

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, 15 March 2021 at 1030 hours

VENUE: To be held on Star leaf, access code: 4171766528

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 23 November 2020 5
 - Finance, Asset & Performance Management Scrutiny Group held on 12 October 2020 9
5. Treasury Management Strategy 2021/22 17

6.	Health Check of Priority Actions and Q3 progress against the Statutory PI's	45
7.	Draft Annual Report of the Work of the Finance Audit & Performance Management Committee and the Discharge of the Terms of Reference of the Finance, Asset & Performance Management Scrutiny Group	83
8.	Revenue Monitoring Report 2020/21	99
9.	Capital Monitoring Report 2020/21	117
10.	Internal Audit Report	125
11.	Internal Audit Annual Plan 2021/2022	171
12.	Internal Auditors Annual Report year ending 31 March 2021	195
13.	Completion of 2019/20 Accounts	203
14.	Proposed new Terms of Reference for Scrutiny Committee	219
15.	Strategic Risk Register Report 2020/21 Quarter 3	245
16.	Register of Gifts and Hospitality	297
17.	Second draft of Annual Governance Statement 2020/21	303
18.	Wales Audit Office enquiries to 'Those Charged with Governance' – Draft Response	331
19.	Forward Work Programme 2020-21	347
20.	To consider any items of business that the Chairperson deems urgent (Part 1 or 2)	353

Signature of Proper Officer:



MEMBERSHIP

Councillors:

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

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SOUTH WALES FIRE & RESCUE AUTHORITY

**MINUTES OF THE FINANCE, AUDIT & PERFORMANCE MANAGEMENT
COMMITTEE MEETING HELD ON MONDAY, 23 NOVEMBER 2020
VIA STARLEAF**

24. PRESENT

Councillor	Arrived	
S Evans (Chair)		Torfaen
S Bradwick		Rhondda Cynon Taf
M Colbran		Merthyr Tydfil
DT Davies	1105	Caerphilly
P Drake		Vale of Glamorgan
J Harries (audio only – did not vote)		Rhondda Cynon Taf
S Ebrahim		Cardiff
A Hussey		Caerphilly
V Smith		Monmouthshire
M Spencer		Newport

APOLOGIES

W Hodgins	Blaenau Gwent
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ABSENT

D White	Bridgend
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OFFICERS PRESENT: DCO S Chapman – Monitoring Officer; Mr C Barton – Treasurer; Mr G Thomas – Head of Finance & Procurement; Mr S Gourlay – TIAA.

It was noted that Cllr Harries had advised prior to the meeting that he only had an audio connection and would therefore be listening to the meeting but unable to take part in any discussion or voting.

37. DECLARATIONS OF INTEREST

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

38. CHAIR'S ANNOUNCEMENTS

The Chair announced the intention of Councillor P Drake to stand-down from her position as Vice Chair of the Finance, Audit & Performance Management

Committee. Cllr Drake advised that she will remain as a member of the Committee.

Cllr Hussey, seconded by the Chair, nominated Cllr David White to the role of Vice Chair, and a vote unanimously supported this nomination.

The Deputy Chief Officer confirmed that the Vice Chair post-holder does not automatically take up position on the Local Pension Board since it is a political appointment and subject to nominations by the Labour Group to ensure political balance.

39. MINUTES OF PREVIOUS MEETINGS

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

- Finance, Audit & Performance Management Committee meeting held on 21 September 2020.
- Finance, Asset & Performance Management Scrutiny Group meeting held on 13 January 2020.

40. REVENUE MONITORING REPORT 2020/21

The Head of Finance & Procurement presented Members with the revenue monitoring report for 2020/21 and provided details of the annual revenue budget and associated information for the year ending 31 March 2021.

In response to Members' queries regarding the additional expenditure incurred on ICT equipment as a result of COVID-19, the Head of Finance & Procurement confirmed that discussions are ongoing with Welsh Government's Fire Branch with a view to reviewing their stance on the provision of financial support.

RESOLVED THAT

Members noted and agreed the report content.

41. CAPITAL MONITORING REPORT 2020/21

The Head of Finance & Procurement provided Members with a detailed update on the capital monitoring report, including detail of the capital budget, transactions to date and the forecasted year end position.

The Head of Finance & Procurement provided clarification on various aspects of the report, and following discussions regarding the government's

announcement to bring forward the phasing out of the sale of new petrol and diesel light vehicles to 2030, he confirmed that this will be taken into account within the vehicle replacement programme.

RESOLVED THAT

Members noted the budget and the progress of the capital schemes, and approved the alterations identified in Appendix 1 and the associated funding streams.

42. REVENUE BUDGET 2021/2022

The Treasurer provided Members with an update on the draft revenue budget for 2021/22. With reference to England's recent announcement of a public sector pay freeze, the Treasurer advised that that provision for pay awards will be retained within the budget for next year as the risk to remove it is too high.

The Treasurer reported that there has been no forecast projection for the 2021/22 financial settlement and without the indicative Local Government Settlement being confirmed by Welsh Government until late this year, the budget consultation decision is likely to have to be taken without this information. He undertook to update Members when the settlement is confirmed by Welsh Government.

RESOLVED THAT

Members noted and agreed the report content as a recommendation to the Fire & Rescue Authority to form the basis of the budget consultation exercise.

43. TREASURY MANAGEMENT MID-TERM REVIEW REPORT 2020/21

The Treasurer presented Members with the Treasury Management Mid-term Review report and provided an update on the Authority's treasury activities for the period 1 April-30 September 2020.

In response to Members' queries about the protocols for borrowing, the Treasurer confirmed that the most effective and appropriate sources to secure the best package is sought.

RESOLVED THAT

Members noted the report and treasury activities for the period 1 April-30 September 2020.

44. INTERNAL AUDIT REPORT

The TIAA Officer updated Members on the progress being made against the Internal Audit Plan for 2020/21.

RESOLVED THAT

Members noted the internal audit recommendations and the work completed to date on the Internal Audit Plan.

45. AUDIT ACTIONS REPORT HEALTH CHECK 2020/21 – QUARTER 2

The Deputy Chief Officer presented the Quarter 2 Audit Actions Report Health Check for 2021/21, which provided details of the progress made on audit actions arising from internal audits, corporate schemes and government circulars, operational assurance peer reviews and Audit Wales thematic reviews. The majority of actions are progressing in line with predicted timelines. However, as a consequence of COVID-19 and the diverting of resources at the time, there has been some slippage of timelines.

RESOLVED THAT

Members noted the content of the report.

46. FORWARD WORK PROGRAMME 2021/21

The Deputy Chief Officer presented the Forward Work Programme.

RESOLVED THAT

Members noted the Forward Work Programme for 2020/21.

47. 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)

SOUTH WALES FIRE & RESCUE AUTHORITY

MINUTES OF THE FINANCE, ASSET & PERFORMANCE MANAGEMENT SCRUTINY GROUP MEETING HELD ON MONDAY 12 OCTOBER 2020, 10:30HRS AT SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS

1. PRESENT:

Councillor	Arrived	Left	
S Evans (Chair)			Torfaen
A Roberts			Rhondda Cynon Taff
S Bradwick		12:37	Rhondda Cynon Taff
L Brown			Monmouthshire
P Drake			Vale of Glamorgan
A Hussey			Caerphilly
D Naughton			Cardiff
R Shaw			Bridgend
V Smith			Monmouthshire
J Williams			Cardiff
M Spencer			Newport
H Jarvie			Vale of Glamorgan
J Harries			Rhondda Cynon Taff

APOLOGIES:

A Jones	Torfaen
H Thomas	Newport

OFFICERS PRESENT:- ACFO R Prendergast – Director of Technical Services, Mr C Barton – Treasurer, Ms S Watkins – Head of Corporate Support & Deputy Monitoring Officer, Mr C Williams – Head of ICT, Mr G Thomas – Head of Finance & Procurement, Mr C Temby – Head of Fleet & Engineering, Mr A Humphries – Building Facilities Manager, Mr N Corrigan – Property Strategy Manager

2. DECLARATIONS OF INTEREST

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

3. CHAIR'S ANNOUNCEMENTS

Queen's Birthday Honours List

The Chair, on behalf of Members, wished to congratulate two colleagues for receiving recognition in this year's Queens Honours List. The Chair

of the Fire Authority Councillor Tudor Davies MBE, for his dedication to Fire & Rescue Services and his commitment in serving the communities of Caerphilly, and Group Manager Shaun Moody BEM, who is commended for his exceptional services to search and rescue.

4. MINUTES OF PREVIOUS MEETING

The minutes of the previous Finance, Asset & Performance Management Scrutiny Group meeting held on 13 January 2020, were received and accepted as a true record of proceedings.

5. ASSET MANAGEMENT PLAN 2019-2029

The Head of Finance & Procurement provided a detailed overview of the Asset Management Plan 2019-2029 which included the Service's aims, key objectives and key influencers in preparing and delivering the Strategy Plan.

Following a query in relation to how the policy reflects the changing landscape and how assets have been managed during the COVID crisis, the Head of Finance & Procurement confirmed assets have continued to be maintained.

RESOLVED THAT

Members approved the Asset Management Plan 2019-2029, subject to spelling correction on page 5, Aim 2.

6. APPOINTMENT OF MEMBER CHAMPIONS

The Head of Finance & Procurement advised that Members appoint Member Champions to the key asset management groups of the Authority and provide additional scrutiny and challenge between meetings.

RESOLVED THAT

6.1 Members resolved to re-elect the following Members as Member Champions for the following Asset Groups:

Land & Buildings – Councillor V Smith.

ICT – Councillor A Roberts.

Fleet & Engineering – Councillor S Evans.

Operational & Personal Issue Equipment – Councillor J Williams.

7. MEDIUM TERM FINANCIAL STRATEGY, REVENUE & CAPITAL BUDGET SETTING 2021/22

The Treasurer provided a presentation on the Medium Term Financial Strategy and the Revenue & Capital Budget Setting for 2021/22 and reminded Members of the range of issues that were impacting upon next year's budget and some of the uncertainties this created.

Following a query in relation to profile of risks, the Treasurer confirmed that the Service maintains a reserve strategy for short term risks, some risks are mitigated following this process. The pay budget has previously been used as a contingency plan however, this contingency was removed for the current year due to the Service now working at full capacity. Investment in ICT packages has resulted in new cost effective ways of working ie holding meetings via Starleaf resulting in carbon reduction. Additional contingency measures have been built in due to staffing, but not in other areas at this point.

Following a query in relation to pension cost increases, the Treasurer stressed that a final figure could not be determined at this time however an increase of 5% was likely.

It was noted that a figure could not be determined at present for next year's employer contributions as discussions are ongoing in relation to a remedy, therefore, a resolution has yet to be agreed. The Service will keep a watchful eye on the situation.

In response to a query in relation to On Call availability it was noted that between January-March availability was on average 85% and for April-June 96% which is high compared to the rest of the UK. Wholetime should be at full establishment by January, following successful completion of a graduates' course. It was noted that wholetime firefighters do provide cover on other wholetime stations and via strategic reserve, when required. On call staff remain at their local station.

Usk continues to be a challenging area with regards On Call recruitment, consideration is being given to extending the turn out time to 8-9 minutes.

Following a query in relation to the Job Evaluation process, it was confirmed that initial interviews with staff have now been completed. Quality assurance will now take place. Costs will then need to be added to the points process. Gender pay gap will also be considered.

The Service is considering the impact COVID has had on the capital budget, a figure will be confirmed when available.

RESOLVED THAT

- 7.1 Members noted the Medium Term Financial Strategy and Revenue & Capital Budget Setting 2021/22.
- 7.2 The Treasurer agreed to provide Members with a copy of the presentation.

8. SCRUTINY COMMITTEE REFORM PROPOSALS

The Treasurer provided Members with proposed options for reform of the South Wales Fire & Rescue Authority Scrutiny Committee to enable it to be more effective and accountable in its scrutiny of key decisions, policies and performance.

A lengthy discussion ensued upon the involvement of independent members.

RESOLVED THAT

- 8.1 Following consideration of the report Members unanimously agreed to progress with option 4 with suitable amendment of the opportunity to involve independent and expert members, when required.
- 8.2 A further report to be brought back to FAPM Scrutiny Group for review prior to reporting to Fire Authority.
- 8.2 Members agreed to the re-drafting of the terms of reference for the new scrutiny committee to cover wider organisational areas of scrutiny and thematic reviews, to be brought back to FAPM Scrutiny Group for review prior to reporting to Fire Authority.

9. REVIEW OF PROPERTY STRATEGY, BUDGET AND PLANNING ASSUMPTIONS & PROGRESS AGAINST THE PLAN AND CONSIDERATION OF SUSTAINABILITY AND ENVIRONMENTAL ISSUES

The Property Strategy Manager and Building Facilities Manager provided a detailed presentation on the Property Strategy, budget and planning assumptions, progress against the plan and consideration of sustainability and environmental issues.

RESOLVED THAT

Members noted the presentation.

10. REVIEW OF FLEET & VEHICLES STRATEGY, BUDGET AND PLANNING ASSUMPTIONS AND PROGRESS AGAINST THE PLAN TO INCLUDE CAPITAL

The Head of Fleet & Engineering provided Members with an update on the review of the Fleet and Vehicles Strategy, Budget and Planning Assumptions and progress against the plan, including capital spend projections.

In relation to reducing the carbon footprint, the Service is taking steps to move forward with this by purchasing three electric vans, and if successful additional purchases will be made. A new Tranman system has been implemented and designed to measure carbon footprint, it is hoped the Service will be in a position to report on carbon footprint figures by this time next year. The Head of Fleet & Engineering advised a manufacturer of fire appliances has released its first electric fire appliance in the world, the Service will follow its progress with interest and will enter into discussions with them on the appliance's capabilities.

It was confirmed that all Lifting Operations and Lifting Equipment Regulations (LOLER) testing is currently up to date. Annual testing is carried out to ensure the lifting capacity of cranes and hydraulic platforms are fit for purpose.

The Director of Technical Services provided an update on COVID 19 and advised part of his duty is ensuring the completion of risk assessments. Core functions of the Service have continued throughout the pandemic. As determined by NFCC, essential community safety visits have also been carried out. Following the first unitary authority lockdown, SWFRS was the first Service to instruct all firefighters to wear face coverings whilst riding appliances. The Service is considering upgrading to IR level masks.

A low number of cases within the region of 20 have been confirmed for the Service as a whole to date. Core business to responding to calls continues to be a priority for the Service. Procedures are in place in relation to sharing vehicles. It was stressed that the Service is unable to totally mitigate risks however in instances of a joint crew crab, the wearing of face coverings is mandatory.

It was confirmed that trailers are used significantly at wildfire incidents. Trailers have also been used at flooding incidents.

Following a query on raising awareness and reducing risk and the balance of vehicles on fleet, the Director of Technical Services explained

the Service is giving consideration to reducing the number of special vehicles with a view to disposing of the welfare/shower unit which has not been used regularly. The Service currently operates water ladders for a term of 12 years and is considering extending this to 15 years, however the Service is mindful of the risks and additional costs to extending the term. Special appliance reviews are undertaken and include risk profiles and financial risks.

A query was raised in relation to how electric vehicles will be utilised within the Service and it was confirmed that resilient vehicles will be used at time and safety critical incidents. Electric vehicles will be used for non-safety critical use such as courier duties.

In response to a query on whether the Service undertakes procurement processes through the EU, the Head of Finance and Procurement confirmed that under the current transition plan all regulations will remain the same however the service will transfer to UK regulations, with minimal difference. The Director of Technical Services confirmed the procurement process was extended from a 4 year to an 8 year cycle due to the lack of body builders. This process is now undertaken collaboratively with all three Welsh FRS's and has resulted in considerable cost savings.

RESOLVED THAT

Members noted the content of the report and the attached Fleet Asset Management Plan 2017/2021.

11. REVIEW OF ICT STRATEGY, BUDGET & PLANNING ASSUMPTIONS AND PROGRESS AGAINST THE PLAN TO INCLUDE CAPITAL

The Head of ICT provided Members with an overview of the ICT Strategy, budget & planning assumptions and an overview of the key projects.

In response to a query regarding a backup plan, it was confirmed that the Service houses two backup server rooms. Two connection lines are also set up with one running from Tonypany and one from Llantrisant. All key and critical services are up and running from both sites.

RESOLVED THAT

Members noted the contents of the report.

12. FORWARD WORK PROGRAMME 2020/2021

The Deputy Monitoring Officer presented the Forward Work Programme for 2020/2021.

RESOLVED THAT

Members accepted the Forward Work Programme for 2020/2021, subject to the inclusion of the Scrutiny Committee Reform report.

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

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

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TREASURY MANAGEMENT STRATEGY 2021/22

SUMMARY

To recommend for approval the Authority's Annual Treasury Management Strategy.

RECOMMENDATION

To note and recommend the Fire & Rescue Authority approve the following;

- The Treasury Management Strategy Statement (TMSS);
- Capital prudential indicators and Minimum Revenue Provision (MRP) policy;
- Borrowing policy and treasury indicators / limits;
- Annual Investment Strategy (AIS);
- The Treasurer to update strategies and policies as necessary throughout the year.

1. BACKGROUND

- 1.1 The Fire & Rescue Authority is required to approve in advance of each financial year its governance arrangements for treasury management activities. Detailed explanations of what these are, are contained in Appendix 1.
- 1.2 All Local Authority bodies are required by statute to approve the treasury management strategy and associated policies annually.

2. ISSUE

- 2.1 The purpose of this report is for Members to consider the treasury management activities required to deliver capital spending plans in a prudent and sustainable manner and ensure cash resources are managed effectively for the next 3 years.

3. EQUALITY RISK ASSESSMENT

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

4. FINANCIAL IMPLICATIONS

- 4.1 The approval of the Treasury Management Strategy provides the control framework within which officers can operate to ensure that as far as possible the costs of borrowing are minimised, and investment opportunities are maximised, whilst ensuring risk is kept to a minimum.
- 4.2 The capital prudential indicators show the financial impact of capital investment decisions to assess if those decisions are affordable, prudent and sustainable.
- 4.3 The treasury management indicators set constraints to ensure decisions are made in accordance with good practice.
- 4.4 The MRP policy determines how the Authority will determine the amount that must be set aside from revenue each year to repay external debt.

5. RECOMMENDATION

- 5.1 That the Fire & Rescue Authority approve the following;
- The Treasury Management Strategy Statement (TMSS);
 - Capital prudential indicators and Minimum Revenue Provision (MRP) policy;
 - Borrowing policy and treasury indicators / limits;
 - Annual Investment Strategy (AIS);
 - The Treasurer to update strategies and policies as necessary throughout the year.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	<ul style="list-style-type: none"> - Local Government Act 2003 - CIPFA Treasury Management Code - CIPFA Prudential Code - WG MRP & Investment Guidance - Capital budget working papers

INDEX

1.1	Background.....	2
1.2	Reporting requirements.....	2
1.3	Treasury Management Strategy for 2021/22	3
1.4	Training	3
1.5	Treasury management consultants	4
2	THE CAPITAL PRUDENTIAL INDICATORS 2021/22 – 2023/24	5
2.1	Capital expenditure.....	5
2.2	The Authority’s borrowing need (the Capital Financing Requirement).....	6
2.3	Core funds and expected investment balances	6
2.4	Minimum revenue provision (MRP) policy statement.....	6
3	BORROWING	7
3.1	Current portfolio position.....	7
3.2	Treasury Indicators: limits to borrowing activity	8
3.3	Affordability prudential indicators.....	9
3.3	Prospects for interest rates.....	10
3.4	Borrowing strategy.....	11
3.5	Policy on borrowing in advance of need.....	12
3.6	Debt rescheduling.....	12
4	ANNUAL INVESTMENT STRATEGY.....	14
4.1	Investment policy – management of risk	14
4.2	Creditworthiness policy.....	15
4.3	Other limits	16
4.4	Investment strategy	16
4.5	End of year investment report	17
4.7	External fund managers	17
5	APPENDICES	18
5.1	ECONOMIC BACKGROUND	19
5.2	TREASURY MANAGEMENT SCHEME OF DELEGATION	24
5.3	THE TREASURY MANAGEMENT ROLE OF THE SECTION 112 OFFICER.....	25

1.INTRODUCTION

1.1 Background

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

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that the Authority can meet its capital spending obligations. The management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Authority risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the revenue budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the revenue budget.

CIPFA defines treasury management as:

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

This authority has not engaged in any commercial investments and has no non-treasury investments.

1.2 Reporting requirements

1.2.1 Capital Strategy

The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full Authority fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

1.2.2 Treasury Management reporting

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

- a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
 - capital plans;
 - minimum revenue provision (MRP) policy;
 - treasury management strategy; and
 - investment strategy

- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

- c. **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

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

1.3 Treasury Management Strategy for 2021/22

The strategy for 2021/22 covers two main areas:

Capital issues

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

Treasury management issues

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

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

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. Training is largely delivered to Members by their home Authority with additional training occasionally delivered by South Wales Fire & Rescue (SWFRS). The training needs of treasury management officers are periodically reviewed.

1.5 Treasury management consultants

The Authority uses Link Group, Treasury solutions as its external treasury management advisors.

2 THE CAPITAL PRUDENTIAL INDICATORS 2021/22 – 2023/24

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

2.1 Capital expenditure

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital expenditure £000	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Total	6,638	4,717	8,614	4,989	6,228
Financing of capital expenditure £m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital receipts	857	0	0	0	0
Capital grants	143	73	826	0	0
Capital reserves	2,994	0	0	0	0
Revenue	250	200	200	200	200
Co-location contrib's	206	0	0	0	0
Net financing need for the year	2,189	4,444	7,588	4,789	6,028
£000	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital Financing Requirement					
CFR at 31 March	41,464	42,683	47,495	48,305	49,987
Movement in CFR represented by					
Less MRP	2,909	3,225	3,602	3,979	4,346
Movement in CFR	-720	1,219	3,986	810	1,682

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

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so it's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of scheme include a borrowing facility by the PFI provider and so the Authority is not required to separately borrow for these schemes. The Authority currently has £5.9m of such schemes within the CFR.

2.3 Core funds and expected investment balances

Expected balances available to invest have been and are estimated to be minimal. Balances will be used to mitigate the need to borrow and ensure borrowing costs are minimised as opposed to investment opportunities being maximised as there is a cost of carry.

2.4 Minimum revenue provision (MRP) policy statement

The Authority is required to pay off an element of the capital spend each year through a revenue charge, i.e. MRP, although it is also allowed to undertake additional voluntary payments.

Welsh Government regulations have been issued which require the full Authority to approve **an MRP Statement** in advance of each year. A variety of options are provided to Authorities, so long as there is a prudent provision. The Authority is recommended to approve the following MRP Statement;

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

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

This provides for an approximate 4% reduction in the borrowing need (CFR) each year.

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

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

This option provides for a reduction in the borrowing need over approximately the asset's life.

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

3 BORROWING

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

3.1 Current portfolio position

The overall treasury management portfolio as at 31 March 2020 and for the position as at 26th February 2021, are shown below for both borrowing and investments.

Total Borrowing	
	20/21
<u>PWLB</u>	
Opening Principal	26,442,644.30
New Borrowing	5,000,000.00
EIP Principal Repaid	-401,899.42
Maturity Principal Repaid	-2,000,000.00
Closing Principal	29,040,744.88
<u>Salix</u>	
Opening Principal	34,583.35
New Borrowing	0.00
EIP Principal Repaid	0.00
Maturity Principal Repaid	-13,833.34
Closing Principal	20,750.01
Total	
Opening Principal	26,477,227.65
New Borrowing	5,000,000.00
EIP Principal Repaid	-401,899.42
Maturity Principal Repaid	-2,013,833.34
Closing Principal	29,061,494.89

Cash At Bank

LLOYDS CURRENT ACCOUNT	3,373,975.74
BARCLAYS CURRENT ACCOUNT	861,831.52
	<u>4,235,807.26</u>

Interest rates at Lloyds and Barclays bank are bank rate -0.10 which translates as 0.10% - 0.10 = 0%. This is the interest rate applied to deposits held at both banks and as a result investment income is not anticipated for the coming financial year.

The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
External Debt					
Debt at 1 April	30,987	26,477	29,061	31,146	32,737
Expected change in Debt	-4,510	2,584	2,084	1,591	2,598
Other long-term liabilities (*OLTL)	4,691	4,462	4,097	3,679	3,242
Expected change in *OLTL		-229	-365	-419	-437
Actual gross debt at 31 March	31,168	33,523	35,243	36,415	38,576
The Capital Financing Requirement	41,464	42,683	46,669	47,479	49,161
Under / (over) borrowing	10,295	9,160	11,426	11,064	10,585

**OLTL includes the PFI facility at Cardiff Gate only, all finance leases have now ceased.*

The above is a key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

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

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Debt	37,000	40,000	43,000	46,000
Other long term liabilities	8,000	5,000	5,000	5,000
Total	45,000	45,000	48,000	51,000
Authorised limit	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Debt	40,000	45,000	50,000	55,000
Other long term liabilities	10,000	10,000	10,000	10,000
Total	50,000	55,000	60,000	65,000

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by

the full Authority. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

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

3.3 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, this prudential indicator assesses the affordability of capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the ration of financing costs to revenue indicator.

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.

	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Total	5.97%	6.33%	6.71%	7.07%	7.49%

The estimates of financing costs include current commitments and the proposals in this budget report. It is not intended for financing costs to ever reach 10%, it is deemed unaffordable for this Authority.

3.3 Prospects for interest rates

The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 8.11.20. These are forecasts for certainty rates, gilt yields plus 80bps:

Link Group Interest Rate View 9.11.20													
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20													
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 16th December, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the near-term as economic recovery is expected to be only gradual and, therefore, prolonged. These forecasts were based on an assumption that a Brexit trade deal would be agreed by 31.12.20: as this has now occurred, these forecasts do not need to be revised.

PWLB rates

As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

Investment and borrowing rates

- **Investment returns** are likely to remain exceptionally low during 2021/22 with little increase in the following two years.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure.
- **Borrowing for capital expenditure.** As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. Longer-term borrowing could be undertaken for the purpose of certainty.
- While this authority will not be able to avoid borrowing to finance new capital expenditure and replace maturing debt, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

3.4 Borrowing strategy

Authority is currently maintaining an under-borrowed position. This means that the CFR, has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. The Treasurer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*

- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast.* Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

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

3.5 Policy on borrowing in advance of need

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

3.6 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates.

If rescheduling was done, it will be reported to the *Authority* at the earliest meeting following its action.

3.7 New financial institutions as a source of borrowing and / or types of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long and Short term Borrowing

On Balance Sheet	Fixed
PWLB	●
Municipal bond agency	●
Local authorities	●
Banks	●
Pension funds	●
Market (long-term)	●
Market (temporary)	●
Market (LOBOs)	●
Stock issues	●
Local temporary	●
Local Bonds	●
Local authority bills	●
Overdraft	●
Internal (capital receipts & revenue balances)	●
Commercial Paper	●
Medium Term Notes	●
Finance leases	●

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – management of risk

The Authority's investment policy has regard to the following: -

- The Welsh Government's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Authority's investment priorities will be security first, portfolio liquidity second and then yield, (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Authority's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate the Authority will also consider the value available in periods up to 12 months with high credit rated financial institutions.

The above guidance from the Welsh Government and CIPFA places a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two types of investment in appendix 5.4 under the categories of 'specified' and 'non-specified' investments, this Authority will only consider specified investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit at the start of the investment of up to one year. All investments with local authorities are also specified investments regardless of the length of period to maturity.

5. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
6. **Transaction limits** are set for each type of investment in 4.2.
7. This authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
8. All investments will be denominated in **sterling**.
9. As a result of the change in accounting standards for 2020/21 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. The Welsh Government has passed a statutory override to allow Welsh local authorities time to adjust their portfolio of all pooled investments by delaying implementation of IFRS 9 for five years until 31.3.23.

However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

4.2 Creditworthiness policy

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

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

This modelling approach combines credit ratings, and any assigned Watches and Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration for investments. The Authority will, therefore, use counterparties within the following durational bands:

- Yellow 5 years *
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months

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

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

The Authority is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service and the treasury will monitor these accordingly.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn.
- in addition to the use of credit ratings the Authority will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Authority will also use market data and market information, as well as information on any external support for banks to help support its decision making process.

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

The Authority will not place more than £10million with any one counter party falling in the above durational bands.

4.3 Other limits

Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments and countries.

- Non-specified treasury management investment limit.** No unspecified investments will be made.
- Country limit.** The Authority has determined that it will only use approved counterparties from the UK and with a sovereign rating of AA-.

4.4 Investment strategy

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

Investment returns expectations

Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising and so we have not budgeted for investment income in the coming year as it is not expected.

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is subject to major uncertainty due to the virus and how quickly successful vaccines may become available and widely administered to the population. It may also be affected by the deal the UK agrees as part of Brexit.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates), in the UK.

4.5 End of year investment report

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

4.7 External fund managers

The Authority does not employ the services of fund managers

5 APPENDICES

1. Economic background
2. Treasury management scheme of delegation
3. The treasury management role of the section 151 officer

5.1 ECONOMIC BACKGROUND

- **UK.** The key quarterly meeting of the Bank of England Monetary Policy Committee kept **Bank Rate** unchanged on 5.11.20. However, it revised its economic forecasts to take account of a second national lockdown from 5.11.20 to 2.12.20 which is obviously going to put back economic recovery and do further damage to the economy. It therefore decided to do a further tranche of **quantitative easing (QE) of £150bn**, to start in January when the current programme of £300bn of QE, announced in March to June, runs out. It did this so that “announcing further asset purchases now should support the economy and help to ensure the unavoidable near-term slowdown in activity was not amplified by a tightening in monetary conditions that could slow the return of inflation to the target”.
- Its forecasts appeared, at that time, to be rather optimistic in terms of three areas:
 - The economy would recover to reach its pre-pandemic level in Q1 2022
 - The Bank also expected there to be excess demand in the economy by Q4 2022.
 - CPI inflation was therefore projected to be a bit above its 2% target by the start of 2023 and the “inflation risks were judged to be balanced”.
- Significantly, there was no mention of **negative interest rates** in the minutes or Monetary Policy Report, suggesting that the MPC remains some way from being persuaded of the case for such a policy, at least for the next 6 -12 months. However, rather than saying that it “stands ready to adjust monetary policy”, the MPC this time said that it will take “whatever additional action was necessary to achieve its remit”. The latter seems stronger and wider and may indicate the Bank’s willingness to embrace new tools.
- One key addition to **the Bank’s forward guidance in August** was a new phrase in the policy statement, namely that “it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years’ time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. Our Bank Rate forecast currently shows no increase, (or decrease), through to quarter 1 2024 but there could well be no increase during the next five years as it will take some years to eliminate spare capacity in the economy, and therefore for inflationary pressures to rise to cause the MPC concern. **Inflation** is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor due to base effects from twelve months ago falling out of the calculation, and so is not a concern. Looking further ahead, it is also unlikely to be a problem for some years as it will take a prolonged time for spare capacity in the economy, created by this downturn, to be used up.
- **Public borrowing** was forecast in November by the Office for Budget Responsibility (the OBR) to reach £394bn in the current financial year, the highest ever peace time deficit and equivalent to 19% of GDP. In normal times, such an increase in total gilt issuance would lead to a rise in gilt yields, and so PWLB rates. However, the QE done by the Bank of England has depressed gilt yields to historic low levels, (as has similarly occurred with QE and debt issued in the US, the EU and Japan). This means that new UK debt being issued, and this is being done across the whole yield curve in all maturities, is locking in those historic low levels

through until maturity. In addition, the UK has one of the longest average maturities for its entire debt portfolio, of any country in the world. Overall, this means that the total interest bill paid by the Government is manageable despite the huge increase in the total amount of debt. The OBR was also forecasting that the government will still be running a budget deficit of £102bn (3.9% of GDP) by 2025/26. However, initial impressions are that they have taken a pessimistic view of the impact that vaccines could make in the speed of economic recovery.

- Overall, **the pace of recovery** was not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. The initial recovery was sharp after quarter 1 saw growth at -3.0% followed by -18.8% in quarter 2 and then an upswing of +16.0% in quarter 3; this still left the economy 8.6% smaller than in Q4 2019. While the one month second national lockdown that started on 5th November caused a further contraction of 5.7% m/m in November, this was much better than had been feared and showed that the economy is adapting to new ways of working. This left the economy 'only' 8.6% below the pre-crisis level.
- **Vaccines – the game changer.** The Pfizer announcement on 9th November of a successful vaccine has been followed by approval of the Oxford University/AstraZeneca and Moderna vaccines. The Government has set a target to vaccinate 14 million people in the most at risk sectors of the population by 15th February; as of mid-January, it has made good, and accelerating progress in hitting that target. The aim is to vaccinate all adults by September. This means that the national lockdown, could be replaced by regional tiers of lighter restrictions, beginning possibly in Q2. At that point, there would be less reason to fear that hospitals could become overwhelmed any more. Effective vaccines have radically improved the economic outlook so that it may now be possible for GDP to recover to its pre-virus level as early as Q1 2022. These vaccines have enormously boosted confidence that **life could largely return to normal during the second half of 2021**. With the household saving rate having been exceptionally high since the first lockdown in March, there is plenty of pent-up demand and purchasing power stored up for when life returns to normal.
- Provided that both monetary and fiscal policy are kept loose for a few years yet, then it is still possible that in the second half of this decade, the economy may be no smaller than it would have been if COVID-19 never happened. The significant risk is if another mutation of COVID-19 appears that defeats the current batch of vaccines. However, now that science and technology have caught up with understanding this virus, new vaccines ought to be able to be developed more quickly to counter such a development, and vaccine production facilities are being ramped up around the world.
- This recovery of growth which eliminates the effects of the pandemic by about the middle of the decade, would have major repercussions for public finances as it would be consistent with the government deficit falling to around 2.5% of GDP without any tax increases. This would be in line with the OBR's most optimistic forecast, rather than their current central scenario which predicts a 4% deficit due to assuming much slower growth. However, Capital Economics forecasts assumed that politicians do not raise taxes or embark on major austerity measures and so, (perversely!), depress economic growth and recovery.
- There will still be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever, even if vaccines are fully successful in overcoming the current virus. There is also likely to be a **reversal of globalisation** as this crisis

has exposed how vulnerable long-distance supply chains are. On the other hand, **digital services** are one area that has already seen huge growth.

- **Brexit.** The final agreement of a trade deal on 24.12.20 has eliminated a significant downside risk for the UK economy. The initial agreement only covers trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis.
- **Monetary Policy Committee meeting of 17 December.** All nine Committee members voted to keep interest rates on hold at +0.10% and the Quantitative Easing (QE) target at £895bn. The MPC commented that the successful rollout of vaccines had reduced the downsides risks to the economy that it had highlighted in November. But this was caveated by it saying, “Although all members agreed that this would reduce downside risks, they placed different weights on the degree to which this was also expected to lead to stronger GDP growth in the central case.” So, while vaccines are a positive development, in the eyes of the MPC at least, the economy is far from out of the woods in the shorter term. The MPC, therefore, voted to extend the availability of the Term Funding Scheme, (cheap borrowing), with additional incentives for small and medium size enterprises for six months from 30.4.21 until 31.10.21. (The MPC had assumed that a Brexit deal would be agreed.)
- **Fiscal policy.** In the same week as the MPC meeting, the Chancellor made a series of announcements to provide further support to the economy: -
 - An extension of the COVID-19 loan schemes from the end of January 2021 to the end of March.
 - The furlough scheme was lengthened from the end of March to the end of April.
 - The Budget on 3.3.21 will lay out the “next phase of the plan to tackle the virus and protect jobs”. This does not sound like tax rises are imminent, (which could hold back the speed of economic recovery).
- The **Financial Policy Committee** (FPC) report on 6.8.20 revised down their expected credit losses for the banking sector to “somewhat less than £80bn”. It stated that in its assessment, “banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC’s central projection”. The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC’s projection, with unemployment rising to above 15%.
- **US.** The Democrats gained the presidency and a majority in the House of Representatives in the November elections: after winning two key Senate seats in Georgia in elections in early January, they now also have a very slim majority in the Senate due to the vice president’s casting vote. President Biden will consequently have a much easier path to implement his election manifesto. However, he will not have a completely free hand as more radical Democrat plans may not be supported by all Democrat senators. His initial radical plan for a fiscal stimulus of \$1.9trn, (9% of GDP), is therefore likely to be toned down in order to get through both houses.
- **The economy** had been recovering quite strongly from its contraction in 2020 of 10.2% due to the pandemic with GDP only 3.5% below its pre-pandemic level and the unemployment rate dropping below 7%. However, the rise in new cases during quarter 4, to the highest level since mid-August, suggests that the US could be in the early stages of a fourth wave. The latest upturn poses a threat that the recovery

in the economy could stall. This is **the single biggest downside risk** to the shorter term outlook – a more widespread and severe wave of infections over the winter months, which is compounded by the impact of the regular flu season and, as a consequence, threatens to overwhelm health care facilities. Under those circumstances, individual states might feel it necessary to return to more draconian lockdowns.

- The restrictions imposed to control the spread of the virus are once again weighing on the economy with employment growth slowing sharply in November and declining in December, and retail sales dropping back. The economy is set for further weakness into the spring. **GDP growth** is expected to rebound markedly from the second quarter of 2021 onwards as vaccines are rolled out on a widespread basis and restrictions are loosened.
- **EU.** In early December, the figures for Q3 GDP confirmed that the economy staged a rapid rebound from the first lockdowns. This provides grounds for optimism about growth prospects for next year. In Q2, GDP was 15% below its pre-pandemic level. But in Q3 the economy grew by 12.5% q/q leaving GDP down by “only” 4.4%. That was much better than had been expected earlier in the year. However, growth is likely to stagnate during Q4 and in Q1 of 2021, as a second wave of the virus has seriously affected many countries. The €750bn fiscal support package eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support, and quickly enough, to make an appreciable difference in the countries most affected by the first wave.
- With **inflation** expected to be unlikely to get much above 1% over the next two years, **the ECB** has been struggling to get inflation up to its 2% target. It is currently unlikely that it will cut its central rate even further into negative territory from -0.5%, although the ECB has stated that it retains this as a possible tool to use. The ECB’s December meeting added a further €500bn to the PEPP scheme, (purchase of government and other bonds), and extended the duration of the programme to March 2022 and re-investing maturities for an additional year until December 2023. Three additional tranches of TLTRO, (cheap loans to banks), were approved, indicating that support will last beyond the impact of the pandemic, implying indirect yield curve control for government bonds for some time ahead. The Bank’s forecast for a return to pre-virus activity levels was pushed back to the end of 2021, but stronger growth is projected in 2022. The total PEPP scheme of €1,850bn of QE which started in March 2020 is providing protection to the sovereign bond yields of weaker countries like Italy. There is therefore unlikely to be a euro crisis while the ECB is able to maintain this level of support. However, as in the UK and the US, the advent of highly effective vaccines will be a game changer, although growth will struggle before later in quarter 2 of 2021.
- **China.** After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and then into Q3 and Q4; this has enabled China to recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth. At the same time, China’s economy has benefited from the shift towards online spending by consumers in developed markets. These factors help to explain its comparative outperformance compared to western economies. However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns in the longer term. This could,

therefore, lead to a further misallocation of resources which will weigh on growth in future years.

- **World growth.** World growth will have been in recession in 2020 and this is likely to continue into the first half of 2021 before recovery in the second half. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.
- Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation.

Summary

Central banks are, therefore, likely to support growth by maintaining loose monetary policy through keeping rates very low for longer. Governments could also help a quicker recovery by providing more fiscal support for their economies at a time when total debt is affordable due to the very low rates of interest. They will also need to avoid significant increases in taxation or austerity measures that depress demand and the pace of recovery in their economies.

If there is a huge surge in investor confidence as a result of successful vaccines which leads to a major switch out of government bonds into equities, which, in turn, causes government debt yields to rise, then there will be pressure on central banks to actively manage debt yields by further QE purchases of government debt; this would help to suppress the rise in debt yields and so keep the total interest bill on greatly expanded government debt portfolios within manageable parameters. It is also the main alternative to a programme of austerity.

5.2 TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Fire Authority

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

(ii) Fire Authority

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

(iii) Finance, Audit & Performance Management Committee

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

5.3 THE TREASURY MANAGEMENT ROLE OF THE SECTION 112 OFFICER

The S112 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing and treasury management, with a long term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all investments and is in accordance with the risk appetite of the authority

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BUSINESS PLAN ACTIONS REPORT

Health Check

2020/21 Quarter 3

Report Date 12th February 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 (SWFRS) on progress towards achievement of the Strategic Themes and performance of the Strategic Performance Indicators for the period 01 October – 31 December 2020.

Background

- 1.1 The Welsh Government requires SWFRS 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 October – 31 December 2020.

Issue

- 2.1 For Members' information going forward, taking into account the Well-Being of Future Generations (Wales) Act 2015, the Service has 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 October – 31 December 2020.
- 2.3 Appendix 1 attached is a summary of the Performance Monitoring Report, which reviews the period 01 April - 31 December 2020 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, one indicator has not achieved the target but was within 0-5% of doing so and has performed worse than last year, one indicator has not achieved the target but was within 0-5% of doing so and has performed better than last year and four 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. False Alarms Attended
- 2.6 The one indicator that is not meeting the target but is within 0% to 5% of the target and has performed worse than last year is:
1. % of Dwelling Fires confined to the room of origin

- 2.7 The one indicator that is not meeting the target but is within 0% to 5% of the target and has performed better than last year is:
1. Other Special Services Calls Attended
- 2.8 The four indicators that have achieved their targets are:
1. Total Fires Attended
 2. Total Road Traffic Collisions Attended
 3. Total Deaths and Injuries in Fires
 4. Accidental Deaths and Injuries in Fires
- 2.9 Appendix 1 attached provides some key information about the Service and its performance during the 01 April – 31 December 2020.

Equality Risk Assessment

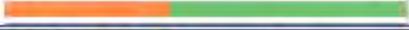
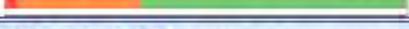
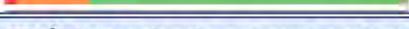
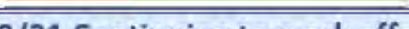
1. This report, the accompanying appendices and the targets themselves have no Equality Risk Assessment impact. The Service Performance and Communications Department and the respective Directorates are working with the performance data to establish any trends and implications that would include equality 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 October – 31 December 2020 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
1	6	26	0	33
				
ST02 20/21 Responding to your emergency				
▲	●	★	Unknowns	Total
1	13	15	0	29
				
ST03 20/21 Using technology well				
▲	●	★	Unknowns	Total
0	12	17	0	29
				
ST04 20/21 Working with our partners				
▲	●	★	Unknowns	Total
1	10	12	0	23
				
ST05 20/21 Engaging and communicating				
▲	●	★	Unknowns	Total
1	9	19	0	29
				
ST06 20/21 Valuing our people				
▲	●	★	Unknowns	Total
1	5	22	0	28
				
ST07 20/21 Protecting our environment				
▲	●	★	Unknowns	Total
0	7	15	0	22
				
ST08 20/21 Continuing to work effectively				
▲	●	★	Unknowns	Total
1	15	33	0	49
				

Strategic Theme Task Commentary

ST01 – Keeping you safe

1.1 Reduce the impact of false alarms on our resources

Joint Fire Control (JFC) continue to work with external agencies including South Wales and Gwent Police on call challenge and nuisance calls. Call challenge was used during the Halloween and Bonfire Night periods and for controlled burns during the pandemic. Feedback regarding frequent callers will be addressed with police and ambulance, via the statistics and risk team, during the next quarter.

Some alignment of automatic fire alarm (AFA) policies of SWFRS and Mid and West Wales Fire and Rescue Service has now taken place with further work is ongoing in liaison with operational leads in both Services.

