

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

SOUTH WALES FIRE & RESCUE AUTHORITY

COMMITTEE: Finance, Audit & Performance Management Committee

DATE: Monday, 12 November 2018 at 10:30 hours

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

AGENDA

1. Apologies for Absence
2. Declarations of Interest

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

3. Chairman's Announcements
4. To Receive the Minutes of:

- Finance, Asset & Performance Management Working Group Meeting held on 21 May 2018 3
- FAPM Meeting held on 10 September 2018 7

5. Revenue Monitoring Report 2018/19 15
6. Capital Monitoring Report 2018/19 25
7. Revenue Budget Report 2019/20 31

8.	A South Wales Fire & Rescue Service Response to the 'Electrical Fires in Wales' Written Statement by Welsh Government	39
9.	Internal Audit Report	63
10.	Forward Work Programme	97
11.	To consider any items of business that the Chairman deems urgent (Part 1 or 2)	103

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

Signature of Proper Officer:



MEMBERSHIP

Councillors:

J	Collins	Blaenau Gwent
K	Critchley	Newport
D	White	Bridgend
A	Hussey	Caerphilly
S	Ebrahim	Cardiff
L	Brown	Monmouthshire
A	Roberts	Rhondda Cynon Taff
S	Evans	Torfaen
R	Crowley	Vale of Glamorgan
L	Davies	Merthyr Tydfil

SOUTH WALES FIRE & RESCUE AUTHORITY

**MINUTES OF THE FINANCE, AUDIT & PERFORMANCE
MANAGEMENT WORKING GROUP MEETING
HELD ON MONDAY 21 MAY 2018 AT
SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS**

57. PRESENT:

Councillor	Left
K Critchley (Chair)	Newport
S Evans	Torfaen
D Naughton	Cardiff
A Roberts	Rhondda Cynon Taff
A Slade	Torfaen
L Brown	Monmouthshire
V Smith	Monmouthshire

APOLOGIES:

S Bradwick	Rhondda Cynon Taff
J Harries	Rhondda Cynon Taff

ABSENT:

OFFICERS PRESENT:- DCO S Chapman – Monitoring Officer, Mrs S Watkins – Deputy Monitoring Officer, Mr C Barton – Treasurer, Mr G Thomas - Head of Finance & Procurement, Mrs L Mullan – Senior Accountant, Mrs J Evans – Information Governance and Compliance Officer, Jon Carter – Statistics Unit Manager

58. DECLARATIONS OF INTEREST

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

59. CHAIR'S ANNOUNCEMENTS

There were no Chair's announcements.

60. MINUTES OF PREVIOUS MEETING

The minutes of the previous Finance, Audit & Performance Working Group meeting held on 15 January 2018 were received and accepted as a true record of proceedings.

61. DRAFT ANNUAL GOVERNANCE STATEMENT 2017-2018

Members considered the Annual Corporate Governance Statement which will be included within the 2017-2018 Statement of Accounts. Meetings between key champions and Heads of Service was discussed and agreed that they need to be better managed for proper scrutiny and audit purposes. The Monitoring Officer to discuss with the relevant Heads of Service to ensure regular meetings are taking place once new champions are agreed at the next meeting following the AGM.

RESOLVED THAT

Members approved the content of the Draft Annual Governance Statement for 2017-18

62. TREASURY MANAGEMENT STRATEGY 2018/19

The Senior Accountant gave the background to the Annual Treasury Management Strategy.

RESOLVED THAT

Members noted the Treasury Management Strategy Statement, Capital prudential indicators and Minimum Revenue Provision Policy, Borrowing Policy and Treasury indicators/limits, annual Investment Strategy, and noted that the Treasurer will update strategies and polices as necessary throughout the year.

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

The Head of Finance and Procurement presented the draft response to the Wales Audit Office in relation to 'Those Charged with Governance', for Members consideration. The Treasurer advised that the following amendment will be made to the report at page 70 – 'On 26th March 2018, the Fire Authority took a decision

in relation to the delayed implementation of the Firefighters' Pension (Wales) Scheme (Amendment) Order 2014 in respect of Rule B5C – 'Additional Pension Benefit.' This decision brought the Fire Authority into compliance with the Order with effect from 1 April 2018'.

RESOLVED THAT

The Fire and Rescue Authority confirms its response to the Wales Audit Office questions, subject to identified amendment by the Treasurer.

64. GDPR UPDATE - PRESENTATION

Members received a presentation on the implications of GDPR for the Fire and Rescue Authority, presented by the Information Governance and Compliance Officer

RESOLVED THAT

Members noted the content of the presentation.

65. PRESENTATION ON NEW BUSINESS MANAGEMENT INFORMATION SYSTEM

The Statistics Manager gave a presentation to Members in relation to the new Business Management Information System.

RESOLVED THAT

Members noted the content of the presentation.

66. FORWARD WORK PROGRAMME

The Deputy Monitoring Officer presented the Forward Work Programme for 2017/2018.

RESOLVED THAT

Members accepted the Forward Work Programme for 2017/2018.

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

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

SOUTH WALES FIRE & RESCUE AUTHORITY

**MINUTES OF THE FINANCE, AUDIT & PERFORMANCE
MANAGEMENT MEETING**

**HELD ON MONDAY 10 SEPTEMBER 2018 AT
SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS**

1. PRESENT:

Councillor	Left
K Critchley (Chair)	Newport
S Evans (Deputy Chair)	Torfaen
L Brown	Monmouthshire
R Crowley	Vale of Glamorgan
L Davies	Merthyr Tydfil
S Ebrahim	Cardiff
A Hussey	Caerphilly

APOLOGIES:

A Roberts	Rhondda Cynon Taff
G Thomas	Blaenau Gwent
D White	Bridgend

ABSENT:

OFFICERS PRESENT:- Ms S Watkins – Deputy Monitoring Officer, Mr C Barton – Treasurer, Mr G Thomas - Head of Finance & Procurement, Ms L Mullan – Senior Accountant, Mark Jones – Wales Audit Officer, Ms V Davies – TIAA Internal Auditor

The Chair reminded Members that the Assistant Chief Fire Officer Interview process would take place following the meeting, and a buffet lunch would be provided beforehand.

2. DECLARATIONS OF INTEREST

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

3. CHAIR'S ANNOUNCEMENTS

There were no Chair's Announcements to record.

4. MINUTES OF PREVIOUS MEETING

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

- Finance, Asset & Performance Management Working Group meeting held on 15 January, 2018
- Finance, Audit & Performance Management Committee meeting held on 23 April 2018

5. REVENUE OUTTURN 2017/2018

For the benefit of new Members the Head of Finance & Procurement provided a formal introduction, as well as a brief overview and explanation of the financial management reports.

Members were informed that subject to the external audit process, the presented report outlined the revenue outturn position for the financial year end 2017/2018, and the resultant impact on reserves.

RESOLVED THAT

Following a question and answer session, Members agreed to receive and note the outturn position and deployment of the net revenue surplus and usable reserves.

6. CAPITAL OUTTURN REPORT 2017/2018

The Head of Finance & Procurement presented a report to Members which provided the capital outturn position for the year ended 31 March, 2018, the financing arrangements, and the budget slippage required to complete capital schemes in 2018/2019.

RESOLVED THAT

- 6.1 Following a question and answer session on budget settings, Members agreed to note the progress of the capital schemes.
- 6.2 Members approved the alterations identified in Appendix 1 attached to the report, and noted the associated funding streams.

7. STATEMENT OF ACCOUNTS 2017/2018

The Head of Finance & Procurement, and Appointed Auditor, informed Members that the Appointed Auditor was required to give his opinion on the financial statements for the year ended 31 March, 2018. The presented report considered the statutory ISA260 report (draft), the final Statement of Accounts, and the letter of representation required by the Auditor which would be reported to the Fire & Rescue Authority.

RESOLVED THAT

- 7.1 Following a question and answer session on legality issues relating to the Statement of Accounts, and implications for the Fire & Rescue Authority, Members agreed to receive the draft ISA260 report of the Appointed Auditor, attached as Appendix 1.
- 7.2 Members agreed to note the audited Statement of Accounts, which were submitted electronically.
- 7.3 Members agreed to note the letter of representation prior to reporting to the Fire & Rescue Authority.

8. RESERVES STRATEGY UPDATE

The Treasurer presented a report which included an update of the Authority's Reserve Strategy.

RESOLVED THAT

Members agreed to reaffirm its previous strategy with regard to Reserves.

9. REVENUE MONITORING REPORT 2018/2019

The Head of Finance & Procurement informed Members that the Revenue Monitoring Report provided details of the annual revenue budget, and associated information, for the year ending 31 March, 2019.

RESOLVED THAT

Members agreed to note the report content and approved the virement.

10. CAPITAL MONITORING REPORT 2018/2019

The Head of Finance & Procurement informed Members that the Capital Monitoring report provided details of the capital budget, transactions to date, and the forecast position as at 6 August, 2018.

RESOLVED THAT

10.1 Members agreed to note the budget and progress of capital schemes.

10.2 Members agreed to approve alterations identified in Appendix 1 attached to the report, and noted the associated funding streams.

10.3 Following a request by Members, Officers agreed to provide further information on upgrading 4 x 4 vehicles to attend incidents such as grass fires.

11. 2017/2018 ANNUAL TREASURY MANAGEMENT REVIEW

The Head of Finance & Procurement presented a report for Members to consider the results of treasury management activities for the year ending 31 March, 2018, in accordance with the Authority's approved Treasury Management Strategy.

RESOLVED THAT

Members agreed to recommend that the Fire & Rescue Authority note the Annual Treasury Management Review for 2017/2018, and

approve the actual 2017/2018 prudential and treasury indicators set therein.

12. MEDIUM TERM FINANCIAL STRATEGY UPDATE; REVENUE & CAPITAL BUDGET SETTING REPORT

The Treasurer delivered an electronic presentation for Members to consider the Medium Term Financial Strategy Update; Revenue & Capital Budget Setting report.

RESOLVED THAT

Members agreed to note the update on the Medium Term Financial Strategy.

On behalf of Members, the Chair thanked the Treasurer for the informative and thoughtful presentation.

13. INTERNAL AUDIT REPORT

For the benefit of new Members the Internal Auditor provided a formal introduction.

The Internal Auditor presented a report which updated Members upon the progress being made against the Internal Audit Plan 2018/2019.

RESOLVED THAT

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

13.2 With reference to an error in the SICA report, Members agreed to note that the HR Management Rostering report had not been finalised.

14. REPORT ON HEALTH CHECK OF PERFORMANCE AND PROGRESS AGAINST THE STATUTORY PERFORMANCE INDICATORS FOR QUARTER 1 (1 APRIL TO 30 JUNE) 2018/2019

The Deputy Monitoring Officer presented a report to give Members of the Fire & Rescue Authority and Senior Management assurance on progress towards achievement of the Strategic Objectives and performance of the Strategic Performance Indicators for the first quarter of 2018/2019 (1 April to 30 June).

RESOLVED THAT

- 14.1 Members agreed to review the performance details and statistical data for the first quarter of 2018/2019 contained within the report.
- 14.2 Members noted that all Fire & Rescue Authority Members would receive information packs on the UKRO Challenge event taking place in September, in due course.
- 14.3 With reference to the Joint Emergency Protocol to deal with cross border issues on the Prince of Wales Bridge, Officers agreed to provide Members with detailed information, in due course.
- 14.4 Following a request by Members, in order to improve community engagement Officers agreed to provide more detailed reports on incidents which had occurred within their Unitary Authority areas.

15. FORWARD WORK PROGRAMME

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

RESOLVED THAT

Members accepted the Forward Work Programme for 2018/2019.

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

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

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SOUTH WALES FIRE & RESCUE AUTHORITY
FINANCE, AUDIT & PERFORMANCE
MANAGEMENT COMMITTEE
REPORT OF THE DEPUTY CHIEF OFFICER

AGENDA ITEM NO 5
12 NOVEMBER 2018

REVENUE MONITORING REPORT 2018/19

SUMMARY

The Revenue Monitoring Report provides details of the annual revenue budget and associated information for the year ending 31 March 2019.

RECOMMENDATION

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

1. BACKGROUND

- 1.1 This report provides an update of the major changes affecting the revenue budget since the Finance, Audit & Performance Management (FAPM) Committee on 10 September 2018.
- 1.2 Appendix 1 details the original budget, a revised budget to reflect authorised virements, transactions to date, the forecast outturn position and variance analysis. Appendix 2 charts the budget variances reported at each FAPM Committee in addition to the overall year end position.

2. ISSUES

- 2.1 Updated revenue projections indicate an overspend of £401k, an increase of £10k since previous reporting. This is a result of an increase of £384k in employee costs which is offset by £374k less costs projected within non employee budgets.

The above position is due to funds within the contingency budget being redirected to employee costs to support the 2% pay award. This will be payable in November and projections are now included within the salary budget.

The position also includes projected costs for the recent large scale event that was the United Kingdom Rescue Organisation (UKRO) challenge, hosted by the service in September 2018. In addition are the costs of the High Rise Living team, formed as a result of the Grenfell tragedy. To date, funding of £30k has been confirmed in relation to UKRO and this has been included as part of this report. If any further funding becomes available for these projects it will be reported in the remainder of the year.

2.2 The most significant changes since previous reporting are outlined below:

2.2.1 EMPLOYEE COSTS - £384k decrease in underspend

This consists of an overall increase against salaries of £304k, and a further an increase in projected ill health pension costs of £83k.

The 2% pay award for operational staff is now confirmed and the additional costs within the employee budget are being met from the contingency budget, as outlined above.

Despite an overall £200k increase in forecast salaries, this has been offset by a reduction in forecast Firefighter pension costs. £76k of Welsh Government (WG) funding was omitted in previous forecasts for the Community Safety Dept.

