

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, 20 September 2021 at 1030 hours

VENUE: To be held on Star leaf, access code: 4022127646

Please ensure you join the meeting 15 minutes prior to meeting time

**Any issues please contact
01443 232000 and ask for Member Services**

A G E N D A

1. Apologies for Absence
2. Declarations of Interest

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

3. Chairperson's Announcements
4. To Receive the Minutes of:
 - Finance Audit & Performance Management Meeting held on Monday 26 July 2021 3

Reports for Decision

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14.	To consider any items of business that the Chairperson deems urgent (Part 1 or 2)	169

Signature of Proper Officer:



MEMBERSHIP

Councillors:

M	Colbran	Merthyr Tydfil
M	Spencer	Newport
P	Drake	Vale of Glamorgan
S	Ebrahim	Cardiff
S	Evans	Torfaen
W	Hodgins	Blaenau Gwent
A	Hussey	Caerphilly
S	Morgans	Rhondda Cynon Taf
V	Smith	Monmouthshire
D	White	Bridgend

SOUTH WALES FIRE & RESCUE AUTHORITY

MINUTES OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE MEETING HELD ON MONDAY, 26 JULY 2021 VIA STARLEAF

68. PRESENT

Councillor	Arrived	Left
S Evans (Chair)		Torfaen
M Colbran		Merthyr Tydfil
DT Davies		Caerphilly
P Drake		Vale of Glamorgan
S Ebrahim		Cardiff
A Hussey		Caerphilly
V Smith		Monmouthshire
M Spencer		Newport
S Morgans		Rhondda Cynon Taff

APOLOGIES

W Hodgins	Blaenau Gwent
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OFFICERS PRESENT:

Mr G Thomas - Temporary Director of Corporate Services; Mr C Barton – Treasurer; Mrs L Mullan – Temporary Head of Finance & Procurement; Mrs S Watkins – Head of Corporate Support; Mr S Gourlay – TIAA; Ms G Gillett – Audit Wales

69. DECLARATIONS OF INTEREST

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

70. CHAIR'S ANNOUNCEMENTS

There were no Chair's announcements.

71. MINUTES OF PREVIOUS MEETINGS

The minutes of the Finance, Audit & Performance Management Committee meeting held on 15 March 2021 were read and accepted as a true record of proceedings.

72. REVENUE OUTTURN 2020/21

The T/ Head of Finance & Procurement presented the revenue outturn position for the financial year end 2020/21 and the resultant impact on reserves. She advised that underspend has increased by £800,000, confirming that this is mainly within non-employee budgets and equates to £2million with the £1.2million over-spend (due to grant cost inclusion) in employee budget offsetting this.

Councillor Smith queried the £55k decrease in underspend in relation to transport costs. The T/ Head of Finance & Procurement confirmed that the Authority receives grant funding for lease cars, these additional costs and income have been included within the report.

Councillor Smith queried the 50% funding received from Welsh Government in relation to IT costs. The T/ Head of Finance & Procurement advised that Welsh Government class IT equipment as having a secondary life post Covid and will therefore only fund 50% of costs.

Councillor Smith queried the number of rescue dogs the Service has and their location. The T/ Head of Finance & Procurement advised that she will check and report back to Councillor Smith.

Councillor Smith queried whether the Service employs a full time Fire Brigades' Union representative. The T/ Head of Finance & Procurement advised that the Service has a 1.5 FTE post, these costs are fully reimbursed by the Fire Brigades' Union.

The Chair queried the timeframe for claiming of funds from Welsh Government. The T/Director of Corporate Services confirmed that Covid related funding is reclaimed from Welsh Government in arrears on a quarterly basis.

RESOLVED THAT

72.1 Members noted the outturn position and agreed the transfer of net revenue surplus into usable reserves.

72.2 The T/ Head of Finance & Procurement to check the number of rescue dogs the Service has and their location and report back to Councillor Smith.

73. CAPITAL OUTTURN REPORT 2020/21

The T/Head of Finance & Procurement provided Members with a detailed explanation of the capital outturn position for the year ending 31 March 2021,

the financing arrangements and the budget slippage required to complete capital schemes in 2021/22.

Councillor Smith queried the switch to a new contractor for works at Pontypridd.

The T/Head of Finance & Procurement advised that two packages were tendered for based on internal work and external work to allow for flexibility. The T/Director of Corporate Services added that there has been some concerns in relation to delays cause by the pandemic. Approval was given for additional funding for external works, which went out to tender and a new contractor was appointed.

The Chair queried whether works currently ongoing at New Inn will be completed by end of this year. The T/Director of Corporate Services confirmed that this is unlikely, adding that even if purchase of a site was completed, timescales indicate that it would take a further two to three years to clear the site and build new. Minor investment is required for upkeep of the current building to ensure it is safe and fit for purpose.

RESOLVED THAT

Members agreed to the budget slippage as detailed in Appendix 1 of the report.

REPORTS FOR INFORMATION

74. 2021 AUDIT WALES AUDIT PLAN

Ms G Gillett, Financial Audit Manager for Audit Wales gave a detailed account of the work due to be undertaken by Audit Wales during 2021 to discharge their statutory responsibilities as the Authority's external auditor and to fulfil their obligations under the Code of Audit Practice. She drew Members attention to Exhibit 1: financial statement audit risks, Exhibit 2: Performance Audit Programme 2021-22 and Exhibit 3: Audit fee, confirming that there is no change in the baseline fee from last year.

RESOLVED THAT

Members noted the content of the report.

75. STATEMENT OF ACCOUNTS 202/21

The Treasurer presented Members with the audited Statement of Accounts and accompanying reports required to demonstrate financial stewardship for the financial year ending 31 March 2021, confirming that the Statement of Accounts

was completed and certified by the deadline of 31st May. The audit process will complete imminently and certification is scheduled to take place by 31st July.

He also advised that the Appointed Auditor is required to give their opinion on the financial statements for the year ended 31 March 2021, and drew Members attend to the statutory ISA260 report, the audited Statement of Accounts and the Letter of Representation.

Councillor Smith wished to congratulate those involved with producing the reports adding that there are lots of useful points of learning. She queried the reference to volunteers. The Head of Corporate Support confirmed that these volunteers are drivers from Fleet and Engineering Department who are supporting the mass vaccination centres by transporting members of the community to the vaccination centres when no other transport is available.

RESOLVED THAT

Members noted the audited Statement of Accounts 2020/21 and received the ISA 260 report and letter of representation.

76. AUDIT ACCOUNTS REPORT (ISA260 REPORT)

Ms G Gillett, Financial Audit Manager for Audit Wales summarised the main findings of the Audit of Accounts (ISA260) report for 2020/21. She was pleased to confirm there are no significant issues and any minor issues have been corrected.

The Treasurer commended the Finance Team who have worked diligently, he also thanked Audit Wales for how they have adapted to working during the pandemic

The Chair added his thanks to the Finance team and Audit Wales.

The T/Director of Corporate Services confirmed that Letter of Representation and the Statement of Accounts will be duly signed by the Treasurer and the Chair and forwarded to Audit Wales for their signature and production of certificate.

RESOLVED THAT

Members noted the content of the report.

77. INTERNAL AUDIT REPORT

Mr S Gourlay, TIAA, updated Members on progress being made against the Internal Audit Plan for 2020/21.

He advised that there are were three recommendations, the first being that business interest policy is out of date. He advised this is being experienced with other clients due to the impact of the pandemic and confirmed that a date has been set for updating the policy. The second recommendation is in relation to adding reference to the General Data Protection Regulations (GDPR) within the policy, with the third recommendation being in relation to the need for staff to be more explicit in communicating any changes. He advised that it is good practice to make all aware of the policy, including managers and staff.

Discussion ensued in relation to how Members would like internal audit work to be undertaken going forward, with the changing environment of virtual and home working and office based working. Mr Gorlay confirmed that work has progressed remotely although there have been some instances of having to be on site to physically inspect documents.

He noted that fraud, mainly around cyber security, continues to be a rising threat, and preventative measures need to be put in place, including increasing awareness to staff.

RESOLVED THAT

Members noted the Internal Audit recommendations and work completed to date on the Internal Audit Annual Plan 2020/21.

78. FORWARD WORK PROGRAMME 2021/22

The T/Director of Corporate Services presented the Forward Work Programme 2021/22. He confirmed that once discussion has taken place at the Scrutiny Committee, the proposed new terms of reference for that Committee will be added to the Forward Work Programme

RESOLVED THAT

Members noted the Forward Work Programme for 2021/22.

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

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

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THIS REPORT IS NOT EXEMPT AND IN THE PUBLIC DOMAIN

SOUTH WALES FIRE & RESCUE AUTHORITY

AGENDA ITEM NO 5
20 SEPTEMBER 2021

FINANCE AUDIT & PERFORMANCE MANAGEMENT COMMITTEE

REPORT OF TEMP ASSISTANT CHIEF OFFICER CORPORATE SERVICES

REVENUE MONITORING REPORT 2021/22

THIS REPORT IS FOR DECISION

REPORT APPROVED BY TEMP ASSISTANT CHIEF OFFICER
CORPORATE SERVICES

REPORT PRESENTED BY TEMP HEAD OF FINANCE, PROCUREMENT &
PROPERTY

SUMMARY

The Revenue Monitoring Report provides details of the annual revenue budget and associated information for the year ending 31 March 2022.

RECOMMENDATIONS

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

1. BACKGROUND

- 1.1 This revenue budget for 2021/22 was approved by the Fire and Rescue Authority on 8th February, 2021 and this report presents the changes since.
- 1.2 Appendix 1 details the original budget, a revised budget to reflect authorised virements, transactions to date i.e. Actuals, the forecast position and variance analysis, i.e. the over or under spend on the revised budget. The revenue monitoring report has been presented inclusive of grant transactions for improved clarity.
- 1.3 The reserve statement at Appendix 2 presents the potential year end position for scrutiny and financial planning purposes.
- 1.4 Appendices 3 and 4 detail grant funded initiatives and the impact on revenue and capital budgets. As mentioned above, all grant related transactions have been incorporated into the revenue monitoring position so as to present a full financial picture.

2. ISSUE / PROPOSAL

- 2.1 There is a projected £1.037 million underspend which comprises of a £865k underspend on the employee budget and £171k against non-employee related spending. Included within these figures is the overspend on grant funded initiatives which is currently forecast at £133k and is as detailed in the supporting appendices.
- 2.2 The following narrative highlights the most significant changes since previous reporting.

2.2.1 EMPLOYEE COSTS - £865k underspend

Employee costs are £740k less than budgeted and is largely due to vacancies on establishment with the latest establishment figures shown below.

Establishment figures (FTE) as at July 2021

	Strength	Budgeted
WDS	795.30	792.00
RDS (100%)	368.10	426.40
Control	38.00	37.50
Support Staff	271.84	273.46
Fire Cadets	66.38	85.00
Auxiliary Reserve	66.00	80.00

Total Leavers & Joiners April 2021 to July 2021 (Headcount)

	Starters	Leavers*
Control	0	2
Support Staff	3	8
RDS	34	28
WDS	0	21
Auxiliary Reserve	0	8
Fire Cadets	0	1
Volunteers	2	4
Total	39	72

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

Ill health pension costs are currently forecast to be £48k less than budgeted based on the actual number of ill health retirements since budget setting. However, it is worth noting that any additional ill health retirements that occur throughout the year will impact on the position further.

Travel and subsistence costs have seen a forecast reduction of £66k against budgeted costs due to the impact of Covid-19. This is the result of a reduction in mileage and accommodation claims that have been made during the first quarter of the financial year. As detailed in the Grant report, Welsh Government have confirmed that funding for Covid-19 will continue during the first 6 months of 2021/22, however savings identified in this area are to offset additional service costs and are to be incorporated into claims submitted.

2.2.2 TRAINING COSTS - £23k underspend

This underspend is due to an identification of budget set aside for the purchase of training equipment, rather than course costs, to support fire training at the Compartment Fire Behaviour Training (CFBT) facility and is detailed further within the variance against Supplies and Services.

2.2.3 SUPPLIES AND SERVICES - £154k overspend

An overspend against external funding of £92k is included within these figures, of which £80k relates to a projected overspend on Home Fire Safety equipment. Information on this can be found in greater detail in the supporting appendices.

Other Equipment costs are forecast to overspend by £44k of which a budget of £37k has been reallocated from Training Costs, as above. This relates to the purchase of kindling for the CFBT facility and is anticipated to increase further due an increase in prices however, any further variances will be reported to members throughout the year.

Support and Maintenance charges are to increase by £71k than budgeted. This is due to an increase in agreement requirements to support new ways of working throughout the service. Within the latest forecast, £271k is included for the implementation of Microsoft 365. It is worth noting that actual costs for this project may vary as the project is rolled out and, once in place, existing agreements will end.

There has been an increase in the purchase of Personal Protective Equipment (PPE) on station to support staff due to the impact of Covid-19, of £27.5k. As detailed, this additional cost will be offset from the savings identified within Travel and Subsistence.

Despite Annual Policy Premiums increasing, costs haven't been as high as anticipated and a £72k underspend in this budget area is offsetting part of the overall additional costs identified.

2.2.4 CAPITAL COSTS - £140k underspend

The decrease is due to a reduction in capital costs than budgeted. This includes budget set aside for borrowing costs and a reduction in the Minimum Revenue Provision (MRP) charge. This charge is dependent on the capital forecast and is as detailed within the capital monitoring report.

2.2.5 INCOME - £182k additional

At the time of budget setting SCAPE award funding for pension costs were based on 20/21 figures however Welsh Government have since confirmed funding available for 21/22 has increased by £102k.

In addition, £55k is expected from MWWFRS in relation to Joint Control costs based on the latest projections and relates to costs that are to be shared 50/50 in line with the collaboration agreement.

Grant funding for Firelink is £32k greater than budgeted, with actual costs included within Supplies and Services.

3. IMPLICATIONS

An overall projected underspend on the revenue budget equating to £1.037 million.

3.1 Community and Environment

Equality, Diversity and Inclusion	No
Welsh Language	No
Well-Being Of Future Generations (Wales) Act	No
Socio Economic Duty	No
Sustainability / Environment / Carbon Reduction	No
Safeguarding	No
Consultation and Communications	No
Consultation with Representative Bodies	No
Impact Assessment	No

3.2 Regulatory, Strategy and Policy

Legal	No
Financial	Yes
Procurement	No
Corporate Risk	No
Information Management	No
Data Protection / Privacy	No
Health, Safety and Wellbeing	No

Governance & Audit	No
Service Policy	No
National Policy	No

3.3 Resources, Assets and Delivery

Human Resources and People Development	No
Assets and Resources (Property/Fleet/ICT/Equipment)	No
Service Delivery	No
Procurement	No
Budget Revenue/Capital	Yes

4 EVALUATION & CONCLUSIONS

- 4.1 The revenue budget for 2021/22 is £77.5 million with a further £2.1 million of grant funding. The overall revenue end of year position is forecast at £78.6 million, providing an underspend of £1.037 million. This includes grant funding overspends of £133k.

5 RECOMMENDATIONS

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

Contact Officer:	Lisa Mullan Head of Finance, Property & Procurement	
Background Papers	Date	Source / Contact
Capital Monitoring Report	2021/22	Head of Finance, Property & Procurement

Appendices	
Appendix 1	Revenue Monitoring 2021/22 (20.09.2021)
Appendix 2	Reserve Statement 2021/22 (20.09.2021)
Appendix 3	Grant Monitoring Report 2021/22 (20.09.2021)
Appendix 4	Grant Monitoring Report 2021/22 – Tables (20.09.2021)

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REVENUE MONITORING 2021/22
Appendix 1
Revenue Monitoring 2021/22 (20.09.2021)

SOUTH WALES FIRE & RESCUE SERVICE								
BUDGET MONITORING 2021/22								
	Original Budget 2021/22	Budget (vired budget) 2021/22	Revenue Grant Funding 2021/22	Total Revenue Budget 2021/22	Actual Spend at 09.08.21	Revenue Forecast at 31.03.22	Over/Under Spend Against Revised Budget	Over/Under Spend %
	£	£	£	£	£	£		%
Employee Costs								
Salaries, NI & superann.	61,347,710	61,347,710	1,202,728	62,550,438	20,437,190	61,810,173	740,265	1.0%
Pensions (ill health)	945,879	945,879	0	945,879	265,986	886,365	59,514	0.1%
Travel and Subsistence	428,000	428,000	0	428,000	44,474	362,438	65,562	0.1%
Total Employee Costs	62,721,589	62,721,589	1,202,728	63,924,317	20,747,650	63,058,975	865,341	1.1%
Premises Related Expenses								
	5,482,658	5,482,658	0	5,482,658	1,292,087	5,488,698	-6,040	0.0%
Training Expenses								
	1,617,663	1,617,663	71,572	1,689,235	151,997	1,665,821	23,413	0.0%
Supplies & Services								
	4,844,733	4,844,733	816,331	5,661,064	2,426,421	5,815,562	-154,498	-0.2%
Transport Related Expenses								
	1,403,000	1,403,000	29,189	1,432,189	503,135	1,441,103	-8,914	0.0%
Third Party Payments (Contracted Services)								
	856,101	856,101	0	856,101	206,643	860,568	-4,467	0.0%
Capital costs / leasing								
	4,686,780	4,686,780	0	4,686,780	210,460	4,546,435	140,345	0.2%
Contingency								
	0	0	0	0	0	0	0	0.0%
Total Expenditure	81,612,524	81,612,524	2,119,821	83,732,344	25,538,392	82,877,164	855,180	1.1%
Income								
Employee Related	-3,003,034	-3,003,034	0	-3,003,034	-775,661	-3,107,912	104,878	0.1%
Lease Car Contributions	-81,500	-81,500	0	-81,500	-34,432	-100,347	18,847	0.0%
Co-Location Re-imbursement	0	0	0	0	0	0	0	0.0%
Other Income	-997,901	-997,901	0	-997,901	-241,803	-1,055,712	57,812	0.1%
Total Income	-4,082,435	-4,082,435	0	-4,082,435	-1,051,896	-4,263,971	181,537	0.2%
NET BUDGET / FORECAST 2021/2022	77,530,089	77,530,089	2,119,821	79,649,910	24,486,497	78,613,192	1,036,717	1.3%
Local Authority Contributions	-77,530,089	-77,530,089	0	-77,530,089	-30,642,113	-77,530,089	0	0.0%
External Funding (WG)	0	0	-2,119,821	-2,119,821	-1,129,354	-2,119,821	0	0.0%
OVERALL REVENUE OVER / UNDERSPEND							1,036,717	

Key
■ Overspend
■ Underspend

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REVENUE MONITORING 2021/22
Appendix 2
Reserve Statement 2021/22 (20.09.2021)

Reserve	Purpose and Control	Balance at year start	Transfers in and (out)	Balance at year end	Variations arising between budgeted and actual levels of reserves
General	To cover general financial risks including council funding, grants, inflation and interest.	-3,000,000	0	-3,000,000	
Managed under spends	To meet costs associated with rolling programmes of expenditure incomplete at year end. Controlled via routine budget monitoring procedures.	-43,646	0	-43,646	Spending against carry forward requests within revenue
Change Management	Costs of change arising from 'Shaping our 'Future' programme, investment in change projects to improve service and / or reduce spend.	-6,398,831	-1,136,717	-7,535,548	Forecast revenue overspend and transfer of annual joint control lease costs
PFI Equalisation	To meet future costs of the Training Centre PFI project	-3,683,169	176,061	-3,507,108	Current figures which may change slightly with indexation
Capital Receipts	To meet costs of the capital programme. Reserve applied as receipts are generated	-129,525	61,627	-67,898	Includes estimate of capital receipts to be received and receipts used for capital expenditure
Joint Control Lease Reserve	To meet the lease costs over an eight year period (from 2017/18)	-400,000	100,000	-300,000	Annual Joint Control lease costs
	TOTAL	-13,655,171	-799,029	-14,454,200	

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REVENUE MONITORING 2021/22
Appendix 3
Grant Monitoring Report 2021/22 (20.09.2021)

1. BACKGROUND

1.1 This report presents the grant position for the 2021/22 financial year. Information on initial grant awards paired with the forecast spending will provide members with the cost of running the various grant funded initiatives in addition to the impact over spending has on the revenue and capital budgets.

1.1.1 FIRE CRIME

The Community Safety department is comprised of many different initiatives, Fire Crime being one of those which is funded by Welsh Government. The grant funds the cost of a Police secondment, the lease of three vehicles and salary costs. The Fire Crime team are assigned in patrolling high-risk areas of fire crime to deliver safety advice. In particular the areas of focus are Operation Bang which covers Halloween and Bonfire Night, and also Operation Dawns Glow which concentrates on the lead-up to and over the Easter period.

1.1.2 HFS STOCK

Community Safety receive grant funding towards the purchase of Home Fire Safety stock to be delivered to the homes of South Wales, particularly aiming to provide safety measures to vulnerable people and are issued according to individual needs. Items include smoke alarms, fire retardant bedding, heat detectors and other life-saving equipment.

In previous years face-to-face assessments and referrals were made but due to Covid-19 restrictions these are now made via phone calls/e-mails. This does mean that currently the public are requested to fit the equipment themselves but even with these challenges the standard of assessments and delivery remains high.

1.1.3 YOUTH

Youth combines both the Phoenix and Crimes & Consequences department and is also funded by Welsh Government. The Youth initiative is centred on encouraging teamwork, raising self-motivation, developing communication skills and achieving positive outcomes. The purpose of each department:

- Phoenix – provides an opportunity for both primary and secondary schools, colleges, alternative education agencies and pupil referral units to refer young people to a five day interactive course to learn about the FRS; who we are, what we do and how we engage with the communities we serve.

- Crimes & Consequences – aimed at young people who may be on the cusp of offending or at risk of re-offending, this initiative aims to engage and educate in the dangers of arson, car crime and anti-social behaviour.

1.1.4 **MOMENTUM**

Momentum is an initiative aimed at victims of Domestic Violence to attend sessions where families in a similar situation are able to feel comfortable, make new friends and build confidence in a safe environment. A grant from Welsh Government allows the Community Safety team to run two courses throughout the year. As part of the grant an Occupational Therapist is seconded from Aneurin Bevan and carries out work on an All Wales basis.

1.1.5 **ANTI-SOCIAL BEHAVIOUR**

The Office of Police and Crime Commissioner for Gwent provide a grant to fund an Anti-Social Behaviour and Deliberate Fire Reduction Practitioner with an aim to improve community safety within the Gwent area. The post holder works with young people who may be at risk of being involved in offences, and the outcomes expected to be achieved include a reduction in crime and anti-social behaviour, improve community wellbeing and educating individuals to be able to make positive choices.

1.1.6 **NATIONAL RESILIENCE**

Funding for National Resilience is received from Welsh Government and covers a variety of areas including Mass Decontamination and HVP training, specialist training such as confined space and USAR timber shoring, and the long term maintenance capability of NR vehicles.

1.1.7 **MTA**

The grant funding from Welsh Government for Marauding Terrorist Attack (MTA) allows the delivery of extensive training to individuals with the outcome of ensuring an efficient response to a possible MTA incident within Wales.

1.1.8 **USAR**

Welsh Government funding enables specific training requirements to be met which ensures Wales have a specialist USAR team with the ability to respond to a range of incidents including missing persons, wildfire, flooding, major fires and rescues from height/water.

1.1.9 **SECONDMENTS**

Reimbursement of salary related costs are currently being received from numerous sources due to the secondment of some SWFRS personnel.

1.1.10 CIRCULAR ECONOMY

To support climate change and the move to a circular economy in Wales where waste is avoided and materials are kept in use for as long as possible, grant funding from Welsh Government has enabled the SWFRS to phase out single use plastic.

Previous funding helped with the introduction of aluminium water bottles to each employee. This year's funding has contributed to the purchase of water butts fitted to frontline appliances and the supply of plumbed in water coolers at all 47 operational fire stations. This has dramatically reduced the amount of plastic water bottles bought by the service and previously issued to stations.

1.1.11 WAST VOLUNTEERS

Funding is received directly from the Welsh Ambulance Service Trust to reimburse salary incurred costs in relation to the volunteers working with WAST to help with the current Covid-19 climate.

1.1.12 COVID-19

Welsh Government have supported the increase in Covid-19 related costs to the service by providing a grant throughout 2020/21 and have confirmed this will continue during the first 6 months of 2021/22.

The service are required to identify savings in areas such as travel and accommodation, and offset these against the costs incurred due to Covid-19.

1.1.13 FF APPRENTICES

Aside from gaining firefighter skills at Cardiff Gate, new recruits to the service also attend The Vale and Cardiff College to learn basic skills to enhance their duty as a firefighter. Funding is received directly from the college to reimburse salary costs of the recruits whilst attending the course.

1.1.14 CYBER TRAINING

In 2020/21 Welsh Government provided a grant to support an individual within the ICT department to attend a Certified Information Systems Security Professional course. This would enable the individual to effectively design, implement and manage a cybersecurity program which would lead to an increase in cyber resilience.

To help enhance the knowledge based around this topic, further funding has been received in 2021/22 for additional cyber training.

1.1.15 AFAN PROJECT

The SWFRS Wildfire Team are taking part in a European Government funded project where the aim is to create a European wildfire expert knowledge-sharing network focused on fire risk

analysis and risk reduction and is named Advanced Fire Analysis Network (AFAN).

Funding will cover salary, travel and accommodation costs.

1.1.16 NATIONAL RESILIENCE CAPITAL

The Capital funding for National Resilience has been awarded for the purchase of two Prime Movers and the building costs for the ongoing USAR property development at Whitchurch.

2. ISSUES

2.1 Since grants were awarded there have been a number of changes to individual projects as summarised below:

2.1.1 HFS STOCK - £80k forecasted overspend

As these are unprecedented times, the forecasts will be reanalysed over the next quarter to ensure they are a true reflection of what can be realistically achieved due to the current situation.

Albeit not guaranteed, there is the possibility of utilising any underspends on an All Wales basis. Also in previous years additional 'in-year' funding has become available from Welsh Government, both of which have the potential of covering any overspends in HFS stock.

2.1.2 ANTI-SOCIAL BEHAVIOUR - £1k forecasted overspend

The grant received for the Anti-Social Behaviour position has remained a static amount for several years. As the post-holder's salary increases in line with the salary scale and pay awards, there is inevitably a forecasted overspend.

2.1.3 COVID - £52k forecasted overspend

The initial impact Covid-19 had on service spends were significantly higher than they are going into the 2nd year of the current climate. Identified savings in areas such as travel, accommodation, subsistence and conferences/seminars are offset against the decreasing Covid-19 related spends to form the grant funding claim to Welsh Government.

3. FINANCIAL IMPLICATIONS

Overall there is a projected overspend on grants equating to £133k. Financing over spends from respective revenue and capital budgets can be undertaken to address the shortfall and there is also scope to utilise underspends from our Welsh Fire counterparts for a large part of the over spend (although not all), although this carries a risk that these may not materialise. Realistic grant monitoring information is required to be shared by all three Welsh services to ascertain whether this can be achieved.

REVENUE MONITORING 2021/22
Appendix 4
Grant Monitoring Report 2021/22 – Tables (20.09.2021)

SOUTH WALES FIRE & RESCUE SERVICE REVENUE GRANT REPORTING 2021/22																						
	Revenue	FIRE CRIME	HFS STOCK	YOUTH	MOMENTUM	ANTI SOCIAL BEHAVIOUR	NATIONAL RESILIENCE	MTA	USAR	FBU	JESG	AVON FRS	MERSEYSIDE FRS	CIRCULAR ECONOMY	WAST VOLUNTEERS	COVID-19	FF APPRENTICES	CYBER TRAINING	AFAN PROJECT	Total		
Employee Costs	Actual	97,659.77	0.00	94,027.00	60,000.00	29,020.63	330,447.69	82,731.75	359,557.23	15,900.68	19,516.36	25,113.39	21,325.20	0.00	24,565.42	12,619.93	31,667.40	0.00	12,216.22	1,216,368.67		
Training Expenses	Actual	0.00	0.00	1,639.96	0.00	0.00	69,331.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	600.00	0.00	0.00	71,571.72	
Supplies & Services	Actual	0.00	303,511.12	8,188.04	10,000.00	0.00	533,789.27	8,936.25	4,191.61	0.00	35.21	0.00	70.71	24,167.40	0.00	42,889.57	0.00	0.00	0.00	0.00	935,779.18	
Transport Related Expenses	Actual	10,088.23	0.00	7,500.00	0.00	0.00	5,990.00	2,995.00	785.70	0.00	0.00	0.00	1,830.40	0.00	0.00	37.72	0.00	0.00	0.00	0.00	29,227.05	
Income	Actual	-107,748.00	-223,400.00	-111,355.00	-70,000.00	-28,000.00	-939,558.72	-94,663.00	-364,534.54	-15,900.68	-19,551.57	-25,113.39	-23,226.31	-24,167.40	-24,565.42	-3,552.95	-31,667.40	-600.00	-12,216.22	-2,119,820.60	Reporting total / Transfer to Revenue	
(Under)/Overspend	Actual	0.00	80,111.12	0.00	0.00	1,020.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51,994.27	0.00	0.00	0.00	133,126.02	133,126.02	

SOUTH WALES FIRE & RESCUE SERVICE CAPITAL GRANT REPORTING 2021/22		
	Capital	NATIONAL RESILIENCE
Vehicle		
<i>Prime Movers x 2</i>	Actual	400,000
Property		
<i>USAR property development</i>	Actual	300,000
Income	Actual	-700,000
(Under)/Overspend	Actual	0

THIS REPORT IS NOT EXEMPT AND IN THE PUBLIC DOMAIN**SOUTH WALES FIRE & RESCUE AUTHORITY**AGENDA ITEM NO 6
20 SEPTEMBER 2021

FINANCE AUDIT & PERFORMANCE MANAGEMENT COMMITTEE

REPORT OF TEMP ASSISTANT CHIEF OFFICER CORPORATE SERVICES

CAPITAL MONITORING REPORT 2021/22**THIS REPORT IS FOR DECISION**

REPORT APPROVED BY TEMP ASSISTANT CHIEF CORPORATE SERVICES

REPORT PRESENTED BY TEMP HEAD OF FINANCE, PROCUREMENT & PROPERTY

SUMMARY

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

RECOMMENDATION

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

1. BACKGROUND

- 1.1 This report provides an update of the major changes affecting the capital budget since budget setting.
- 1.2 Appendix 1 illustrates budget information for all approved capital investment plans for the current financial year. Longer timelines are the norm for capital investment activities and completion of capital schemes. Timelines for build, delivery and testing stages can result in budgets been phased over more than one financial year and this is referred to as slippage.
- 1.3 In summary, Appendix 1 presents the total budget (2020/21 slippage + 2021/22) for 2021/22 as £8.3 million and the forecast outturn and slippage as £7.7 million and £1.8 million respectively. A detailed analysis of schemes supports these totals and a funding analysis provides information on how we intend to finance the investment.
- 1.4 The following provides a narrative explanation in support of appendix 1.