As reported at the end of Quarter 2, a new four-stage Unwanted Fire Signals (UFS) guide, providing incident commanders, station commanders and business fire safety (BFS) officers guidance on what action should be taken at every UFS call, has now been rolled out to all stations. Further training of Station Liaison Officers and promotion of UFS reduction work will re-commence in January. This will promote greater and safe positive contact with external stakeholders.

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

BFS continue to work towards the outcomes of the Dame Hackett review (Buildings & Fire Safety) and that of the Grenfell Tower Inquiry Part 1 report. This will continue to have impact over the next 3 to 5 years as legislative changes will be required.

Enhanced Home Safety Check (EHSC) have currently been rolled out in eight Unitary Authority areas. The COVID-19 pandemic is still an issue and thus progress is hindered.

“Learning Evaluation After the Fire” (LEAF) training has been delivered to all current station commanders and a refresher program put in place for those newly appointed. All qualifying Accidental Dwelling Fires (ADFs) with effect from 1st July 2020 have been sent an invitation for a LEAF visit.

Due to the current pandemic LEAF has been unveiled across the operations arena, however of the 30 invitations initially sent out no responses have been received; hence no evaluation information is available thus far to inform and direct targeted education / prevention activity.

1.3 Reduce the number of Road Traffic Collisions

We continue to meet and work with Road Safety Wales, National Fire Chiefs Council (NFCC) Wales, South Wales Police, Gwent Police and Local Authority Road Safety Officers to identify trends and reduce instances of Road Traffic Collisions (RTCs) through education, engagement and enforcement.

We have been delivering Road safety Domino presentations to local communities however; COVID-19 restrictions are limiting the availability of some groups

We continue to analyse road safety data to ensure our interventions are aimed at the right target groups and are working closer with Media and Communications to deliver regular social media messages.

1.4 Reduce the number of deliberate fires

Quarter 3 has been a period of continued innovation with regards to arson reduction for Community Safety and Partnerships (CS&P). Multiple social media messaging across various platforms with educational information has been facilitated by Media and Communications including continued deliberate refuse fire information. Early planning has taken place in regards to Operations Dawns Glaw with forecasting of Fire Crime Unit (FCU) resources, key areas and partner involvement. There has been a continued liaison between Operations and CS&P with some key successes in arson reduction; this includes the removal of several areas of fly tipping through partner collaboration where we have experienced previous deliberate fires.

“Operation Dawns Glaw 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.”

The Refuse Fire Working Group remains active and is reducing deliberate refuse fires.

JFC continue to record description of deliberate fire setters, where available from 999 callers, and pass these on to South Wales / Gwent Police. Multi Agency Incident Transfer (MAIT) is undergoing testing and is due to go live in the next quarter and will improve information sharing with the police.

JFC supported Operation BANG (Be A Nice Guy), a national initiative run by the four police forces in Wales which aims to help reduce anti-social behaviour in the communities and raise awareness for safety during the Halloween and Bonfire Night period.

1.5 Improve safety in and around water

A gap analysis has been completed, based on a review of the Department for the Environment, Food and Rural Affairs (DEFRA) concept of operations, and training needs have been identified. Courses are being amended in order to align with the new concept of operations. Revised courses will be running from 1st April.

We continue our active membership of the NFCC water steering group and Water Safety Wales supporting the new Welsh Drowning Prevention Strategy 2020–2026.

Ongoing support is provided to stations to include water safety within their Community Risk Management Plan (CRMP) activity; COVID-19 restrictions have limited our interventions.

The Waterside Community Responder Scheme, in partnership with the Royal National Lifeboat Institution (RNLI), has been implemented in Cardiff Bay in partnership with local businesses. This is now being expanded to water front business in Newport. Those working close to water, especially where alcohol is consumed, receive training on the dangers that cold water poses to their customers, and how to rescue people safely. They learn how to use a throw line and what to do when people get into distress in or near the water. They were also provided with the knowledge and equipment to help rescue people safely.

Water safety education resources for delivery to young people have been developed and are available for use.

JFC continue to support the “Float to Live” water rescue campaign and liaise with Media and Communications concerning water safety messages.

1.6 Improve fire safety in buildings in our communities

A coordinated service response has been organised to achieve all outstanding Site Specific Risk Information (SSRI) visits in high rise and residential care premises.

Following the COVID-19 alert level 4 guidance, physical audits have temporarily ceased and officers have returned to desktop/remote auditing. High risk, alleged fire risks (AFRs) and premises with portable fire extinguishers (PFEs) will be conducted on a case-by-case basis and any physical assessments needed will follow the department risk assessment, ensuring appropriate Personal Protective Equipment (PPE) as policy. Work to identify and prioritise domestic and commercial properties that are most at risk from fire by using a system known as the “Risk Information Data Gathering Engine” RIDGE continues.

The Welsh Government consultation on Fire and Rescue Authorities becoming a statutory consultee on major planning application is complete. FRS in Wales will become a statutory consultee for planning applications imminently.

JFC Systems are to work with BFS to improve SSRI / Pre Determined Attendance (PDA) / vicinity info.

CS personnel continue to work with BFS and others to keep people safe in high-rise premises with joint visits being completed where appropriate.

The Statistics and Risk team have held initial discussions with BFS to identify priorities with regard to creating a BFS module within the Business Management Information System (BMIS).

ST02 – Responding to your emergency

2.1 Respond effectively when you need us

We continue to review the effectiveness of our special appliances. The review of Incident Command Unit (ICU) / Water Bowsers / Aerial Ladder Platforms (ALPs) and Welfare Unit is still running. This should be complete by the end of February 2021.

Work continues with regards to operational assurance, via incident command assessment, to ensure operational competence in order to ensure that the process is fit for purpose.

JFC continue to utilise demand led crewing, i.e. matching resources to varying risk levels, to ensure resilience is in place to support periods of increased activity and / or staff losses.

The upgrade to the JFC Command and Control system has improved efficiency and effectiveness with fixes for long running issues. The system has been tested with real time spate conditions and large incidents. Work is progressing on using functionality for spate flooding and high rise calls. Discussion to review functionality will take place in JFC Watch Manager meetings.

JFC have been unable to progress maximising the use of geospatial tools to assist caller location identification due to COVID-19 restrictions. Current utilisation of the Enhanced Information Service for Emergency Calls (EISEC) data / mapping ellipse for location of caller and also WHAT THREE WORDS via on line website continues.

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

The Retained Management Team (RMT), Human Resources (HR) and Media & Communications are progressing at local levels in line with local need with positive results. A targeted local approach is being adopted along with the identification of how we are reaching candidates (social media, word of mouth, local campaigns) being reviewed bi-monthly.

Postcode analysis has been undertaken and will help us to focus our recruitment activities in the right areas. Further work is to be undertaken with engagement team, external partners, PSBs etc.

Recruitment pathways are now fully established and are having a positive impact on retention. New contracts are being explored. Local engagement with leavers to explore retention concerns is being conducted with an overarching strategy for retention to be formulated.

HR and the Statistics and Risk Team are working together to monitor recruitment and retention data to ensure that recruitment activities are focussed in the right areas. Work continues on the development of the OCDS future planning dashboard. Queries have been validated and new pages under development.

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

The monitoring and review of the competence of operational personnel is being achieved through the station audit process which is continually being reviewed and improved.

The station exercise programme has been updated for 2021-22. Improvements are required in the collation of briefs, debriefs and risk assessments.

An OCDS recruit's course is scheduled to commence 11th January comprising of 10 candidates. Discussions are being held with the RMT in an attempt to maximise places.

Work continues to ensure that training materials are amended to reflect updates in SOPS as a result of National Operational Guidance (NOG). Some specialist areas are still with subject matter experts. With Abode Flash being no longer supported, checks of all training materials completed with replacements where necessary.

There are currently 53 exercises programmed for 2021 whereby stations will exercise to SSRI and OTP risks in their area. In January, due to the COVID-19 pandemic and SMT directive, all large exercises will be scaled back with only smaller COVID-19 compliant exercises taking place. Planning will be undertaken in January for two large 10+ pump exercises latter part of 2021

Operational Assurance continue to work in collaboration with the Operational Development and Review Team (ODRT) and Training in order to ensure that all debriefs generated as a result of simulation and operations are collated into a shared depository in order to identify, learn and improve. ODRT and Training currently store data on their own drives with no access available to other departments. Currently liaising with these departments to identify a way forward.

ST03 – Using technology well

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

In view of the current separation of the CoreHR database from Mid and West Wales FRS we are able to adopt a more independent approach to future developments that meet our specific needs. This will enable us to capitalise on this product to create a more effective and efficient HR function, including self-service, thus increasing capacity to provide added value services to the Service.

E-recruitment was launched in Q3 and E-talent is due to be launched in 2021. The Service has identified a fellow user, i.e. Tyne and Wear FRS, and is sharing knowledge around their adoption of the Talent module.

The design and implementation of a Home Safety Dashboard for the management and monitoring of all home safety checks continues. Reporting requirements from CS&P are reviewed to identify potential for inclusion on BMIS for regular updates.

Work continues to finalise task owners and ensure that all Welsh Language standards are captured within BMIS pages which are set up in Welsh and English. Head of HR is to approve work done to date and proceed with a live Q4 update to support the year-end report.

Training and Development are exploring the possibility of remote teaching using StarLeaf on stations.

Work continues on the recording of Station Audits within BMIS. The monthly module is now live and is being utilised by station commanders across the Service. Some work remains on the annual module.

We continue to utilise Hydra and XVR to support incident command continuation training.

Hydra is an immersive, interactive environment for delivering exercises to develop decision makers to better manage Critical Incidents. The methodology provides highly realistic simulations of events, enabling key staff to respond in real time to both immediate critical pressured events and also to consider their strategic impact on both their institution and the public. Delegates are able to record difficult decisions and uniquely, also record their rich and detailed rationale. This approach to 'show your working' is further discussed in 'time-out' sessions within the exercise, by trained and skilled facilitators.

XVR On Scene is the fire sector market-leading simulation software product and creates a wide range of realistic scenarios to set the scene and create visual imagery to allow Incident Commanders the opportunity to make operational and tactical decisions in an attempt to resolve the incident.

Following Fire Authority approval of the Office Services project ICT will begin project planning for rollout, work on the hardware side is being undertaken at the moment by the Infrastructure Team.

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

The update of the Tranman Fleet Management System to version 9 to improve system resilience and incorporate opportunities for future improved functionality is ongoing. We are at the testing stage whilst Tranman continue to introduce the defect portal in the back ground.

“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.”

Migration of the Intranet is well underway but has been affected by current working conditions due to COVID-19. We have not been able to have face to face meeting with Teams as planned but continue to meet via Starleaf and e-mail. Provision of Training will also be an issue as we have to train the trainers first. A realistic timeline has now set to March for completion.

The review of employees' access requirements to BMIS continues to be monitored and those who have not used the system in six month period will be contacted and access requirements will be discussed. If they no longer intend using the system they will be removed. This will free up extra licenses. Permissions and groups is still ongoing. The number of groups has been streamlined in accordance with access levels. These will continue to be monitored.

Server Replacement Programme. 3 of 5 servers are now installed. 2 servers will be installed in Q4.

ST04 – Working with our partners

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

We remain fully committed to our PSB's. Meetings have, however, been placed on hold due to COVID-19 but should now recommence as we move towards the new normal.

The design and implementation of a PSB area on BMIS, to facilitate the collation and reporting of evidence of how we support the nine PSB wellbeing objectives, has been re-prioritised due to impending changes to

Community Risk Management Plans which will ultimately supply the majority of data that will feed into the PSB dashboard.

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

As part of the 2020-21 Wholetime Duty System (WDS) recruitment campaign we liaised with community cohesion partners to maximise potential recruitment / engagement opportunities and focus resources appropriately.

Following recent contact with WG, the timescale for the draft addendum to the Specialised Housing Group (SHG), to be processed through their legal teams, has been delayed due to the current health emergency. Work with housing providers continues

Training delivery at Cardiff Gate Training and Development Centre (CGTDC) has worked very well during COVID-19 restrictions. Bi-monthly and quarterly meetings undertaken with Babcock who continually support high level of resource management.

All Wales / NFCC training managers' virtual meeting continue to be held with positive outcomes of future joint working in key areas with working groups set up.

We continue to work with the other Welsh FRS to agree and adopt a common format for operational training information. We have completed the National Occupational Guidance (NOG) gap analysis and this is being shared with the other Welsh Services.

Water Rescue Boat Operator (WRBO) instructor course is now running in collaboration with two Welsh FRS' and Kent FRS. All WRBO courses and CPD is being developed as all wales packages. Changes should be in place by 1st April.

JFC continue to participate in the Joint Emergency Services Interoperability Principles (JESIP) working group.

JFC continues to work closely with South Wales Police whilst taking into account COVID-19 social distancing and safety measures.

The tri service data sharing project has stalled as a direct result of the increased demands placed on each stakeholder during the COVID-19 pandemic. The team's lead indicated that all stakeholders are still keen to progress with the project, however, the progress of this action is dependent on the effects of the COVID-19 pandemic becoming more manageable across each of the meeting participants' organisations.

4.3 Review and evaluate our existing partnerships

The coordinated Primary Authority Schemes (PAS) with Care and Healthcare (CHC) continues to be very beneficial to Housing Associations and the Service. A survey has been carried out with Housing Associations that are members of this scheme.

A new PAS partnership has been discussed with representatives of the Leekes Group.

COVID-19 has affected communication channels but virtual meetings, emails and telephones have been used instead of 'face to face' contact.

“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.”

ST05 – Engaging and communicating

5.1 Deliver on the recommendations of the Investors in People (IIP) report

An interim health check has shown positive improvement in all areas. We are currently midway through our assessment and will have the outcome by the end of March 2021.

CGTDC continue to support and communicate the recommendations of the IIP with re-assessment due to complete early February 2021.

A “Senior Middle Leader” event has been conducted and 24 Principal Officer visits to stations have taken place.

The internal engagement plan is complete and is being implemented.

A number of SHOUT forums have now been delivered virtually using StarLeaf and have been well attended by staff from across the Service. These are being coordinated every six weeks.

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

A meeting of the All Wales Communications group discussed methods of engagement that aren't reliant on digital media, including the potential use of billboard vehicles in digitally deprived communities to further aid our ability to communicate with our communities. During 2021 we will look at ways of categorising those on our stakeholder register to determine its reach and explore new methods of providing opportunities for people to be included in our consultations.

An article explaining the results of the business planning pre-consultation and inviting members of staff to participate in the public consultation was included in the Spark Newsletter in November 2020. Findings from the public consultation will be presented to FRA in Feb 2021.

A forum with building leads to improve how we consult and engage has been established and periodic meetings are organised with the relevant groups. However, due to the COVID-19 pandemic the meetings have been postponed until further notice.

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

BFS teams continue to support our communities through the COVID-19 period providing advice and support to address the changing risk. Teams are providing proactive support through face to face and remote audits along with media and social media advice in partnership with Media and Communications to address risk appropriately. BFS also provide support to operational crews and Operational Risk management (ORM) staff to address operational intelligence gathering initiatives as new risk emerges.

A revised process of delivering Key Stage 1-4 in educational establishments is being developed to assist with COVID-19 restrictions.

The All Wales Risk Reduction group is to discuss further regarding direction of travel for the use of virtual reality (VR) to deliver educational activities.

The Momentum Programme is up and running, although due to COVID-19 pandemic no courses completed this year although as things progress and improve the Momentum Programme will be reinvigorated.

“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. Young people learn firefighting skills and the discipline that is expected on the drill yard.”

ST06 – Valuing our people

6.1 Attract a workforce that reflects and represents our communities

A review of the previous WDS campaign has been undertaken and key learning points identified. We will be initiating further campaigns in the coming months and will use all available resources to ensure that we reach all communities and maximise opportunity for all groups.

The Diversity Officer and the Learning and Development Team are developing a line manager training package for diversity. The development programme provided by Skills Boosters is also available from other providers who may offer products more appropriate to the Service requirements. Further consideration is ongoing.

6.2 Develop our people by identifying training and development opportunities

Training has continued in CGTDC throughout the COVID-19 pandemic and the department has managed to carry on providing risk critical training and initial training to service the needs of the organisation.

During the current COVID-19 health crisis day duty risk reduction staff are maintaining their operational competency via PDRPro/OSPs and (where appropriate) by attending operational courses (e.g. at CGTDC).

Reassessment are fully underway with Level 1 and 2 incident commanders. Level 1 have been conducted remotely and will continue until COVID-19 restrictions eased. Level 2 assessments with minimal contact at Cardiff Gate. Level 3 to be re-established when restrictions lifted due to personnel required to facilitate.

Operational Discretion is being embedded at all levels within incident command, via initial courses, assessments, tactical and junior officers’ seminars. Incident command SOP has been amended.

All three Welsh FRS’ are nearing completion of aligning NOG with training delivered and service policy. With regards to Road Traffic Collision (RTC) – Work is still ongoing to produce packages. 2 Packages have been published and work on 4 other packages is still on going. Filming took place on the 17th December to provide media for the package. Work is ongoing with TSU. RTC SOP has been review and is currently out for consultation.

The various strands of work to implement the new Learning and Development (L&D) strategy are still being developed with Personal Reviews taking priority at present to ensure it meets the 1st April 2021 launch date.

We continue to prepare a BFS training and skills package in readiness of the outcomes of the Dame Hackett Review (Buildings & Fire safety) and the public enquiry from the Grenfell Tower fire. This was hampered slightly due to the COVID-19 health crisis however, work on this package has recommenced with the multi-media training team. Expected completion date 31/03/21.

Skill sharing meetings will become a regular item in the calendar for Stats and Risk and Planning, Performance and Risk (PPR) in order to share experiences across the team. Stats and Risk will next discuss the use of demographic datasets and PPR will have a meeting to share experiences of using the BMIS system.

All current admins of social media sites are now trained. Media and Communications to link with new GMs and Station Commanders to identify and train new admins, and mothball unused Facebook pages.

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

The majority of actions from the Inclusive Fire Service Plan have been integrated into the IIP programme, Strategic Equality Plan, Staff Forum, and People Plan. Other actions, are noted separately (e.g.; staff networks).

A framework is being developed for the inclusion of wellbeing areas on stations.

We awaiting research by the Wellbeing Officer seconded to Attendance Management with regards to the introduction of additional wellbeing training to watch based junior officers across the Service.

All preparatory work on fire stations, to facilitate Fire Fit, has been completed.

ST07 – Protecting our environment

7.1 Reduce our usage of single use materials

We continue to reduce the use of single use materials. All stations have now been issued with 9ltr water jacks for drinking water and personal water bottles have been issued to all personnel. Crates of plastic single use water bottles have been removed from the eProc system. All stations will have drinking water coolers fitted by 31/03/21.

eProc is a procurement software suite which provides public and private sector organisations with the functionality to fulfil all aspects of the end-to-end procurement process from initial tendering and contract management through to the provision of goods received notes.

7.2 Explore the use of electric vehicles

20 charging points are to be provided at HQ and an additional 4 in North, East, South and West of the Service area. Civil works commenced on 4 January 2021 in preparation for electrical installation for charging infrastructure.

Hybrid vehicles have been introduced into service, the next step following the completion of the charging stations will be to replace 22 pool cars with electric versions. The exact models which will be used are not known at this time. Prices have been obtained and were now at a consultation stage on what vehicles to order.

7.3 Reduce our energy use and our carbon footprint

We continue to explore opportunities to retrofit green energy solutions and embed sustainability into design processes. Latest technologies are being reviewed and are utilised where appropriate across the service.

Tranman have been asked to provide the ability to monitor the carbon footprint of pool vehicles in order to help assess the beneficial impact of new electric powered vehicles on the environment. However, at the last meeting they were having difficulty recording the details from the fuel systems.

Discussions are due to take place with the couriers to look at options around improving the routes and reducing the carbon footprint. Due to COVID-19 we are still operating on a one delivery per station per week as a temporary measure.

The operations department continues to work to minimise appliance movements for training. We are currently using new technology on stations to deliver seminars and induction course using StarLeaf to limit appliance movements for training.

7.4 Consider how our activities impact on the environment

CoreHR has enabled HR to reduce its use of paper, printing etc. in all functions. A prime example of this is the current WDS campaign which has significantly reduced the use of paper, printing, distribution etc. The restrictions of COVID-19 have also encouraged greater use of technology which has reduced usage of consumables.

CS&P are exploring the possibility of utilising E technology i.e. Tablets for completing M20's.

All risk reduction promotional items purchased have been requested with the following criteria; reliably sourced, recycled/recyclable materials and from UK based companies in order to reduce carbon footprint.

ST08 – Continuing to work effectively

8.1 Be clear and publically accountable

The People Plan 2021-24 has gained the agreement of all relevant parties and is to be published 1st April 2021.

The review of the Incident Recording System (IRS) has now been extended to include a Quality Assurance Framework. Draft process document in progress. Revised quality assurance process to commence April 2021.

The Home Safety Check working group continues to meet to identify improvements that can be made to the data collection process and to streamline reporting from the HSC database. Progress has also been made to develop a reporting dashboard for the Road Safety Team and the Safeguarding lead has presented information to SMT using the dashboards created in Q2. With a move to have virtual key stage visits in 2021 a change is needed to the data collection job sheet which will also be a good opportunity to review its use in the service. Discussions are also ongoing to tie up the information collected on the IRS reports, FI reports and M37 reports to ensure continuity and greater detail is shared to SMT.

The Job Evaluation process is currently underway. The moderation stage includes ratifying grades and remuneration. As part of this, there will be an assessment of any Gender Pay issues. Outcomes will be presented to the HR & Equalities Committee in February and to the Finance, Audit and performance Management (FAPM) committee in March. On March 25th 2020, all proposals will be presented to the Fire Authority for ratification.

In December 2020 SMT held a discussion on Response and Prevention measures using the assurance metrics dashboard to facilitate their discussion as originally intended when the work stream was devised. A reporting calendar was also agreed and will be regularly reviewed by SMT to ensure the dashboard is meeting requirements and any amendments are then actioned. Some additional content will be added through Q4 at which point the action will be deemed complete.

Physical Station Information Governance Audit visits have been cancelled due to COVID-19 restrictions and resource. Looking into possibility of conducting virtual tour audits/check-ins to link in with those on stations.

Information Security Management System documents are now out for consultation with the Security Risk Group - they will be published by the end of January.

A number of surveys continue to be successfully devised and rolled out by the Statistics and Risk team, who have been accompanying each survey with a robust evaluation for the customer following the survey being closed. Upcoming consultation activities are discussed and prioritised via the Consultation and Engagement Group (CEG), in an attempt to ensure a steady and consistent means of obtaining feedback from both staff and members of the public. A procedure outlining the creation of surveys has also been drafted and will be part of the further roll out of the Data Management procedures during 2021-22. Discussions are also underway for the creation of an area on the intranet where all ongoing live surveys can be made accessible to staff.

8.2 Maximise value for money

Work has been completed to realise the benefits of CoreHR. e-Recruitment was launched early Q3. Work has commenced on e-Talent which will tie into the Service's personal review process etc.

Operations continue discussions with Training and Developments to ensure maximum training course attendance.

A technician has now been appointed to manage the CFBT. An annual review will take place to establish on cost managing the facility against projected costs for a third party arrangement.

8.3 Develop for a new normal way of working

Departmental COVID-19 risk assessments continue to be carried out and reviews undertaken by the Health and Safety (H&S) team. These are available on the H&S intranet site.

The WG All Wales COVID-19 Workforce Risk Assessment Tool Guidance for Managers and Staff is now available to all staff allowing self-assessment as required. Agreement with Absence Management and Occupational Health on what process to implement following assessment yet to be finalised.

The COVID-19 Recovery Team continues to monitor WG and Public health Wales (PHW) guidance and updating as and when required. New information surrounding the use of Serial Lateral Flow testing for staff being monitored. Thus ensuring our workforce is resilient and aware of the constantly changing landscape.

Following the WG Black, Asian and Minority Ethnic (BAME) COVID-19 Socioeconomic Subgroup report, the Service has completed an Equality Risk Assessment (ERA) and Data Protection Impact Assessment (DPIA) and these are awaiting sign off from the Deputy Chief Officer.

We continue to monitor and reinforce social distancing messaging across all sites. A programme of Risk Assessment review has been established. Through monitoring of latest updates we are prepared to react to any significant changes in WG or PHW guidance.

We continue to limit the number of contractors and visitors attending our premises to those required for essential reasons only. All visitors are made aware of COVID-19 restrictions through verbal and visual messaging on respective locations. Contractors & visitors adherence to COVID-19 guidelines is managed by recipients with risk assessments being shared with all.

H&S have produced a suite of cleaning guidance leaflets to support previous guidance. A new training package is near completion and will appear on the OSP platform. A link with the Welsh Ambulance Service Trust (WAST) Infection Protection Control (IPC) has been training established.

Clear guidance available to all staff regarding the use of face coverings in vehicles and other instances where 2m social distancing cannot be maintained.

All COVID-19 specific personal protective equipment (PPE) is monitored using the Critical Incident Team (CIT) tracker within BMIS with link into stores for station stock levels. Stations report via OAST at the start of each watch tour of duty.

Rotas are embedded across teams limiting the actual number of people occupying spaces, Heads of Service and line managers are monitoring. Property Services are monitoring individual swipe card entry as a support measure.

A link is now established with PHW via HR for direct advice on Test, Trace and Protect (TTP) issues.

WG has introduced additional lock down periods similar to restrictions introduced in March 2020. We have made increased use of ICT platforms to support home working. Staff have support from the Service to temporarily continue to work from home where possible.

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PERFORMANCE MONITORING REPORT

Appendix 1

01 April - 31 December 2020



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 2020 to 31 December 2020. 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 - Quarter 1-3

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.

The COVID-19 pandemic has also prevented us from delivering many of our education and youth prevention programs such as Foundation Phase, Key stage 2 education talks and road safety talks. Youth prevention activities such as the Phoenix, Crimes and Consequences and our Fire Cadets have also been put on hold. Staff have been

redirected from areas of youth and education to assist with the successful new revised HSC process. As a result for the Q1/3 period the service has been able to carry out 4,709 HSCs. 412 were refused and at 424 addresses we were unable to contact the occupier.

With the easing of restrictions, we were able to recommence education and planning for youth intervention in a new COVID-19 compliant format. During this period we delivered valuable road safety prevention messages with our partners in the Police and Local Authority to local communities. We were also able to run a revised Phoenix program to change the behavior of young people in the Gwent region.

New restrictions have meant revisiting all our programs and our teams are working on identifying and trialing different ways of working. The return of the cadets was put on hold until after the 2nd National lockdown in November and will recommence at some point in 2021, along with recommencing some form of schools education and community engagement.

For safety reasons the Business Fire Safety department has been unable to carry out audits in the usual manner to premises, except to those that were deemed to be high risk i.e. after fire assessments and premises that have an alleged high risk due to livelihood or life risk. The department have been proactively working with health boards on the introduction of field hospitals and have developed new ways of working including completing audits to premises remotely and will start to recommence more activity as lockdown eases.

Due to the pandemic and continued support to other agencies, work by stations on 2020/21 CRMPs (Community Risk Management Plans) has been put on hold and will continue in the foreseeable future.

Noticeable differences to the type of incidents that the service has attended in Q1/3 has been the increase in assisting other agencies, in particular assistance to the Police/Ambulance. Assistance to the Police/Ambulance has increased from 154 incidents last year in Q1/3 to 238 incidents this year, an increase of 55%. Assistance to all other agencies has increased from 224 incidents last year to 292 incidents this year, an increase of 30%.

The service has also experienced an increase in attendance to bariatric patients with incidents rising from 58 last year in Q1/3 to 104 incidents this year, an increase of 79%. Attendance by crews to suicide or attempted suicide has also risen sharply during Q1/3 with 58 incidents compared to 31 last year. An increase of 87%.

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-hernimand@southwales-fire.gov.uk 01443 232775 or Jon Carter j-carter@southwales-fire.gov.uk 01443 232347 to discuss.

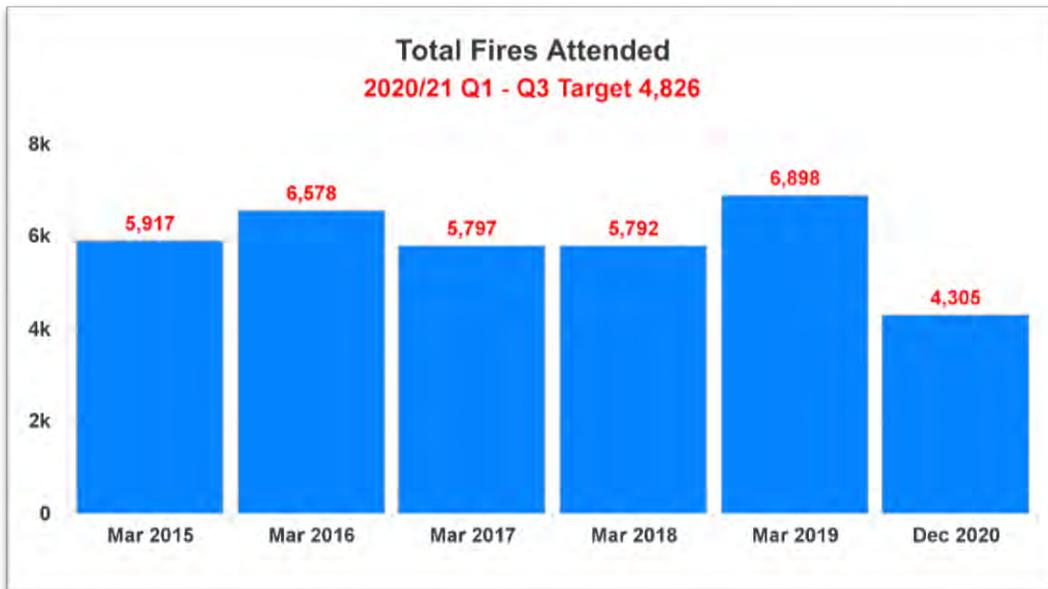
Strategic Indicators 2020/21 – Performance Q1 – Q3

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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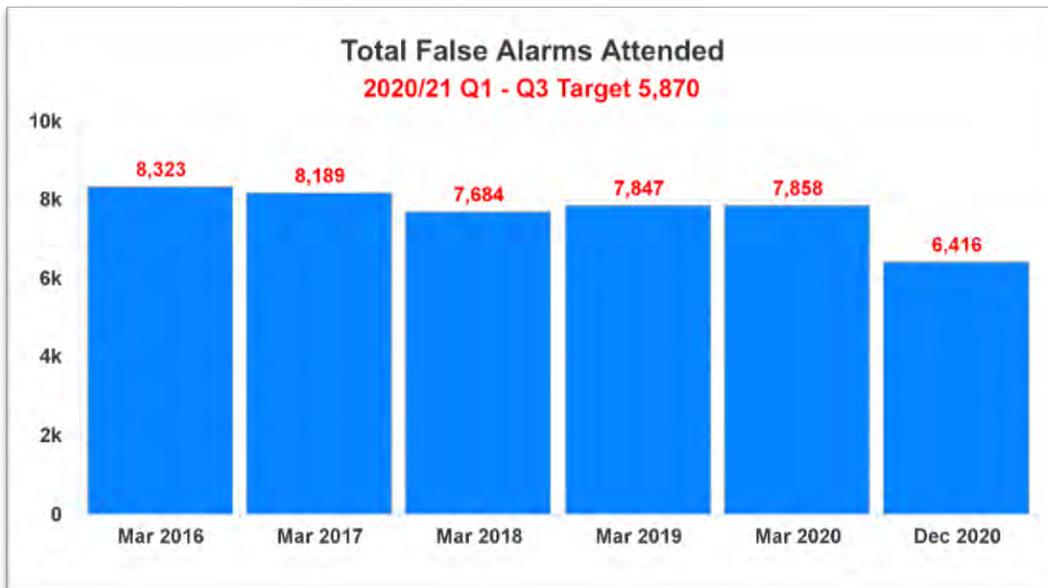


	Q1 - Q3 Actual (YTD)	Q1 - Q3 Target (YTD)	Q1 - Q3 2020/21 (YTD)	Q1 - Q3 2019/20 (YTD)
Total Fires Attended	4,305	4,826	★	4,444
Total RTCs Attended	496	764	★	790
Total False Alarms Attended	6,416	5,870	▲	6,138
Total Other SSCs Attended	1,725	1,667	●	1,764
% of Dwelling Fires Confined to Room of Origin	81.67%	85.00%	●	84.01%
Total Deaths and Injuries In Fires	30	49	★	65
Total Accidental Deaths and Injuries In Fires	25	44	★	51



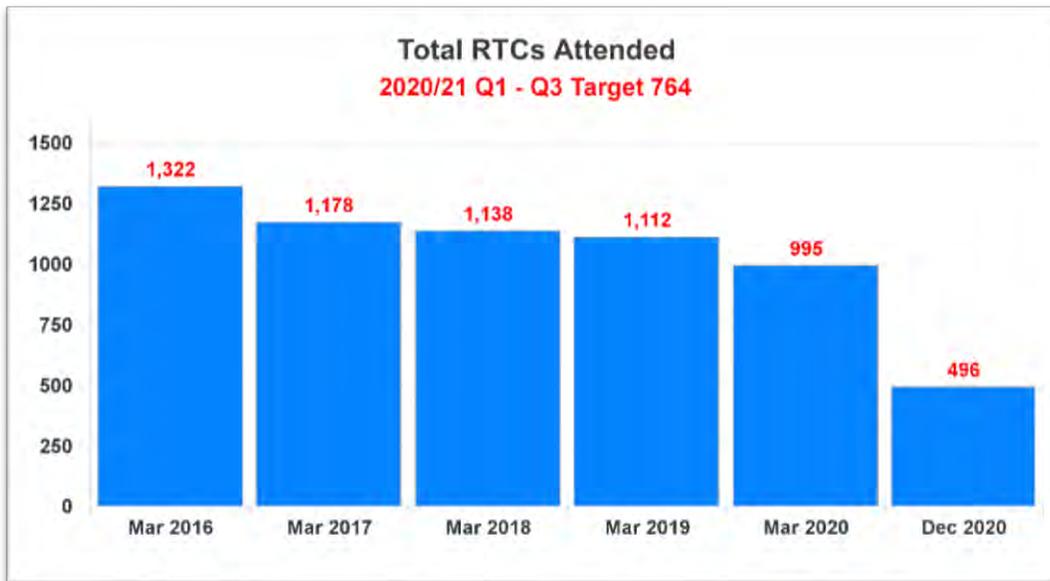
2020/21 Q1/3 Performance V Q1/3 2019/20

- Total fires (4,444 – 4,305) ↓ 3% - 11% below the Q1/3 target of 4,826
- Deliberate fires (3,179 – 3,036) ↓ (4%)
- Grass fires (960 – 892) ↓ 7%, Refuse fires (1,824 – 1,918) ↑ 5%
- Road vehicle fires (578 – 499) ↓ 14%,
- Vale of Glamorgan (279) 13% above target, Blaenau Gwent (297) and Newport (517) both 25% below target
- Deliberate fires accounted for 71% of all fires.



2020/21 Q1/3 Performance V Q1/3 2019/20

- Total False Alarms (6,138 – 6,416) ↑ 278 (5%)
- 9% above the target of 5,870.
- False alarm due to apparatus (3,457 – 3,404) ↓ 2%
- False alarm good intent (2,490 – 2,851) ↑ 14% (grass, refuse)
- False Alarm Malicious (191 – 161) ↓ 16%
- Residential homes (328 – 227) ↓ 31%, Education (427 – 330) ↓ 23%, Hospitals (493 – 468) ↓ 5%
- Appliances in attendance at Residential homes (491 – 352) ↓ 28% Education (609 – 490) ↓ 20%, Hospitals (718 – 659) ↓ 8%



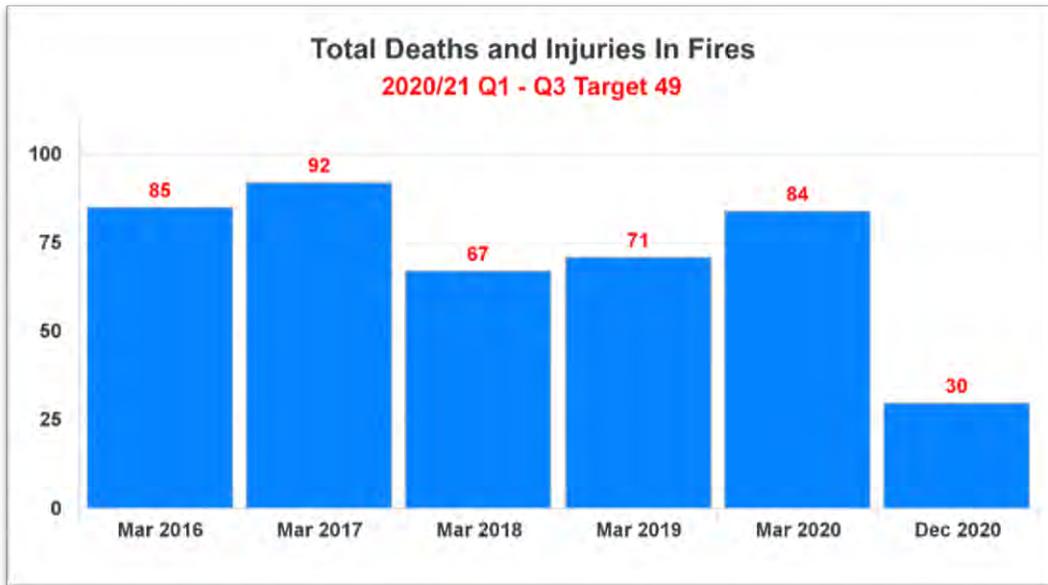
2020/21 Q1/3 Performance V Q1/3 2019/20

- Total RTCs (790 – 496) ↓ 294 (-37%)
- 35% below the target of 764
- This year so far has seen the lowest numbers for 5 years.
- Although extrications/release of persons have fallen from 161 to 102 the percentage of extrications/release of persons has increased to 21% from 20% last year.
- November (21) and December (17) had the highest numbers of extrications and release of persons spread out across the service area.



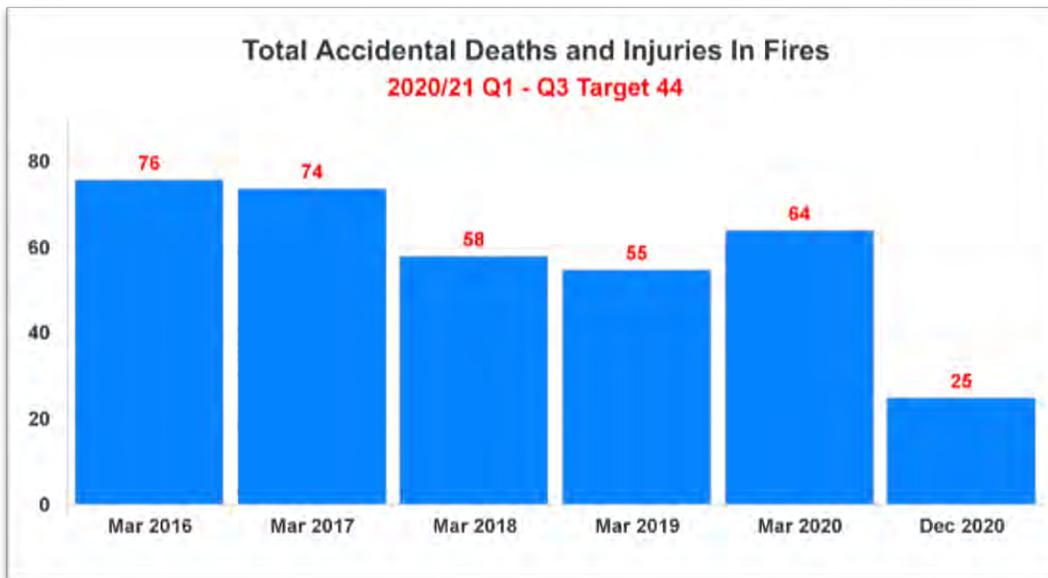
2020/21 Q1/3 Performance V Q1/3 2019/20

- Other SSCs (1,764 – 1,725) ↓ 39 (-2%)
- 3% below the target of 1,667
- Suicide/attempts (31 – 58) ↑ 87% - 11 in May, 8 in July and October.
- Assisting other agencies (224 – 293) ↑ 31%, Bariatrics (58 – 104) ↑ 79%, Effecting entry (255 – 165) ↓ 35%
- August experienced the highest numbers with 261 incidents. Assisting other agencies (32) and flooding (29) were the main incident types.
- Cardiff UA had the highest number of incidents with 382.



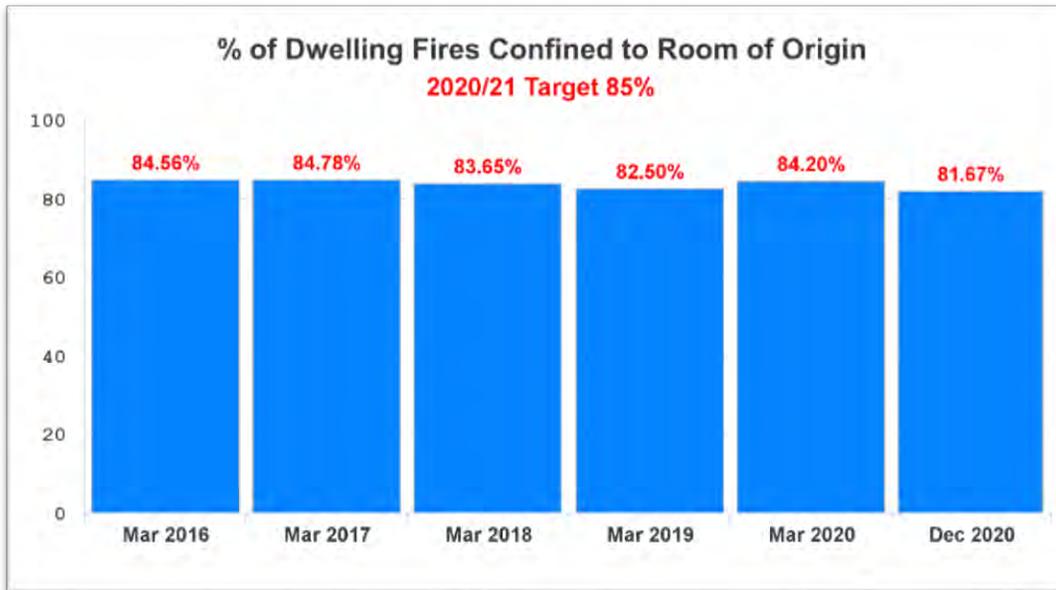
2020/21 Q1/3 Performance V Q1/3 2019/20

- Total fatalities and injuries ↓ 54% (65 to 30)
- 39% below the Q1/3 target of 49.
- 5 fatalities from fires, 3 less than last year. Zero in Q2/3.
- 3 in accidental dwelling fires – 2 others deliberate
- Serious injuries ↓ from 9 last year to 4 so far this year
- Slight injuries ↓ 56% (48 to 21)
- 2 fatalities in ADFs were caused by cooking and the other by a fault in a fridge freezer.



2020/21 Q1/3 Performance V Q1/3 2019/20

- Accidental fatalities and Injuries ↓ 51% (51 to 25)
- 43% below the target of 44.
- 3 accidental dwelling fatalities - aged 93, 82, and 57.
- Serious injuries ↓ from 9 last year to 4 this year.
- Accidental slight injuries ↓ 51% (37 to 18)
- We have experienced the lowest accidental deaths and injuries since 2009/10



2020/21 Q1/3 Performance V Q1/3 2019/20

- 401 of 491 dwelling fires have been confined to the room of origin (81.67%).
- This is below last year and is 3% below the target set of 85% at the start of the year.
- Newport UA had the highest actual numbers with 48 of the 52 fires (92%) confined to the room of origin.
- Bridgend, Blaenau Gwent and Monmouthshire all had 75% of fires confined to the room of origin.