The employer pension cost profile has been updated since previous reporting and this has reduced the forecast costs by £170k. This is due to the actual number of retirements exceeding the forecast within the fire fighter retirement profile i.e. 16 additional retirements over and above the estimated 3 retirements per month up to October. Also, the Service maintains a recruitment strategy to replace retirees and these attract a reduced employer, pension oncost. 1992 scheme members attract an oncost rate of 25.5%, much higher than the new 2015 scheme at 14.3%. All but 6 of the 37 retirements left the 1992 scheme.

Further to the above, additional ill health pension costs of £83k are projected to reflect the 6 additional ill health retirements since previously reported. It is worth noting that any additional ill health retirements that occur during the course of the year will impact on this position further.

Establishment figures (FTE) as at 30 September 2018

	Strength*	Budgeted Estab
WDS	781.50	793
RDS (100%)	446.53	533
Control	38.93	42
Support Staff	270.19	254.64
YFF	59.97	67.00
Auxiliary Reserve	75.00	80.00

Total Leavers & Joiners April 2018 to September 2018 (Headcount)

	Starters	Leavers
Control	0	0
Support Staff	25	15
RDS	67	41
WDS	1	27
YFF Staff	1	0
Auxiliary Reserve	0	1
Total	94	84

*Only details new starter or leavers to the service and does not relate to additional contracts

2.2.2 PREMISES COSTS - £35k increase in overspend

£18k represents the estimated recharge of co-locating with Mid & West Wales Fire & Rescue Service (MWWFRS) and South Wales Police (SWP) at the Joint Public Service Centre (JPSC).

Trade waste charges by local authorities have also increased by £17k.

2.2.3 TRAINING - £35k increase in overspend

Training costs have increased by £53k and relates to high rise firefighter training as a direct response to Grenfell. SWFRS is collaborating with West Midlands Fire Service (WMFRS) to roll this programme out. Any potential funding for this project will offset these costs although nothing is yet confirmed.

The above has been offset by £10k coding adjustment to consultancy costs to cover the delivery of staff seminars.

2.2.4 SUPPLIES AND SERVICES - £194k increase in overspend

These include a projection of £130k for non salary costs to support the UKRO challenge. Confirmation of final challenge costs and associated detail will be reported to members subsequently.

Forecast operational equipment costs have increased by £45k to accommodate the unbudgeted replacement of trauma bags, £18k, and hose reel branches, £27k. The plan is to instigate a rolling programme to inform the budget setting process.

The projection of annual subscription costs for the HR system Core has increased by £18k, although this is offset by a matching amount in income (below). The increase represents 50% of total system costs which is attributable to MWWFRS as part of the cost sharing agreement.

2.2.5 CONTRACTED SERVICES - £21k increase in overspend

As above, a £10k increase is a result of re-coding from training budget to cover consultancy costs for delivery of staff awareness sessions.

2.2.6 CAPITAL COSTS / LEASING - £210k decrease in overspend

The previous Minimum Revenue Provision (MRP) contained an error of £170k. The charge included projects that had earmarked funding such as grants and reserves as opposed to those that attracted borrowing only, i.e. Compartment Fire Behaviour Training (CFBT) project at Cardiff Gate and energy efficiency schemes. These have now been removed from the MRP calculation.

Furthermore, an estimate of £38k at budget setting set aside for new borrowing is unlikely to take place as we monitor the Services cash position. The current treasury strategy is to liquidise investments before any borrowing is undertaken.

2.2.7 CONTINGENCY - £356K

As detailed above, the funds set aside as a contingency budget have been redirected to the salary budget.

2.2.8 INCOME - £83k Increase

Unbudgeted investment returns of £53k is the main contributor to overall increase in projected income. A further £18k relates to the recharge by MWWFRS for their contribution to the annual subscription costs for Core HR, as detailed above.

3. FINANCIAL IMPLICATIONS

3.1 An overall projected overspend on the revenue budget equating to £401k.

4. EQUALITY RISK ASSESSMENT

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

5. RECOMMENDATION

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

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

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SOUTH WALES FIRE & RESCUE SERVICE						APPENDIX 1	
BUDGET MONITORING 2018/19							
		Original Budget 2018/19 £	Budget (vired budget) 2018/19 £	Actual at 01.10.18 £	Forecast 31.03.19 £	Over/Under Spend Against Revised Budget	Over/ Under Spend %
Employee Costs							
	Salaries, NI & superann.	54,166,233	54,085,274	26,495,065	53,703,462	381,812	0.5%
		54,166,233	54,085,274	26,495,065	53,703,462	381,812	
	Pensions (ill health)	793,608	793,608	285,145	955,054	-161,446	-0.2%
	Travel and Subsistence	453,200	452,700	203,581	458,102	-5,402	0.0%
	Total Employee Costs	55,413,041	55,331,582	26,983,791	55,116,617	214,965	0.3%
	Premises Related Expenses	4,668,990	4,668,026	1,962,472	4,992,459	-324,433	-0.5%
	Training Expenses	1,525,925	1,525,039	208,561	1,598,684	-73,644	-0.1%
	Supplies & Services	3,679,201	3,681,051	2,414,999	4,268,372	-587,321	-0.8%
	Transport Related Expenses	1,252,942	1,252,942	610,231	1,240,237	12,705	0.0%
	Third Party Payments (Contracted Services)	744,139	880,198	319,411	913,635	-33,437	0.0%
	Capital costs / leasing	4,498,825	4,443,725	408,708	4,606,485	-162,760	-0.2%
	Contingency	355,705	355,705	0	0	355,705	0.5%
	Income	-976,096	-975,596	-533,075	-1,172,872	197,276	0.3%
	CONTRIBUTION BUDGET 2017/2018	71,162,672	71,162,672	32,375,098	71,563,618	-400,946	-0.6%
Key							
Overspend							
Underspend							

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SOUTH WALES FIRE & RESCUE SERVICE								APPENDIX 2
BUDGET MONITORING 2018/19								
	Original Budget 2018/19 £	Revised Budget (vired budget) 2018/19 £	FAPM Forecast 10.09.18 £	FAPM Forecast 12.11.18 £	Variance at FAPM 10.09.18 to Revised Budget	Variance at FAPM 12.11.18 to FAPM 10.09.18	Cumulative Variances against Revised Budget	Summary on variances previously reported*
Employee Costs								* Vacancy underspends Additional income relating to Joint Control and CS Pension variations since budget setting Increase in the number of Ill Health retirements since budget setting Virement of £81k to Contracted Services re: Aux.Reserve
Salaries, NI & superann.	54,166,233	54,085,274	53,399,435	53,349,411	685,839	50,024	735,863	
	54,166,233	54,085,274	53,399,435	53,349,411	685,839	50,024	735,863	
Pensions (ill health)	793,608	793,608	871,745	955,054	-78,137	-83,308	-161,446	
Travel and Subsistence	453,200	452,700	461,934	458,102	-9,234	3,832	-5,402	
Total Employee Costs	55,413,041	55,331,582	54,733,114	54,762,566	598,468	-29,452	569,016	
Premises Related Expenses	4,668,990	4,668,026	4,957,683	4,992,459	-289,657	-34,776	-324,433	* NNDR increase following 2017 revaluations External Fabric increase - wall repairs at Pontycymmer and Monmouth, fencing at Porthcawl, remaining NET2 swipe installation. These costs are partially offset by savings identified within air conditioning unit repairs Increase in re-active areas including boiler repairs, HQ ceiling works and signage
Training Expenses	1,525,925	1,525,039	1,563,694	1,598,684	-38,655	-34,989	-73,644	* Additional training not initially budgeted (RAPs, ELP and MIND Cymru)
Supplies & Services	3,679,201	3,681,051	4,074,400	4,268,372	-393,349	-193,972	-587,321	* Overspend anticipated on WG HFS funding Operational equipment increased due to goods not received in 17/18 and ladders required within Fleet. Also, HYDRA facility at Cardiff Gate which will be covered by both 18/19 income and carry forward reserves Increase to Support and Maintenance and Licence costs within IT offset by income
Transport Related Expenses	1,252,942	1,252,942	1,248,983	1,240,237	3,959	8,746	12,705	
Third Party Payments (contracted services)	744,139	880,198	893,130	913,635	-12,932	-20,506	-33,437	* Additional Consultancy costs within HR offset by additional income received
Capital costs / leasing	4,498,825	4,443,725	4,816,313	4,606,485	-372,588	209,827	-162,760	* Operating Lease charges increase including Joint Control lease and buy out charges MRP increase due to revised schedule of works CERA increase offset by additional income received Recalculation of loan interest due to two loans ending in 2018/19
Contingency	355,705	355,705	355,705	355,705	0	0	0	
Income	-976,096	-975,596	-1,088,997	-1,172,872	113,401	83,875	197,276	* Increase to cover additional expenditure in areas detailed above.
CONTRIBUTION BUDGET 2018/2019	71,162,672	71,162,672	71,554,025	71,565,272	-391,353	-11,247	-402,600	
Key								
Overspend								
Underspend								
* Comments for the latest FAPM will be included in detail in the report attached								

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SOUTH WALES FIRE & RESCUE AUTHORITY
FINANCE, AUDIT & PERFORMANCE
MANAGEMENT COMMITTEE
REPORT OF THE DEPUTY CHIEF OFFICER

AGENDA ITEM NO 6
12 NOVEMBER 2018

CAPITAL MONITORING REPORT 2018/19

SUMMARY

The capital monitoring report provides detail of the capital budget, transactions to date and the end of year forecast position as at 1st October 2018.

RECOMMENDATION

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

1. BACKGROUND

- 1.1 This report provides an update of the major changes affecting the revenue budget since the Finance, Audit & Performance Management (FAPM) Committee on 10 September 2018.
- 1.2 Appendix 1 illustrates 2017/18 budget slippage, the 2018/19 budget, expenditure incurred to date, a forecast 31 March position and budget slippage into 2019/20. In summary, the total available budget equates to £8.1 million, the forecast outturn and slippage for the year is £7.7 and £1.3 respectively.
- 1.3 Appendix 1 provides a detailed breakdown of the schemes contributing to the aforementioned position together with the necessary financing arrangements. The following provides a narrative update in support of Appendix 1.

2. ISSUES

2.1 Property

2.1.1 Station Refurbishments

2.1.1.1 New Inn

The forecast spend on fees for 2018/19 has decreased by £100k as priorities have arisen elsewhere.

2.1.1.2 Barry

This project is now complete and the forecast spend has increased from £489k to £574k and is offset by a £59k co-location contribution from WAST. This represents an over spend of £85k since previous reporting (£574k – £489k) and relates to unexpected variations. There may be a

small although mitigating contribution from WAST towards the over spend following receipt of the final valuation although this is has is not presently confirmed.

2.1.1.3 Llantwit Major

An unbudgeted co-location project at Llantwit Major is due to commence January 2019. The cost for the internal works to meet co-locating needs will be covered by South Wales Police (SWP). The opportunity has also arisen for external building improvements and SWP have agreed to part fund these on a 50/50 basis. If Members agree to progress this project, it is proposed the budget is vired from the Planned and Preventative budget. This budget was earmarked for repairs to the roof of Cardiff Central station although this will not be spent this year as assessments are ongoing regarding a number of issues at the station. Estimated project costs equate to £201k with £164k to be offset by SWP contributions.

2.2 New Builds

2.2.1 Compartment Fire Behaviour Training Facility (CFBT)

Members are minded of the agreed increase in budget from £4.5 - £5 million to accommodate redesign works. Build commenced in September 2018 and is envisaged to complete in 2019/20.

2.2.2 Cardiff Gate Secure Storage Unit

Construction has started and is progressing as planned although there is a small increase in costs of £5k on previously reported costs.

2.3 Planned and Preventative

2.3.1 Per previous reporting, this budget was earmarked to fund roof repairs at Cardiff Central although will now be redirected to Llantwit Major station, as above. A fresh bid will be submitted for Cardiff Central for 2019/20 and will seek to remedy the outcomes of the site assessment currently being undertaken.

The fuel pump at HQ has now been installed with a final cost of £59k. The under spend of £41k can be used to offset Llantwit over spend.

2.4 Energy Efficiency Schemes

2.4.1 Since previous reporting the tender for HQ Air Conditioning was returned at £347k and we requested a further £48k of additional works to be undertaken which has resulted in an overspend of £95k.

All of these projects are on schedule to be completed within 2018/19.

2.5 Vehicle Replacement Programme (VRP)

2.5.1 Operational 4WD

Since previous reporting the purchase of 4x4's rather than wildfire appliances have been agreed and will be progressed accordingly.

2.5.2 Water ladders

2 water ladders are to be purchased in 2018/19 and we are currently awaiting the return of the tender to confirm the costs.

2.5.3 USAR (Urban Search & Rescue) Vehicles

Since previous reporting the type and number of vehicles SWFRS will be purchasing has altered to 2 vehicles for £48k which have already been ordered.

2.6 ICT

2.6.1 Website Project

An additional £1k has been added to the forecast as Welsh translation costs were returned at £2k rather than £1k previously estimated.

2.7 Equipment

2.7.1 USAR Rig Upgrade

The forecast has been reduced to zero from £80k as it is less certain that any spend will be made by SWFRS this year and NWFRS and MWWFRS may potentially use the funding instead.

