Management Annual Report 2013-2014**
Purpose is to provide Members with an update on the incidence of sickness absence across the Service and to identify the mechanisms to support staff and thereby enable greater Organisational Improvement.
- **Disciplinary and Grievance cases – Annual Report 2013-2014**
Purpose is to provide Members with an update on the variety of disciplinary and grievance cases that have occurred throughout the Service and to identify the actions that have taken place in order to enable greater Organisational Improvement.
- **Analysis of the Authority's commitment to delivering Welsh throughout the Service.**
The report was initiated at the request of a Member. Purpose is to provide all Committee Members with an update on the Service's progress in delivering services through the medium of Welsh in order to promote Organisational Improvement.
- **Welsh Language Standards Update Report**
Purpose is to provide Members with an update on the Service's progress towards the Standards that will promote Organisational Improvement.
- **Review of Occupational Health Update Report**
Purpose is to provide Members with an update on the variety of services delivered by the Occupational Health Unit and to identify the medical interventions that have taken place in order to enable greater Organisational Improvement as well as attracting and developing our people.
- **Strategic Equality Plan (SEP) 2015-2018**
Purpose is to provide Members with an update on the Service's progress towards the Strategy that will promote Organisational Improvement and assist in attracting and developing our people.

TRAINING REPORTS AND PRESENTATIONS:-

- **Overview of Training (Presentation)**
 Purpose is to provide Members with an update on the Service's Training activities and commitments which identifies how we attract and develop our people to promote Organisational Improvement.
- **Tour of training facilities and Firefighting demonstration at Cardiff Gate Training & Development Centre**
 Purpose is to provide Members with an update on the Service's Cardiff Gate Training Centre which assists in explaining how the Service attracts and develop our people, both professionally and managerially to promote organisational Improvement.
- **2015-2016 Annual Training Plan**
 Purpose is to provide Members with an update on the Service's proposed Annual Training Plan which identifies and explains how we attract and develop our people to promote Organisational Improvement.
- **Report on Third Party Income**
 Purpose is to provide Members with an update on the Service's Cardiff Gate Training Centre PFI contract and explains the relationship between the Service and Babcock. The report further identifies the issues and constraints of securing third party income generation and how they impact on how we attract and develop our people and promote Organisational Improvement.

ASSISTANT CHIEF OFFICER REPORTS:-

- **Annual Pay Policy Statement 2014-2015, in line with the Localism Act Provisions**
 Purpose is to inform Members which has enabled the Service's Policy to be re-drafted to comply with Welsh Government advice and assists in explaining how the Service attracts and develops its people and promotes Organisational Improvement.
- **Annual Pay Policy Statement 2015-2016, in line with the Localism Act Provisions**
 Purpose is to inform Members which has enabled the Service's Policy to be drafted to comply with Welsh Government guidance and assists in explaining how the Service attracts and develops its people and promotes Organisational Improvement.
- **Draft Annual Report of the work of the HR & Equalities Committee**
 Purpose is to consider the draft annual report of the work of the HR & Equalities Committee before its submission to the Fire and Rescue Authority.
- **Firefighters' Pension Schemes Governance**
 Purpose is to provide Members with an update on the Service's proposed Local Pension Board which identifies and explains how we intend to promote Organisational Improvement in the future.

- **Review of Local Government Pension Scheme Discretions**
Purpose is to enable Members to make a determination on the range of Local Government Pension Scheme Discretions that are available to the Fire Authority in order that they can be agreed and published to support future conditions.
- **National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services – Joint Circular to confirm agreement in respect of the Pay Award for 2014**
Purpose is to inform Members and thereby enable the Service's Policy to be evaluated in light of Welsh Government guidance which will promote the attraction and development of our people, leading to wider organisational improvement.

HR & EQUALITIES REPORTS SCHEDULED FOR 2015-2016 MUNICIPAL YEAR:-

- **Annual Occupational Health Activity Report January 2014 to December 2014**
- **HR National Issues Committee (NIC) Update**
- **HR Integrated HR & Payroll ICT project Update Report**
- **Welsh Language Standards Update Report**
- **Establishment & Workforce Planning Update**
- **Annual Occupational Health Activity Report January 2014 to December 2014**
- **Fire Professional Framework Update**