Incident Categories	Apr 2019 - Mar 2020	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1 - Q3	Last Year Q1 - Q3	Q1 - Q3 YoY	Q1 - Q3 YoY %	
Total Incidents	861	99	98	69	60	61	81	77	72	73				266	202	222		690	678	12	2%	🟡
Special Service Call	149	8	5	13	11	18	11	11	13	24				26	40	48		114	105	9	9%	▲
Total RTCs Attended	40	0	0	1	2	1	2	1	2	4				1	5	7		13	30	-17	-57%	★
Total Other SSCs Attended	109	8	5	12	9	17	9	10	11	20				25	35	41		101	75	26	35%	▲
Total False Alarms Attended	355	42	45	24	21	24	38	27	27	31				111	83	85		279	283	-4	-1%	★
Malicious False Alarms	8	0	4	1	0	0	1	1	0	0				5	1	1		7	7	0	0%	★
Good Intent False Alarm	177	33	29	18	9	12	19	8	11	12				80	40	31		151	150	1	1%	🟡
Automatic False Alarms	170	9	12	5	12	12	18	18	16	19				26	42	53		121	126	-5	-4%	★
Total Fires Attended	357	49	48	32	28	19	32	39	32	18				129	79	89		297	290	7	2%	🟡
Deliberate Fire	281	35	39	27	23	15	27	35	30	9				101	65	74		240	232	8	3%	🟡
Deliberate grass fires attended	51	17	13	4	2	1	0	0	1	0				34	3	1		38	46	-8	-17%	★
Deliberate refuse fires attended	167	15	18	17	14	10	25	32	22	8				50	49	62		161	133	28	21%	▲
Accidental Fire	76	14	9	5	5	4	5	4	2	9				28	14	15		57	58	-1	-2%	★
Accidental Dwelling Fires Attended	31	3	1	0	2	1	1	1	1	4				4	4	6		14	24	-10	-42%	★
Total Deaths and Injuries In Fires	2	1	0	0	0	0	0	0	0	0				1	0	0		1	2	-1	-50%	★
Total Accidental Deaths and Injuries In Fires	2	1	0	0	0	0	0	0	0	0				1	0	0		1	2	-1	-50%	★

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a decrease of 42% compared to Q1/3 last year. The number of incidents have decreased from 24 to 14. There were 4 incidents in December, 3 in April and 2 in July. 6 of the 14 incidents were caused by combustible articles too close to the heat source, 2 were caused by cooking and 2 others by faulty fuel supplies-electricity. 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 April, a male aged 82 which was caused by combustible articles too close to the heat source. Attendance at Other special service calls has increased by 35% with assistance to other agencies increasing by 69% compared to last year. The number of Road traffic collisions attended has decreased by 17% (57%) from 30 to 13 with crews attending only 1 incident in Q1, 5 in Q2 and 7 in Q3. 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 when it is safe to do so. Deliberate grass fires however have decreased by 17% from 46 to 38. Deliberate refuse fires have increased by 21% from 133 to 161. Automatic false alarms have decreased by 4% (126 to 121) compared to Q1/3 last year. Crews, when in it is safe to do so, 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 remained the same as last year with 7 incidents 4 of these were in May and were as a result of malicious calls to grass fires (3) and a dwelling fire. There was a 1% increase in Good intent false alarms with refuse (62 calls) and grass fires (35 calls) accounting for the majority of this increase.



Incident Categories	Apr 2019 - Mar 2020	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1 - Q3	Last Year Q1 - Q3	Q1 - Q3 YoY	Q1 - Q3 YoY %	
Total Incidents	1,543	189	165	126	118	106	131	87	109	108				480	355	304		1,139	1,214	-75	-6%	★
Special Service Call	297	14	19	21	26	30	23	16	25	32				54	79	73		206	219	-13	-6%	★
Total RTCs Attended	92	7	6	6	14	9	5	1	6	9				19	28	16		63	71	-8	-11%	★
Total Other SSCs Attended	205	7	13	15	12	21	18	15	19	23				35	51	57		143	148	-5	-3%	★
Total False Alarms Attended	698	79	68	68	53	54	64	47	52	45				215	171	144		530	560	-30	-5%	★
Malicious False Alarms	24	0	3	0	2	3	4	4	5	1				3	9	10		22	21	1	5%	●
Good Intent False Alarm	318	50	43	29	24	26	25	15	24	15				122	75	54		251	254	-3	-1%	★
Automatic False Alarms	356	29	22	39	27	25	35	28	23	29				90	87	80		257	285	-28	-10%	★
Total Fires Attended	548	96	78	37	39	22	44	24	32	31				211	105	87		403	435	-32	-7%	★
Deliberate Fire	373	75	60	28	20	15	32	16	22	17				163	67	55		285	305	-20	-7%	★
Deliberate grass fires attended	136	45	22	11	4	0	2	0	0	0				78	6	0		84	120	-36	-30%	★
Deliberate refuse fires attended	169	26	33	15	14	15	21	12	15	8				74	50	35		159	132	27	20%	▲
Accidental Fire	175	21	18	9	19	7	12	8	10	14				48	38	32		118	130	-12	-9%	★
Accidental Dwelling Fires Attended	65	3	6	2	6	2	4	4	1	6				11	12	11		34	48	-14	-29%	★
Total Deaths and Injuries In Fires	8	0	1	0	0	1	1	0	0	1				1	2	1		4	6	-2	-33%	★
Total Accidental Deaths and Injuries In Fires	7	0	1	0	0	1	1	0	0	1				1	2	1		4	6	-2	-33%	★

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a decrease of 29% compared to Q1/3 last year. The number of incidents have decreased from 48 to 34. There were 6 incidents in May, July and December. 7 (21%) of the 34 incidents were caused by combustible articles too close to the heat source and 6 (18%) caused by cooking. 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 May, a female aged 93 where the fire was caused by cooking and there was also a serious injury in December and slight injuries at incidents in August and September. Attendance to Other special service calls has fallen from 148 last year to 143 this year (-3%). The biggest decrease was attendance at effecting entry which reduced from 22 last year in Q1/3 to 12 incidents this year. Sadly crews attended 7 suicide/attempts in Q1/3. The number of Road traffic collisions attended has reduced from 71 last year to 63 (-11%) with crews only attending 18 incidents in Q1, 28 in Q2 and 16 in Q3. The majority of the incidents (35) were making the scene/vehicle safe. 9 extrications/release of persons took place by crews during quarter 1/3. 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 when it is safe to do so. Deliberate refuse fires have increased by 20% from 132 to 159 compared to Q1/3 last year. Deliberate grass fires however have decreased by 30% from 120 to 84. Automatic false alarms have decreased by 10% (285 to 257) compared to Q1/3 last year. Crews, when in it is safe to do so, 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. There has also been a slight increase in malicious false alarms in Q1/3 with 22 incidents compared to 21 last year. There was a 1% decrease in Good intent false alarms with calls to dwellings (80) and refuse (71 calls) accounting for the majority of these calls.



Incident Categories	Apr 2019 - Mar 2020	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1 - Q3	Last Year Q1 - Q3	Q1 - Q3 YoY	Q1 - Q3 YoY %	
Total Incidents	1,804	203	200	139	115	149	154	122	135	139				542	418	396		1,356	1,405	-49	-3%	★
Special Service Call	334	17	10	14	19	34	19	26	28	25				41	72	79		192	241	-49	-20%	★
Total RTCs Attended	117	4	1	4	7	8	4	6	9	8				9	19	23		51	95	-44	-46%	★
Total Other SSCs Attended	217	13	9	10	12	26	15	20	19	17				32	53	56		141	146	-5	-3%	★
Total False Alarms Attended	684	78	89	54	56	64	80	58	60	63				221	200	181		602	521	81	16%	▲
Malicious False Alarms	25	0	1	0	1	2	1	1	0	4				1	4	5		10	19	-9	-47%	★
Good Intent False Alarm	352	62	59	31	31	34	40	30	42	24				152	105	96		353	276	77	28%	▲
Automatic False Alarms	307	16	29	23	24	28	39	27	18	35				68	91	80		239	226	13	6%	▲
Total Fires Attended	786	108	101	71	40	51	55	38	47	51				280	146	136		562	643	-81	-13%	★
Deliberate Fire	591	91	74	53	28	39	42	24	39	33				218	109	96		423	497	-74	-15%	★
Deliberate grass fires attended	185	54	33	18	3	9	9	1	0	1				105	21	2		128	175	-47	-27%	★
Deliberate refuse fires attended	296	27	34	32	19	23	28	21	34	22				93	70	77		240	235	5	2%	●
Accidental Fire	195	17	27	18	12	12	13	14	8	18				62	37	40		139	146	-7	-5%	★
Accidental Dwelling Fires Attended	71	3	4	7	6	3	3	5	3	10				14	12	18		44	46	-2	-4%	★
Total Deaths and Injuries In Fires	7	0	0	1	0	0	1	0	0	0				1	1	0		2	6	-4	-67%	★
Total Accidental Deaths and Injuries In Fires	6	0	0	1	0	0	0	0	0	0				1	0	0		1	5	-4	-80%	★

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a decrease of 4% compared to Q1/3 last year. The number of incidents have decreased from 46 to 44. The most incidents were in December (10), June (7) and July (6). 15 (34%) of the 44 incidents were caused by cooking. 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 were 2 slight injuries, 1 in June, a female aged 37 fell asleep whilst cooking and was carried out of the property by crews. There was also a slight injury in September, a male aged 40 who was overcome by gas in a deliberate ignition. Attendance to Other special service calls has fallen from 146 last year to 141 this year (-3%). The biggest decrease was attendance at effecting entry which reduced from 21 to 8 (-62%). Sadly crews attended 5 suicides/attempts. The number of Road traffic collisions attended has decreased by 44 (-46%) with crews attending 51 incidents between April and December. The majority of these incidents (17) were making the scene/vehicle safe. 10 extrication/release of persons took place by crews during Q1/3. 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 when it is safe to do so. Deliberate refuse fires this year have increased by 2% compared to Q1/3 last year. Deliberate grass fires however have decreased by 27% (175 to 128). Automatic false alarms have increased by 6% (226 to 239) compared to Q1/3 last year. Crews, when in it is safe to do so, 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. There has been a decrease in malicious false alarms with 10 incidents compared to 19 last year. There was a 28% increase in Good intent false alarms with refuse (86 calls) and calls to dwellings (92 calls) accounting for the majority of this increase.



Incident Categories	Apr 2019 - Mar 2020	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1 - Q3	Last Year Q1 - Q3	Q1 - Q3 YoY	Q1 - Q3 YoY %	
Total Incidents	3,795	283	320	260	282	338	352	284	358	300				863	972	942		2,777	2,959	-182	-6%	★
Special Service Call	834	53	37	42	46	72	60	51	53	56				132	178	160		470	638	-168	-26%	★
Total RTCs Attended	196	14	6	12	8	10	12	9	12	5				32	30	26		88	164	-76	-46%	★
Total Other SSCs Attended	638	39	31	30	38	62	48	42	41	51				100	148	134		382	474	-92	-19%	★
Total False Alarms Attended	1,997	140	142	131	158	186	194	156	205	184				413	538	545		1,496	1,533	-37	-2%	★
Malicious False Alarms	69	2	5	3	8	7	9	5	4	5				10	24	14		48	53	-5	-9%	★
Good Intent False Alarm	670	71	56	51	49	67	60	57	80	70				178	176	207		561	532	29	5%	▲
Automatic False Alarms	1,258	67	81	77	101	112	125	94	121	109				225	338	324		887	948	-61	-6%	★
Total Fires Attended	964	90	141	87	78	80	98	77	100	60				318	256	237		811	788	23	3%	●
Deliberate Fire	635	57	91	52	49	52	65	60	67	30				200	166	157		523	543	-20	-4%	★
Deliberate grass fires attended	101	10	36	13	6	11	8	5	2	0				59	25	7		91	94	-3	-3%	★
Deliberate refuse fires attended	411	34	44	36	36	29	44	40	49	18				114	109	107		330	349	-19	-5%	★
Accidental Fire	329	33	50	35	29	28	33	17	33	30				118	90	80		288	245	43	18%	▲
Accidental Dwelling Fires Attended	155	16	16	11	10	14	14	5	18	21				43	38	44		125	111	14	13%	▲
Total Deaths and Injuries In Fires	31	1	2	1	0	0	1	0	0	0				4	1	0		5	25	-20	-80%	★
Total Accidental Deaths and Injuries In Fires	23	1	2	1	0	0	1	0	0	0				4	1	0		5	18	-13	-72%	★

An analysis of the statistics relating to accidental dwelling fires suggest that there has been an increase of 13% compared to Q1/3 last year. The number of incidents have increased from 111 to 125. There were 21 incidents in December, 18 in November and 16 each in April and May. 45 (36%) of the 125 incidents were caused by cooking. 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 were 5 slight injuries from fires in Q1/3. 2 injuries were caused by careless handling of smoking materials, 1 injury was caused by cooking, 1 was faulty fuel supplies and the other was combustibles too close to the heat source. Attendance to Other special service calls has fallen from 474 last year to 382 this year (-19%). The biggest decrease was flooding which reduced from 73 incidents to 37 (-49%). Attendance where we assisted other agencies increased from 50 to 51 (2%). Sadly crews attended 16 suicides/attempts in Q1/3. The number of Road traffic collisions attended has decreased by 76 (-46%) with crews attending 88 incidents between April and December. The majority of these incidents (35) were making the scene/vehicle safe. 10 extrications/release of persons took place by crews during Q1/3 which is 15 less than last year. 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 when it is safe to do so. Deliberate refuse fires however have decreased by 5% compared to Q1/3 last year. Deliberate grass fires have also decreased by 3%. Automatic false alarms have decreased by 6% (948 to 887) compared to Q1/3 last year. Crews, when in it is safe to do so, 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 by 9% from 53 to 48 and there was a 5% increase in Good intent false alarms with calls to dwellings accounting for 242 (43%) of the 561 callouts.



Incident Categories	Apr 2019 - Mar 2020	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1- Q3	Last Year Q1-Q3	Q1 - Q3 YoY	Q1 - Q3 YoY %	
Total Incidents	773	127	77	56	60	62	51	41	45	57				260	173	143		576	601	-25	-4%	★
Special Service Call	167	8	5	13	12	18	6	7	10	17				26	36	34		96	114	-18	-16%	★
Total RTCs Attended	47	1	1	4	6	6	2	1	1	4				6	14	6		26	39	-13	-33%	★
Total Other SSCs Attended	120	7	4	9	6	12	4	6	9	13				20	22	28		70	75	-5	-7%	★
Total False Alarms Attended	330	43	28	19	31	22	25	23	22	31				90	78	76		244	272	-28	-10%	★
Malicious False Alarms	4	1	2	0	0	0	0	1	0	0				3	0	1		4	3	1	33%	▲
Good Intent False Alarm	110	26	14	8	12	12	10	6	10	8				48	34	24		106	92	14	15%	▲
Automatic False Alarms	216	16	12	11	19	10	15	16	12	23				39	44	51		134	177	-43	-24%	★
Total Fires Attended	276	76	44	24	17	22	20	11	13	9				144	59	33		236	215	21	10%	▲
Deliberate Fire	201	66	33	20	10	15	12	7	11	6				119	37	24		180	162	18	11%	▲
Deliberate grass fires attended	64	45	17	3	0	0	0	0	0	0				65	0	0		65	50	15	30%	▲
Deliberate refuse fires attended	99	17	12	14	8	12	9	4	8	2				43	29	14		86	82	4	5%	●
Accidental Fire	75	10	11	4	7	7	8	4	2	3				25	22	9		56	53	3	6%	▲
Accidental Dwelling Fires Attended	35	4	3	0	1	3	2	0	0	2				7	6	2		15	24	-9	-38%	★
Total Deaths and Injuries In Fires	3	0	0	0	0	0	0	0	1	0				0	0	1		1	2	-1	-50%	★
Total Accidental Deaths and Injuries In Fires	3	0	0	0	0	0	0	0	1	0				0	0	1		1	2	-1	-50%	★

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a decrease of 38% compared to Q1/3 last year. The number of incidents have decreased from 24 to 15. There were 4 incidents in April and 3 in May and August. There were only 2 in Q3. 6 (40%) of the 15 incidents were caused by cooking. 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 slight injury from fire in Q1/3 which is 1 less than the same period last year. Attendance to Other special service calls has fallen from 75 last year to 70 this year (-7%). The biggest decrease was lift release which reduced from 11 to 6 (-45%). Attendance where we assisted other agencies also decreased from 17 to 12 (-29%). Sadly crews attended 4 suicides/attempts in Q1/3. The number of Road traffic collisions attended has decreased by 13 (-33%) with crews attending 26 incidents between April and December. The majority of these incidents (13) were making the scene/vehicle safe. 6 extrications/release of persons took place by crews during Q1/3 which is 8 less than last year. 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 when it is safe to do so. Deliberate refuse fires have increased by 5% compared to Q1/3 last year. Deliberate grass fires have also increased by 30% with all of these incidents in Q1. Automatic false alarms have decreased by 24% (177 to 134) compared to Q1/3 last year. Crews, when in it is safe to do so, 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 by 1 incident (3 to 4). There was a 15% increase in Good intent False Alarms with refuse (37 calls), dwellings (27) and grass fires (15 calls) accounting for the majority of this increase.



Incident Categories	Apr 2019 - Mar 2020	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1 - Q3	Last Year Q1 - Q3	Q1 - Q3 YoY	Q1 - Q3 YoY %	
Total Incidents	959	65	74	82	56	114	88	55	60	110				221	258	225		704	693	11	2%	●
Special Service Call	271	6	10	18	12	23	9	17	13	50				34	44	80		158	171	-13	-8%	★
Total RTCs Attended	71	1	3	10	2	7	2	6	3	3				14	11	12		37	59	-22	-37%	★
Total Other SSCs Attended	200	5	7	8	10	16	7	11	10	47				20	33	68		121	112	9	8%	▲
Total False Alarms Attended	496	46	37	48	36	63	62	30	35	49				131	161	114		406	385	21	5%	▲
Malicious False Alarms	5	1	2	2	0	0	1	0	1	0				5	1	1		7	4	3	75%	▲
Good Intent False Alarm	133	17	13	16	12	21	14	6	9	17				46	47	32		125	102	23	23%	▲
Automatic False Alarms	358	28	22	30	24	42	47	24	25	32				80	113	81		274	279	-5	-2%	★
Total Fires Attended	192	13	27	16	8	28	17	8	12	11				56	53	31		140	137	3	2%	●
Deliberate Fire	70	6	12	11	4	15	7	5	2	0				29	26	7		62	55	7	13%	▲
Deliberate grass fires attended	22	1	10	0	0	8	2	1	0	0				11	10	1		22	13	9	69%	▲
Deliberate refuse fires attended	24	1	0	9	4	5	4	3	2	0				10	13	5		28	22	6	27%	▲
Accidental Fire	122	7	15	5	4	13	10	3	10	11				27	27	24		78	82	-4	-5%	★
Accidental Dwelling Fires Attended	35	1	5	0	0	2	3	1	2	1				6	5	4		15	22	-7	-32%	★
Total Deaths and Injuries In Fires	2	0	1	0	0	1	1	1	0	0				1	2	1		4	1	3	300%	▲
Total Accidental Deaths and Injuries In Fires	2	0	1	0	0	1	1	1	0	0				1	2	1		4	1	3	300%	▲

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a decrease of 32% compared to Q1/3 last year. The number of incidents have decreased from 22 to 15. The month with the highest incidents was May with 5 fires. 8 (53%) of the 15 incidents were caused by cooking. 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 fatality from fire, 2 serious injuries and 1 slight injury which is 3 more than last year. The fatality was a 57 year old female and the fire was caused by a fault in the fridge freezer. Attendance to Other special service calls has increased from 112 last year to 121 this year (+8%). The biggest increase was assistance to other agencies with numbers rising from 15 to 23 (+53%). Attendance involving assistance to animals decreased from 16 to 6 (-63%). Sadly crews attended 3 suicides/attempts in Q1/3. The number of Road traffic collisions attended has decreased by 22 (-37%) with crews attending 37 incidents between April and December. The majority of these incidents (18) were making the scene/vehicle safe. 9 extractions/release of persons took place by crews during quarter 1/3 which is 4 less than last year. 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 when it is safe to do so. Deliberate refuse fires have increased from 22 to 28 (27%) compared to Q1/3 last year. Deliberate grass fires have increased from 13 to 22 (69%). Automatic false alarms have decreased by 1% (279 to 274) compared to Q1/3 last year. Crews, when in it is safe to do so, 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. There has been an increase in malicious false alarms this quarter with 7 incidents compared to 4 last year. There was a 23% increase in Good intent false alarms with dwellings (43 calls) and refuse fires (25 calls) accounting for the majority of this increase.



Incident Categories	Apr 2019 - Mar 2020	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1 - Q3	Last Year Q1 - Q3	Q1 - Q3 YoY	Q1 - Q3 YoY %	
Total Incidents	2,278	185	193	154	179	190	193	164	205	179				532	562	548		1,642	1,808	-166	-9%	★
Special Service Call	378	17	29	15	34	29	25	32	32	52				61	88	116		265	285	-20	-7%	★
Total RTCs Attended	98	5	2	2	6	4	5	5	10	6				9	15	21		45	75	-30	-40%	★
Total Other SSCs Attended	280	12	27	13	28	25	20	27	22	46				52	73	95		220	210	10	5%	🟡
Total False Alarms Attended	1,106	99	93	89	93	96	105	86	105	94				281	294	285		860	869	-9	-1%	★
Malicious False Alarms	62	1	0	2	1	5	5	6	5	0				3	11	11		25	55	-30	-55%	★
Good Intent False Alarm	392	54	50	35	38	38	45	25	46	36				139	121	107		367	303	64	21%	▲
Automatic False Alarms	652	44	43	52	54	53	55	55	54	58				139	162	167		468	511	-43	-8%	★
Total Fires Attended	794	69	71	50	52	65	63	46	68	33				190	180	147		517	654	-137	-21%	★
Deliberate Fire	615	58	52	40	44	51	47	35	54	27				150	142	116		408	510	-102	-20%	★
Deliberate grass fires attended	95	12	8	7	3	9	5	0	3	0				27	17	3		47	88	-41	-47%	★
Deliberate refuse fires attended	369	43	30	23	30	32	30	28	42	21				96	92	91		279	299	-20	-7%	★
Accidental Fire	179	11	19	10	8	14	16	11	14	6				40	38	31		109	144	-35	-24%	★
Accidental Dwelling Fires Attended	77	5	7	4	2	4	7	6	9	2				16	13	17		46	59	-13	-22%	★
Total Deaths and Injuries In Fires	8	0	0	0	0	0	0	0	0	0				0	0	0		0	6	-6	-100%	★
Total Accidental Deaths and Injuries In Fires	7	0	0	0	0	0	0	0	0	0				0	0	0		0	5	-5	-100%	★

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a decrease of 22% compared to Q1/3 last year. The number of incidents have decreased from 59 to 46. The months with the highest incidents were November (9), September (7) and May (7). 18 (39%) of the 46 incidents were caused by cooking. 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 from fire in Q1/3 which is 6 less than last year. Attendance to Other special service calls has increased from 210 last year to 220 this year (+5%). The biggest increase was flooding with numbers rising from 22 to 39 (+77%). Attendance where we assisted other agencies remained the same as last year with 26. Sadly crews attended 10 suicides/attempts in Q1/3 compared to 5 last year. The number of Road traffic collisions attended has decreased by 30 (-40%) with crews attending 45 incidents in Q1/3. The majority of these incidents (27) were making the scene/vehicle safe. 10 extrications/release of persons took place by crews during quarter 1/3 which is 2 less than last year. 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 when it is safe to do so. Deliberate refuse fires have decreased from 299 to 279 (-7%) compared to Q1/3 last year. Deliberate grass fires have also decreased from 88 to 47 (-47%). Automatic false alarms have decreased by 8% (511 to 468) compared to Q1/3 last year. Crews, when in it is safe to do so, 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. There has been a big decrease in malicious false alarms this quarter with 25 incidents compared to 55 last year (-55%). There was a 21% increase in Good intent false alarms with refuse (126 calls) and grass fires (45 calls) accounting for the majority of this increase. Good intent calls to dwellings saw an increase of 24% compared to last year accounting for 112 of the 367 callouts.



Incident Categories	Apr 2019 - Mar 2020	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1 - Q3	Last Year Q1 - Q3	Q1 - Q3 YoY	Q1 - Q3 YoY %	
Total Incidents	2,544	396	375	254	198	206	186	170	199	173				1,025	590	542		2,157	1,943	214	11%	▲
Special Service Call	598	21	44	36	39	51	31	40	38	51				101	121	129		351	395	-44	-11%	★
Total RTCs Attended	183	4	14	10	14	15	7	13	12	21				28	36	46		110	141	-31	-22%	★
Total Other SSCs Attended	415	17	30	26	25	36	24	27	26	30				73	85	83		241	254	-13	-5%	★
Total False Alarms Attended	1,004	160	145	125	101	110	98	72	98	80				430	309	250		989	780	209	27%	▲
Malicious False Alarms	9	5	1	2	3	1	3	0	1	4				8	7	5		20	9	11	122%	▲
Good Intent False Alarm	519	110	96	73	57	47	48	32	48	24				279	152	104		535	420	115	27%	▲
Automatic False Alarms	476	45	48	50	41	62	47	40	49	52				143	150	141		434	351	83	24%	▲
Total Fires Attended	942	215	186	93	58	45	57	58	63	42				494	160	163		817	768	49	6%	▲
Deliberate Fire	688	177	140	70	37	29	35	33	40	22				387	101	95		583	572	11	2%	●
Deliberate grass fires attended	269	118	81	32	3	3	5	0	2	1				231	11	3		245	220	25	11%	▲
Deliberate refuse fires attended	310	51	50	30	28	16	19	23	30	10				131	63	63		257	263	-6	-2%	★
Accidental Fire	254	38	46	23	21	16	22	25	23	20				107	59	68		234	196	38	19%	▲
Accidental Dwelling Fires Attended	110	12	14	5	10	7	8	11	10	10				31	25	31		87	81	6	7%	▲
Total Deaths and Injuries In Fires	15	4	0	0	0	0	0	2	0	1				4	0	3		7	9	-2	-22%	★
Total Accidental Deaths and Injuries In Fires	8	1	0	0	0	0	0	2	0	1				1	0	3		4	6	-2	-33%	★

An analysis of the statistics relating to accidental dwelling fires suggest that there has been an increase of 7% compared to Q1/3 last year. The number of incidents have increased from 81 to 87. The months with the most incidents were May (14) and April (12). 26 (30%) of the 87 incidents were caused by cooking. 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 fire fatality, a male aged 43, 1 serious injury and 5 slight injuries in Q1/3. There were 9 in the same period last year. Attendance to Other special service calls has decreased from 254 last year to 241 this year (-5%). The biggest decrease was effected entry/exit with numbers falling from 38 to 18 (-53%). Attendance to incidents where we have assisted other agencies increased from 26 to 48 (+85%). Sadly crews attended 4 suicides/attempts in Q1/3 which is 1 less than last year. The number of Road traffic collisions attended has decreased by 31 (-22%) with crews attending 110 incidents in Q1/3. The majority of these incidents (54) were making the scene/vehicle safe. 32 extrications/release of persons took place by crews during Q1/3 which is 5 less than last year. 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 when it is safe to do so. Deliberate refuse fires however have decreased from 263 to 257 (-2%) compared to Q1/3 last year. Deliberate grass fires have increased from 220 to 245 (11%). Automatic false alarms have increased by 24% (351 to 434) compared to Q1/3 last year. Crews, when in it is safe to do so, 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. There has been a big increase in malicious false alarms in Q1/3 with 20 incidents compared to 9 last year. There was a 27% increase in Good intent false alarms with refuse (170 calls) and alarms to dwellings (122 calls) accounting for the majority of this increase.



Incident Categories	Apr 2019 - Mar 2020	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1 - Q3	Last Year Q1 - Q3	Q1 - Q3 YoY	Q1 - Q3 YoY %	
Total Incidents	1,152	95	103	93	109	107	98	65	87	76				291	314	228		833	905	-72	-8%	★
Special Service Call	201	5	9	9	24	25	14	8	17	10				23	63	35		121	151	-30	-20%	★
Total RTCs Attended	53	1	1	1	4	5	7	1	3	0				3	16	4		23	42	-19	-45%	★
Total Other SSCs Attended	148	4	8	8	20	20	7	7	14	10				20	47	31		98	109	-11	-10%	★
Total False Alarms Attended	610	58	53	57	58	56	49	40	51	47				168	163	138		469	471	-2	0%	★
Malicious False Alarms	14	0	0	0	1	4	1	1	2	1				0	6	4		10	13	-3	-23%	★
Good Intent False Alarm	228	36	31	25	15	14	20	15	19	12				92	49	46		187	171	16	9%	▲
Automatic False Alarms	368	22	22	32	42	38	28	24	30	34				76	108	88		272	287	-15	-5%	★
Total Fires Attended	341	32	41	27	27	26	35	17	19	19				100	88	55		243	283	-40	-14%	★
Deliberate Fire	209	27	30	20	19	18	23	12	12	9				77	60	33		170	177	-7	-4%	★
Deliberate grass fires attended	46	11	16	12	3	4	3	2	1	0				39	10	3		52	41	11	27%	▲
Deliberate refuse fires attended	121	14	8	7	9	10	17	7	10	8				29	36	25		90	99	-9	-9%	★
Accidental Fire	132	5	11	7	8	8	12	5	7	10				23	28	22		73	106	-33	-31%	★
Accidental Dwelling Fires Attended	43	2	2	2	3	1	3	3	1	8				6	7	12		25	35	-10	-29%	★
Total Deaths and Injuries In Fires	4	1	0	0	0	2	0	0	0	1				1	2	1		4	4	0	0%	★
Total Accidental Deaths and Injuries In Fires	2	1	0	0	0	2	0	0	0	1				1	2	1		4	2	2	100%	▲

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a decrease of 29% compared to Q1/3 last year. The number of incidents have decreased from 35 to 25. The months with the most incidents were December (8). 7 of the 25 incidents were caused by cooking with 5 others caused by a fault in equipment or appliance. 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 4 slight injuries in Q1/3. Attendance to Other special service calls has decreased from 109 last year to 98 this year (-10%). There was a big decrease to effecting entry/exit incidents with numbers falling from 17 to 3(-82%). Attendance where we assisted other agencies however increased from 11 to 26 (+136%). Sadly crews attended 4 suicide/attempt which was 3 more than last year. The number of Road traffic collisions attended has decreased by 19 (-45%) with crews attending 23 incidents in Q1/3. The majority of these incidents (12) were making the scene/vehicle safe. 9 extrication/release of persons took place by crews during Q1/3 which is 3 less than last year. 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 when it is safe to do so. Deliberate refuse fires however have decreased from 99 to 90 (-9%) compared to Q1/3 last year. Deliberate grass fires have increased from 41 to 52 (27%). Automatic false alarms have decreased by 5% (287 to 272) compared to last year. Crews, when in it is safe to do so, 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. There has been a decrease in malicious false alarms this quarter with 10 incidents compared to 13 last year. There was a 9% increase in Good intent false alarms with calls to dwellings (65) and refuse (59 calls) accounting for the majority of this increase.



Incident Categories	Apr 2019 - Mar 2020	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Q1	Q2	Q3	Q4	Q1 - Q3	Last Year Q1 - Q3	Q1 - Q3 YoY	Q1 - Q3 YoY %	
Total Incidents	1,195	138	117	106	116	137	121	89	116	128				361	374	333		1,068	930	138	15%	▲
Special Service Call	335	13	24	24	23	31	22	16	23	72				61	76	111		248	235	13	6%	▲
Total RTCs Attended	98	3	4	1	3	5	4	7	6	7				8	12	20		40	74	-34	-46%	★
Total Other SSCs Attended	237	10	20	23	20	26	18	9	17	65				53	64	91		208	161	47	29%	▲
Total False Alarms Attended	578	68	55	52	64	69	73	55	66	39				175	206	160		541	464	77	17%	▲
Malicious False Alarms	8	1	0	0	2	2	1	1	1	0				1	5	2		8	7	1	14%	▲
Good Intent False Alarm	237	38	33	20	25	15	30	19	21	14				91	70	54		215	190	25	13%	▲
Automatic False Alarms	333	29	22	32	37	52	42	35	44	25				83	131	104		318	267	51	19%	▲
Total Fires Attended	282	57	38	30	29	37	26	18	27	17				125	92	62		279	231	48	21%	▲
Deliberate Fire	145	35	25	16	19	20	15	10	16	6				76	54	32		162	126	36	29%	▲
Deliberate grass fires attended	27	9	11	2	1	4	1	0	0	0				22	6	0		28	24	4	17%	▲
Deliberate refuse fires attended	80	23	10	13	12	12	11	7	12	5				46	35	24		105	70	35	50%	▲
Accidental Fire	137	22	13	14	10	17	11	8	11	11				49	38	30		117	105	12	11%	▲
Accidental Dwelling Fires Attended	59	5	2	5	2	7	3	4	5	5				12	12	14		38	45	-7	-16%	★
Total Deaths and Injuries In Fires	4	0	1	0	1	0	0	0	0	0				1	1	0		2	4	-2	-50%	★
Total Accidental Deaths and Injuries In Fires	4	0	0	0	1	0	0	0	0	0				0	1	0		1	4	-3	-75%	★

An analysis of the statistics relating to accidental dwelling fires suggest that there has been a decrease of 16% compared to Q1/3 last year. The number of incidents have decreased from 45 to 38. The month with the most incidents was August (7). 10 of the 38 incidents were caused by cooking with 9 others caused by fault in equipment or appliance. 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 fatality in Q1, a female aged 91 the cause being a deliberate ignition. There was also 1 slight injury in July. Attendance to Other special service calls has increased from 161 last year to 208 this year (29%). The biggest increase was flooding with numbers rising from 17 to 46 (171%). Attendance to incidents where we assisted other agencies has also increased from 20 to 26 (+30%). Sadly crews attended 4 suicide/attempts which was 2 more than the same period last year. The number of Road traffic collisions attended has decreased by 34 (-46%) with crews attending 40 incidents between April and December. 22 of these incidents were making the scene/vehicle safe with a further 7 extrication/release of persons. 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 when it is safe to do so. Deliberate refuse fires have increased from 70 to 105 (11%) compared to Q1/3 last year. Deliberate grass fires have increased from 24 to 28 (17%). Automatic false alarms have increased by 19% (267 to 319) compared to last year. Crews, when in it is safe to do so, 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. There was a 13% increase in Good intent False Alarms with dwellings (83 calls) and refuse fires (41 calls) accounting for the majority of this increase.

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SOUTH WALES FIRE & RESCUE AUTHORITY
FINANCE, AUDIT & PERFORMANCE
MANAGEMENT COMMITTEE

AGENDA ITEM NO 7
 15 MARCH 2021

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

**DRAFT ANNUAL REPORT OF THE WORK OF THE FINANCE, AUDIT &
 PERFORMANCE MANAGEMENT COMMITTEE AND THE DISCHARGE OF
 THE TERMS OF REFERENCE OF THE FINANCE, ASSET &
 PERFORMANCE MANAGEMENT SCRUTINY GROUP**

SUMMARY

This report is the draft annual report on the work of the Finance, Audit & Performance Management Committee and its Scrutiny Group for the municipal year 2020/2021.

RECOMMENDATION

That Members consider the report and make any necessary amendments to its content prior to reporting to the Fire & Rescue Authority as a summary of the workload carried out by the Committee and Scrutiny Group during the municipal year.

1. BACKGROUND

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

2. ISSUE

- 2.1 As Members will be aware, the Finance, Audit & Performance Management Committee was established to demonstrate the Authority's commitment to the efficient and effective deployment of public resources and the attainment of related performance targets.
- 2.2 The Committee is responsible for the planning and management of the Authority's financial resources including authorising expenditure, virement of funds and donations of equipment or other property. It oversees the financial reporting process and provides a detailed examination of financial performance including the extent that this affects the Authority's exposure to risk and weakens the control environment. The Committee also provides assurance of the adequacy of the risk management framework and associated control environment. Within the scope of the Committee, it also assists the Fire & Rescue Authority in policy and strategy development issues relating to Finance, Audit & Performance Management and Good Governance issues.

- 2.3 To discharge its functions the Committee plans its work through a forward work programme. The work of the Committee broadly falls under three distinct categories, namely: financial; policy, audit or development; and scrutiny. For the purposes of this report it is intended that an overview of the work undertaken by the Committee in the 2020/2021 municipal year is detailed under each of the sub headings.
- 2.4 In addition, the Committee is also responsible for the Authority's Finance, Audit & Performance Management Scrutiny Group. The Scrutiny Group annual report forms part of this report at Appendix 1.

3. FINANCIAL

- 3.1 The Committee is specifically tasked with reviewing and challenging where necessary the Authority's financial statements, interim reports, preliminary projections and related formal statements before clearance by the auditors. Particular attention is paid to:
- 3.1.1 The critical accounting policies and practices and any changes in them.
 - 3.1.2 The extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed.
 - 3.1.3 The clarity of reports.
 - 3.1.4 Significant adjustments resulting from audits.
 - 3.1.5 Compliance with accounting standards.
 - 3.1.6 Compliance with other legal requirements.
- 3.2 The Committee also monitors the management action in response to issues raised in relation to financial reporting and carries out spending reviews of budgets to enable reviews of current spending policy.
- 3.3 In discharging these functions the Committee has undertaken a large amount of work this year on a variety of financial issues. This work has included the following:
- 3.4 **Revenue and Capital Monitoring** – The Committee has considered in detail regular monitoring reports in respect of the current financial year's revenue and capital budgets which provide an update of expenditure against the budget for the year. Detailed scrutiny has taken place in respect of variations against budget, and further reports or information have been requested where appropriate to address Members' queries.

Detailed questioning has been undertaken in respect of various costings, including approving virements. Members also noted the budget and progress of capital schemes and approved alterations noting the associated funding streams.

- 3.5 **Expenditure during COVID-19** - Members requested a briefing detailing where funds are being spent during COVID-19. Officers advised Members that all COVID related response and recovery expenditure was being tracked by the Service and that figures were regularly being provided to Welsh Government. Subsequently Members received updated and subjective breakdown of COVID-19 financial impacts. Members also noted that the Service continues to submit claims for the additional COVID-19 expenditure to Welsh Government on a monthly basis.
- 3.6 **Revenue and Capital Outturn** – Members considered the revenue and capital outturn reports for the previous financial year which advise on total revenue and capital expenditure against the respective budgets following the year end. Members scrutinised year end variations and used this information to help understand the budget pressures and to influence budget setting for subsequent years. Members received reports on the outturn position and deployment of usable reserves.
- 3.7 **Reserves Strategy** – Members were updated on the reserves position of the Authority and, in accordance with best practice, considered and scrutinised their stance on reserves and reaffirmed the previous strategy with regard to reserves.
- 3.8 **Revenue and Capital Budget Setting** – The Committee and its Finance, Asset & Performance Management Scrutiny Group have taken a detailed role in assisting in the formulation of the appropriate revenue and capital budgets required to meet the Service’s requirements for the next financial year. The work has once again been greatly assisted by a full review of the Authority’s Medium Term Financial Plan, which has been updated accordingly. The culmination of this work resulted in the Authority resolving to consult on a budget increase of 3.54% as recommended by the Committee for the coming year, a budget subsequently approved by the Authority.
- 3.9 **Statement of Accounts 2019/2020** – In June, the Committee were presented the draft Statement of Accounts for 2019/2020 and the Treasurer was given authority to make any necessary amendments that may be required as a consequence of the audit process. Audit Wales advised that due to COVID-19, auditing was currently being undertaken remotely and as such sign off would need to be deferred until such time as restrictions are eased. Due to the timing of the completion of the audit, the final Statement of Accounts was reported to the Fire & Rescue

Authority in September. The Annual Audit Letter for 2019/20 was also directly reported to the Fire & Rescue Authority at its February meeting.

- 3.10 **Treasury Management** – In September, the Committee considered the Treasury Management annual report which advises on performance against the Treasury Management Policy and Strategy following the financial year end. The report provided Members with an opportunity to scrutinise performance and also to assess any implications for the current strategy and budget setting proposals for the following financial year. Members noted the annual treasury management review for 2019/2020 and approved the actual prudential and treasury indicators set therein.
- 3.11 In November, the Committee considered the Treasury Management mid-term report which outlined performance against the Treasury Strategy from April to September of the current financial year. Detailed scrutiny and questioning took place resulting in recommendations to the Fire & Rescue Authority to approve the revised Strategy.
- 3.12 **Medium Term Financial Strategy** – Members received updates on the Medium Term Financial Strategy and were informed of the best, medium and worst case scenarios that had been used in the financial modelling that had been undertaken and were afforded the opportunity to scrutinise the process and scrutinise the implications for the Service of various scenarios.

4. POLICY, AUDIT OR DEVELOPMENT

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

- 4.2 **Internal Audit** – In relation to internal audit, the Committee is required to review and approve the internal audit programme for the Authority and ensure that the internal audit function is adequately resourced. In this respect it receives reports on the results of the internal auditor’s work on a periodic basis and receives the annual report of the internal auditor. The Committee reviews and monitors action taken by departments as a result of the internal auditor’s findings and recommendations, and monitors and assesses the role and effectiveness of the internal audit function in the overall context of the Authority’s risk management system. Where necessary, direct action is to be taken as a consequence of an internal audit report if required.
- 4.3 The Committee agreed an annual internal audit programme for 2020/2021 at their meeting in June, covering the areas identified below. Since the programme was agreed, the Committee has considered in detail the progress and findings of the relevant audits:
- Strategic Control
 - Communications
 - ICT Data Assurance
 - Procurement
 - Station Visits
 - Sustainability: Paper Usage
 - Human Resources Management - Training
 - Key Financial Controls
 - Mitigating Controls
 - Estate Management
- 4.4 Members have noted the internal audit recommendations and work completed to date on the Internal Audit Annual Plan.
- 4.5 **External Audit** – In relation to external audit and inspection, the Committee is responsible for overseeing the Authority’s relations with the external auditor. It approves the terms of engagement to the external auditor in respect of auditing inspection services received by the Authority.
- 4.6 The Committee also reviews with the external auditor the findings of their work including any major issues that arise during the course of an audit, key accounting and audits judgements, level of errors identified during the audit, and obtain explanations from managers or auditors as to why certain errors might remain unadjusted. In addition, the Committee reviews and monitors the actions taken by departments as a result of the external auditor’s findings and recommendations and, where necessary, direct action should be taken as a consequence of an external audit report.
- 4.7 In September, the Audit Wales Officer provided a detailed report on the review of the Authority’s approach and management of stakeholder

involvement when proposing service and policy changes, and in the design of future activities. The review concluded 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. Members noted the content of the report.

- 4.8 Also in September the Audit Wales Officer updated Members on the issue of the Certificate of Compliance for the audit of the Authority's 2020/2021 Improvement Plan. Members noted the issue of the Certificate of Compliance for the audit of the Authority's 2020/2021 Improvement Plan, which is incorporated into its Strategic Plan 2020-2030.
- 4.9 Members also assess at the end of the audit cycle the effectiveness of the audit process by reviewing whether the auditor has met the agreed audit plan and understanding the reasons for any change (including changes in perceived audit risks and the work undertaken by the external auditors to address those risks); consideration of the robustness and perceptiveness of the auditors in handling of the key accounting and audit judgements; responding to questions from the Committee, and their commentary, where appropriate, on the systems of internal control.
- 4.10 The Committee was very pleased to note the comments made by the Auditor General about the progress the Service was making in implementing previous recommendations and that the Authority had appropriate arrangements in place for achieving financial resilience.
- 4.11 Previously the Fire & Rescue Authority required that the Committee meets with both internal and external auditors without management present to discuss the audit work of the Authority. Following discussions with the Committee, internal and external auditors' agreement was made that meeting annually was sufficient.
- 4.12 **Performance Management** – The Committee receives all external reports on the performance of the Authority and considers and recommends to the Fire & Rescue Authority action plans relating to these reports and monitors progress against the approved action plans. In relation to the Wales Programme for Improvement, the Committee reviews, approves and challenges, where necessary, the performance and improvement plan; the operational and non-operational assurance self-assessment when appropriate; the joint risk assessment; and any other periodic reports on performance management of relevant areas of the Service. In addition, the Committee considers comparative studies, including benchmarking and best practice.