3 FINANCIAL IMPLICATIONS

3.1 Appendix 1 illustrates capital scheme details and is supported by paragraphs 2.1 to 2.7 above. The appendix presents the picture of overspending by £800k although the overspend is offset by additional funding to the budget (detailed in the funding analysis) i.e. grants, reserve etc. and can be analysed as follows;

	Over/Under spend £000	Additional Funding £000	Report Variances £000
C/GATE SECURE STORAGE UNIT	-9		-9
PLANNED & PREVENTATIVE MAINT	154		154
BREATHING APPARATUS	-22		-22
SERVICE DESK	4		4
BARRY (co-location cont's offset over spend)	-85	-59	-144
LLANTWIT MAJOR (co-location cont's offset overspend)		-164	-164
WEBSITE PROJECT (reserve funding)		-1	-1
ENERGY EFFICIENCY SCHEMES (reserve funding)		-95	-95
MTFA Vehicles (grant funded)		-80	-80
USAR VEHICLES (grant funded)		-48	-48
MTFA EQUIPMENT (grant funded)		-60	-60
CBRN / DIM EQUIP (grant funded)		-85	-85
LCD DETECTION / MONITORING (grant funded)		-220	-220
TOTAL	43	-812	-769

Consequently, the overall impact on the capital budget variance is a 'net under spend' of 43k with £812k of additional funding required to cover the over spends in 'funded areas'.

4. EQUALITY RISK ASSESSMENT

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

5. RECOMMENDATION

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

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	Revenue & Capital Budget Determination Report Capital Monitoring working papers 2017/18 Budget Holder Reports

CAPITAL PROGRAMME 2018/19								APPENDIX 1
	Project Total £000	SLIPPAGE B/F 2017/18 £000	2018/19 BUDGET £000	ACTUAL AS AT 01.10.18 £000	COMMITTED AS AT 01.10.18 £000	OUTTURN POSITION 31.03.19 £000	BUDGET UNDER/OVER SPEND £000	SLIPPAGE C/F 2019/20 £000
PROPERTY								
LAND ACQUISITIONS								
PONTYPRIDD	425	425	0	0	0	0	0	425
STATION REFURBISHMENTS								
MONMOUTH	600	597	0	0	9	150	0	447
NEW INN	2,550	497	0	3	6	150	0	347
BARRY (co-location cont's offset over spend)	1,400	0	430	401	173	574	-144	0
TONYPANDY	300	0	300	0	0	300	0	0
FORMER CONTROL (Pontyclun)	150	0	150	0	0	150	0	0
LLANTWIT MAJOR (co-location cont's offset overspend)	0	0	37	0	0	201	-164	0
NEW BUILDS								
CFBT FACILITY CARDIFF GATE (reserve funding)	5,000	2,848	0	127	122	2,848	0	0
C/GATE SECURE STORAGE UNIT	55	0	55	13	51	64	-9	0
PLANNED & PREVENTATIVE MAINT	0	100	113	0	2	59	154	0
ENERGY EFFICIENCY SCHEMES (reserve funding)	1,054	1,054	0	590	298	1,149	-95	0
	11,534	5,521	1,085	1,134	660	5,644	-257	1,219
VEHICLES								
OPERATIONAL 4WD		0	120	0	0	120	0	0
TRUCK (SLIDE DECK / CRANE)		0	150	0	0	150	0	0
VANS (LIGHT VEHICLES)		61	170	61	116	231	0	0
WATER LADDERS		0	464	0	0	464	0	0
MTFA Vehicles (grant funded)		0	0	0	54	80	-80	0
USAR VEHICLES (grant funded)		0	0	0	48	48	-48	0
RESCUE BOAT	45	45	0	0	0	0	0	45
	45	106	904	61	218	1,093	-128	45
EQUIPMENT								
BREATHING APPARATUS		0	0	22	0	22	-22	0
SERVICE DESK	50	35	0	0	31	31	4	0
HQ SWITCH REPLACEMENT	200	200	0	133	0	200	0	0
DISASTER RECOVERY	100	44	100	36	0	144	0	0
WEBSITE PROJECT (reserve funding)		0	40	24	16	41	-1	0
BIMS	126	5	0	1	0	5	0	0
UNIFIED COMMUNICATION REPLACEMENT	100	0	100	9	0	100	0	0
MTFA EQUIPMENT (grant funded)		0	0	2	0	60	-60	0
CBRN / DIM EQUIP (grant funded)		0	0	0	0	85	-85	0
LCD DETECTION / MONITORING (grant funded)		0	0	0	0	220	-220	0
USAR RIG UPGRADE (grant funded)		0	0	0	0	0	0	0
	576	284	240	227	46	908	-384	0
TOTAL	12,155	5,911	2,229	1,421	925	7,645	-769	1,264
FUNDING ANALYSIS								
BORROWING						2,689		
CO-LOCATION CONTRIBUTIONS						224		
REVENUE CONTRIBUTION						200		
REVENUE RESERVES						4,038		
CAPITAL GRANT						493		
						7,645		

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

AGENDA ITEM NO 7
12 NOVEMBER 2018

REVENUE BUDGET REPORT 2019/20

SUMMARY

The report outlines the background to and proposals for the Fire Authority's revenue budget for the financial year 2019/20.

RECOMMENDATION

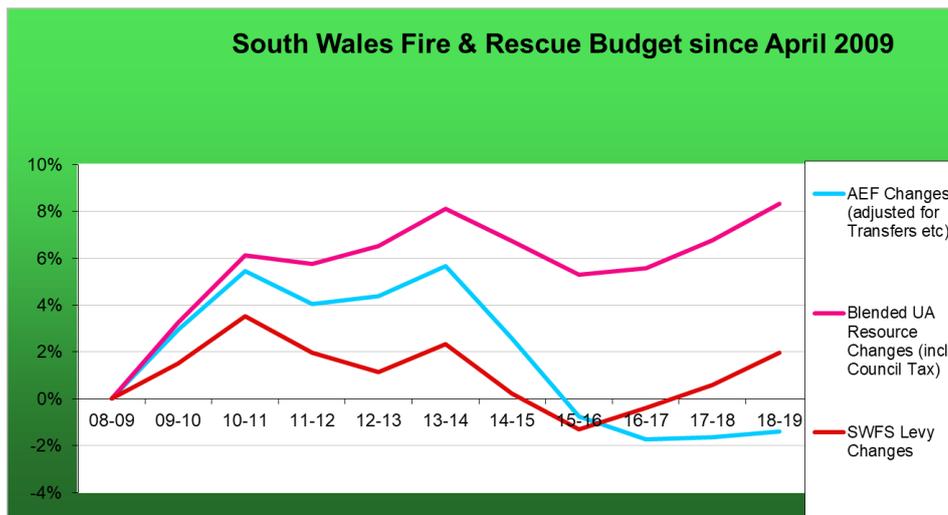
That the Committee confirms the enclosed information as the basis for continuing to develop the Fire Authority's revenue budget for 2019/20.

1. BACKGROUND

- 1.1 The Fire Authority approved its Medium Term Financial Plan in September as the basis for agreeing the 2019/20 revenue budget.
- 1.2 Further work has been undertaken to determine the spending needs and resource availability in respect of 2019/20. Information has been forthcoming in respect of Welsh Government and Council budgets together with the draft 2016 valuation of the Fire Pension Scheme undertaken by the Government Actuary Department (GAD).
- 1.3 Work has also continued to determine the availability of efficiency savings to underpin the 2019/20 budget.

2. 2018/19 BUDGET PROJECTIONS

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



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

3 WELSH GOVERNMENT AND COUNCIL BUDGETS

- 3.1 On the 9th October, Welsh Government published the draft Local Government Settlement for 2019/20. The settlement quotes a 0.3% cash reduction in budgets ranging from -1.0% to +0.4% within the South Wales area depending on variations arising from the settlement process.
- 3.2 Councils of course have the ability to raise council tax locally. The long term trend of increases in council tax yield has been around 4.7% in South Wales. This together with the cut in funding from Welsh Government for 2019/20 would equate to an approximate average 1% increase in net resources year on year.

4. 2016 FIRE PENSION SCHEME VALUATION

- 4.1 The draft results of the 2016 Fire Pension Scheme Valuation were released in September this year. The detail of the valuation methodology, assumptions and results will be considered in detail through the Local Pension Board and the Scheme Advisory Board for Wales.
- 4.2 The Scheme is an unfunded pension scheme and largely as a result of technical changes in the calculation of the notional funding position, the scheme is now in deficit. The valuation by GAD includes the calculation of future employers' pension contributions over the period 2019 to 2023 to address this situation. The increase is calculated at 9.6% equating to around £2.9m for the Fire Authority, equivalent to 4% of the Fire Authority's total budget.

- 4.3 It is unclear yet whether Central Government will fund these increased costs in their entirety or indeed at all. Should an increase in funding be forthcoming for England with the usual Barnett consequential for Wales, it remains to be seen whether Welsh Government would passport its share of such funding to Welsh fire authorities via specific grant, to Councils via Revenue Support Grant or not at all. Such resources are not hypothecated and Welsh Government has the freedom to determine its devolved budget as it sees fit.
- 4.4 At the September Fire Authority meeting, Members requested that the Treasurer inform the 10 constituent authorities of the current +1.8% budget projection within the medium term financial plan. This information has been communicated to local authority treasurers together with the background to the potential 4% increase in costs arising from pensions above.

5. CONSTITUENT AUTHORITY POPULATION PROJECTIONS 2019/20

- 5.1 The distribution of the Fire Authority revenue budget is based on the population projections included within the local government settlement. Changes in these projections from year to year alter the funding liability of constituent authorities regardless of any decision made by the Fire Authority on budget increases or reductions.
- 5.2 The table below shows the relevant population numbers together with the changes that will flow from this annual change.

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

- 5.3 As can be seen from the table, overall there is a population increase within the South Wales area however, this increase is substantially within the Cardiff City Council area. As such there will be a relative increase in Cardiff's contributions with consequential reductions in all the others before any decision the Fire Authority makes on its budget.

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

6. BUDGET 2019/20

- 6.1 The Fire Authority has already considered the impact of inflation on its base budget and information on this was provided to the FAPM meeting in September together with assessments of any key budget pressures arising within the 2017/18 outturn report or the 2018/19 budget monitoring reports.
- 6.2 The key budget pressure is on pay where 2% pay awards are anticipated for the coming year. This equates to around £1.05m (1.5% growth in total budget).
- 6.3 The Fire Authority was faced with substantial increases in business rate liabilities on some of its premises following the last revaluation and despite appropriate reviews and appeals, £0.2m of this increase is still in place. This increase is being absorbed in the current year but will represent a continued pressure in the 2019/20 budget.
- 6.4 In September 2018, the Fire Authority received a paper which sought to stabilise the staffing structure of the Service which over a number of years had come to rely on a significant number of temporary staff appointments. This report confirmed the structure of the Fire Authority without adding to the existing employee budget. Further work was recognised in this area to identify any opportunities for further efficiency savings and to settle the future pay and grading system within the non-uniformed staff cohort.

Efficiency savings

- 6.5 The Joint Control Centre project based at SW Police headquarters in Bridgend is not operational and cost savings arising from this are built into the base budget of the Fire Authority. In order to deliver the project, the Fire Authority committed to pay £0.8m towards the property costs of the project with the intention of meeting this cost as a one off payment from its invest to save reserve. Following a review of the accounting treatment for the property, the Fire Authority is required to amortise this payment over the 8 year initial period of the occupation and as such a £0.1m charge will need to be funded each financial year from the revenue budget. An equal amount will therefore be transferred from earmarked reserves each year to offset this cost.

6.6 As part of the ongoing work on preparing the revenue budget, the following annual revenue budget savings have so far been identified by Heads of Service. These savings are from service budgets and can be reduced with minimal impact on service delivery but may have impacts on current provision of contractual arrangements such as Security at HQ and private medical procedures. The savings identified come with the caveat that any areas of overspend within departmental budgets would need to be controlled as there will be less flexibility for virement in future.

- **Stationery/Photocopying - £10,000** The costs of stationery and photocopying have reduced in the last two years following the introduction of the VDI project and tablet technologies.
- **Business Fire Safety – Training/ICT - £10,000** Centralised budgets are held for the provision of training and ICT equipment. The Business Fire Safety budgets were created for specific items which in future will form part of centralised costs.
- **HR Training/Role Actors - £10,000** As above the training budget held by HR will now fall under the centralised training dept. budget. The use of role actors for ADC's has decreased in recent years therefore savings are achievable against this budget heading.
- **Fuel - £40,000** Fuel usage has fallen as a result of better management of vehicle movements and the introduction of the new fuel management system. Despite costs rising further savings are anticipated following the investment of a new fuel tank at FSHQ.
- **Training - £60,000** The costs of external training courses has reduced as the service looks to provide in house courses using subject matter experts from within service personnel. Additional savings for software licences have also been removed as these were already covered by the ICT dept.
- **Capital Charges £50,000** The level of minimum revenue provision (MRP) has fallen as a direct result of the reduced capital programme in the last two years. These charges are linked to the level of borrowing required to fund capital schemes.
- **Fleet Parts - £50,000** This element of the fleet services budget is reactive based on the actual usage required each year. Spend against this budget head has fallen in recent years as a result of the investment in new vehicles and the fleet service programme.