2. BUDGET HEADINGS

2.1 Property

2.1.1 Forecast expenditure and budget slippage are £3.3 million and £330k respectively. This results in a net overspend of £562k which is driven by one project, i.e. the Urban Search & Rescue (USAR) build at Whitchurch. Whilst this is an unbudgeted item, it will be fully funded by Welsh Government. The overspend is made up of the below projects;

Pontypridd	-£212k	overspend
Penarth	£20k	underspend
Tonypandy	-£70k	overspend
Whitchurch	-£300k	overspend
TOTAL	-£562k	overspend

2.1.2 Pontypridd

This project has continued into 2021/22 and the internal works are now complete and we are awaiting the final account from the contractors. External works are to be completed shortly. The overspend remains forecast at £212k as previously reported. This overspend is due to an number of variations including asbestos remediation and formation of a ramp to the community room.

2.1.3 Tonypandy

An overspend of £70k is being reported in relation to essential alterations that were unavoidable including Western Power Distribution work and changes to the appliance bay floor. These changes have previously been reported at the Property Steering group.

2.1.4 Whitchurch (USAR)

This grant funded scheme began in the previous financial year and is forecast to cost £300k in this financial year. It is to be fully funded by Welsh Government.

2.1.5 Penarth

This project was initially planned to begin in 2020/21 but other priorities resulted in it being slipped into this year. This has been delayed with consultancy now due to begin in 2023/24. A new bid will be submitted for approval in the future.

2.1.6 Monmouth

The majority of spend on this project has been slipped into the next financial year, with £20k forecast to be spent on fees this year. The

delay is associated with differing priorities for our co-location partners WAST and Gwent Police.

2.1.7 New Inn

Site checks have been completed and we are now forecasting that the purchase and some initial design works will be completed in this financial year. The rest of the budget has been slipped into next year.

2.2 Vehicle Replacement Programme (VRP)

2.2.1 The forecast is £3.8m which is a net overspend of £696k. The main cause of the overspend is the Prime Movers which is to be fully grant funded (£400k). There are a number of other projects which are also overspent which are detailed below.

Truck	-£30k	overspend
Water Ladders	-£74k	overspend
Rescue Tenders	-£192k	overspend
Prime Movers	-£400k	overspend
TOTAL	-£696k	overspend

2.2.2 Truck

This project was initially budgeted to be spent in 2018/19 but has been slipped forward each year since. This has meant the cost has increased by £30k which is reflected by the £30k overspend. Tender is due to be completed in August.

2.2.3 Water Ladders

The forecast is £74k overspent due to price changes and alterations since the bid was made. These price changes are to be reflected in the Vehicle Replacement Programme going forward.

2.2.4 Rescue Tenders

This project was slipped from 2020/21 and is forecast to overspend by £192k. This is due to the tender being returned at £64k higher per vehicle than budgeted. This was largely due to changes to include a high specification winch to align with existing rescue tenders. The 3 vehicles have been ordered and build should be completed by the end of the financial year. The Vehicle Replacement Programme should be updated with costs accordingly.

2.3 Operational Equipment

2.3.1 The forecast expenditure is £1.3m with an underspend of £69k. This underspend is made up of the following projects;

Breathing Apparatus	-£4k overspend
Structural Kit	£73k underspend
TOTAL	£69k underspend

2.3.2 Breathing Apparatus

This project was largely completed in 2019/20 and the £20k remaining has been slipped forward while decisions were made as to whether we were to purchase new breathing apparatus for USAR. As this has now been confirmed we are forecasting a cost of £25k resulting in a £5k overspend.

2.3.3 Structural Kit

The majority of this project was spent in 2020/21 and the final invoices are due to be paid in August. This will leave an underspend of £73k.

2.4 ICT Equipment

2.4.1 The forecast is currently projecting a £657k spend and £60k slippage which is in line with the budget. There are a number of projects due to be ordered in the next quarter and so there will be more progress to update on in the next reporting period.

2.4.2 Patient Management System

This project was initially due to be completed in the last financial year however this was postponed due to COVID-19. It has now been slipped into next year as it is unlikely any progress or spend will be made in 2021/22.

3. IMPLICATIONS

3.1 Appendix 1 illustrates current capital spending plans for the year and how this differs from the original budget.

A forecast spend of £7.7m and slippage of and a £1.8m result in a net £1.2m overspend. Contributing is £93k of under and £1.3m of overspend. This overspend is partly offset by £700k of grant funding. This is analysed below.

	Overspend	Underspend	Additional Funding	Report Variances
PONTYPRIDD	-212			-212
TONYPANDY	-70			-70
PENARTH		20		20
TRUCK	-30			-30
WATERLADDERS	-74			-74
RESCUE TENDERS	-192			-192
HELMETS	-0			-0
BREATHING APPARATUS	-4			-4
STRUCTURAL KIT		73		73
WHITCHURCH USAR (grant funded)	-300		300	0
PRIME MOVERS (grant funded)	-400		400	0
TOTAL	-1,282	93	700	-489

3.2 Community and Environment

Equality, Diversity and Inclusion	No
Welsh Language	No
Well-Being Of Future Generations (Wales) Act	No
Socio Economic Duty	No
Sustainability / Environment / Carbon Reduction	No
Safeguarding	No
Consultation and Communications	No
Consultation with Representative Bodies	No
Impact Assessment	No

3.3 Regulatory, Strategy and Policy

Legal	No
Financial	Yes
Procurement	No
Corporate Risk	No
Information Management	No
Data Protection / Privacy	No
Health, Safety and Wellbeing	No
Governance & Audit	No
Service Policy	No
National Policy	No

3.4 Resources, Assets and Delivery

Human Resources and People Development	No
Assets and Resources (Property/Fleet/ICT/Equipment)	No
Service Delivery	No
Procurement	No
Budget Revenue/Capital	Yes

4. EVALUATION & CONCLUSION

- 4.1 The capital end of year position is forecast to be overspent by £1.2m. This will be partly grant funded and £130k of capital receipts will also be used to fund capital expenditure in 2021/22.

As this is the first capital monitoring report of the year, slippage is expected to increase during the next reporting period as ordered and progressed and timescales confirmed.

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:	Lisa Mullan Temporary Head of Finance, Property & Procurement	
Background Papers	Date	Source / Contact
Revenue Monitoring Report	2021/22	Head of Finance, Property & Procurement

CAPITAL PROGRAMME 2021/22							APPENDIX 1	
	Project Total £000	SLIPPAGE B/F 2020/21 £000	2021/22 BUDGET £000	ACTUAL AS AT 13.08.21 £000	COMMITTED AS AT 13.08.21 £000	OUTTURN POSITION 31.03.22 £000	BUDGET UNDER/ OVER/ SPEND £000	SLIPPAGE C/F 2022/23 £000
PROPERTY								
<i>STATION REFURBISHMENTS</i>								
PONTYPRIDD	1,000	77	0	111	112	289	-212	0
MONMOUTH (co-location scheme)	600	350	0	0	0	20	0	330
PENARTH	1,600	20	0	0	0	0	20	0
NEW INN	2,000	494	1,500	16	13	550	0	1,444
TOMYPANDY	800	409	0	364	115	479	-70	0
PONTYCLUN	1,100	0	10	0	0	10	0	0
WHITCHURCH / USAR (grant funded)	608	0	0	30	33	300	-300	0
PLANNED & PREVENTATIVE MAINT		33	200	0	0	233	0	0
	7,708	1,383	1,710	521	273	1,881	-562	1,774
VEHICLES								
TRUCK (SLIDE DECK / CRANE)	150	150	0	0	0	180	-30	0
WATER LADDERS	1,934	464	1,470	211	1,299	2,008	-74	0
RESCUE TENDERS	705	705	0	0	897	897	-192	0
VANOPS ESTATE CAR	362	62	300	63	0	362	0	0
PRIME MOVERS (grant funded)	400	0	0	0	0	400	-400	0
	3,151	1,381	1,770	274	2,196	3,847	-696	0
EQUIPMENT								
HELMETS	242	16	0	16	0	16	-0	0
BREATHING APPARATUS	900	21	0	5	20	25	-4	0
STRUCTURAL KIT	1,850	645	0	375	197	572	73	0
RTC CUTTING EQUIPMENT	300	0	300	0	0	300	0	0
RESCUE TENDER EQUIPMENT	240	0	240	0	0	240	0	0
WET WEATHER GEAR	100	0	100	0	0	100	0	0
RECIPROCATING SAWS	25	0	25	0	0	25	0	0
HOSE INFLATION KIT	15	0	15	0	0	15	0	0
	3,632	682	640	396	217	1,293	69	0
ICT								
WIRELESS LAN CONTROLLERS	80	50	0	0	10	50	0	0
GPS REPEATERS ON ALL STATIONS	45	9	0	4	0	9	0	0
PATIENT MANAGEMENT SYSTEM	60	60	0	0	0	0	0	60
TRANMAN UPGRADE	52	18	0	0	0	18	0	0
END USER COMPUTER REPLACEMENT	450	0	150	1	86	150	0	0
THIN CLIENT REPLACEMENT	250	0	250	17	97	250	0	0
VOICE GATEWAYS REPLACEMENT	20	0	20	0	0	20	0	0
HQ INNER FIREWALLS REPLACEMENT	30	0	30	0	0	30	0	0
CORE SWITCH REPLACEMENT	130	0	130	0	0	130	0	0
	1,117	137	580	22	193	657	0	60
TOTAL	15,608	3,583	4,700	1,213	2,878	7,679	-1,189	1,834
FUNDING ANALYSIS								
						BORROWING	6,649	
						CO-LOCATION CONTRIBUTIONS	0	
						REVENUE CONTRIBUTION	200	
						REVENUE RESERVES	0	
						CAPITAL GRANT	700	
						CAPITAL RECEIPTS	130	
							7,679	

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THIS REPORT IS NOT EXEMPT AND IN THE PUBLIC DOMAIN**SOUTH WALES FIRE & RESCUE AUTHORITY**AGENDA ITEM NO 7
20 SEPTEMBER 2021

FINANCE AUDIT & PERFORMANCE MANAGEMENT COMMITTEE

REPORT OF THE TREASURER

MEDIUM TERM FINANCIAL STRATEGY 2021/22 – 2026/27**THIS REPORT IS FOR DECISION**

REPORT APPROVED BY TREASURER

PRESENTING OFFICER TREASURER

SUMMARY

This report presents the Medium-Term Financial Strategy for 2021/22 to 2026/27 for approval. It includes budget projections based on the Authority's plans and strategies informed by the general financial and operational environment in which services are provided.

The Strategy indicates that the Authority's cost base will increase by around 2% per annum.

The Strategy is drawn up in light of few firm resource commitments beyond the current year. This background together with the uncertainties arising from the ongoing pandemic introduce significant risk in the Strategy.

RECOMMENDATIONS

1. That the FAPM Committee note and approve the Strategy as the basis for financial planning over the Strategy period.

1. BACKGROUND

- 1.1 The Authority operates a Medium-Term Financial Strategy (MTFS) which provides a backdrop to the planning of resource allocation and spending. This report updates the MTFS (Appendix 1) and associated planning assumptions and discusses the immediate challenges facing the Authority in setting its budget for next financial year.
- 1.2 The Authority follows appropriate Codes of Practice in managing its finances including the maintenance of an MTFS.

- 1.3 The Finance, Audit and Performance Management Committee considers the MTFS each year throughout its budget planning cycle. The last MTFS period expired in the current year.
- 1.4 The whole face of public services has been changed by the recent Covid19 pandemic and budgets and resources at all levels of government have been altered out of all recognition from the norm. UK debt has risen to unprecedented levels. The impact on all public sector bodies has been enormous both in terms of spending pressures and loss of revenue.
- 1.5 No firm forward financial plans have been released by central government whether nationally or regionally in the wake of the current crisis. Forward planning with any accurate assessment of external factors is therefore very challenging if not impossible.
- 1.6 The MTFS can only plan on the basis of knowns or reasonably informed assessments and accordingly, no attempt has been made to forward project resources beyond a simple benchmark of consistently higher or lower resource assumptions. If new announcements on funding are released, a review of the MTFS will take place.
- 1.7 The MTFS attached at Appendix 1, identifies the operational context in which the financial management of the Authority takes place currently and sets out the challenges, risks and responses which are relevant in the short to medium term where this is possible.
- 1.8 It is not anticipated that the review of governance and funding undertaken by Welsh Government will significantly change the structure, activities and funding of Fire Authorities in the near future.

2. ISSUE / PROPOSAL

- 2.1 The MTFS has been constructed to provide a framework for financial planning and set the basis for annual budget setting. The MTFS considers resource availability and costs.

2.2 LOCAL GOVERNMENT SETTLEMENT

- 2.2.1 In recent years, the Welsh Government has started to increase resources within the local government settlement. In the current financial year, Welsh Government gave Councils in South Wales 4.1% extra resources. Councils responded with calls for more and continued the trend of increases in Council Tax which now accounts for around one quarter of their net spending.

2.2.2 In previous years, the Fire Authority has been informed of the consistent pattern of increases in local taxation which assists in budget setting for Council Services which includes fire and rescue services. Council tax yield has typically increased by an average of between 4% and 5%.

2.2.3 There are no forward indications from Welsh Government around next year's grant for councils. As such it is impossible to accurately assess resource availability. For the purpose of the MTFS, a +/-2% per annum threshold has been considered.

2.3 WELSH GOVERNMENT FUNDING

2.3.1 The Authority relies on several streams of Welsh Government funding to support its budget. Again, no forward commitment has been given to support these key income streams. Pension costs, national initiatives and community safety activities all rely heavily on this cash and this lack of commitment represents a risk. Including pensions and PFI grant, the funding amounts to around £27m per annum.

2.4 BASE BUDGET CONSIDERATIONS

2.4.1 The most significant part of the Authority's budget is employee costs representing around 75% of spend. The MTFS is drawn up based on long term average pay awards of 1.5% per annum. It is important to note that the Authority undertook to refund to constituent councils any over-provision for pay awards within the current year. Pay awards have not all been finalised yet but the MTFS is constructed based on an estimated reduction (£500k) in the base budget of the Fire Authority.

2.4.2 Further provision for pension costs arising from the ongoing legal challenges is built in to the base from 2023. The effects of Job Evaluation implementation (£117k) are included as are provisions for growth in the training budget (£100k).

2.4.3 The Premises budget includes specific provisions relating to maintenance, upgrades and cleaning. Business Rates are assumed to increase annually with the potential for a substantial uplift (20%) in 23/24 following revaluation. Energy costs are expected to reduce from 2024 onwards (5% pa) in response to activities in the carbon reduction plan. Increased costs associated with the Emergency Services Network project (£600k) are assumed over a two-year period from 2024.

2.4.4 The Authority commenced a process of investment in its ICT infrastructure in the current year. This investment (£340k) will continue as planned for a second year in 22/23. One off investment in operational equipment is included next year to respond to specific identified training requirements. Other supplies budgets reflect inflationary increases or reductions according to planned activities.

2.4.5 Transport costs continue to be targeted for reductions in light of the desire to reduce vehicle movements and to reduce the use of fossil fuels across the fleet. The introduction of electric vehicles and cleaner diesel vehicles will underpin this trend.

2.4.6 Capital financing costs will increase annually (4% pa) reflecting the approved capital programme with the overall exposure to these costs monitored through the Authority's Treasury Management Strategy.

3. IMPLICATIONS

3.1 Community and Environment

Equality, Diversity and Inclusion	No
Welsh Language	No
Well-Being Of Future Generations (Wales) Act	No
Socio Economic Duty	No
Sustainability / Environment / Carbon Reduction	Yes
Safeguarding	No
Consultation and Communications	Yes
Consultation with Representative Bodies	No
Impact Assessment	No

3.1.1 The MTFs includes assumptions of savings derived from Carbon Reduction initiatives.

3.1.2 The MTFs includes budget projections that will form the basis of consultation with the ten constituent authorities.

3.2 Regulatory, Strategy and Policy

Legal	No
Financial	Yes
Procurement	No
Corporate Risk	No
Information Management	No
Data Protection / Privacy	No
Health, Safety and Wellbeing	No
Governance & Audit	No
Service Policy	No
National Policy	No

3.2.1 The MTFs includes detailed plans of the Authorities finances and is prepared in compliance with several regulatory Codes of Practice.

3.3 Resources, Assets and Delivery

Human Resources and People Development	No
Assets and Resources (Property/Fleet/ICT/Equipment)	No
Service Delivery	No
Procurement	No
Budget Revenue/Capital	Yes

3.3.1 The MTFs forms the basis of the revenue and capital budget planning for the coming financial year.

4 EVALUATION & CONCLUSIONS

4.1 The MTFs attached at Appendix 1 includes projections that result in annual increases in budget of around 2% per annum on average.

Financial Year	Increase in Budget
22/23	2.44%
23/24	2.33%
24/25	2.08%
25/26	2.15%
26/27	1.76%

4.2 These planning assumptions are deemed reasonable in the context of the resources likely to be available to the public sector in Wales.

4.3 The MTFs will be revisited annually and updated as more information becomes available. A further report on the detail of next year's budget will be presented to the Committee at its next meeting.

5 RECOMMENDATIONS

- 5.1 That the FAPM Committee note and approve the Strategy as the basis for financial planning over the Strategy period.

Contact Officer:	Chris Barton Treasurer	
Background Papers	Date	Source / Contact
None		

Appendices	
Appendix 1	Medium Term Financial Strategy 21/22 – 26/27

MEDIUM TERM FINANCIAL STRATEGY 2021/22 – 2026/27

Appendix 1

Medium Term Financial Strategy 2021/22 – 2026/27

September 2021

About SWFRS

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

Service and Incident Profile

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

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

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

Strategic Plan

South Wales Fire and Rescue Service's vision is set out in our strategic plan for 2020-30. This Medium-Term Financial Strategy underpins that vision.

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

The Service's vision remains the key focus; "making South Wales safer by reducing risk." The Service recognises that safer communities can only be

achieved by challenging and improving the way it works, through a safe and competent workforce and by effectively managing its resources.

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

Key Strategic Theme	Activity
Keeping you Safe	Raise your awareness of risks through education and information, to protect you from harm.
Responding to your Emergency	Respond quickly and effectively when you need us.
Protecting our Environment	Make sure that we are always planning and working in a way that helps sustain the planet for our future generations.
Working with our Partners	Work with our partners to design services that are delivered and targeted based on a joint understanding of risk, to deliver on our shared outcomes.
Engaging and Communicating	Talk to and involve our communities and people so that we can deliver our services to effectively meet your needs.
Valuing our People	Support a diverse workforce that represents your community, is well trained and motivated to deliver our service.
Using Technology Well	Continually look to use the right technology where it can improve our service to you.
Continuing to Work Effectively	Make sure that our service provides value for money and that we are clear about how we are performing.

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

In the past two years, the nature of public services and public sector finance has undergone a paradigm shift resulting from the Covid19 pandemic. Whilst it is clear that the Government has sought to utilise public sector spending and borrowing as a means to deal with the crisis and to ease the economic impact of it, there is no clear picture yet emerging of how this situation will translate into future spending and resourcing plans.

The emergent threat of climate change not only shapes the way in which the Service conducts its business but also the responses and challenges which the Service is likely to have to meet to protect the population of South Wales.

Against this background of urgent change, the MTFs can at best only estimate the likely costs and resources available to fund services in Wales over the coming years. The MTFs will be revisited as and when significant Government announcements are made.

Key Achievements

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

Financial Context

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

The UK Context

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

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

The latest spending review of the UK Government set out parameters for public spending over the medium term but these have all been surpassed by the response to the Covid pandemic. Whilst there has been some signals that austerity is easing, there is little optimism to believe that this is a move away from the overall downward pressure on spending especially in light of the massive increase in government borrowing in the last two years.

Significant uncertainty remains about the short and long term financial effects of "Brexit" even though apparent deals have now been secured for the short to medium term.

Wales

Overall spending limits set in Westminster determine the Barnett Formula consequential for resources in Wales each year.

With no Comprehensive Spending Review having taken place in the last two years, there are no forward indicators for spending. Announcements of additional spending pre Covid19 resulted in a largely positive financial settlement for Wales in 21/22. The budget agreed by Welsh Government impacts the funding of unitary authorities (which in turn meet the costs of Fire and Rescue Services) together with community safety and other sector specific initiatives which are directly funded through specific grants and contributions.

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

Unitary Authority Funding

Unitary authorities contribute to the Fire & Rescue Service budget and in consequence, their funding settlement is relevant to the Service. In recent years, the trend in reducing public expenditure has resulted in downward pressure in the un-hypothecated grant resources distributed to unitary authorities. This trend was reversed somewhat in the last two years but there are no further indicative budgets beyond the current year.

Current Cost & Budget Structure

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

Revenue Budget

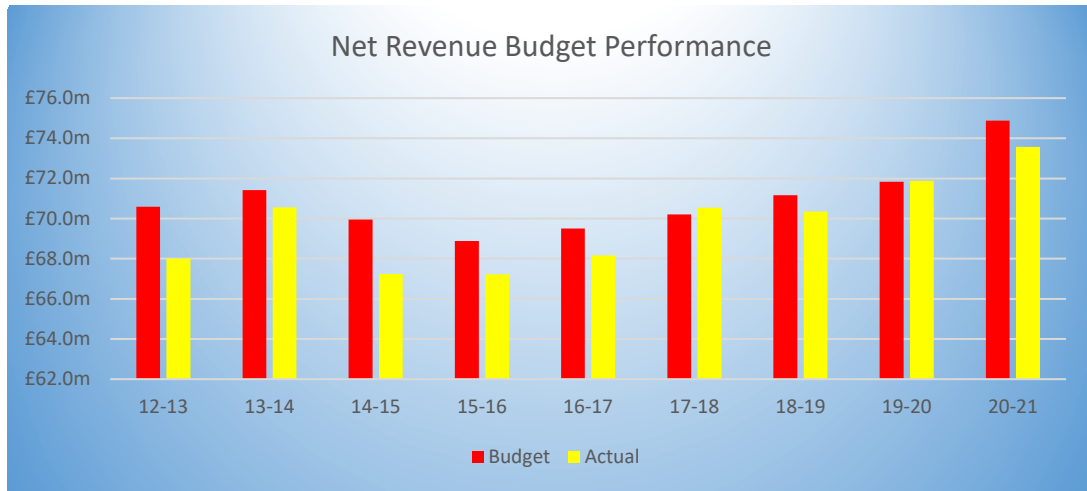
The Service's net annual revenue budget in 2021/22 is around £77.5m, the equivalent of less than £50 for each resident of South Wales. It equates to around 0.5% of the total public service spending in Wales each year.

The table below shows the breakdown of the annual budget in 2021/22

	£000
Employees	51,008
Indirect Employee costs	11,712
Premises	5,483
Training	1,618

Supplies & Services	4,845
Transport	1,403
Contracted Services	856
Capital Financing	4,687
Gross Budget	81,612
Income	-4,082
Net Budget	77,530

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



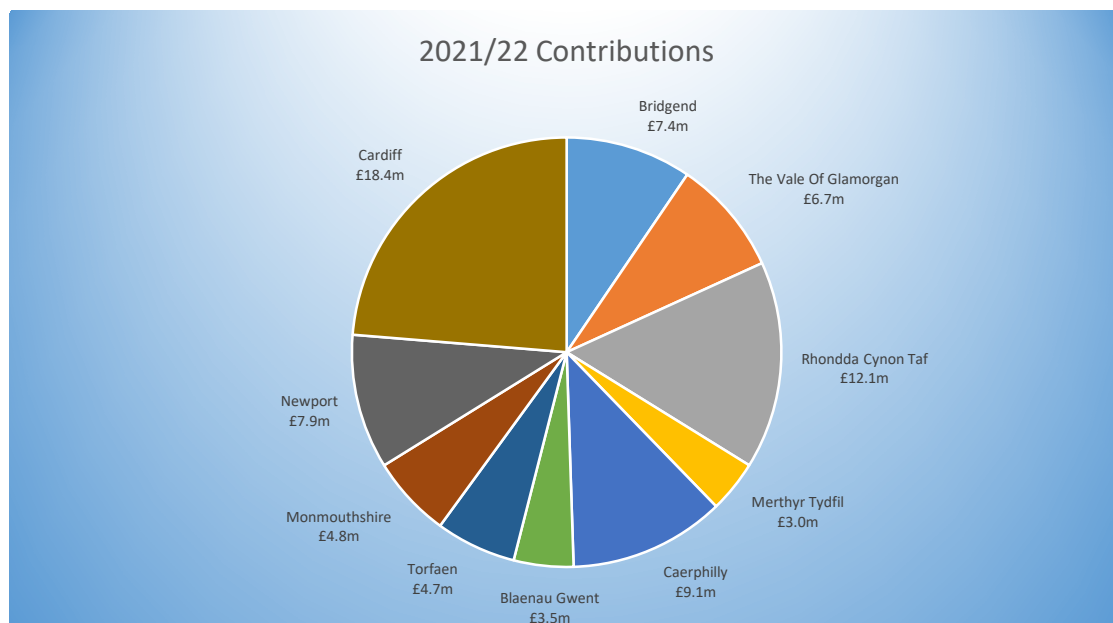
The Service has proactively managed to stay within its budgets and has a history of good financial management despite numerous challenges to its operations including a sustained period of industrial action. Surpluses generated from the revenue budget are utilised to invest in Service Improvement, asset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

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

SWFRS Revenue funding

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

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



The Welsh Government recently undertook a review into the governance and funding of fire authorities in Wales. To date this review has not resulted in any significant proposals to change the structure, composition or funding of fire authorities. Should any legislative change be forthcoming, it could significantly impact this MTFS as drafted.

During 2019, HM Treasury amended the SCAPE rate used to underpin public sector Pension Fund Valuations. As a result of this exercise, a significant increase in employer's pension contributions occurred. In Wales, specific grant funding of over £3m was provided to the Authority to meet these costs. With the current shift in UK economic activity, there is a further prospect of rate changes with similar consequential financial impacts.

The Fire Fighter' Pension Fund (FFPS) continues to be a national issue with several recent court cases lost by the Government likely to increase costs in the medium to long term. The resolution to these cases and the future shape of the FFPS is an ongoing process.

Forecast Cost Changes

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

Inflation

The financial strategy includes inflation where this is a contractual obligation but assumes that the majority of other spending is cash limited. The exceptions include items where prices are generally more volatile than CPI such as vehicle fuel, energy costs and insurance premiums where specific allowances are made. Total inflation of around £0.5m per annum is assumed.

Pay

The Authority is part of the collective bargaining arrangements for 'grey book' (fire fighters) and 'green book' (non-uniformed) employees and therefore implements respective national pay awards as part of its pay policy arrangements. The Authority abides by the statutory Minimum and Living Wage legislation. The cost of pay inflation (including related pension overheads) is assumed to be around £0.8m per annum. This is currently assessed with reference to average pay settlements achieved of around 1.5% per annum. The wider role of firefighters is still subject to ongoing discussion with representative bodies and the outcome of this activity could impact pay levels. The MTF5 assumes that such costs agreed on a national basis would be accompanied with funding from Welsh Government. This situation will be monitored on an ongoing basis.

Pensions

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

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

- The LGPS employers' pension contribution rate is currently 15.2% of gross pensionable pay.
- The FFPS employers' pension contribution rates vary as there are three schemes in operation. Rates are currently between 26.6% and 29.3% of gross pensionable pay. The strategy assumes that Welsh Government will continue to fund any scheme deficit over and above the employee and employer contributions and that it will continue to fund SCAPE costs arising from national Government changes.

The cost of the FFPS is in a state of flux currently with the government having lost legal cases around the tapering transitions from the 1992 to the 2015 scheme. A solution is now emerging following Government proposals but it is unclear what the impact on the Service's base budget will be into the future.

Service Demand

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

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

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

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

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

Capital Financing Costs (Debt repayments and interest)

The strategy includes an increase in the Authority's estimated capital financing costs of £0.2m reflecting the approved capital programme. This programme together with the Treasury Management Strategy of the Authority determines the principal debt repayments and interest costs which will fall on the revenue budget. The programme includes a range of investments aimed at maintaining, renewing and supplementing the Authority's assets to achieve its strategic objectives. Affordability is a key component of the capital programme.

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

Specific Projects

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

- Emergency Services Mobile Communications Platform (ESMCP) is a project aimed at rolling out a new Emergency Service Network (ESN) across the UK. Currently Welsh Government supports the cost of this network in Wales through financial contributions. This equates to around £0.6m per annum in South Wales. The project aims to not only modernise and improve the network but also to reduce ongoing costs. Until the future cost of the ESN is known for certain, the financial impact of the project is uncertain. Further delays in the delivery of this project will be monitored in terms of their financial impact. The MTFS includes a provision for cost increases totalling £600k over two years to accommodate this risk.
- The infrastructure of the Service is heavily dependent on suitable Microsoft licencing arrangements to support its operational and back-office capability. The Service is reconfiguring its ICT arrangements and this requires a significant requirement for investment in this area. It is estimated currently that costs could increase by as much as £0.3m.

Forecast Funding Changes

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

National Funding Changes

The Government's policy direction pre-Covid has shown a long-term trend of reduction in public spending but there was a reverse in this trend in the last two budget years. That said, the scale of the recent increase is small in the context of the major economic challenge arising from Covid19.