- 4.13 As a consequence, the Committee has to date considered reports on progress of audit, scheme and circular action updates and also provides detailed scrutiny of the Service's Strategic Risk Register. In addition, considerable time has been taken up considering progress against the Statutory Performance Indicators the Service reports against to Welsh Government; and its health check of performance against the Priority Actions identified by the Service as being required to be implemented to achieve the eight Strategic Themes approved by the Authority in its ten year Strategic Plan.
- 4.14 **Business Fire Safety Annual Summary Report 2019/2020** - Members also received reports on the extensive work carried out by the Business Fire Safety (BFS) Department raising awareness of the role of the department, and how the team contributes to Service Delivery and the Risk Reduction Department. Members noted the extensive work carried out by the BFS Department and thanked the officer for the presentation.
- 4.15 **Emergency Services Network Update** – Members received the requested update on the progress of the Emergency Services Network project which aims to deliver a much better voice and data service to the emergency services, replacing the reliable but limited and aging Airwave system. Members noted the content of the report.

5. SCRUTINY

- 5.1 As it has already been highlighted, the Committee is responsible for the scrutiny function of the Authority and has undertaken a considerable amount of scrutiny throughout the year on a variety of topics. It provides Service improvement through regular challenge and scrutiny of reports and assumptions, with some detailed scrutiny provided by the Scrutiny Group.
- 5.2 This year, the scrutiny work of the Committee has continued to adopt a thematic approach, whereby a specific topic or area is examined which will allow the Authority to develop its policies and respond more effectively to local needs.
- 5.3 This has included the appointment of Member Champions. Other aspects of work undertaken have included the scrutiny of Departmental Risks and considering the Revenue Budget in relation to the Local Government Settlement.
- 5.4 The Scrutiny Group have also reviewed a number of asset management plans, including the Asset Management Strategy 2019-29, considering sustainability and environmental issues. It has also reviewed the Fleet & Vehicles Plan, budget & planning assumptions and progress against the

plan. The Scrutiny Group also analysed the Operational and Personal Equipment Plan, budget and planning assumptions, along with the ICT Plan, budget and planning assumptions plus project overview and progress.

6. ADDITIONAL AREAS OF WORK STILL TO BE UNDERTAKEN

6.1 In addition to the work above, the Finance, Audit & Performance Management Committee has still to undertake several other pieces of detailed work during the remainder of the municipal year including:

- Treasury Management Strategy Report
- Health Check of Priority Actions and Q3 progress against the Statutory PI's
- Draft Annual Report of the Work of the FAPM Committee and the Discharge of the Terms of Reference of the Finance, Asset & Performance Management Scrutiny Group
- Revenue Monitoring Report 2020/21
- Capital Monitor
- Internal Audit Programme
- Internal Audit Annual Report
- Completion of 2019/20 Accounts
- Terms of Reference
- Corporate (Strategic) Risk Register
- Register of Gifts and Hospitality
- Second Draft of the Annual Governance Statement

7. RECOMMENDATION

7.1 That Members consider the report and make any necessary amendments to its content prior to reporting to the Fire & Rescue Authority as a summary of the workload carried out by the Committee and Scrutiny Group during the municipal year.

Contact Officer:	Background Papers:
Sarah Watkins Deputy Monitoring Officer	Appendix 1 – Annual Report of the Finance, Asset & Performance Management Scrutiny Group

APPENDIX 1**ANNUAL REPORT OF THE FINANCE, ASSET & PERFORMANCE MANAGEMENT SCRUTINY GROUP****1. PURPOSE OF THE SCRUTINY GROUP**

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

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

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

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

2. FINANCIAL RESPONSIBILITIES

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

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

- The relationship of the budget with key corporate documents of the Authority.
 - Carrying out spending reviews of budgets to enable assessments of current spending policy against future financial predictions of the organisation within the Medium Term Financial Strategy.
 - Reviewing past performance of selected budget areas when assessing current and future years' requirements; and
 - Reviewing the budget setting process for revenue and capital budgets for improvements that could be made in future years.
- 2.2 To discharge its functions the Scrutiny Group plans its work through a forward work programme which is agreed at the beginning of the year and reviewed at each meeting. The work of the group broadly comprises scrutiny of the Medium Term Financial Strategy and financial projections for the future, scrutiny of budget holders, scrutiny of revenue and capital budget monitoring reports and reports to the Finance, Audit & Performance Management Committee.
- 2.3 As Members will be aware, much of the work of the Scrutiny Group is geared towards preparations for striking the revenue and capital budget each year, set in the context of the adopted Strategic Plan, the Medium Term Financial Strategy, the approved Budget Strategy and the approved Reserves Strategy.
- 2.4 In addition, the following specific areas of work were considered:
- 2.4.1 **Medium Term Financial Strategy, Revenue & Capital Budget Setting 2021/2022** – Members received a presentation on the Medium Term Financial Strategy and the Revenue & Capital Budget Setting for 2021/22. Members were reminded of the range of issues that were impacting upon next year's budget and some of the uncertainties this created.
- 2.4.2 Members questioned officers regarding the profiling of risks, and the Treasurer confirmed that the Service maintains a reserve strategy for short term risks. The pay budget has previously been used as a contingency plan; however, this contingency was removed for the current year due to the Service now working at full capacity. Investment in ICT packages has resulted in new cost effective ways of working.
- 2.4.3 Following a query in relation to pension cost increases, the Treasurer stressed that a final figure could not be determined at

this time, however an increase of 5% was likely. The Service is considering the impact COVID has had on the capital budget. Members noted the Medium Term Financial Strategy and Revenue & Capital Budget Setting 2021/2022.

2.4.4 The process followed by Members allowed them to apply a robust level of scrutiny by questioning officers over the process, proposed budgets and the uncertainties the Service was faced with in reaching their conclusions. Members noted the Medium Term Financial Strategy and Revenue & Capital Budget Setting 2021/2022. The Treasurer agreed to correspond with each unitary authority providing an update on the current position.

3. ASSET MANAGEMENT RESPONSIBILITIES

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

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

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

<ul style="list-style-type: none"> • Asset Management Plan • Property Strategy • ICT Plan 	<ul style="list-style-type: none"> • Fleet and Vehicles Strategy • Personal Issue & Operational Equipment Asset Management Plan
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3.3 In addition, the following specific areas of work were considered:

3.3.1 **Review of Asset Management Plan 2019-2029** – Members received a progress update on the Asset Management Plan 2019-29 and questioned officers on specific areas of work in relation to how the policy reflects the changing landscape and how assets have been managed during the COVID crisis. Members resolved to approve the Asset Management Plan 2019-2029.

3.3.2 **Review of Property Strategy, Budget and Planning Assumptions & Progress against the Plan and consideration of Sustainability and Environmental Issues** – A detailed overview was provided to Members of the Property Strategy, budget and planning assumptions and progress against the plan and consideration of sustainability and environmental issues. Members debated some of the key headlines emanating from the sustainability and environmental data and the direction of travel the Service was adopting and the challenges it faced. Members noted the presentation.

3.3.3 **Review of Fleet & Vehicles Strategy, Budget and Planning Assumptions and Progress against the Plan to Include Capital** – Members were given a detailed overview of the Fleet and Vehicles Strategy, budget and planning assumptions and progress against the Plan, including capital spend projections. The Group scrutinised the various elements of the Plan including:

- Vehicle Replacement Programme
- Capital and revenue budget
- Planned preventative maintenance
- Use of electric vehicles and potential future developments
- Carbon footprint monitoring and reduction
- Lifting Operations and Lifting Equipment Regulations (LOLER) testing currency
- Use of specialist vehicles and of trailers at wildfire incidents and flooding incidents
- Benefits of the collaborative procurement processes with all three Welsh FRS's

Members noted the content of the report and the Fleet Asset Management Plan 2017-2021.

3.3.4 **Review of ICT Strategy, Budget & Planning Assumptions and Progress against the Plan to Include Capital** – A report was delivered to Members which provided a review of the ICT Strategy, budget and planning assumptions, and an overview of the key

projects with a capital report. Members queried officers regarding back up arrangements. Following a further question and answer session Members noted the work that was currently underway in relation to ICT and some of the key projects that were ongoing across the Service.

3.3.5 Operational and Personal Equipment Strategy, Budget and Planning Assumptions 2020-2025 – Members received an update in relation to the Operational and Personal Equipment Strategy 2020-2025. Members were advised that there were considerable replacements of fundamental items of clothing and equipment in 2020/21. Members received updates on the following equipment:

- Breathing apparatus sets
- ‘All Wales’ Structural Firefighting Kit
- Helmets
- Radios and batteries
- Thermal imaging cameras
- Replacement programme for hydraulic/E-draulic for RTC cutting equipment

3.3.6 After a question and answer session Members requested a more user friendly format for the spreadsheets in the reports. Queries were also made regarding the inspection and servicing programme for equipment and received assurances from officers that there is a robust monitoring programme in place for all equipment via the Redkite system with stations carrying out testing on a daily basis. In relation to fire kit, Members were advised that replacement is based on number of washes. Members noted the report.

4. APPOINTMENT OF MEMBER CHAMPIONS

4.1 Members were requested to determine Member Champions to the key asset management groups.

4.2 Members resolved to appoint the following Members as Member Champions for the following Asset Groups:

- Land & Buildings – Councillor V Smith
- ICT – Councillor A Roberts
- Fleet & Engineering – Councillor S Evans
- Operational & Personal Issue Equipment – Councillor J Williams.

5. SCRUTINY COMMITTEE REFORM PROPOSALS

- 5.1 Proposed Options for Reform of the South Wales Fire & Rescue Authority Scrutiny Committee** - Members received a report on the proposed options for reform of the South Wales Fire & Rescue Authority Scrutiny Committee to enable it to be more effective and accountable in its scrutiny of key decisions, policies and performance. A lengthy discussion ensued upon the involvement of independent members.
- 5.2 Following consideration of the report Members unanimously agreed to progress with option 4 with suitable amendment of the opportunity to involve independent and expert members, when required.
- 5.3 A further report was requested by the FAPM Scrutiny Group for review prior to reporting to Fire & Rescue Authority. Members agreed to the re-drafting of the terms of reference for the new scrutiny committee to cover wider organisational areas of scrutiny and thematic reviews.
- 5.4 Proposed New Terms of Reference for Scrutiny Committee** – Members received a report with updated terms of reference for a newly formed Scrutiny Committee and provided an initial draft terms of reference for Members’ consideration.
- 5.5 Due to the proposed restrictions on membership of this committee, the effect on the Finance & Audit Committee and the HR & Equalities Committee will need to be considered including amending the existing terms of reference for both committees.
- 5.6 The delivery of work will be via a Forward Work Programme and highlighted suggested areas that the Committee will need to consider in each municipal year as a minimum to discharge its duties.
- 5.7 Members queried the impact on Service Champions. It was agreed that as Service Champions are within the current scrutiny, further consideration will be required in relation to how that area of work is undertaken going forward.
- 5.8 It was also agreed to include a paragraph within the terms reference in relation to utilising funding as efficiently and effectively as possible. Members considered the proposed new terms of reference and recommended that the terms of reference be considered at the March meeting of the Fire & Rescue Authority.

6. Further Areas of Scrutiny

- 6.1 **Departmental Risk Register Report Health Check 2020/2021, Quarter 2** – Members received a report on how the Service is developing the management of departmental risks. Members were advised that as a number of risks are similar in nature, it has been decided to review risks as categories with a Head of Service having responsibility for an individual category. Risk categories will be reviewed by the Heads of Service on a quarterly basis. It is envisaged that this will provide a better, holistic view of risks, and will allow sharing and learning amongst Heads of Service
- 6.2 Members noted that three risks have reduced in severity, whilst 30 remain the same and none had increased in severity. Following Member discussion, officers agreed to include in future reports a legend of the symbols used as well as identifying how much a risk has reduced and the length of time a risk has been ongoing.
- 6.3 Members and officers engaged in discussion around:
- Building maintenance
 - CoreHR and payroll systems
 - Brexit
 - Business continuity
- 6.4 **Initial Draft Annual Governance Statement 2020/21** – Members received the initial draft of the Annual Governance Statement (AGS) to be included with the 2020/2021 Statement of Accounts. A request was made to Members that they consider whether they would wish to make amendments to the document.
- 6.5 It was confirmed to Members that a second draft of the AGS will be presented and that their comments will be included within the final report. Members noted the content of the report, and thanked all involved for a very comprehensive report.
- 6.6 **Future Trends Report - 2020 Update** – Members received an updated report in relation to the May 2019 assessment of the future of Wales, specifically to the administrative area of South Wales Fire & Rescue Service, as a means to identify some of the challenges and opportunities the Service is likely to face with early indications of the ongoing impact of COVID-19.

- 6.7 Members agreed to retain the Future Trends 2019 report and updated 2020 report to assist in future planning and decision making; and that future trends are monitored and updated where necessary, the frequency of which being partially dependant on new third party research, as well as continuing to monitor Service incident type trends.

REVENUE MONITORING REPORT 2020/21

SUMMARY

The Revenue Monitoring Report provides details of the annual revenue budget and associated information for the year ending 31 March 2021.

RECOMMENDATION

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

1. BACKGROUND

- 1.1 This report provides an update of the major changes affecting the revenue budget since the Finance, Audit and Performance Management (FAPM) Committee on 23 November, 2020.
- 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.
- 1.3 Appendix 2 charts the budget variances reported at each FAPM Committee reconciling to the most recent position.
- 1.4 Appendix 3 presents the impact of the above forecasts and variances on useable reserves.
- 1.5 Appendix 4 presents a summary of Covid-19 related expenditure across the service.
- 1.6 Appendices 5 and 6 detail grant funded initiatives and the impact on revenue and capital budgets.

2. ISSUES

- 2.1 Updated revenue projections indicate an underspend of £453k, a change of £876k on the previously reported overspend of £424K. In summary, a

net decrease of £314k in employee costs in addition to a net £562k decrease in non employee budgets, have contributed to this position.

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

2.2.1 EMPLOYEE COSTS - £314k decrease in overspend

Due to staff vacancies, including retirements and the numbers in recruits course adjusted, a £278k reduction is anticipated in salary costs.

The latest establishment figures are as follows:

Establishment figures (FTE) as at December 2020

	Strength	Budgeted
WDS	786.30	792.00
RDS (100%)	382.50	426.40
Control	40.50	36.50
Support Staff	265.38	271.00
Fire Cadets	65.13	85.00
Auxiliary Reserve	76.00	80.00

Leavers & Joiners April 2020 to December 2020

	Starters	Leavers
Control	0	1
Support Staff	14	12
RDS	74	42
WDS	20	40
Fire Cadets	0	1
Auxiliary Reserve	0	5
Volunteers	4	3
Total	112	104

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

Contributing to the above change are projected firefighter pension costs have decreased by £17k due to the number of retirements and leavers and the slower pace of recruits entering the organisation. LGPS costs have increased by £34k due to both new members to the scheme and the recent pay award.

Further ill health pension costs of £35k reflect additional retirements.

Travel and subsistence costs have seen a further reduction of £71k due to the restrictions of Covid-19. This budget heading includes both mileage claims and accommodation costs.

2.2.2 PREMISES COSTS - £41k decrease in underspend

Energy costs are forecast to increase by £78k and this is largely due to a number of sites still on estimated electricity readings. Discussions are ongoing with Western Power to accelerate the installation of Automatic Meter Readings (AMR's) and once installed, a credit is anticipated. This work is intended for completion in 2021/22 but is largely dependent on Western Power.

Numerous headings within the property repair and maintenance budget have been re-aligned to accommodate the additional energy charges. However it is worth noting that these may change in line with the demands of re-active work.

A reduction in telecommunication costs also offset additional energy charges with Wide Area Network (WAN) charges set to reduce based on work to be completed before the end of March.

2.2.3 TRAINING - £143k increase in underspend

Due to Covid-19 restrictions a number of training areas have been impacted resulting in reduced course attendance. It is anticipated that a number of these planned courses will now take place in 2021/22.

2.2.4 SUPPLIES AND SERVICES - £79k decrease in overspend

There are under and over spends contributing to the above and the following outlines the major variances.

Despite additional purchases of Personal Protective Equipment (PPE) as a result of Covid-19, other uniform costs are set to decrease by £77k overall. Factors affecting this are number of retirements and leavers in addition to recruits. Employee departures result in a cost adjustment to the budget, i.e. a reduction reflecting a return of goods.

Annual insurance policy premiums are forecast to be £29k less than initially budgeted. Planned events that have been delayed or cancelled as a result of Covid-19 in 2020/21 has also seen an impact on advertising, catering and furniture and has led to further savings of £64k. In addition, changes in working practices has seen a fall in the frequency and requirement to replace printer cartridges leading to an additional saving of £20k.

These underspends are reduced by an increase in IT costs to support remote working. This includes £61k for additional purchases and an increase of £45k for support and maintenance charges which includes licencing.

2.2.5 **TRANSPORT - £64k increase in underspend**

Fuel costs and vehicles parts have reduced by £51k and £15k respectively as a result of COVID-19.

2.2.6 **CONTRACTED SERVICES - £24k decrease in overspend**

Despite consultancy costs anticipated to exceed budget as a result of projects delayed from 2019/20 being pushed into the current financial year, it is not to the extent previously estimated. Some of this relates to the ongoing impact of COVID-19 but also a capacity. This budget heading includes consultancy costs driven by property projects, medical consultancy and the joint control collaboration with MWWFRS.

2.2.7 **CAPITAL COSTS - £26k increase in underspend**

The most significant change is the Minimum Revenue Provision (MRP) has decreased by £23k due to capital project slippage. The details are contained in the Capital Monitoring report.

2.2.8 **INCOME - £267k additional income**

The latest claim to Welsh Government in relation to spend incurred by the service due to Covid-19 is for £137k for the period 1st October to 31st December, 2020, and is the main factor for the additional income.

In addition, £87k is expected from MWWFRS in relation to Joint Control costs based on the latest projections. £32k is in line with the 60/40 salary split agreement and £55k for all other costs that are to be shared 50/50.

£27k has been received in relation to third party gain share monies from Babcock and offsets temporary General Support Instructor post costs required at the CFBT facility.

3. FINANCIAL IMPLICATIONS

- 3.1 An overall projected underspend on the revenue budget equating to £453k.

4. EQUALITY RISK ASSESSMENT

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

5. RECOMMENDATION

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

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

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SOUTH WALES FIRE & RESCUE SERVICE							
BUDGET MONITORING 2020/21							APPENDIX 1
		Original Budget 2020/21 £	Revised Budget (vired budget) 2020/21	Actual at **.**.21 £	Forecast at 31.03.21 £	Over/Under Spend Against Revised	Over/ Under Spend %
Employee Costs							
	Salaries, NI & superann.	59,523,373	59,523,373	49,719,595	59,913,395	-390,022	-0.5%
	Pensions (ill health)	909,134	909,134	551,421	1,070,386	-161,252	-0.2%
	Travel and Subsistence	462,000	462,000	202,681	310,590	151,410	0.2%
	Total Employee Costs	60,894,507	60,894,507	50,473,698	61,294,371	-399,864	-0.5%
	Premises Related Expenses	5,563,897	5,563,897	3,979,311	5,390,829	173,068	0.2%
	Training Expenses	1,482,236	1,475,236	171,943	1,358,709	116,527	0.2%
	Supplies & Services	4,109,480	4,123,274	3,665,459	4,622,955	-499,680	-0.7%
	Transport Related Expenses	1,405,846	1,405,846	1,033,807	1,282,820	123,026	0.2%
	Third Party Payments (Contracted Services)	851,816	845,022	649,437	881,374	-36,352	0.0%
	Capital costs / leasing	4,834,101	4,834,101	778,661	4,425,276	408,824	0.5%
	Contingency	0	0	0	0	0	0.0%
	Total Expenditure	79,141,883	79,141,883	60,752,317	79,256,333	-114,450	-0.2%
Income							
	Employee Related	-3,003,034	-3,003,034	-2,371,668	-3,028,435	25,401	0.0%
	Lease Car Contributions	-167,500	-167,500	-120,176	-136,766	-30,734	0.0%
	Co-Location Re-imbursement	0	0	0	0	0	0.0%
	Covid-19 Funding (WG)	0	0	0	-505,622	505,622	0.7%
	Other Income	-1,091,552	-1,091,552	-734,064	-1,158,271	66,718	0.1%
	Total Income	-4,262,086	-4,262,086	-3,225,908	-4,829,094	567,008	0.8%
	CONTRIBUTION BUDGET 2020/2021	74,879,797	74,879,797	57,526,408	74,427,239	452,558	0.6%
Key							
	 Overspend						
	 Underspend						

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SOUTH WALES FIRE & RESCUE SERVICE						APPENDIX 2				
BUDGET MONITORING 2020/21										
	Original Budget 2020/21 £	Revised Budget (vired budget) 2020/21 £	FAPM Forecast 21.09.20 £	FAPM Forecast 23.11.20 £	FAPM Forecast 15.03.21 £	* Variance at FAPM 21.09.20 to Revised Budget	** Variance at FAPM 23.11.20 to FAPM 21.09.20	*** Variance at FAPM 15.03.21 to FAPM 23.11.20	Cumulative Variances against Revised Budget	Summary on variances previously reported*
Employee Costs										
Salaries, NI & superann.	59,523,373	59,523,373	60,337,082	60,191,565	59,913,395	-813,709	145,517	278,171	-390,022	* Unfunded project related costs and supernumery posts Increase in pension costs due to number of new members increasing since budget setting
	59,523,373	59,523,373	60,337,082	60,191,565	59,913,395	-813,709	145,517	278,171	-390,022	Additional ill health retirements
Pensions (ill health)	909,134	909,134	1,000,275	1,034,832	1,070,386	-91,141	-34,557	-35,554	-161,252	Reduction in Travel and Subs due to impact of Covid-19
Travel and Subsistence	462,000	462,000	416,483	382,038	310,590	45,517	34,445	71,447	151,410	** Staff vacancies, increase in retirements and reduction in Travel and Subs offset by further ill health retirements
Total Employee Costs	60,894,507	60,894,507	61,753,840	61,608,435	61,294,371	-859,333	145,405	314,064	-399,864	
Premises Related Expenses	5,563,897	5,563,897	5,286,365	5,350,264	5,390,829	277,532	-63,899	-40,565	173,068	* NNDR less than budgeted along with reduction on WAN charges anticipated
Training Expenses	1,482,236	1,475,236	1,492,888	1,501,473	1,358,709	-17,651	-8,585	142,764	116,527	** Increase in cleaning contract and supplies as an impact of Covid-19
Supplies & Services	4,109,480	4,123,274	4,688,959	4,701,806	4,622,955	-565,685	-12,847	78,851	-499,680	* Overspend on HFS funding of £271k Covid-19 related expenditure: £190k on IT equipment and a further £144k on PPE Additional £71k on Support and Maintenance due to Command and Control revenue charges Above partially offset by £34k managed service for helmet care now being undertaken in-house ** Overspend on HFS stock funding no longer expected Increase in IT due to planned purchases to support a change in working practices due to Covid-19 Additional PPE to ensure staff remain protected from the pandemic
Transport Related Expenses	1,405,846	1,405,846	1,426,524	1,347,118	1,282,820	-20,678	79,406	64,298	123,026	* Change in vehicle lease scheme agreements as per FA 13.07.20 ** Above relates to a reduction in employee lease contributions and reflected in income Reduction in fuel usage compared to trend in previous years
Third Party Payments (contracted services)	851,816	845,022	856,818	905,633	881,374	-11,797	-48,815	24,260	-36,352	** Includes job evaluation project costs agreed to be funded from reserves
Capital costs / leasing	4,834,101	4,834,101	4,613,885	4,451,201	4,425,276	220,216	162,684	25,924	408,824	* Reduction in MRP due to projects slipping into 21/22 ** Further reduction in MRP in addition to new borrowing costs projected no longer required
Contingency	0	0	0	0	0	0	0	0	0	
Income	-4,262,086	-4,262,086	-4,460,336	-4,562,349	-4,829,094	198,249	102,013	266,745	567,008	* £220k WG funding re: Covid-19 spend ** Additional WG funding re: Covid-19 spend offset by reduction in employee lease contributions in relation to new vehicle lease scheme
CONTRIBUTION BUDGET 2020/2021	74,879,797	74,879,797	75,658,943	75,303,581	74,427,239	-779,146	355,362	876,341	452,558	
Key										
 Overspend										
 Underspend										

* Comments for the latest FAPM will be included in detail in the report attached

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APPENDIX 3					
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.	-49,157	5,512	-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.	-4,868,982	-552,558	-5,421,540	Forecast revenue overspend and transfer of annual joint control lease costs
CFBT Reserve	This reserve has been set up to fund capital investment activities in this facility which is to be housed at Cardiff Gate.	-128,036	0	-128,036	
PFI Equalisation	To meet future costs of the Training Centre PFI project	-3,798,607	117,157	-3,681,450	Current figures which may change slightly with indexation
Capital Receipts	To meet costs of the capital programme. Reserve applied as receipts are generated	-74,363	54,135	-20,228	Estimate based on amount received so far
Joint Control Lease Reserve	To meet the lease costs over an eight year period (from 2017/18)	-500,000	100,000	-400,000	Annual Joint Control lease costs
TOTAL		-12,419,146	-275,754	-12,694,899	

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Appendix 5 - GRANT MONITORING REPORT 2020/21

1. BACKGROUND

- 1.1 This report presents an update of the major changes affecting the grant budget since the last FAPM report in November 2020.

2. ISSUES

- 2.1 Since the last reporting period there have been a number of changes to individual projects as summarised below:

2.1.1 FIRE CRIME - £4.2k decrease in forecasted overspend

Since the previous report in November there has been a decrease in overtime payments in relation to Operation Bang which is based around the Halloween and Bonfire Night period. Due to the restrictions surrounding Covid-19, van sharing was not permitted therefore less individuals were required to carry out the patrols which saw a reduction of £4.2k in forecasted overtime claims.

The overall Fire Crime budget has increased by £15k which WG agreed to transfer from the Innovations & Momentum grant underspends. This amount has been allocated to the cost of hiring an I-cutter which will aid firefighters and prepare grassland for the upcoming grass-fire season.

2.1.2 HFS STOCK - £78.1k increase in forecasted overspend

Further to the beginning of the year Community Safety have seen an increase in activity within the Home Safety department during the period when restrictions were lifted. New ways of carrying out referrals and ensuring delivery of home fire safety stock have enabled the service to continue making safer home environments in South Wales.

The increase in forecasted overspend is made up of 'business as usual' home fire safety stock items and the addition of an order for 10 misting systems. The misting systems will be designated to the extremely vulnerable within South Wales and use multi sensor detectors, which once triggered, will discharge water mist for 10 minutes to allow either escape or protect the resident until help arrives.

2.1.3 INNOVATIONS & MOMENTUM - £3.7k decrease in forecasts

Due to the current restrictions in place in relation to Covid-19, the two Momentum courses scheduled to run in quarter 4 are no longer taking place. Welsh Government have agreed to transfer SWFRS £10k underspend and also MWWFRS £5k underspend to the Fire Crime grant to use against costs of hiring an I-cutter.

The reported £3.7k decrease in forecasts relate to the Occupational Therapists salary related costs where travel, accommodation and subsistence have not been claimed for during the year due to Covid-19 restrictions.

2.1.4 **NR – £58.4k increase in forecasted overspend**

In quarter 3 a new Head of Department was welcomed, with a hand-over period which increased the salary related costs by £5.4k.

Further courses such as DIM, Tactical Hazmat and NILO have been booked which has increased the forecasted overspend by £53k to ensure the overall All Wales underspends are utilised from the 20/21 grant.

2.1.5 **NR CAPITAL**

A reduction in costs of certain NR capital items has meant amendments have been made to the list of purchases to be made from this grant funding. No amendments have been made to the value of funding to be claimed.

3. FINANCIAL IMPLICATIONS

Overall there is a projected overspend of grant funding equating to £128k.

£4k of this is anticipated to be charged to revenue and the remaining £124k will be absorbed by underspends in grant funding on an All Wales basis.

4. RECOMMENDATIONS

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

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

Appendix 6

SOUTH WALES FIRE & RESCUE SERVICE REVENUE GRANT REPORTING 2020/21									
	Revenue	FIRE CRIME	HFS STOCK	YOUTH	MOMENTUM	ANTI-SOCIAL BEHAVIOUR	NATIONAL RESILIENCE	MTA	USAR
	Budget	122,748	223,400	111,355	60,000	28,000	863,509	143,288	368,310
Employee Costs	Forecast	97,850		89,225	56,304	31,748	290,278	89,288	329,130
Training Expenses	Forecast	0		3,393	0	0	130,854	0	0
Supplies & Services	Forecast	14,810	301,490	11,237	0	0	506,484	54,000	21,385
Transport Related Expenses	Forecast	10,088		7,500	0	0	2,995		542
Income	Forecast	-122,748	-223,400	-111,355	-60,000	-28,000	-863,509	-143,288	-368,310
(Under)/Overspend	Forecast	0	78,090	0	-3,696	3,748	67,102	0	-17,253

SOUTH WALES FIRE & RESCUE SERVICE CAPITAL GRANT REPORTING 2020/21		
	Capital	NATIONAL RESILIENCE
	Budget	927,500
Equipment		
LCD Detection Units	Forecast	248,000
ISO Containers		10,000
ICT equipment		19,219
USAR PPE & Equipment		13,047
NW HVP PPE & Equipment		11,000
Property		
USAR upgrade/relocation	Forecast	605,234
Vehicle		
NR Vehicle	Forecast	21,000
Income	Forecast	-927,500
(Under)/Overspend	Forecast	0

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CAPITAL MONITORING REPORT 2020/21

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 explanation of the significant variances identified in Appendix 1 since previous reporting. Appendix 1 presents a detailed analysis of the annual budget (2019/20 slippage + 2020/21) as £7.9 million, the forecast outturn and slippage as £4.7 million and £3.7 million respectively. The funding analysis details how this will be financed.

2. BUDGET HEADINGS

2.1 Property

2.1.1 Forecast expenditure and budget slippage are £1.4 million and £1.7 million respectively with a net over spend of £80k. The over spend 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.

2.1.2 Planned & Preventative

This work has now been completed and total costs are now anticipated to be £70k. This forecasted outturn is net of government funding as the supplier has drawn down the funding directly.

2.1.3 Pontypridd

The different aspects of this project have been packaged as separate contracts. The external works contract won't be awarded until the new financial year and will include demolishing the BA complex, drill tower and ground work. £138k has been slipped forward to accommodate this although the contract value

may be subject to change as we await costs from contractors. As a result, the forecast has been reduced to £746k.

2.1.4 New Inn

We have been granted a period of exclusivity to carry out site investigations and an offer of £450k in principle has been agreed. Following this period, and assuming no onerous site issues are discovered, we will be in a position to proceed with the acquisition. The forecast has been reduced to £30k to fund professional fees during this financial year, the balance of £467k has been slipped forward.

2.1.5 Whitchurch (USAR)

This grant funded scheme has commenced and the majority of costs will be incurred in the new financial year. £50k is forecast to fund design fees and initial ground work and the remaining £555k has been added to slippage.

2.2 **Vehicle Replacement Programme (VRP)**

2.2.1 The forecast and slippage are £470k and £1.5 million respectively and with a net overspend of £71k. The main cause of the overspend is the increased cost of Rescue Tenders, however this is largely offset by the Recovery Unit and Rescue Boat purchases not being made this year.

2.2.2 Rescue Tenders

Procurement tenders have been returned at a cost of £299k per vehicle rather than the £235k per vehicle stated in the Vehicle Replacement Programme. This has created an overspend of £192k as 3 vehicles have been ordered. Due to the 26 week 'build timeline' this has been added to slippage as they will not be delivered during this financial year. Costings should be updated in the Vehicle Replacement Programme by the Fleet Engineer for all purchases to accurately inform the budget setting process.

2.2.3 Recovery Unit

The Unimog (multi-purpose, all-wheel drive) from Bridgend station was scheduled for conversion work at a cost of £40k and instead of purchasing a new vehicle for £115k. The conversion will not be happening this year and instead will be part of a bid in the future resulting in a saving which will be used to help fund the overspend on Rescue Tenders.

2.2.4 Prime Mover

A second vehicle has been ordered by National Resilience but will not be delivered by the end of the financial year. Slippage has therefore increased by £23k and will be wholly offset by grant income.

2.3 Operational Equipment

2.3.1 The forecast has increased by £48k since previous reporting which has increased the overspend to £78k.

2.3.2 Helmets

The original capital bid was based on pricing of the most basic helmet and was priced from the North Wales Fire Service framework. SWFRS are unable to buy from that framework and are therefore looking to purchase from the Mid & West Fire and Rescue Service framework. This tender has come back with a higher price than the original tender. This in addition to enhanced helmet features i.e. lighting, visors etc have resulted in the above overspend.

2.4 ICT Equipment

2.4.1 The forecast has decreased by £222k, slippage has increased by £116k and the projected overspend has also increased by £106k. This is largely offset by grant funding to be received for the purchase of LCD Detection Unit.

2.4.2 Wireless LAN Controllers

The forecast has decreased by £41k and slipped into 21/22 due to COVID 19 impacts. Restrictions of non-station personnel visiting stations to work is not feasible under current guidelines.

2.4.3 GPS Repeaters on all Stations

As per above, COVID 19 restrictions have hindered the progress of this project. The forecast has been reduced by £9k and slipped into next year in order to resume work.

2.4.4 Tranman Upgrade

The forecast has been reduced by £26k as no further spend is expected this year. The supplier has been working at a reduced rate due to COVID 19 and so the remaining budget has slipped into 2021/22.

2.4.5 Infrastructure Management

A capital underspend of £25k has arisen due to elements of the project being moved to revenue budget as they included annual licensing costs.

2.4.6 Microsoft 365

The tender is currently out although not expected to be awarded and progressed until the new financial year. The full budget of £40k has been added to slippage.

2.4.7 Multimedia

This project is now complete and costs confirmed £8k lower than previously forecast. The £27k overspend is a result of extra video conferencing facilities purchased to accommodate remote communications with various sites as a result of COVID 19.

2.4.8 LCD Detection Unit

Since last reporting a tender has been agreed and the cost has reduced by £72k although delivery is not possible until the new financial year.

3 FINANCIAL IMPLICATIONS

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

A £1,227k decrease and a £48k increase result resulting in a net, £1,179k reduction in projected spend since previous reporting. Contributing is £153k of under and £266k of over spends and increased slippage of £1.3 million, the constituent elements are detailed below.

A reduction in spending plans this year will alter our borrowing requirement and the financing costs that are funded through the revenue budget.

The below tables summarises this information by scheme using the 3 key budget elements, i.e. end of year projection, under / over spend position and budget slippage.

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

CAPITAL PROGRAMME 2020/21							APPENDIX 1	
	Project Total £000	SLIPPAGE B/F 2019/20 £000	2020/21 BUDGET £000	ACTUAL AS AT 01.02.21 £000	COMMITTE D AS AT 01.02.21 £000	OUTTURN POSITION 31.03.21 £000	BUDGET UNDER/ OVER SPEND £000	SLIPPAGE C/F 2021/22 £000
PROPERTY								
<i>STATION REFURBISHMENTS</i>								
PONTYPRIDD	1,000	672	0	538	57	746	-212	138
MONMOUTH (co-location scheme)	600	597	0	0	0	0	247	350
PENARTH	1,600	0	100	0	0	0	80	20
COWBRIDGE (co-location scheme)	530	0	30	0	0	0	30	0
NEW INN	2,000	497	0	0	9	30	0	467
TONYPANDY	800	247	482	181	49	550	0	179
MAINDEE	300	0	300	0	0	0	300	0
WHITCHURCH / USAR grant funded	608	0	0	4	10	50	-605	555
PLANNED & PREVENTATIVE MAINT	150	0	150	0	65	70	80	0
	7,588	2,013	1,062	723	190	1,446	-80	1,709
VEHICLES								
OPERATIONAL 4WD	243	243	0	185	58	243	0	0
TRUCK (SLIDE DECK / CRANE)	150	150	0	0	0	0	0	150
WATER LADDERS	464	0	464	0	0	0	0	464
RESCUE TENDERS	705	235	470	0	0	0	-192	897
RECOVERY UNIT (unimog)	115	115	0	0	0	0	115	0
VAN/OPS ESTATE CAR	155	155	0	93	63	156	-1	0
RESCUE BOAT	45	45	0	0	0	0	45	0
MINIBUS	56	0	56	48	0	48	8	0
PRIME MOVER grant funded	0	0	0	23	0	23	-46	23
	1,933	943	990	349	121	470	-71	1,534
EQUIPMENT & ICT								
HELMETS	242	242	0	0	320	320	-78	0
RADIOS AND BATTERIES	435	5	0	5	0	5	0	0
STRUCTURAL KIT	1,850	0	1,850	1,013	809	1,850	0	0
THERMAL IMAGING CAMERA	252	0	252	0	0	252	0	0
GLOVES	36	0	36	0	39	39	-3	0
BREATHING APPARATUS	900	18	0	0	14	14	4	0
WIRELESS LAN CONTROLLERS	80	0	80	6	33	39	-0	41
GPS REPEATERS ON ALL STATIONS	45	0	45	36	0	36	0	9
PATIENT MANAGEMENT SYSTEM	60	0	60	0	0	0	0	60
TRANMAN UPGRADE	52	0	52	26	0	26	0	26
INFRASTRUCTURE MANAGEMENT	50	43	0	9	5	18	25	0
MICROSOFT 365	40	40	0	0	0	0	0	40
MULTIMEDIA	120	120	0	147	0	147	-27	0
SERVER & STORAGE REPLACEMENT	100	0	50	57	0	57	-7	0
LCD DETECTION UNIT grant funded	320	0	0	0	0	248	-248	0
	4,582	468	2,425	1,297	1,221	3,051	-334	176
TOTAL	14,103	3,424	4,477	2,369	1,532	4,967	-484	3,419
FUNDING ANALYSIS								
						4,446		
						BORROWING		
						0		
						CO-LOCATION CONTRIBUTIONS		
						200		
						REVENUE CONTRIBUTION		
						0		
						REVENUE RESERVES		
						321		
						CAPITAL GRANT		
						0		
						CAPITAL RECEIPTS		
						4,967		

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INTERNAL AUDIT REPORT

SUMMARY

This report updates Members upon progress being made against the Internal Audit Plan 2020/2021.

RECOMMENDATION

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

1. BACKGROUND

- 1.1 As Members will be aware, TIAA Limited are appointed as the Authority's Internal Auditors to undertake work covered in the Internal Audit Plan 2020/2021 which was approved by this Committee on 15 June 2020.
- 1.2 As previously agreed, all audit reports with an assurance level of limited or no assurance will be provided in full. Recommendations only will be provided for reports with an assurance level of substantial or reasonable.

2. ISSUE

- 2.1 The areas of internal audit reviews within the Annual Plan were completed with 4 final reports being issued:-
 - **Sustainability – Paper Usage**
 - **Mitigating Controls**
 - **Key Financial Controls**
 - **Estate Management - Delivery**

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

2.2 Sustainability – Paper Usage

2.2.1 The review considered the arrangements in place for the procurement of paper; to quantify and measure current paper use; the guidance provided to staff and the practical measures in place to reduce paper used through printers and commissioned in association with marketing and other paper based promotional items; retained stock levels of plain paper and paper-based stock

levels, including at station; and the targets set to encourage continuous improvement.

2.2.2 A reasonable level of assurance was given with three important recommendations, three routine, and three areas of operational effectiveness highlighted.

2.3 Mitigating Controls

2.3.1 The review assessed the quality and accuracy of the information provided to the Authority for providing assurance. Four risks were selected from South Wales Fire & Rescue Service's strategic risks and business plan risks, and the effectiveness of the identified assurance was reviewed.

2.3.2 The audit received a substantial level of assurance with no recommendations for improvement identified.

2.4 Key Financial Controls

2.4.1 This review considered the effectiveness of the key financial controls which provide assurance that the following systems are operating in accordance with the Authority's requirements:- Budgetary Control, General Ledger, Cash, Banking & Treasury Management, Cash Flow Planning, Income & Debtors, Payments, Payroll, Security of Assets.

2.4.2 The audit received a reasonable level of assurance with one important recommendation made.

2.5 Estate Management - Delivery

2.5.1 The review appraised the adequacy of the arrangements for managing the Estate and the Asset Programme. The review considered:- the arrangements for the stock and asset condition survey; the subsequent identification of need and prioritisation of the planned works programme; incorporation of equality impact assessment; monitoring the planned works programme and reactive maintenance activity.

2.5.2 This audit was given a reasonable level of assurance with two important recommendations, one routine and two areas of operational effectiveness identified.

3 EQUALITY RISK ASSESSMENT

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

4 RECOMMENDATION

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

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	Appendix 1 – Sustainability _ Paper Usage Appendix 2 – Mitigating Controls Appendix 3 – Key Financial Controls Appendix 4 – Estate Management - Delivery Appendix 5 – Summary Internal Audit Progress Road

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South Wales Fire and Rescue Service

Assurance Review of Sustainability: Paper Usage

2020/21

November 2020

Executive Summary

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS
	<ul style="list-style-type: none"> <li data-bbox="1144 371 2116 608">  <p>A Carbon Reduction Plan 2020-2030 has been developed which recognises the need to control paper usage with initiatives underway that include new contracts for paper, waste disposal and printers, and to better record, measure and set targets for use and waste reduction.</p> <li data-bbox="1144 612 2116 804">  <p>Arrangements need to be put in place to provide Fire Authority Members and the Finance and Performance Management (FAPM) Committee with periodic reports on delivery of the Carbon Reduction Plan 2020-2030.</p> <li data-bbox="1144 809 2116 1000">  <p>South Wales Fire and Rescue Service needs to formally document its waste pathways into and out of the organisation and data needs to be developed on paper usage and waste disposal.</p>
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED
<p>There are no risks related to sustainability and paper usage on the Service's Strategic Risk Register.</p>	<ul style="list-style-type: none"> <li data-bbox="1144 1074 2116 1177">  <p>South Wales Fire and Rescue Service has a Sustainable Procurement Policy in place.</p> <li data-bbox="1144 1182 2116 1321">  <p>The internal audit review noted a number of initiatives that have been implemented within the Service to reduce paper usage (See Annex C).</p>

SCOPE

The review considered the arrangements in place for: the procurement of paper; to quantify and measure current paper use; the guidance provided to staff and the practical measures in place to reduce paper used through printers and commissioned in association with marketing and other paper based promotional items; retained stock levels of plain paper and paper-based stock levels, including at station; and, the targets set to encourage continuous improvement.

The review was initially agreed under the 2019-20 Internal Audit Plan and to take place in March 2020 but was postponed due to the COVID 19 pandemic and carried forward in to 2020-21.