- **ICT/Communications - £50,000** The savings achievable in this area are a direct result of reduced licence fees for the wide area network within the service.
- **Fitness Equipment - £20,000** The service has made significant investment in gymnasium equipment in recent years. All stations and FSHQ now have modern fitness equipment available for staff to use, therefore the investment can be reduced and managed through a rolling replacement programme.
- **Lease Occupational Health Unit - £70,000** The current lease for the unit at Nantgarw expires in 2019 and the service is looking to relocate the facility to a service owned property within the next year.
- **Surgical Procedures - £20,000** The number of private medical operations for service personnel has been reduced and managed
- **Ops Risk Management - £40,000** Reductions are being made across several areas in this department. Training, consultancy, text books, repair and maintenance and equipment purchases have all been reviewed and savings identified.
- **Service Performance and Communications - £20,000** Savings are available across a number of areas within this department due to reduced costs for subscriptions, statutory notices, consultancy and training.
- **Security FSHQ site - £50,000** The level of security provision at the FSHQ was increased over a year ago to include daytime provision, following the increase in the national security threat level. Following advice from WECTU this provision can now be reduced and revert back to the out of hours provision at the site.
- **Strategic Reserve – On-call Budget - £50,000** In recent years the costs associated with the strategic reserve to provide cover at on-call call stations has risen significantly and been supported from underspends against the on call budget. Following changes to the flexible rostering system the number of shifts available will enable alternative provision of cover to be made.
- **Watch Manager allowances – On Call Stations - £30,000** Allowances have historically been paid to watch managers at on-call station with no station manager responsibility assigned. This has been resolved with all on-call stations assigned a station manager, therefore removing the requirement for additional allowances.

- 6.7 This list equates to £580,000 and if attained, would bring the estimated increase in the contributions budget to just under 1% without the impact of fire pension costs or 5% if no funding is forthcoming from central government. Further work will progress to identify any other efficiency savings that can be brought forward.

7. FINANCIAL IMPLICATIONS

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

8. EQUALITY RISK ASSESSMENT

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

9. RECOMMENDATION

- 9.1 That the Committee confirms the enclosed information as the basis for continuing to develop the Fire Authority's revenue budget for 2019/20.

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

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SOUTH WALES FIRE & RESCUE AUTHORITY
FINANCE, ASSET & PERFORMANCE
MANAGEMENT COMMITTEE
REPORT OF THE DEPUTY CHIEF OFFICER

AGENDA ITEM NO 8
12 NOVEMBER 2018

**A SOUTH WALES FIRE & RESCUE SERVICE RESPONSE TO THE
'ELECTRICAL FIRES IN WALES' WRITTEN STATEMENT BY WELSH
GOVERNMENT**

SUMMARY

The report was considered by the FAPM Scrutiny Group who resolved to refer this issue to this committee for their information and consideration.

Welsh Government shared a draft report with the Service on 15 June 2018 that highlighted how accidental dwelling fires where 'electrical distribution' was the source of ignition were a significant concern in Wales. South Wales Fire & Rescue Service was keen however to provide scrutiny and context to the data provided within the report, to paint a more proportional picture of the risk presented by fires of this nature. The Service submitted a report (attached at Appendix 1) to Welsh Government which identified discrepancies within the draft report and provided rationale behind a number of the conclusions made. Welsh Government published the draft report as a written statement on 17 July 2018.

RECOMMENDATION

That Members acknowledge the Service's response (attached at Appendix 1) to the 'Electrical Fires in Wales' written statement by Welsh Government (<https://gov.wales/docs/dsjlg/publications/fire/180716-electrical-fires-in-wales-en.pdf>), and how the issues raised within the written statement can be rationalised and explained.

1. BACKGROUND

- 1.1 A discussion regarding accidental dwelling fires (ADFs) which had 'electrical distribution' as the source of ignition originated at an Improvement Planning Steering Group meeting in July 2017 (where representatives from all three Welsh Fire & Rescue Services are present), when figures for ADFs were introduced to the group. The figures showed how incidents with the source of ignition 'electrical distribution' were increasing while the majority of the others were reducing/remaining the same. It was noted that, with the exception of cooking fires, incidents of this nature had become the most prevalent types of ADFs in Wales. There was then some speculation around why these incidents had increased and it was proposed that the use of incompatible mobile phone chargers was a contributing factor.

- 1.2 The three organisations were asked to further examine these incidents, in an attempt to understand what was occurring at these incidents and why they may be increasing. During the analysis it became clear that incidents categorised in this way were very diverse in their nature and covered a wide range of potential electrical faults within dwellings. Based on this fact and the comparatively low number of incidents witnessed per year compared to those caused by cooking appliances, the three Fire & Rescue Services did not believe that there was a specific risk posed by these incidents.
- 1.3 Despite the result of this analysis, Welsh Government (WG) produced a draft report on 15 June 2018 that highlighted how ADFs where 'electrical distribution' was the source of ignition were a significant concern in Wales. South Wales Fire & Rescue Service was keen however to provide further scrutiny and context to the data within the report, in order to paint a more proportional picture of the risk presented by fires of this nature. This report is attached as Appendix 1.

2. ISSUE

- 2.1 The number of ADFs attended in South Wales during 2017/18 is the lowest number on record. While there was indeed an increase in the number of ADFs where 'electrical distribution' was the source of ignition between the years 2010/11 and 2016/17 as highlighted in the WG written statement, the steep increase of 86.4% witnessed in South Wales during this period appears to be a rarity only present when analysing the differences between those two specific years (which are 6 years apart). Measuring the increase witnessed between a variety of other years can provide significantly lower increases in incident numbers (eg the increase between 2009/10 and 2016/17 is 50.7%, the increase between 2011/12 and 2016/17 is only 4.8% etc). In fact, the increase witnessed between 2009/10 and 2017/18 is 20.5%.
- 2.2 While ADFs with the source of ignition 'electrical distribution' have increased significantly since the years 2009/10 and 2010/11, the numbers of these incidents witnessed during the seven years since these years appear to be consistent. The consistent number of ADFs with the source of ignition 'electrical distribution' seen in South Wales during the last seven years contradicts section 10.1 of the WG written statement, which claims that the "increase in fires due to electrical supply is significant and sustained".
- 2.3 ADFs with the source of ignition 'electrical distribution' are difficult to identify and record in the Incident Recording System (IRS), as they include fires in electricity meters, fuse boxes and consumer units, wiring for both lights and plug sockets, and the wiring to appliances (both

hardwired for fixed appliances such as cookers and showers, and also leads and plugs attached to other appliances). The incidents also include the sub-category 'Electrical Supply – Wiring Cabling and Plugs' within the IRS, which also makes them particularly difficult to record. The WG written statement supports this by stating "there is some complexity in the definition of 'wiring cabling and plugs', which IRS coding might exacerbate rather than eliminate. Such confusion may well have led some appliance fires to be recorded as electrical distribution fires instead". The difficulty in recording and reporting these incidents may account for the increase seen within this incident category since 2010/11.

- 2.4 There is also evidence to further suggest that there may have been an inaccuracy in data recording during the years 2009/10 and 2010/11 following the introduction of the IRS, as the number of ADFs with the source of ignition 'other electrical appliances' was higher during 2009/10 and 2010/11 than they were during the seven years since this period. There appears to be a proportional shift between the numbers of incidents reported within both categories, suggesting that reporting issues may account for the low baseline figure used to quantify the issue presented by electrical distribution fires.
- 2.5 Section 7.3 of the WG written statement supports the hypothesis that the risk of injury is less at electrical distribution fires than in other ADFs, as it states that "injury rates for the same period (between 2009/10 and 2016/17) indicate that individuals are slightly less likely to be injured in an electrical distribution fire (6.7 injuries per 100 fires) than accidental dwelling fires generally (9.6 injuries per 100 fires)". However it should be noted that 30.2% less injuries in electrical distribution fires than those experienced in ADFs generally would appear to be a **highly** significant lower risk of injury presented at these incidents.
- 2.6 The WG written statement states in section 1.3 when discussing the increase in these incidents that "The trend mostly relates to fires in the South Wales geographical area". The WG written statement does not include the fact that, while South Wales witness more of these fires than the other two organisations, South Wales has a significantly higher number of dwellings. There were an estimated 662,948 dwellings in the administrative area in 2015/16 while there were an estimated 421,855 in Mid & West Wales and an estimated 322,643 in North Wales during the same year. A disparity in dwelling numbers in the three areas along with a small number of incidents to analyse does therefore not allow robust comparisons and benchmarking between the three Services.
- 2.7 This analysis has in fact further supported South Wales's continued focus on reducing cooking fires through our ongoing Cook Safe campaign as opposed to electrical distribution incidents, due to the significantly higher

number of these incidents witnessed annually during the period analysed, along with the increased number of victims witnessed at these incidents. Our vision remains to make South Wales safer by reducing risk.

- 2.8 The issue presented by ADFs where ‘electrical distribution’ was the source of ignition (that display annual totals of around 100 and are a low risk to life) is currently outweighed by the issue presented by arson and deliberate refuse fires. In South Wales last year we attended 4,201 deliberate fires, 2,340 of which involved refuse.
- 2.9 The organisation has been working collaboratively with the third sector organisation ‘Electrical Safety First’, to educate and promote awareness of electrical safety fires across South Wales. During this year this has involved multi-stranded public engagement in South Wales areas where risk has been identified, promoting specific electrical safety messages on appliance and white goods maintenance and recall, alongside messages around safe use of sockets and the ‘one plug, one socket’ rule.
- 2.10 Despite its contradictory view around the statistical significance of any risk presented by incidents where ‘electrical distribution’ was the source of ignition, the Service will commit to investigating these incidents in more detail in future through data collected via our Safe & Well visits and data collected as part of the LifeBid project, with an aim to enable Welsh Fire & Rescue Services to further understand the true nature of these incidents.

3. EQUALITY RISK ASSESSMENT

- 3.1 This report and the accompanying appendix themselves have no Equality Risk Assessment impact. However, the Service Performance and Communications department and the respective Directorates are working with the performance data to establish any trends and implications that would include equality implications. These will be addressed at that time.

4. RECOMMENDATION

- 4.1 That Members acknowledge the Service’s response (attached at Appendix 1) to the “Electrical Fires in Wales” written statement by Welsh Government <https://gov.wales/docs/dsjlg/publications/fire/180716-electrical-fires-in-wales-en.pdf>), and how the issues raised in the written statement can be rationalised and explained.

Contact Officer:	Background Papers:
Wayne Thomas Head of Service Performance and Communications	Appendix 1 - South Wales Fire & Rescue Service response to the Welsh Government written statement

APPENDIX 1

ELECTRICAL FIRES IN WALES – A South Wales Fire and Rescue Service response to the Welsh Government (WG) written statement

Finance, Audit and Performance Management meeting

Gwasanaeth Tân ac Achub
De Cymru



South Wales
Fire and Rescue Service

Raising Awareness - Reducing Risk

ELECTRICAL FIRES IN WALES – A South Wales Fire and Rescue Service response to the Welsh Government (WG) written statement

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ELECTRICAL FIRES IN WALES

1. Introduction

1.1 Welsh Government produced a draft report in July 2018 which identified that Accidental Dwelling Fires (ADFs) categorised as having 'electrical distribution' as the source of ignition have increased significantly in Wales during recent years. The report has further identified that there is a significant increase of these incidents in South Wales FRSs administrative area, which is unmatched across the UK and indeed internationally.

1.2 While the figures included within the report are accurate, South Wales Fire and Rescue Service (SWFRS) is keen to provide further scrutiny and context to the data behind the figures included within the report, to paint a more proportional picture of the risk presented by fires of this nature.

1.3 While SWFRS dispute the statistical significance of any risk presented by incidents where electrical distribution was the source of ignition, the organisation will commit to investigating these incidents in more detail in future with an aim to enable Welsh FRSs to further understand the true nature of these incidents.

2. Background

2.1 The original discussion around ADFs which have electrical distribution as the source of ignition originated at an Improvement Planning Steering Group meeting in July 2017, when figures for ADFs from the Stats Wales website were introduced to the group that involved representatives from all three Welsh FRSs. The figures showed how incidents with the source of ignition 'electrical distribution' were increasing while the majority of the others were reducing/remaining the same. It was noted that, with the exception of cooking fires, incidents of this nature had become the most prevalent types of ADFs in Wales. There was

then some speculation around how these incidents had increased....it was proposed that the use of incompatible mobile phone chargers was an issue.

Accidental dwelling fires by source of ignition and year

Actions | Chart







Area (South Wales) Cause (All causes of accidental primary fires) Location (Dwellings)

Area Location Cause

Year

Source	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<input checked="" type="checkbox"/> All sources of accidental primary fires	802	752	758	745	681	655	682	691
<input checked="" type="checkbox"/> All sources of accidental primary fires								
<input checked="" type="checkbox"/> Smoking materials	60	87	43	54	44	36	45	45
<input checked="" type="checkbox"/> Matches and candles	22	33	26	29	35	25	30	28
<input checked="" type="checkbox"/> Cooking appliances	430	376	414	380	338	362	329	340
<input checked="" type="checkbox"/> Space heating appliances	41	21	24	30	25	19	24	26
<input checked="" type="checkbox"/> Central and water heating appliances	10	8	6	7	5	5	7	2
<input checked="" type="checkbox"/> Blowlamps, welding and cutting equipment	5	3	3	4	5	3	1	4
<input checked="" type="checkbox"/> Electrical distribution	73	59	104	101	90	94	111	110
<input checked="" type="checkbox"/> Other electrical appliances	121	128	89	96	90	75	94	85
<input checked="" type="checkbox"/> Other sources	34	30	42	37	42	29	35	42
<input checked="" type="checkbox"/> Unknown	6	7	7	7	7	7	6	9

Table 1 – ADFs by source of ignition for South Wales (Source Stats Wales, ([link https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Community-Safety/Fire-Incidents/Fires-and-False-Alarms/accidentaldwellingfires-by-sourceignition-year](https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Community-Safety/Fire-Incidents/Fires-and-False-Alarms/accidentaldwellingfires-by-sourceignition-year))

2.2 Following the meeting in July 2017, all Welsh FRs were asked to analyse whether there was a seasonal or monthly trend around these incidents, which was not apparent within the combined dataset.