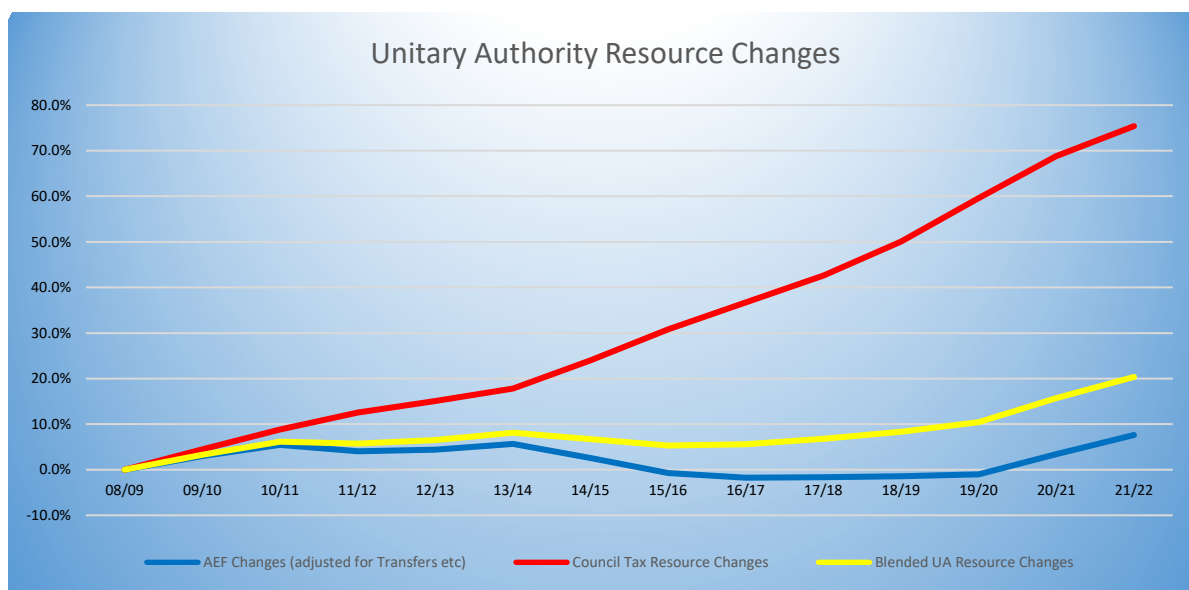
It is almost impossible to make meaningful assumptions beyond the steady state position given the unprecedented level of change in the country's financial position. In one scenario, continued reinvestment to drive economic development and to meet public service demands could be forecast, in another, an even more prolonged period of public sector austerity to reduce the hitherto unseen levels of government borrowing.

Welsh Local Authority Settlement Funding Assessment

The outcome of the budget decisions of Welsh Government in terms of health, social care and education will be major determining factors given the relative size of those budgets. In the last two years, Welsh Government was able to divert resources to local authorities for the first time in a decade.

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

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



Beyond 2021/22 there are no projections on which to base assumptions around funding. Previous practice has been to assume a nominal change in settlement in respect of such periods.

Grants and other Funding Streams

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

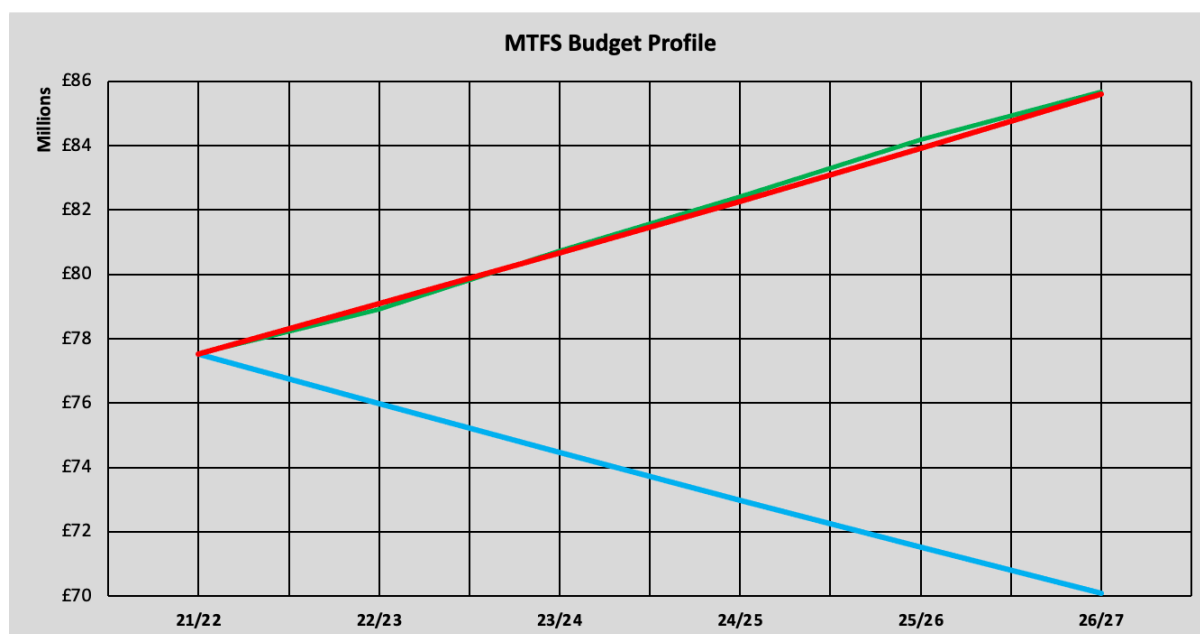
Given the trend and commentary to date on grant funding, it is reasonable to assume that these funding sources may be further withdrawn over the medium to longer term however, in advance of any announcements, it would be wrong to assume such reductions yet. The table below outlines the grants and contributions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

Grant	2021/22 £'000	Received from	Forecast Basis
COMMUNITY SAFETY	517	WG	Continue - cash flat profile
COMMUNITY SAFETY	TBC	GWENT POLICE / NRW	Continue - cash flat profile
NATIONAL RESILIENCE/USAR	1,364	WG	Continue - cash flat profile
FIRELINK	632	WG	Continue - cash flat profile short term until ESMCP implemented

PENSION SCAPE GRANT	2,950	WG	Continue – Estimated costs met by WG
PENSION TOP UP GRANT	15,350	WG	Continue – excess funding required met in full by WG
PFI	1,004	WG	Pre-defined grant profile
TOTAL FUNDING 21/22	TBC		

Projected Spend v Resources Assumptions

The graph below sets out the Service's estimated budget. It includes for illustration purposes, projections of plus and minus 2% in resource availability.



If local government resources were restricted to -2% per annum, the worst-case deficit position would be around £15m or 18%. This assumes of course that the Service would only request funding in accordance with the assessed worst case local authority settlement. In practice, the Service has to request the resources it requires to fund its operations regardless of settlements. That said, the Service has always striven to take account of the climate of public sector budgets in which it operates and to reduce the burden on its constituent councils wherever possible.

If resources increased by 2%, they would broadly match the projected budget. The proposed MTFS shows budget increases as follows:-

Financial Year	Increase in Budget
22/23	2.44%
23/24	2.33%
24/25	2.08%
25/26	2.15%
26/27	1.76%

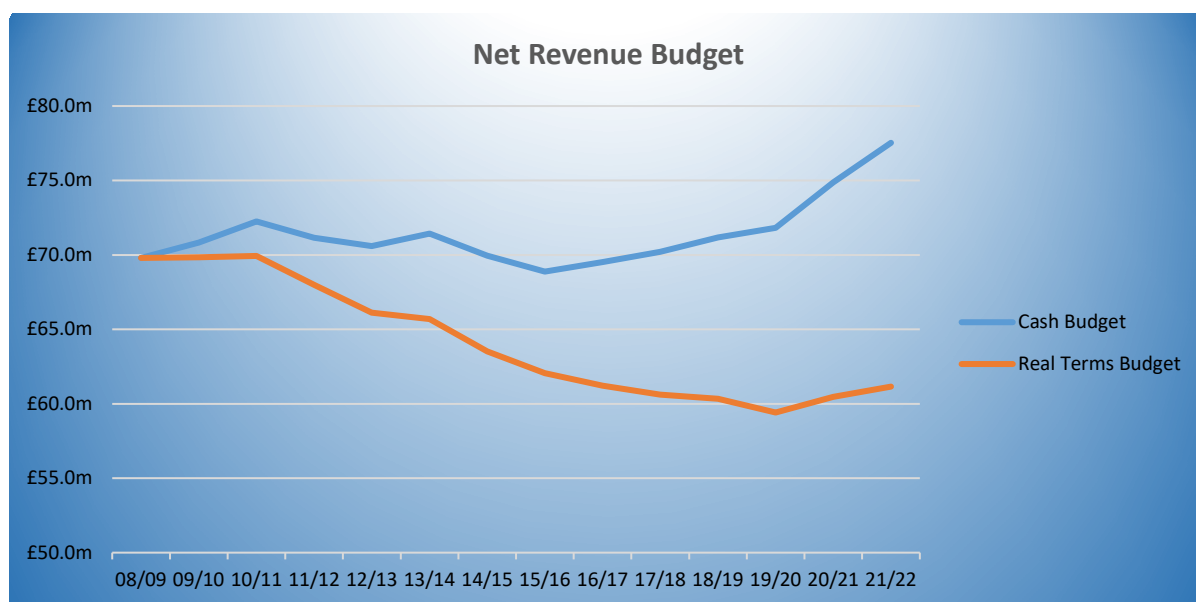
Welsh Government funding of the ongoing costs of firefighter pensions and the currently grant funded initiatives is critical to financial position of the Fire Authority.

Medium Term Financial Plan

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

Finance and Efficiencies

Since the commencement of the current economic downturn in 2008/09, the Authority has delivered approximately £16m real terms budget reduction. The chart below shows the trend in the revenue budget. It represents an estimated real terms reduction of around 12% in 13 years



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

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

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

Fire Cover Reviews

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

Shaping our Future Programme

The Authority has devoted resources to reviewing parts of the organisation to identify improvements and efficiencies. Whilst not formally operating under this name in future, the programme continues to look at operational and back-office business processes. As part of this coming budget cycle, consideration of areas for investment and savings within the structure of the Authority's staffing is being undertaken. These will be the subject of reports to the Fire Authority for consideration once developed.

Sustainability & Carbon Reduction

The Authority has recognised the need to respond to Climate Change both in service provision but also to minimise its own impact on the environment and climate. The formalisation of a strategy to address these issues has been completed and action plans and projects are now being developed and implemented. The aim is to reduce the Service's carbon footprint whilst at the same time delivering economic benefits through cost savings. The MTFs includes assumptions of financial savings generated by this activity particularly in energy costs, transport and supplies.

Accounting Measures

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

Reserves Policy

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

General Reserves

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

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

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

The financial strategy is predicated on no planned use of general reserves to fund ongoing revenue spending. The Authority regards this as an unsustainable financial planning parameter and is in accordance with the CIPFA Financial Management Code.

Earmarked Reserves

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

Reserve <i>(Subject to audit)</i>	Balance at 31/03/21 £000	Purpose
General Reserves	3,000	General financial resilience
Change Management Reserve	6,400	To fund projects aimed at efficiency, service improvement and change
PFI Equalisation Reserve	3,683	To balance out timing difference in grants and costs of the PFI Training Centre project at Cardiff Gate
Managed Under Spend Reserve	43	To meet costs of ongoing projects falling into the next financial year
Joint Control Lease Reserve	400	To finance the contribution to the Joint Control Facility in Bridgend
Total Revenue Reserves	13,526	

Treasury Management Strategy

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

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

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

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

The Authority's Capital Financing Requirement is the measure of its need to borrow to fund its capital requirements. This is forecast at £46.7m at March 2022 with external borrowing being estimated at £35.2m. The difference of £11m represents internal borrowing and the exposure of the Authority to increasing interest rates should it need to borrow externally. This exposure is forecast to remain constant to March 2024.

Exposure to increasing interest rates is mitigated by having a portfolio of external loans at fixed rates maturing over a range of short, medium and long dates. The profile of the Authority's debt maturity provides certainty over borrowing costs with around 50% maturing after 10 years or more.

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

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

Asset Management Plan

The Authority operates within fire and rescue stations, offices, workshops, training facilities and control room accommodation. At these sites, in order to assist us in delivering our service to the public, we also hold a large number of assets, ranging from our fleet of emergency response and support vehicles,

operational plant and equipment, ICT equipment and other minor assets (such as office and station furniture, specialist clothing etc.).

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

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

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

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

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

Capital Programme

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

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

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

Collaboration

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

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

National Issues Committee and Welsh Government (NIC)

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

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

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

Partnership with other 'blue light' services

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

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

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

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

Partnership with local authorities and the third sector

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

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

Workforce Strategy

The Authority employs around 1,800 staff as both operational firefighters and a range of professional and supporting roles. The nature of the Service means that 75% of expenditure is on staff or staff related budgets and there is a high expenditure on training and related matters.

The Service is part of collective bargaining agreements with both uniformed (grey book) and non-uniformed (green book) Trade Unions. Staff communication and engagement is high on the priorities of the Service to ensure staff fully understand the plans, rationale and motives of the Service.

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

The Service has recently implemented its new Job Evaluation Scheme for Green Book staff which provides a sound basis for future assessments of salary levels.

The Service has obtained Investors in People (IIP) accreditation and has also achieved a new award focusing on staff wellbeing. The Service has received a Gold People Award and a Silver Wellbeing Award for its supportive culture, passion to improve and develop, focus on wellbeing and a commitment to protecting the communities of South Wales.

Risk Management

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

Risk Management Framework

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

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

Financial Risks

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

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

Key specific financial risks within the Strategy and Plan include:

- The national economy and public finances
- The level of interest rates and the cost of borrowing
- Variations in Inflation assumptions - 1% of pay equals £0.6m and 1% of price equals £0.2m
- Failure to deliver or late delivery of budget savings
- Project delays
- Withdrawal of key funding streams by Government
- The cost of pensions

BUSINESS PLAN ACTIONS REPORT

Health Check

2021/22 Quarter 1

Report Date 17th August 2021



Gwasanaeth Tân ac Achub
De Cymru

South Wales
Fire and Rescue Service

Produced in

BMIS
Business Management
Information System

Summary

This paper will give assurance to the Members of the Fire & Rescue Authority and senior management within South Wales Fire & Rescue Service on progress towards achievement of the Strategic Themes and performance of the Strategic Performance Indicators for the period 01 April – 30 June 2021.

Background

- 1.1 The Welsh Government requires South Wales Fire & Rescue Service to develop Strategic Plans to identify the direction for the Service and address particular areas for improvement. The Service does this by developing a Strategic Plan, implementing actions and measuring indicators to enable the Service to achieve these organisational goals.
- 1.2 All departments link actions within their annual department plans to the appropriate Strategic Objectives. This enables us to measure how well we are performing against these objectives by how many of the linked actions are on target and review how the associated indicators are performing.
- 1.3 Quarterly updates are recorded by action owners onto the Business Management Information System (BMIS), and staff within the Planning, Performance and Risk Team monitor the information and extract reports accordingly.
- 1.4 To further support the performance management framework, National Strategic Indicators were introduced for reporting year 2015/16. Together these provide data and information to inform and support decision making processes within the Service to target activity and drive improvement. The Statistics and Risk Team monitors the information and extract reports accordingly.
- 1.5 This report will provide Members and Officers with a health check on performance against the Strategic Themes and Strategic Indicators for the period 01 April – 30 June 2021.

Issue

- 2.1 For Members' information going forward, taking into account the Well-Being of Future Generations (Wales) Act 2015, the Service has revised the Strategic Plan to include eight Strategic Themes as listed below:
- ST01 – Keeping you safe
 - ST02 – Responding to your emergency
 - ST03 – Using technology well
 - ST04 – Working with our partners
 - ST05 – Engaging and communicating
 - ST06 – Valuing our people
 - ST07 – Protecting our environment
 - ST08 – Continuing to work effectively
- 2.2 Each of these Strategic Themes has one or more Objectives that the Service has monitored progress against during 01 April – 30 June 2021.
- 2.3 Appendix 1 attached is a summary of the Performance Monitoring Report, which reviews the period 01 April - 30 June 2021 performance against agreed targets for the seven National Strategic Performance Indicators. It also includes a summary comment for each indicator.
- 2.4 Appendix 1 identifies that one indicator has not met their target and performed worse than last year and six indicators are achieving their target.
- 2.5 The one indicator that is not meeting its target and has performed worse than last year is:
1. Other Special Services Calls Attended
- 2.6 The six indicators that have achieved their targets are:
2. Total Fires Attended
 3. Total False Alarms Attended
 4. Total Road Traffic Collisions Attended
 5. Other Special Services Calls Attended
 6. Total Deaths and Injuries in Fires
 7. Accidental Deaths and Injuries in Fires
- 2.7 Appendix 2 attached provides some key information about the Service and its performance during the period 01 April - 30 June 2021.

Equality Risk Assessment

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

Recommendations

- 4.1 That Members review the performance details and statistical data for the period 01 April – 30 June 2021 contained within this report.

Scorecard

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

ST01 20/21 Keeping you safe				
▲	●	★	Unknowns	Total
0	7	19	0	26
ST02 20/21 Responding to your emergency				
▲	●	★	Unknowns	Total
3	12	9	0	24
ST03 20/21 Using technology well				
▲	●	★	Unknowns	Total
2	18	34	0	54
ST04 20/21 Working with our partners				
▲	●	★	Unknowns	Total
1	10	20	0	31
ST05 20/21 Engaging and communicating				
▲	●	★	Unknowns	Total
0	6	9	0	15
ST06 20/21 Valuing our people				
▲	●	★	Unknowns	Total
1	23	36	0	60
ST07 20/21 Protecting our environment				
▲	●	★	Unknowns	Total
2	2	22	0	26
ST08 20/21 Continuing to work effectively				
▲	●	★	Unknowns	Total
3	22	40	0	65

Strategic Theme Task Commentary

ST01 – Keeping you safe

1.1 Reduce the impact of false alarms on our resources

Internal collaboration between Operations and Business Fire Safety (BFS) to reduce Unwanted Fire Signals (UFS) continues. A working group has been established and quarterly meetings have been scheduled.

***Unwanted Fire Signals (UFSs)** are false alarms generated from automatic fire alarm (AFA) systems.*

We continue to explore opportunities for further engagement following false alarms to educate businesses and members of the public. An example of this is a local business engagement trial currently being undertaken by Duffryn Fire Station. Outcomes and lessons learned will be shared with the wider Service.

The proactive management of premises by Joint Fire Control (JFC), with regards to AFA actuations, to comply with responsible person duties has been deferred. Once the review of JFC has completed, this will be re-visited with BFS and Community Safety & Partnerships (CS&P) to establish what process they require from JFC Prevention and Protection.

1.2 Reduce the number of fires in the home and understand the behaviours and cause of them

Operations continue to work with Statistics and Risk to explore utilising our Business Management Information System (BMIS) to support the production of Community Risk Management Plans (CRMPs) for 2021/22.

The Ops Audit and Support Team (OAST) continue to review the quality of our Incident Recording System (IRS) data during regular bi-monthly meetings and will explore incorporating further analysis of information for targeting of vulnerable individuals and groups.

*The **Incident Recording System (IRS)** is a website managed by the Home Office. It collects information on the incidents attended by fire and rescue services, e.g. fires, false alarms, road traffic collisions. Some of this information is personal and sensitive so the Home Office is responsible for ensuring that all data is processed in line with data protection legislation.*

We continue to review the impact of the Dame Hackett review (Buildings & Fire Safety) and also the public enquiry into the Grenfell Tower fire and a number of working groups are in place dealing with the recommendations.

Link: [Building a Safer Future: Final Report \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Review continues, of how we identify and apply risk rating of Home Safety Checks (HSCs), as part of the All Wales Risk Stratification process. Discussions are ongoing regarding removing Medium Category of Risk, as utilised by North Wales FRS, and it is hoped this this will align categories of 'Risk' on an All Wales Basis.

Enhanced HSCs continue to be delivered within eight Unitary Authority (UA) areas with representative body engagement continuing. On release from Covid-19 restrictions we will continue to target the two remaining UA's for progression. Conversations between Operations and Home Safety are required to identify the impact on stations.

Using evaluation from Learning Evaluation after the Fire (LEAF), to inform targeted education/prevention activity, remains deferred due to the impact of Covid-19.

The JFC Training Team will engage with Operations to develop a suitable training pack to provide awareness of human behaviour in, and causes of, fires in the home for JFC staff.

1.3 Reduce the number of Road Traffic Collisions

We continue to work with Welsh Government (WG), and other road safety partners, and have developed and delivered on the 30-20 concept. We have developed resources and led on the initial trials at Usk. We will roll this out in conjunction with WG through quarters 2, 3 and 4.

WG has proposed to introduce a 20mph speed limit on restricted roads, mainly in residential and built-up areas where there are lots of pedestrians and include roads where street lights are placed no more than 200 yards apart.

WG said reducing the speed from 30 to 20 mph could see a number of benefits, including: reducing road collisions, providing more opportunities to walk and cycle, improve health and wellbeing as well as making streets safer. If passed, Wales will be the first country in the UK to introduce the change.

The first phase of this change is being rolled out in eight communities across Wales this year in order to gather data and develop a best practice approach before the proposed full rollout in 2023. As part of this approach WG has recently launched a consultation for people to have their say on the change before the necessary legislation is laid. The consultation runs for 12 weeks and will come to an end on 30 September.

Link: [Welsh 20mph Taskforce Group | GOV.WALES](#)

We are now delivering to over 200 citizens per month through a combination of 30-20, Domino and Operation Options events. These interventions are directly reducing risk within our communities.

Domino sessions are specifically designed to raise awareness of the #Fatal5 – Drink / Drugs, Speed, Carelessness, Seat belt, Mobile phones

Operation Options aims to educate people on the dangers of not wearing a seatbelt. Drivers and passengers, who are seen not wearing a seatbelt in their vehicles are stopped by the Police and given the option of immediately attending an educational session with our road safety unit, or accepting a fixed penalty notice.

We continue to analyse road safety data to ensure our interventions are aimed at the right target groups. We have developed a new initiative in conjunction with the Ministry of Defence (MOD) to deliver an immersive package to military personnel. Deaths in road vehicles is one of the main causes of fatalities within the armed forces. We are the first FRS in Wales to deliver this program.

1.4 Reduce the number of deliberate fires

Activity during quarter 1 has focused on Operation Dawns Glow. This has included collaboration with South Wales Police (SWP) in the use of off road motorcycles to provide a deterrent in our known hot spot areas. We have also been involved in a new innovative partnership called Operation Elstree to reduce anti-social behaviour (ASB) along our coastal areas.

Operation Dawns Glow is an all-Wales multi-agency task force supported by a range of partners whose aim is to reduce the uncontrolled environmental destruction and potential threat to lives and property arising from deliberately set grass fires.

Operation Elstree involves increased police patrols and where appropriate, dispersal powers, at key locations including Cardiff Bay, Penarth and Barry Island, as well as the Heritage Coastline stretch between Rhose Point and Ogmores-by-Sea. It will run during the spring and summer months.

Planning has taken place in terms of a multi-agency drone capability, led by SWP, aimed at assisting with arson reduction and this will continue to be pursued throughout the current year.

Station Commanders continue to attend Public Service Board (PSB) subgroups and local police hubs highlighting issues and sharing data to target arson. An example of this is collaborative working between Fire Crime, Gwent Police, Cwmbran Fire Station and Torfaen UA tackling arson in the Cwmbran area. Cameras have been deployed and arrests made.

JFC continue to refine the safeguarding process with the majority of staff having now completed Level 3 training. JFC regularly attend meetings with both Services and have received additional training on the Community Fire Risk Management Information System (CFRMIS) database in Mid and West Wales FRS. Regular contact with the safeguarding lead is maintained to ensure smooth running of the process.

1.5 Improve safety in and around water

We continue to work with Water Safety Wales (WSW) to deliver local interventions and share communications for local, national and international campaigns. We are supporting the United Nations (UN) Drowning Prevention Day and working with the Royal Society for the Prevention of Accidents (ROSPA) Inland Water Safety group to reduce risks within our inland communities.

Community Safety and Partnerships (CS&P) are working closely with fire stations that have high profile water risks in their area. The Station Commander from Cardiff Central is now leading the Cardiff Water Safety Partnership and delivers local initiatives in and around Cardiff Bay.

The delivery of "Safety Wise" packages to enable the production of water safety education resources for delivery to young people has been delayed by a further 12 months so we will develop our own materials during Quarter 2.

We have established a new project with the Royal National Lifeboat Institution (RNLI) to deliver training to establishments who operate alongside watercourses. All materials and equipment is provided by the RNLI and our FFs provide the expertise. We have successfully delivered sessions for Cardiff Council staff at one of our regularly used sites at Blackweir, Cardiff.

A presentation has been delivered to the Executive Leadership Team (ELT) with regards to the River Usk Trackway – a deployable trackway to be used during flooding incidents. Further information has been requested regarding the cost for a company to undertake full planning, including an environmental assessment, the proposed equipment and whether the concept to deploy and retrieve the trackway is achievable.

1.6 Improve fire safety in buildings in our communities

The High Rise working group is currently being re-established and direction/action / opportunities being identified as the group re-energises itself.

The Risk Based Inspection Programme (RBIP) is returning to normality with minor changes to ensure compliance with Covid-19 requirements.

Work continues developing a BFS module within BMIS. Audit performance indicators will be available for BFS to critique by the end of August. It is also intended to provide some quality assurance (QA) checks for the BFS team to be able to identify data anomalies.

Consultation responses have been submitted to WG:

1. Exploring options to support the statutory requirements to consult on planning and building regulations.
2. Stating our concerns regarding the implementation of the recommendations of their White Paper "Safer Buildings in Wales"

JFC systems team members are attending Geospatial Data User Group (GDUG) meetings and a process is in place to work with BFS to improve system information flows, e.g. Site Specific Risk Information (SSRI) / Pre Determined Attendance (PDA) / vicinity info.

*For each type of incident we have a **Pre Determined Attendance (PDA)**, i.e. what resources will need to be sent, or 'mobilised'. This includes the number of fire engines, specific equipment, and specialist teams.*

***Site Specific Risk Information (SSRI)** includes information about the use of the building, the hazards and risks, construction, operational and environmental considerations and information to assist in fighting a fire.*

ST02 – Responding to your emergency

2.1 Respond effectively when you need us

The All Wales Resilience arrangements with North Wales FRS provide JFC with “a degree” of resilience. Due to staffing levels, resilience has been stretched over the last quarter and is likely to remain so for the rest of the year.

It is unlikely that JFC enhanced command and control system functionality, referred to as “secondary go-live” delayed by Covid-19 and previously scheduled to take place in September, will happen in this year.

JFC are utilising Multi Agency Incident Transfer (MAIT) to share electronic incident records with SWP and Gwent Police. North Wales FRS are migrating to MAIT but having some technical difficulties at present. We are waiting to use MAIT with Dyfed Powys Police, the Welsh Ambulance Service Trust (WAST) and the Maritime and Coastal Agency (MCA).

MAIT is a highly resilient service for all emergency service providers. It facilitates the fast exchange of secure messages and incident notifications between agency control rooms.

JFC have submitted observations into the ongoing review of the efficiency and effectiveness of emergency response and await the results of the review.

It has not been possible to progress with the review of the flexible team rota within JFC due to temporary rota worked by support teams to support business continuity needs during Covid-19. It is anticipated that this will continue until the end of 2021. A review will commence soon to ensure a new flexible team rota is agreed to start in January 2022.

Operational assurance, via Incident Command Level (ICL) assessment ‘all levels’, to ensure operational competence are ongoing and a small number of ICL 1,3 & 4 assessments are outstanding.

A strategy and completion of training system has been identified and is due to commence to assist with ensuring the maintenance of operational competence and incident command of day duty staff within Risk Reduction.

Work continues to improve the awareness and integration of national resilience (NR) assets within the Service continues with the NR aide memoir being passed to all tactical managers. Additionally we conducted an Urban Search and Rescue (USAR) exercise along with awareness sessions for tactical managers from both South Wales and Mid and West Wales FRS’.

We continue to improve our crews’ awareness of our special appliances capability within the Service. OAST are encouraging stations to arrange show and tell days where station personnel can demonstrate the capability of their appliances. This has recently been

undertaken at Cardiff Central and by USAR. We have also launched Operations focused webinars which will be used to showcase the capabilities of special appliances and their crews.

Operational Risk Management (ORM) are preparing a paper examining how Standard Operating Procedures (SOPs), Operational Skills Plans (OSPs), Initial Training and JFC General Information (GIs) can link together with information fed from National Operational Guidance (NOG).

National Operational Guidance (NOG) is provided by the National Fire Chiefs Council (NFCC) and is a one-stop shop for good practice operational guidance that can be tailored to local needs.

Link: [National Operational Guidance Homepage | NFCC CPO \(ukfrs.com\)](https://www.ukfrs.com/nog)

2.2 Do all we can to make sure that our On Call Duty System (OCDS) is available

We are constantly monitoring OCDS retention and recruitment and are aiming to recruit 130 OCDS firefighters (FFs) per year to replace losses and increase establishment. We have not experienced the usual losses this quarter which is believed to be as a consequence of Covid-19.

In order to support OCDS establishments with recruitment and attraction plans we ensure each OCDS establishment formulates a local recruitment and attraction plan. This will be further supported by a structured recruitment planner targeting establishments by priority. Local plans and recruitment activities will be monitored on a quarterly basis.

The Retained Management Team (RMT), Human Resources (HR) and Media & Communications have reset the focus of recruitment in line with local need and Skills for Justice (SFJ) candidate numbers. An action plan has identified priorities and all teams will be engaging on a local level led by station need.

Skills for Justice is a not-for-profit organisation committed to the development of an improved and sustainable workforce across the UK's Justice, Fire and Rescue, Local Government and Armed Forces sectors.

HR and Statistics are working together to monitor recruitment and retention data to ensure that recruitment activities are focussed in the right areas. Robust reviews of leavers, to identify trends, along with the exploration of new contracts to provide staff flexibility and assist availability are being consulted on and formulated.