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	3	3

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	<p>Given that the Carbon Reduction Plan is relatively recently defined, the Governance arrangements for monitoring delivery of the plan and its actions have yet to be formally established. Discussion with staff noted an intention to record each action on the Business Management Information Services (BMIS) system and link each action to the Carbon Reduction Plan to enable formal monitoring and reporting against the plan. Individual projects linked to departmental plans will also be linked in the same way.</p> <p>Discussion with the Deputy Chief Fire Officer and Head of Finance & Procurement noted that going forward it is intended that implementation of the Carbon Reduction Plan 2020-2030</p>	<p>Arrangements be put in place to provide Fire Authority Members and Finance and the Performance Management (FAPM) Committee with periodic reports on delivery of the Carbon Reduction Plan 2020-2030.</p>	2	<p><i>Progress against the action plan set out in the Carbon Reduction plan will be reported annually to the Finance Scrutiny committee. Individual projects will also get reported to FAPM when they are accounted for through the revenue or capital monitoring reports.</i></p>	30 June 2021	<p>Head of Finance, Procurement & Property</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)
		will be periodically reported to Fire Authority Members, with reports initially provided to the Finance and Performance Management (FAPM) Committee.					
2	Delivery	It was identified during the internal review that as part of the projects in place to procure alternative printer and waste collection services, the service has begun to develop a greater understanding of the waste streams in and out of the Service. There was limited understanding of this previously and in particular, discussion with staff noted limited knowledge of the end destinations of waste paper once it is collected, for example whether it is recycled or incinerated.	South Wales Fire and Rescue Service formally document its waste pathways into and out of the organisation and continue to keep this document up to date to support delivery of the Carbon Reduction Plan 2020-2030.	2	<i>A review of waste management across the service is currently underway. The aim is to reduce overall waste, recycle where possible and to standardise the approach across all of our sites.</i>	1 April 2021	Senior Procurement Officer

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	Delivery	The projects in place to procure alternative printer and waste collection services provide the Service with the opportunity to begin to develop baseline data on paper usage, waste and disposal which going forward would enable the Service to measure its progress in terms of the reduction in paper usage in line with the action within the Carbon Reduction Plan 2020-2030.	Data be developed on paper usage and waste disposal through implementation of the projects in place to procure alternative printer and waste collection services.	2	<i>Improvements in data capture and reporting are part of the review mentioned above. This will be further enhanced with the appointment of the Sustainability officer within the team.</i>	1 April 2021	Senior Procurement Officer
4	Delivery	It is good practice to undertake periodic waste audits examining the volumes and variations in waste across the organisation and to physically inspect locations to identify wasteful practices. Implementing such a practice would help the Service raise awareness, contribute to the content of awareness campaigns and provide direction in terms of tackling wastefulness or poor practice.	Periodic waste audits be implemented to examine the volumes and variations in waste across the organisation and to physically inspect locations to identify wasteful practices.	3	<i>This too forms part of the waste management review and will be implemented along with the other findings.</i>	1 April 2021	Senior Procurement Officer

PRIORITY GRADINGS

1

URGENT

Fundamental control issue on which action should be taken immediately.

2

IMPORTANT

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

3

ROUTINE

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Delivery	<p>Discussion with staff during the internal audit identified that the majority of those spoken to noted examples of where messages in regard to paper usage and reduction were communicated, for example corporate messages by email were noted as having been received in the past. Examples were also noted where individuals within departments had independently produced posters encouraging others not to print if not necessary. However, the discussion with staff noted that they were not clear on whose responsibility such activity would be and also that there was limited knowledge of whether such messages had been received recently.</p> <p>As noted within this report, the Procurement Team are to produce communications on waste and recycling as part of the procurement of</p>	The service wide engagement and communication to raise awareness and encourage ideas for carbon reduction be undertaken as planned.	3	<i>A media and communications strategy will be drawn up to deliver several media campaigns across the service. This will be used as a tool for behavioural change to make the necessary improvements on all of our sites and in every department.</i>	1 April 2021	Sustainability officer

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)
		waste collection services. Discussions with the Facilities Manager and Media and Communications Manager noted an intention for further messaging. As noted the Carbon Reduction Plan 2020-2030 records an action to implement 'Service Wide engagement and communication to raise awareness and encourage ideas for carbon reduction'.					
6	Delivery	Analysis of Fire Authority Papers during the review identified that based on the 25 th September 2020 Fire Authority Meeting, the cost of printing excluding postage and other associated costs is approximately £220.00 for the five meetings based on mono printing only rising to approximately £1,250 for colour printing. This equates to approximately three trees. (See Appendix C for calculations) Pre COVID-19 Fire Authority Members received hard copies of the Fire	The review of how Fire Authority, Committee and Senior Management Team papers be undertaken as planned.	3	<i>Discussions will be held with Fire Authority Members and SMT to review the best options for reducing the need for paper reports.</i>	30 June 2021	Head of Corporate Support

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)
		<p>Authority reports as did all members of Senior Management team, apart from the Head of Finance & Procurement. Digital copies are also emailed. The auditors also receive a hard and digital copy of the papers</p> <p>During COVID 19 all Members have received hard copies as they have difficulty reading the reports whilst using StarLeaf which has been used to host meetings The Senior Management Team (SMT) now receive their SMT papers electronically.</p> <p>A further review of how the Senior Management Team and Members are to be provided with papers is planned to be undertaken going forward.</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.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Delivery	It is recommended that to ensure that messages and communications around waste reduction and recycling are sustained and consistent that such activity be allocated as a role for the intended environmental champions and included as an action in the Carbon Reduction Plan 2020-2030.	Consideration be given to formally allocating the Service's environmental champions a role in developing and communicating messages around recycling, waste reduction and delivery of the Carbon Reduction Plan 2020-30.	<i>The appointment of the Sustainability officer will enable the service to create and coordinate environmental champion groups and focus groups to target Carbon reduction issues.</i>

ADVISORY NOTE

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

Ref	Risk Area	Finding	Suggested Action	Management Comments
2	Delivery	<p>Comparison of other TIAA clients and additional research noted the following common practices in relation paper saving ideas that are communicated to staff or form part of practices implemented.</p> <ul style="list-style-type: none"> • Use of document sharing and track changes to produce and edit documents, rather than printing; • Providing staff with instructions on use of multiple page printing; • Inclusion of 'do you need to print this email or attachment' or 'save a tree, consider the need to print' type messages within email signatures; • Encouraging the re-use of discarded single-sided paper as scrap paper. 	<p>Consideration be given to providing a range of tips and information to staff on reducing the use of paper.</p>	<p><i>This will be done in conjunction with the media campaigns highlighted above.</i></p>

ADVISORY NOTE

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

Ref	Risk Area	Finding	Suggested Action	Management Comments
3	Delivery	<p>The Service have previously taken part in the 'Green Dragon' Environmental Standard, which is awarded to organisations that can demonstrate effective environmental management and that are taking action to understand, monitor and control their impacts on the environment. Whilst not explicit within the Carbon Reduction Plan, discussion with staff noted an intention to review the Service's participation in the award.</p> <p>Information obtained from the 'Green Dragon' website noted that the Standard, which is structured into five 'Levels', allows organisations to gain a third-party certification that provides recognition of their environmental practices and demonstrates their commitments to sustainability, consideration of environmental impacts, compliance with legislation and environmental protection.</p>	Consideration be given to taking part in the 'Green Dragon' Environmental Standard.	<i>This action will be followed up by the Senior Procurement Officer and Sustainability officer as part of the sustainable procurement strategy.</i>

ADVISORY NOTE

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



South Wales Fire and Rescue Service

Compliance Review of Mitigating Controls

2020/21

February 2021

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The risks considered were:

- 202A Brexit & Core HR;
- 210 Equality & Diversity;
- 250 Covid-19;
- 220 High Rise.

KEY STRATEGIC FINDINGS



South Wales Fire and Rescue Service has an effective system for recording and managing risk through the Business Management Information System (BMIS) which links risk management to business planning and operational activity.



Evidence was provided to confirm that responsibility for management of risks was in place and the Control Risk Tasks aligned to each risk were being progressed as described.



No Urgent (Priority 1) or Important (Priority 2) recommendations were identified.

GOOD PRACTICE IDENTIFIED



A number of areas of good practice were noted under each risk which included ongoing communication with Welsh Government (202A Brexit & Core HR), active review and amendments to recruitment practices to support diversity (210 Equality & Diversity), establishment of a critical incident team (250 Covid-19) and establishment of a High Rise Working Group (220 High Rise).

SCOPE

The review assessed the quality and accuracy of the information provided to the Authority for providing assurance. Four risks were selected from South Wales Fire and Rescue Service’s strategic risks and business plan risks and the effectiveness of the identified assurance was reviewed. The scope of the review did not include consideration of all potential mitigating arrangements or their effectiveness in minimising the opportunities for the identified risks to occur.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	0

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 Urgent, Important or Routine recommendations were identified.							

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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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

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 Key Financial Controls

2020/21

February 2021

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

"Employees respond negatively to changes made to pension schemes the authority may face increased turnover" "national pay and pension negotiations are seen as adverse there is a risk of industrial action by staff"

SCOPE

This review considered the effectiveness of the key financial controls which provide assurance that the following systems are operating in accordance with the Authority's requirements: Budgetary control General ledger Cash, banking & treasury management Cash flow planning Income & debtors Payments Payroll Security of assets.

KEY STRATEGIC FINDINGS

- Robust controls are in place to support the key financial controls processes reviewed.**
- One recommendation remains outstanding from the Key Financial Controls Review that was undertaken in 2019/20. This relates to the need to review Financial Procedure Rules. A new recommendation has been raised.**

GOOD PRACTICE IDENTIFIED

- The Service has adapted to COVID 19 by working from home and from the office. The processes in place have not been effected.**

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	0

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	<p>The Finance Procedure Rules have not been reviewed and updated since July 2013.</p> <p>This was raised in the 2019/20 audit of key financial controls. The previous recommendation has been closed.</p>	The Financial Procedure Rules be reviewed and updated as previously agreed.	2	<i>COVID disrupted the plan to research and consult and so this work was postponed during 2020/21 and is now scheduled in 2021/22.</i>	31/03/2022	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.

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

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No operational effectiveness matters were identified.				

ADVISORY NOTE

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



Internal Audit

FINAL

South Wales Fire and Rescue Service (SWFRS)

Assurance Review of Estate Management - Delivery

2020/21

February 2021

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk 200 - Building Compliance

SCOPE

The review appraised the adequacy of the arrangements for managing the Estate and the Asset Programme. The review considered: the arrangements for the stock and asset condition survey; the subsequent identification of need and prioritisation of the planned works programme; incorporation of equality impact assessments; and, monitoring the planned works programme and reactive maintenance activity.

KEY STRATEGIC FINDINGS



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



The Building Programme be updated and enhanced to include full details of all maintenance undertaken and the costs involved.



A structured decision making framework to support the decisions made between planned and reactive work undertaken would support the prioritisation of the work.

GOOD PRACTICE IDENTIFIED



Sample testing of Pontypridd Station and Carbonaceous Compartment Fire Behaviour Training (CFBT) at Cardiff Gate projects found that these were managed effectively in line with the Project Management Framework in place.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	1	3

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	A spreadsheet programme (Building Programme) is produced outlining the major and minor projects to be undertaken in a given year. These are costed and minor projects are marked as either P (planned) or R (reactive). The programme is incomplete.	The Building Programme spreadsheet be updated and completed with all current information to inform on past, present and future activity including what is reactive and planned and a full cost for each piece of work.	2	<i>Generally this is done via the Finance system at year end. Property however keep a spreadsheet internally to manage higher value planned maintenance to assist with budgeting. It would never be as detailed as the Finance data but could be used to track larger items of revenue planned maintenance.</i>	31/03/21	Property Strategy Manager

PRIORITY GRADINGS

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

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

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The Property Strategy Manager works closely with the Health and Safety (H&S) team in order to risk assess requested or identified maintenance required. This is no structured detailed planning decision framework to formally prioritise work to be undertaken. At present, there is a risk that required planned or reactive work is not undertaken which could lead to the aims and objectives of the Service not being met.	A structured decision making framework be implemented to support the choice between planned and reactive work and which pieces of work are regulated as a result of budget constraints. While prioritisation is being undertaken, there is no formal framework to support the decisions taken.	2	<i>The work in rec 1 could be used for this, however decisions still need to be made on experience by Officers with the relevant expertise and also relaying on the expertise of external consultants, as long as it's within agreed budgets. Any significant issues where budget is not available is elevated to Property steering group for consideration.</i>	30/09/21	Property Strategy Manager

PRIORITY GRADINGS

1

URGENT

Fundamental control issue on which action should be taken immediately.

2

IMPORTANT

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

3

ROUTINE

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	Stock and Asset Condition Surveys are not routinely undertaken. Instead, inspections, requests and identification of maintenance by the stations and Estates team is the lead method of prioritising work. Assets are required to be fit for purpose and Health and Safety critical as a priority.	Stock and Asset Condition Surveys are routinely undertaken to inform on what assets required maintenance.	3	<i>It's unlikely that we would work to a planned maintenance programme which is directly informed by a condition survey in the short to medium term. It does however serve to give us another indication of priority issues and a high level budget cost for the scale of our repairing liabilities. We will look at continuing this work in-house.</i>	<i>Rolling programme Commencing 01/03/21</i>	<i>Building and Maintenance Manager</i>

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	SWFRS follow the Royal Institute of British Architects (RIBA) Plan of Work 2013 for its approach to project management. A new 2020 version is in place and it is recommended that this be reviewed and used going forward.	RIBA Plan of Work 2020 be used going forward if considered appropriate.	<i>Not applicable. We simply follow the principles of the plan of work as well as other Project Management tools to guide the design stages. All significant projects have a PM appointed who would follow the most up to date PM tools.</i>
2	Delivery	At present, the Property Strategy Manager makes decisions on what maintenance work should take priority without any framework to support the work (as detailed above). There is a risk of key person dependency on this individual which would be mitigated somewhat by implementing the recommendations made in this report.	Consideration be given to whether key person dependency exists in the role of the Property Strategy Manager and how this can be better supported.	<p><i>Generally decisions will be informed by asset data, which can also include advice from consultants. E.g. if a building has signs of movement, cracking on external walls etc, I would appoint a structural surveyor to investigate and provide recommendations. Any major issues would then be taken to PSG for direction.</i></p> <p><i>A simple template could be produced to cover off the decision making process for any significant maintenance issues. This could then be reviewed at PSG.</i></p>

ADVISORY NOTE

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

Ref	Risk Area	Finding	Suggested Action	Management Comments
3	Delivery	The Property Strategy Manager has undertaken construction management courses but apart from that no one in the team is trained in any relevant qualifications.	Further training be implemented to support the work of the Estates team including project management training.	<i>Agreed, this will be reviewed and implemented. Courses are being made internally to support the roles and staff will be directed towards these.</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

Summary Internal Controls Assurance (SICA) Report

2020/21

February 2021

Summary Internal Controls Assurance

Introduction

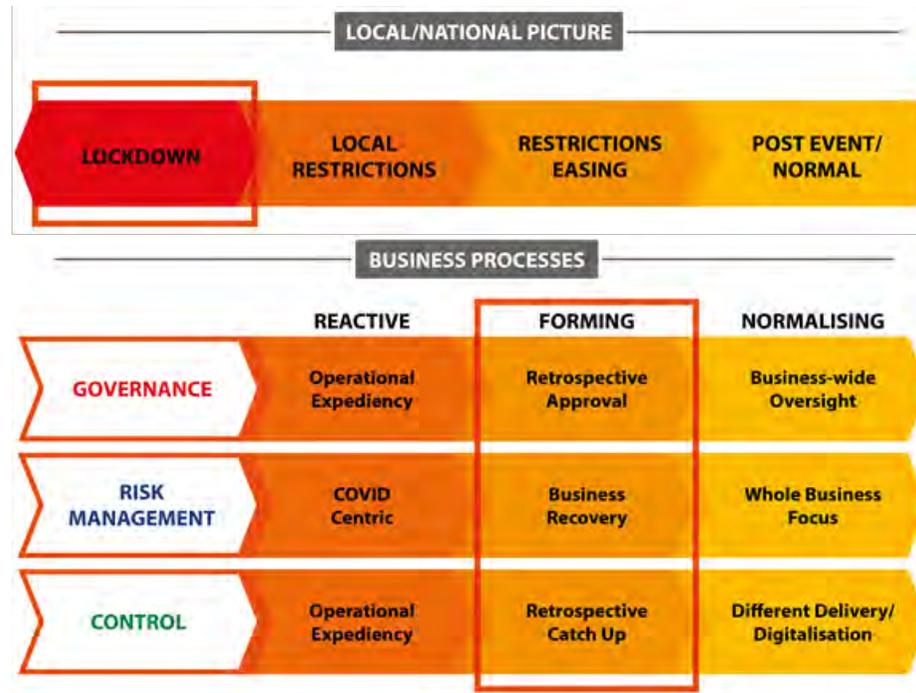
- This summary controls assurance report provides the Finance and Performance Management Committee (FAPM) with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at South Wales Fire and Rescue Service as at 23rd February 2021. The period covered by this summary controls assurance report was significantly impacted by the COVID 19 pandemic.

Emerging Governance, Risk and Internal Control Related Issues

- COVID 19 is the most significant recent event to impact both strategically and operationally upon modern day Governance, Risk and Internal Control arrangements. It is clear that there has been and will continue to be a number of phases in relation to the move through the pandemic, and that the local and national picture can worsen as well as improve. Each phase has different implications for Governance, Risk and Internal Control arrangements, however, the way in which organisations have transitioned to revised ways of working is not necessarily directly linked to the local or national picture.

The diagrams in the table below signify the assessment of the current local and/or national picture, but also assesses how the organisation has adapted to new ways of working (the ‘new normal’) at least for the foreseeable future.

Impact on COVID 19 on strategic focus during business interruption



- There are a range of operational matters arising from the COVID 19 pandemic which impact upon the governance, risk and internal control arrangements and examples of such have been summarised in Appendix A. During the COVID 19 period it would be prudent for South Wales Fire and Rescue Service to compare the policies, procedures and internal control processes in effect during the pandemic against the policies, procedures and internal control processes in effect prior to the onset of the pandemic. The matters identified should be risk assessed so as to gain awareness about where the undetected vulnerabilities that may exist so that an informed decision can be made around acceptance of such risks.

Internal Control Framework

Audits completed since the last SICA report to the Audit Committee

- The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Sustainability: Paper Usage	Reasonable	5 th November 2020	16 th November 2020	16 th November 2020	0	3	3	3
Key Financial Controls	Reasonable	14 th January 2021	2 nd February 2021	3 rd February 2021	0	1	0	0
Mitigating Controls	Substantial	20 th January 2021	2 nd February 2021	3 rd February 2021	0	0	0	0
Estate Management - Delivery	Reasonable	13 th January 2021	22 nd February 2021	22 nd February 2021	0	2	1	3
Follow Up	NA	27 th January 2021	22 nd February 2021	22 nd February 2021	NA	NA	NA	NA

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

Progress in actioning priority 1 & 2 recommendations

- We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The table below summarises the extent to which confirmation has been received that management actions have been taken that the risk exposure identified has been effectively mitigated. More information is provided in Appendix D.

Mitigating risk exposures identified by internal audit reviews

Review	Date	Priority 1
Not Applicable (NA)		

Root Cause Indicators

7. 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. The numbers in brackets represent the number of recommendations for information.

RCI – Direction of Travel Assessment

Root Cause Indicator	Qtr 1 (2020/21)	Qtr 2 (2020/21)	Qtr 3 (2020/21)	Qtr 4 (2020/21)	Medium term Direction of Travel	Audit Observation
Directed						
Governance Framework	-	18% (3)	29% (2)	-	↓	18% (5)
Risk Mitigation	-	-	-	-	↔	-
Control Compliance	-	76% (13)	-	66% (2)	↑	54% (15)
Delivery						
Performance Monitoring	100% (1)	-	71% (5)	33% (1)	↓	25% (7)
Financial Constraint	-	-	-	-	↔	-
Resilience	-	6% (1)	-	-	↔	4% (1)

Progress against the 2020/21 Annual Plan

8. **COVID 19:** The progress against the planned work for the quarter has not been disrupted by the COVID pandemic. In mid-March, when the potential scale and impact of COVID 19 was becoming evident it was agreed with South Wales Fire and Rescue Service that the delivery of the internal audit service would be carried out remotely thereby minimising the need to physically access South Wales Fire and Rescue Service's offices/premises and to hold face to face meetings. The annual Station Visits have taken place in this period subject to a risk assessment for each station visited and appropriate safety measures being taken.
9. Our progress against the Annual Plan for 2020/21 is set out in Appendix C.

Changes to the Annual Plan 2020/21

10. There are no of areas where areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2020/21.

Frauds/Irregularities

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

Other Matters

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

Briefing Notes	
CBN21002	Ensuring Wording on Job Applications Reflects the Revised DBS Rules

Fraud Alerts	
Festive Fraud Targeting Organisations	
Parking Machine Scam	
Scam Emails: Fake COVID-19 Vaccinations Invites	
Fake HMRC Emails Sent to NHS	
Scam Calls Regarding NI Number Suspension	

Responsibility/Disclaimer

13. 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.

Covid 19 – Governance, Risk and Control considerations during ‘lockdown’ phase

Area	Possible assurance from internal audit
<p>Governance: The speed of the need to respond to COVID 19 has significantly impacted on the strategic governance infrastructure:</p> <ul style="list-style-type: none"> • Urgent decisions taken for urgent operational reasons which would normally have gone through Board review and approval • Extension and rollover of procurement contracts • Disruption to management information received by the Board • Operational necessity for management dispensation to scheme of delegation and financial regulations • Move to remote working for reactive operational expediency reasons, rather than as part of a pre-planned strategy 	<p>Covid-19 Financial Governance: A review of financial governance and decision making following the business interruption caused by Covid-19, including assessing the accountability for additional spend on Covid-19 related activity.</p>
<p>Risk Management: The markers which differentiate COVID 19 pandemic from most business resilience/recovery plans are:</p> <ul style="list-style-type: none"> • Speed of major disruption to business as usual did not permit normal level of preparation • International as well UK-wide, not local • Level of government intervention • Duration and severity • Move to medium term remote working arrangements by staff and suppliers • Consequential impact upon all the previous strategic risks 	<p>Business as Usual Resumption Arrangements: Targeted post-event risk mitigation assessment to identify any unintentional gaps in the risk management framework</p>
<p>Internal Control: COVID 19 has provided the perfect storm both in a positive as well as negative manner. The positive aspects are the expeditious embracing of digital business delivery. It is recognised that a number of government and/or regulatory guidance requirements were issued at short notice and many of these were without the normal consultation and similar. On a negative basis the following need to be recognised:</p> <ul style="list-style-type: none"> • Suppliers and contractors being unable to deliver contracted services • Increased digitalisation introduced at very short notice increases information governance risks • Temporary compromise of effective segregation of duties due to staff absences and/or remote working etc • Fraudsters seeking to take advantage of COVID disruption • Deferment and/or reprioritisation of services • Sudden and significant change in demand patterns for services 	<p>COVID-19 Business Interruption Controls Framework: To review the control environment in relation to policy and process design or temporary re-design, taking into account the heightened risk of fraud and changes to ways of working.</p> <p>Accountability for Additional COVID-19 Funding: Revisiting the control framework for when emergency payments shift into longer term services – especially where large sums are invested.</p>

Executive Summaries and Management Action Plans

The following Executive Summaries are included in the FAPM agenda. Full copies of the reports are available to the Finance and Performance Management Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Finance and Performance Management Committee and therefore is not included in this Appendix.

Review	Evaluation
Sustainability: Paper Usage	Reasonable
Key Financial Controls	Reasonable
Mitigating Controls	Substantial
Estate Management - Delivery	Reasonable
Follow Up	N/A

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Sustainability: Paper Usage	2	Final Report issued:16/11/2020	To be presented to FAPM – 15/03/2021
Strategic Control	1	Final Report issued: 14/07/2020	Presented to FAPM – 27/07/2020
Communications	1	Final Report issued: 15/07/2020	Presented to FAPM – 27/07/2020
ICT Data Assurance	1	Final Report issued: 08/09/2020	Presented to FAPM – 23/11/2020
Procurement	2	Final Report issued: 11/09/2020	Presented to FAPM – 23/11/2020
Station Visits	2	Final Report issued: 08/10/2020	Presented to FAPM – 23/11/2020
Human Resources Management – Training	2	Final Report issued: 11/09/2020	Presented to FAPM – 23/11/2020
Key Financial Controls	3	Final Report issued:14/01/2020	To be presented to FAPM – 15/03/2021
Mitigating Controls	3	Final Report issued:03/02/2021	To be presented to FAPM – 15/03/2021
Estate Management - Delivery	4	Final Report issued:13/01/2021	To be presented to FAPM – 15/03/2021
Follow-up	4	Final Report issued: 22/02/2021	To be presented to FAPM – 15/03/2021
Contingency	4	Review to be undertaken 15th March 2021	Outside Commitments, Personal and Business Interests
Annual Planning	1		To be presented to FAPM – 15/03/2021
Annual Report	4		To be presented to FAPM – 15/03/2021
Client Portal	1-4		
Management, Planning, FAPM Committee Reporting and Support	1-4		

KEY:

To be commenced

Site work commenced

Draft report issued

Final report issued

Priority 1 - Progress update

There have been no Priority 1 recommendations made since the previous SICA reported to FAPM in June 2020.

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 Client Briefing Notes or Fraud Alerts are available on request from your local TIAA team and available to download from the Client Portal.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN21002	Ensuring Wording on Job Applications Reflects the Revised DBS Rules		<p>Action Required</p> <p>Employers to reconsider their approach to enquiring about criminal records information to ensure they do so in a way that ensures compliance with the new legislation.</p>

Summary of recent Fraud Alerts

Ref	Subject	Status	TIAA Comments
0000	Festive Fraud Targeting Organisations		<p>Action Required</p> <p>This alert provides information and advice to staff about fraud and economic crime, and the risks associated with it. If you have fallen victim to fraud or cyber-crime you should report it to Action Fraud by calling 0300 123 2040, or visiting: https://reporting.actionfraud.police.uk.</p>
0000	Parking Machine Scam		<p>Action Required</p> <p>The alert provides information and advice about fraud and economic crime and the risks associated with it. If you have fallen victim to fraud or cyber-crime you should report it to Action Fraud by calling 0300 123 2040, or visit: https://reporting.actionfraud.police.uk/</p> <p>If your bank details have been compromised and you think you may have lost money, contact your bank immediately. The bank can also arrange for your card to be cancelled.</p>

Ref	Subject	Status	TIAA Comments
0000	Scam Emails: Fake COVID-19 Vaccinations Invites		<p>Action Required</p> <p>The alert provides information and advice about fraud and economic crime during the pandemic and the risks associated with it.</p> <p>If you have fallen victim to fraud you should report it to Action Fraud by calling 0300 123 2040, or visit: https://reporting.actionfraud.police.uk/</p> <p>If you have given your bank details and think you may have lost money, contact your bank immediately.</p>
0000	Fake HMRC Emails Sent to NHS		<p>Action Required</p> <p>This alert provides information and advice to employees about fraud and economic crime, and the risks associated with it. This alert focuses on suspicious HMRC correspondence. Forward details of suspicious emails to HMRC's phishing team at: phishing@hmrc.gov.uk</p> <p>Forward suspicious text messages to 60599.</p> <p>If you have fallen victim to fraud or cyber-crime you should report it to Action Fraud by calling 0300 123 2040, or visit: https://reporting.actionfraud.police.uk/</p>
0000	Scam Calls Regarding NI Number Suspension		<p>Action Required</p> <p>This alert provides information and advice to employees about fraud and economic crime, and the risks associated with it.</p> <p>Send details of any scam where the caller is purporting to be from HMRC to their phishing team at; phishing@hmrc.gov.uk</p> <p>If you have fallen victim to fraud or cyber-crime you should report it to Action Fraud by calling 0300 123 2040, or visit: https://reporting.actionfraud.police.uk/</p> <p>If you think your bank cards have been compromised, contact your bank immediately.</p>

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

AGENDA ITEM NO 11
15 MARCH 2021

INTERNAL AUDIT ANNUAL PLAN 2021/2022

SUMMARY

This report details the proposed Internal Audit Annual Plan 2021/2022 for Members approval.

RECOMMENDATION

That Members approve the Internal Audit Annual Plan for 2021/2022.

1. BACKGROUND

- 1.1 As a requirement of the internal audit work of the Fire & Rescue Authority, it is necessary for Members of the Finance, Audit & Performance Management Committee to agree to an Internal Audit Annual Plan for the financial year.
- 1.2 Following a tender process in January 2017, TIAA have been awarded a contract for internal audit services for an initial period of three years commencing on 1 April 2017. The option to extend the contract for a further two years has been exercised and will run until March 2022.

2. ISSUE

- 2.1 Attached at Appendix 1 is the proposed Internal Audit Annual Plan for 2021/2022 for Members consideration. The rationale for the plan is contained within the appended report.
- 2.2 To monitor progress against the internal audit annual plan, regular reports will be presented to this Committee outlining the audits undertaken, the status of reports and the recommendations being made by the internal auditors.

3. FINANCIAL IMPLICATIONS

- 3.1 The work proposed to be undertaken by Internal Audit as part of the proposed Annual Plan 2021/2022 is allocated as a budget line within the total revenue budget for 2021/2022.

4. EQUALITY RISK ASSESSMENT

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

5. RECOMMENDATION

- 5.1 That Members approve the Internal Audit Annual Plan for 2021/2022.

Contact Officer: Geraint Thomas Head of Finance & Procurement	Background Papers: Appendix 1 – Internal Audit Annual Plan 2021/2022
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South Wales Fire and Rescue Service

Audit Strategy and Annual Internal Audit Plan

2021/22

January 2021

Overview

Introduction

The Audit Plan for 2021/22 has been informed by a risk assessment carried out across our clients and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Emerging Themes

This year will continue to be another challenging year for all organisations in terms of the ongoing challenges of the Covid-19 pandemic and the resultant pressures on service delivery. We have identified a number of key areas which require consideration when planning internal audit coverage.

COVID-19 pandemic: It is evident that the impact of the pandemic in 2020/21 will carry through into 2021/22, not least the effect it will continue to have on health, the economy and employment.

Transition out of the EU: Whilst the UK and the EU have reached agreement on trade, there will be continued uncertainties around staffing and supply chains. EU, EEA or Swiss citizens will need to apply to continue living in the UK, and those arriving from January may need to apply for a visa.

Cyber-crime: A continuing theme linked to fraudulent activity. There have been targeted attacks in other sectors; no one organisation should think that they are unlikely to be targeted and should take steps to assure themselves over the robustness of their overall arrangements.

Financial / Value for Money: The requirement to achieve efficiency and effectiveness through collaboration, partnership working and to demonstrate compliance with the Well-being of Future Generations Act.

Further analysis of the risks facing the sector can be found at Appendix A.

Providing Assurance during the COVID-19 pandemic

We have successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. This may have resulted in gaps in control or exposures that previously did not exist.

We have carried out extensive research to establish the Root Cause Indicators (RCI) which underpin the reasons for any weaknesses identified by our Internal Audit work in an organisation's governance, risk and control framework.

The RCIs include identifying the extent to which COVID-related factors are the cause of the identified exposure.

Further details in relation to RCIs can be found at Appendix B.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2021/22 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers, key emerging themes and discussions with staff.

Internal Audit Plan

Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2021/22, we have conducted an analysis of the key risks facing the emergency services and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing South Wales Fire and Rescue Service and those within the sector and has been developed with senior management and Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Global IIA (Institute of Internal Auditors).

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing South Wales Fire and Rescue Service. Appendix A contains the GUARD assessment of key risks which has been used to identify those that are most relevant to the organisation and where internal audit assurance would be best focussed. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix C) and the Annual Plan (Appendix D) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Finance and Performance Management Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

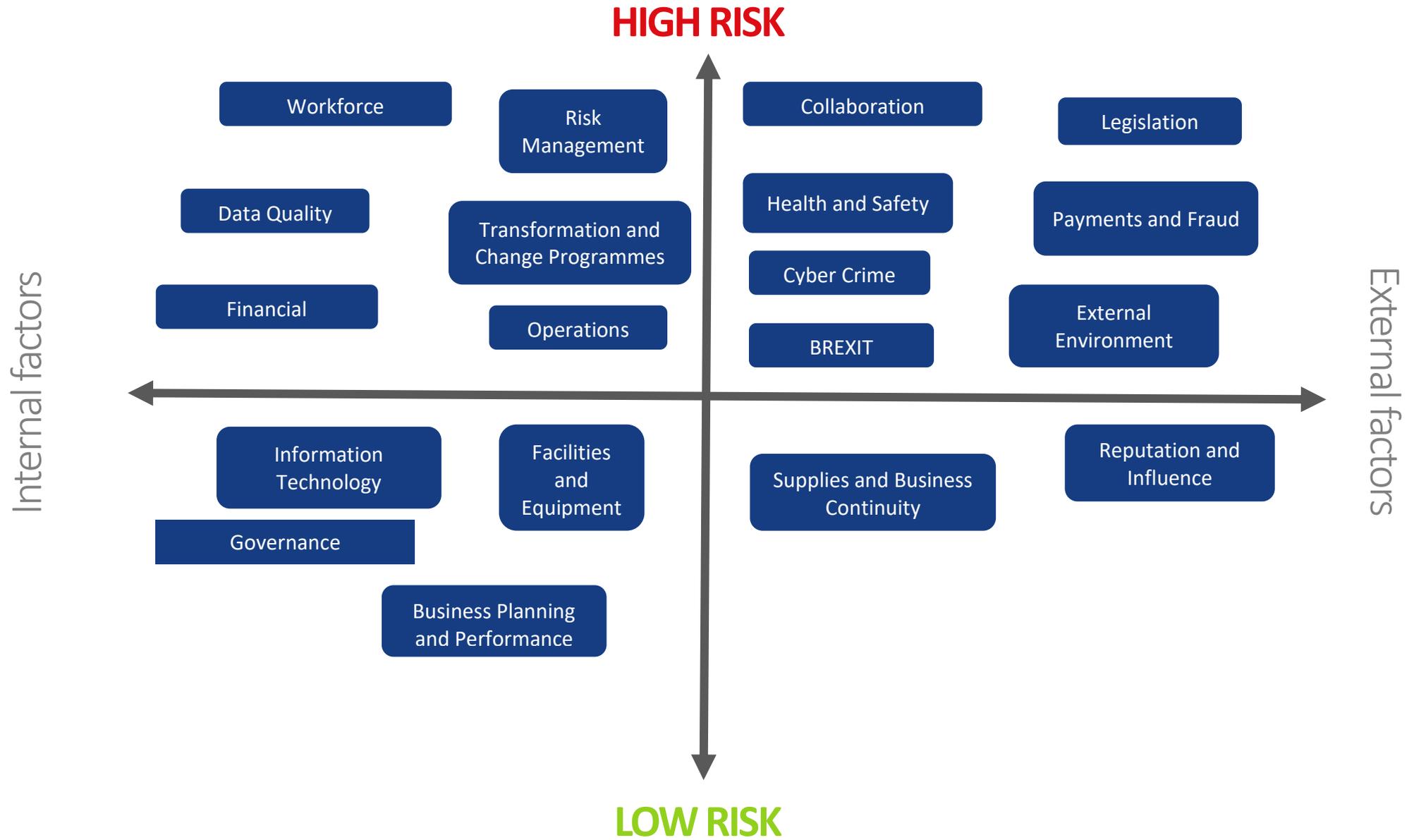
The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and South Wales Fire and Rescue Service. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where South Wales Fire and Rescue Service agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Head of Finance & Procurement and will be clearly set out in the terms of reference for the additional review(s).

Release of Report

The table below sets out the history of this plan.

Date plan issued:	28 th January 2021
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Appendix A: GUARD Risk Analysis



Appendix B: Providing Assurance

Corporate Assurance Risks

We consider two corporate assurance risks – Directed and Delivery. Underneath these corporate risks sit six Root Cause Indicators (RCI). We have carried out extensive research to establish the RCI which underpin the reasons for any weaknesses identified by our Internal Audit work in an organisation's governance, risk and control framework. The benefits of adopting this new approach is that it enables management and Audit Committees to clearly understand and focus on the significant issues arising from our work. For each audit assignment, we will provide a RCI for each of our findings in that area.



Directed Risk: Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Root Cause Indicator	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.
	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.
	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.



Delivery Risk: Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Root Cause Indicator	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.
	Financial Constraint	The process operates within the agreed financial budget for the year.
	Resilience	Good practice to respond to business interruption events and to enhance economic, effective and efficient delivery is adopted.

Appendix C: Rolling Strategic Plan

Review Area	BAF/Risk Ref	Type	2021/22	2022/23	2023/24
Governance					
Key governance areas will be reviewed on a rotational basis each year such as strategic planning, strategic control, regulatory compliance, performance management, risk management framework, partnership working, management of conflicts, health and safety, subsidiary governance and third party assurances.		Assurance	✓	✓	✓
Strategic Control		Assurance			✓
Performance Management		Assurance	✓		
Collaboration		Assurance		✓	
Strategic Planning		Assurance	✓		
Partnerships		Assurance			✓
Sustainability		Assurance		✓	
Brexit		Assurance	✓		
Risk					
A robust risk management framework is critical to all organisations to ensure risks are effectively management and emerging risks identified our cyclical annual reviews will cover embedding risk, risk identification, risk mitigation and risk workshops.		Appraisal / Compliance	✓	✓	✓
Mitigating Controls		Compliance	✓	✓	✓

Review Area	BAF/Risk Ref	Type	2021/22	2022/23	2023/24
Financial systems - Cost Control and Income Maximisation					
Cost control, income maximisation and robust financial systems are essential to financial well-being of any organisation. Our reviews of key financial systems are designed to ensure compliance with PSIAS and help protect against potential frauds. We will carry out a high level review of key financial systems each year supported by a rolling programme of financial system reviews such as payments health check, income, payroll, budgetary control/management reporting, cost improvement planning and nominal ledger.		Assurance / Compliance	✓	✓	✓
Key Financial Controls		Assurance	✓	✓	✓
Procurement		Assurance			✓
Payment Cards		Assurance	✓		
Anti-Fraud		Compliance		✓	
Payroll		Assurance		✓	
Workforce Management					
A key element of South Wales Fire and Rescue Service's Strategic Plan and the largest area of expenditure. Audit work will include delivery of the Human Resources Strategies, Organisational Development and the Wellbeing Strategies.		Assurance	✓	✓	✓
Equality and Diversity		Assurance	✓		
Safeguarding		Assurance	✓		
Human Resources Management – Training		Assurance		✓	

Review Area	BAF/Risk Ref	Type	2021/22	2022/23	2023/24
Secondary Employment		Assurance			✓
Health and Safety Management		Assurance		✓	
Human Resources Management – Wellbeing		Assurance		✓	
HR Management – Rosters		Assurance		✓	✓
Estates and Fleet					
Estates and the Fleet will receive audit coverage as key areas of expenditure for South Wales Fire and Rescue.		Assurance / Compliance	✓	✓	✓
Station Visits		Compliance	✓	✓	✓
Estate Management - Delivery		Assurance			✓
Fleet Management - Delivery		Assurance			✓
ICT					
We will use our GUARD risk assessment to continue to review ICT risks and controls in place within the organisation. The rolling programme of reviews will include data protection, ICT governance, ICT management and business support, application reviews, network security, data quality and cyber security.		Assurance	✓	✓	✓
Core HR		Assurance	✓		
ICT Data Assurance		Assurance			✓
ICT Cyber Security		Assurance	✓		
ICT Network Security		Assurance		✓	

Review Area	BAF/Risk Ref	Type	2021/22	2022/23	2023/24
Management and Planning					
Follow Up		Follow Up	✓	✓	✓
Annual Planning		-	✓	✓	✓
Annual Report		-	✓	✓	✓
Audit Management		-	✓	✓	✓
Total Days			70	70	70

Appendix D: Annual Plan – 2021/22

Quarter	Review	Type	Days	Risk, Rationale and Scope
1	Strategic Planning	Assurance	6	<p><u>Risk</u> Delivery of the Strategic Plan 2020-2030 objectives.</p> <p><u>Rationale</u> Rolling programme of Governance reviews.</p> <p><u>Scope</u> The review considers the arrangements by which the Fire Authority and senior management groups ensure that the corporate plans for the organisation remain achievable in times of economic uncertainty. The review will also consider how the strategic planning process is integrated with and support by the Service’s Assurance Matrix.</p> <p>The scope of the review does not include consideration of the strategic control arrangements or the appropriateness of decisions taken by the Fire Authority and senior management.</p>
1	Safeguarding	Assurance	6	<p><u>Risk</u> Protection of children, young adults and vulnerable persons.</p> <p><u>Rationale</u> South Wales Fire and Rescue Service have a responsibility to have systems in place to safeguard and prevent harm and to report incidents relating to children, young adults and vulnerable persons.</p> <p><u>Scope</u> The review considers the arrangements in place within South Wales Fire and Rescue Service for complying with its responsibilities in respect of safeguarding children, young people and vulnerable adults.</p>

Quarter	Review	Type	Days	Risk, Rationale and Scope
1	Payment Cards	Assurance	6	<p><u>Risk</u> Inefficient payment process and potential for fraud and misuse.</p> <p><u>Rationale</u> South Wales Fire and Rescue have a large number payment cards in place and needs to ensure allocation and use of payment cards is controlled effectively.</p> <p><u>Scope</u> The review considers the arrangements for authorising and paying costs incurred by the organisation through payment cards. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed.</p>
2	Performance Management	Assurance	6	<p><u>Risk</u> Delivery of the Strategic Plan 2020-2030 objectives.</p> <p><u>Rationale</u> Rolling programme of Governance reviews.</p> <p><u>Scope</u> The review considers 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 does not include consideration of the accuracy or completeness of all reports presented to the committees/groups or the appropriateness of all decisions taken.</p>

Quarter	Review	Type	Days	Risk, Rationale and Scope
2	Core HR	Assurance	4	<p><u>Risk</u> Inefficient use of a key application.</p> <p><u>Rationale</u> The Core HR has potential to support human resources and other activities and create efficiencies.</p> <p><u>Scope</u> The review considers the extent of use of the modules available through the Core Human Resources (Core HR) system and its integration with other systems in particular the finance system in relation to budgeting and identification of establishment costs.</p>
2	ICT Cyber Security	Assurance	6	<p><u>Risk</u> Strategic Risk: 203 Cyber Risk</p> <p><u>Rationale</u> A significant risk to all organisations with cyber-attacks increasing in frequency and complexity.</p> <p><u>Scope</u> The review considers the security management arrangements for the pro-active identification, prioritising and mitigating against cyber-crime risks.</p>

Quarter	Review	Type	Days	Risk, Rationale and Scope
3	Mitigating Controls	Compliance	3	<p><u>Risk</u></p> <p>Failure to manage risks effectively may result in an inability to deliver South Wales Fire and Rescue Service's strategic or business plan objectives.</p> <p><u>Rationale</u></p> <p>Key operational risks.</p> <p><u>Scope</u></p> <p>The review will assess the quality and accuracy of the information provided to the Authority for providing assurance. Four risks will be selected from South Wales Fire and Rescue Service's strategic risks and business plan risks and the effectiveness of the identified assurance will be reviewed. The scope of the review does not include consideration of all potential mitigating arrangements or their effectiveness in minimising the opportunities for the identified risks to occur.</p>

Quarter	Review	Type	Days	Risk, Rationale and Scope
3	Key Financial Controls	Assurance	6	<p><u>Risk</u></p> <p>Poor or ineffective financial control may result in budget estimates not being met, inappropriate payments being made or income due not being collected in full or in a timely manner.</p> <p><u>Rationale</u></p> <p>Key financial controls reviewed annually.</p> <p><u>Scope</u></p> <p>This review considers the effectiveness of the key financial controls which provide assurance that the following systems are operating in accordance with the Association’s requirements:</p> <ul style="list-style-type: none"> • Budgetary control; • General ledger; • Cash, banking & treasury management; • Cash flow planning; • Income & debtors; • Payments; • Payroll; • Security of assets. <p>The review does not include payment cards which are the subject of a separate audit.</p>

Quarter	Review	Type	Days	Risk, Rationale and Scope
4	Equality and Diversity	Assurance	6	<p><u>Risk</u></p> <p>South Wales Fire and Rescue service does not reflect the communities it serves.</p> <p><u>Rationale</u></p> <p>South Wales Fire and Rescue Services needs to have systems and processes in place to actively seek to promote equalities and diversity and ensure all individuals are treated fairly and consistently.</p> <p><u>Scope</u></p> <p>The review considers the arrangements that South Wales Fire and Rescue Service have put into place which demonstrate that the organisation operates fairly and equally in its operations in relation to both staff and stakeholders. The scope of the review does not include providing assurance that the application of equal opportunities covers all the activities of the organisation or that the arrangements identified by the organisation are operating continuously and effectively.</p>
4	Station Visits	Compliance	4	<p><u>Risk</u></p> <p>Financial and administrative practices at Stations do not comply with corporate policies resulting in risks in relation to health and safety and financial management.</p> <p><u>Rationale</u></p> <p>In previous years a sample of stations visited each year to ensure local compliance with corporate procedures.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for undertaking stations visits. The review will include the arrangements in place for determining the content of the audits performed, prioritisation and delivery of the programme, monitoring and reporting of outcomes from audits and ensuring findings are acted upon and lessons learned.</p>

Quarter	Review	Type	Days	Risk, Rationale and Scope
4	Brexit	Assurance	4	<p><u>Risk</u> Strategic Risk; 202 Brexit</p> <p><u>Rationale</u> Included on the Strategic Risk Register</p> <p><u>Scope</u> The review considers South Wales Fire and Rescue Service’s planning for and actions taken following Brexit. The review will consider the arrangements in place in the following areas: procurement; health and safety; employment law; public order and technology.</p>
4	Follow-up	Follow up	3	Follow-up of implementation actions from audit reports, ensuring South Wales Fire and Rescue Service in implementing recommendations, and providing reports to the Finance and Performance Management Committee.
1	Annual Planning	Planning/ Reporting	2	Assessing the South Wales Fire and Rescue Service’s annual audit needs.
4	Annual Report	Planning/ Reporting	1	Reporting on the overall conclusions and opinion based on the year’s audits and other information and providing input to the Annual Governance Statement.
1-4	Audit Management	Planning/ Reporting	7	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Finance and Performance Management Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
Total days			70	

Appendix E: Internal Audit Charter

The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within South Wales Fire and Rescue Service and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Finance and Performance Management Committee.