2.3 In November 2017 the three organisations were then asked to look closer at the incidents in an attempt to further understand what these incidents involved and why they may be increasing. It was at this point that the STOP messages of the incidents were added to the dataset, before analysts from each organisation trawled through the messages in order to summarise the cause of fire based on key words found in the message. We tried to

summarise the cause of these incidents at their earliest point (i.e. the earliest point in the electricity's journey in to the property). E.g. if a socket and plug were on fire then the incident would summarise the ignition source as 'socket' if it was clearly the cause.

2.4 This analysis initially resulted in almost 50 different sources of ignition that had been broadly categorised as electrical distribution incident types within the dataset of South Wales alone. The type was then further summarised, again based on the point of the electricity's journey in to the property and the following broad incident types emerged

1. Fuse Box (electrical intake/junction boxes/fuse boxes).
2. Internal cables/wires
3. Removable appliance (Plug, wire and appliance included)
4. Hard wired appliance e.g. boiler, shower, light fitting
5. Switch/socket
6. External wires/cables
7. Meter

2.5 It was at this point it became clearer that the source of 'electrical distribution' was a lot broader than first thought, primarily due to the fact the source itself includes 'Electricity supply - wiring, cabling and plugs'.

2.6 There were no firm conclusions drawn from the research apart from the fact that ADFs with the source of ignition 'electrical distribution' covered a wide range of sources. Also, from the analysis of STOP messages, we were unable to identify the exact cause of 233 of the 743 incidents (31.4%) within the SWFRS dataset, which suggests that this source of ignition may be selected within the Incident Recording System for incidents where no further information was available. The broad nature of these incidents and the relatively low annual numbers witnessed meant that all three FRSs agreed that the issue presented by these incidents was not significant at this time.

3. Electrical Distribution Fires - CONTEXT

3.1 The number of ADFs attended in South Wales during 2017/18 is the lowest number on record. This can be largely attributed to our targeted community safety campaigns and a more target driven delivery of preventative and educational activities to those at risk. We have also partaken in the Lifebid project for over two years, which is a UK-wide project that aims to engage with casualties of ADFs to further understand the behaviors that can lead to fire related injuries. The number of ADFs attended in South Wales can be seen below in Table 2

Source of Ignition	Year								
	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Accidental Dwelling Fires	802	752	759	745	681	655	682	691	567

Table 2 – ADFs attended in South Wales between 2009/10 and 2017/18

3.2 While there has indeed been an increase in the number of ADFs where electrical distribution was the source of ignition, the steep increase of 86.4% witnessed in South Wales between the years 2010/11 and 2016/17 appears to be a rarity only present when analyzing the differences between those two specific years (which are 6 years apart). Table 3 below illustrates how measuring the increase witnessed between a variety of other years can provide significantly lower increases in incident numbers (the increase between 2009/10 and 2016/17 is 50.7%, the increase between 2011/12 and 2016/17 is only 4.8% etc.). In fact, the increase witnessed between 2009/10 and the most recent year on record is 20.5%.

Source of Ignition	Year								
	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Electrical Distribution	73	59	105	101	90	94	111	110	88

Table 3 – ADFs attended in South Wales with the source of ignition 'electrical distribution' between 2009/10 and 2017/18

3.3 While ADFs where electrical distribution was the source of ignition have increased, it is worth noting that we have witnessed significant reductions in ADFs with other sources of ignition.

	Fin Year									
Source of ignition	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	Grand Total
Cooking appliances	430	376	414	382	338	362	330	340	253	3225
Other Electrical appliances	122	126	89	95	91	73	93	82	75	846
Electrical Distribution	73	59	105	101	90	94	111	110	88	831
Smoking materials	60	87	43	54	44	37	45	45	51	466
Other sources	31	28	42	33	41	28	33	42	39	317
Matches and candles	22	33	26	29	35	25	30	28	22	250
Space heating appliances	41	21	24	30	25	19	24	26	18	228
Unknown	6	6	7	7	7	7	6	9	12	67
Central and water heating appliances	10	8	6	7	5	5	7	2	4	54
Blowlamps, welding and cutting equipment	5	3	3	4	5	3	1	4	4	32
Other appliance or equipment	2	5	0	3	0	2	2	3	1	18
Grand Total	802	752	759	745	681	655	682	691	567	6334

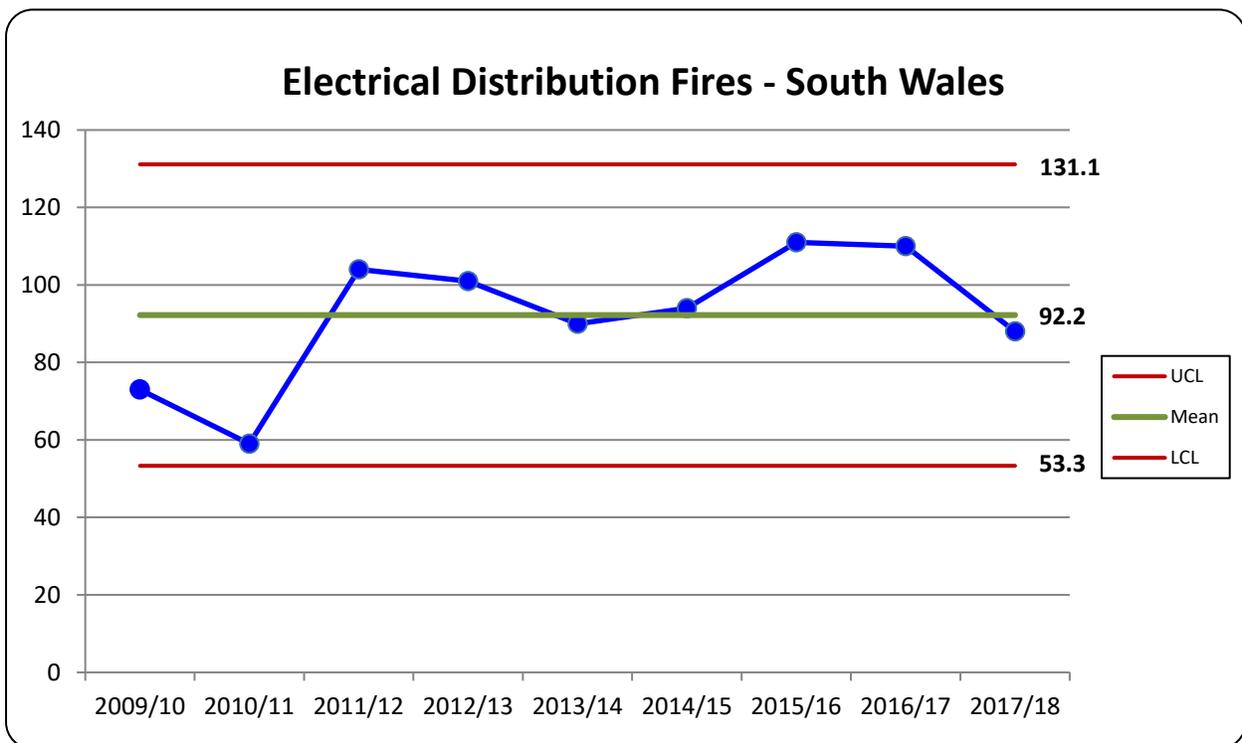
Table 4 – ADFs attended in South Wales by source of ignition, between 2009/10 and 2017/18

3.4 While ADFs where electrical distribution was the source of ignition have increased, incidents where cooking appliances were the source of ignition are still the greatest risk facing those residing in dwellings within the South Wales area (these incidents made up 253 of the 567 ADFs attended in 2017/18 (44.6%) while electrical distribution fires made up 88 of 567 during the same period (15.5%)).

3.5 The number of ADFs with electrical distribution as the source of ignition has increased in recent years compared to the low totals seen in 2009/10 and 2010/11, particularly when using 2010/11 as the baseline. The control chart below illustrates the last nine years of these incidents attended in South Wales. It appears that the following conclusions can be drawn

- The mean number of incidents of this nature attended during the period is 92.2. The number of incidents attended during the last seven years appear to remain very close to the mean number, ranging from 111 (2015/16) to 88 (2017/18)

- The total witnessed in 2010/11 appears to be more of an anomaly than any other point within the chart, almost appearing outside the Lower Control Limit (which is three standard deviations away from the mean). It is worth noting that the Incident Recording System used UK-wide to collect incident data was first introduced in 2009/10. It is possible that recording accuracy and data validation were developing at this time.
- The 88 incidents attended in 2017/18 is lower than the nine-year mean



Graph 1 – A control chart of all Accidental Dwelling Fires that had ‘electrical distribution’ as the source of ignition attended in South Wales between 2009/10 and 2017/18

3.6 The low number of ADFs where electrical distribution was the source of ignition in ADFs witnessed specifically in 2009/10 and 2011 could be attributed to the fact that incidents may have been recorded incorrectly during these years, during a time where Fire and Rescue Services were implementing the new Incident Recording System and accompanying

validations along with delivering training to operational staff. Table 5 below provides evidence that the numbers recorded with the source of ignition ‘other electrical appliances’ during the years 2009/10 and 2010/11 was significantly higher than they were during the years that followed (coincidentally when the number of electrical distribution fires appeared to increase).

Source of Ignition	Year									Grand Total
	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	
Electrical Distribution	73	59	105	101	90	94	111	110	88	831
Other electrical appliances	122	126	89	95	91	73	93	82	75	846
Total of both types	195	185	194	196	181	167	204	192	163	1677

Table 5 – A table illustrating how the number of ADFs with the sources of ignition of ‘other electrical appliances’ appear to be unusually high during 2009/10 and 2010/11, when ADFs with the source of ignition ‘electrical distribution’ were at their lowest. The numbers within both types appear to shift after this point.

3.7 While the number of ADFs with electrical distribution as the source of ignition has increased in recent years compared to the low totals seen in 2009/10 and 2010/11, Graph 1 does not appear to substantiate section 10.1 of the WG report that claims that “increase in fires due to electrical supply is significant and sustained”.

4. Electrical Distribution fires – possible reporting issues

4.1 It highlights the varied nature of electrical distribution fires within section 3.1 of the WG report, stating that they include fires in electricity meters, fuse boxes and consumer units, wiring for both lights and plug sockets, and the wiring to appliances (both hardwired for fixed appliances such as cookers and showers, and also leads and plugs attached to other appliances). More importantly however it states that these fires are distinct from fires which start in electrical appliances themselves such as washing machines, tumble driers and fridges.

4.2 Having said this, in section 8.2 of the WG report it states that while “appliance fires are and should be recorded as originating in the type of appliance concerned, not as ‘electrical distribution’. However, whether a fire originated in the appliance or in its power supply may not always be obvious; and it is hypothetically possible that some appliance fires have been incorrectly recorded as electrical distribution fires. That could in turn account for the apparent increase we have seen”.

4.3 Another contributor to the potential difficulty of recording and reporting of these incidents is the fact that the source of ignition ‘Electrical Supply – Wiring Cabling and plugs’ is included within the electrical distribution category. The WG report supports this by stating “there is some complexity in the definition of ‘wiring cabling and plugs’, which IRS coding might exacerbate rather than eliminate. Such confusion may well have led some appliance fires to be recorded as electrical distribution fires instead”.

4.4 The difficulties associated with recording and reporting incidents of this nature in conjunction with the relatively low number of incidents analysed leads us to believe that it is not justifiable to class these fires as presenting a “significant issue”, as the WG report has done in section 7.5.

5. Victims involved – Electrical Distribution fires

5.1 Section 1.4 of the report produced by WG states that “The evidence we have examined does not suggest that there is any greater risk of injury from electrical distribution fires than from any other accidental dwelling fire”.

5.2 In order to further investigate this, analysis of the ADFs attended in South Wales during the last nine years and whether victims were involved (i.e. when the answer to Q3.5 of the Incident Recording System was answered ‘yes’) can be seen below in Table 6.

Source of ignition	Victims involved?		Grand Total	%
	yes	no		
Smoking materials	149	317	466	32.0%
Matches and candles	65	185	250	26.0%
Cooking appliances	639	2586	3225	19.8%
Space heating appliances	43	185	228	18.9%
Other sources	55	262	317	17.4%
Other Electrical appliances	107	739	846	12.6%
Unknown	8	59	67	11.9%
Central and water heating appliances	5	49	54	9.3%
Electrical Distribution	71	760	831	8.5%
Blowlamps, welding and cutting equipment	1	31	32	3.1%
Other appliance or equipment	0	18	18	0.0%
Grand Total	1143	5191	6334	18.0%

Table 6 – ADFs attended in South Wales between 2009/10 and 2017/18 by source of ignition. The table indicates whether there were victims present at the incidents based on Q3.5 of the IRS (i.e. fatality/injury or rescue)

5.3 According to the evidence presented in Table 6 it could be argued that, while WG state that there is no evidence that there is a greater chance of injury at electrical distribution fires compared to other ADFs, it appears that the number of victims at incidents of this nature is significantly lower than other ADFs. During the last nine years there was a victim involved at

8.5% of ADFs where electrical distribution was the source of ignition, which is rather low compared to the 32.0% of 'Smoking related' incidents involving a victim, 26.0% of 'Matches and Candles' incidents involving a victim and 19.8% of the 3,225 incidents where 'Cooking Appliances' was the source of ignition involving a victim.

5.4 Section 7.3 of the WG states that "injury rates for the same period (between 2009/10 and 2016/17) indicate that individuals are slightly less likely to be injured in an electrical distribution fire (6.7 injuries per 100 fires) than accidental dwelling fires generally (9.6 injuries per 100 fires)". However it should be noted that 30.2% less injuries in electrical distribution fires than those experienced in ADFs generally would appear to be a highly significant lower risk of injury presented at these incidents.