Progress has been made this quarter with regards to improving the training pathway from initial recruitment to competent OCDS FF with the adoption of OCDS recruitment days. These incorporate ability test, policies and procedures and interview all in one day. We have also produced an OCDS development booklet that will be adopted in September providing candidates with a four week lead in time prior to their initial course. This is aimed at improving

the individual's performance on the course and reducing numbers being unsuccessful. Discussion is also taking place regards course content and what an OCDS FF needs.

2.3 Train our firefighters to respond to current and future risks in our communities

We continue to ensure that training materials are amended to reflect updates in SOPs or as a result of NOG. Training materials are amended following NOG consultation and implementation is led by ORM. The Training Support Unit (TSU) are informed when completed and work alongside their timeline for full implementation updates to material.

Exercise Ivor was undertaken on 26th June; 15 appliances and over 120 FFS and officers attended a six hour rail exercise. This simulated a rail collision with a passenger and freight train at a level crossing and combined Road Traffic Collision (RTC), train fire, fuel fire, hazmat and heavy rescue. Multiple partners took part including South Wales Police, WAST Hazardous Area Response Team (HART), Network Rail, DVI and the Salvation Army. Learning from the exercise will be captured via the 025 procedure and improvements recorded for the next exercise which is planned 23rd October. An online survey has also been created to highlight points to address at future exercises. It has been agreed two large exercise will be delivered each year going forward.

OAST continue to work in collaboration with the Operational Development and Review Team (ODRT) and Training to ensure that all debriefs generated as a result of simulation and operations are collated in order learn and improve. Regular bi-monthly meetings have been arranged and work is ongoing to identify the need for a shared depository.

ST03 – Using technology well

3.1 Use the most suitable technology and equipment to improve our services

JFC continue to work with departments and other agencies to facilitate the deployment of the Emergency Services Network (ESN). Representatives attend the Welsh Fire Control working group and deployment groups. Monthly meetings are scheduled, terms of reference and standard agenda items are agreed.

***ESN** is a cross-government programme, led by the Home Office, to deliver the new Emergency Services critical communications system. This will replace the current Airwave service used by the emergency services in England, Wales and Scotland) and transform how they operate.*

The impact of the SWP ICT strategy has been raised at the Joint Public Service Centre (JPSC) bronze meeting as something to take forward this year. No meetings have taken place with SWP despite asking for these. The issue is being taken to joint police and fire silver board.

***JPSC** is our joint emergency services control room with staff from three partner organisations – South Wales Police, South Wales Fire and Rescue Service and Mid and West Wales Fire and Rescue Service.*

JFC representatives have attended meetings with SWP and understand their procurement timeline. JFC requirements are still not included in the SWP tender process and no strategic directions or resources assigned to work from Fire.

Training and Development await cost details from Hydra to develop the use of Hydra to improve Incident Command training.

***Hydra** provides a unique learning and teaching environment and is used to conduct immersive, simulated scenarios. It is a training tool that enables the monitoring of group dynamics, real-time leadership and naturalistic decision making in critical incidents. It allows us to build exercises and carry out syndicate decision making exercises and provides a platform to review the decisions in a plenary environment.*

Training and Development are exploring options for an online system for the recording of incident command continuation training for all levels. The current process is monitored by pdrPro. It has now been introduced to the CMS system with no current data to monitor implementation. A review will be conducted Q4 to establish position.

***pdrPro** is a planner based maintenance of competence system that includes all of the activities that make up a core skill. Whether attained in training, incidents, courses or e-learning they are recorded and reported in one place. The dashboard provides an overview and a route in to all parts of the system.*

***Course Management System (CMS)** is a calendar bases system which can be fully integrated into pdrPro. The system can manage all aspects of centralised training.*

The Skills for Justice (SFJ) / Apprenticeship Team are currently working with Barry College with the 'One File' system to input task sheets and assessment criteria to facilitate the

transfer of all FF development programme & development to competent documentation online.

***'OneFile'** is an apprenticeship software application including a course builder, reporting suite, learning journal and evaluation scorecard.*

The use of standalone satellite navigation devices on fire appliances has been ruled out however there is a possibility that the new Mobile Data Terminals (MDTs) can have enhanced mapping. The purchase of smartphones for appliances is still in consultation. Discussions continue regarding the feasibility of placing android phones on all appliances. This can be utilised to enter M20 forms and for crews to carry out Redkite testing. Subsequent to the rollout of the new work continues with ICT with regards to the possibility of a Redkite and M20 function on MDT.

***M20** is an internal form to be completed for all HSCs.*

***Redkite Asset Management System** is an electronic asset management system that tracks assets and automates the management of scheduled and unscheduled preventative maintenance and safety checks.*

Operations are no longer exploring the feasibility of utilising body worn cameras following discussions at the security group. Their use by Training and Development is still being explored. The uses of CCTV continue to be evaluated.

The Road Safety BMIS Dashboard is currently under development and will utilise both local level response data and national level MAST Road Safety Data. The dashboards development is currently focused around 'problem profile' creation to enable the CS&P team to target interventions.

***MAST** is an analysis platform for the road safety industry. Combining national road casualty data with market leading customer insight, MAST helps road safety professionals to gain a clearer understanding of their emerging road casualty problems and to start defining the most efficient channels for new interventions.*

Initial scoping has commenced to determine a suitable alternative finance system for the Service.

Statistics and Risk are exploring automating SQL Queries to run on a specified frequency. Working jointly with ICT, the aim is to automate certain daily queries to speed up the workflow of the team. Work is ongoing to ensure that the linked servers can 'talk' to each other allowing for use of external data e.g. from sources such as Acorn or SurveyMonkey.

***SQL** or "sequel" (Structured Query Language) is a domain-specific language used in programming and designed for managing data held in a relational database management system (RDBMS)*

***Acorn** is a powerful consumer classification that segments the population into 62 different types, providing a detailed understanding of the consumer characteristics of people and places across the UK.*

SurveyMonkey is an online survey development cloud based company providing free, customisable surveys, as well as a suite of paid back-end programs that include data analysis, sample selection, bias elimination, and data representation tools.

Media and Communications continue to embed the use of Slido and live streaming for internal and external engagement. Mevo was utilised to livestream the recent Wholetime Duty System passing out event and Slido was utilised in the July Shout forum.

Slido is an award-winning web-based audience interaction tool for meetings and events.

Mevo is a pocket-sized live event camera that enables live editing of video while an event unfolds.

Sourcing and implementing a digital platform for attendance management to ensure more accurate and up to date reporting with respect to staff attendance is on hold until the CoreHR app option has been explored.

HR continue to seek to maximise the use of CoreHR and associated modules ensuring, where possible, full integration across all HR teams. Work is underway between Recruitment, Employee Relations and Payroll to establish how data can be electronically transferred from the application form which will then pull through to contracts.

Developing a suite of HR reports that are automated through the use CoreHR data via an Application Programming Interface (API) is currently on hold pending a decision by the Service as to whether or not to sanction APIs from CoreHR.

An **application programming interface (API)** is a piece of software that lets one program access or control another program. APIs allow applications to share data without requiring developers to share software code.

HR are imminently migrating from Core BackOffice to Core Portal. Training will be required on the new system.

A digital platform for personal reviews has been implemented.

Consultation between HR and Statistics is ongoing to ascertain the feasibility of utilising BMIS for the monitoring of Policies and Procedures and a new online forms process for Procedure Management is planned for discussion with ICT.

JFC are exploring technology to enable remote recruitment. Cost effective solutions are available to support remote interviews however the current costs of running remote technical tests is currently prohibitive. It is hoped that a national process can be developed to bring the costs down.

Health and Safety (H&S) continue to promote the 24/7 system for reporting of accidents and near misses, requesting reviews of risk assessments, training and display screen equipment (DSE) requests. Improvement has been evidenced from emails sent directly to members of the team or H&S general inbox.

An ICT review of active directory management tools has not yet started due to lack of resource including a key member of staff on long term sickness.

A review and rationalisation of client databases is on hold as we discuss the benefits of purchasing an off the shelf solution which allows partner agencies to contribute.

We are awaiting the completion of a trial system to test the feasibility of moving Redkite on to the 24/7 asset management system.

Options have been explored for wireless Local Area Network (LAN) controllers and an option that meets requirements has been selected. Controllers and five new access points have been ordered and delivered.

Following completion of the electrical works by Brecongate, ICT are working through all stations to install the Global Positioning System (GPS) repeater hardware. 24 stations are currently completed.

GPS repeaters enable the reception of satellite signals inside a building or indoor location where they cannot ordinarily be received.

Initial discussions on requirements for new core switch for bandwidth throughput and port density have taken place and further research into suitable devices is ongoing.

Currently reviewing options for replacement headquarters inner firewall hardware.

ICT have met with BT to discuss how to migrate voice gateways from Integrated Service Digital Network (ISDN) to Session Internet Protocol (SIP). Request submitted to current support provider, 5i, to look at what configuration changes will be needed to manage the migration from ISDN to SIP. Further meetings to be arranged to discuss how this can be done.

ISDN originally appeared back in the 80's but is still widely used in businesses. It comprises of a digital line that runs through copper wiring. It was a lot faster than traditional analogue lines and could be used for data as well as carrying voice calls. The main issue is that it relies on physical infrastructure, the copper lines, which can be costly to maintain. It also requires an additional private telephone network that is used within the company (also known as a private branch exchange or PBX). In a nutshell, ISDN takes up space, is costly to maintain and cannot easily be fixed when things break.

SIP (also known as VoIP) trunking is the next-in-line future-ready solution to replace ISDN. It's still a digital connection, ensuring calls are transmitted via the internet. However, it connects the PBX to the network via broadband, Ethernet or a private circuit. It enables calls to be made via the internet. ISIP enables organisations to manage their communications more easily and have a more reliable solution that is flexible to their business needs.

BT plan to phase out ISDN by 2025, with Internet Protocol (IP) calling seen as a much-preferred alternative.

Awaiting hardware for the VDI hardware replacement project. An internal project team has been established to implement device builds.

Virtual desktop infrastructure (VDI) *is defined as the hosting of desktop environments on a central server. It is a form of desktop virtualization, as the specific desktop images run within virtual machines (VMs) and are delivered to end clients over a network. Those endpoints may be PCs or other devices, like tablets or thin client terminals.*

Good progress has been made to procure an office productivity software implementation partner, run workshops and get draft recommendations. The procurement of needed licences is under way to allow a proof of concept (POC) in September after infrastructure is connected.

A printer strategy initial report has been approved. Tender is being finalised.

The Senior Management Team (SMT) have approved cyber training produced by the National Cyber Security Centre to be circulated to staff. A proposed date for the relaunch of a data security series has not yet been formalised.

Link: [About Cyber Essentials - NCSC.GOV.UK](https://www.ncsc.gov.uk/about-cyber-essentials)

3.2 Review the standard and use of technology and equipment across the Service

BFS are reviewing their ICT needs for staff to encompass the new RIDGE system and agile working. Awaiting delivery of L13 Yoga tablets. Delay caused by global shortage of silicone.

RIDGE *(Risk Information Data Gathering Engine) identifies and prioritises domestic and commercial properties that are most at risk from fire.*

The update of the Tranman Fleet Management System to version 9 to improve system resilience and incorporate opportunities for future improved functionality is now complete and a snagging list is being compiled.

Tranman: *fleet management software that supports organisations to more effectively manage processes and reduce costs through improved information management and more efficient data capture. E.g. enhance workshop productivity, minimise vehicle downtime for repairs, improve accident and risk management, and improve fuel usage controls.*

Phase One of the Intranet Project is complete and the English version is now live, we will wait until this has been signed off and then look to start on the Welsh version.

Work is underway to develop BMIS portals for the Safeguarding programme, rail working group and Investors in People (IIP) recommendations board. This work will be grouped

together on BMIS under a project/action plan module that will offer guidance in using BMIS to manage activities.

The development of a dashboard to monitor usage levels across BMIS and follow up on low use to identify why has not progressed during this quarter. Progress will be made during Quarter 2.

A review of departmental risk within the Service has been conducted however, due to arranged meetings with Heads of Service for 24 May and 21 June not taking place, the final stage of this will now take place during Quarter 2.

Discussions with InPhase, the BMIS software supplier, are underway to determine the support and maintenance costings should the authority decide to extend the contract. Work also continues on identifying system requirements for any future potential tender.

ST04 – Working with our partners

4.1 Work with our Public Service Boards (PSBs) to support our communities.

We consider the impact of socio economic disadvantage in all our activities.

We continue to build upon our understanding of refuse fires which account for one third of all our fires. The Refuse Working Group, a multi-agency partnership led by the Service, met during Quarter 1. The group has focused on Natural Resources Wales (NRW) information regarding controlled burning notifications and our response to these incidents. Meetings are planned for Quarter 2 with Operations Group Managers for info sharing at PSB's.

***Natural Resources Wales** is a WG sponsored body, which became operational from 1 April 2013, when it took over the management of the natural resources of Wales. It was formed from a merger of the Countryside Council for Wales, Environment Agency Wales, and the Forestry Commission Wales, and also assumed some other roles formerly performed by the WG. NRW's purpose is to "pursue sustainable management of natural resources" and "apply the principles of sustainable management of natural resources" as stated in the Environment (Wales) Act 2016.*

Work on designing and implementing a PSB area on BMIS for collation and reporting of evidence the support the 9 PSB wellbeing objectives will commence in Quarter 2.

4.2 Work with our partners to deliver our services where they are needed

The Private Finance Initiative (PFI) relationship with Babcock is delivering to service requirements. Meetings with Babcock have reinforced the very good working relationship that exists. It is anticipated that the common objectives between both partners will be met.

*A **private finance initiative (PFI)** is a way of financing public sector projects through the private sector. PFIs alleviate the government and taxpayers of the immediate burden of coming up with the capital for these projects. Under a private finance initiative, the private company handles the up-front costs instead of the government. The project is then leased to the public and the government authority makes annual payments to the private company.*

A healthcare concordat meeting was held on the 16 June 2021. A number of matters were addressed including closer engagement with senior NHS managers to ensure full understanding of healthcare requirements to meet the demands of the Regulatory Reform Order (RRO) 2005.

*The **Regulatory Reform Order 2005** is a statutory instrument applicable in England and Wales. The Order places the responsibility on individuals within an organisation to carry out risk assessments to identify, manage and reduce the risk of fire. The Order was made into law on 7 June 2005 and came into force on 1 October 2006.*

Operations will be meeting during Quarter 2 with Wales Salvation Army lead officers to create an effective Memorandum of Understanding (MOU) for a tiered welfare response to large incidents / Service events or exercises.

Procurement are working with the Social Value Portal (<https://socialvalueportal.com/>) to embed the national Themes, Outcomes & Measures (TOMS) into our procurement processes. Discussions have been held with Mid & West Wales FRS to scope strategic procurements and Social Value Clauses.

Link: [Home - Social Value Portal](#)

ORM continue discussions with the other Welsh FRS, through the Wales Implementation Forum, regarding National Occupational Guidance updates and adopting a common format for operational training information.

People Services continue to collaborate with colleagues across the Service on a range of matters. E.g. currently working with Training and Development on Middle Leaders engagement events.

We continue to work with offenders and cusp offenders to reduce ASB, RTC's & deliberate fire setting. We are delivering individual sessions 1-1 and group sessions through Phoenix and Crimes and Consequences. These activities have been back up to capacity since June.

*The **Phoenix Project** is a Service initiative that engages with young people (aged 8-25) who have or are on the verge of offending. In an interactive, challenging and yet supported environment attendees learn how their actions can have a positive effect on their friends, peers, families and wider communities. Whilst on the course young people will partake in adapted Fire Service drills, team games and individual activities that seek to develop transferable skills that can be used in everyday life.*

We are currently working on plans to establish a cross departmental working group to explore how we can assist vulnerable people.

JFC and SWP continue to collaborate, e.g. Marauding Terrorist Firearms Attack (MTFA) training and Joint Emergency Services Interoperability Programme (JESIP) training, and additional areas need to be explored.

***Marauding terrorist firearms attacks (MTFA)** are fast-moving, violent incidents where assailants move through a location aiming to find and kill or injure as many people as possible. Most deaths occur within the first few minutes of the attack, before police are able to respond.*

***JESIP** models and principles have become the standard for interoperability in the UK. The JESIP [Joint Doctrine: the interoperability framework](#) sets out a standard approach to multi-agency working, along with training and awareness products for*

responding agencies to train their staff. Whilst the initial focus was on improving the response to major incidents, JESIP is scalable, so much so the five joint working principles and models can be applied to any type of multi-agency incident.

Initial productive discussions have been held with Mid and West Wales FRS to establish a JFC manual relating to out of hours provision for data protection. In order to draft an aide memoir for control room staff we will aim to continue discussions in order to progress with this action.

4.3 Review and evaluate our existing partnerships

We continue to support current Primary Authority Schemes (PAS) and explore options for new partnerships. Advice provided to Care and Healthcare (CHC) and Housing Associations regarding provision of fire doors. A new PAS is to be signed off with Leekes and talks are being held with Louvre Hotels regarding a potential PAS.

*The aim of the **PAS** is for FRS' to develop effective partnerships with businesses in order to achieve a national consistency in delivering fire safety advice and regulatory activities. Enforcement notices are served where fire safety legislation has been breached. They set out what action needs to be taken and by when. The notice is served on the Responsible Person as defined in the Regulatory Reform Fire Safety Order 2005, Article 3. Enforcement notices stay on the register for a minimum of 3 years.*

We continue to explore new partnerships and innovative ways of collaborating with social housing groups.

A list of Memoranda of Understanding (MOU) and Service Level Agreements (SLAs) has been sent to Heads of Service for review. Alterations have been received. Outstanding sections will be chased until we have a complete list.

We continue to pursue, via the Joint Emergency Services Group (JESG), a coordinated strategy with our emergency services partners to develop future co locations.

CS&P continue to review and consolidate existing partnerships and review future requirements and needs with a view to identifying longer term strategy.

ST05 – Engaging and communicating

5.1 Deliver on the recommendations of the Investors in People report

Work is in progress to deliver against the Investors in People (IIP) recommendations, with much activity already in progress for the People Award.

We have reorganised meetings to ensure our station commanders have a platform to share information and connect with our Operations management team. A stations commands' day has been scheduled for August 11th and the effectiveness and periodicity will be reviewed post meeting.

The Service app has been trialed in two phases, with various stakeholders participating in each trial. The app appears to be nearing a position where it can be launched, however a definitive date is yet to be finalised – the project is being led by HR and the Media and Communications Team will assist with the communications element of the app's launch. We will promote the app during its initial launch continue to populate the app with the required content.

Principal Officer visits are programmed and the Retained Management Team (RMT) have also introduced station commander engagement days to brief commanders of what is going on in the OCDS arena. At a local level we encourage commanders to attend drill nights.

5.2 Involve our communities and make sure they have their say in what we do

Multiple meetings have taken place and a draft new stakeholder register has been produced. Contacts service-wide have been inputted and segmented / categorised. This will help uncover the gaps around the socio economic duty and where further contacts need to be made in order to engage with those without access to digital means. A full launch of the database is being planned in order for the new tool to be used service-wide by multiple departments - in one central place.

*The **Socio-economic Duty** requires specified public bodies, when making strategic decisions such as deciding priorities and setting objectives, to consider how their decisions might help reduce the inequalities associated with socio-economic disadvantage.*

Link: [Socio-economic Duty: an overview | GOV.WALES](#)

A draft digital engagement plan has been produced. This is ongoing and all non-digital engagement methods are being discussed for all engagement initiatives and communications to evaluate the use of non-digital tools. Benchmarking is taking place with other organisations. Campaign plans consider all angles of advertising and engagement including non-digital methods. A meeting to procure a new engagement van has taken place with further meetings planned to obtain this asset for non-digital engagement.

We have an ongoing communication plan to engage and communicate Service wide and externally to raise awareness and encourage ideas for carbon reduction.

5.3 Help keep our communities safe through safety education and attending community events

No community events were attended during Q1 due to Covid-19.

We are analysing the behaviours of persons that have experienced an accidental dwelling fire as part of the All Wales Risk Stratification discussions.

The Momentum Programme will re-engage post Covid-19 and easing of restriction.

*We have been assisting survivors of domestic abuse since 2009, identifying those at risk and providing valuable home safety advice. In October 2017, we started the **'Momentum Project'**, which is unique as it involves the whole family, from young children to adults. It is designed to help build confidence and allow families to make new friends and learn new things. The parent activities include self-care, mindfulness and wellbeing. The young people learn firefighting skills and the discipline that is expected on the drill yard.*

Operational staff have been encouraged to deliver KS1-4 activities remotely which has been successful. We have also delivered Crucial Crew to over 3,000 students across all of our constituent UA's.

ST06 – Valuing our people

6.1 Attract a workforce that reflects and represents our communities

The development and implementation of a Service recruitment strategy is in a preliminary draft format and is a priority for the next few weeks.

The Diversity Officer and the Learning and Development Team are developing a line manager training package for diversity.

6.2 Develop our people by identifying training and development opportunities

Initial and ongoing BFS training and skills package has been created and agreed in readiness of the outcomes of the Dame Hackett Review (Buildings & Fire Safety) and the public enquiry from the Grenfell fire. Rollout is scheduled to commence in September.

Developing and delivering initial training courses for Level 1, 2 & 3 incident commanders has been placed on hold in line with Covid-19 compliance. An update will be provided at the end of Quarter 2.

We continue to develop a reporting portal on BMIS to track the progress made against the IIP recommendations. A spreadsheet has been established for all 16 tasks in line with the recommendations from the latest IIP report.

All Risk Reduction staff maintaining their BFS competence by Continual Professional Development (CPD and an Internal Quality Assurance (IQA) system is being introduced to maintain competence and consistency.

The development and roll out a training package for the new Thermal Imaging Cameras (TICs) is progressing as expected.

*A **thermal imaging camera (TIC)** is a type of the thermographic camera used in firefighting. By rendering infrared radiation as visible light, such cameras allow FFs to see areas of heat through smoke, darkness, or heat-permeable barriers.*

Reviewing and improving the OCDS to Wholetime Duty System (WDS) conversion initial courses continues. Regular consultation with operations prior to implementation.

The development of a training module for the IRS continues with the longer term plan to have a module on e-learning system for users to complete. Virtual training meetings are being held with crews to discuss issues and share best practice in the interim and are being held every week led by a member of the Statistics and Risk team

We continue to align water rescue training for operation personnel to the new Department for Environment, Food and Rural Affairs (DEFRA) training standards – Objectives 1,2 and 6

- Type B training aligned and is running

- Type C training aligned and is running (night training element of requal due to start winter 21)
- Type D training aligned and is running (night training element of requal due to start winter 21)
- Team commander training is in progress and is due to be rolled out early 2022
- Water Incident Manager (WIM) training has been aligned and eight new WIM's trained and all WIM Cadre have been re-qualified

The National framework for emergency response driver training has been reviewed and findings presented to SMT 20th May 2021. Driver training is working towards being aligned to the framework by January 2022 but is awaiting any changes to legislation.

A Service specific online training module covering key data protection principles has yet to be developed, due to ongoing high levels of workload - Cyber training produced by the National Cyber Security Centre will however be circulated to staff, to ensure that vital online training can be undertaken by staff in the meantime to minimise the risk of cyber security breaches. Traditional Data Protection training is also continuing to be delivered at all induction courses and when otherwise required for staff via StarLeaf.

The Learning and Development Strategy has been created but not yet finalised. Key elements have been rolled out within the first year i.e. Masterclasses and Personal Reviews. Strategy will be finalised shortly.

6.3 Support our people to feel well, healthy and happy at work

Following the successful achievement of the IIP wellbeing award, the Terms of Reference for the Wellbeing Steering Group have been revised and agreed and are now more outcome focused. A new membership has been agreed as well as a rebrand to the Wellbeing Delivery Group. The first meeting in the new format will take place early August. BMIS updates on delivery plan will go live 1st October 2021.

The recommendations of the IIP Health Awareness review will be considered and adopted, where necessary, through the new Wellbeing Delivery Group.

All stations are marked out and kit is supplied to facilitate Fire Fit. Roll-out commenced in April 2021 and forms part of the training monitoring on pdrPro. Further conversations are to be had with PTIs to confirm programme is fully embedded.

A second meeting has been scheduled to discuss improving welfare and the working environment at the JFC with SWP. Meeting held with SWP supervisor to discuss move. New rise and fall desks ordered. Still no time frame established as recommendations need to go to SWP SMT for consideration first before agreement on budget and scheduling with estates and ICT.

We continue to ensure that equality support is offered to colleagues in relation to their work streams (where known) including corporate engagement, media, station open days, IIP

action planning, equipment testing groups, etc. During Quarter 1, there were 31 cases of advice and 18 promoting equality pieces of work.

The Equality and Diversity officer worked in partnership with in-house colleagues on the WDS recruitment video initiative, media campaigns and staff stories.

Reviewing the Service' suite of employment contracts to ensure legal compliance and a clear employment offering has commenced however capacity within Employee Relations does not allow progress at this time.

We are working to ensure that the key principles of the new Socio Economic Duty are complied with when considering recruitment activities. Key metrics gathered from WDS process and areas of deprivation and under-presentation will be worked with.

ST07 – Protecting our environment

7.1 Reduce our usage of single use materials

Initial ideas have been drafted which will need to be discussed prior to the development of a suitable Members portal within BMIS.

Hard copies of agenda's and reports are no longer printed for internal members of staff. Members receive printed papers at present.

All printing requests are now logged to identify where savings can be made.

Work has commenced on developing a reporting dashboard on BMIS for the service delivery group that replaces paper reporting.

The development of a reporting portal on BMIS to track the progress made against the Carbon Reduction Plan has commenced.

Link: [Carbon-Reduction-Plan-2020-2023_eng.pdf \(southwales-fire.gov.uk\)](#)

Discussions are ongoing with CS&P exploring installing android phones on appliances. The new MDT rollout and its capability should ultimately mean that day to day tasks can be carried out via computers, rather than on paper, thus aiding our Green Strategy.

7.2 Explore the use of electric vehicles

Work is ongoing to introduce more hybrid and electric powered vehicles in line with our available infrastructure to improve our carbon footprint and improve our sustainability in terms of environmental considerations.

7.3 Reduce our energy use and our carbon footprint

We are currently unable to report and publicise our energy and waste consumption as no accurate data is available - reporting will depend on data capture and a new waste contract that is expected in 2022.

With regards to reviewing, recording and reporting environmental compliance for waste schemes our identified Duty of Care requirements are not being adequately met. A waste audit process will need to be implemented. New waste contract being developed and expected to be introduced April 2022.

The annual update of the Carbon Reduction Plan (CRP) and Biodiversity Forward Plan (BFP) were presented to Members on 19th July with the theme of the requirement for better data collection to measure the progress being made.

Property Services, in collaboration with the Sustainability Officer, are looking to implement green energy solutions with any of our major projects and will continue to do so. We are also looking at retro fit options for HQ and other Sites.

We are reviewing station based training to reduce specialist appliance movements during training courses. All Rescue Tender crane, Aerial Ladder Platform, winch and prime mover eye lift training is ongoing on station.

Monitoring of the carbon footprint of pool vehicles, in order to help assess the beneficial impact of new electric powered vehicles on the environment, is scheduled to commence at the end of July.

Greater use of video platforms and webinars is being utilised in order to reduce unnecessary travel.

7.4 Consider how our activities impact on the environment

Fleet and Engineering, in collaboration with the Sustainability Officer, are exploring the feasibility of collecting rainwater. We have now had a company attend HQ to cost this exercise.

ST08 – Continuing to work effectively

8.1 Be clear and publicly accountable

A new safeguarding working group has been set up within the service with representation from various internal departments and a strategic lead. Activity during Quarter 1 includes being audited by external agencies, we are awaiting the report results during Quarter 2. The safeguarding training strategy for the Service has been devised for all levels of management and staff, this has been procured during Quarter 1 and will be delivered throughout the financial year.

No progress has been made in developing an Information Asset Register (IAR) to help understand and manage the organisation's information assets and the risks to them, since the last update due to other commitments. However with the new SharePoint Intranet now online a home for the register to exist on is being developed to them be regularly reviewed and updated as necessary.

The People Plan 2020-23 has now been shared with relevant committees and groups. The intention is to publish the plan, via the intranet, to all staff by 30th September 2021.

Members are considering a report, presented on 19th July, which will enable the Service to make preparations to implement immediate detriment cases, as a result of the Firefighters' Pension Scheme tapering arrangements, and prepare for the wider remedy exercise.

Work to develop BMIS dashboards to manage the action plan of the Rail Working Group and the progress of the Safeguarding Project is progressing.

JFC continue to ensure that audit trails, recordings, call audits etc. are maintained although this task is progressing slowly due to minimum staffing numbers hindering progress.

The suite of IRS validation pages will be in use by the end of Quarter 2.

We continue to monitor WG guidance with regards to Covid-19 restrictions in order to determine when it will be safe to undertake Station Information Governance Audits. Links continue to be made with stations via StarLeaf, however face to face walk rounds would be beneficial once restrictions lift.

Work has continued to improve the visibility of Freedom of Information (FOI) publication scheme and to make compliance figures updated on a more regular basis. However, further work is required before items can be uploaded public facing. We will continue to work with the Media and Communications team in order to further improve the website page where published FOIs can be located, while work will be undertaken with our Statistics and Risk team to ensure that our compliance figures can be made accessible.

The national Cyber / Forensic Readiness Policies are being drafted and will be incorporated when ready.

8.2 Maximise value for money

The digital strategy within HR is to maximise the use of CoreHR. This has been achieved on recruitment and personal reviews. Further development of the talent module and the budgeting module is required.

Work has commenced on the production of a five year strategic plan for Cardiff Gate Training and Development Centre. The plan is scheduled to be available by the end of 2021.

A Vehicle Replacement Programme has been implemented to improve the long term planning for our fleet.

A review of CS data and collection process continues and further discussions have been held over the validity of the job sheet database with work underway to establish the reporting requirements from it. Likely changes will be need to the online form so task is extended to the end of 2021.

A review of the driver training team structure has been undertaken and a report was presented to SMT, with a series of fully costed options, on 20 May 2021. We await the results of a full training review to decide on best option for driver training team structure.

We have conducted a staff survey and are currently evaluating the feedback and liaising with suppliers for samples / quotations etc. for the provision of corporate wear. We are also awaiting a decision from SMT on the way forward.