The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to South Wales Fire and Rescue Service's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the Global Institute of Internal Auditors (IIA) standards which are articulated in the International Professional Practices Framework (IPPF).

Scope

All South Wales Fire and Rescue Service activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that South Wales Fire and Rescue Service management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the Fire Authority Finance and Performance Management Committee or the nominated officer (being the post responsible for the day to day liaison with the TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and South Wales Fire and Rescue Service premises and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within South Wales Fire and Rescue Service and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the Fire Authority, the chair of the Finance and Performance Management Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with South Wales Fire and Rescue Service management.

Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the Global IIA standards and South Wales Fire and Rescue Service's requirements.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of South Wales Fire and Rescue Service and additional time will be required to carry out such testing. South Wales Fire and Rescue Service is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Liaison with the External Auditor

We will liaise with South Wales Fire and Rescue Service's External Auditor where required. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA's audit charter and the Global IIA standards.

Progress Reports: Progress reports will be prepared for each Finance and Performance Management Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Follow Up Reports: We will provide an independent assessment as to the extent that recommendations have been implemented.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA's audit charter and the Global IIA standards. The Annual Report will include a summary opinion of the effectiveness of South Wales Fire and Rescue Service's governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Area	Performance Measure	Target
Achievement of the plan	Completion of planned audits.	100%
	Audits completed in time allocation.	100%
Reports Issued	Draft report issued within 10 working days of exit meeting.	100%
	Final report issued within 10 working days of receipt of responses.	100%
Professional Standards	Compliance with TIAA’s audit charter and the Global IIA Standards.	100%

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

Finance and Performance Management Committee Responsibility

It is the responsibility of the South Wales Fire and Rescue Service to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee's requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

By approving this document, the Finance and Performance Management Committee is also approving the Internal Audit Charter.

Disclaimer

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

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

AGENDA ITEM NO 12
15 MARCH 2021

INTERNAL AUDITORS ANNUAL REPORT YEAR ENDING 31 MARCH 2021

SUMMARY

This report summarises the Internal Audit work that has been undertaken this year.

RECOMMENDATION

That Members note the work and overall opinion of the Internal Auditors for the financial year 2020/2021.

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 Action Plan which was approved by this Committee on 15 June 2020.

2. ISSUE

- 2.1 During the year Members have received regular reports updating them on progress being made against the Plan and this report summarises for Members the outcomes of all the audits undertaken.
- 2.2 Throughout the Financial Year 2020/21, the 11 planned audits (70 days) were undertaken within scheduled timescales.
- 2.3 Based on the evidence provided the Internal Auditor is able to draw a reasonable conclusion as to the adequacy and effectiveness of the South Wales Fire & Rescue Service's risk management, control and governance processes.
- 2.4 The Internal Auditor's opinion for the year will support the Annual Governance Statement, which will be considered by the Finance Scrutiny Committee prior to inclusion in the Annual Statement of Accounts.

3. EQUALITY RISK ASSESSMENT

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

4. RECOMMENDATION

- 4.1 That Members note the work and overall opinion of the Internal Auditors for the financial year 2020/2021.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	Appendix 1 – Internal Auditors Annual Report Year ending 31 March 2021

South Wales Fire and Rescue Service

Internal Audit Annual Report

2020/21

February 2021

Internal Audit Annual Report

Introduction

This is the 2020/21 Annual Report by TIAA on the internal control environment at South Wales Fire and Rescue Service. The annual internal audit report summarises the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control.

Limitations on our opinion arising from Covid-19

The delivery of the internal audit work for 2020/21 has been impacted by the global Covid-19 pandemic which has taken hold during this accounting period. However, all work with the exception of the Station Visits review was undertaken remotely; the Station Visit reviews were conducted on site subject to risk assessment and Covid-19 safety measures in place.

The consequences of this unprecedented event are expected to continue into the new financial year and will continue to pose significant risks to all organisations. The impact of ongoing events on South Wales Fire and Rescue Service's control systems, financial sustainability has not been assessed and our opinion takes no account of this. This report is designed to assist the Fire Authority in making its annual governance statement.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, South Wales Fire and Rescue Service has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by South Wales Fire and Rescue Service from its various sources of assurance.

Internal Audit Planned Coverage and Output

The 2020/21 Annual Audit Plan approved by the Finance and Performance Management Committee was for 70 days of internal audit coverage in the year.

During the year there were no changes to the Audit Plan. A Sustainability Paper Usage review was carried forward from 2019/20 and was completed in the current year. It was also agreed with South Wales Fire and Rescue Service that the time set aside as 'Contingency' in 2020/21 would be used to undertake a review of Outside Commitments, Personal and Business Interests; this review is due to commence in March 2021 (See Annex A).

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A.

Assurance

TIAA carried out 10 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve South Wales Fire and Rescue Service's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	4	5
Reasonable Assurance	6	4
Limited Assurance	0	1
No Assurance	0	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2020/21. The numbers in brackets relate to 2019/20 recommendations

Urgent	Important	Routine
0 (0)	12 (22)	16 (14)

Audit Summary

Control weaknesses: There were no areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

	Risk Area	Urgent	Important	Routine
DIRECTED	Governance Framework	0	4	1
	Risk Mitigation	0	0	0
	Compliance	0	5	10
DELIVERY	Performance Monitoring	0	3	4
	Financial Constraint	0	0	0
	Resilience	0	0	1

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
12 (10)

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	100%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2020 and in particular to meet the requirement of an independent 5 year review, the outcome confirmed full compliance with all the standards. Our work also complies with the IIA-UK Professional Standards.

Release of Report

The table below sets out the history of this Annual Report.

Date Draft Report issued:	22 nd February 2021
----------------------------------	--------------------------------

Annexes

Annex A

Actual against planned Internal Audit Work 2020/21

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Communications	Assurance	6	6	Substantial	
Estate Management Delivery	Assurance	6	6	Reasonable	
Human Resources Management Training	Assurance	9	9	Reasonable	
ICT Data Assurance	Assurance	6	6	Reasonable	
Key Financial Controls	Assurance	6	6	Reasonable	
Procurement	Assurance	6	6	Substantial	
Strategic Control	Assurance	6	6	Substantial	
Mitigating Controls	Assurance	2	2	Substantial	
Station Visits	Assurance	4	4	Reasonable	
Outside Commitments, Personal and Business Interests	Assurance	0	6	Review to be undertaken 15 th March 2021	Uses time set aside as 'Contingency'.
Follow Up	Assurance	3	3	N/A	
Sustainability Paper Usage	Assurance	0	6	Reasonable	Carried over from 2019/20.
Contingency		6	0		
Annual Planning		2	2		
Annual Report		1	1		
Management		7	7		
	Total Days	70	76		

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Audit of Accounts Report Addendum – South Wales Fire and Rescue Authority

Audit year: 2019-20

Date issued: December 2020

Document reference: 2232A2021-22

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

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

Contents

Audit of Accounts Report Addendum	
Introduction	4
Recommendations from this year's audit	5
Recommendations from previous years' audits	11

Audit of Accounts Report Addendum

Introduction

- 1 This report is an addendum to our Audit of Accounts Report that we presented to you on 28 September 2020. The report sets out the recommendations arising from our audit of the 2019-20 accounts and an update on the progress you have made against previous years' recommendations.
- 2 We should like to take this opportunity to once again thank all your staff who helped us throughout the audit.

Recommendations from this year's audit

- 3 We summarise in **Exhibits 1 to 8** our recommendations arising from this year's audit.

Exhibit 1: matter arising 1

Quality of the draft accounts provided for audit	
Findings	<p>The draft accounts provided for audit included many simple errors, including casting errors, typographical errors and instances where disclosures had not been updated for 2019-20.</p> <p>Whilst supporting working papers were generally good, there were some instances where information in the draft accounts did not agree to the underlying accounting records. For example, pension disclosures did not agree to the actuarial valuation reports as these had not been updated to reflect audit adjustments in 2018-19, and the balance in the net assets statement did not agree to the ledger.</p>
Recommendation	<p>R1 COVID-19 has inevitably impacted on quality this year, and for next year the Authority should look to reinstate robust quality assurance arrangements.</p>
Accepted in full by management	Accepted

Quality of the draft accounts provided for audit	
Management response	The Finance team will be better prepared to undertake Q&A work remotely for 2020/21 closure.
Implementation date	2020/21 close down.

Exhibit 2: matter arising 2

Senior officer disclosures relating to expenses and benefits in kind do not comply with the Accounts and Audit (Wales) Regulations	
Findings	<p>Senior officer remuneration disclosures for 'benefits in kind' and 'expenses' do not comply with the Accounts and Audit (Wales) Regulations 2014.</p> <p>Amounts reported as 'benefits in kind' relate to the cost to the Authority of providing such benefits, rather than the benefit to the senior officer.</p> <p>Amounts reported as 'expenses' include non-taxable expenses, but only taxable expenses are to be disclosed.</p> <p>We do not consider these low value errors to be material, but nevertheless the Authority should ensure that the disclosures comply with the Code in 2020-21.</p>
Recommendation	R2 The Authority should ensure that the Accounts and Audit Regulations 2014 are properly adhered to when preparing the senior officer disclosures.
Accepted in full by management	Accepted
Management response	A review of the regulations and disclosure prior to the 2020/21 closure will be undertaken.

Senior officer disclosures relating to expenses and benefits in kind do not comply with the Accounts and Audit (Wales) Regulations

Implementation date

2020/21 close down.

Exhibit 3: matter arising 3

The Annual Governance Statement could be strengthened

<p>Findings</p>	<p>The draft Annual Governance Statement was substantially completed before the year-end. Whilst this allowed time for member scrutiny, the draft presented for audit made no reference to the implications of the COVID-19 pandemic. For next year, the timetable should be reviewed to allow time for effective scrutiny, with updates as appropriate. The Annual Governance Statement can also be strengthened by being more evaluative. It is good at describing what is in place, but much of the content is rolled over from the previous year and it would be useful to provide more details on the issues that need to be addressed. It should also include a summary conclusion.</p>
<p>Recommendation</p>	<p>R3 The Authority should consider updating the timetable for completing the Annual Governance Statement, to allow time to update for recent events.</p> <p>R4 The Authority should review the content of the Annual Governance Statement to include more evaluative information and a summary conclusion.</p>
<p>Accepted in full by management</p>	<p>Both accepted</p>
<p>Management response</p>	<p>R3 – the financial closure timetable has been updated to receive the AGS later for 2020/21 and the Fire Authority/Committee meeting timetable for scrutiny of</p>

The Annual Governance Statement could be strengthened	
	<p>the AGS will be reviewed for the 2021/22 municipal year to ensure it also coincides better with statutory reporting deadlines. Balancing the demands of the tightening timescales for development of the AGS to enable adequate scrutiny and inclusion in the next Statement of Accounts will be carefully managed.</p> <p>R4 - a significant review has been carried out to assess best practice across sectors and a more collaborative internal process is also being implemented for 2020/21. This will further be strengthened throughout 2021/22 municipal year. This is intended to include more evaluative information and a summary conclusion.</p>
Implementation date	2020/21 close down.

Exhibit 4: matter arising 4

Related party disclosure process could be strengthened	
Findings	Our audit identified that when a member left in-year, a completed related party declaration was not available. This was also the case in 2018-19.
Recommendation	R5 The Authority should ensure that when a member leaves in-year they complete a related party return prior to leaving the Authority.
Accepted in full by management	We accept this is important, although it can be difficult to achieve a 100% return rate as we are unable to enforce a response.
Management response	We will continue to do everything we can to receive returns from current and past Members. A change in the process will be instigated for 2020/21 to further assist.

Implementation date	2020/21 close down.
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Exhibit 5: matter arising 5

The capital budget setting process should be reviewed	
Findings	<p>Each year, a capital programme budget is set and progress against this budget is monitored throughout the year. However, each year's budget includes slippage from the prior year.</p> <p>For 2019-20, the budget was set at around £9.7 million, this includes slippage of £3.3 million carried forward from 2018-19. At the end of 2019-20, slippage carried forward into 2020-21 amounted to £3.4 million.</p> <p>Slippage relates to a range of projects that have either not started or have not progressed as far as anticipated.</p>
Recommendation	R6 The FRA should review the capital budget setting process. The budget for the year should be based on a realistic estimate of expenditure expected for the year.
Accepted in full by management	Agreed
Management response	A more realistic and disciplined approach is required in the submission, scrutiny and allocation process which needs to adhere to defined timescales and be driven by the organisations medium term asset plans.
Implementation date	2020/21 close down.

Exhibit 6: matter arising 6

Income and expenditure should not be netted off	
Findings	As part of our testing, we identified that £2.4 million of grant income had been netted off the expenditure that it related to, both within the Comprehensive Income and Expenditure Statement and within the 'Income and Expenditure analysed by nature' note. Elements of grant income are also netted off in the budget.
Recommendation	R7 This error was amended in the revised accounts, but the FRA should ensure that the correct treatment is followed in subsequent years, both within the financial statements and in the budget.
Accepted in full by management	Agreed
Management response	Treatment of grant transactions will revert to the usual 'gross reporting' positions in future.
Implementation date	2020/21

Exhibit 7: matter arising 7

Pension accounting should be strengthened	
Findings	Lump sums due to pensioners of £208,000 were incorrectly classified as Authority creditors rather than Fire Fighters' Pension Fund creditors, with a corresponding misstatement in the amount due from the Authority to the Fire Fighters' Pension Fund.
Recommendation	R8 The Authority should ensure lump sums due to pensioners at year-end are correctly classified

Pension accounting should be strengthened	
	as Fire Fighter Pension Fund creditors rather than Authority creditors.
Accepted in full by management	Accepted
Management response	Process notes will be updated to reflect the difference in working papers and disclosures in the accounts.
Implementation date	2020/21 close down.

Exhibit 8: matter arising 8

There remains scope to improve information technology infrastructure and network controls	
Findings	Previously we made recommendations to improve the Authority's IT infrastructure and network controls. Whilst some progress has been made over the last year, some actions remain outstanding.
Recommendation	<p>R9 The Authority should continue to strengthen its IT infrastructure and network controls by:</p> <ul style="list-style-type: none"> • replacing the remaining Windows Server 2003 and Windows XP machines - there are a number of projects in place at various stages to replace the remaining four legacy servers but due to COVID-19 this has been extended to 2021. • complete the updating of the IT Disaster Recovery plan (the ICT Disaster Recovery plan has been reviewed and the next stage is to meet with departments to review the interaction with ICT).

There remains scope to improve information technology infrastructure and network controls	
Accepted in full by management	Agreed
Management response	All remaining Windows XP machines have been replaced. The three projects to replace the remaining legacy servers are all at advanced stages. A dedicated resource is working to complete the remaining stage of the ICT Disaster Recovery Plan. This will then go through a formal sign-off process.
Implementation date	June 2021

Recommendations from our 2018-19 financial audit work

- 4 We summarise in **Exhibit 9** recommendations arising from our 2018-19 audit, along with our comments on the progress you have made against those recommendations.

Exhibit 9: progress against previous years' recommendations

Audit Year	Recommendation	Progress
2018-19	R1 - income and expenditure should not be netted off in the Authority's management reports and financial statements.	Netting off income against expenditure remains an issue (see Matter Arising 6).
2018-19	R2 - the Authority should ensure that when a member leaves in-year they complete a related party return prior to leaving the organisation.	Processes could still be strengthened (see Matter Arising 4).

Audit Year	Recommendation	Progress
2018-19	R3 - the Authority should consider componentisation via discussion with their valuer as part of the next valuation and if considered to be not required, formalise their consideration.	We did not identify any issues with regards to componentisation during our 2019-20 audit. The Authority plans to update the asset register in 2020/21 for revised asset lives by component to calculate the depreciation charge from 1 April 2020 and this will be considered as part of next year's audit.
2018-19	R4 - the Authority should ensure that valuation reports clearly split valuations between land and buildings. For Barry Fire Station, the Authority should ensure that clear documentation is available to support the split.	As per our review of the valuation report in 2019-20, assets, including Barry Fire Station, were adequately split between land and buildings.
2018-19	R5 - at the next valuation the Authority should request the valuer to estimate the useful lives of buildings.	As per our review of the valuation report in 2019-20, estimated useful lives for assets were included, split between the different components. The Authority plans to update the asset register in 2020/21 for these revised asset lives, to calculate the depreciation charge from 1 April 2020. This will be considered as part of next year's audit.
2018-19	R6 - the vehicles Fixed Asset Register should be updated to amend for the £620,000 difference.	We did not identify any issues with regards to differences between the Fixed Asset Register and the financial statements during our 2019-20 audit.

Audit Year	Recommendation	Progress
2018-19	R7 - the Authority should ensure pension costs are complete by considering the impact of in-year legislative changes.	We did not identify any issues in 2019-20.
2018-19	R8 - the Authority should ensure lump sums due to pensioners at year-end are correctly classified as Fire Fighter Pension creditors rather than Authority creditors.	We believe that processes could still be strengthened (see Matter Arising 7).
2018-19	R9 - the Authority should continue to strengthen its IT infrastructure and network controls.	Some recommendations are outstanding (see Matter Arising 8).



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

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Date issued: 14 January 2021

Dear Chris

Audit of Accounts 2019/20
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 2020 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 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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SOUTH WALES FIRE & RESCUE AUTHORITY
FINANCE AUDIT & PERFORMANCE
MANAGEMENT COMMITTEE
REPORT OF THE DEPUTY CHIEF OFFICER

AGENDA ITEM NO 14
 15 MARCH 2021

PROPOSED NEW TERMS OF REFERENCE FOR SCRUTINY COMMITTEE

SUMMARY

The report proposes updated terms of reference for a newly formed Scrutiny Committee further to Members consideration of an earlier report (12th October 2020) on proposed reform of Fire & Rescue Authority (FRA) scrutiny. It highlights the knock on implications that such changes will have on membership of other committees.

RECOMMENDATIONS

That Members consider the proposed implications of the scrutiny proposals and provide views to shape the report to enable Fire and Rescue Authority consideration at their March meeting.

1. BACKGROUND

- 1.1 At the meeting of the 12th October 2020, Members of the Finance, Audit and Asset Management Scrutiny Committee considered a report on options to reform FRA scrutiny (please see attached report at Appendix 1). As a consequence of Members decision to pursue option 4 (FRA members only with specialist non-voting co-opted members as required), it was necessary for appropriate new terms of reference to be drafted.
- 1.2 At their meeting on 18th January, Members of the Scrutiny committee considered proposed revisions to their terms of reference (please see attached report at Appendix 2)

2. ISSUE

- 2.1 As a consequence of this review, Members will note that the proposals will have knock on implications for other Fire & Rescue Authority Committees including for this committee.
- 2.2 It is therefore appropriate for this committee to consider the proposals and the recommended amendments to existing committee membership and terms of reference. It is recommended that a report be taken to the next Fire Authority meeting in March in order that the revised structure be implemented in the new Municipal year.
- 2.3 In relation to membership, it is noted that the proposals provide for the members of the scrutiny committee to not sit on either FAPM Committee

or HR & Equalities Committee. This means by necessity, there will need to be a reduction in the number of Members who sit on the HR & Equalities Committee and again by necessity a number of members required to sit on both of these committees. A summary of current structures, membership numbers, meeting frequency and future membership proposals are attached at appendix 3. A summary of how the proposed new structure could be appointed to can be found at appendix 4.

3. RECOMMENDATIONS

- 3.1 That Members consider the proposed implications of the scrutiny proposals and provide views to shape the report to enable Fire and Rescue Authority consideration at their March meeting.

Contact Officer:	Background Papers:
S.Chapman Deputy Chief Officer	None

PROPOSED NEW TERMS OF REFERENCE FOR SCRUTINY COMMITTEE
APPENDIX 1

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

AGENDA ITEM NO 8
12 OCTOBER 2020

SCRUTINY COMMITTEE REFORM PROPOSALS

SUMMARY

The paper proposes options for reform of the South Wales Fire & Rescue Authority Scrutiny Committee to enable it to be more effective and accountable in its scrutiny of key decisions, policies and performance.

RECOMMENDATIONS

That Members consider the report proposals and:

- Advise which scrutiny option they would prefer to progress and have worked up in more detail for a further report before final Fire Authority determination.
- Advise if they are content for the terms of reference for the new scrutiny committee to be redrafted to cover wider organisational areas of scrutiny and thematic reviews.
- Advise whether they are content for more detailed proposals to include the involvement of the public and stakeholders in determining topics for scrutiny.
- Advise of any further factors that they wish Officers to consider in preparing detailed proposals on the preferred option.

1. BACKGROUND

- 1.1 As Members will recall from the Fire & Rescue Authority's AGM on 8 June this year, the Chairman requested that a report be taken to the Finance, Asset & Performance Management Scrutiny Group reviewing scrutiny proposals for the Fire & Rescue Authority. This report discharges that obligation and presents Members with relevant information and proposals to enable the Authority's scrutiny function to become more effective and accountable. Final determination of any revised proposals will require Fire & Rescue Authority approval.

2. ISSUE

- 2.1 As Members will be aware, scrutiny committees have long been in existence in local authorities in Wales, following the implementation of the Local Government Act 2000. This required local authorities to create an executive that discharged specified responsibilities of the local authority. To complement this, the legislation also required the creation of one or more overview and scrutiny committees which would specifically scrutinise decisions or actions taken by the council or its executive and make reports or recommendations to the council or its executive on matters which affected the local authority's area or its inhabitants. This was further

enhanced by the Local Government (Wales) Measure 2011 which enabled the creation of joint overview and scrutiny committees. Members will note that these legislative requirements did not apply to Fire & Rescue Authorities in Wales.

- 2.2 Despite the lack of statutory provision for Fire & Rescue Authorities in Wales to have an overview and scrutiny committee, the Welsh Government Fire & Rescue National Framework 2016 does acknowledge that Fire & Rescue Authorities have dual roles of both leadership and challenge and therefore need to be adequately equipped to both set strategic direction and challenge levels of performance. Members will be aware that this Fire & Rescue Authority implemented a scrutiny working group to discharge this role a considerable number of years before this most recent iteration of the National Framework placed this as a requirement on Fire & Rescue Authorities.
- 2.3 In reviewing the existing scrutiny function of the Fire & Rescue Authority, it is acknowledged that there are a number of positives and negatives to the current system. The most notable drawback is that the current system of governance does not facilitate an executive scrutiny split in roles. However, despite this limitation, there is considerable guidance and best practice available that can assist in minimising the impact of this and instead focusing on the key aspects of good scrutiny.
- 2.4 To this end, a number of models of scrutiny have been looked at together with best practice guidance to influence resultant recommendations about how to improve scrutiny by the Authority. As a starting point, the Audit Wales (Wales Audit Office as they then were) report on scrutiny in the public sector (29 May 2014) was reviewed. This report, whilst focusing primarily on local authority scrutiny, provided some useful insights into what good scrutiny involves and it is suggested that the principles of this report can equally be applied to the Fire & Rescue Authority.
- 2.5 The report highlighted that improved scrutiny and increased public accountability could be achieved if there was more effective engagement with the public and partners. The engagement should include involving the public and partners in deciding what topics should be scrutinised, rather than the Authority deciding these for itself. It should garner and take into account the views of the public and partners, thereby providing an evidence base for recommendations and accountability for decisions, policies and performance.
- 2.6 The report asserted that this engagement could be achieved in a number of different ways, including inviting stakeholders and partners to scrutiny meetings; co-opting members to the committee as appropriate (it is suggested that this could include subject matter experts, diversity

champions, youth or older person representatives etc); the use of social media or citizen panels; the use of paper or online forms for individuals to submit views on issues.

2.7 The report also identified that there are four stages to effective scrutiny -

- Topic selection
- Planning & scoping
- Gathering evidence
- Reporting findings

- and recommended that the public, staff, partners & stakeholders should all be involved in topic selection. In addition, it detailed various outcomes and characteristics that it would expect to see for effective overview and scrutiny. For simplicity, these are reproduced in the table below but with references to 'Council', 'Local Authority' etc. changed to reflect Fire & Rescue Authority governance wherever possible:

Outcome <i>What does good scrutiny seek to achieve?</i>	Characteristics <i>What would it look like? How could we recognise it?</i>
<p>1. Democratic accountability drives improvement in public services.</p> <p>'Better Outcomes'</p>	<p>Environment</p> <p>i) Overview and scrutiny has a clearly defined and valued role in the Fire & Rescue Authority's improvement and governance arrangements.</p> <p>ii) Overview and scrutiny has the dedicated officer support it needs from officers who are able to undertake independent research effectively, and provides councillors with high-quality analysis, advice and training.</p> <p>Practice</p> <p>iii) Overview and scrutiny inquiries are non-political, methodologically sound and incorporate a wide range of evidence and perspectives.</p> <p>Impact</p> <p>iv) Overview and scrutiny regularly engages in evidence based challenge of decision makers and service providers.</p> <p>v) Overview and scrutiny provides viable and well evidenced solutions to recognised problems.</p>

<p>2. Democratic decision making is accountable, inclusive and robust.</p> <p><i>'Better decisions'</i></p>	<p>Environment</p> <p>i) Overview and scrutiny Members have the training and development opportunities they need to undertake their role effectively.</p> <p>ii) The process receives effective support from the Fire & Rescue Service Executive Leadership Team who ensures that information provided to overview & scrutiny is of high quality and is provided in a timely and consistent manner.</p> <p>Practice</p> <p>iii) Overview and scrutiny is Member-led, takes into account the views of the public, partners and regulators, and balances the prioritisation of community concerns against issues of strategic risk and importance.</p> <p>iv) Overview and scrutiny meetings and activities are well-planned, chaired effectively and make best use of the resources available to it.</p> <p>Impact</p> <p>v) Decision makers give public account for themselves at overview and scrutiny committees for their portfolio responsibilities.</p>
<p>3. The public is engaged in democratic debate about the current and future delivery of public services.</p> <p><i>'Better engagement'</i></p>	<p>Environment</p> <p>i) Overview and scrutiny is recognised by the Fire & Rescue Authority and Executive Leadership Team as an important mechanism for community engagement, and facilitates greater citizen involvement in governance.</p> <p>Practice</p> <p>ii) Overview and scrutiny is characterised by effective communication to raise awareness of, and encourage participation in democratic accountability.</p> <p>iii) Overview and scrutiny operates non-politically and deals effectively with sensitive political issues, tension and conflict.</p> <p>iv) Overview and scrutiny builds trust and good relationships with a wide variety of internal and external stakeholders.</p>

	<p>Impact</p> <p>v) Overview and scrutiny enables the ‘voice’ of local people and communities across the area to be heard as part of decision and policy-making processes.</p>
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- 2.8 Following a brief review of scrutiny models in place elsewhere, it is very apparent that there is little consistency in approach to overview and scrutiny, except for the required executive/scrutiny split required in local authorities in Wales. With regard to Fire & Rescue Authorities, the picture becomes even less clear, in part due to the myriad of governance structures in place for Fire & Rescue Authorities across the UK.
- 2.9 From a Welsh Fire & Rescue Authority perspective and having consulted with the Monitoring Officers from the other two Fire & Rescue Authorities, all three have almost identical governance structures, albeit that the terminology may differ. In essence, all key strategic and policy decisions are taken by the whole Fire & Rescue Authority, with aspects delegated to specific committees. None of the Fire & Rescue Authorities have an executive that has authority to take key decisions in the same manner as local authorities in Wales and all have scrutiny committees comprising members of the Fire & Rescue Authority who will have been involved in taking key strategic decisions that may be subject to scrutiny.
- 2.10 In reality, due to the current governance arrangements, there will be no feasible way to avoid Members of the Fire & Rescue Authority also being Members of its scrutiny committee if Members wish to continue being involved in such scrutiny. However, it is suggested that there are mechanisms that could be put in place to add a greater degree of transparency to the process depending upon how radical Members wish to be in their recommendations. The most viable options and an analysis of their respective benefits and disadvantages are detailed below:

Option 1: Advertise for Independent Members with requisite skill sets to be appointed following interview

- 2.11 This option would be the most transparent option not linked to any existing governance structures, as it would involve externally advertising and recruiting non-political members to sit on a scrutiny committee. Through this option it would be possible to set minimum or required skills and experience criteria for candidates. Such members would not be bound by the Members’ Code of Conduct and would not be democratically accountable.

- 2.12 This option would require reasoned decisions regarding the skills levels and experience required, together with the number of members to be appointed. Their term of office and remuneration would also require determination. It is suggested that this should in practice follow the standards and remuneration levels set by the Independent Remuneration Panel for Wales (IRPW) for co-opted scrutiny committee members, as this represents an independent evaluation of similar roles.
- 2.13 Members should note that this would involve additional financial expenditure to be incurred by the Authority, although the extent of this would be dictated by the number of such members appointed and the frequency of meetings. For information, current rates are £198 daily fee (more than four hours) and £99 for four hours or less. However, there may also be the option of partners or stakeholders appointing a co-opted member on a reciprocal arrangement or for increased organisational understanding to enhance partnership working.

Option 2: Seek one non-Fire Authority nominee from each of the ten constituent Councils to sit on the committee

- 2.14 This option would involve inviting each of the ten constituent authorities represented on the Fire Authority to nominate one of their local authority members who do not currently sit on the Fire Authority, to become a member of the scrutiny committee. This option ensures the committee members are democratically elected and accountable via their local authorities. It could also be argued that such members would be familiar with public sector administration and fiscal issues and are conversant with the scrutiny role. However, it could be argued that such members may not possess all of the specialist skills necessary to undertake the role effectively. If this were the case, the current ability for Members to co-opt specialist skills for a specific area of scrutiny would remain. However, there may be scope for requiring an existing scrutiny committee chair or a leader or deputy leader to be the nominated member, thereby ensuring that the local authority maintains an additional overview of the work of the Fire Authority and its constituent members.
- 2.15 In relation to remuneration, it is suggested that the current member allowances paid to such councillors would cover the extent of this role as the service provided is funded almost in total by constituent authorities. Therefore, it is likely that only travel expenses (in line with the levels set by the IPRW) would be incurred by the Fire Authority.

Option 3: A hybrid of option 1 or 2 combined with Fire Authority Members

- 2.16 This option would provide a blend of either specifically recruited members with requisite skills, and/or members nominated from constituent

authorities, with existing Fire Authority Members. Regard would need to be had to the size of the committee under this option, as there is the potential for this to become too large to facilitate effective scrutiny. Consideration would also need to be given to other committees or boards that the Fire Authority Members sat on (please refer to option 4 below for discussion on this point).

Option 4: Fire Authority Member only committee

- 2.17 This option would maintain the current status quo in relation to Fire Authority Members retaining the scrutiny role. This option has the obvious disadvantages detailed earlier in the report and therefore it is suggested that if this option were to be adopted as the preferred option, then some changes to the existing membership should be made.
- 2.18 The changes that are proposed are that the scrutiny committee would firstly have different terms of reference than currently exist, to enable effective scrutiny of organisational issues, rather than limiting to finance and asset type issues.
- 2.19 In addition it is recommended that the committee comprise only Fire and Rescue Authority Members who do not sit on either the Finance & Audit Committee or the HR & Equalities Committee. However, this would require some re-jigging of committee membership, as there are currently only two Members who sit on neither of the above committee (excluding the chair and vice chair of the Fire & Rescue Authority). If implemented, this option would enable effective scrutiny of whole organisational issues and key decisions that both of these committees consider and would facilitate the chairs and/or vice chairs of each committee attending as witnesses to the scrutiny committee to answer questions about their committee's decisions and rationale for taking such decisions.
- 2.20 It should be noted that the Authority has utilised its senior salaries and therefore are unable to additionally remunerate the chair of this committee if comprising only Fire Authority Members (hence historic precedence of this being incorporated into the role of the chair of Finance & Audit Committee).

Terms of Reference of a Proposed New Scrutiny Committee

- 2.21 It is recommended that any reformed scrutiny committee embrace revised terms of reference to embody many of the Audit Wales recommendations detailed earlier in the report. This would include public, partner, stakeholder and staff involvement in recommending areas of scrutiny.

- 2.22 It is also recommended that the terms of reference should enable thematic scrutiny reviews on key topics of interest both within the Fire & Rescue Service and the wider community (for example climate change; mental health & wellbeing; high rise living; post-Covid impacts etc). This would have the advantage of ensuring more holistic scrutiny of key topic areas of interest or concern, resulting in appropriate recommendations for the Fire & Rescue Authority to consider.

3. FINANCIAL IMPLICATIONS

- 3.1 As highlighted above, there are a number of potential financial implications of each option. Option 4 is obviously the option that does not incur any direct financial costs, as current Fire & Rescue Authority Member salaries are already budgeted for, with Option 2 only accruing minimal additional costs through traveling expenses.
- 3.2 Option 1 is the most costly option to implement. If it is assumed that the scrutiny committee would comprise 6-8 Members, the costs could be in the region of £2,400-£3,200 before travel based on four half day meetings per year. Option 3 would incur less costs, although the extent of the reduction would be dependent upon the split of Local Authority and externally appointed Members.
- 3.3 In addition to these direct costs, it is anticipated that there would be additional indirect costs in the form of Member training and development in the scrutiny role and increased officer support. It is suggested that with some realignment, these costs could be met from within existing resources.

4. IMPACT ASSESSMENT

- 4.1 How a new scrutiny committee is set up and its membership will have varying impacts depending on the model adopted. However, regardless of what model is preferred, key considerations highlighted from the Audit Wales review are the methodology the committee adopts to topic selection; consideration of topics; and recommendations flowing from such consideration.
- 4.2 It is also important that the committee, when considering these issues, takes account of a variety of relevant factors including:
- 4.2.1 Equality issues and embracing all sectors of society
 - 4.2.2 Wellbeing & Future Generations Act requirements
 - 4.2.3 Socio economic duty
 - 4.2.4 Location, timing & style of meetings
 - 4.2.5 Appropriate engagement and consultation methods

- 4.3 It is suggested that some of the Service's existing mechanisms and contact frameworks already in place will assist in this process (for example, involvement of young people through the Cadet Scheme; our older person network contacts; consultation forums; vulnerable person service delivery providers; minority group contacts etc).

5. RECOMMENDATIONS

- 5.1 That Members consider the report proposals and:

- 5.1.1 Advise which scrutiny option they would prefer to progress and have worked up in more detail for a further report before final Fire Authority determination.
- 5.1.2 Advise if they are content for the terms of reference for the new scrutiny committee to be redrafted to cover wider organisational areas of scrutiny and thematic reviews.
- 5.1.3 Advise whether they are content for more detailed proposals to include the involvement of the public and stakeholders in determining topics for scrutiny.
- 5.1.4 Advise of any further factors that they wish Officers to consider in preparing detailed proposals on the preferred option.

Contact Officer:	Background Papers:
Sally Chapman Deputy Chief Officer	None

PROPOSED NEW TERMS OF REFERENCE FOR SCRUTINY COMMITTEE
APPENDIX 2

SOUTH WALES FIRE & RESCUE AUTHORITY

AGENDA ITEM NO

18 JANUARY 2021

FINANCE AUDIT & PERFORMANCE SCRUTINY GROUP
REPORT OF THE DEPUTY CHIEF OFFICER**PROPOSED NEW TERMS OF REFERENCE FOR SCRUTINY COMMITTEE****SUMMARY**

The report proposes updated terms of reference for a newly formed Scrutiny Committee further to Members consideration of an earlier report (12th October 2020) on proposed reform of Fire & Rescue Authority (FRA) scrutiny.

RECOMMENDATIONS

That Members consider the proposed new terms of reference for scrutiny attached at appendix 1 to the report and provide views and a recommendation to enable Fire and Rescue Authority consideration at their March meeting.

1. BACKGROUND

- 1.1 At the meeting of the 12th October 2020, Members considered a report on options to reform FRA scrutiny. As a consequence of Members decision to pursue option 4 (FRA members only), it is necessary for appropriate new terms of reference to be drafted.

2. ISSUE

- 2.1 Attached at appendix 1 to this report is an initial draft of new terms of reference for Members consideration.
- 2.2 As Members will note, the draft attempts to reflect some of the recommended principles of good scrutiny (eg. not scrutinising a decision of which you have been a party), although it is accepted that this will not be possible to achieve in all situations with the proposed model. The key area where this would not be possible is where the scrutiny committee is considering a decision taken by the FRA itself.
- 2.3 The draft also attempts to provide considerable flexibility in relation to the areas under scrutiny, but within the parameters of particular themes, such as performance, governance etc.
- 2.3 Due to the proposed restrictions on membership of this committee, it is inevitable that there will need to be some amendments to the existing terms of reference for both the Finance & Audit Committee (FAPM) and the HR & Equalities Committee (HRE). Subject to Members views on the attached draft, further reports will be taken to both the FAPM and HRE committees to suggest amendments to their respective terms of reference.

3. RECOMMENDATIONS

- 3.1 That Members consider the proposed new terms of reference for scrutiny attached at appendix 1 to the report and provide views and a recommendation to enable Fire and Rescue Authority consideration at their March meeting.

Contact Officer:	Background Papers:
S.Chapman Deputy Chief Officer	None

SOUTH WALES FIRE & RESCUE AUTHORITY
TERMS OF REFERENCE
SCRUTINY COMMITTEE

1. Purpose of Committee

1.1	The committee demonstrates the Authority's commitment to the efficient and effective deployment of public resources and to give assurance that available funding is utilised as efficiently and effectively as possible to protect the level of service offered to the public within the key statutory responsibilities and Strategic themes defined by the Fire and Rescue Authority (FRA). It also demonstrates the Authority's commitment to the efficient and effective management of its performance, learning and continuous improvement.	
1.2	The committee also ensures that the Authority is working in line with its Strategic Theme 8: Continuing to Work Effectively as set out in the South Wales Fire and Rescue Service Strategic Plan 2020/2030	

2. Composition of the Committee

2.1	The committee forms a vital part of the Authority's good governance mechanisms and as such the Authority recognises the importance of ensuring appropriate membership to enable effective scrutiny of key issues. To facilitate this within the Authority's governance structures the Authority has agreed that the following membership requirements will apply to the committee:	
2.1.1	Membership of the Scrutiny Committee will be determined at the Annual General Meeting of the FRA.	
2.2.2	The committee will comprise XX FRA Members. Wherever possible the committee will comprise an appropriate diversity balance.	
2.2.3	Wherever possible no member will be involved in scrutinising decisions in which they have been directly involved.	
2.2.4	A member of the Scrutiny committee will not sit on the FRA Finance & Audit Committee or the HR & Equalities Committee.	
2.2.5	The Chairperson and Deputy Chairperson of the FRA may not sit on the Scrutiny Committee.	
2.2	The committee may co-opt independent non-voting members to the Scrutiny committee as they deem appropriate where specialist skills are required. The committee will determine a suitable selection and appointment process.	