6. Comparisons to other Fire and Rescue Services

6.1 The WG report compares the number of electrical distribution figures between the three Welsh Fire and Rescue Services along with Fire and Rescue Services across the UK and beyond. The WG report states in section 1.3 when discussing the increase in these incidents that “The trend mostly relates to fires in the South Wales geographical area”. The figures below however illustrate that this statement is dependent on the years between which these comparisons are made

	Accidental Dwelling fires	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Electrical distribution	South Wales	73	59	104	101	90	94	111	110
	Mid & West	45	54	43	46	49	53	49	45
	North Wales	29	41	34	47	56	35	31	41

Table 7 – ADFs attended by all three Welsh Fire and Rescue Services where electrical distribution was the source of ignition.

6.2 The WG report does not acknowledge the fact that, while South Wales witness more of these fires than the other two organisations, South Wales has a significantly higher number of dwellings. There were an estimated 662,948 dwellings in the administrative area in 2015/16 while there were an estimated 421,855 in Mid & West Wales and only an estimated 322,643 in North Wales during the same year. A disparity in dwelling numbers in the three areas along with a small number of incidents to analyse does therefore not allow robust comparisons and benchmarking.

6.3 The WG report also aims to compare incident numbers in South Wales with the English Fire and Rescue Services. However, by using the year 2010/11 as a baseline (during which South Wales witnessed a particularly low total), it may have highlighted an issue that was true for only one period of comparison

6.4 The comparisons made between electrical distribution fires in the U.K and those in Ireland and the USA within section 4.2 of the WG report lack credibility, as the sources of ignition differ greatly from those analysed in the UK and should be subsequently removed from the report.

7. Links to increased dwelling numbers

7.1 Section 2.2 of the report produced by WG states that electrical distribution is now one of the commonest sources of accidental fires in the home, whereas 15 years ago it was relatively insignificant. The report also states that only electrical distribution fires and fires from 'other sources' have increased since 2001-02. Despite this fact, the report later hypothesises in section 9.4 that the houses experiencing these incidents may be older.

7.2 The broad nature of incidents covered by ADFs with electrical distribution as a source of ignition seen below suggests however that newer houses could be more susceptible to incidents of this nature, due to the increased amount of complex hard wiring now present within these properties and the increased prevalence of electrical appliances within homes (both hard wired and removable)

1. Fuse Box (electrical intake/junction boxes/fuse boxes).
2. Internal cables/wires
3. Removable appliance (Plug, wire and appliance included)
4. Hard wired appliance e.g. boiler, shower, light fitting
5. Switch/socket
6. External wires/cables
7. Meter

7.3 The number of dwellings in South Wales has increased significantly during the last 15 years as illustrated below in Table 8. The number of dwellings in South Wales has risen from 611,145 in 2003/04 to 673,449 in 2017/18, which is an increase of 62,304 dwellings (+10.2%). While the number of dwellings has risen annually by anywhere between 3,000 and 8,000 during the last 15 years, the number of ADFs attended in South Wales was the lowest number on record.

Financial Year	Number of Dwellings in South Wales		
2003-04	611,145		
2004-05	616,493		
2005-06 (1)	619,363		
2006-07	625,040		
2007-08	630,352		
2008-09	638,147		
2009-10	641,188		
2010-11	645,185		
2011-12	648,168		
2012-13	652,102		
2013-14	655,991		
2014-15	659,461		
2015-16	662,948		
2016-17	667,529	Increase	%
2017-18	673,449	62,304	10.2%

Table 8 – The number of dwellings in South Wales during the last 15 years (source – Stats Wales)

8. Conclusion

8.1 While Accidental Dwelling Fires with the source of ignition 'electrical distribution' have increased significantly since the years 2009/10 and 2010/11, the number of these incidents witnessed during the seven years since these dates appear to be consistent. The consistent number of ADFs with the source of ignition 'electrical distribution' seen in South Wales during the last seven years contradicts section 10.1 of the WG report that claims that the "increase in fires due to electrical supply is significant and sustained".

8.2 ADFs with the source of ignition 'electrical distribution' are difficult to identify and record in the Incident Recording System as they include fires in electricity meters, fuse boxes and consumer units, wiring for both lights and plug sockets, and the wiring to appliances (both hardwired for fixed appliances such as cookers and showers, and also leads and plugs attached to other appliances). The incidents also include the sub-category 'Electrical Supply – Wiring Cabling and plugs' within the IRS which also makes them particularly difficult to record. The WG report supports this by stating "there is some complexity in the definition of 'wiring cabling and plugs', which IRS coding might exacerbate rather than eliminate. Such confusion may well have led some appliance fires to be recorded as electrical distribution fires instead". The difficulty in recording and reporting these incidents may account for the increase seen within this incident category since 2010/11.

8.3 There is also evidence to further suggest that there may have been an inaccuracy in data recording during the years 2009/10 and 2010/11 following the introduction of the Incident Recording System, as the number of ADFs with the source of ignition 'other electrical appliances' were higher during 2009/10 and 2010/11 than they were during the seven years since this period. There appears to be a proportional shift between the numbers of incidents reported within both categories, suggesting that reporting issues may account for the low baseline figure used to quantify the issue presented by electrical distribution fires.

8.4 While section 1.4 of the report produced by WG states that “The evidence we have examined does not suggest that there is any greater risk of injury from electrical distribution fires than from any other accidental dwelling fire”, analysis of ADFs by sources of ignition and victims involved suggests that there is less risk of there being victims at these fires than at other ADFs. Only 8.4% of ADFs with the source of ignition ‘electrical distribution’ have involved a victim during the last nine years, which is low compared to the 18.0% of all ADFs that involve victims.

8.5 Section 7.3 of the WG report further supports that the risk of injury is less at Electrical Distribution fires than in other ADFs as it states that “injury rates for the same period (between 2009/10 and 2016/17) indicate that individuals are slightly less likely to be injured in an electrical distribution fire (6.7 injuries per 100 fires) than accidental dwelling fires generally (9.6 injuries per 100 fires)”. However it should be noted that 30.2% less injuries in electrical distribution fires than those experienced in ADFs generally would appear to be a highly significant lower risk of injury presented at these incidents.

8.6 The WG report states in section 1.3 when discussing the increase in these incidents that “The trend mostly relates to fires in the South Wales geographical area”. The WG report does not include the fact that, while South Wales witness more of these fires than the other two organisations, South Wales has a significantly higher number of dwellings. There were an estimated 662,948 dwellings in the administrative area in 2015/16 while there were an estimated 421,855 in Mid & West Wales and only an estimated 322,643 in North Wales during the same year. A disparity in dwelling numbers in the three areas along with a small number of incidents to analyse does therefore not allow robust comparisons and benchmarking between the three services.

8.7 This analysis has in fact further supported South Wales’s continued focus on reducing cooking fires through our ongoing Cook Safe campaign as opposed to electrical distribution incidents, due to the significantly higher number of these incidents witnessed annually

during the period analysed along with the increased number of victims witnessed at these incidents. Our vision remains to make South Wales safer by reducing risk.

8.8 The issue presented by ADFs where electrical distribution was the source of ignition (that display annual totals of under 100 and a low risk to life) is currently outweighed by the issue presented by arson and deliberate refuse fires. In South Wales last year we attended 4,201 deliberate fires, 2,340 of which involved refuse.

8.9 The organisation has been working collaboratively with the third sector organisation 'Electrical Safety First', to educate and promote awareness of electrical safety fires across South Wales. During this year this has involved multi-stranded public engagement in South Wales areas where risk has been identified, promoting specific electrical safety messages on appliance and white goods maintenance and recall, alongside messages around safe use of sockets and the 'one plug, one socket' rule.

8.10 Despite its contradictory view around the statistical significance of any risk presented by incidents where electrical distribution was the source of ignition, the organisation will commit to investigating these incidents in more detail in future through data collected via our Safe & Well visits and data collected as part of the LifeBid project, with an aim to enable Welsh FRSs to further understand the true nature of these incidents.

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INTERNAL AUDIT REPORT

SUMMARY

This report updates Members upon progress being made against the Internal Audit Plan 2018/2019.

RECOMMENDATION

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

1. BACKGROUND

- 1.1 As Members will be aware, TIAA Limited are appointed as the Authority's Internal Auditors to undertake work covered in the Internal Audit Plan 2018/2019 which was approved by this Committee on 23 April 2018.
- 1.2 As previously agreed, all audit reports with an assurance level of limited or no assurance will be provided in full. Recommendations only will be provided for reports with an assurance level of substantial or reasonable.

2. ISSUE

- 2.1 The areas of internal audit reviews within the Annual Plan were completed with 4 final reports being issued:-
 - **Station Visits**
 - **Estate Management – Delivery**
 - **Governance – Partnerships**
 - **Risk Management – Mitigating Controls**

The Summary Internal Audit Progress Report written by TIAA Limited is attached as Appendix 3.

2.2 Station Visits

- 2.2.1 Compliance checks were carried out on a range of controls on both financial and non-financial aspects of the operation of three Fire & Rescue Stations

2.2.2 Six areas received a substantial level of assurance and two received a reasonable level of assurance.

2.3 Estate Management - Delivery

2.3.1 The review considered the contract management arrangements for a sample of the works delivered in accordance with the Estates Strategy.

2.3.2 The audit received a reasonable level of assurance with one important recommendation made and one area of operational effectiveness identified.

2.4 Governance – Partnerships

2.4.1 The review considered the effectiveness of the governance arrangements for partnerships.

2.4.2 The audit received a substantial level of assurance with one routine level recommendation made.

2.5 Risk Management – Mitigating Controls

2.5.1 The review assessed the quality and accuracy of the information provided to the Authority for providing assurance. Four risks currently included in the organisation's business significant risk map were selected and the effectiveness of the identified assurance reviewed.

2.5.2 The audit was given a substantial level of assurance with four routine recommendations made and one area of operational effectiveness identified.

3 EQUALITY RISK ASSESSMENT

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

4 RECOMMENDATION

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

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	Appendix 1 – Station Visits Appendix 2 – Estate Management – Delivery Appendix 3 – Governance – Partnerships Appendix 4 – Risk Management – Mitigating Controls Appendix 5 – Summary Internal Audit Progress Road

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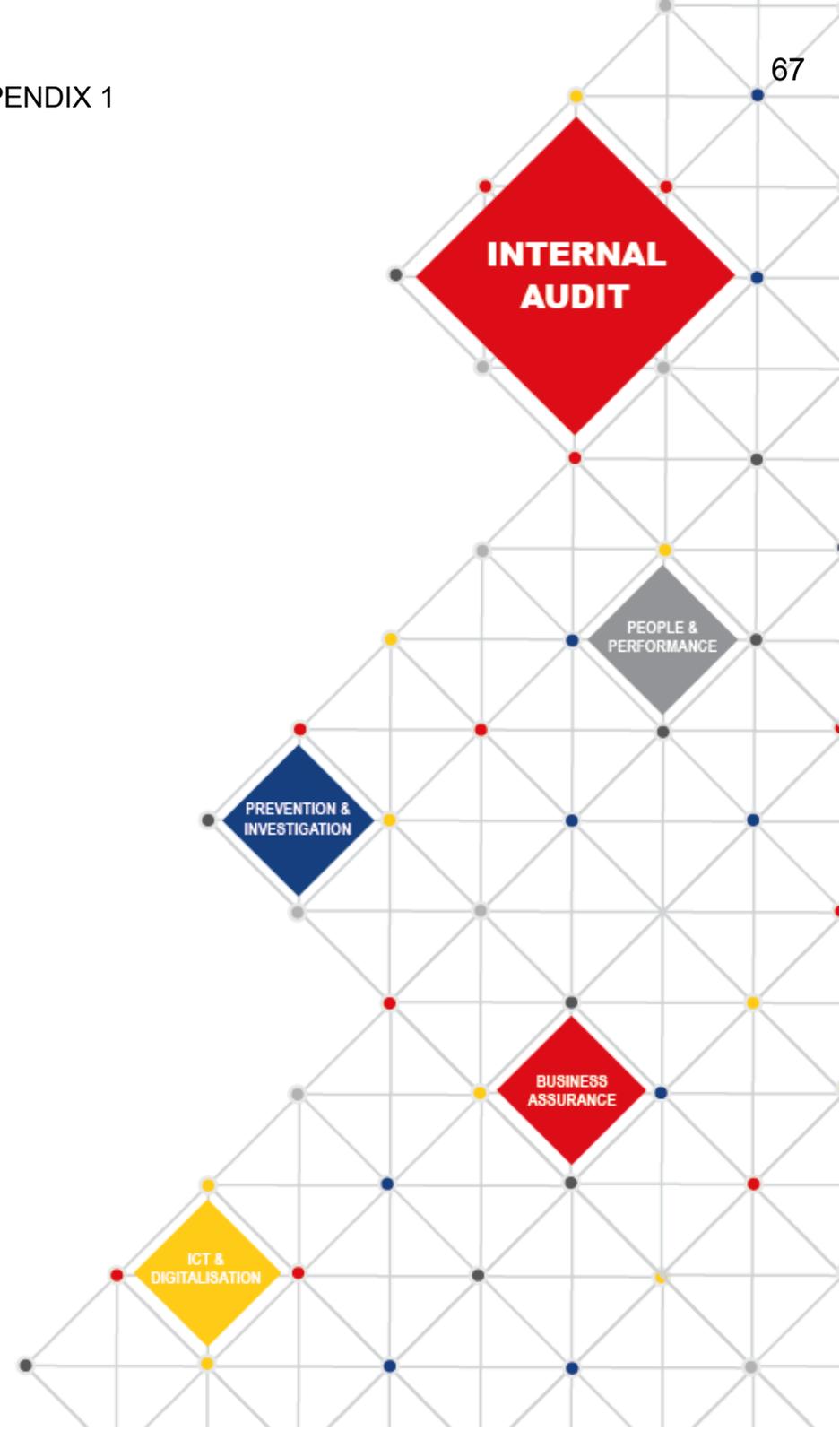


South Wales Fire and Rescue Service

Regularity Review – Station Visits

September 2018

FINAL



Executive Summary

INTRODUCTION

1. This is the seventh regularity review undertaken by TIAA of fire stations. The stations visited were Tredegar, Whitchurch and Bridgend. The review was carried out in July and August 2018.