A report into the long-term management of the Real Fire Training Facility is being compiled along with a series of costed options for ELT to consider. The report is expected to be available by the end of 2021.

8.3 Develop for a new normal way of working

All Covid-19 risk assessments are current. However, due to forthcoming WG changes to isolating, working from home etc. there may be a need to alter the review period to ensure they remain fit for purpose.

A review of the modified, as a consequence of Covid-19, processes and their impacts for future departmental needs has taken place with presentations delivered to the Service Delivery group. Feedback is positive and future application of these modified processes will continue. A CS department review is planned for Quarter 3 to discuss and feedback on the validity of future process changes.

Meetings have been scheduled, between Union Officials, Operational Staff and Central Staffing, to review the flexible rostering system to improve service delivery.

Mapping of processes within Employee Relations and Fleet and Engineering continues with the aim of identifying process improvement and identifying measurements of performance.



PERFORMANCE MONITORING REPORT

Appendix 1

01 April - 30 June 2021



Gwasanaeth Tân ac Achub
De Cymru

South Wales
Fire and Rescue Service

Produced in

BMIS
Business Management
Information System

Introduction

The Performance Monitoring Report for 2020/21 highlights performance for the period 01 April 2021 to 30 June 2021. The report includes:

- Strategic Indicator Performance Summary.....Page 3
- Strategic Indicator Performance Comments.....Pages 4-7
- Analysis of incident activity levels by Unitary Authority Area (UAA).....Pages 8-15

The performance indicators included show six years of data to enable us to demonstrate how the organisation is performing for the communities it serves by showing long term trends in performance.

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

Changes to Working Practices due to COVID-19

South Wales Fire and Rescue Service and in particular Community Safety & Partnerships have continued to support communities through the pandemic by looking at new ways of working and delivering Home Safety Checks (HSC) by means of a modified HSC, which is conducted over the telephone to give safety advice while avoiding/limiting contact with the household in line with current guidance.

Depending on the information gathered from the individual, equipment has been either delivered to the doorstep with appropriate literature and guidance or a practitioner attends site and completes the more complex check of the needs of individuals. Practitioners have utilised the transferable skills throughout the department to meet the needs of communities throughout this difficult period.

Staff have been redirected from areas of youth and education to assist with the successful new revised HSC process. As a result during Q1 of this year the service has been able to carry out 1,735 HSCs, 87 were refused and

at 135 addresses we were unable to contact the occupier. With restrictions easing more face to face interaction will take place as we progress into the year.

During Q1 the Service was able to recommence education and planning for youth intervention in a new COVID-19 compliant format. Our Education Services Coordinator has developed and adapted the Crucial Crews presentations aimed at primary aged pupils to be delivered virtually. Over a nine week period from March 2021 the virtual safety message was delivered to 242 schools, reaching and positively engaging with a total of 8,691 pupils. We were also able to run a revised Phoenix program to change the behavior of young people in the Gwent region.

The return of the cadets was put on hold until and will hopefully recommence in September 2021 after suitable risk assessments have taken place.

For safety reasons the Business Fire Safety department was unable to carry out audits in the usual manner to premises, except to those that were deemed to be high risk. The team will start to recommence more activity as restrictions are eased and suitable risk assessments are put in place.

Due to the pandemic and continued support to other agencies, work by stations on CRMPs (Community Risk Management Plans) was put on hold. This however will continue in the new financial year.

Noticeable differences to the type of incidents that the service has attended has been the increase in assisting other agencies, in particular assistance to the Police/Ambulance. Assistance to all other agencies has increased from 71 incidents last year to 133 incidents this year, an increase of 87%. Assistance to the Police/Ambulance has increased from 57 incidents last year to 114 incidents in Q1 this year, an increase of 100%.

The service has also experienced an increase in attendance to bariatric patients with incidents rising from 34 last year in Q1 to 45 incidents this year, an increase of 32%. Attendance by crews to suicide or attempted suicide did rise during 2020/21 but has fallen during Q1 of 2021/22. There were 21 incidents last year compared to 13 this year. A decrease of 38%.

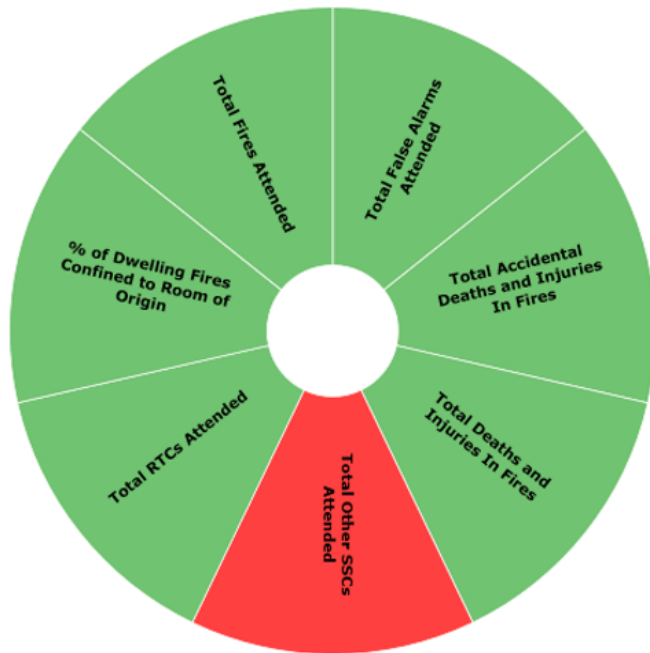
The Service Performance & Communications department co-ordinates and compiles this report on behalf of the Service Delivery Directorate. All information is extracted from updated Directorate quarterly Service Plans and the data sets are maintained and validated by the Statistics and Risk Team and is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








We are continually seeking to improve this report and welcome comments on additional information or other changes that you would like to see, please feel free to contact Neil Herniman on n-herniman@southwales-fire.gov.uk 01443 232775 or Jon Carter j-carter@southwales-fire.gov.uk 01443 232347 to discuss.

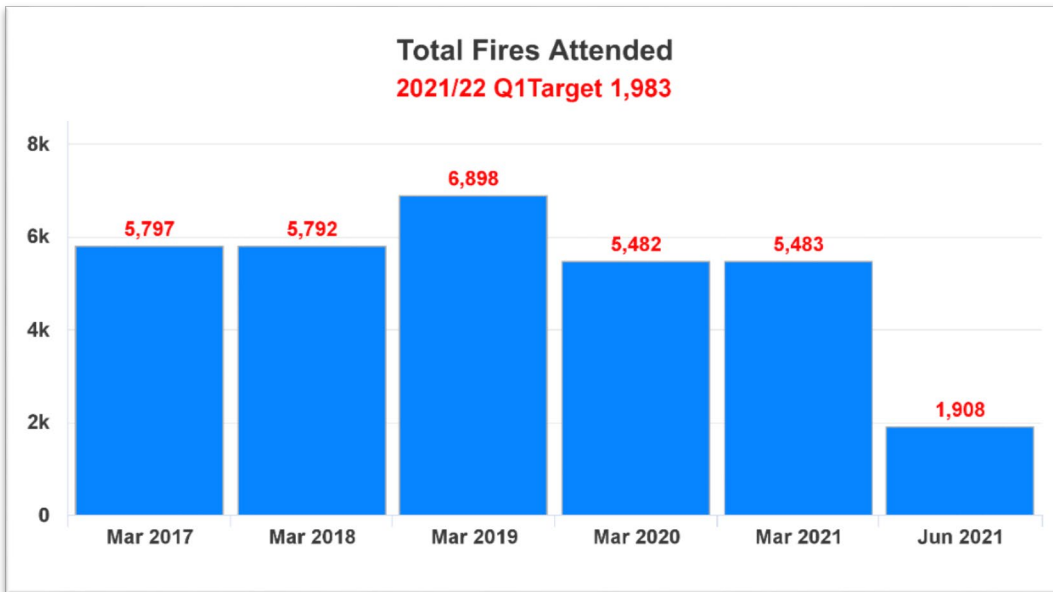
Strategic Indicators 2021/22 – Performance

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

Performance Key	 Better than or equal to target	 Up to 5% above target	 Over 5% from target
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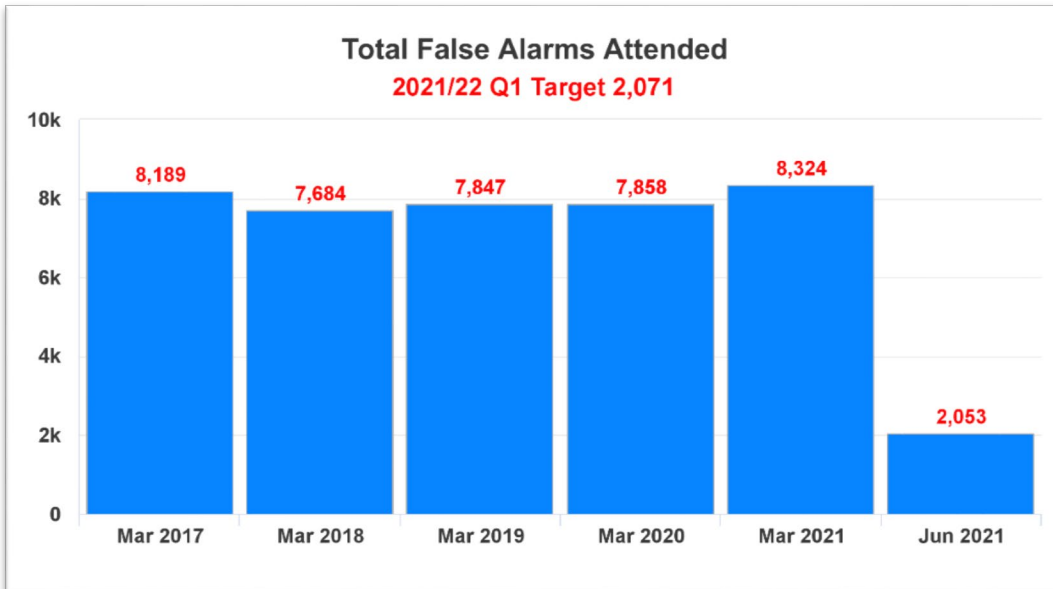


	Q1 Actual	Q1 Target	Q1 2021/22	Q1 2020/21
Total Fires Attended	1,908	1,983		2,049
Total RTCs Attended	210	238		129
Total False Alarms Attended	2,053	2,071		2,235
Total Other SSCs Attended	683	567		434
% of Dwelling Fires Confined to Room of Origin	87.12%	85.00%		82.93%
Total Deaths and Injuries in Fires	10	19		14
Total Accidental Deaths and Injuries in Fires	9	18		10



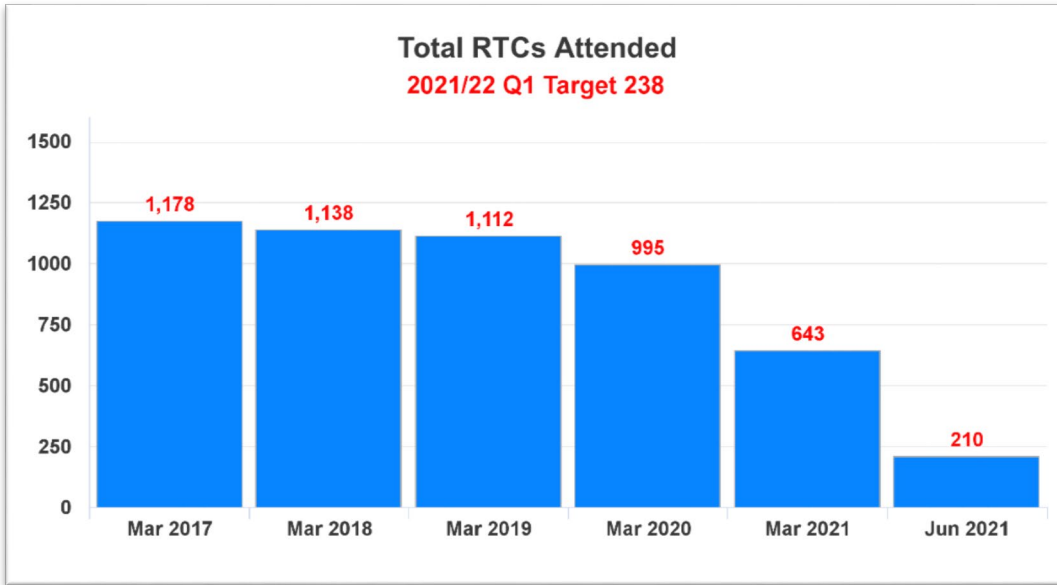
Q1 2021/22 Performance V Q1 2020/21

- Total fires (2,049 – 1,908) ↓ 7% , 4% below the target of 1,983
- Deliberate fires (1,521 – 1,431) ↓ (6%)
- Grass fires (735 – 594) ↓ 19%
- Refuse fires (802 – 730) ↓ 9%
- Road vehicle fires (163 – 152) ↓ 7%,
- Merthyr Tydfil with 156 fires were 23% above the target of 127.
- Rhondda Cynon Taf with 336 fires were 19% below the target of 335.
- Deliberate fires accounted for 75% of all fires, compared to 71% last year.

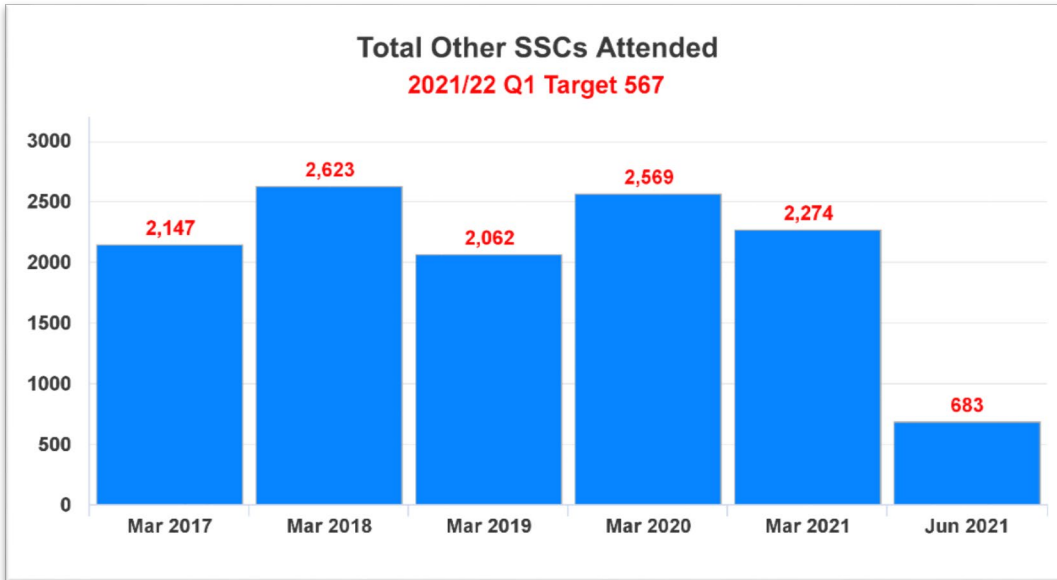


Q1 2021/22 Performance V Q1 2020/21

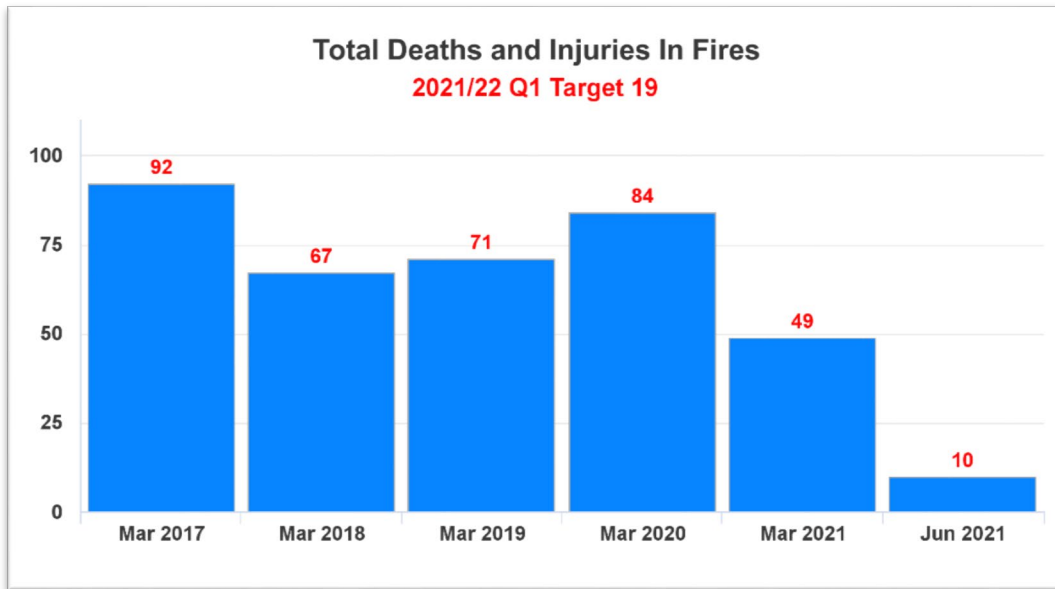
- Total False Alarms (2,235 – 2,053) ↓ 182 (8%)
- 1% below the target of 2,071.
- False alarm due to apparatus (969 – 956) ↓ 1%
- False alarm good intent (1,277 – 1,021) ↓ 20% (grass, refuse)
- False Alarm Malicious (39 – 76) ↑ 95%
- Residential homes (66 – 65) ↓ 2%, Education (70 – 100) ↑ 30%, Hospitals (147 – 106) ↓ 28%
- Appliances in attendance at Residential homes (97 – 101) ↑ 4%, Education (112 – 141) ↑ 26%, Hospitals (193 – 152) ↓ 21%



- ### Q1 2021/22 Performance V Q1 2020/21
- Total RTCs (129 – 210) ↑ 81 (63%)
 - 12% below the target of 238
 - Numbers this year were higher than last year but were lower than the previous 5 years.
 - Although the number of extrications/release of persons have risen from 27 to 37 the percentage of extrications/release of persons has fallen from 21% to 18%.
 - Monmouthshire (8) and Bridgend (6) experienced the highest numbers of extrications and release of persons in Q1.

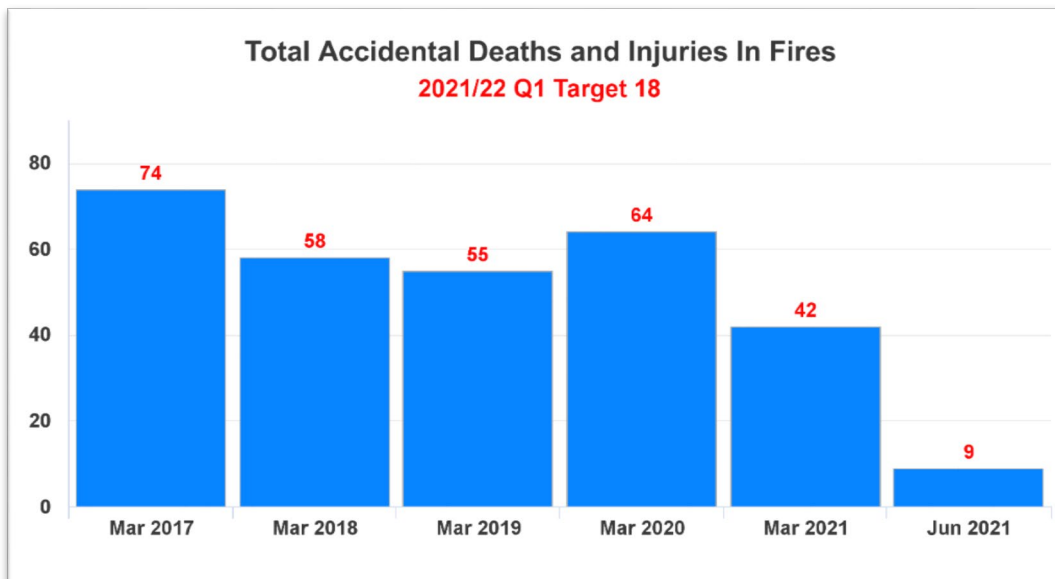


- ### Q1 2021/22 Performance V Q1 2020/21
- Other SSCs (434 – 683) ↑ 249 (57%)
 - 21% above the target of 567
 - Effecting entry (30 to 68) ↑ 127%, animal assistance (35 to 64) ↑ 83%, lift release (18 to 33) ↑ 83%.
 - Assisting other agencies (71 – 133) ↑ 87%, Bariatrics (34 – 45) ↑ 32%.
 - June experienced the highest numbers with 239 incidents. Assisting other agencies (51) and animal assistance incidents (29) were the main incident types.
 - Cardiff UA had the highest number of incidents with 177.



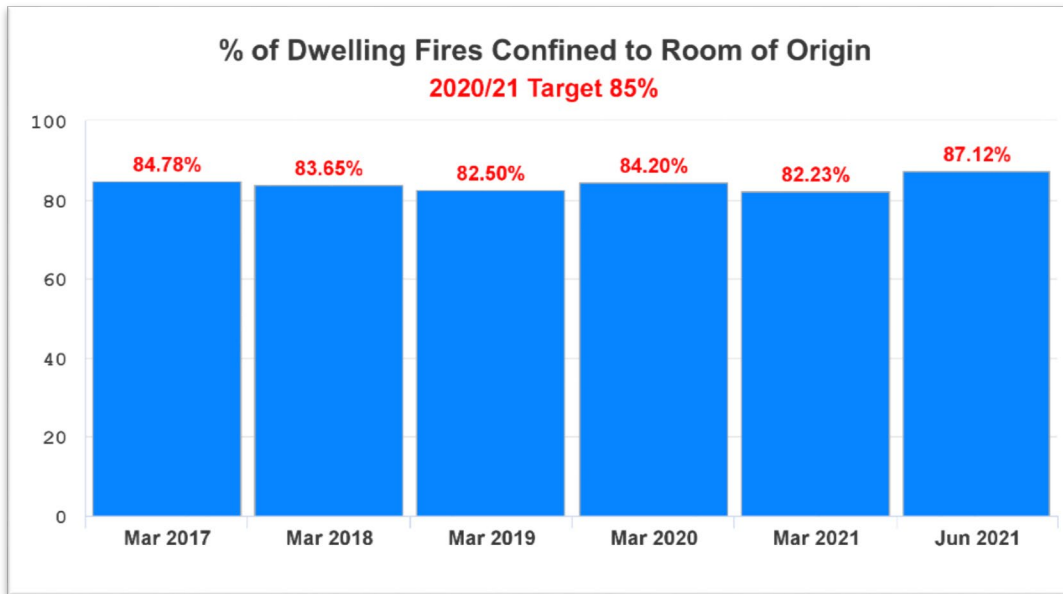
Q1 2021/22 Performance V Q1 2020/21

- Total fatalities and injuries ↓ 4% (14 to 10)
- 48% below the target of 19.
- 1 fatality from fire, compared to 5 last year.
- The fatality was in an accidental dwelling fire, a male aged 90 caused by an electric heater.
- There were 2 serious injuries compared to 0 last year, aged 39 and 60.
- There were 7 slight injuries compared to 9 last year in Q1.
- The 10 fatalities and injuries in Q1 were the lowest numbers since 2013/14.



Q1 2021/22 Performance V Q1 2020/21

- Accidental fatalities and Injuries ↓ 10% (10 to 9)
- 50% below the target of 18.
- The fatality was in an accidental dwelling fire, a male aged 90 caused by an electric heater.
- Accidental Serious injuries ↑ from 0 last year to 1 this year.
- Accidental slight injuries were the same as last year with 7.
- The 9 fatalities and injuries in Q1 were the lowest numbers since 2014/15.



Q1 2021/22 Performance V Q1 2020/21

- 141 of 162 dwelling fires have been confined to the room of origin (87.12%).
- This is above last year and is 2.12% above the target set of 85% at the start of the year.
- Caerphilly, Merthyr and Monmouthshire UA all had 100% of fires confined to the room of origin.
- Bridgend UA had the lowest percentage with 10 of the 13 (77%) dwelling fires confined to the room of origin.



Incident Categories	Apr 2020 - Mar 2021	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %
Total Incidents	907	123	85	101										309				309	266	43	16%
Special Service Call	141	9	11	28										48				48	25	23	92%
Total RTCs Attended	20	0	1	7										8				8	1	7	700%
Total Other SSCs Attended	121	9	10	21										40				40	24	16	67%
Total False Alarms Attended	374	40	41	34										115				115	111	4	4%
Malicious False Alarms	8	0	1	1										2				2	5	-3	-60%
Good Intent False Alarm	196	26	18	23										67				67	81	-14	-17%
Automatic False Alarms	170	14	22	10										46				46	25	21	84%
Total Fires Attended	392	74	33	39										146				146	130	16	12%
Deliberate Fire	320	67	26	33										126				126	101	25	25%
Deliberate grass fires attended	54	36	6	5										47				47	34	13	38%
Deliberate refuse fires attended	214	25	14	19										58				58	50	8	16%
Accidental Fire	72	7	7	6										20				20	29	-9	-31%
Accidental Dwelling Fires Attended	19	2	6	1										9				9	5	4	80%
Total Deaths and Injuries In Fires	1	0	0	0										0				0	1	-1	-100%
Total Accidental Deaths and Injuries In Fires	1	0	0	0										0				0	1	-1	-100%

An analysis of the statistics relating to accidental dwelling fires suggest that there has been an increase of 80% compared to Q1 last year. The number of incidents have increased from 5 to 9. There were 2 incidents in April, 6 in May and 1 in June. 3 of the 9 incidents were caused by cooking compared to 1 last year in Q1. 5 of the 9 fires were due to human factors including distraction (3), falling asleep (1) and other medical conditions (1). The South Wales Fire and Rescue strategy to reduce accidental dwelling fires is closely linked to the Welsh Government wider social justice and supporting people agendas by targeting the most vulnerable groups within our society and making them safer within their homes. There were no fatalities or injuries in Q1 compared to 1 for the same period last year. Attendance at Other special service calls has increased by 67% with assistance to other agencies increasing from 7 to 9 (+29%) compared to Q1 last year. There were also increases in animal assistance incidents from 2 to 5 (+150%) and removal of objects from people, 2 to 5 (+150%). The number of road traffic collisions attended has increased from 1 to 8 with crews attending 7 of these incidents in June. Deliberate fire setting remains an issue within the UA and therefore stations will continue to seek opportunities to reduce the number of these types of incidents as restrictions are eased. Deliberate grass fires have increased by 38% from 34 to 47 and deliberate refuse fires have increased by 16% from 50 to 58. Automatic false alarms have increased by 84% from 25 to 46. There was a particularly high increase in attendance at Industrial manufacturing properties with 10 incidents in Q1, the majority being faulty alarms. Crews, when restrictions ease, will continue to target premises that are identified on the Business Management Information system to identify causes and trends to be able to liaise with premises owners to provide advice on reducing these call outs. Malicious false alarms have reduced from 5 to 2. There was also a 17% decrease in Good intent false alarms with less calls to refuse and grass fires accounting for the majority of this decrease.



Incident Categories	Apr 2020 - Mar 2021	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %
Total Incidents	1,475	199	125	143										467				467	482	-15	-3%
Special Service Call	269	34	29	29										92				92	54	38	70%
Total RTCs Attended	79	7	9	9										25				25	19	6	32%
Total Other SSCs Attended	190	27	20	20										67				67	35	32	91%
Total False Alarms Attended	693	60	69	72										201				201	214	-13	-6%
Malicious False Alarms	27	2	1	3										6				6	3	3	100%
Good Intent False Alarm	315	36	39	36										111				111	121	-10	-8%
Automatic False Alarms	351	22	29	33										84				84	90	-6	-7%
Total Fires Attended	513	105	27	42										174				174	214	-40	-19%
Deliberate Fire	360	79	16	30										125				125	166	-41	-25%
Deliberate grass fires attended	107	38	2	12										52				52	79	-27	-34%
Deliberate refuse fires attended	193	33	7	13										53				53	74	-21	-28%
Accidental Fire	153	26	11	12										49				49	48	1	2%
Accidental Dwelling Fires Attended	49	6	4	1										11				11	11	0	0%
Total Deaths and Injuries In Fires	8	1	1	0										2				2	1	1	100%
Total Accidental Deaths and Injuries In Fires	6	1	1	0										2				2	1	1	100%

An analysis of the statistics relating to accidental dwelling fires suggest that there has been no change in incidents compared to last year in Q1. The number of incidents have remained at 11. There were 6 incidents in April, 4 in May and 1 in June. 3 of the 11 incidents were caused by cooking compared to 5 last year in Q1. 4 of the 11 fires were due to human factors with distraction (1), falling asleep (1) and 2 where there were unknown circumstances. The South Wales Fire and Rescue strategy to reduce accidental dwelling fires is closely linked to the Welsh Government wider social justice and supporting people agendas by targeting the most vulnerable groups within our society and making them safer within their homes. Sadly there was 1 fatality in Q1 in an accidental dwelling fire, a male aged 90 caused by an electric heater. Attendance at Other special service calls has increased from 35 to 67 (91%) with assistance to other agencies increasing from 5 to 10 (+100%) compared to Q1 last year, with 7 of these being bariatric incidents. There were also increases to effecting entry from 1 to 6 (+500%) and removal of objects from people, 2 to 7 (+250%). The number of road traffic collisions attended has increased from 19 to 25 with crews attending 6 extrications compared to 1 last year in Q1. Deliberate fire setting remains an issue within the UA and therefore stations will continue to seek opportunities to reduce the number of these types of incidents as restrictions are eased. Deliberate grass fires however have decreased by 34% from 79 to 52 and deliberate refuse fires have decreased by 28% from 74 to 53. Automatic false alarms have decreased by 7% from 90 to 84. There was a decrease in attendance at residential homes (9 to 3) and retail premises (10 to 4). Crews, when restrictions ease, will continue to target premises that are identified on the Business Management Information system to identify causes and trends to be able to liaise with premises owners to provide advice on reducing these call outs. Malicious false alarms have increased from 3 to 6. There was an 8% decrease in Good intent false alarms with calls to refuse and grass fires accounting for the majority of this decrease.