AGENDA ITEM NO 7.iii

Firefighters' Pension Dispute Update on Industrial Action
-
Verbal

**FORWARD WORK PROGRAMME FOR
FIRE & RESCUE AUTHORITY 2014/15**

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
Each meeting	Firefighters' Pension Dispute – Update on Industrial Action	To provide Members with a verbal update on industrial action arising from the pension dispute	ACFO TS Contact Officer: Richie Prendergast	On agenda
Each meeting following the NIC meeting	Update Report on the work of the NIC	To keep Members up to date with the work of the NIC	DCO Contact Officer: Sally Chapman	
As appropriate when key issues arise	Strategic Property Update	To update Members on key strategic property projects	DCO Contact Officer: Sally Chapman	
As appropriate when key issues arise	Transformational Projects – Progress and Issues	To update Members on key issues and milestones as appropriate and seek decisions on key issues when required	DCO Contact Officer: Sally Chapman	
As appropriate when amendments required	Updating Constitutional Documents	To ensure that the constitutional documents of the Authority remain up-to-date and reflecting the requirements and practices of the organisation	DCO Contact Officer: Sally Chapman	
4 July 2014	Health & Safety Annual Report 2013/14	To advise Members of Health and Safety performance of the organisation	ACFO TS Contact Officer: Martin Hole	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
14 July 2014	WAO Annual Improvement Report 2013/14	To advise Members of the key issues emanating from the annual report and to provide an opinion on adequacy and effectiveness of the organisation and its potential to improve, its approach to risk management, control and governance processes based on the WAO work undertaken during the year, including data quality & PIs, HR work, a Framework update, whistleblowing and forward planning.	DCO Contact Officer: Sally Chapman	Completed
14 July 2014	Welsh Government's Fire & Rescue Services in Wales Report 2013	To advise Members of the content of the Welsh Government report and the Minister's intentions	CFO & DCO Contact Officers: Huw Jakeway & Sally Chapman	Completed
14 July 2014	North Atlantic Treaty Organisation (NATO) Event	To brief Members on arrangements for the NATO event	ACFO TS Contact Officer: Rod Hammerton	Completed
14 July 2014	Report on end of year performance on achievement of Improvement Objectives 2013/14	To advise Members of the end of year position in securing the achievement of the Improvement Objectives	DCO Contact Officer: Steve Rossiter	Completed
14 July 2014	Transfer of substation at Aberbargoed Fire & Rescue Station and amendment to the Scheme of Delegations	To seek Member approval to transfer the electricity substation at Aberbargoed and seek approval to amend the Scheme of Delegations in relation to such transfers	DCO Contact Officer: Sally Chapman	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
14 July 2014	End of year Performance and Statistics Report 2013/14	To advise Members of end of year performance against agreed targets	DCO Contact Officer: Steve Rossiter	Completed
14 July 2014	Annual Welsh Language Scheme 2013/14	To advise Members on the content of the Annual Welsh Language Scheme	ACO PS Contact Officer: Phil Haynes	Completed
22 Sept 2014	Report on Scrutiny Conclusions on Phase 2 Fire Cover Review Proposals for Blaenau Gwent and Torfaen Unitary Authority areas	To enable Members to consider the respective scrutiny conclusions to consider if they wish to affirm or amend their decision of 24 March 2014	DCO Contact Officer: Sally Chapman	Completed
29 Sept 2014	Report on Responses to the consultation of Phase 3 of the Fire Cover Review	To enable Members to fully consider all views before reaching a decision	DCO Contact Officer: Sally Chapman	Completed
29 Sept 2014	Draft Improvement Plan 2015/16	To seek Members' approval to the draft Improvement Plan being issued for publication for public consultation	DCO Contact Officer: Steve Rossiter	Completed
29 Sept 2014	Statement of Accounts (Revenue and Capital) for 2013/14 budget	To seek Members' approval for publication of the Statement of Accounts	Treasurer Contact Officer: Geraint Thomas	Completed
29 Sept 2014	Treasury Management Outturn 2013/14	To advise Members of the year end treasury management position	Treasurer Contact Officer: Chris Barton &	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
			Geraint Thomas	
29 Sept 2014	ACFO Technical Services' post	To consider the review of the ACFO Technical Services' post	CFO Contact Officer: Huw Jakeway -	Deferred to the next meeting
29 Sept 2014 15 Dec 2014	Budget Strategy 2015/16	To obtain clarification upon the political steer for the budget strategy for 2015/16 budget setting process	Treasurer Contact Officer: Chris Barton	Completed
29 Sept 2014 15 Dec 2014	Report on progress of achievement of Improvement Objectives 2014/15	To keep Members apprised of progress	DCO Contact Officer: Steve Rossiter	Completed
15 Dec 2014	Draft Improvement Objectives for 2015/16	To seek Members' approval to the Improvement Objectives being issued for publication for public consultation	DCO Contact Officer: Steve Rossiter	Completed – reported to the FA on 29 Sept 2014
15 Dec 2014	Performance & Statistics Reports	To advise Members of performance against agreed targets, PIs, risks and corporate objectives and trends over a 5 year period	DCO Contact Officer: Steve Rossiter	Completed
15 Dec 2014	Crewing Arrangements Report	To brief Members on the Crewing Arrangements Report to the NIC and enable consideration of the different models and how they could apply to South Wales	DCO Contact Officer: Sally Chapman	Completed - incorporated into the NIC Update Report on the agenda