SUMMARY

2. For each of the financial activities tested for compliance with controls the assessments were as follows:

System	Assessment
Petty Cash	Substantial Assurance
Other Income	Substantial Assurance
Purchasing	Substantial Assurance
Fuel and Fuel Cards	Substantial Assurance
Health and Safety	Reasonable Assurance
Overtime, Roster, Sickness and Training	Substantial Assurance
Redkite – Equipment Management System	Reasonable Assurance
Home Fire Safety Checks	Substantial Assurance

3. Compliance checks were carried on a range of non-financial aspects of the operation of the stations.

4. Assessments were not given on these areas as the checks do not include all aspects of these operations. However, the table below highlights those areas where recommendations made are either Priority 1 or 2 and this is indicative that changes to some of the internal controls in these areas are required.

System	Recommendations	
	1	2
Policies and Procedures	-	-
Building & Equipment	-	-
Health and Safety	-	1
Security – ICT	-	-
Security – Access and Physical Security	-	-
Assets and Inventories	-	-
Catering	-	-
Transport	-	-
Community Stock	-	-
Incident Reporting System	-	-
Redkite – Equipment Management System	-	1

KEY FINDINGS

5. The significant control issues identified were:

- The Redkite Equipment Management System database is not accurate as it is not being updated in a timely manner by firefighters.
- Periodic checks of the first aid kits are being undertaken although expired first aid items were found in some first aid kits. This issue was also identified at other stations visited in previous reviews. The Service needs to ensure that all stations are required to regularly review first aid kits and remove out of date contents.

RELEASE OF REPORT

6. The table below sets out the history of this report.

Date draft report issued:	20 th August 2018
Date management responses rec'd:	31 st August 2018
Date revised draft report issued:	11 th September 2018
Date final report issued:	13 th September 2018
Date revised final report issued:	18 th September 2018

Management Action Plan – Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
Health and Safety							
1	Compliance	A review of the first aid kits at all stations visited revealed that some of the first aid kits at Tredegar station contained items that were out of date.	Staff undertaking monthly checks of first aid kits at Tredegar station be reminded that expired items must be removed.	2	<p><i>Implement a change in procedure to ensure all First Aid Kits are opened to check both the contents and the expiry dates on consumable items. Brief personnel and monitor Redkite to ensure compliance.</i></p> <p><i>This will be reiterated to all Operational stations by the Group and Station Managers.</i></p>	30/09/18	<p><i>SM M kift</i></p> <p><i>GM Jones and Operational Group Managers</i></p>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
Redkite – Equipment Management System							
2	Compliance	Station staff are not updating the Redkite system in a timely manner once equipment has been tested and in instances where equipment is not found, this is not being reported to the Redkite Customer Support Team.	Members of staff at all stations be reminded that all equipment identified on the Due Reports needs to be tested and the Redkite system updated in a timely manner or the Redkite Customer Support Team be advised that items are not located at the station recorded on Redkite as having the item.	2	<i>The Redkite system is monitored and sampled during the station audit process. Station Commanders will be encouraged to sample their respective stations to ensure compliance. This brief will be delivered by GM B Jones on behalf of the Operations department.</i>	30/09/18	<i>GM B Jones, Ops Group Managers and Station Commanders</i>

Operational Effectiveness Action Plan

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

SCOPE AND LIMITATIONS OF THE REVIEW

7. The review assessed the robustness of the internal controls for the selected station based financial activities. The assessments used are detailed below.
8. The assessments used are detailed below.

Substantial Assurance	Based upon our findings arising from a review of a sample of transactions the approved policy and procedure is complied with.
Reasonable Assurance	Based upon our findings arising from a review of a sample of transactions the approved policy and procedure is complied with, although the evidence to support the processing of the transactions could be more robust.
Limited Assurance	Based upon our findings from a review of a sample of transactions the approved policy and procedure is not being continuously complied with. Significant improvements in the processing of transactions are required.
No Assurance	Based upon our findings from a review of a sample of transactions there is a fundamental breakdown or absence of compliance with the approved policy and procedure. Immediate action is required to improve the adequacy and effectiveness of controls.

9. Selected test checks of non-financial activities as they applied at the Service were also carried out. These checks must not be considered exhaustive but are intended to provide an identification of other operations at the Service and the manner in which it approaches these activities.

DISCLAIMER

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

South Wales Fire and Rescue Service

Assurance Review of Estate Management – Delivery

October 2018

FINAL

Executive Summary

OVERALL ASSURANCE ASSESSMENT



OVERALL CONCLUSION

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

- Sample testing of Barry Station and Carbonaceous Compartment Fire Behaviour Training (CFBT) at Cardiff Gate contracts found that the contracts were managed effectively in line with the terms and conditions;
- A clear structure needs to be implemented for documenting approval at each stage of developing and approving schemes within the Estates Strategy.

SCOPE

Rationale

Area of significant spend.

Scope

The review considered the contract management arrangements for a sample of the works delivered in accordance with the Estates Strategy.

ACTION POINTS

Urgent	Important	Routine	Operational
-	1	-	-

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Reputational	Review of a sample of contracts identified that, although schemes were in accordance with the Estates Strategic Plan and approved through South Wales Fire and Rescue Service's internal approval process and capital programme approval through the Fire Authority, schemes within the Estates Strategy are not approved through a formal, documented assessment and review process to ensure options and decisions are fully documented and to demonstrate that the Service has explored all options in delivery of its estates strategy.	A clear structure be implemented for documenting approval at each stage of developing and approving schemes within the Estates Strategy.	2	<p><i>Agreed. I will seek via the Property Steering Group that Project Key Stages are signed off/approved at an SMT level.</i></p> <p><i>This will broadly follow the RIBA Plan of work stages where appropriate, and will include; options appraisals and recommendations, heads of terms documents, concept plans for new build and refurbs, cost plans, and any co-location agreements.</i></p>	<i>Immediate</i>	<i>Property Manager</i>

Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
1	Directed	Consideration be given to reviewing the current terms of reference for the Project Steering Group to ensure that they continue to meet the requirements of the Group and to document the standard information and reports to be provided and discussed at each Group meeting.	<i>Agreed. This is being implemented.</i>

South Wales Fire and Rescue Service

Assurance Review of Governance – Partnerships

August 2018

FINAL

Executive Summary

OVERALL ASSURANCE ASSESSMENT



OVERALL CONCLUSION

There are effective arrangements in place within the Community Safety and Partnership Team for identifying the need for partnerships, determining the most suitable partners and defining the roles and responsibilities of each partner.

- There are no *Urgent* or *Important* recommendations.

SCOPE

Rationale

Strategic risk. Governance review included in each year of the plan.

Scope

The review considered the effectiveness of the governance arrangements for partnerships.

ACTION POINTS

Urgent	Important	Routine	Operational
-	-	1	-

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	A list of current partnerships is held on Community Safety and Partnerships Collaboration and Partnerships Register which is on the team's intranet pages. Review of the register noted that the partnerships listed as having either a Memorandum of Understanding or Service Level Agreements for Home Fire Safety Checks had not been updated since 2016/17.	The Community Safety and Partnerships Collaboration and Partnerships Register be brought up to date and regularly reviewed and maintained.	3	<i>A review of partners will be carried out during November and December 2018. The list will then be updated and revisited during March every year.</i>	<i>01/11/18 - 31/12/18 review of partners list update. March each year review of partners.</i>	<i>GM Matt Jones</i>

Operational Effectiveness Matters

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

South Wales Fire and Rescue Service

Compliance Review of Risk Management – Mitigating Controls-Board Assurance

October 2018

FINAL

Executive Summary

OVERALL ASSURANCE ASSESSMENT



OVERALL CONCLUSION

The Service has a robust framework for the identification of risks and the maintenance of the risk register.

- Risk owners review and update the register quarterly.
- Strategic and Corporate Operational risks are maintained separately and reported to the Finance, Audit and Performance Management Committee for regular review.
- A new system has recently been introduced for recording and monitoring risks. This is linked to the wider business performance data.
- The system was in a transitional stage at the time of the audit. Procedural documentation is to be updated to reflect the changes.

SCOPE

The review assessed the quality and accuracy of the information provided to the Authority for providing assurance. Four risks currently included in the organisation's business significant risk map were selected and the effectiveness of the identified assurance reviewed. The scope of the review does not include consideration of all potential mitigating arrangements or their effectiveness in minimising the opportunities for the identified risks to occur.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	4	1

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	There are major changes to the risk management process currently taking place with the transition from SharePoint to the Business Management Information System (BMIS). Procedural documentation has not yet been updated and is expected to be completed once the implementation has been completed.	The Framework for Managing Corporate Risks document be revised and updated as planned to reflect the changes arising from the transition to the Business Management Information System.	3	<i>In addition to transitioning risk management from SharePoint to BMIS, the department are performing a wholesale review of how the organisation manages risk in collaboration with the Senior Management Team. An updated framework document will be produced following the review.</i>	31/03/2019	Wayne Thomas (Head of Service Performance and Communications).

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	None of the actions included indicative timescales for completion. The inclusion of such information would assist in the monitoring of completion of tasks, allowing slippage to be identified and challenged. It was noted however that the comments included in the Quarter 4 2017/18 Strategic Risks report that was presented to the Fire Authority did provide an indicative date of April 2018 for completion of the policies and procedures.	Planned actions be documented in a SMART (specific, measurable, achievable, realistic and timely) manner to enable those with oversight of the risk to identify and challenge slippage.	3	<i>The wholesale review of how the organisation manages risk (referred to above) will include a review of control tasks, to ensure that they are SMART.</i>	31/03/2019	Wayne Thomas (Head of Service Performance and Communications).
3	Compliance	The prevention controls stated on the risk register for risk 140 referred to a planned action rather than one that was in place.	Controls on the risk register be recorded as actual controls rather than planned.		<i>The wholesale review of how the organisation manages risk (referred to above) will include regular quality assurance of all control tasks by our Risk Managers.</i>	31/12/2018	Wayne Thomas (Head of Service Performance and Communications).

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Compliance	The prevention control listed for risk 140 referred to a task for completion in 2016/17 and requires updating.	Where planned controls are completed and transferred to the register as actual controls, any reference to target completion dates be updated.		<i>The wholesale review of how the organisation manages risk (referred to above) will include regular quality assurance of all control tasks (and their completion dates) by our Risk Managers.</i>	31/12/2018	Wayne Thomas (Head of Service Performance and Communications).

Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
1	Compliance	Staff be asked to dispose of superseded paper versions of policies and guidance once updated electronic versions have been made available.	<i>The new Risk Management framework will be published online and all links to previous documentation will be removed. All staff will be reminded to use the new version of the framework, and to dispose of all paper versions of policies and guidance.</i>



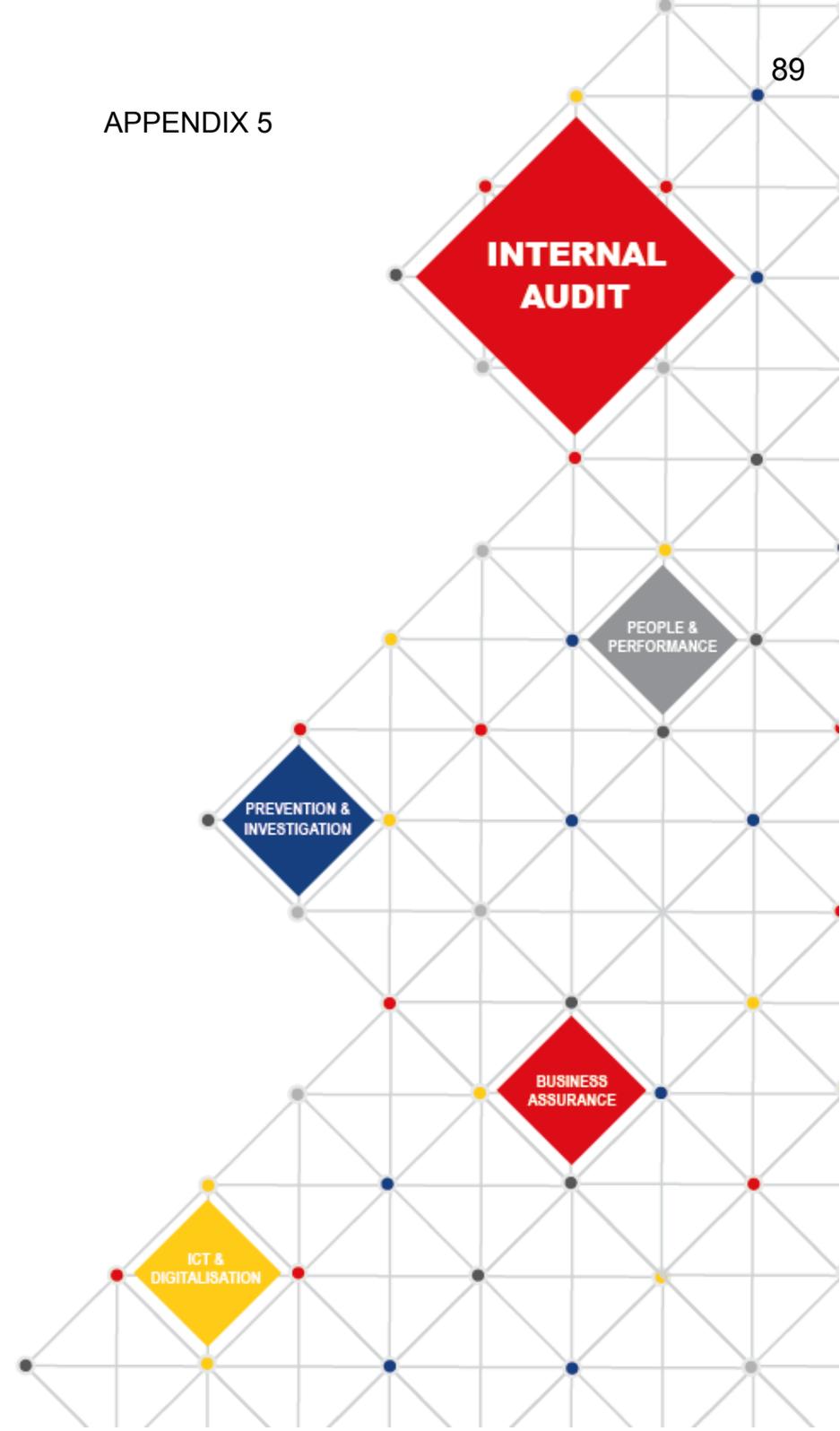
South Wales Fire and Rescue Service

Summary Internal Controls Assurance (SICA) Report

October 2018

FINAL

APPENDIX 5



INTRODUCTION

1. This summary report provides the Audit Committee with an update on the progress of our work at South Wales Fire and Rescue Service as at 16th October 2018 SICA report.