Incident Categories	Apr 2020 - Mar 2021	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %
Total Incidents	1,757	268	145	177										590				590	542	48	9%
Special Service Call	263	26	33	27										86				86	41	45	110%
Total RTCs Attended	65	7	9	6										22				22	9	13	144%
Total Other SSCs Attended	198	19	24	21										64				64	32	32	100%
Total False Alarms Attended	748	86	55	75										216				216	221	-5	-2%
Malicious False Alarms	13	0	0	4										4				4	1	3	300%
Good Intent False Alarm	408	66	30	41										137				137	152	-15	-10%
Automatic False Alarms	327	20	25	30										75				75	68	7	10%
Total Fires Attended	746	156	57	75										288				288	280	8	3%
Deliberate Fire	557	135	43	52										230				230	217	13	6%
Deliberate grass fires attended	158	70	4	21										95				95	105	-10	-10%
Deliberate refuse fires attended	326	52	26	22										100				100	92	8	9%
Accidental Fire	189	21	14	23										58				58	63	-5	-8%
Accidental Dwelling Fires Attended	69	1	4	9										14				14	14	0	0%
Total Deaths and Injuries In Fires	4	1	0	1										2				2	1	1	100%
Total Accidental Deaths and Injuries In Fires	3	1	0	1										2				2	1	1	100%

An analysis of the statistics relating to accidental dwelling fires suggest that there has been no change in incidents compared to last year in Q1. The number of incidents have remained at 14. There was 1 incident in April, 4 in May and 9 in June. 7 of the 14 incidents were caused by cooking compared to 6 last year in Q1. 6 of the 11 fires were due to human factors with distraction (2), unknown circumstances (3) and other medical condition (1) the reasons. The South Wales Fire and Rescue strategy to reduce accidental dwelling fires is closely linked to the Welsh Government wider social justice and supporting people agendas by targeting the most vulnerable groups within our society and making them safer within their homes. There were 2 slight injuries in Q1, 1 in an accidental dwelling fire and the other in a road vehicle fire. Attendance at Other special service calls has increased by 100% with assistance to other agencies increasing from 6 to 17 (+183%) compared to Q1 last year. There were also increases to animal assistance incidents from 3 to 6 (+100%) and hazardous materials incidents, 3 to 5 (+67%). The number of road traffic collisions attended has increased from 9 to 22 with crews attending 5 extrications/release of persons compared to 1 last year in Q1. Deliberate fire setting remains an issue within the UA and therefore stations will continue to seek opportunities to reduce the number of these types of incidents as restrictions are eased. Deliberate grass fires however have decreased by 10% from 105 to 95. Deliberate refuse fires have increased by 9% from 92 to 100. Automatic false alarms have increased by 10% from 68 to 75. There was an increase in attendance at industrial manufacturing (8 to 15) and residential homes (7 to 9). Crews, when restrictions ease, will continue to target premises that are identified on the Business Management Information system to identify causes and trends to be able to liaise with premises owners to provide advice on reducing these call outs. Malicious false alarms have increased from 1 to 4. There was a 10% decrease in Good intent false alarms with less calls to refuse and grass fires accounting for the majority of this decrease.



Incident Categories	Apr 2020 - Mar 2021	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %
Total Incidents	3,658	381	299	359										1,039				1,039	864	175	20%
Special Service Call	635	61	81	75										217				217	133	84	63%
Total RTCs Attended	115	16	12	12										40				40	32	8	25%
Total Other SSCs Attended	520	45	69	63										177				177	101	76	75%
Total False Alarms Attended	2,023	162	156	172										490				490	414	76	18%
Malicious False Alarms	68	9	4	8										21				21	10	11	110%
Good Intent False Alarm	668	75	64	63										202				202	179	23	13%
Automatic False Alarms	1,287	78	88	101										267				267	225	42	19%
Total Fires Attended	1,000	158	62	112										332				332	317	15	5%
Deliberate Fire	646	121	42	71										234				234	199	35	18%
Deliberate grass fires attended	111	51	5	18										74				74	60	14	23%
Deliberate refuse fires attended	406	63	25	34										122				122	114	8	7%
Accidental Fire	354	37	20	41										98				98	118	-20	-17%
Accidental Dwelling Fires Attended	156	18	12	12										42				42	43	-1	-2%
Total Deaths and Injuries In Fires	8	1	1	0										2				2	4	-2	-50%
Total Accidental Deaths and Injuries In Fires	8	1	1	0										2				2	4	-2	-50%

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a slight decrease in incidents compared to last year in Q1. The number of incidents has fallen from 43 to 42. There were 18 incidents in April, and 12 in May and June. 16 of the 42 (38%) incidents were caused by cooking compared to 15 last year in Q1. 21 of the 42 fires were due to human factors with distraction (9) and unknown circumstances (6) the main reasons. The South Wales Fire and Rescue strategy to reduce accidental dwelling fires is closely linked to the Welsh Government wider social justice and supporting people agendas by targeting the most vulnerable groups within our society and making them safer within their homes. There were 2 slight injuries in Q1, both in accidental dwelling fires. Attendance at Other special service calls has increased by 75% with assistance to other agencies increasing from 18 to 31 (+183%) compared to Q1 last year. There were also increases to animal assistance incidents from 7 to 17 (+143%) and effecting entry/exit, 11 to 20 (+82%). The number of road traffic collisions attended has increased from 32 to 40 (25%) with crews attending 3 extrications/release of persons compared to 6 last year in Q1. The majority of the calls were making the scene/vehicle safe (25). Deliberate fire setting remains an issue within the UA and therefore stations will continue to seek opportunities to reduce the number of these types of incidents as restrictions are eased. Deliberate grass fires have increased by 23% from 60 to 74. Deliberate refuse fires have increased by 7% from 114 to 122. Automatic false alarms have increased by 19% from 225 to 267. There was an increase in attendance at offices (12 to 35) and educational properties (12 to 19). Crews, when restrictions ease, will continue to target premises that are identified on the Business Management Information system to identify causes and trends to be able to liaise with premises owners to provide advice on reducing these call outs. Malicious false alarms have increased from 10 to 21. There was a 13% increase in Good intent false alarms with calls to dwellings and non-residential properties accounting for the majority of this increase.



Incident Categories	Apr 2020 - Mar 2021	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %
Total Incidents	729	135	63	61										259				259	261	-2	-1%
Special Service Call	129	11	15	8										34				34	28	6	21%
Total RTCs Attended	33	4	5	2										11				11	6	5	83%
Total Other SSCs Attended	96	7	10	6										23				23	22	1	5%
Total False Alarms Attended	312	25	16	28										69				69	90	-21	-23%
Malicious False Alarms	4	3	0	1										4				4	3	1	33%
Good Intent False Alarm	126	18	7	15										40				40	48	-8	-17%
Automatic False Alarms	182	4	9	12										25				25	39	-14	-36%
Total Fires Attended	288	99	32	25										156				156	143	13	9%
Deliberate Fire	218	87	27	19										133				133	119	14	12%
Deliberate grass fires attended	74	68	6	10										84				84	65	19	29%
Deliberate refuse fires attended	106	16	17	6										39				39	43	-4	-9%
Accidental Fire	70	12	5	6										23				23	24	-1	-4%
Accidental Dwelling Fires Attended	21	5	3	3										11				11	7	4	57%
Total Deaths and Injuries In Fires	1	0	0	0										0				0	0	0	0%
Total Accidental Deaths and Injuries In Fires	1	0	0	0										0				0	0	0	0%

An analysis of the statistics relating to accidental dwelling fires suggest that there has been an increase in incidents compared to last year in Q1. The number of incidents has risen from 7 to 11. There were 5 incidents in April, and 3 in May and June. 4 of the 11 (36%) incidents were caused by cooking which was the same as last year in Q1. 5 of the 11 fires were due to human factors with distraction (1), falling asleep (1) and unknown circumstances (3) the main reasons. The South Wales Fire and Rescue strategy to reduce accidental dwelling fires is closely linked to the Welsh Government wider social justice and supporting people agendas by targeting the most vulnerable groups within our society and making them safer within their homes. There were no fatalities or injuries in Q1 which was the same as last year in Q1. Attendance at Other special service calls has increased by 5% with calls where we have offered advice being the main incident type (4). The number of road traffic collisions attended has increased from 6 to 11 (83%) with crews attending 3 extrications/release of persons compared to 2 last year in Q1. The majority of the calls were making the scene/vehicle safe (7). Deliberate fire setting remains an issue within the UA and therefore stations will continue to seek opportunities to reduce the number of these types of incidents as restrictions are eased. Deliberate grass fires have increased by 29% from 65 to 84. Deliberate refuse fires have decreased by 9% from 43 to 39. Automatic false alarms have decreased by 36% from 39 to 25. There were 7 calls to hospitals and medical care and 4 calls to residential homes. Crews, when restrictions ease, will continue to target premises that are identified on the Business Management Information system to identify causes and trends to be able to liaise with premises owners to provide advice on reducing these call outs. Malicious false alarms have increased from 3 to 4. There was a 17% decrease in Good intent false alarms with calls to refuse and grass accounting for the majority of these calls.



Incident Categories	Apr 2020 - Mar 2021	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %
Total Incidents	902	90	56	80										226				226	222	4	2%
Special Service Call	198	22	22	20										64				64	34	30	88%
Total RTCs Attended	49	8	6	8										22				22	14	8	57%
Total Other SSCs Attended	149	14	16	12										42				42	20	22	110%
Total False Alarms Attended	518	34	25	44										103				103	132	-29	-22%
Malicious False Alarms	8	1	0	0										1				1	5	-4	-80%
Good Intent False Alarm	144	16	6	12										34				34	46	-12	-26%
Automatic False Alarms	366	17	19	32										68				68	81	-13	-16%
Total Fires Attended	186	32	9	16										57				57	56	1	2%
Deliberate Fire	75	13	5	4										22				22	29	-7	-24%
Deliberate grass fires attended	22	9	1	2										12				12	11	1	9%
Deliberate refuse fires attended	35	3	1	1										5				5	10	-5	-50%
Accidental Fire	111	19	4	12										35				35	27	8	30%
Accidental Dwelling Fires Attended	22	1	1	0										2				2	6	-4	-67%
Total Deaths and Injuries In Fires	5	0	0	0										0				0	1	-1	-100%
Total Accidental Deaths and Injuries In Fires	5	0	0	0										0				0	1	-1	-100%

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a decrease in incidents compared to last year in Q1. The number of incidents has fallen from 6 to 2. There was 1 incidents in April, and 1 in May. 1 of the incidents was caused by a fault in equipment and the other was combustible articles too close to heat source. One of the fires was as a result of a person being distracted. The South Wales Fire and Rescue strategy to reduce accidental dwelling fires is closely linked to the Welsh Government wider social justice and supporting people agendas by targeting the most vulnerable groups within our society and making them safer within their homes. There were no fatalities or injuries in Q1, which is 1 less than last year. Attendance at Other special service calls has increased by 110% with assistance to other agencies increasing from 2 to 9 (+350%) compared to Q1 last year. There were also 4 calls to bariatrics compared to 1 last year in Q1. The number of road traffic collisions attended has increased from 14 to 22 (57%) with crews attending 8 extrications/release of persons compared to 5 last year in Q1. The majority of the calls were making the scene/vehicle safe (13). As we come out of lockdown stations will look to run 'Options' campaigns aimed at reducing road traffic collisions in the UA. Deliberate fire setting remains an issue within the UA and therefore stations will continue to seek opportunities to reduce the number of these types of incidents as restrictions are eased. Deliberate grass fires have increased by 9% from 11 to 12. Deliberate refuse fires however have decreased by 50% from 10 to 5. Automatic false alarms have decreased by 16% from 81 to 68. There was a decrease in calls to hospitals from 16 to 10. Calls to educational properties (6 to 9) and residential homes (5 to 7) however have increased. Crews, when restrictions ease, will continue to target premises that are identified on the Business Management Information system to identify causes and trends to be able to liaise with premises owners to provide advice on reducing these call outs. Malicious false alarms have decreased from 5 to 1. There was also a 26% decrease in Good intent false alarms with calls to dwellings accounting for the majority of these calls.



Incident Categories	Apr 2020 - Mar 2021	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %
Total Incidents	2,114	232	148	193										573				573	533	40	8%
Special Service Call	342	26	36	29										91				91	61	30	49%
Total RTCs Attended	63	4	4	3										11				11	9	2	22%
Total Other SSCs Attended	279	22	32	26										80				80	52	28	54%
Total False Alarms Attended	1,096	110	79	84										273				273	282	-9	-3%
Malicious False Alarms	34	3	4	3										10				10	3	7	233%
Good Intent False Alarm	444	52	33	38										123				123	140	-17	-12%
Automatic False Alarms	618	55	42	43										140				140	139	1	1%
Total Fires Attended	676	96	33	80										209				209	190	19	10%
Deliberate Fire	535	82	26	58										166				166	150	16	11%
Deliberate grass fires attended	53	18	1	9										28				28	27	1	4%
Deliberate refuse fires attended	369	52	17	40										109				109	96	13	14%
Accidental Fire	141	14	7	22										43				43	40	3	8%
Accidental Dwelling Fires Attended	62	3	4	7										14				14	16	-2	-13%
Total Deaths and Injuries In Fires	3	1	0	1										2				2	0	2	100%
Total Accidental Deaths and Injuries In Fires	3	1	0	0										1				1	0	1	100%

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a decrease in incidents compared to last year in Q1. The number of incidents has fallen from 16 to 14. There were 3 incidents in April, 4 in May and 7 in July. 4 of the incidents were caused by cooking compared to 8 last year in Q1. 9 of the 14 fires were due to human factors with distraction (3) and falling asleep (3) the main reasons. The South Wales Fire and Rescue strategy to reduce accidental dwelling fires is closely linked to the Welsh Government wider social justice and supporting people agendas by targeting the most vulnerable groups within our society and making them safer within their homes. There was 1 serious and 1 slight injury in Q1, which is 2 more than last year. Attendance at Other special service calls has increased by 54% with assistance to other agencies increasing from 9 to 12 (+33%) compared to Q1 last year. There were also 5 calls to bariatrics which was the same as last year in Q1. The number of road traffic collisions attended has increased from 9 to 11 with crews attending 1 extrications/release of persons compared to 2 last year in Q1. The majority of the calls were making the scene/vehicle safe (8). As we come out of lockdown there will be a drive to run 'Options' campaigns at stations aimed at reducing road traffic collisions in the UA. Deliberate fire setting remains an issue within the UA and therefore stations will continue to seek opportunities to reduce the number of these types of incidents as restrictions are eased. Deliberate grass fires have increased by 4% from 27 to 28. Deliberate refuse fires have increased by 14% from 96 to 109. Automatic false alarms have increased by 1% from 139 to 140. There was a decrease in calls to hospitals from 23 to 11. Calls to educational properties (11 to 27) and offices (4 to 6) however increased. Crews, when restrictions ease, will continue to target premises that are identified on the Business Management Information system to identify causes and trends to be able to liaise with premises owners to provide advice on reducing these call outs. Malicious false alarms have increased from 3 to 10 and there was a 12% decrease in Good intent false alarms with calls to dwellings accounting for the majority of these calls.



Incident Categories	Apr 2020 - Mar 2021	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %
Total Incidents	2,732	358	189	237										784				784	1,025	-241	-24%
Special Service Call	474	41	47	51										139				139	102	37	36%
Total RTCs Attended	134	13	14	17										44				44	28	16	57%
Total Other SSCs Attended	340	28	33	34										95				95	74	21	28%
Total False Alarms Attended	1,243	121	91	97										309				309	430	-121	-28%
Malicious False Alarms	26	1	2	9										12				12	8	4	50%
Good Intent False Alarm	631	86	40	43										169				169	279	-110	-39%
Automatic False Alarms	586	34	49	45										128				128	143	-15	-10%
Total Fires Attended	1,015	196	51	89										336				336	493	-157	-32%
Deliberate Fire	726	170	39	65										274				274	387	-113	-29%
Deliberate grass fires attended	283	95	13	11										119				119	231	-112	-48%
Deliberate refuse fires attended	344	67	15	34										116				116	131	-15	-11%
Accidental Fire	289	26	12	24										62				62	106	-44	-42%
Accidental Dwelling Fires Attended	118	8	5	9										22				22	31	-9	-29%
Total Deaths and Injuries In Fires	11	0	0	0										0				0	4	-4	-100%
Total Accidental Deaths and Injuries In Fires	8	0	0	0										0				0	1	-1	-100%

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a decrease in incidents compared to last year in Q1. The number of incidents has fallen from 31 to 22. There were 8 incidents in April, 5 in May and 9 in July. 5 of the incidents were caused by cooking compared to 14 last year in Q1. 11 of the 22 fires were due to human factors with distraction (5) and falling asleep (2) the main reasons. The South Wales Fire and Rescue strategy to reduce accidental dwelling fires is closely linked to the Welsh Government wider social justice and supporting people agendas by targeting the most vulnerable groups within our society and making them safer within their homes. There were no fatalities or injuries Q1, which is 4 less than last year. Attendance at Other special service calls has increased by 28% with assistance to other agencies increasing from 12 to 26 (+117%) compared to Q1 last year. There were also 6 calls to bariatrics which was the same as last year in Q1. The number of road traffic collisions attended has increased from 28 to 44 with crews attending 5 extrications/release of persons compared to 9 last year in Q1. The majority of the calls were making the scene/vehicle safe (30). Deliberate fire setting remains an issue within the UA and therefore stations will continue to seek opportunities to reduce the number of these types of incidents as restrictions are eased. Deliberate grass fires however have decreased by 48% from 231 to 119. Deliberate refuse fires have also decreased by 11% from 131 to 116. Automatic false alarms have decreased by 10% from 143 to 128. There was a decrease in calls to hospitals from 12 to 8. Calls to educational properties (16 to 14) and offices (7 to 5) also decreased. Crews, when restrictions ease, will continue to target premises that are identified on the Business Management Information system to identify causes and trends to be able to liaise with premises owners to provide advice on reducing these call outs. Malicious false alarms have increased from 8 to 12 and there was a 39% decrease in Good intent false alarms with calls to grass and refuse accounting for the majority of these calls.

Incident Categories	Apr 2020 - Mar 2021	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %
Total Incidents	1,076	109	82	99										290				290	291	-1	0%
Special Service Call	160	18	17	19										54				54	24	30	125%
Total RTCs Attended	28	2	5	3										10				10	3	7	233%
Total Other SSCs Attended	132	16	12	16										44				44	21	23	110%
Total False Alarms Attended	604	44	41	44										129				129	167	-38	-23%
Malicious False Alarms	14	0	4	7										11				11	0	11	100%
Good Intent False Alarm	224	25	16	19										60				60	91	-31	-34%
Automatic False Alarms	366	19	21	18										58				58	76	-18	-24%
Total Fires Attended	312	47	24	36										107				107	100	7	7%
Deliberate Fire	210	29	14	23										66				66	77	-11	-14%
Deliberate grass fires attended	58	14	3	3										20				20	39	-19	-49%
Deliberate refuse fires attended	115	8	5	11										24				24	29	-5	-17%
Accidental Fire	102	18	10	13										41				41	23	18	78%
Accidental Dwelling Fires Attended	36	5	4	3										12				12	6	6	100%
Total Deaths and Injuries In Fires	4	0	0	0										0				0	1	-1	-100%
Total Accidental Deaths and Injuries In Fires	4	0	0	0										0				0	1	-1	-100%

An analysis of the statistics relating to accidental dwelling fires suggest that there has been an increase in incidents compared to last year in Q1. The number of incidents has risen from 6 to 12. There were 5 incidents in April, 4 in May and 3 in July. 6 of the incidents were caused by cooking compared to 1 last year in Q1. 4 of the 12 fires were due to human factors, including distraction and falling asleep. The South Wales Fire and Rescue strategy to reduce accidental dwelling fires is closely linked to the Welsh Government wider social justice and supporting people agendas by targeting the most vulnerable groups within our society and making them safer within their homes. There were no fatalities or injuries Q1, which is 1 less than last year. Attendance at Other special service calls has increased by 110% with assistance to other agencies increasing from 6 to 7 compared to Q1 last year. There were also 3 calls to bariatrics which was the same as last year in Q1. The number of road traffic collisions attended has increased from 3 to 10 with crews attending 2 extrications/release of persons compared to 1 last year in Q1. The majority of the calls were making the scene/vehicle safe (5). Deliberate fire setting remains an issue within the UA and therefore stations will continue to seek opportunities to reduce the number of these types of incidents as restrictions are eased. Deliberate grass fires however have decreased by 49% from 39 to 20. Deliberate refuse fires have also decreased by 17% from 29 to 24. Automatic false alarms have also decreased by 24% from 76 to 58. There was a decrease in calls to offices from 8 to 3. Calls to hospitals (3 to 13) and educational properties (6 to 12) however have increased. Crews, when restrictions ease, will continue to target premises that are identified on the Business Management Information system to identify causes and trends to be able to liaise with premises owners to provide advice on reducing these call outs. Malicious false alarms have increased from 0 to 11. There was however a 34% decrease in Good intent false alarms with calls to grass and refuse accounting for the majority of the decrease.



Incident Categories	Apr 2020 - Mar 2021	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1	Last Year Q1	Q1 YoY	Q1 YoY %
Total Incidents	1,374	134	84	101										319				319	361	-42	-12%
Special Service Call	306	22	23	23										68				68	61	7	11%
Total RTCs Attended	57	9	5	3										17				17	8	9	113%
Total Other SSCs Attended	249	13	18	20										51				51	53	-2	-4%
Total False Alarms Attended	713	64	39	45										148				148	174	-26	-15%
Malicious False Alarms	9	2	1	2										5				5	1	4	400%
Good Intent False Alarm	254	35	20	23										78				78	90	-12	-13%
Automatic False Alarms	450	27	18	20										65				65	83	-18	-22%
Total Fires Attended	355	48	22	33										103				103	126	-23	-18%
Deliberate Fire	202	26	10	18										54				54	76	-22	-29%
Deliberate grass fires attended	35	7	2	8										17				17	22	-5	-23%
Deliberate refuse fires attended	131	16	6	7										29				29	46	-17	-37%
Accidental Fire	153	22	12	15										49				49	50	-1	-2%
Accidental Dwelling Fires Attended	53	6	4	7										17				17	12	5	42%
Total Deaths and Injuries In Fires	4	1	0	1										2				2	1	1	100%
Total Accidental Deaths and Injuries In Fires	3	1	0	1										2				2	0	2	100%

An analysis of the statistics relating to accidental dwelling fires suggest that there has been an increase in incidents compared to last year in Q1. The number of incidents has risen from 12 to 17. There were 6 incidents in April, 4 in May and 7 in July. 8 of the incidents were caused by cooking compared to 2 last year in Q1. 14 of the 17 fires were due to human factors, including distraction (8) and falling asleep (4). The South Wales Fire and Rescue strategy to reduce accidental dwelling fires is closely linked to the Welsh Government wider social justice and supporting people agendas by targeting the most vulnerable groups within our society and making them safer within their homes. There was 1 serious and 1 slight injury in Q1, which is 1 more than last year. Attendance at Other special service calls has decreased by 4%, although assistance to other agencies has increased from 4 to 10 (+150%) compared to Q1 last year. There were also 3 calls to bariatrics which compared to 0 last year. The number of road traffic collisions attended has increased from 8 to 17 with crews attending 3 extrications/release of persons compared to 0 last year in Q1. The majority of the calls were making the scene/vehicle safe (10). Deliberate fire setting remains an issue within the UA and therefore stations will continue to seek opportunities to reduce the number of these types of incidents as restrictions are eased. Deliberate grass fires however have decreased by 23% from 22 to 17. Deliberate refuse fires have also decreased by 37% from 46 to 29. Automatic false alarms have also decreased by 22% from 76 to 54. There was a decrease in calls to hospitals from 23 to 7. Calls to residential homes (3 to 5) have increased and calls to educational properties have remained the same as last year with 5. Crews, when restrictions ease, will continue to target premises that are identified on the Business Management Information system to identify causes and trends to be able to liaise with premises owners to provide advice on reducing these call outs. Malicious false alarms have increased from 1 to 5. There was however a 13% decrease in Good intent false alarms with calls to dwellings accounting for the majority of these calls.

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SOUTH WALES FIRE & RESCUE AUTHORITY

AGENDA ITEM NO 9
20 SEPTEMBER 2021

FINANCE AUDIT AND PERFORMANCE MANAGEMENT COMMITTEE

REPORT OF THE TEMP HEAD OF FINANCE, PROCUREMENT AND
PROPERTY

2020/21 ANNUAL TREASURY MANAGEMENT REVIEW

THIS REPORT IS FOR INFORMATION

REPORT APPROVED BY THE TREASURER

PRESENTING OFFICER - LISA MULLAN

SUMMARY

To consider the results of treasury management activities for the year ending 31 March 2021, in accordance with the Authority's approved Treasury Management Strategy.

RECOMMENDATION

This committee recommend that the Fire & Rescue Authority note the annual treasury management review for 2020/21 and approve the actual 2020/21 prudential and treasury indicators set therein.

1. BACKGROUND

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

2. ISSUE

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

2.2 The Authority receives annual bank deposits in the region of £90 million throughout any one year. In general, monthly bank payments can total as much as 8 million and are dependant on various factors. The timing of

these cash flows can be uncertain and as such, it is imperative that the flow of cash in and out of Authority bank accounts is managed to support budget strategies and minimise risk.

- 2.3 The Authority contracts with 2 banking providers, i.e. Lloyds and Barclays. The main banking contract was awarded to Lloyds in February 2020 following a successful tender process. Barclays a contingency used to manage funds surplus to the counter party limits set by Members within the strategy, i.e. £10 million.

3. FINANCIAL IMPLICATIONS

3.1 Borrowing Outturn

The Authority maintains a competitive, average debt book rate of approx 3.83% which is lower than previous years at 4.37%. Interest charges accrued are £1.12 million and £1.17 million for 2020/21 and 2019/20 respectively. The current borrowing strategy is to utilise the Authority's cash reserves in the first instance and to undertake external borrowing for long term investment.

3.2 Investment Outturn

There were no investments made during the year as cash surpluses were required to fund capital investment even though new borrowing was also made. Investment returns in 2020/21 were the lowest they have been for many years at £2k, £79k in 2019/20. The loss of income is offset in the revenue budget by cheaper debt.

4. EQUALITY RISK ASSESSMENT

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

5. RECOMMENDATION

- 5.1 This committee recommend that the Fire & Rescue Authority note the annual treasury management review for 2020/21 and approve the actual prudential and treasury indicators set therein.

Contact Officer:	Background papers:
Lisa Mullan Temp Head of Finance, Procurement & Property	- CIPFA Code Treasury Management - CIPFA Prudential Code - Treasury Management Strategy - Treasury Management Practices (TMP's)

Annual Treasury Management Review 2020/21

1. Introduction

This Authority is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2020/21 the minimum reporting requirements were that the full Authority should receive the following reports:

- an annual treasury strategy in advance of the year, Fire Authority 13 July 2020
- a mid-year (minimum) treasury update report, Fire Authority 14 December 2020
- an annual review following the end of the year describing the activity compared to the strategy (this report)

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

This Authority confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Finance, Audit & Performance Management Committee before they were reported to the full Authority.

2. The Authority's Capital Expenditure and Financing

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

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

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

3. The Authority's Overall Borrowing Need

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Authority should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2020/21) plus the estimates of any additional capital financing requirement for the current (2021/22) and next two financial years. This essentially means that the Authority is not borrowing to support revenue expenditure. This indicator allows the Authority some flexibility to borrow in advance of its immediate capital needs in 2020/21. The table below highlights the Authority's gross borrowing position against the CFR.

The Authority has complied with this prudential indicator.

	31.3.20 Actual	2020/21 Budget	31.3.21 Actual
Capital expenditure	6,638	7,705	3,587
Financed in year	4,450	384	290
Unfinanced capital expenditure	2,188	7,321	3,298
CFR	41,465	45,481	41,629
Gross borrowing position	26,477	31,523	27,061
Other Long Term Liabilities (OLTL)	4,691	4,462	4,462
Total debt & OLTL	31,168	35,985	31,523
Under funding of CFR	10,297	9,496	10,106

Borrowing Activity	2020/21 Budget	2020/21 Actual
Authorised limit	50,000	50,000
Operational boundary	45,000	45,000
Financing costs as a proportion of net revenue stream	6.62%	6.19%

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has been no breach of limits set in the strategy.

- *The 2019/21 financing costs as a proportion to of net revenues streams was 5.97% and so there is an increase in costs funded through the revenue budget albeit this is a small increase and is due to new borrowing and is also below the budget.*

The authorised limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Authority does not have the power to borrow above this level. The table below demonstrates that during 2020/21 the Authority has maintained gross borrowing within its authorised limit.