3. Specific Responsibilities of the Committee

3.1	<p>To review, monitor and challenge:</p> <ul style="list-style-type: none"> a) any decisions made, about to be made or not made by the FRA or its committees; b) any actions taken, about to be taken or not taken by the FRA or its committees; c) any FRA plans, policies or priorities; d) FRA performance in the delivery of its functions and services e) any matter that affects the FRA area or its inhabitants f) any decision taken by a partner that directly impacts on the work of the FRA e.g. blue light partner, PSB, regional partner etc. <p>in connection with the discharge of any of the FRAs functions.</p>	
3.2	<p>In undertaking these responsibilities the Committee will have regard to:</p> <ul style="list-style-type: none"> a) compliance with legislation; b) compliance with guidance; c) compliance with the FRS National Framework 2022-27; d) compliance with the governance framework e) compliance with policy; f) FRA, committee and officer reports and decisions; g) recommended practice and/or performance within the sector or elsewhere (including benchmarking); h) budgetary implications; i) continuous improvement; j) corporate values; and k) service user, stakeholder, partner or community feedback 	

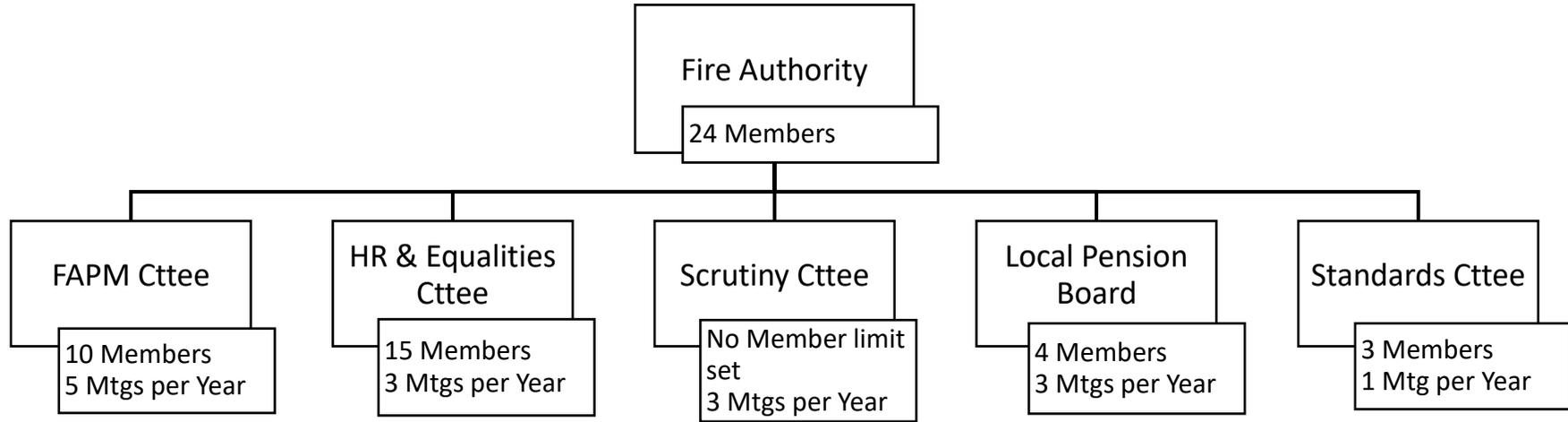
4. How the Committee will Discharge its Responsibilities

4.1	<p>The committee will receive appropriate training, development and/or updates on the principles of good scrutiny and good governance</p>	
4.2	<p>The committee will agree a Forward Work Programme at the first committee meeting of the Municipal Year</p>	
4.3	<p>The Forward Work Programme should contain the following as a minimum:</p> <ul style="list-style-type: none"> a) one Fire & Rescue specific themed review 	

	<ul style="list-style-type: none"> b) one community interest themed review c) one performance themed review d) one plan, policy or procedure review e) one governance framework review 	
4.4	<p>The committee may request (upon reasonable notice) the attendance of the following to assist in its scrutiny of a particular issue:</p> <ul style="list-style-type: none"> a) The Chairperson and/or Deputy Chairperson of the FRA or any of its committees b) FRS officers relevant to the area under consideration c) Specialist experts or outsiders with relevant experience 	
4.5	The committee may investigate or make a detailed examination of any activity within the scope of these Terms of Reference	
4.6	The committee may make recommendations to the Fire and Rescue Authority or another committee upon any issue within the scope of these Terms of Reference	
4.7	The committee will undertake an annual review of their recommendations and how they have been considered by the FRA or its committees	

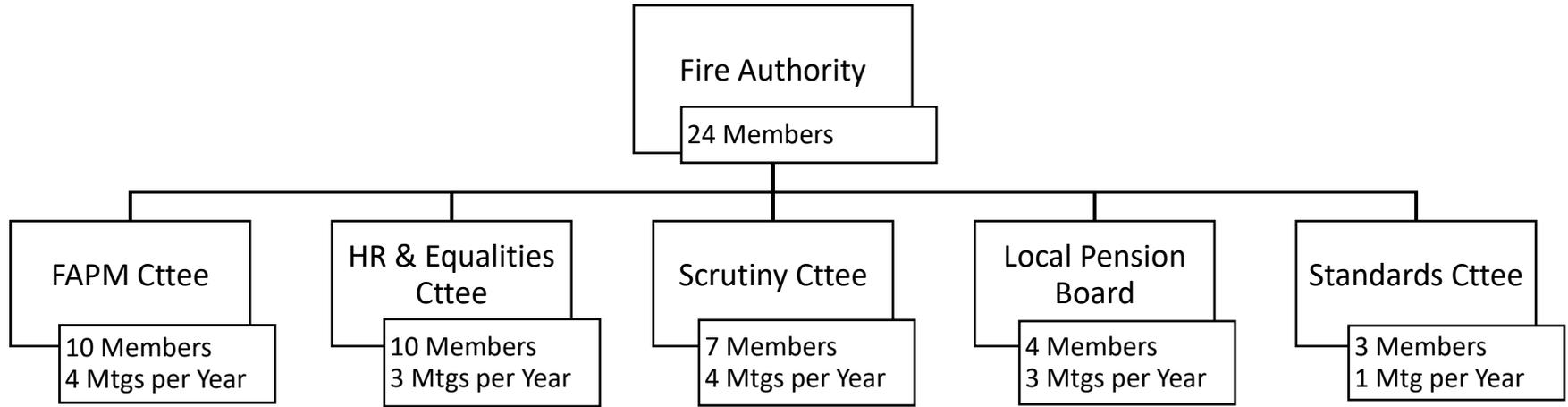
CURRENT & PROPOSED NEW COMMITTEE STRUCTURE
APPENDIX 3

CURRENT STRUCTURE



PROPOSED STRUCTUREProposed conventions

- 1 Unable to sit on FAPM & HR&E Cttee:
 - Chair of FA
 - Deputy Chair of FA
 - Member of Scrutiny Cttee
- 2 Unable to sit on Scrutiny Cttee:
 - Chair of FA, FAPM & HR&E Cttee
 - Deputy Chair of FA, FAPM & HR E Cttee
- 3 Unable to sit on Standards Cttee:
 - Chair of FA
 - Deputy Chair of FA
- 4 Unable to sit on Pensions Cttee
 - Chair of FA
 - Chair of HR&E



APPENDIX 4**EXAMPLE OF APPOINTMENTS TO COMMITTEES**

(Please note – the political balance in this spreadsheet is for illustrative purposes only and shows the position with the current 2021/22 political group membership)

Notes for Member Nominations

Members can sit on Committees with the same colour shading

Members cannot sit on committees with different coloured shading

Political Balance has already been inputted

FAPM options for 1 from each LA or politically balanced have been included

Alternating Colour rows - either blue or green committee members can sit on this committee

Fire Authority	Member Name	Political Party	Home Authority
Chair			
Deputy Chair			

HR&E	Member Name	Political Party	Home Authority
Chair		Labour	
Deputy Chair		Labour	
Member 3		Labour	
Member 4		Labour	
Member 5		Labour	
Member 6		Labour	
Member 7		Labour	
Member 8		Coalition	
Member 9		Coalition	
Member 10		Independent	

Scrutiny	Member Name	Political Party	Home Authority
Chair		Labour	
Deputy Chair		Labour	
Member 3		Labour	
Member 4		Labour	
Member 5		Labour	
Member 6		Coalition	
Member 7		Coalition	

FAPM - 1 Member from each Authority	Member Name	Political Party	Home Authority
Chair		N/A	Torfaen
Deputy Chair		N/A	Bridgend
Member 3		N/A	Caerphilly
Member 4		N/A	Cardiff
Member 5		N/A	Merthyr Tydfil
Member 6		N/A	Monmouthshire
Member 7		N/A	Newport
Member 8		N/A	Rhondda Cynon Taf
Member 9		N/A	Blaenau Gwent
Member 10		N/A	Vale of Glamorgan

FAPM - Politically Balanced	Member Name	Political Party	Home Authority
Chair		Labour	
Deputy Chair		Labour	
Member 3		Labour	
Member 4		Labour	
Member 5		Labour	
Member 6		Labour	
Member 7		Labour	
Member 8		Coalition	
Member 9		Coalition	
Member 10		Independent	

LPB	Member Name	Political Party	Home Authority
Chair		Labour	
Deputy Chair		Labour	
Member 3		Labour	
Member 4		Coalition	

Standards	Member Name	Political Party	Home Authority
Member 1		Labour	
Member 2		Labour	
Member 3		Coalition	



STRATEGIC RISK REGISTER REPORT

2020/21 Quarter 3

Updated 15 February 2021



Gwasanaeth Tân ac Achub
De Cymru

South Wales
Fire and Rescue Service

Produced in

BMIS
Business Management
Information System

Introduction

This report details progress made on the management of risks identified on the Strategic Risk Register as at Quarter 3 (October - December) 2020.

Once risks are identified, they along with any tasks to mitigate their risk are assigned to an officer and loaded onto the Business Management Information System (BMIS) for monitoring.

Each quarter officers provide an update commentary for each risk along with a Red, Amber or Green (RAG) status and review the risk scores based on the current likelihood and impact for each risk. Risk control tasks are also updated at the same time.

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. Currently only service-wide risks that impact upon the achievement of a strategic objective or delivery of core business are recorded as strategic risks on the Risk Register.

The Senior Management Team formally reviews the Risk Register on a regular basis and endorses the inclusion of any new or emerging strategic risks identified.

Two new risks have been identified since the last report provided to Members, namely The Fire Safety Bill arising from the findings of the Grenfell Tower tragedy and the need for our involvement in the procurement of a new Command and Control system by South Wales Police.

In addition ACO Reed is currently reviewing the Strategic Risks relating to Pensions which will likely result in changes soon.

Recommendation:

It is recommended that Members view these risks along with the latest update information as at Quarter 3 on the following pages.

Contact Officer: Jon Carter (Planning Performance and Risk Manager)

Please note that the information contained within this Report has been extracted directly from our Business Management Information System.

Pandemic influenza (COVID-19) strategic risk

Having been identified as a strategic risk during quarter 4 of 2019-2020 work has continued to manage this significant risk in order to try to avoid a situation where we could experience a reduced capacity to meet our statutory duties, deliver objectives and, therefore, result in increased risk to the community.

Given the nature of this risk it has been set up for monthly monitoring and this table shows the risk scores direction of travel between the end of March 2020 and the end of January 2021.

	End of March 2020	End of January
Risk Likelihood	3	2
Risk Impact	16	4
Risk Score	48	8

The mitigation of this risk has been achieved by the work of the Critical Incident Team and the Covid Recovery Team and the progress achieved on 15 risk control tasks which have been subject to monthly monitoring.

The latest information relating to our progress in managing this risk can be seen at the end of this Report.

Risk Score

The table below shows the risk score and RAG status based on the current likelihood and impact of each Strategic Risk.

▲ Red = high risk ● Amber = medium risk ★ Green = low risk

221 JFC Command and Control System	▲	48	Dewi Rose
211 Health & Wellbeing	▲	32	Andrew Jones
222 Fire Safety Bill	▲	32	Jason Evans
009 Industrial action	▲	16	Huw Jakeway
101 Emergency Services Network	▲	16	Richie Prendergast
202a Brexit - CoreHR	▲	16	Alison Reed
210 Equality & Diversity	▲	16	Andrew Jones
019b Liability	●	12	Huw Jakeway
110 GDPR	●	8	Sally Chapman
190 Terrorism	●	8	Richie Prendergast
202 Brexit	●	8	Sally Chapman
203 Cyber Risk	●	8	Chris Williams
204 Pensions Challenge	●	8	Alison Reed
205 Pensions Negativity	●	8	Alison Reed
220 High Rise	●	8	Jason Evans
140 OCDS	★	6	Alison Kibblewhite

The following pages show details of the strategic risks and associated control tasks in descending order of risk score

JFC C&C - Risk details and latest update

IF	South Wales Police procure a new command and control system that is not compatible with the needs of the Fire & Rescue Services in mobilising resources in the most
THEN	our ability to mobilise fire and rescue resources will be affected and there will be a significant resource and budgetary impact
Owner	Dewi Rose
Comments	Given the importance of this South Wales Police procurement and its potential impact on our service we are working to ensure that the need to resource our involvement in this project in a timely and adequate manner is recognised.

JFC C&C - Risk Score & Direction of Travel

	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	8	8	48
RAG Status			
Direction of Travel			

JFC C&C - Control Task Summary

221 JFC C&C				
			Unknowns	Total
0	1	0	3	4

JFC C&C - Risk control tasks

Owner	Department	Task ID	Task Description	Performance
Dewi Rose	Service Delivery	 221.03	Define and resource our tactical and operational involvement (both technical and user) in the South Wales Police procurement of a new Command and Control system in order to ensure our requirements are recognised in the Project tender specification.	?
		 ORM07.1	That steps be taken to investigate the compatibility of the SWFRS Service with those of South Wales/ Gwent Police and WAST with a view to enabling all three emergency services' systems to read each other's messages.	●
Natalie Pearce	Fire Control	 221.01	Joint Silver Fire and Police Meetings in place to discuss future development	?
Sarah Reasons	Fire Control	 221.02	Fire technical user spec has been written and shared with SWP	?

Health and Wellbeing - Risk details and latest update

IF	we do not maintain the Health and Wellbeing of all our workforce
THEN	we may incur excessive staff absence with potential degradation in service to our communities
Owner	Andrew Jones
Risk Update	The department continues to support the mental and physical health and wellbeing of our staff whilst taking account of the impacts of Covid. These measures include general guidance to the workforce and more specific communication with individuals from the attendance management and occupational health teams.

Health and Wellbeing - Risk Score & Direction of Travel

	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	40	40	40	32
RAG Status				
Direction of Travel				

Health and Wellbeing - Control Task Summary

211 Health & Wellbeing				
			Unknowns	Total
0	0	2	0	2

Health and Wellbeing - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Karen Davies	Human Resources	<input checked="" type="checkbox"/> 211.01	211.01 Actively promote health and well-being initiatives across the Service for all staff.	
		<input checked="" type="checkbox"/> 211.02	211.02 Ensure the Service's Occupational Health provision continues to adapt its offer in line with increasing demands and changing expectations.	

Fire Safety Bill - Risk details and latest update

IF	If the proposed Fire Safety Bill and ensuing White Paper for Wales brings greater Fire safety responsibilities for us
THEN	we may be unable to adequately provide the financial and human resources required to meet public expectations without further assistance.
Owner	Jason Evans
Comments	We continue to provide immediate and thorough feedback during the consultation phase in order to ensure that all our concerns are recognised

Fire Safety Bill - Risk Score & Direction of Travel

	Jun 2020	Sep 2020	Dec 2020
Current Risk Score			32
RAG Status	?	?	▲
Direction of Travel	?	?	?

Fire Safety Bill - Control Task Summary

222 Fire Safety Bill				
▲	●	★	Unknowns	Total
0	0	0	1	1

Fire Safety Bill - Risk control tasks

Owner	Department	Task ID	Task Description	Performance
Owen Jayne	Risk Reduction	✓ 222.01	Provide full feedback to Government consultation papers to ensure any resource concerns are considered	?

Industrial Action - Risk details and latest update

IF	national pay and pension negotiations are seen as adverse
THEN	there is a risk of industrial action by staff
Owner	Huw Jakewav
Risk Update	The Chancellor has announced a public sector pay freeze for 2021, if this stance is adhered to by the National Employers industrial relations could be strained. The Services's auxiliary firefighters maintain their competence and skill sets.

Industrial Action - Risk Score & Direction of Travel

	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	16	16	16	16
RAG Status	▲	▲	▲	▲
Direction of Travel	→	→	→	→

Industrial Action - Control Task Summary

009 INDUSTRIAL ACTION				
▲	●	★	Unknowns	Total
0	0	3	1	4

Industrial Action - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Alison Kibblewhite	Operations	<input checked="" type="checkbox"/> P009.05	Continue dialogue with representative bodies and tasks	★
Gareth Davies	ORM	<input checked="" type="checkbox"/> ORM1A	Review Operation "ATEGOL" in light of IA planning assumptions, Securitas SOP's, training regime fro Aux staff and concept of operations agreed	✓
Huw Jakeway	ELT	<input checked="" type="checkbox"/> M009.01	Auxiliary Reserve in place to cover industrial action.	✓
		<input checked="" type="checkbox"/> P009.01	Regular dialogue with the representative bodies.	✓
		<input checked="" type="checkbox"/> P009.02	Recognised Industrial relations mechanism in place.	✓
		<input checked="" type="checkbox"/> P009.03	Increased dialogue and dissemination direct to workforce through line management functions.	✓
		<input checked="" type="checkbox"/> P009.06	Professional relations between management and the representative bodies is being maintained	?
Richie Prendergast	Technical Services	<input checked="" type="checkbox"/> P009.04	Review comms strategy as and when tensions rise.	★
		<input checked="" type="checkbox"/> P009.07	Maintain professional relationship with Securitas	★
Steve Cole	ORM	<input checked="" type="checkbox"/> ORM08.03	Set up an annual testing exercise for Operation Ategol and the Auxiliary Reserve.	✓

ESN - Risk details and latest update

IF	The Emergency Services Network does not deliver a replacement for Airwave in a suitable timeframe
THEN	the service may be compromised in its ability to deliver a secure, efficient, resilient and cost effective communications network
Owner	Richie Prenderaast
Risk Update	The Service remains fully engaged in the ESN project. There are delays at a National level and likely implementation date has been moved to 2024. Coverage maps have been developed and preparatory work is beginning to test this.

ESN - Risk Score & Direction of Travel

	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	16	16	16	16
RAG Status	▲	▲	▲	▲
Direction of Travel	➔	➔	➔	➔

ESN - Control Task Summary

101 ESN

ESN - Risk control tasks

Owner	Department	Task ID	Task Description	Performance
Richie Prendergast	Technical Services	<input checked="" type="checkbox"/> M101.01	Shadow management structure being developed to prepare for transition.	✓
		<input checked="" type="checkbox"/> M101.02	Continued engagement with ESN project board.	✓
		<input checked="" type="checkbox"/> M101.03	Business Case to Welsh government being developed to continue funding until 2020 or when ESN is delivered	✓
		<input checked="" type="checkbox"/> P101.01	Extension of Airwave contract to 2020.	✓
		<input checked="" type="checkbox"/> P101.02	Fleet mapping of communication channels about to commence	✓

Brexit CoreHR - Risk details and latest update

IF	the UK leave the EU without a deal
THEN	we will be unable to access CoreHR data due to the lack of an adequacy agreement.
Owner	Alison Reed
Risk Update	Brexit has now taken place. In advance of this we completed due diligence and as part of this clarified our legal and contractual position which indicated manageable risk. CoreHR has been subsumed into the Access Group, a UK based organisation.

Brexit CoreHR - Risk Score & Direction of Travel

	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	n/r	32	24	16
RAG Status	Ⓜ	▲	▲	▲
Direction of Travel	Ⓜ	?	↓	↓

Brexit CoreHR - Control Task Summary

202 Brexit					
▲	●	★	Unknowns	Total	
0	0	10	0	10	

Brexit CoreHR - Risk control tasks

Alison Reed		People Services		Green RAG	
Owner	Department	Task ID	Task Description	RAG	
Alison Reed	People Services	<input checked="" type="checkbox"/> 202a.01	Maintain ongoing dialogue with CoreHR supplier.	✓	
		<input checked="" type="checkbox"/> 202a.02	Investigate local hosting of CoreHR at contract renewal.	★	

Equality and Diversity - Risk details and latest update

IF	we do not develop a diverse workforce representative of our communities
THEN	we may not communicate effectively and deliver effective services to all sectors of our communities
Owner	Andrew Jones
Risk Update	The department's positive action strategy has been implemented during the 2021 WDS campaign and outcomes will be monitored.

Equality and Diversity - Risk Score & Direction of Travel

	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	16	16	16	16
RAG Status	▲	▲	▲	▲
Direction of Travel	➔	➔	➔	➔

Equality and Diversity - Control Task Summary

210 Equality & Diversity					
▲	●	★	Unknowns	Total	
0	2	0	0	2	

Equality and Diversity - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Deborah Doel	Human Resources	 210.01	Continue to engage with under-represented groups in order to encourage applications to join the Service.	
		 210.02	Continue to review our recruitment procedures in order to ensure that the needs of specific groups are catered for.	

Liability - Risk details and latest update

IF	we suffered the loss of life/life changing injuries of a member of staff or a member of the public through the commision of our duties
THEN	potential corporate or criminal liability could ensue. Other consequences that could arise are negative media attention, negative public perception, a loss of trust and confidence of the Management team by staff.
Owner	Huw Takewav
Risk Update	risk reviewed and score remains current. Exiting safe systems of work and infection prevention control procedures are in place and reviewed regularly against government public health advice. Stocks of PPE, cleaning products and hand hygiene products remain at predicted and planned levels. Regular messaging on Covid compliance is maintained.

Liability - Risk Score & Direction of Travel

	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	12	12	12	12
RAG Status				
Direction of Travel				

Liability - Control Task Summary

019b Liability				
			Unknowns	Total
0	1	1	0	2

Liability - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Chris Temby	Fleet & Engineering	<input checked="" type="checkbox"/> FE011.01	To maintain a legally compliant Fleet of Appliances and Equipment	✓
		<input checked="" type="checkbox"/> FE011.02	Ensure that the information that Tranman provides is monitored daily and acted upon with the information being entered onto the BMIS KPI Dashboard in order to record workshop output against targets.	✓
Dewi Rose	Service Delivery	<input checked="" type="checkbox"/> P019b.12	Review of recent Rule 28 coroner's letters being undertaken by OCG.	✓
Gareth_I Evans	Operations	<input checked="" type="checkbox"/> P019b.10	Review PDRPro Training Software and training program.	✓
Huw Jakeway	ELT	<input checked="" type="checkbox"/> P019b.01	ODART collects and analyses experiences from incidents, as well as information from debriefs and health and safety to ensure that the service can learn and where necessary initiate changes to improve training, equipment and procedures.	✓
		<input checked="" type="checkbox"/> P019b.02	Additional safe systems of control include maintenance of competence, suitable, sufficient and realistic training, SOPs, equipment availability and suitability, adequate ridership factor, incident command procedures, appliance availability, operational plans and intelligence.	✓
		<input checked="" type="checkbox"/> P019b.03	Additional resources invested in ops intelligence and review of SOPS and tactical plans.	✓
		<input checked="" type="checkbox"/> P019b.04	Investment by Fire & Rescue Authority into new PPE, helmets and BA sets to ensure crews in optimum protective clothing and equipment.	✓

		<input checked="" type="checkbox"/> P019b.05	Optimum protective clothing and equipment. Fire ground radios and information available to crews via data to cabs and firelink. 4000 plans now available to operational fire fighters via mobile data terminals.	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> P019b.06	Investment in training centre to ensure competence maintained to high level.	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> P019b.07	Review ongoing on generic risk assessments and their adoption within standard operating procedures. (Text change)	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> P019b.08	A revised promotion process has been developed and agreed with the RBs which recognises technical competence and safe systems of work.	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> P019b.11	Present HSE consolidated report to the FRA.	<input checked="" type="checkbox"/>
Knill Baird-Murray	Training & Development	<input checked="" type="checkbox"/> CMD01	Develop Incident Command resources to deliver effective training and assessments, aligned to Skills for Justice levels 1-4.	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> ODR01	Maintain effective monitoring of operational events, measuring performance against SOPs.	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> ODR02	Work with the H&S department to further develop ODRT's role in safety event investigation and Operational H&S training.	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> ODR03	Ensure operational learning is analysed to highlight performance trends. Report findings relevant operational forums.	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> T&D01.01	Provide 24/7 cover to attend operational incidents to fulfil role as detailed in OP-08.005	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> T&D01.02	Develop & implement Operational Mentoring & Support Officer process & procedures.	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> T&D04.01	To develop the ORDT's assistance to operational incident accident investigation procedure.	<input checked="" type="checkbox"/>

Martin Hole	ORM	 H&S01	Devise and implement a H&S Training plan for relevant groups of staff (new entrants, Supervisory Manager, Middle Manager, Strategic Manager) and specialisms including accident investigation.	✓
		 H&S12	Review Team Structure and Skill Set Requirements in order to provide the most efficient H&S Service to SWFRS.	✓
Mike Wyatt	Operations	 OPS20.20	Mitigate Risk - Working in collaboration with the ODRT and Training in order to ensure that all debriefs generated as a result of simulation and operations are collated into a shared depository in order to identify, learn and improve. Using the BMIS system in order to record data on Lessons Identified and articulate the planning process to prove Lessons Learnt. To place the subsequent lesson on the JESIP Joint Operational Learning site on Resilience Direct.	●
Nick Corrigan	Finance & Procurement	 F&P10.02	Properties safe for use: Develop a compliance management tool to effectively manage our statutory duty	✓
		 F&P10.03	Assets fit for purpose: Use condition survey data to inform the planned maintenance schedule	✓
		 F&P10.04	Assets fit for purpose: Update condition survey data to deliver a five year rolling programme	✓
Richie Prendergast	Technical Services	 P019b.09	Monitoring of national events involving major incidents and any subsequent investigatory report. This will enable the service to deal with issues and ensure that a lessons learnt approach is taken	★

Mike Wyatt	Operations	<input checked="" type="checkbox"/> OPS20.20	Mitigate Risk - Working in collaboration with the ODRT and Training in order to ensure that all debriefs generated as a result of simulation and operations are collated into a shared depository in order to identify, learn and improve. Using the BMIS system in order to record data on Lessons Identified and articulate the planning process to prove Lessons Learnt. To place the subsequent lesson on the JESIP Joint Operational Learning site on Resilience Direct.	
Nick Corrigan	Finance & Procurement	<input checked="" type="checkbox"/> F&P10.02	Properties safe for use: Develop a compliance management tool to effectively manage our statutory duty	
		<input checked="" type="checkbox"/> F&P10.03	Assets fit for purpose: Use condition survey data to inform the planned maintenance schedule	
		<input checked="" type="checkbox"/> F&P10.04	Assets fit for purpose: Update condition survey data to deliver a five year rolling programme	
Richie Prendergast	Technical Services	<input checked="" type="checkbox"/> P019b.09	Monitoring of national events involving major incidents and any subsequent investigatory report. This will enable the service to deal with issues and ensure that a lessons learnt approach is taken	
Sean Jenkins	Training & Development	<input checked="" type="checkbox"/> OPS2.1	Ensure exercises are delivered as per the Service's exercise programme	
		<input checked="" type="checkbox"/> ODRT01	Identify and implement specific areas of responsibility in relation to accident investigation between H&S department and ODRT.	
		<input checked="" type="checkbox"/> T&D01.03	Develop a standardised approach for all responding members of ODRT and programme meetings	

GDPR - Risk details and latest update

IF	Provision is not put in place to address the new EU Data regulations
THEN	we will be in breach of the regulations
Owner	Sally Chapman
Risk Update	Q3 2020 - Work continues to monitor the ongoing issues surrounding Brexit and the impact that this will have. Legislation has been passed incorporating all the EU data requirements into UK law so that there is certainty at the current time as to applicable laws. However, the deal reached by the UK government only provides transitional relief with the UK being deemed a third country for the first 6 months of 2021. Unless further agreement is secured or the UK is able to achieve fastrack third country approval, there is uncertainty as to what will happen from July 2021 onwards - in theory we will not have third country status and we will need to ensure alternative arrangements are put in place for data transfer to/from the EU - this is particularly relevant for our HR system. This issue will continue to be monitored closely

GDPR - Risk Score & Direction of Travel

	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	8	8	8	8
RAG Status				
Direction of Travel				

GDPR - Control Task Summary

110 GDPR				
			Unknowns	Total
0	0	1	0	1

GDPR - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Andrew Jones	Human Resources	<input checked="" type="checkbox"/> HUR09.01	Review People Services preparedness for the introduction of GDPR across all of its activities and any external links with other partner organisations e.g. RCT Pensions.	✓
Jackie Evans	Corporate Services	<input checked="" type="checkbox"/> CS01.05	Gaps EU Data Regs - Review regulations and updates including legislation when passed	✓
		<input checked="" type="checkbox"/> P110.04	Consent forms, already utilised in certain departments, to be rolled out across all departments.	✓
Jon Carter	Planning, Performance & Risk	<input checked="" type="checkbox"/> SP&C22.2	To ensure that all data sent to customers is compliant with Data Protection Law	✓
		<input checked="" type="checkbox"/> SP&C22.3	To ensure that all data obtained from external sources is done so securely if necessary, in compliance with law. The storage, access and use of this data should be documented.	✓
Rachel Trusler	Corporate Services	<input checked="" type="checkbox"/> CS01.01	Share data with partners - Review our Data sharing policies and address gaps in Data Regulations	✓
		<input checked="" type="checkbox"/> CS01.04	Gaps EU Data Regs - Review the policies	✓
		<input checked="" type="checkbox"/> CS04.12	Implement an information retention schedule	✓
		<input checked="" type="checkbox"/> CS20.38	Raise further awareness of data protection and GDPR	★
		<input checked="" type="checkbox"/> P110.05	Put in place proper storage and filing system for data CLOSED AS MERGED WITH P110.06	✓
		<input checked="" type="checkbox"/> P110.06	Put in place proper destruction / retention and storage procedures for data.	✓
		<input checked="" type="checkbox"/> P110.07	Education of appropriate staff.	✓
		<input checked="" type="checkbox"/> P110.08	Amendment of appropriate policies and procedures.	✓
		<input checked="" type="checkbox"/> SP&C22.1	Undertake a gap analysis and prepare our current policies and practices to identify gaps with new EU Data Regulations in order to prepare for 18/19 implementation	✓

		2019/20 Implementation		
Sally Chapman	Corporate Services	<input checked="" type="checkbox"/> P110.01	Gap analysis of data regs and current practices.	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> P110.02	Information Management policies and procedures already in place, but do not go far enough to deal with new issues arising under regs.	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> P110.03	Data protection procedures already in place.	<input checked="" type="checkbox"/>
Wayne Thomas	Corporate Services	<input checked="" type="checkbox"/> CS01.02	Share data with partners - Fact finding of information sharing undertaken by service	<input checked="" type="checkbox"/>
		<input checked="" type="checkbox"/> P110.09	Liaison with other bodies for best practice / innovative solutions to issues.	<input checked="" type="checkbox"/>

Terrorism - Risk details and latest update	
IF	the Service is not adequately prepared to respond to a terrorist related incident
THEN	risks are presented in terms of the Services ability to ensure effective Firefighter safety, public confidence, public protection and consequential loss of life.
Owner	Richie Prenderaast
Risk Update	The service continues to prepare for potential Natural disasters and terrorist events. Covid has had an impact on getting key responders together at exercises. The Service continues to engage in all National Resilience workstreams

Terrorism - Risk Score & Direction of Travel				
	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	8	8	8	8
RAG Status				
Direction of Travel				

Terrorism - Control Task Summary
190 Terrorism

Terrorism - Risk control tasks

Owner	Task ID	Task Description	31/12/20
Richie Prendergast	<input checked="" type="checkbox"/> M190.01	National Resilience programme.	✓
	<input checked="" type="checkbox"/> M190.02	NILO supervision.	✓
	<input checked="" type="checkbox"/> M190.03	Development of MTFA capability and a multi agency training programme.	✓
	<input checked="" type="checkbox"/> M190.04	SOPs for scenario types established.	✓
	<input checked="" type="checkbox"/> P190.01	Contest strategies discharged through Welsh Government and local resilience forums and other agencies	✓
Steve Cole	<input checked="" type="checkbox"/> ORM08.01	Review and improve all BCMs modules to ensure that they are in line with current methodology	✓
	<input checked="" type="checkbox"/> ORM08.02	Take a full and active part as a Category 1 responder member of the two LRF.	✓
	<input checked="" type="checkbox"/> R&P01	Develop MTFA Fire Hazards capability based on new planning assumptions	✓

Brexit - Risk details and latest update

IF	Our preparedness for the outcome of Brexit negotiations are not in place
THEN	we will see implications in areas such as procurement, Health and Safety, Employment law, public order and technology.
Owner	Sally Chapman
Risk Update	Q3 2020 - Risk score remains current. Whilst a last minute deal with the EU was achieved, there are many aspects that only provide transitional relief for the first six months of 2021. We will continue to monitor very closely the ongoing discussions to achieve longer term agreements with the EU and assess how these impact service delivery and legal obligations.

Brexit - Risk Score & Direction of Travel

	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	8	8	8	8
RAG Status				
Direction of Travel				

Brexit - Control Task Summary

202 Brexit				
			Unknowns	Total
0	0	10	0	10

Brexit - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Alison Kibblewhite	Operations	<input checked="" type="checkbox"/> 202.11	BREXIT - Develop contingency plans to deal with any potential civil unrest	★
		<input checked="" type="checkbox"/> 202.12	BREXIT - Implement contingency plans to deal with any potential civil unrest as required	★
Andrew Jones	Human Resources	<input checked="" type="checkbox"/> 202.07	BREXIT - Identify necessary changes to Contracts etc. where Employment Law differs.	★
		<input checked="" type="checkbox"/> 202.08	BREXIT - Implement any changes to Employment Law as required	★
Chris Williams	ICT	<input checked="" type="checkbox"/> 202.09	BREXIT - Identify any technological changes that affect SWFRS	★
		<input checked="" type="checkbox"/> 202.10	BREXIT - Implement any identified technological changes as required	★
Lee Bunkham	Finance & Procurement	<input checked="" type="checkbox"/> 202.03	Research potential effect of Brexit on our procurement supply chain	★
		<input checked="" type="checkbox"/> 202.04	Maintain an effective procurement supply chain post Brexit	★
Martin Hole	ORM	<input checked="" type="checkbox"/> 202.05	Identify changes to Health & Safety standards	★
		<input checked="" type="checkbox"/> 202.06	Implement any changes to Health & Safety Standards as required	★
		<input checked="" type="checkbox"/>	Identify any Information Governance impacts of	★

Rachel Trusler	Corporate Services	 202.15	Identify any Information Governance impacts of Brexit	
		 202.16	Implement any changes to Information Governance as required as a consequence of BREXIT	
Richie Prendergast	Technical Services	 202.01	Ensure that we are fully involved in the Local Resilience Forum (LRF) preparations for BREXIT	
		 202.02	Implement appropriate actions as a result of BREXIT issues discussed at the LRF	
		 202.13	Identify any changes to technical standards requiring action as a consequence of BREXIT	
		 202.14	Implement any changes to technical standards as required as a consequence of BREXIT	

Cyber Security - Risk details and latest update	
IF	our ICT services are affected by a cyber attack
THEN	we will not be able to carry out key operational and/or back office functions leading to an increased risk to community and staff members
Owner	Chris Williams
Risk Update	No Change

Cyber Security - Risk Score & Direction of Travel				
	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	8	8	8	8
RAG Status				
Direction of Travel				

Cyber Security - Control Task Summary				
203 Cyber Risk				
			Unknowns	Total
0	1	4	0	5

Cyber Security - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Chris Williams	ICT	 203.01	Ensure our Corporate ICT network is well protected from Cyber attack by appropriate measures including up to date hardware and software.	
		 203.02	Ensure that consistent levels of security access to business critical systems are in place irrespective of user location.	
		 203.03	Ensure that all our web-enabled applications are protected from Cyber attack by appropriate measures including up to date hardware and software	
		 203.04	Ensure our email services are protected from Cyber attack by appropriate measures including up to date hardware and software	
Neil Davies	ORM	 203.06	Ensure that Business Continuity Plans are in place, tested and proven on a regular basis.	
Tim Gilberts	ICT	 203.05	Ensure that Incident Response Plans are in place for all business critical services.	

Pensions Challenge - Risk details and latest update

IF	Scheme members are successful in challenging the Authority's IDRPs decisions
THEN	the authority may face increased costs of pensions and/or compensation and associated reputational damage.
Owner	Alison Reed
Risk Update	All decisions continue to be ratified by a lawyer. IDRPs process includes FA members who have strong knowledge of the IDRPs process. Separately, and having conducted a TNA we are continuing the programme of upskilling to ensure members have the requisite skills and knowledge in pensions matters and also in the IDRPs process

Pensions Challenge - Risk Score & Direction of Travel

	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	24	24	16	8
RAG Status				
Direction of Travel				

Pensions Challenge - Control Task Summary

204 Pensions Challenge				
			Unknowns	Total
0	0	1	0	1

Pensions Challenge - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Alison Reed	People Services	204.01	Ensure that all IDRPs decisions are reached with the support of a qualified lawyer	
		204.02	Structure all Pensions Board meetings to ensure that time is provided for relevant up-skilling of relevant staff with the required knowledge and expertise.	

Pension Negativity - Risk details and latest update

IF	Employees respond negatively to changes made to Pension Schemes
THEN	the Authority may face increased staff turnover/loss of expertise.
Owner	Alison Reed
Risk Update	We continue to brief our LPB and FA on recent court rulings in relation to pensions. Analysis of the profile of our workforce and those impacted by potential pension changes has been undertaken and our recruitment strategy adjusted accordingly.

Pension Negativity - Risk Score & Direction of Travel

	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	8	8	8	8
RAG Status				
Direction of Travel				

Pension Negativity - Control Task Summary

205 Pensions Negativity				
			Unknowns	Total
0	1	2	0	3

Pension Negativity - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Alison Reed	People Services	 205.01	Assess the profile of the workforce that may be impacted by pension scheme changes.	
		 205.02	Further develop our recruitment processes to attract wider potential workforce in the future.	
		 205.03	Develop positive engagement campaign for our operational staff.	

High Rise - Risk details and latest update	
IF	the outcomes of the Grenfell Tower Inquiry (GTI) are not embedded into service planning
THEN	persons who live and work in High Rise premises may be at greater risk of being affected by fire.
Owner	Jason Evans
Risk Update	GM Roome now heading the High Rise Working Group and projects and actions moving forward

High Rise - Risk Score & Direction of Travel			
	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	8	8	8
RAG Status			
Direction of Travel			

High Rise - Control Task Summary				
220 High Rise				
			Unknowns	Total
0	32	18	0	50
				

High Rise - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Dewi Rose	Service Delivery	<input checked="" type="checkbox"/> ORM07.1	That steps be taken to investigate the compatibility of the SWFRS Service with those of South Wales/ Gwent Police and WAST with a view to enabling all three emergency services' systems to read each other's messages.	●
Huw Morse	ORM	<input checked="" type="checkbox"/> ORM08.1	All fire and rescue services should be equipped to receive and store electronic plans and make them available to incident commanders and control room managers	✓
		<input checked="" type="checkbox"/> ORM12	Continue with research and development activity associated with high rise operational equipment.	✓
		<input checked="" type="checkbox"/> ORM15	That the FRS urgently take steps to obtain equipment that enables firefighters wearing helmets and breathing apparatus to communicate with the bridgehead effectively, including when operating in high-rise buildings;	✓
		<input checked="" type="checkbox"/> ORM16	That urgent steps be taken to ensure that the command support system is fully operative on all command units and that crews are trained in its use.	✓
		<input checked="" type="checkbox"/> ORM17	That all fire and rescue services be equipped with smoke hoods to assist in the evacuation of occupants through smoke-filled exit routes.	✓
		<input checked="" type="checkbox"/> ORM21	That steps be taken to ensure that the airborne datalink system on every NPAS helicopter observing an incident which involves one of the other emergency services defaults to the National Emergency Service user encryption	●

Keith Meredith	Operations	<input checked="" type="checkbox"/> OPS01	Review the need for building specific PDA's	★
		<input checked="" type="checkbox"/> OPS02	Operational staff currently use the MDT 'follow me' feature as a Sat Nav and are not using them to access actionable intel en-route to incidents to brief crews.	✓
		<input checked="" type="checkbox"/> OPS03	Ensure a BFS Officer is available at all times on the flexible rota to act as a SMA at incidents involving high rise or complex premises	●
		<input checked="" type="checkbox"/> OPS04	Arrange Multi Agency tabletop exercise that embraces JESSIP	★
		<input checked="" type="checkbox"/> OPS05	Arrange a Multi-pump, multi agency exercise that embraces JESSIP	●
		<input checked="" type="checkbox"/> OPS06	Include High Rise as a permanent theme on the Ops Exercise Programme	★

Knill Baird- Murray	Training & Development	<input checked="" type="checkbox"/> TRG01	That the Service Reviews policies and training to ensure that better information is obtained from crews returning from deployments and that the information is recorded in a form that enables it to be made available immediately to the incident commander (and thereafter to the command units and the control room).	✓
		<input checked="" type="checkbox"/> TRG02	Review all courses to incorporate input on high rise incidents where appropriate	★
		<input checked="" type="checkbox"/> TRG03	The West Midlands training finishes in April - The need to identify a means of providing ongoing visual and practical training through other methods	●
		<input checked="" type="checkbox"/> TRG04	Ensure all operational personnel receive training on identifying the signs and indicators of and the actions to take for the loss of compartmentation in a building	✓
		<input checked="" type="checkbox"/> TRG05	During all BA courses, incorporate training on the the signs and indicators for recognising the loss of compartmentation from within a building and the importance of communicating to IC. Role of BAECO and importance of comms with IC	✓
		<input checked="" type="checkbox"/> TRG06	Investigate use to industrial building (lift) to simulate high rise as a high rise venue	✓
		<input checked="" type="checkbox"/> TRG07	The West Midlands training finishes in April. Consider the options for initial and refresher training going forward.	●

		<input checked="" type="checkbox"/> TRG07	The West Midlands training finishes in April. Consider the options for initial and refresher training going forward.	
		<input checked="" type="checkbox"/> TRG08	That the Service ensures that its personnel at all levels understand the risk of fire taking hold in the external walls of high-rise buildings and know how to recognise it when it occurs.	
		<input checked="" type="checkbox"/> TRG10	That the Service develops policies and training to ensure better control of deployments and the use of resources.	
		<input checked="" type="checkbox"/> TRG11	That all officers who may be expected to act as incident commanders (i.e. all those above the rank of Crew Manager) receive training directed to the specific requirements of communication with the control room	

Matt Guerin	ORM	<input checked="" type="checkbox"/> ORM01	That the Service reviews and considers options for a communication system to enable direct communication between the control room and the incident commander and improve the means of communication between the incident commander and the bridgehead.	
		<input checked="" type="checkbox"/> ORM02	Tha the Service considers options for use of modern communication techniques to provide a direct line of communication between the control room and the bridgehead, allowing information to be transmitted directly between the control room and the bridgehead and providing an integrated system of recording FSG information and the results of deployments.	
		<input checked="" type="checkbox"/> ORM03	That the Service develops policies and training to ensure better control of deployments and the use of resources	
		<input checked="" type="checkbox"/> ORM04	That the LFB develop policies and training to ensure that better information is obtained from crews returning from deployments and that the information is recorded in a form that enables it to be made available immediately to the incident commander (and thereafter to the command units and the control room).	
		<input checked="" type="checkbox"/> ORM09.1	PN633 is LFB poilcy for high rise firefighting - found to be not as comprehensive as GRA 3.2. it does not spell out what LFB officers shouls do to prepare and initiaite a contingency plan for evacuation	

		<input checked="" type="checkbox"/> ORM10.1 Review and update the high rise SOP as necessary.	include a contingency plan for evacuation 
		<input checked="" type="checkbox"/> ORM11.1 Provide SSRI for all high rise residential high rise buildings.	
		<input checked="" type="checkbox"/> ORM14 That the Service ensures that all officers of the rank of Crew Manager and above are trained in carrying out the requirements relating to the inspection of high-rise buildings. PN633 is LFB poilcy for high rise firefighting - found to be not as comprehensive as GRA 3.2. it does not spell out what LFB officers shouls do to prepare and initiaite a contingency plan for evacuation	

Natalie Pearce	Fire Control	<input checked="" type="checkbox"/> CON05	Ensure the Service provides regular and more effective refresher training to CROs at all levels, including supervisors	
		<input checked="" type="checkbox"/> CON06	That all fire and rescue services develop policies for handling a large number of FSG calls simultaneously	
		<input checked="" type="checkbox"/> CON07	That all fire and rescue services develop policies for handling a large number of FSG calls simultaneously	
		<input checked="" type="checkbox"/> CON08	That policies be developed for managing a transition from "stay put" to "get out";	
		<input checked="" type="checkbox"/> CON09	Steps be taken to investigate methods by which assisting control rooms can obtain access to the information available to the host control room.	
		<input checked="" type="checkbox"/> CON10	To review ours and WAST's protocols and policies to ensure that their operators can identify FSG calls (as defined by the LFB) and pass them to the LFB as soon as possible.	
		<input checked="" type="checkbox"/> CON11	Continue with refresher training relevant to Fire Survival guidance relating to high rise living	
		<input checked="" type="checkbox"/> CON12	That control room staff receive training directed specifically to handling such a change of advice and conveying it effectively to callers.	
		<input checked="" type="checkbox"/> CON13	That a single point of contact should be designated within each control room to facilitate such communication;	

Neil Davies	ORM	<input checked="" type="checkbox"/> ORM06.1	That the Service, South Wales / Gwent Police, WAST and all local authorities all investigate ways of improving the collection of information about survivors and making it available more rapidly to those wishing to make contact with them	●
Paul Mason	Operations	<input checked="" type="checkbox"/> CS01.1	Provide home safety checks and fire safety information to homes at high rise residential buildings.	●
		<input checked="" type="checkbox"/> CS02.1	Carry out joint visits with the Operations and BFS departments at high rise residential buildings, as necessary	●
		<input checked="" type="checkbox"/> 220.01	Ensure the tasks assigned to the High Rise Working Group are delivered effectively and on time.	●
		<input checked="" type="checkbox"/> BFS01	That the owner and manager of every high-rise residential building be required by law to provide their local fire and rescue service with information about the design of its external walls together with details of the materials of which they are constructed and to inform the fire and rescue service of any material changes made to them	●
		<input checked="" type="checkbox"/> BFS02	That the government develop national guidelines for carrying out partial or total evacuations of high-rise residential buildings, such guidelines to include the means of protecting fire exit routes and procedures for evacuating persons who are unable to use the stairs in an emergency, or who may require assistance (such as disabled people, older people and young children);	✔
		<input checked="" type="checkbox"/> BFS03	That the owner and manager of every high-rise residential building be required by law to draw up and keep under regular review evacuation plans, copies of which are to be provided in electronic and paper form to their local fire and rescue service and placed in an information box on the premises	●
		<input checked="" type="checkbox"/> BFS04	That all high-rise residential buildings (both those already in existence and those built in the future) be equipped with facilities for use by the fire and rescue services enabling them to send an evacuation signal to the whole or a selected part of the building by means of sounders or similar devices;	●
			That the owner and manager of every high rise	●

Simon Roome	Risk Reduction	<input checked="" type="checkbox"/> BFS05	That the owner and manager of every high-rise residential building be required by law to prepare personal emergency evacuation plans (PEEPs) for all residents whose ability to self-evacuate may be compromised (such as persons with reduced mobility or cognition)	●
		<input checked="" type="checkbox"/> BFS06	That the owner and manager of every high-rise residential building be required by law to include up-to-date information about persons with reduced mobility and their associated PEEPs in the premises information box;	●
		<input checked="" type="checkbox"/> BFS07	That the owner and manager of every residential building containing separate dwellings (whether or not they are high-rise buildings) be required by law to carry out checks at not less than three-monthly intervals to ensure that all fire doors are fitted with effective self-closing devices in working order.	●
		<input checked="" type="checkbox"/> BFS08	That all those who have responsibility in whatever capacity for the condition of the entrance doors to individual flats in high-rise residential buildings, whose external walls incorporate unsafe cladding, be required by law to ensure that such doors comply with current standards	●
		<input checked="" type="checkbox"/> BFS09	In all high-rise buildings floor numbers be clearly marked on each landing within the stairways and in a prominent place in all lobbies in such a way as to be visible both in normal conditions and in low lighting or smoky conditions.	●
		<input checked="" type="checkbox"/> BFS10	The owner and manager of every residential building containing separate dwellings (whether or not it is a high-rise building) be required by law to provide fire safety instructions (including instructions for evacuation) in a form that the occupants of the building can reasonably be expected to understand, taking into account the nature of the building and their knowledge of the occupants.	✔

<input checked="" type="checkbox"/> BFS11	That the owner and manager of every high-rise residential building be required by law to carry out regular inspections of any lifts that are designed to be used by firefighters in an emergency and to report the results of such inspections to their local fire and rescue service at monthly intervals	●
<input checked="" type="checkbox"/> BFS12	That the owner and manager of every high-rise residential building be required by law to carry out regular tests of the mechanism which allows firefighters to take control of the lifts and to inform their local fire and rescue service at monthly intervals that they have done so.	●
<input checked="" type="checkbox"/> BFS13	That the owner and manager of every high-rise residential building be required by law: to provide their local fire and rescue services with up-to-date plans in both paper and electronic form of every floor of the building identifying the location of key fire safety systems	●
<input checked="" type="checkbox"/> BFS14	That the owner and manager of every high-rise residential building be required by law: to ensure that the building contains a premises information box, the contents of which must include a copy of the up-to-date floor plans and information about the nature of any lift intended for use by the fire and rescue services	●
<input checked="" type="checkbox"/> BFS15	That the owner and manager of every residential building containing separate dwellings (whether or not they are high-rise buildings) carry out an urgent inspection of all fire doors to ensure that they comply with applicable legislative standards	✓
<input checked="" type="checkbox"/> BFS16	Continue to work closely with the managers of high rise and complex buildings where ACM and other combustible cladding has been identified.	●
<input checked="" type="checkbox"/> BFS17	Produce detailed plans for all high rise and complex buildings. - MDT	●

	<input checked="" type="checkbox"/>	BFS18	Maintain Service representation at the NFCC working groups.	★
	<input checked="" type="checkbox"/>	BFS19	Share best practice with the other FRS's in Wales at the AWBFS Group and CRR Group.	✓
	<input checked="" type="checkbox"/>	BFS20	Audit every residential high rise building in South Wales area	●
	<input checked="" type="checkbox"/>	BFS21	Following the identification of issues with HPL. There is a need to identify the cladding on all high rise properties across the Service	★
	<input checked="" type="checkbox"/>	BFS22	Work with local authorities to provide input at the early stage of planning	●
	<input checked="" type="checkbox"/>	BFS23	We do not currently have up to date CAD plans for all high rise residential buildings	●
	<input checked="" type="checkbox"/>	BFS24	That fire and rescue services develop policies for partial and total evacuation of high-rise residential buildings and training to support them	●
	<input checked="" type="checkbox"/>	ORM13	That electronic systems be developed to record FSG information in the control room and display it simultaneously at the bridgehead and in any command units;	●

Steve Cole	ORM	<input checked="" type="checkbox"/>	HRT01	High Rise Team disband at end of March, normal business	✓
		<input checked="" type="checkbox"/>	ORM05.1	That a dedicated communication link be provided between the senior officer in the control room and the incident commander.	✓
		<input checked="" type="checkbox"/>	ORM18	That each emergency service must communicate the declaration of a Major Incident to all other Category 1 Responders as soon as possible;	✓
		<input checked="" type="checkbox"/>	ORM19	That on the declaration of a Major Incident clear lines of communication must be established as soon as possible between the control rooms of the individual emergency services	✓
		<input checked="" type="checkbox"/>	ORM20	That a 'METHANE' message should be sent as soon as possible by the emergency service declaring a Major Incident	✓

OCDS - Risk details and latest update

IF	We do not maintain high levels of On Call Firefighters working in a Retained Duty system
THEN	We will have lower levels of RDS appliance availability, which will make it difficult to fulfill our statutory obligation.
Owner	Alison Kibblewhite
Risk Update	On Call Initial courses and BA initial courses have been run according to demand. High levels of availability continue and reduction in the use of strategic reserve. However, due to covid this may impact on the numbers of attendees on courses going forward

OCDS - Risk Score & Direction of Travel

	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Current Risk Score	6	6	6	6
RAG Status	★	★	★	★
Direction of Travel	↕	➔	➔	➔

OCDS - Control Task Summary

140 OCDS				
▲	●	★	Unknowns	Total
0	0	1	0	1

OCDS - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Alison Kibblewhite	Operations	 M140.03	The delivery team will be tasked with identifying further mitigation actions in support of reducing this risk.	
Andy Thomas	Service Delivery	 M140.01	We monitor appliance availability on a daily basis and ensure appliance cover moves are made to ensure fire cover is balanced across the service area.	
		 M140.02	To improve OCDS appliance availability a team of WDS firefighters provide a strategic reserve for OCDS stations who have low levels of establishment.	
		 P140.01	We currently have a plan to recruit attract and train OCDS initial firefighters within 2016-17.	
		 P140.02	We intend to create a delivery team to implement the recommendations contained within the review SOF of OCDS (2016) and focus the more coordinated approach across all departments to improve recruitment, attraction and training activities associated with OCDS personnel.	