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
15 Dec 2014	Estimated Revenue & Capital Budget determination for 2015/16	To set estimated budget determination to notification to constituent authorities by 31 Dec to comply with Combination Order	Treasurer Contact Officer: Geraint Thomas	On agenda
15 Dec 2014	Treasury Management Mid Term Report 2014/15	To advise Members of the mid year position in relation to our treasury management	Treasurer Contact Officer: Geraint Thomas	Completed
15 Dec 2014	Independent Remuneration Panel for Wales' Draft Annual Report	To consider the IRPW's draft Annual Report and enable comments to be submitted to the Panel within required timescales	DCO Contact Officer: Sally Chapman	Completed
15 Dec 2014	Pay Policy Statement	To consider the Authority's Pay Policy Statement in compliance with the Localism Act 2011 and associated guidance	ACO PS Contact Officer: Phil Haynes	Completed
15 Dec 2014	Annual 'Cost of Living' Pay Increases in the Fire & Rescue Service	To advise Members of the pay award for 2014 as determined by the National Joint Council for Brigades of Local Authority Fire & Rescue Services	ACO PS Contact Officer: Phil Haynes	Deferred to the next meeting
15 Dec 2014	Appointment of Assistant Chief Fire Officer	To seek Members' authorisation to commence the recruitment and appointment procedure for appointment of ACFO Technical Services	ACO PS Contact Officer: Phil Haynes	Completed
15 Dec 2014	Local Government Pension Scheme Discretionary Allowances	To advise Members of the discretionary allowances in compliance with the LG Pension Scheme	ACO PS Contact Officer: Phil Haynes	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
15 Dec 2014 & as appropriate	Review and Update of Medium Term Financial Plan & Associated Projects	To seek Members' approval to the recommended updates to the Medium Term Financial Plan following consideration by the Working Group and the Finance, Audit and Performance Management Committee & to advise on progress of the associated projects	DCO & Treasurer Contact Officer: Sally Chapman & Chris Barton	Completed - incorporated into the Budget Strategy 2015/16 Report on the agenda
9 Feb 2015	Report on Responses to the consultation of the draft Improvement Plan and Improvement Objectives 2015/16	To advise Members of consultation responses and seek approval for a final version of the Improvement Plan	DCO Contact Officer: Steve Rossiter	Completed
9 Feb 2015	Revenue & Capital Budget 2015/16 final determination	To set final budget for 2015/16 to enable contribution requests to be issued to constituent authorities by 14 Feb to comply with Combination Order	Treasurer Contact Officer: Geraint Thomas	Completed – reported to 15 December FA
9 Feb 2015	Pay Policy Statement 2015/16	To consider the Authority's Pay Policy Statement in compliance with the Localism Act 2011 and associated guidance	ACO PS Contact Officer: Phil Haynes	Completed
16 March 2015	Annual Report of the work of the Finance, Audit & Performance Management Committee & its working group during 2014/15	To advise Members of the work of the committee	DCO Contact Officer: Sally Chapman	On agenda
16 March 2015	Annual Report of the work of the HR & Equalities Committee during 2014/15	To advise Members of the work of the committee	ACO PS Contact Officer: Phil Haynes	On agenda
16 March 2015	Treasury Management Strategy 2015/16	To secure Members' approval to the adoption of the Treasury Management	Treasurer	On agenda

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
		Strategy 2015/16	Contact Officer: Geraint Thomas	
16 March 2015	WAO Annual Improvement Report 2014/15	To advise Members of the key issues emanating from the annual report and to provide an opinion on adequacy and effectiveness of the organisation and its potential to improve, its approach to risk management, control and governance processes based on the WAO work undertaken during the year, including data quality & PIs, HR work, a Framework update, whistleblowing and forward planning.	DCO Contact Officer: Sally Chapman	On agenda
16 March 2015	KPI Target Setting 2015/16	To set the targets for the following financial year	ACFO SD Contact Officer: Steve Rossiter	On agenda
16 March 2015	Improvement Plan Stage 1	To seek authorisation to publish	DCO Contact Officer: Steve Rossiter	On agenda

Huw Jakeway – CFO
Sally Chapman – DCO
Phil Haynes – ACO People Services
Andrew Thomas – ACFO Service Delivery
Richie Prendergast – T/ACFO Technical Services

Chris Barton – Treasurer
Geraint Thomas – Head of Finance & Procurement
Mark Malson – Head of Human Resources
Dewi Rose – Head of Operations
Calvin Powell – Head of Business Support
Steve Rossiter – Head of Service Performance & Communications

AGENDA ITEM NO 8

**RESOLUTIONS TO EXCLUDE THE PRESS AND PUBLIC BY
VIRTUE OF SECTION 100A AND PARAGRAPHS 14 & 16 OF PART 4
OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 (AS
AMENDED).**

AGENDA ITEM NO 9

**To consider any items of business that the Chairman deems
urgent (Part 1 or 2)**

1.	Apologies for Absence	
2.	Declarations of Interest	
	Members of the Fire & Rescue Authority are reminded of their personal responsibility to declare both orally and in writing any personal and/or prejudicial interest in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Fire & Rescue Authority's Standing Orders and the Members Code of Conduct.	
3.	Chairman's Announcements	
4.	To receive the minutes of;	
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	• Fire & Rescue Authority meeting held on 9 February 2015	9
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	Performance Management Committee & its Working Group during 2014/15	
7.ii	Annual Report of the work of the HR & Equalities Committee	149
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9.	To consider any items of business that the Chairman deems urgent (Part 1 or 2)	173