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

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

4. Treasury Position as at 31st March 2021

At the beginning and the end of 2020/21 the Authority’s treasury, (excluding borrowing by PFI), position was as follows:

The maturity structure of the debt portfolio was as follows:

	Loan No	Date Raised	Maturity Date	Repayment Date	Original Principal (£)	Rate (%)	Principal OS 31/03/2020	Interest Charge 2020/21	Principal 2020/21	Principal OS 31/03/2021	EIP/MATURITY
1	481585	06/10/1998	30/06/2023	30/06,31/12	954,000	4.75	133,560.00	5,444	38,160.00	95,400.00	EIP
2	483674	06/12/1999	31/03/2025	30/09,31/03	1,031,000	4.375	1,031,000.00	45,106	0.00	1,031,000.00	MATURITY
3	484680	09/11/2000	30/09/2025	30/09,31/03	1,042,000	4.875	1,042,000.00	50,798	0.00	1,042,000.00	MATURITY
4	485618	17/07/2001	30/06/2026	30/06,31/12	750,000	5.25	750,000.00	39,375	0.00	750,000.00	MATURITY
5	485858	28/08/2001	30/06/2026	30/06,31/12	702,000	4.875	702,000.00	34,223	0.00	702,000.00	MATURITY
6	487013	09/09/2002	31/03/2027	30/09,31/03	1,500,000	4.75	420,000.00	19,238	60,000.00	360,000.00	EIP
7	487547	07/03/2003	31/12/2027	30/06,31/12	536,000	4.4	171,520.00	7,078	21,440.00	150,080.00	EIP
8	487909	23/06/2003	31/03/2028	30/09,31/03	1,488,000	4.3	476,160.00	19,835	59,520.00	416,640.00	EIP
9	488829	24/06/2004	30/09/2029	30/09,31/03	1,773,000	5.25	660,529.27	33,765	69,529.41	590,999.86	EIP
10	490551	09/09/2005	30/06/2029	30/06,31/12	3,678,000	4.35	1,455,875.00	60,020	153,250.00	1,302,625.00	EIP
11	492842	29/01/2007	30/09/2036	30/09,31/03	2,000,000	4.55	2,000,000.00	91,000	0.00	2,000,000.00	MATURITY
12	494280	24/01/2008	31/12/2036	30/06,31/12	4,100,000	4.41	4,100,000.00	180,810	0.00	4,100,000.00	MATURITY
14	496946	24/03/2010	26/09/2020	26/09,26/03	2,000,000	4.18	2,000,000.00	40,655	2,000,000.00	0.00	MATURITY
15	496947	24/03/2010	26/09/2028	26/09,26/03	2,000,000	4.62	2,000,000.00	92,400	0.00	2,000,000.00	MATURITY
17	497782	31/08/2010	31/08/2021	31/08,01/03	500,000	3.22	500,000.00	16,056	0.00	500,000.00	MATURITY
19	498806	01/08/2011	31/07/2022	01/02,01/07	1,000,000	4.27	1,000,000.00	42,583	0.00	1,000,000.00	MATURITY
20	498807	01/08/2011	31/07/2023	01/02,01/07	1,000,000	4.42	1,000,000.00	44,079	0.00	1,000,000.00	MATURITY
21	501402	03/07/2012	02/07/2027	04/01,02/07	1,000,000	3.41	1,000,000.00	33,913	0.00	1,000,000.00	MATURITY
22	501403	03/07/2012	02/07/2029	04/01,02/08	1,000,000	3.57	1,000,000.00	35,504	0.00	1,000,000.00	MATURITY
23	502789	21/01/2014	23/01/2032	25/01,23/07	2,000,000	4.23	2,000,000.00	84,136	0.00	2,000,000.00	MATURITY
24	502790	21/01/2014	23/01/2033	25/01,23/07	2,000,000	4.26	2,000,000.00	84,733	0.00	2,000,000.00	MATURITY
25	502791	21/01/2014	23/01/2034	25/01,23/07	1,000,000	4.28	1,000,000.00	42,565	0.00	1,000,000.00	MATURITY
26	281803	21/12/2020	23/12/2034	23/06,23/12	1,000,000	1.27		3,479	0.00	1,000,000.00	MATURITY
27	281805	21/12/2020	23/12/2030	23/06,23/12	2,000,000	1.02		5,589	0.00	2,000,000.00	MATURITY
28	201807	21/12/2020	23/12/2035	23/06,23/12	2,000,000	1.32		7,233	0.00	2,000,000.00	MATURITY
					38,054,000.00		26,442,644.27	1,119,618	2,401,899.41	29,040,744.86	

Maturing Within	PWLB Principal £	% Total Debt	Average Rate	Non PWLB £	Total £
Less than 1 year	901,899.42	3.11%	3.83%	13,833.34	915,732.76
over 1 not over 2 years	1,401,899.42	4.83%	4.36%	6,916.67	1,408,816.09
over 2 not over 5 years	4,183,298.26	14.40%	4.57%	0.00	4,183,298.26
over 5 not over 10 years	8,453,647.76	29.11%	3.57%	0.00	8,453,647.76
over 10 not over 15 years	8,000,000.00	27.55%	3.15%	0.00	8,000,000.00
over 15 not over 20 years	6,100,000.00	21.00%	4.46%	0.00	6,100,000.00
Total	29,040,744.86	100.00%	3.83%	20,750.01	29,061,494.87

New borrowing of £5 million was drawn as 3 separate loans in December 2020 with an average interest rate of 1.20% (1.02% lowest and 1.27% highest rates). This is the first time in 6 years interest bearing borrowing has been drawn, the Authority has largely utilised cash reserves to fund capital spending in preceding years in addition to some smaller, interest free loans.

The Invest to Save loan (£3 million, repayable £1 million pa), made via Welsh Government, was repaid in 2019/20 leaving the only interest free loans outstanding with Salix. Salix Ltd provide funding to improve energy efficiency and we used the funding to replace lighting throughout the SWFRS estate and station boiler management systems. £21k outstanding at 31st March 2021.

The Authority's strategy for investments follows the SLY model, i.e. Security, Liquidity and Yield. This means protecting principal amounts invested and ensuring their return as a minimum, ensuring we can access our money when needed; this has been very important whilst utilising our cash reserves and finally, the return

receivable on investment. No investments were made during 2020/21 and all deposits were held with UK banks and building societies.

During the year there was more than £10 million of cash deposits held although there were no breach of counter party limits as funds were spread between various current and deposit accounts. £2k of interest was generated during the year on these deposits and at 31 March we held £3,198,108.52 in cash at banks as follows;

Barclays	£1,105,768
Lloyds	£2,092,341

Both of these accounts have a rate arrangement of BOE rate -0.10% and as the central bank rate remains very low at 0.10% the effective rate is 0%.

Average month end balances of cash held at bank are as follows;

Average Month End Balances				
		Barclays £	Lloyds £	Total £
1	30-Apr-21	597,870	6,193,200	6,791,070
2	31-May-21	7,458,182	3,151,635	10,609,817
3	30-Jun-21	7,668,031	2,343,677	10,011,709
4	31-Jul-21	3,441,144	5,183,153	8,624,297
5	31-Aug-21	3,604,778	5,714,388	9,319,165
6	30-Sep-21	3,780,516	1,276,939	5,057,455
7	31-Oct-21	606,908	2,494,658	3,101,566
8	30-Nov-21	819,927	2,498,013	3,317,940
9	31-Dec-21	440,830	5,029,941	5,470,772
10	31-Jan-22	693,798	4,941,629	5,635,427
11	28-Feb-22	861,832	3,374,074	4,235,906
12	31-Mar-22	<u>1,105,768</u>	<u>2,093,772</u>	<u>3,199,540</u>
Total		31,079,584	44,295,079	75,374,663

Average
Balance **6,281,222**

The investment activity during the year conformed to the approved strategy, and the Authority had no liquidity difficulties.

5. The Strategy for 2020/21

5.1 Investment strategy and control of interest rate risk

Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero or sometimes into negative territory. Most local authority lending managed to avoid negative rates and one feature of the year was the growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic bursting onto the scene in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could

help cash-starved businesses to survive the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

5.2 Borrowing strategy and control of interest rate risk

During 2019-20, the Authority maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Authority's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were very low and minimising counterparty risk on placing investments also needed to be considered.

A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances;

The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

Against this backdrop and the risks within the economic forecast, caution was adopted with the treasury operations. The Treasurer therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks;

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2020/21 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period although this Authority seeks budget certainty and therefore draws fixed rate borrowing as a rule.

Forecasts at the time of approval of the treasury management strategy report for 2020/21 were as follows

31.1.20

Link Asset Services Interest Rate View													
	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	0.90	0.90	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.30	2.40	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10
10yr PWLB Rate	2.50	2.50	2.60	2.60	2.70	2.80	2.90	3.00	3.10	3.10	3.20	3.20	3.30
25yr PWLB Rate	3.00	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.70	3.80	3.80	3.90	3.90
50yr PWLB Rate	2.90	2.90	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.70	3.70	3.80	3.80

Borrowing in advance of need

The Authority has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

Rescheduling

No rescheduling was undertaken during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable. In addition, the SWFRS average debt rate has fallen to 3.83% which is lower than 2019/20 at 4.37% and is the result of loan maturities and cheaper loan borrowing during the year.

6. Other Issues**IFRS 16**

The introduction of IFRS 16 in 2022/23 will mean bringing currently off balance sheet leased assets onto the balance sheet although the scoping exercise undertaken to date has shown the values should be problematic to existing limits.

ABBREVIATIONS USED IN THIS REPORT

This is an optional area which clients may wish to include in their report if they feel that members would appreciate having this list of abbreviations and definitions.

CE: Capital Economics - is the economics consultancy that provides Link Group, Treasury solutions, with independent economic forecasts, briefings and research.

CFR: capital financing requirement - the Authority's annual underlying borrowing need to finance capital expenditure and a measure of the Authority's total outstanding indebtedness.

CIPFA: Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

CPI: consumer price index – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

ECB: European Central Bank - the central bank for the Eurozone

EU: European Union

EZ: Eurozone -those countries in the EU which use the euro as their currency

Fed: the Federal Reserve System, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.

FOMC: the Federal Open Market Committee – this is the branch of the Federal Reserve Board which determines monetary policy in the USA by setting interest rates and determining quantitative easing policy. It is composed of 12 members--the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.

GDP: gross domestic product – a measure of the growth and total size of the economy.

G7: the group of seven countries that form an informal bloc of industrialised democracies--the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom--that meets annually to discuss issues such as global economic governance, international security, and energy policy.

Gilts: gilts are bonds issued by the UK Government to borrow money on the financial markets. Interest paid by the Government on gilts is called a coupon and is at a rate that is fixed for the duration until maturity of the gilt, (unless a gilt is index linked to inflation); while the coupon rate is fixed, the yields will change inversely to the price of gilts i.e. a rise in the price of a gilt will mean that its yield will fall.

HRA: housing revenue account.

IMF: International Monetary Fund - the lender of last resort for national governments which get into financial difficulties.

LIBID: the London Interbank Bid Rate is the rate bid by banks on deposits i.e., the rate at which a bank is willing to borrow from other banks. It is the "other end" of the LIBOR (an offered, hence "ask" rate, the rate at which a bank will lend).

MPC: the Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.

MRP: minimum revenue provision -a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).

PFI: Private Finance Initiative – capital expenditure financed by the private sector i.e. not by direct borrowing by a local authority.

PWLB: Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.

QE: quantitative easing – is an unconventional form of monetary policy where a central bank creates new money electronically to buy financial assets, such as government bonds, (but may also include corporate bonds). This process aims to stimulate economic growth through increased private sector spending in the economy and also aims to return inflation to target. These purchases increase the supply of liquidity to the economy; this policy is employed when lowering interest rates has failed to stimulate economic growth to an acceptable level and to lift inflation to target. Once QE has achieved its objectives of stimulating growth and inflation, QE will be reversed by selling the bonds the central bank had previously purchased, or by not replacing debt that it held which matures. The aim of this reversal is to ensure that inflation does not exceed its target once the economy recovers from a sustained period of depressed growth and inflation. Economic growth, and increases in inflation, may threaten to gather too much momentum if action is not taken to ‘cool’ the economy.

RPI: the Retail Price Index is a measure of inflation that measures the change in the cost of a representative sample of retail goods and services. It was the UK standard for measurement of inflation until the UK changed to using the EU standard measure of inflation – CPI. The main differences between RPI and CPI is in the way that housing costs are treated and that the former is an arithmetical mean whereas the latter is a geometric mean. RPI is often higher than CPI for these reasons.

TMSS: the annual treasury management strategy statement reports that all local authorities are required to submit for approval by the full Authority before the start of each financial year.

VRP: a voluntary revenue provision to repay debt, in the annual budget, which is additional to the annual MRP charge, (see above definition).

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Reference: AGW084/ng

Date issued: 3 August 2021

Dear Chris

South Wales Fire & Rescue Authority
Audit of Accounts 2020/2021
Notice of Certification of Completion of the Audit

I am pleased to be able to advise you that the audit of your Authority's accounts for the year ended 31 March 2021 has been completed. I have not had to issue a report in the public interest under Section 22 of the Public Audit (Wales) Act 2004.

May I draw your attention to:

- Regulation 13 of the Accounts and Audit (Wales) Regulations 2014, which requires the Authority to display on its website and in at least one conspicuous place in its area a notice stating that the audit has been concluded and that the statement of accounts is available for inspection by local government electors; and
- Regulation 27 of the Accounts and Audit (Wales) Regulations 2014, which require audited bodies to publish the annual audit letter as soon as is reasonably possible after it is received and to keep copies available for purchase by any person on payment of a reasonable sum.

Yours sincerely



Adrian Crompton
Auditor General for Wales

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Corporate Resilience Report – South Wales Fire and Rescue Authority

Audit year: 2020-21

Date issued: June 2021

Document reference: 2275A2021-22

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Summary report

Summary

What we reviewed and why

- 1 The Welsh Government's ambitions in the current National Framework for fire and rescue authorities (FRAs) calls for: 'sustained maximum effort in identifying and realising efficiencies, in maintaining high standards of governance, and in accounting transparently for delivery'. The **Fire and Rescue Service National Framework** describes what the Welsh Government expects of the FRAs and sets expectations for continuing improvement, efficiency and innovation.
- 2 For 2020-21, we undertook the review at each FRA in Wales to provide assurance on how well each Authority is addressing the financial and capacity challenges facing public bodies. The review enabled us to provide a commentary on how resilient and sustainable the Authority is. The review also considers the impact of COVID-19 and the risks for the recovery planning phase, providing assurance to the Authority on the risks it faces but also to the Welsh Government on the challenges facing the sector.
- 3 The review therefore establishes a baseline to evaluate the Authority against in how it ensures its medium-term resilience. Our review sought to answer the question: Is the FRA resilient and sustainable in the medium term?

What we found this time

- 4 Overall, we found that **the Authority is resilient but needs to take some important decisions to ensure services are sustainable in the future:**
 - finance – the authority has managed budgets well but some key risks need to be addressed to ensure they remain financially sustainable;
 - governance – the Authority has appropriate governance systems but scrutiny of decisions and holding officers to account does not always give sufficient assurance; that all big corporate risks are being addressed;
 - workforce – the Authority has a resilient workforce and has dealt well with immediate challenges, but there are some medium-term risks that need to be managed to ensure the service remains resilient;
 - assets – the Authority has good examples of how it is integrating and maximising assets but there are some long standing challenges that need to be addressed regarding collaboration on estates; and
 - business continuity – the Authority has well tested and exercised business continuity plans that have helped maintain its corporate and operational resilience in responding to the pandemic.

Proposals for improvement

Exhibit 1: proposals for improvement.

The table below sets out proposals for improvement that we identify in this review.

Proposals for improvement	
P1	<p>Improve capital spending budget control by:</p> <ul style="list-style-type: none"> • reviewing past capital programmes to identify why delivery has not been as effective as it could be; • agree actions to improve performance on delivery of the capital programme; and • monitor and evaluate performance to ensure capital monies are fully utilised.
P2	<p>To support resilience the Authority should:</p> <ul style="list-style-type: none"> • focus on identifying and developing skills it needs to deliver the services in the longer term, in particular for Greenbook non uniformed staff; • review station locations to identify opportunities to optimise emergency response arrangements; • evaluate the return on investment from engaging with key strategic partnerships; and • understand, agree and address barriers to further strategic collaboration with other emergency service partners.

Detailed report

South Wales Fire and Rescue Authority has demonstrated its short-term resilience but needs to take some important decisions to remain resilient in the future

The Authority manages budgets well, but some key risks to capacity need to be addressed to ensure it remains financially sustainable

Why is this important?

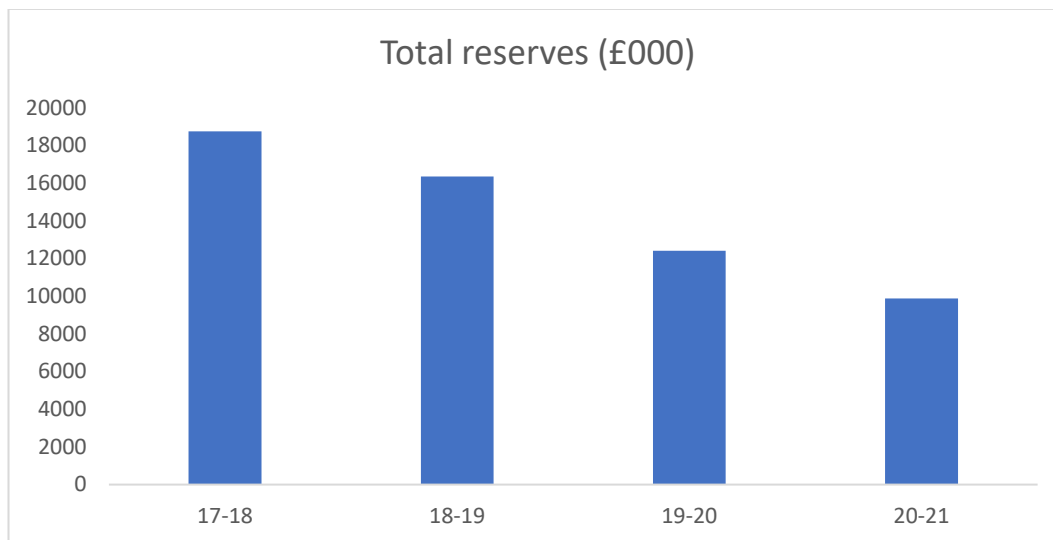
- 5 Determining financial resilience is not an exact science but what we do know is that organisations need a sound strategic approach to inform the decision-making. Findings from the 2019-20 Audit Wales review of financial sustainability in local government highlights weaknesses in medium-term financial planning.
- 6 In reaching our conclusions we found that:
 - South Wales Fire and Rescue Authority (the Authority) has satisfactory financial management systems and is working on improving a history of underspending capital budgets.
 - **Exhibit 2** shows the Authority performs well in managing expenditure within the budgets it sets.

Exhibit 2 – the Authority has increasingly accurate budget forecasts

Year	Budgeted Forecast (£000)	Outturn for year (£000)	% Underspend (-) / Overspend (+)
2017-18	70,206	70,544	0.51
2018-19	71,163	70,355	-1.10
2019-20	71,827	71,874	0.06
2020-21	74,880	74,792	-0.12

- total reserves held by the Authority have fallen by 47% from £18.7 million in 2017-18 to £9.8 million in 2019-20. Reserves as a proportion of budget stood at 13.1% at the time of our review.
- the majority of reserves are allocated for specific projects and work The Authority maintains general cash reserves at £3 million; 4% of net budget.

Exhibit 3 – total reserves have fallen by 47% in the last four years



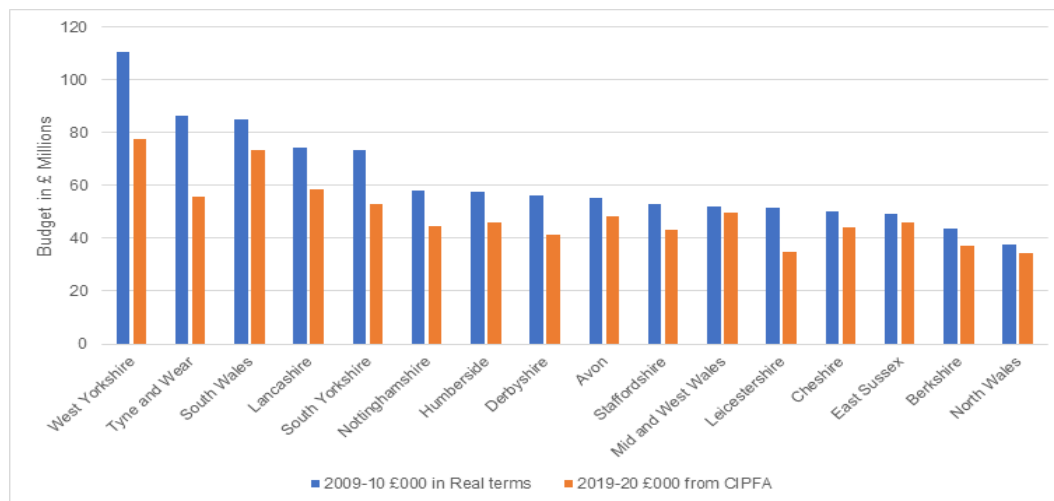
- in recent years the Authority has not spent all of its capital budget and there have been some large underspends. We recognise that some of the reasons for this is outside the Authority's control. Whilst this performance is improving, the authority needs to review current performance and identify opportunities to maximise the impact of its capital investment – **Exhibit 4**.

Exhibit 4 – capital programme underspends are significant

Year	Budgeted Forecast (£000)	Outturn for year (£000)	% underspend
2017-18	8,285	4,234	49%
2018-19	8,140	4,667	43%
2019-20	9,707	6,638	32%
2020-21	7,901	3,587	55%

- our analysis set out in **Exhibit 5** below shows that the Authority has seen its revenue budget increase by 7% in the last ten years. Our analysis shows that all FRAs have seen their budgets fall in real terms but proportionally Welsh FRAs have generally not experienced the same level of cuts when compared to their English counterparts. The FRAs compared are a mix of 2018-19 Chartered Institute of Public and Financial Accountants (CIPFA) family group and comparable urban FRAs.

Exhibit 5 – revenue increases compare favourably with other FRAs



- the Authority has updated its Medium Term Financial Strategy (MTFS) and annual plan. The three-year MTFS is based on a good assessment and understanding of the Authority's current operating environment including:
 - realistic pay, job evaluation, future levy contribution, and pension assumptions.
 - integrated treasury, cost of borrowing, reserves, income and inflation.
 - realistic costs of Brexit, climate change, Grenfell, and COVID-19 are included.
 - an integration of assumptions on budgeting, borrowing, reserves, and costs of Strategic Plan 2020-2030 activity.
 - COVID-19 and the pandemic have been a catalyst for change in financial planning and reform of governance arrangements.
- key areas of the organisation are regularly reviewed, and information fed into the MTFS to ensure finances reflect the changing organisational and operational environment. Corporate, area and functional risks are regularly scrutinised by the Finance, Asset and Performance Management Committee.
- for example, the scrutiny reviews in October 2020 of Fleet and Vehicles, information technology, MTFS assumptions, and the impact of the pandemic

on Revenue and Capital spending were all subject to review and oversight. Internal Audit have also been active in testing financial systems and testing cyber security.

- 7 However, we identified some risks to financial resilience. These include:
- whilst the Authority has a good track record in managing revenue funding, and will need to continue to it will need to carefully consider its financial position in light of longer term and uncertain financial challenges facing public services and plan for a range of scenarios for things like pension, succession planning, and estates.
 - the Authority has to manage some difficult capacity challenges. For example, the high number of strategies, policies and Strategic Plan actions means the Authority has a high and unsustainable number of priorities. We found eight strategic themes and 56 strategic actions in the Authority's Strategic Plan 2020-2030, and 10 corporate policies underpinned by 93 Operating Procedures (OP). Prioritising lots of actions and trying to do too much can result in the Authority losing focus on its most important issues and responsibilities. Corporate priorities are now currently under review.
 - the last emergency cover review in 2014 is now out of date and the Authority needs to update this work to ensure station locations and shift patterns are being optimised. In particular, the local risk profile may have changed due to the pandemic. This is important because of the large amount of learning and data available from the pandemic.
 - the costs of engaging with Public Services Boards, regional partnerships and the two Local Resilience Forums (LRFs) are becoming increasingly unsustainable. Senior managers estimate they spend a quarter of their time attending partnership meetings at a cost of £173,000 in staff time (Audit Wales calculation).

The Authority has appropriate governance systems but scrutiny of decisions and holding officers to account does not always give sufficient assurance that all big corporate risks are being addressed

Why is this important?

- 8 Creating an effective organisation and the right culture is also only possible with strong leadership, accountability and an effective governance structure. A resilient public body is also one that embraces open dialogue and uses its scrutiny function to focus on challenging officers to help achieve the organisation's desired outcome.
- 9 In reaching our conclusions we found that:
- South Wales Fire and Rescue Authority (the Authority) has maintained corporate resilience and sustained response services although it has more to do to deal with some long-standing cultural issues exposed by the pandemic. For example, in maximising the impact of formal scrutiny mechanisms.
 - the Authority is improving decision making on financial and workforce matters and aims to take action to deal with the weaknesses in scrutiny arrangements. Scrutiny arrangements have been recently reviewed and an options appraisal was presented to Members in September 2020. As a result, the latest Fire Authority report on improving scrutiny highlights new terms of reference and co-opting independent non-voting members to the Scrutiny committee where specialist skills are required.
 - the pandemic has not stopped the Authority from scrutinising and Governance and decision-making policies updated in September 2020.
 - the Authority has maintained its committee meeting timetable and held its Annual General Meeting (AGM) virtually by video conference in June. During the lockdown and response phases of the pandemic, Members received weekly updates from senior managers.
 - the FRA promotes the principles of good corporate governance through member training, commissioning policies, staff and Members involved in developing corporate values, and annual policy updates. Examples of the Authority demonstrating the principles and values of good corporate governance include the way in which pay negotiations involved staff representative bodies, and the project plan for completion of the Job Evaluation for green book non-uniformed staff, its ethical investments that support local firms, additional assurances on construction suppliers.
 - we have seen a step change in the clarity and quality of committee reports. Reports considered by the Finance, Audit & Performance Management Committee from September onwards are clearly written, data rich, and strategic in content.

- COVID-19 has accelerated change and improvement in delegated decision making, technology and agile working, remote committee meetings, and internal collaboration.
- the Authority uses relevant and reliable data and information about its resources to support decision making and manage finances including:
 - data rich committee papers supported by Member training on data analytics.
 - more accurate functional and response services cost data.
 - localised council performance data.
 - forward looking with further work on the Future Trends data.
 - data rich Health, Safety and Wellbeing Annual Reports.
 - dedicated HR and Equalities committee and monthly workforce wellbeing reporting during lockdowns.
 - weekly members updates which include workforce data.
- the Authority uses its Business Management Information System (BMIS) to good effect and is integrating financial data, risks, workforce planning, Incident Recording System (IRS) data, and performance data to give a clear and instant picture of performance. The Authority has demonstrated its BMIS system to other Fire and Rescue Authorities across the UK and this has been a catalyst for improvement for others. BMIS has also been developed throughout the pandemic to provide officers with real time data to make informed business critical decisions. This included the creation of a critical incident team dashboard that was showcased by Audit Wales in their recent Covid learning events.

10 However, risks to corporate resilience include:

- despite the quality and quantity of committee reports and papers, coupled with training and support, the formal internal scrutiny of decisions by Members is not always as effective as it could be. We found few examples where scrutiny was adding value to decisions or operational performance. For example, in discussing and challenging performance information at the meeting of the Finance, Audit and Performance Management (FAPM) Meeting on 28 January 2019 and 15 March 2021. Whilst we can see a general improvement in discussion and questioning by Members, our review of all Fire Authority and FAPM online meetings found similar shortcomings.
- despite having a generally sound MTFs the accuracy of forecasting data is affected by the annual cycle of levy from local authorities. In addition, the annual community safety grant settlements from the Welsh Government mean budget forecasting has to be based on best estimates. This is outside of the control of the Authority.

The Authority has a resilient workforce and has dealt well with immediate challenges, but there are some risks that need to be managed to ensure the service remains resilient

Why is this important?

- 11 At the heart of a resilient organisation is a resilient workforce, building effective teams that are made up of highly motivated staff who can adapt to changing circumstances. Characteristics of a resilient workforce include passionate, energetic staff with high levels of morale and low staff turnover. Access to effective training opportunities, career progression and fair pay can also help create a more resilient workforce. Planning and shaping the workforce to meet current and future demands are also important to build and maintain resilience.
- 12 Chapter 6 of the **Fire and Rescue Service National Framework 2016** states: 'Fire and Rescue Authorities must ensure their workforce is able to continue to diversify to respond to organisational change...and ensure that strategic, improvement and operational plans take full account of the workforce's capability to deliver them.'
- 13 In reaching our conclusions we found that:
- the Authority can effectively plan, organise and develop its workforce to deliver its responsibilities. The Authority's People Strategy 2020-30 is well linked to other corporate plans and the Medium Term Financial Strategy.
 - our interviews and the Authority's staff surveys found a strong 'can do' culture of problem solving and clear set of organisational values that are now mainstreamed into the day-to-day work of the Authority.
 - organisational capacity has been boosted with effective staff wellbeing arrangements and effective occupational health activity. Staff surveys show positive attitudes to change and workforce job satisfaction at 87%, which is the highest ever recorded.
 - our interviews and document reviews found a strong focus on health, safety and wellbeing and well considered policies. For example, the Authority has dedicated support from a Cardiff University Hospital psychologist and psychiatric team. The occupational health service now has trained and qualified mental health professionals giving support.
 - the Authority has retained its Investors in People (IiP) accreditation and have also achieved a new award focusing on staff wellbeing. The Authority has received a Gold People Award and a Silver Wellbeing Award which highlighted the supportive culture and focus on staff wellbeing. The People Award specifically highlights progress with workforce planning.
 - job evaluation of support and green book (non-operational) staff is nearing completion. Only four appeals were received by the Authority and job evaluation caused minimal disruption and was well planned.

- staff unanimously told us internal communication is good. Communications have been tailored to each function and the Authority makes good use of video and social media communications both internally and externally.
- the Authority is boosting capacity in key areas such as workforce data analysis, staff training, volunteering, ICT support, and occupational health. A new remote Employee Assistance programme has been commissioned and senior managers are bringing new ideas and added vitality.
- recruitment processes have coped well and not been adversely affected by the pandemic. All advertised posts have been filled. Over 80% of recruitment exercises have been held virtually rather than being delayed or cancelled. Internal appointments for watch and station managers have worked well with the 'live' assessments and exercises carried out in COVID-19 secure and social distanced locations.
- the latest data for 2020-21 shows a big reduction in sickness absence by 9.5% with the number of Shifts/Days Lost reducing to 16,811 which is a reduction of 12.1% on data from 2019-20. On-call firefighter and station availability was the highest ever recorded at 98% availability in the summer of 2020 and for the whole year 2020-21 was 90.6%.
- the Authority's volunteering schemes are a clear success. The Authority has help from volunteers in a variety of roles to support community safety initiatives and support events, and to help with Safe and Well visits. The increasing number of volunteers also have a more diverse mix and more closely represent the communities the Authority serves.