PROGRESS AGAINST THE 2018/19 ANNUAL PLAN

2. Our progress against the Annual Plan for 2018-19 is set out in Appendix A.

INTERNAL CONTROL FRAMEWORK

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

Key Strategic Governance, Risk Management and Control Matters

Review	High level
Station Visits	The stations visited were Tredegar, Whitchurch and Bridgend. The following areas were rated as 'Substantial Assurance': petty cash; other income; purchasing; fuel and fuel cards: overtime, roster, sickness and training; and, home fire safety checks. The remaining areas were rated as 'Reasonable Assurance'; health and safety and Redkite – Equipment Management System.
Governance – Partnerships	There are effective arrangements in place within the Community Safety and Partnership Team for identifying the need for partnerships, determining the most suitable partners and defining the roles and responsibilities of each partner. <ul style="list-style-type: none"> • There were no <i>Urgent</i> or <i>Important</i> recommendations.
Estate Management – Delivery	There were comprehensive governance arrangements in place for oversight of delivery of Estates Strategy projects. <ul style="list-style-type: none"> • Sample testing of Barry Station and Carbonaceous Compartment Fire Behaviour Training (CFBT) at Cardiff Gate contracts found that the contracts were managed effectively in line with the terms and conditions; • A clear structure needs to be implemented for documenting approval at each stage of developing and approving schemes within the Estates Strategy.

Review	High level
Risk Management – Mitigating Controls/Board Assurance	<p>The Service has a robust framework for the identification of risks and the maintenance of the risk register.</p> <p>Risk owners review and update the register quarterly.</p> <ul style="list-style-type: none"> • Strategic and Corporate Operational risks are maintained separately and reported to the Finance, Audit and Performance Management Committee for regular review. • A new system has recently been introduced for recording and monitoring risks. This is linked to the wider business performance data. • The system was in a transitional stage at the time of the audit. Procedural documentation is to be updated to reflect the changes.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

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

AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

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

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
Station Visits	Not Applicable	20/08/2018	31/08/2018	13/09/2018		2		
Governance – Partnerships	Substantial	21/08/2018	22/08/2018	23/08/2018			1	
Estate Management – Delivery	Reasonable	03/09/2018	08/10/2018	08/10/2018		1		
Risk Management – Mitigating Controls/Board Assurance	Substantial	24/09/2018	10/10/2018	10/10/2018			4	1

CHANGES TO THE INTERNAL AUDIT STRATEGY AND ANNUAL PLAN 2018/19

6. Management requested that the review of Governance – Performance Management is not completed as this is not required by the Wales Audit Office at present. This was replaced with a review of Training Records for which a final report has been issued. The scope of the Training Records review was as follows: 'In order to provide assurance for South Wales Fire and Rescue Service, TIAA have been requested to review the adequacy and completeness of the recording and reporting of training records for all risk critical operational training for the Service'.

FRAUDS/IRREGULARITIES

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

LIAISON

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

PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

9. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA or Progress Report.

OTHER MATTERS

10. Briefings on Developments in Governance, Risk and Control are included in Appendix B.

RESPONSIBILITY/DISCLAIMER

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

Progress against the Annual Plan for 2018/19

System	Planned Quarter	Days	Current Status	Comments
Governance – Performance Management	1	10	Not required.	Replaced by a review of <i>Training Records</i> , as detailed in paragraph 6 of this summary report.
Fleet Management – Usage	1	6	Draft Report Issued 29 th August 2018	
HR Management – Rosters	1	6	Draft report issued 31 st July 2018	
Training Records	2	10	Final report issued 7 th August 2018	Replaces the <i>Performance Management</i> review, as detailed in paragraph 6 of this summary report.
Anti-Fraud Data Analytics – Deep dive review of payments	2	6	Final report issued 7 th August 2018	
Station Visits	2	4	Final report issued 13 th September 2018	
Estate Management – Delivery	2	6	Final report issued 9 th October 2018	
Governance – Partnerships	2	6	Final report issued 23 rd August 2018	
Risk Management – Mitigating Controls/Board Assurance	2	6	Final report issued 10 th October 2018	
GDPR Compliance Audit	2	5	Fieldwork commenced 1 st August 2018	
Key Financial Controls	4	6	Audit planned for 7 th January 2019	

System	Planned Quarter	Days	Current Status	Comments
Follow-up	4	3	Audit Planned for 4 th February 2019	
2018/19 Annual Plan and Strategy	1	2	Draft agreed - Final Internal Plan to be issued	
2018/19 Annual Report	4	1		
Management & Planning	1-4	7	Ongoing	

KEY:

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

Briefings on Developments in Governance, Risk and Control

Summary of Recent Client Briefing Notes (CBNs)

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control and Counter Fraud which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs issued in since the last Finance, Audit and Performance Meeting which may be of relevance to SWFRS are given below. Copies of any CBNs are available on request from your local TIAA team.

Date Issued	CBN Ref	Subject	Status	TIAA Comments
24/09/2018	CBN-18029	All - Business Continuity Good Practice Guidelines (Lite) 2018 Edition	For Information	Audit Committees are advised to note the availability of this new guidance.
06/09/2018	CBN-18028	All - ICSA Guidance on Effective Board Reporting	For Possible Action	Audit Committees and Boards/Governing Bodies are advised to consider the extent to which current reporting arrangements meet the needs of those in attendance.
24/08/2018	CBN-18027	All - Estates Management Checklist for Boards	For Possible Action	Audit Committees and Governing Bodies are advised to consider the assurances they may require regarding each of the top 10 estate checks.
20/08/2018	CBN-18026	All - Changes to Accepting Payments by Debit/Credit Card	For Possible Action	Audit Committees and Boards/Governing Bodies are advised to ensure that their payment service providers (PSPs) use strong customer authentication (SCA) for online card transactions.

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**FORWARD WORK PROGRAMME FOR
FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE 2018/19**

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
As required	Internal Audit Progress Report & Audit Action Updates	To provide an updated position of work performed against the internal audit plan and to highlight any significant issues arising from the internal audit work performed	DCO Contact Officer: Geraint Thomas	
As required	Performance Report	To scrutinise specific issues of performance identified and referred by Fire Authority	DCO Contact Officer: Sally Chapman	
As required	Statistics Report	To scrutinise specific statistics or trends as identified and referred by Fire Authority	ACFO SD Contact Officer: Sarah Watkins	
As required	WAO Reports	To advise Members of the conclusions of WAO Reports and to consider the implications for the Service	DCO Contact Officer: Sally Chapman	
10 Sept 2018	Revenue Outturn	To advise on total revenue expenditure for the year against the set revenue budget following the year end and to explain variations	Treasurer/DCO Contact Officer: Geraint Thomas	Completed
10 Sept 2018	Capital Outturn	To advise on total capital expenditure for the year against the set capital budget following the year end and to explain variations	Treasurer/DCO Contact Officer: Geraint Thomas	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
10 Sept 2018	Statement of Accounts	To advise Members of the content of the Statement	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	Completed
10 Sept 2018	Health Check of Priority Actions and Q1 progress against the Statutory PI's	To scrutinise the issues in relation to each of the Priority Actions and to review what the Service has planned to do to address each issue in the current financial year, and review Q1 progress against each of the statutory PI's	DCO Contact Officer: Sarah Watkins	Completed
10 Sept 2018	Update on Call Volumes & Grassfire Incidents over the Summer Period	To advise Members of increased operational activity over the summer period	ACFO SD/DCO Contact Officer: Andy Thomas & Wayne Thomas	Reported to the FA on 24 September 2018
10 Sept 2018	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	Completed
10 Sept 2018	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	Completed
10 Sept 2018	Treasury Management Outturn Report	To advise on performance against the treasury management policy and strategy following financial year end	Treasurer Contact Officer:	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
			Chris Barton/ Geraint Thomas	
10 Sept 2018	Medium Term Financial Strategy Update; Reserves Strategy & Revenue & Capital Budget Setting Report	To Update Members on the MTFs to inform and influence the 2019/20 budget setting process to meet the Service's requirements for the following financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	Completed
12 Nov 2018	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	On agenda
12 Nov 2018	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	On agenda
12 Nov 2018	Revenue & Capital Budget Setting Report	To assist in determining the appropriate revenue & capital budget required to meet the Service's requirements for the financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	On agenda
12 Nov 2018	Electrical Fires	To advise Members on the WG electrical fires report and SWFRS response to this	DCO/ACFO SD Contact Officer: Wayne Thomas	On agenda

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
3 Dec 2018	Treasury Management Interim Report	To update Members on treasury management activity during the year to date	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	
3 Dec 2018	Corporate (Operational) Risk Register	To seek Members' views upon the Corporate (Operational) Risk Register	DCO Contact Officer: Sarah Watkins	
3 Dec 2018	Revenue & Capital Budget Setting Report	To assist in determining the appropriate revenue & capital budget required to meet the Service's requirements for the financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	
3 Dec 2018	Audit & Plan Scheme Updates	To seek Members' views upon the progress of Audit & Plan Scheme Actions	DCO Contact Officer: Sarah Watkins	
3 Dec 2018	Statement of Account Recommendations Update	To Update Members on progress against previous recommendations made by WAO in Statement of Accounts Reports	Treasurer Contact Officer: Geraint Thomas	
28 Jan 2019	Revenue & Capital Budget Setting (if required)	To assist in determining the appropriate revenue & capital budget required to meet the Service's requirements for the financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
28 Jan 2019	Health Check of Priority Actions and Q3 progress against the Statutory PI's	To scrutinise the issues in relation to each of the Priority Actions and to review what the Service has planned to do to address each issue in the current financial year, and review Q3 progress against each of the statutory PI's	DCO Contact Officer: Sarah Watkins	
28 Jan 2019	Draft Annual Report of the Work of the FAPM Committee and the Discharge of the Terms of Reference of the Finance, Asset & Performance Management Scrutiny Group	To consider the draft report on the annual work of the Committee before its submission to the Fire Authority and to ensure the Authority has efficient use of resources and robust procedures in place to ensure and manage this	Chair of FAPM, Chair of Scrutiny Group & DCO Contact Officer: Sally Chapman	
28 April 2019	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
28 April 2019	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	
28 April 2019	Internal Audit Programme	To outline the planned internal audit coverage for the financial year and to seek comment and approval	DCO Contact Officer: Sally Chapman/ Geraint Thomas	
28 April 2019	Internal Audit Annual Report	To provide an opinion on the	DCO	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
		adequacy and effectiveness of risk management, control and governance processes based on the internal audit work undertaken during the financial year. This will support the statement of internal control.	Contact Officer: Sally Chapman/ Geraint Thomas	
28 April 2019	Audit & Plan Scheme Updates	To seek Members' views upon the progress of Audit & Plan Scheme Actions	DCO Contact Officer: Sarah Watkins	
28 April 2019	Scrutiny of Strategic Objectives	To scrutinise progress in relation to achieving the actions planned to address each issue	All Directors	
28 April 2019	Corporate (Operational) Risk Register	To seek Members' views upon the Corporate (Operational) Risk Register	DCO Contact Officer: Sarah Watkins	
28 April 2019	Register of Gifts and Hospitality	To advise Members of gifts and hospitality accepted and declined by Members and Officers during the year	DCO Contact Officer: Sally Chapman	

Sally Chapman - DCO
 Andy Thomas - ACFO Service Delivery
 Chris Barton - Treasurer

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

AGENDA ITEM NO 11

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

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1. Apologies for Absence

2. Declarations of Interest

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

3. Chairman's Announcements

4. To Receive the Minutes of:

- Finance, Asset & Performance Management Working Group Meeting held on 21 May 2018 3
- FAPM Meeting held on 10 September 2018 7

5. Revenue Monitoring Report 2018/19 15

6. Capital Monitoring Report 2018/19 25

7. Revenue Budget Report 2019/20 31

8. A South Wales Fire & Rescue Service Response to the 'Electrical Fires in Wales' Written Statement by Welsh Government 39

9. Internal Audit Report 63

10. Forward Work Programme 97

11. To consider any items of business that the Chairman deems urgent (Part 1 or 2) 103

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