14 However, risks to corporate resilience include:

- the Authority's workforce is resilient enough to respond to periods of significant change but could do more to ensure smooth succession planning due to changes in pension regulations and guidance. Retirement and skills profiles are regularly reviewed, both departmentally and organisationally. but different scenarios should be profiled and longer notice periods for staff agreed.
- ensuring the long-term resilience of the on-call retained duty system. Fifteen years ago, the Authority changed the way it pays its on-call firefighters by moving away from a 'pay as you go' system to an annual salary. However, our interviews found agreement amongst senior managers and front line staff that the on-call duty system needs overhauling and change. In addition, the diversification of roles in line with the next iteration of the FRS National Framework and current Welsh Government thinking will equally have an impact on the workforce.
- senior managers recognise there is more to do to work with partners to understand the social and economic impact on all communities from COVID-19. This may have far reaching consequences in terms of latent mental health issues and impact on poverty. To help with this thinking, the Authority is updating its Future Trends report which will consider future scenarios.

The Authority has good examples of how it is integrating and maximising assets but there are some long standing challenges of collaboration on estates

Why is this important?

- 15 After employee costs, the largest cost to fire and rescue authorities is what they spend on their buildings and vehicles. Good asset management is therefore critical to a Fire and Rescue Authority being able to demonstrate resilience and that it is providing value for money from this valuable resource. Good asset management can ensure that buildings fully support services that are delivered from them.
- 16 In reaching our conclusions we found that:
- the pandemic has helped to accelerate better use of digital and Information Communications Technology (ICT) assets and capabilities and that lockdown has accelerated digital service delivery. Despite some initial teething problems, senior managers we spoke to think ICT has been moved on by 5 years. Improvements include a step change in the quality of the Authority's website and access to community safety information, new phones and laptops, video conferencing facilities in each fire station and agile working arrangements for appropriate staff.
 - the Authority is making clear progress on environmental management including:
 - a new and much improved Environmental Strategy 2020-30 linked to the Strategic Plan and MTFs which benefited from the involvement of staff and external experts.
 - more accurate environmental baseline data including energy and water use.
 - installation of high-quality building management systems across all sites, to record and monitor gas, water and electricity consumption.
 - all buildings now have some form of intelligent energy controls of lights, air conditioning, and heating.
 - procurement arrangements include the requirement to buy only recyclable and reusable equipment.
 - installation of 12 electric vehicle charging points and new infrastructure ready for the new dual fuel white vehicle and fire appliance fleet by 2030.
 - as a result, the Authority can demonstrate it met all environmental targets in 2020-21.
 - the Authority has ambitious plans to share more of its buildings and open more to public use. Sharing assets is a key consideration of the maintenance and building options appraisal. The Authority is sharing 12 fire

stations and its fire control building. The Authority plans to extend this to two other stations in 2021-22.

17 However, risks to corporate resilience include:

- increasing the number of fire stations with shared facilities and sharing other assets still has some way to go. Our review of emergency partners' asset management plans and our Authority interviews highlight some frustration with lack of reciprocity on estates with emergency services partners and local councils. Different levels of commitment from partners is impacting on delivery of the Authority's estates plans.
- the Authority recognises it can do more to tighten up some aspects of its ICT services, in particular to tailor staff and Member ICT training, and update its ICT Disaster Recovery plan. We were told about the need to give additional support to watch managers recently promoted to station managers due to the level of ICT skills needed.
- taking stock of and evaluating the impact of introducing agile working very quickly. For instance, whilst all fire stations have large screen video conferencing facilities, and staff have smart phones and laptops, there is more to do on ensuring these are fully used. Whilst this is a much-needed cultural change, more work is planned to ensure all staff have more suitable ergonomic friendly chairs and equipment.

The Authority has well-tested business continuity plans that helped maintain its corporate and operational resilience in responding to the pandemic

Why is this important?

- 18 Fire and Rescue Services are required to have appropriate business continuity arrangements in place, so that a required level of response can be maintained at all times.
- 19 The main principles of business continuity are to identify critical activities and any threats to them, developing a plan which sets out how the Authority will maintain services, and to train staff and exercise plans, so the Authority can be confident planning arrangements will work. Effective business continuity should be embedded into organisations so that its application becomes second nature to staff
- 20 In reaching our conclusions we found that:
- the Authority has effective business continuity plans in place that have been well tested during the pandemic and now better support corporate as well as operational resilience.
 - statutory services have been maintained and response services have not been affected by the pandemic. Most significantly the public should not have experienced any significant difference in service when phoning 999 for help.

- virtual fire prevention and protection work have continued and the Authority has managed its referrals and its inspection programme for high-risk premises. Face-to-face visits resumed in August 2020.
- business continuity plans are well linked to the Authority's annual functional plans: Strategic Plan 2020-2030, Corporate Risk Register, People Strategy, Asset Management Framework, Environmental and Carbon Reduction Plan, and the MTFs.
- other aspects of business continuity planning that worked well include:
 - adapting the tried and tested UK FRS response and recovery Cell structures and Critical Incident Team processes.
 - previous business continuity plans were overly focused on operational resilience, and have now been updated to include all functions and corporate services.
 - well-tested business continuity plans have held the Authority in good stead to deal with the pandemic. They took the opportunity during quieter periods of demand during lockdown to conduct exercises in high-risk locations across South Wales such as the airport, universities, and Barry incinerator.
 - staff wellbeing is now mainstreamed into Business Continuity Planning.
- the Authority has maintained a strong focus on community resilience during lockdowns. Remote home-safety checks and tailored business support have generally worked well based on feedback mechanisms and survey data. The Authority has updated fire prevention advice on its new website including carbon monoxide safety and domestic violence. An excellent range of home education resources have supported teachers and students working from home.

21 However, risks to corporate resilience include:

- the Authority recognises it has more to do to reduce the numbers of false alarms which now account for 43% of all response activity. Numbers doubled during lockdown in the first two quarters of 2020-21. However, overall for the year the numbers compare more favourably. For 2019-20 there were 4,494 Automatic Fire Alarms compared to 4,440 in 2020-21 is a reduction of 1.2%. This still represents 43% of all fire and rescue service activity.
- we also found opportunity to involve younger people in developing fire and road safety guidance for young adults.

Appendices

Appendix 1 – Methodology

We asked:

- does the FRA have robust and effective financial management systems?
- does the FRA have suitable governance and scrutiny arrangements to ensure effective decision making on financial and workforce matters?
- is the FRA workforce resilient to respond to periods of significant change both now and in the future?
- does the FRA manage its technology and assets economically, efficiently and effectively to ensure they remain sustainable in the longer term?
- does the FRA have effective business continuity plans in place that have been tested and support corporate resilience and help create sustainable services?

We undertook the review during November 2020. What we did:

- consolidated our cumulative audit knowledge and experience;
- reviewed committee papers from the last 12 months, and data and key documents;
- carried out reviews of the Authority and Services combined website;
- interviewed 53 members of staff including focus groups with front line staff, Members, Senior Management Team and the Workforce Planning team;
- kept in regular contact with our financial audit staff and the Chief Fire and Rescue Advisor for Wales;
- carried out horizon scanning to identify best practice in the UK including interviews with Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services, North Yorkshire Fire and Rescue Service, Bedfordshire Fire and Rescue Authority, and London Fire Brigade; and
- gave verbal feedback to the Chief Fire Officer and Deputy Chief Fire Officer at the end of fieldwork.

Our 2018-19 and 2019-20 Well-being of Future Generations audit work found examples of collaboration and engagement and also identified areas where the Authority needs to strengthen its work. It was clear that all three Fire and Rescue Authorities are facing significant corporate challenges. What we said last time relating to corporate resilience:

- Well-being of Future Generations Pilot Work May 2018: South Wales Fire and Rescue Authority have demonstrated a strong commitment to collaborate with partners. However, there is a particular challenge for the Authority in considering how they respond strategically to nine Public Services Boards.
- collaboration on safe and well visits and deliberate fire setting report April 2019: The Authority has positive examples of how it has taken account of the Sustainable Development Principle when taking steps to meet objectives, but further work is required to widen and mainstream how it is delivering the five ways of working.
- review of involvement May 2020: Overall, we conclude that the Authority has a generally good approach to involvement with partners and communities but needs to improve its impact by evaluating current approaches to strengthen future activity.



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

THIS REPORT IS NOT EXEMPT AND IN THE PUBLIC DOMAIN

SOUTH WALES FIRE & RESCUE AUTHORITY

AGENDA ITEM NO 12
20 SEPTEMBER 2021

FINANCE AUDIT & PERFORMANCE MANAGEMENT COMMITTEE

REPORT OF THE ACO CORPORATE SERVICES

INTERNAL AUDIT REPORT

THIS REPORT IS FOR INFORMATION ONLY

REPORT PRESENTED BY TEMP HEAD OF FINANCE, PROCUREMENT & PROPERTY

SUMMARY

This report updates Members upon progress being made against the Internal Audit Plan 2021/2022.

RECOMMENDATIONS

Members are asked to note Internal Audit recommendations and work completed to date on the Internal Audit Annual Plan 2021/2022.

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 2021/2022, which was approved by the FAPM Committee on 15 March, 2021.
- 1.2 As previously agreed, all audit reports with an assurance level of limited or no assure will be provided in full. Recommendations only will be provided for reports with an assurance level of substantial or reasonable.

2. ISSUES

- 2.1 The areas of internal audit reviews within the Annual Plan were completed with 2 final report being issued:-
 - **Payment Cards**
 - **Performance Management**

The Summary Internal Audit Progress Report written by TIAA limited is attached as Appendix 2.

2.2 Payment Cards

2.2.1 The review considered the arrangements for authorising and paying costs incurred by the organisation through payment cards.

2.2.2 The Authority has effective controls in place for authorising and paying costs incurred by the organisation through payment cards.

2.2.3 The Purchasing Card Policy has been identified by the Authority as needing a review and a number of priority 3 recommendations, 3 routine and 1 operational, have been raised to support the policy review.

2.3 Performance Management

2.3.1 The review considered the arrangements for providing assurance to the Fire Authority and senior management through the use of Key Performance Indicators and the systems that are used to track and manage the attainment of these targets.

2.3.2 Performance Management arrangements are well established and reflect best practice.

2.3.3 Performance measures are linked to business planning and risk management arrangements.

2.3.4 The process is embedded into governance arrangements with clear reporting routes in place.

3. IMPLICATIONS

3.1 Community and Environment

Equality, Diversity and Inclusion	No
Welsh Language	No
Wellbeing of Future Generations (Wales) Act 2015	No
Socio Economic Duty	No
Sustainability/Environment/Carbon Reduction	No
Safeguarding	No
Consultation and Communications	No
Consultation with Representative Bodies	No
Impact Assessment	No

3.2 Regulatory, Strategy and Policy

Legal	No	Data Protection / Privacy	No
Financial	Yes	Health, Safety and Wellbeing	No
Procurement	Yes	Governance & Audit	Yes
Corporate Risk	No	Service Policy	No
Information Management	No	National Policy	No

3.3 Resources, Assets and Delivery

Human Resource and People Development	No
Assets and Resources (Property/Fleet/ICT/Equipment)	No
Service Delivery	No
Procurement	Yes
Budget Revenue/Capital	No

4. EVALUATION & CONCLUSIONS

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

5. RECOMMENDATIONS

- 5.1 Members are asked to note the Internal Audit recommendations and work completed to date on the Internal Audit Annual Plan 2021/2022.

Contact Officer:	ACO Geraint Thomas
Background Papers	Appendix 1 – Summary report ‘Payment Cards’ Appendix 2 – Summary report ‘Performance Management’ Appendix 3 – SICA report

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Internal Audit

FINAL

South Wales Fire and Rescue Service

Assurance Review of Payment Cards

2021/22

August 2021

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

No specific risk identified in the risk register.

SCOPE

The review considered the arrangements for authorising and paying costs incurred by the organisation through payment cards. The scope did not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed.

KEY STRATEGIC FINDINGS



The Authority has effective controls in place for authorising and paying costs incurred by the organisation through payment cards.



The Purchasing Card Policy has been identified by the Authority as needing a review and a number of priority 3 recommendations have been raised to support the policy review.

GOOD PRACTICE IDENTIFIED



The Authority have introduced the use of Pinsentry card readers for online transactions which is a secure way to verify identity when logging in to Online Banking.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	3	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	During discussions with the Acting Head of Finance, it was confirmed that a complete review of the Purchasing Card Policy is expected to be carried during the Summer 2021.	The new Purchasing Card Policy be approved by the Treasurer before being rolled out for use.	3	<i>Research is required to draft an initial policy which we will then take through various stages of scrutiny before implementation.</i>	1 April 2022	Temp Head of FP&P
2	Directed	A review of the most up to date list of Cardholders and limits found that the authorised limits are much higher than those outlined in the Purchasing Card Policy.	The Cardholder limits be updated within the Purchasing Cardholder Policy when it is reviewed to reflect the current arrangements.	3	<i>Agreed, limits were increased as a temporary measure due to COVID-19 pandemic and these need to be reviewed and brought back to 'normal levels'. Research into acceptable limits for staff segments will determine where these will final settle. The review will also take a fresh look at which segments of staff should have access to a credit card.</i>	31 August 2021 1 April 2022 1 April 2022	Temp Senior Accountant Temp Head of FP&P Temp Head of FP&P

PRIORITY GRADINGS

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

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

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	It was noted during discussions that for online purchases, Cardholders are now required to use a Pinsentry card reader to enter their PIN number before the transaction will go through.	The requirement to use a Pinsentry card reader be included within the Purchasing Card Policy when the policy undergoes a review.	3	Agreed.	1 April 2022	Temp Senior Accountant

PRIORITY GRADINGS

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

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

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Delivery	Cardholders are entitled to use their Barclaycard to purchase subsistence, including food. This is also able to be claimed via the expenses processes through payroll. Claims for subsistence and all transactions must be approved by the individuals Line Manager and therefore the risk of a duplicate claim is reduced.	Consideration be given to completing a random dip sample check on the two processes to further strengthen the controls in place and reducing the risk of a duplicate claim.	<i>Agreed. It's not practical to check / cross reference every transaction in both areas although a sample each month is feasible. The Senior Accountant and Accountancy Assistant will draft a process on how this will be undertaken i.e. 10 samples or 10% of transactions, until we have a full and complete Purchasing Card policy in place.</i>

ADVISORY NOTE

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

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South Wales Fire and Rescue Service

Assurance Review of Performance Management

2021/22

August 2021

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

No risk directly related to the system reviewed risk included on the Strategic Risk Register.

KEY STRATEGIC FINDINGS

- Performance Management arrangements are well established and reflect best practice.
- Performance measures are linked to business planning and risk management arrangements.
- The process is embedded into governance arrangements with clear reporting routes in place.

GOOD PRACTICE IDENTIFIED

- Extensive stakeholder consultation is undertaken annually as part of the process of setting annual objectives.
- The organisation has an established and comprehensive system in place which enables an automated process for populating performance reports.

SCOPE

The review considered the arrangements for providing assurance to the Fire Authority and senior management through the use of Key Performance Indicators and the systems that are used to track and manage the attainment of these targets. The scope of the review did not include consideration of the accuracy or completeness of all reports presented to the committees/groups or the appropriateness of all decisions taken.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	1

Assurance - Key Findings and Management Action Plan (MAP)

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

PRIORITY GRADINGS

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

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

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

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	Although, as detailed within this report, South Wales Fire and Rescue Service's arrangements for performance management are robust and supported by a comprehensive business management information system (BMIS) and pre-determined timetables for reporting to governance fora, as best practice the Service should consider documenting its arrangements in an overarching Performance Management Framework to ensure transparency in formally setting out the organisation's approach to managing performance.	Consideration be given to establishing an approved Performance Management Framework.	<p><i>The Planning, Performance and Risk team have started to collate the information required to begin drafting a Performance Management Framework for our Organisation. A member of the team will create the first draft, which will then be subject to wider discussion and further amending as deemed necessary.</i></p> <p><i>The framework, when finalised, can then be escalated in order for the required formal approval to be obtained.</i></p>

ADVISORY NOTE

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

South Wales Fire and Rescue Service

Summary Internal Controls Assurance (SICA) Report

2021/22

August 2021

Summary Internal Controls Assurance

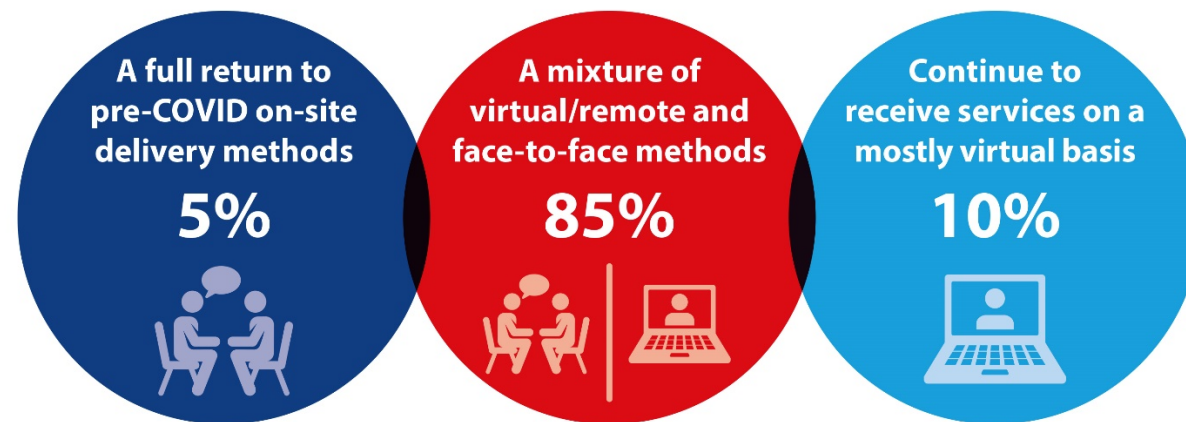
Introduction

1. This summary controls assurance report provides the Finance Audit and Performance Management (FAPM) Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at South Wales Fire and Rescue Service as 20th August 2021.

Emerging Governance, Risk and Internal Control Related Issues`

2. With the easing of restrictions come the decisions by many businesses as to how they are going to operate in a post-lockdown world. There is a balance between the creativity and collaboration that arises from being in the same workplace and the benefits that arise from remote working and embracing of technology. Our approach is largely driven by how our clients are going to operate so we decided to ask their thoughts as part of our annual client survey. The majority of respondents said that they would prefer a mixture of virtual/remote and face-to-face provision of assurance services in the future. This is largely what we expected, although we recognise that is likely to vary between sectors.

How our clients would like their organisation's assurance services provided



3. Whichever model is adopted, we will continue to consider the impact on Governance, Risk and Internal Control of any changes to working practices.

Audits completed since the last SICA report to the Finance Audit and Performance Management Committee

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

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Payment Cards	Substantial	13/07/2021	04/08/2021	06/08/2021	-	-	3	1
Performance Management	Substantial	28/07/2021	16/08/2021	17/08/2021	-	-	-	1

5. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2021/22 Annual Plan

6. Our progress against the Annual Plan for 2021/22 is set out in Appendix B.

Changes to the Annual Plan 2021/22

7. There is to be one change to the Annual Plan 2021/22 with a review of the Service’s Brexit response replaced by a Death in Service process review.

Progress in actioning priority 1

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

Root Cause Indicators

9. The Root Cause Indicators (RCI) have been developed by TIAA to provide a strategic rolling direction of travel governance, risk and control assessment for South Wales Fire and Rescue Service. Each recommendation made is analysed to establish the underlying cause of the issue giving rise to the recommendation (RCI). The analysis needs to be considered over a sustained period, rather than on an individual quarter basis. Percentages, rather than actual number of reviews/recommendations made permits more effective identification of the direction of travel. A downward arrow signifies a positive reduction in risk in relation to the specific RCI.

RCI – Direction of Travel Assessment

Root Cause Indicator	Qtr 1 (2021/22)	Qtr 2 (2021/22)	Qtr 3 (2021/22)	Qtr 4 (2021/22)	Medium term Direction of Travel	Audit Observation
Directed						
Governance Framework	0	100% (3)	-	-	↑	
Risk Mitigation	0	-	-	-	↔	
Control Compliance	0	-	-	-	↔	

Root Cause Indicator	Qtr 1 (2021/22)	Qtr 2 (2021/22)	Qtr 3 (2021/22)	Qtr 4 (2021/22)	Medium term Direction of Travel	Audit Observation
Delivery						
Performance Monitoring	0	-	-	-	↔	
Financial Constraint	0	-	-	-	↔	
Resilience	0	-	-	-	↔	

Frauds/Irregularities

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

Other Matters

11. We have issued a number of briefing notes and fraud digests, shown in Appendix D, since the previous SICA report.

Briefing Note
Cyber Device Security Guidance
Public Procurement Update July 2021
NCSC Device Security guidance
Fraud Alert
No Fraud Alerts were issued in the period.

Responsibility/Disclaimer

12. 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.

Executive Summaries and Management Action Plans

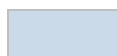
The following Executive Summaries and Management Action Plans are included within the Finance, Audit and Performance Management Committee papers. Full copies of the reports are available on request. Where a review is a 'Limited' or 'No' Assurance assessment the full report will be presented.

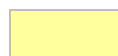
Review	Evaluation
Payment Cards	Substantial
Performance Management	Substantial


Progress against Annual Plan

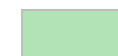
System	Planned Quarter	Current Status	Comments
Strategic Planning	1	Draft Report issued 28/06/2021	
Safeguarding	1	Draft Report issued 04/08/2021	
Payment Cards	1	Final Report issued 06/08/2021	
Performance Management	2	Final Report commenced 17/08/2021	
Core HR	2	Fieldwork commenced 04/08/2021	
ICT Cyber Security	2	Fieldwork to commence 23/08/2021	Moved from Q2 to Q3
Mitigating Controls	3	Fieldwork to commence 13/12/2021	
Key Financial Controls	3	Fieldwork to commence 08/11/2021	
Equality and Diversity	4	Fieldwork to commence 10/01/2021	
Station Visits	4	Fieldwork to commence 10/01/2021	
Brexit	4	Fieldwork to commence 17/01/2021	To be deferred to 2021/22
Follow-up	4	Fieldwork to commence 04/01/2021	
Death in Service	4	TBC	Replaces Brexit review
Annual Planning	1	Annual Plan issued as final 19/03/2021	
Annual Report	4		
Audit Management	1-4		

KEY:

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued



Priority 1 Progress update


No Priority 1 recommendations have been made in 2021/22 to date.

Briefings on developments in Governance, Risk and Control

TIAA produces 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 and Fraud Alerts issued in the last three months which may be of relevance to South Wales Fire and Rescue Service is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

Date Issued	CBN Ref	Sector	Subject	Status	TIAA Comments
05/08/2021	CBN21024	All	Cyber Device Security Guidance		<p>No Action Required</p> <p>The National Cyber Security Centre (NCSC) has released guidance for organisation on how to choose, configure and use devices securely.</p> <ul style="list-style-type: none"> • The Device Guides answer key questions such as: <ul style="list-style-type: none"> • Which devices to buy? • How should devices be configured? And, • What security software should be loaded onto them? <p>Device Security Guidance</p>
05/08/2021	CBN21023	Local Gov	Public Procurement Update July 2021		<p>No Action Required</p> <p>The Cabinet Office has issued a new procurement policy note (07/21) providing consolidated guidance to remind public bodies of the requirements of the Public Contracts Regulations 2015 (PCRs 2015) to publish information about opportunities and awards over certain low value thresholds on Contracts Finder.</p> <p>Procurement Policy Note 07/21: update on legal and policy requirements to publish procurement information</p>

Date Issued	CBN Ref	Sector	Subject	Status	TIAA Comments
09/07/2021	CBN21022	All	NCSC Device Security guidance		<p>Action Required</p> <p>With so much connectivity in our lives; from mobile computing, smart homes, and Wi-Fi, we often take it for granted that if the device is working then it must be ok, and don't consider the potential cyber security implications. The pandemic forced a rapid uptake of remote working, sometimes using employee-owned IT equipment, which may introduce additional threats. The National Cyber Security Centre (NCSC) has published guidance aimed at larger organisations, public sector, and Cyber Security professionals. It provides good practices for 'Device Security' from selection and procurement, right through to device & infrastructure management and End User Device security.</p> <p>Key Points</p> <ul style="list-style-type: none"> • Selection of equipment needs to consider longevity for provision of security updates and patching for the entire expected life of the device. • 'Out of the box' does not mean secured, and local policies and hardening of devices is required. • Ongoing management and maintenance of security is required, not just deploy and forget. • Additional security measures must be utilised to protect your systems from devices which are non-managed i.e. employee owned or "Bring your own device". • Mobile Device Management is essential if the device is connected to your networked systems and data. <p>https://www.ncsc.gov.uk/collection/device-security-guidance</p>

Summary of recent Fraud Alerts

No Fraud Alerts were issued in the period.

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**FORWARD WORK PROGRAMME FOR
FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE 2021/22**

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	On agenda
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	DCO 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	
26 July 2021	Revenue Outturn	To advise on total revenue expenditure for the year against the set revenue budget following the year end and to explain variations and impact on reserves	Treasurer Contact Officer: Geraint Thomas	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
26 July 2021	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 Contact Officer: Geraint Thomas	Completed
26 July 2021	Audit Wales Audit Plan 2021	To advise Members of the work set out by Audit Wales to be undertaken during 2021	DCO Contact Officer: Geraint Thomas	Completed
26 July 2021	Audited Statement of Accounts	To advise Members of the content of the Audited Statement of Accounts	Treasurer Contact Officer: Geraint Thomas	Completed
26 July 2021	Audit Accounts report (ISA 260 Report)	To advise Members of the content of the Auditor Generals ISA 260 report including the final letter of representation, proposed audit opinion and corrections/recommendations	Treasurer Contact Officer: Geraint Thomas	Completed
26 July 2021	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer Contact Officer: Lisa Mullan	
26 July 2021	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer Contact Officer: Lisa Mullan	
20 Sept 2021	Health Check of Priority Actions and Q1 progress against the Statutory PI's	To scrutinise progress of the Services Priority Actions and statutory PI's as at the end of Q1	DCO Contact Officer: Sarah Watkins	On agenda

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
20 Sept 2021	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer Contact Officer: Lisa Mullan	On agenda
20 Sept 2021	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer Contact Officer: Lisa Mullan	On agenda
20 Sept 2021	Treasury Management Outturn Report	To advise on performance against the treasury management policy and strategy following financial year end	Treasurer Contact Officer: Lisa Mullan	On agenda
20 Sept 2021	Medium Term Financial Strategy Update, Reserves Strategy and Revenue & Capital Budget Setting Report	To update Members on the MTFS to inform and influence the budget setting process to meet the Service's requirements for the following financial year	Treasurer Contact Officer: Geraint Thomas	On agenda
20 Sept 2021	Audit Wales Final Audit Letter	To advise on conclusion of financial audit	Treasurer Contact Officer: Geraint Thomas	On agenda
13 Dec 2021	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer Contact Officer: Lisa Mullan	
13 Dec 2021	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer Contact Officer: Lisa Mullan	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
13 Dec 2021	Revenue & Capital Budget Setting Update Report	To assist in determining the appropriate revenue & capital budget required to meet the Service's requirements for the financial year	Treasurer Contact Officer: Geraint Thomas	
13 Dec 2021	Audit & Plan Scheme Updates	To seek Members' views upon the progress of Audit & Plan Scheme Actions	DCO Contact Officer: Sarah Watkins	
13 Dec 2021	Treasury Management Interim Report	To update Members on treasury management activity during the year to date	Treasurer Contact Officer: Lisa Mullan	
13 Dec 2021	Annual Audit Plan Financial Audits	To advise Members of the proposed timetable for financial audits in the forthcoming audit year	Treasurer Contact Officer: Lisa Mullan	
7 March 2022	Treasury Management Strategy Report	To secure Members' approval to the adoption of the Treasury Management Strategy for the following financial year	Treasurer Contact Officer: Lisa Mullan	
7 March 2022	Health Check of Priority Actions and Q3 progress against the Statutory PI's	To scrutinise progress of the Services Priority Actions and statutory PI's as at the end of Q3	DCO Contact Officer: Sarah Watkins	
7 March 2022	Draft Annual Report of the Work of the FAPM Committee and the Discharge of the Terms of Reference of the	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	Chair of FAPM & DCO Contact Officer:	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
	Finance, Asset & Performance Management Scrutiny Group	of resources and robust procedures in place to ensure and manage this	Sarah Watkins	
7 March 2022	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer Contact Officer: Lisa Mullan	
7 March 2022	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer Contact Officer: Lisa Mullan	
7 March 2022	Internal Audit Programme	To outline the planned internal audit coverage for the financial year and to seek comment and approval	DCO Contact Officer: Geraint Thomas	
7 March 2022	Internal Audit Annual Report	To provide an opinion on the adequacy and effectiveness of risk management, control and governance processes based on the internal audit work undertaken during the financial year. This will support the statement of internal control.	DCO Contact Officer: Geraint Thomas	
7 March 2022	Corporate Departmental Risk Register	To seek Members' views upon the Corporate Departmental Risk Register	DCO	

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
			Contact Officer: Sarah Watkins	
7 March 2022	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: Sarah Watkins	

Sally Chapman - DCO
Dewi Rose - ACFO Service Delivery
Sarah Watkins - Head of Corporate Support

Chris Barton - Treasurer
Geraint Thomas - Head of Finance & Procurement
Lisa Mullan – Senior Accountant

AGENDA ITEM NO 14

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

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1. Apologies for Absence
2. Declarations of Interest

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

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

- Finance Audit & Performance Management Meeting held on Monday 26 July 2021 3

Reports for Decision

5. Revenue Monitoring Report 2021/22 9
6. Capital Monitoring Report 2021/22 25
7. Medium Term Financial Strategy 2021/22 – 2026/27 33

Reports for Information

8. Health Check of Priority Actions and Q1 progress against the Statutory PI's. 59
9. 2020/21 Annual Treasury Management Review 109
10. Audit Wales Final Audit Letter 119
11. Corporate Resilience Report – South Wales Fire & Rescue Authority 121
12. Internal Audit Report 139
13. Forward Work Programme 163
14. To consider any items of business that the Chairperson deems urgent (Part 1 or 2) 169