Dean Loader	Risk Reduction	<input checked="" type="checkbox"/> OPS5.1	Identify and support RDS recruitment needs of each Station.	
		<input checked="" type="checkbox"/> OPS5.2	Support the ongoing work of the RDS Delivery Team	
		<input checked="" type="checkbox"/> OPS5.3	Deliver actions in support of the Workforce progression framework document.	
		<input checked="" type="checkbox"/> OPS5.4	Monitor and manage availability to ensure best use of resources	
		<input checked="" type="checkbox"/> SOF05.01	Implement recruitment strategy across all OCDS stations.	
		<input checked="" type="checkbox"/> SOF05.02	Continue to develop social media strategy of recruitment.	
		<input checked="" type="checkbox"/> SOF05.03	Review recruitment, attraction and retention of on call duty system strategy.	
Mark Bowditch	Operations	<input checked="" type="checkbox"/> T&D05.34	Establish process to deliver water awareness training into initial on call courses	

Tim Davies	Operations	<input checked="" type="checkbox"/> OPS13.01	<p>training into initial on call courses</p> <p>In Order to increase On Call Availability across SWFRS by 5% we will utilise a range of percentage contracts for our On Call staff allowing a wider range of commitment. This will be further supported by the introduction of overtime payments for existing On Call staff. The use of Strategic Reserve will continue to be utilised where shortfalls are identified in key areas. A recruitment and attraction event planner for 2018/19 will provide key focus in priority areas where establishment figures are low.</p>	✓
		<input checked="" type="checkbox"/> OPS13.02	<p>In order to increase recruitment of On Call firefighters within SWFRS we will plan and facilitate one On Call recruits course per month for 2018/19. This will be a significant increase on previous years. Operations will support Training & Development with the use of Abercarn fire Station as a training venue and provide staff to compliment the required training resources.</p>	✓
		<input checked="" type="checkbox"/> OPS13.03	<p>In order to Reduce FF in charge mobilisations across SWFRS On Call establishments by 5% we will ensure that Initial Incident Command level 1 courses are populated by On Call firefighters throughout 2018/19, we will also ensure that the workforce Progression framework is supported by facilitating On Call Promotion processes for both WM & CM where needed.</p>	✓
		<input checked="" type="checkbox"/> OPS13.04	<p>In order to support a timely application process for On Call candidates we will ensure to complete suitability interviews for On Call candidates within a 4 week timeline and undertake applicant selection interviews on local fire stations with the station management team.</p>	✓

The Covid-19 Risk is managed monthly and Members may wish to note the latest risk position at the end of January as shown below:

COVID-19 - Risk details and latest update

IF	we do not take all appropriate actions in order to mitigate the threats posed by a Pandemic Influenza (COVID-
THEN	it is highly likely that we will experience a reduced capacity to meet our statutory duties, deliver objectives and, therefore, result in increased risk to the community
Owner	Sally Chapman
Risk Update	At the beginning of the month, we continued to experience high levels of absence, both for those off sick with confirmed Covid and those who were self-isolating. However, by the month end, numbers off had significantly reduced, with total staff absence for all reasons being at a much more manageable level. The trend mirrors that which we are seeing in our local communities. PPE stock levels remain at expected levels and the Service has not experienced delivery issues as a consequence of Brexit with any key items. Senior management continue to lobby Welsh Government for lateral flow tests and a significant number of our volunteer ambulance drivers have received their first covid vaccine. Vaccine deployment has increased over January and it is expected that some of our employees will shortly receive their vaccine if they have not already done so. Daily updates on key stats continue to be provided to senior managers to ensure service delivery can be maintained at appropriate levels.

COVID-19 Risk Likelihood / Impact

	Oct 2020		Nov 2020		Dec 2020		Jan 2021	
	Current Risk Impact	Current Risk Likelihood						
Actual	4	2	8	3	8	3	4	2
RAG Status								

COVID-19 - Risk Score & Direction of Travel

	Oct 2020	Nov 2020	Dec 2020	Jan 2021
Current Risk Score	8	24	24	8
RAG Status				
Direction of Travel				

COVID-19 - Risk control tasks

Owner	Department	Task ID	Task Description	RAG
Alison Kibblewhite	Operations	250.06	Review and update Operational Standard Operating Procedures in the light of any updated government or sector advice and issue appropriate operational bulletins as appropriate	
Alison Reed	People Services	250.12	Provide easy to access HR advice and guidance to staff on amended working practices, safety information and welfare and testing arrangements	
Chris Williams	ICT	250.09	Ensure that staff are equipped with appropriate ICT equipment to undertake their roles efficiently and effectively and that suitable infrastructure is in place to support remote working	
Gareth Davies	ORM	250.05	Review and update Business Continuity Plans in the light of any updated government or sector advice and guidance and sickness data	
		250.15	Engage with partner organisations to provide assistance in accordance with sector agreements	
Geraint Thomas	Finance & Procurement	250.08	Ensure that staff are equipped with the appropriate PPE to undertake their roles effectively	
		250.10	Ensure appropriate supply chains and stock levels for essential PPE and equipment	
		250.13	Ensure effective mechanisms are put in place to track additional expenditure incurred by the Service in response to the Covid 19 pandemic	

Huw Jakeway	ELT	<input checked="" type="checkbox"/> 250.02	Maintain close links with NFCC, WG, Public Health Wales & England and other relevant bodies in relation to ensure the most up to date government and sector advice and guidance in relation to the pandemic is obtained	★
Richie Prendergast	Technical Services	<input checked="" type="checkbox"/> 250.03	Develop clear Strategic Intentions for the Service and keep these under review to take account of the most up to date government and sector advice and guidance and sickness data	★
Sally Chapman	Corporate Services	<input checked="" type="checkbox"/> 250.01	Instigate an appropriate command structure and Critical Incident Team for the Service with clear lines of responsibility	★
		<input checked="" type="checkbox"/> 250.07	Review and update Corporate Standard Operating Procedures in the light of any updated government or sector advice and issue appropriate corporate bulletins as appropriate	★
		<input checked="" type="checkbox"/> 250.14	Ensure Fire Authority Members are regularly briefed on key issues affecting the Service	★
Sarah Watkins	Corporate Services	<input checked="" type="checkbox"/> 250.04	Introduce regular reporting on key datasets to enable effective decision making	★
		<input checked="" type="checkbox"/> 250.11	Provide regular and timely communication to staff on key issues affecting the Service and arising as a consequence of the pandemic	★

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

AGENDA ITEM NO 16
15 MARCH 2021

REGISTER OF GIFTS AND HOSPITALITY

SUMMARY

This report provides Members with an overview of the Gifts and Hospitality recorded on the Hospitality and Gifts Register for 2020.

RECOMMENDATION

That Members note the contents of the Hospitality and Gifts Register in line with Internal Audit recommendations.

1. BACKGROUND

- 1.1 South Wales Fire & Rescue Service is committed to carrying out our business fairly, openly and honestly, preserving the integrity and reputation of the Service, our Members and staff.
- 1.2 The Service's Hospitality and Gifts Policy (OP-05.006 Hospitality and Gifts) is intended to establish and maintain a consistent approach in relation to the offer, refusal and acceptance of hospitality and gifts to ensure that conflicts of interest are avoided.

2. ISSUE

- 2.1 All gifts and hospitality are to be recorded in the Gifts and Hospitality Register, whether accepted or declined, in accordance with the General Standing Orders. Members are required to disclose their personal interests and gifts and hospitality they receive in accordance with the Members' Code of Conduct. Similarly officers are required to disclose their personal interests and gifts and hospitality they are offered or receive in accordance with the Officers' Code of Conduct.
- 2.2 Following an observation by the Internal Auditors during the Risk Management Anti-fraud Audit 2017/18, it was recommended that the Gifts and Hospitality Register be presented regularly to the Finance, Audit & Performance Management Committee for inspection in accordance with good governance and this be recorded in the minutes.
- 2.3 The Finance, Audit & Performance Management Committee agreed in 2019 to receive the Hospitality and Gifts Register Report on an annual basis.

- 2.4 The current register details the entries for 2020 identifying the gifts and/or hospitality entries declined and accepted. Further information can be found within the register attached as Appendix 1 to this report.

3. **EQUALITY RISK ASSESSMENT**

- 3.1 There are no specific equality issues identified.

4. **RECOMMENDATIONS**

- 4.1 That Members note the contents of the Hospitality and Gifts Register in line with Internal Audit recommendations.

Contact Officer:	Background Papers:
Sarah Watkins Deputy Monitoring Officer	Appendix 1 – Register of Gifts and Hospitality 2020

APPENDIX 1

REGISTER OF GIFTS AND HOSPITALITY 2020

Date	Name	Gift Received From	Nature of Gift/ Declaration of Interest	Approx Value	MO consulted	Accepted or Declined	What happened to gift
12.02.20	Katryn Lewis Media & Comms	Dragons Rugby, Rodney Parade, Newport, NP19 0UU	Offer of 50% off Dragons tickets for a match being played on 29 February 2020	£10/ticket	Yes	Accepted	Offer shared with staff
29.03.20	Red Watch, Stn 46 Maindee	Tesco Express, Chepstow Road, Newport, NP19 9EZ	Refreshments following an attendance at incident	Unknown	Yes	Accepted	Shared on Watch
01.04.20	Stn 50 Roath	City Plumbing Colchester Ave Cardiff	Cleaning products	Unknown	Yes	Accepted	Retained for use on station
03.04.20	Stn 46 Maindee	Irsuntory Soft Drinks	Refreshments	Unknown	Yes	Accepted	Shared on Station
08.04.20	Stn 15 Pontypridd	Pontypridd Town AFC	Easter Eggs	Unknown	Yes	Accepted	Shared on Station
08.04.20	Stn 49 Whitchurch	Morrisons, Ty Glas Rd, Cardiff	Easter Eggs	Unknown	Yes	Accepted	Shared on Station
09.04.20	Stn 49 Whitchurch	Tesco, Western Avenue, Cardiff	Refreshments	Unknown	Yes	Accepted	Shared on Station
09.04.20	Stn 37 Ebbw Vale	Morrisons, Ebbw Vale	4 x boxes of Easter Eggs	Unknown	Yes	Accepted	Shared on Station
09.04.20	Stn 51 Central	Morrisons, Cardiff Bay	60 x Easter Eggs	Unknown	Yes	Accepted	Shared on Station

Date	Name	Gift Received From	Nature of Gift/ Declaration of Interest	Approx Value	MO consulted	Accepted or Declined	What happened to gift
10.04.20	Stn 52 Ely	Just Serve – Church of Jesus Christ of Latter Day Saints	Bag of Confectionary	Unknown	Yes	Accepted	Shared on Station
14.04.20	Stn 47 Duffryn	Ab-Inbev, Magor, The Brewery, Caldicot, NP26 3RA	600 litres of hand sanitiser	Unknown	Yes	Accepted	Shared on Station
15.04.20	White Watch, Stn 37 Ebbw Vale	Family of a fire fatality – details tba	Refreshments: 4 x packets of biscuits; 2 x jars of coffee; 1 x bag of teabags	£20	Yes	Accepted	Shared on Watch
16.04.20	SWFRS	Monster Energy UK	Range of energy drinks	Unknown	Yes	Declined following consultation with OHU	
16.04.20	Stn 26 Merthyr Tydfil	Morrisons, Ebbw Vale	10 x boxes of 10 Easer Eggs	Unknown	Yes	Accepted	Shared on Station
18.04.20	White Watch, Stn 37 Ebbw Vale	Cinnamon Garden, 105 Beaufort Rise, Beaufort, NP23 5JQ	Complimentary Indian meal	Unknown	Yes	Accepted	Shared on Watch
19.04.20	Stn 33 New Inn	Sugarloaf Catering, New Road, New Inn, Pontypool, NP4 0TL	Regular delivery of ready meals (excess meals)	Unknown	Yes	Accepted	Shared on Station
20.04.20	Station 51 Central	NHS Relief	Food	Unknown	Yes	Accepted	Shared on Station
28.04.20	Station 1 Bridgend	Ceri's Cake Creations, Bridgend	Cake	Unknown	Yes	Accepted	Shared on Station
05.05.20	Mike Davies Property Services	Mobile Mini, Bridgend	Temporary toilet and showering facilities at Bridgend Fire Station	Unknown	Yes	Accepted	In situ - 27 April-5 May 2020

Date	Name	Gift Received From	Nature of Gift/ Declaration of Interest	Approx Value	MO consulted	Accepted or Declined	What happened to gift
05.05.20	Station 22 Penarth	Penarth Helping Hands – COVID-19 Support Group	2 x food parcels	Unknown	Yes	Accepted	Shared on station
05.05.20	Ff Alan Daly Red Watch, Station 24 Caerphilly	'Indie-Vengers'	Food donations	Unknown	Yes	Accepted	Shared on station
05.05.20	Ff Alan Daly Red Watch, Station 24 Caerphilly	The Aloud Charity, Cardiff	Food donation	Unknown	Yes	Accepted	Shared on station
07.05.20	GM Sean Jenkins Ops Department	Lexon Group, Newport	Initial donation of 80 x PPE face shields	Unknown	Yes	Accepted	Used across the Service
08.05.20	CM Neil Skelton Green Watch, Stn 46 Maindee	APT-ICC, Tredegar	Hand sanitisers for Abergavenny Fire Station	Unknown	Yes	Accepted	Used on station
11.05.20	SM Steve O'Connell Station 51 Central	BCB International, Cardiff	200 individual hand sanitisers	Unknown	Yes	Accepted	Split across the four Cardiff fire stations
15.05.20	Station 20 Barry	Cherry Orchard Pub, Barry	Refreshments	Unknown	Yes	Accepted	Shared on station
19.05.20	Via Eleanor Crowley, Media & Comms	Jane Davies Private address	Refreshments delivered to Chepstow Fire Station	Unknown	Yes	Accepted	Shared on station
04.06.20	WM Lauren Jones Stn 49 Whitchurch	Tesco, Western Avenue, Cardiff	Refreshments	Unknown	Yes		Shared by the crew
15.06.20	SM Chris Evans Stn 26 Merthyr Tydfil	Local residents	Cash collection	£220	Yes	Declined	Cash to be returned

Date	Name	Gift Received From	Nature of Gift/ Declaration of Interest	Approx Value	MO consulted	Accepted or Declined	What happened to gift
16.06.20	WM Paul Williams Stn 7 Pontycymmer	Member of the public	Alcoholic beverages	£25+	Yes	Declined	Donated as a raffle prize to The Fire Fighters' Charity raffle
19.06.20	CM Ashley Britton On behalf of Stn 7 Pontycymmer	Local residents	Hamper	Unknown	Yes	Accepted	Shared on station
24.06.20	WM Ian Evans Station 6 Ogmores Vale	Local community	2 x hampers 4 x bottles of wine	Unknown	Yes	Accepted	Hampers shared on station Wine donated as a raffle prize to The Fire Fighters' Charity raffle
25.09.20	Paul Iddon ICT	IGEL	Entry into competition - prize of home office makeover	£20,000	Yes	Accepted	
19.12.20	Ross Davies Station 22 Penarth	Krispy Kreme, Swansea Quadrant	12 x Krispy Kreme doughnuts	£20	Yes	Accepted	Doughnuts shared on station

SECOND DRAFT OF ANNUAL GOVERNANCE STATEMENT 2020/21

SUMMARY

This report brings to the attention of Members the second draft of the Annual Governance Statement to be included with the 2020/21 Statement of Accounts.

RECOMMENDATIONS

That Members are requested to consider the content of the Second Draft of the Annual Governance Statement and whether they wish to make any amendments to the document going forward.

1. BACKGROUND

- 1.1 The Code of Corporate Governance requires the Chief Fire Officer and Chair of the Fire & Rescue Authority to produce an Annual Governance Statement explaining how the Authority has complied with the Code and meets the requirements of the Accounts and Audit (Wales) Regulations 2018 as amended in relation to the publication of a Statement of Internal Controls.
- 1.2 The Annual Governance Statement is written in accordance with the guidance produced by the Chartered Institute of Public Accountability (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE). The Annual Governance Statement explains how the Authority complies with the framework and principles of good governance.

2. ISSUE

- 2.1 The Delivering Good Governance Framework comprises the systems, processes, culture and values by which the Authority is directed and controlled, as well as its activities through which it accounts to, engages with and leads the community. The Annual Governance Statement enables the Authority to monitor the achievement of its strategic objectives (through strategic themes and priority actions) and to consider whether those objectives have led to the delivery of appropriate cost effective services.
- 2.2 Whilst the Statement is published within the Statement of Accounts, it is not limited to activity solely within the financial year. Whilst it confirms that the governance framework has been in place at the Authority for the year

ending 31 March 2021, it also confirms that it is in place up to the date of the Authority's approval of the Statement of Accounts. Therefore the Annual Governance Statement, attached at Appendix 1, is in second draft having previously been reviewed by the Finance, Asset & Performance Management Scrutiny Committee. The Annual Governance Statement will be changed to the final version presented to Members as part of the Statement of Accounts for signing later in the year.

- 2.3 Members can be assured that the format of the Annual Governance Statement has been previously approved by the Wales Audit Office and that senior managers of the Service have written the Statement after considering the evidence gathered to support the principles outlined in the CIPFA SOLACE Guidance Note.

3. EQUALITY RISK ASSESSMENT

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

4. RECOMMENDATION

- 4.1 That Members are requested to consider the content of the Second Draft of the Annual Governance Statement and whether they wish to make any amendments to the document going forward.

Contact Officer:	Background Papers:
Sarah Watkins Head of Corporate Support	<ul style="list-style-type: none"> • Appendix 1 – Second Draft of Annual Governance Statement 2020/2021 • CIPFA SOLACE Guidance Note 2016 • Delivering Good Governance in Local Government Wales

South Wales Fire and Rescue Authority



DRAFT Annual Governance Statement 2020/2021

Contents

DRAFT ANNUAL GOVERNANCE STATEMENT YEAR ENDING MARCH 2021	3
1. Scope of Responsibility	3
2. The Purpose of the Governance Framework	3
3. The Governance Framework.....	4
4. Review of Effectiveness	8
5. How We Met Significant Governance Issues and Challenges for 2020-2021.....	11
6. Significant Governance Issues and Challenges for 2021- 2022	14
7. Governance Action Plans	17
8. Summary Conclusion	24
9. Joint Statement by the Fire & Rescue Authority Chairperson and Chief Fire Officer.....	24

DRAFT ANNUAL GOVERNANCE STATEMENT YEAR ENDING MARCH 2021

This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) - the “Delivering Good Governance Framework”. This Annual Governance Statement explains how the Authority has complied with the framework and its seven core principles of good governance to ensure that resources are directed in accordance with agreed policy and agreed priorities.

1. Scope of Responsibility

South Wales Fire & Rescue Authority (SWFRA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. SWFRA also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, SWFRA is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

This statement explains how SWFRA has complied with Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and also meets the requirements of the Accounts and Audit (Wales) Regulations 2014, in relation to the publication of a statement on internal control.

2. The Purpose of the Governance Framework

The Governance Framework comprises the systems and processes, and culture and values, by which SWFRA is directed and controlled, and its activities through which it accounts to, engages with and leads the community. It enables SWFRA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of

internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of SWFRA's policies, aims and objectives, to evaluate the likelihood of those risks being realised, and the impact should they be realised, and to manage them efficiently, effectively, and economically.

The Governance Framework has been in place at SWFRA for the year ended 31 March 2021 and up to the date of approval of the Statement of Accounts.

3. The Governance Framework

The Governance Framework describes the key elements of the systems and processes that comprise SWFRA's governance arrangements and are as follows:

SWFRA is responsible for ensuring that South Wales Fire & Rescue Service (SWFRS) is effective, efficient and accountable to the public.

Membership is made up of Members of the 10 unitary authorities covered by the SWFRS service area as defined by the Fire Service (Combination Scheme) Order 1995.

SWFRA is organised into committees and a scrutiny group which are appointed at the annual meeting. Each committee and the scrutiny group has a comprehensive set of terms of reference. Working groups are established on an ad-hoc basis as and when required.

The Executive Leadership Team (ELT), comprising the Chief Fire Officer, Corporate Directors and Treasurer, is responsible for strategic leadership, political interface and corporate challenge. The Senior Management Team (SMT) includes the same officers and Heads of Service, both uniformed and corporate, and provide organisational leadership, functional challenge and service delivery.

The Treasurer is responsible for the proper administration of SWFRA's financial affairs as required by Section 112 of the Local Government Finance Act 1988, and SWFRA's financial management arrangements are assessed against the governance requirements set out in the Chartered Institute of Public Finance and Accountancy Statement on the Role of the Chief Finance Officer in Public Organisations (2009).

Constitutional Documents – SWFRA has a suite of constitutional documents that can be found on its [website](#). These include General Standing Orders, Procedural Standing Orders, Contract Standing Orders, Scheme of Delegations and Financial Regulations. These documents are regularly reviewed by the Monitoring Officer and Treasurer, and any identified changes

needed are carried out under delegated authority or are reported to SWFRA for their approval.

In order to provide a practical method of operational and financial management throughout the organisation, officers have been given certain powers by SWFRA in the form of Officer Delegations. Under the Local Government Act 1972, a list of these powers must be maintained and this is done by the Monitoring Officer who regularly reviews their effectiveness. Any identified changes needed are carried out under delegated authority or are reported to SWFRA for their approval. These powers form an integral part of the Governance arrangements and were last reviewed in March 2019.

The current Medium Term Financial Strategy (MTFS) covers the period to 2021-2022 and forms the cornerstone of the detailed budget construction annually. It provides a view on potential funding both nationally and locally. The Strategy considers:

- An assessment of potential un-hypothecated grant settlements and local taxation yields for constituent councils based on best, worst and anticipated figures.
- Intelligence from outturn for last financial year and current year's revenue budget as the base.
- A view on relevant indices to be applied to the base.
- A snapshot of transformational projects currently identified within the period of the MTFS.
- A planned approach to reserves as a result of the MTFS projection and Reserve Strategy.
- A view on potential funding gaps and planned approaches to these over the period in question.

[Strategic Plan](#) – The plan outlines the direction that the organisation is taking and how we intend to meet the challenges over the next 10 years in order to continue to deliver high quality services that meet the needs of our communities.

SWFRA's performance against the Strategic Plan and Statutory indicators is reported regularly to SWFRA and Finance Audit and Performance Management (FAPM) Committee together with an overall report that is reported annually to SWFRA and on our website through the document [Annual Improvement Plan What we did 2019/2020 and What We Plan to do 2021/2022](#).

Strategic Planning Framework – Our vision is to make South Wales safer by reducing risk. We recognise that safer communities can only be achieved by challenging and improving the way we work through a safe and competent workforce and effectively managing our resources. We therefore set a

strategic direction for the organisation through our [Strategic Plan](#) which now covers a ten year period and addresses the requirements of the Well-being of Future Generations (Wales) Act 2015 together with the requirements of the Welsh Government's Wales Fire and Rescue Services National Framework Document 2016. Each directorate and department formulate their own plans in support of the strategic objectives which are reported on quarterly.

Risk Management Policy – the policy sets out the process we use to identify and control exposure to uncertainty, which may impact on the achievement of our objectives or activities. Senior managers identify, review and score the Strategic Risks assessing them in terms of likelihood and impact; identify any actions in place and any further actions required to prevent the likelihood of risk occurring or to mitigate the impact should they occur. The Corporate Risk Register records these risks, and they are regularly monitored and reported. Strategic Risks are reported to the SWFRA's FAPM Committee.

The FAPM Committee considers the effectiveness of the SWFRA's risk management arrangements and the work of the Internal and External Auditors. The FAPM Committee has the opportunity to meet with the auditors privately following each committee meeting. In 2020/2021, the FAPM Scrutiny Group also considered departmental risks on 18 January 2021.

There are established arrangements for effective financial controls through SWFRA's accounting procedures, key financial systems and the Financial Regulations. These include established budget planning procedures and regular reporting to Authority Members and comparing actual revenue and capital expenditure to annual budgets. SWFRA's Treasury Management arrangements follow professional practice and are subject to annual review by Members.

The Service has signed up to the Wales Fire & Rescue Services' Procurement Strategy which makes the best of opportunities to deliver efficiencies and other improvements in the acquisition of goods, services and the awarding of contracts across the Fire & Rescue Services in Wales.

The Director of Corporate Services is designated the Monitoring Officer in accordance with the Local Government and Housing Act 1989, and ensures compliance with established policies, procedures, laws and regulations.

SWFRA has in place counter fraud arrangements and whistleblowing arrangements which are regularly reviewed by officers. There are agreed procedures to meet the requirements of the Regulation of Investigatory Powers Act 2000 which have been agreed by the Office of the Surveillance Commissioner and key staff have received training in the application of these regulations.

Internal Audit is outsourced to a private sector organisation, TIAA Limited, who work to the Public Sector Internal Audit Standards which are applicable to all Internal Audit providers in Wales. The Annual Internal Audit Plan is agreed by the FAPM Committee which receives regular reports on the audits undertaken together with TIAA's annual report.

The Auditor General for Wales is SWFRA's statutory auditor, with the audit provided by Audit Wales. They provide challenge under the Public Audit (Wales) Measure 2004, The Local Government (Wales) Measure 2009, the Local Government Act 1999 and the Code of Audit Practice. They issue annual reports or statements on the performance of SWFRA, namely to:

- Examine and certify if the financial statements are true and fair.
- Assess if proper arrangements to secure economy, efficiency and effectiveness in the use of resources have been made.
- Audit and assess if the duties and requirements of the Measure have been met.
- Undertake studies to enable considered recommendations for improving economy, efficiency and effectiveness or for improving financial or other management arrangements.

The Auditor General and Audit Wales present their Audit Plan to Members annually, and regularly report progress and outcomes to them. Audit Wales also has the opportunity to have private meetings with Members following FAPM Committee meetings where they can discuss issues without officers being present. All reports are published on the Audit Wales website (www.audit.wales).

The Annual Pay Policy Statement is approved by the SWFRA and published in accordance with the Localism Act 2011.

Members' allowances are paid in accordance with the Independent Remuneration Panel recommendations and are published in accordance with their requirements.

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 (the public sector Regulations), all public authorities are required to publish gender pay gap information by reporting the percentage differences in pay between their male and female employees.

Public authorities must publish the required information based on data captured on the snapshot date of 31 March, 2020, within 12 months. Accordingly SWFRA published this information within the deadline.

All users of SWFRA's ICT equipment use an online acceptance tool which individuals have to pass through before using internet facilities, agreeing to

the organisation's ICT policies.

Related party returns are completed and signed by SWFRA Members and senior officers in accordance with the Code of Practice on Local Authority Accounting in the UK. These returns help to establish transactions and balances as required by the relevant accounting standard (International Accounting Standard 24, Related Party Disclosures) and assist in identifying actual, potential or perceived conflicts of interest.

4. Review of Effectiveness

SWFRA has responsibility for conducting, at least annually, a review of the effectiveness of its Governance Framework, including the system of internal control. The review of effectiveness is informed by the work of the Executive Leadership Team within the Service who have responsibility for the development and maintenance of the governance environment, and the work and reports of the internal and external auditors. The work of peer assessors is also considered.

The regular and ongoing processes that have been applied to maintain, review and improve effectiveness of the Governance Framework include:

- Regular review of policies and procedures by the officer responsible and by the Service Senior Management Team.
- Regular review of the constitutional documents and ethical governance arrangements by the Monitoring Officer and Treasurer, which were last reviewed in March 2019.
- The FAPM Committee regularly scrutinises the revenue and capital expenditure against the allocated budget together with regular scrutiny of the performance of the Service against the Strategic Plan.
- Senior officers regularly review the organisational risks with regular reports to Members through the FRA and FAPM Committee.
- SWFRA receives annual reports from each of its committees and the Scrutiny group outlining the work that had been undertaken throughout the year, giving Members the opportunity to challenge and scrutinise any area that they feel fit.
- The appointed internal auditor TIAA Limited provides SWFRA, through its FAPM Committee, with an opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. The Head of Internal Audit has confirmed in their annual report that **“.....STATEMENT TO BE INSERTED WHEN INTERNAL AUDIT ANNUAL REPORT RECEIVED.....”**.

[NOTE FOR FAPM COMMITTEE DRAFT VERSION: Statement to be inserted when Internal Audit Annual Report 2020/2021 received (expected receipt March/April 2021).]

Head of Internal Audit Opinion

“.....STATEMENT TO BE INSERTED WHEN INTERNAL AUDIT ANNUAL REPORT RECEIVED.....”.

[NOTE FOR FAPM COMMITTEE DRAFT VERSION: Statement to be inserted when Internal Audit Annual Report 2020/2021 received (expected receipt March/April 2021).]

The Auditor General also provides assurance to SWFRA, through their [Annual Audit Letter – South Wales Fire and Rescue Authority 2019-20](#) *[NOTE FOR FAPM COMMITTEE DRAFT VERSION: HYPERLINK TO BE INSERTED WHEN AVAILABLE ON AUDIT WALES WEBSITE]* dated 20 January 2021. Stating that:

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

and

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

further confirming

“I issued a certificate confirming that the audit of the accounts has been completed on 29 September 2020”

The Auditor General provided the following assurance opinion on financial matters in the 2019/2020 Financial Statements in their report dated 29 September 2020.

“In my opinion the financial statements:

- **give a true and fair view of the financial position of South Wales Fire and Rescue Authority as at 31 March 2020 and of its income and expenditure for the year then ended; and**
- **have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2019-2020.”**

Audit Wales in their [South Wales Fire and Rescue Authority Annual audit summary 2019/20 \(received \(Date to be inserted\)\)](#) confirmed the work completed since the last Annual Improvement Report 2018/2019 which was issued on 24 July 2019. *[NOTE FOR FAPM COMMITTEE DRAFT VERSION: HYPERLINK TO BE INSERTED WHEN AVAILABLE ON AUDIT WALES WEBSITE]* Stating that:

Audit of South Wales Fire and Rescue Authority’s 2019-20 Accounts:

- **The Auditor General gave an unqualified true and fair opinion on the**

FRA’s financial statements on 29 September 2020.

- *The FRA’s Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were consistent with the financial statements prepared by the Authority and with our knowledge of the FRA.*
- *The key matters arising from the accounts audit were reported to the FRA in the Audit of Financial Statements report on 28 September 2020.*
- *Our Audit of South Wales FRA’s assessment of 2019-20 performance was issued on 10 December 2020.*
- *The Auditor General issued the certificate confirming that the audit of accounts for 2019-20 has been completed.*

Well-being of Future Generations Examination – Review of Involvement

The examination that we undertook in 2019-20 reviewed the FRA’s approach and management of involving stakeholders when proposing service and policy changes, and in the design of activities. We undertook a more detailed look at:

- *how the FRA is involving stakeholders in developing the new Strategic Equality Plan 2020-2025; and*
- *in planning public engagement events such as fire station open days, the United Kingdom Rescue Organisation (UKRO) event in 2018 and joint Emergency Services event in 2019*

We conclude that the FRA is good at involving partners and communities but needs to strengthen its evaluation to demonstrate the positive impact of its work.

Continuous improvement

The Auditor General certified that the FRA has met its legal duties for improvement planning and reporting and believes that is likely to meet the requirements of the Local Government (Wales) Measure 2009 during 2020-21.

The Auditor General confirmed in their [Annual Improvement Report 2019/2020 South Wales Fire and Rescue Authority \(issue date to be inserted\)](#):

[NOTE FOR FAPM COMMITTEE DRAFT VERSION: [Hyperlink to Annual Improvement Report 2019-2020 South Wales Fire and Rescue Authority to be inserted when issued](#)]

that “.....**STATEMENT TO BE INSERTED WHEN AUDIT WALES INTERNAL AUDIT ANNUAL IMPROVEMENT REPORT RECEIVED.....**”.

[NOTE FOR FAPM COMMITTEE DRAFT VERSION: [Statement to be inserted when Annual Improvement Report 2019-2020 issued.](#)]

5. How We Met Significant Governance Issues and Challenges for 2020-2021

Whilst Covid-19 had little impact on the committee governance arrangements in 2019/2020, one FRA meeting was cancelled, the 30 March 2020 FRA meeting. In this meeting SWFRA would usually have received annual reports from each of its committees and the Scrutiny group outlining the work that had been undertaken throughout the year, giving Members the opportunity to challenge and scrutinise any area as appropriate. This activity will resume next year.

Using the powers contained within the Coronavirus Act 2020, a new process to allow our Members to continue to run Authority meetings remotely was put in place for 2020/2021. Meetings of the Authority were held virtually using video conferencing software and were recorded for publication online. This will continue for the foreseeable future.

The Critical Incident Team (CIT) managed the Service's response to continuing developments of the pandemic to ensure compliance with Welsh Government measures and restrictions. The CIT met at least weekly to ensure that the Service evaluated all the information being forwarded by the UK and Welsh Governments and associated Public Health Organisations, putting in place provisions to safely serve the communities of South Wales and support partner organisations.

The Service has three distinct groups of employees: Operational staff (firefighters), Joint Fire Control staff and Corporate staff, all of whom were allocated as key workers. In order to continue to deliver critical services to the communities we serve the Service carried out robust risk assessments implementing actions to allow staff to socially distance, maintain good hygiene and work safely both within operational incidents and in the general workplace. Robust and effective processes to allow office-based staff to work from home were also implemented.

Operational response continued to operate as normal and the Service procured the required PPE (based on NFCC guidance) to ensure firefighters attending operational incidents were protected. The implementation of remote working allowed staff in certain roles to work from home. Staff were encouraged to do so whilst ensuring that all teams were represented effectively in the workplace.

Some activities such as working with young people, visiting schools, carrying out Safe and Well visits and Fire Safety Audits were temporarily minimised until safer and more innovative ways of delivering those services were developed. A very good level of service was delivered. We continued to ensure those most at risk were as safe as possible, whilst also introducing innovative ways to deliver our interventions. This work will continue in 2021/22.

The Covid 19 situation tested the Service's business continuity processes on a long term basis instigating a review and implementation of lessons learned providing more robust and integrated Business Continuity plans. A specific Strategic Covid-19 Risk was developed and associated control tasks implemented. The actions taken ensured that the effects of the pandemic were mitigated wherever possible.

Significant investment was made to enable remote working and facilitate improved engagement with stations and partners by the purchase and commission of video conferencing equipment at all Service locations. This substantial investment was partially supported with Welsh Government funding and will enable future improvements and development of the Service.

The Service worked closely with partners to provide assistance during the pandemic. Close working arrangements were made to support the Welsh Ambulance Service Trust (WAST) with volunteers across the Service providing driving support. The Service responded to numerous requests for support from partner agencies.

The Welsh Language (Wales) Measure 2011 replaced the Welsh Language Act 1993, and as part of the new legislation, in Wales the Welsh language has equal legal status with English and must not be treated less favourably. Public bodies no longer need to develop and implement Welsh Language Schemes but instead must now comply with a set of national Welsh Language Standards.

The Welsh Language Commissioner set out the [Standards that apply to SWFRA](#) in September 2016 along with any exemptions and their implementation dates. SWFRA received the internal annual report on compliance against the standards in 22 February 2021.

The Service continued to develop the Business Management Information System (BMIS) which enables the Service to link and display overall performance to help inform the Service of its progress and drive decision making. Over the last twelve months further functionality of the system was developed to establish additional internal assurance. The system was rolled out to stations to allow greater interaction and use of the system particularly the additional statistical data measures. A suite of Critical Incident Team (CIT) dashboards were developed which provides up to date information informing the Service's Covid response and decision making, including dashboards for Personal Protective Equipment Inventory on station, sickness absence levels for all staff groups and facility Covid Compliance.

The system continued to deliver our Business Plans and station Community Risk Management Plans (CRMPs), as well as statistical performance data (including incident statistics).

The Service's integrated Core HR and Payroll system successfully rolled out the online recruitment module enabling prospective employees to apply for posts electronically.

The aim of the Well-being of Future Generations Act 2015 is to improve the social, economic, environmental and cultural well-being of Wales.

The Service's statement of wellbeing is published in the [Strategic Plan 2020/2030](#) which is available on our [website](#).

We continued to work with local health boards to share information to identify the extent of unreported injuries resulting from fires to enable identification of potential vulnerable people or higher risk premises.

As one of the statutory partners on nine Public Service Boards, we continued to support the local Well-being Plans, and have evidenced through annual review how the goals are being achieved. We have ensured that we were able to deliver against the needs and expectations of each Public Service Board's objectives without impacting on the day-to-day service delivery of the organisation.

The Service maintained its co-location projects in a number of locations. Significant building works have continued this year. Due to Covid-19 there was been a need to review the schedules of works due to temporary materials issues and to enable Covid compliant working routines. The refurbishment of Pontypridd Fire Station was temporarily delayed at the beginning of the pandemic but is still planned to complete in the 2020/2021 financial year. Additional significant projects were the adoption of the facilities management of the Compartment Fire Behavioural Training facility at the Cardiff Gate Training Centre and start of the Electric Vehicle charging infrastructure works at the Headquarters site which will facilitate purchase of electric fleet vehicles. [\[NOTE FOR FAPM COMMITTEE DRAFT VERSION: This paragraph will be updated with the current position prior to publication of the Statement of Accounts.\]](#)

The Service maintained compliance with the National Framework for Fire and Rescue Services whilst also continuing to engage with the Welsh Government White Paper on Reform of Fire and Rescue Authorities in Wales.

The Service progressed the Job Evaluation project following the implementation of the revised structure for Green Book staff. The interview stage was completed. The analysis and subsequent pay modelling elements continued to be developed.

Changes to pension and tax legislation continued to provide challenges to the organisation. Regular updates on progress and emerging issues were reported to and monitored by the Local Pension Board.

The Accounts and Audit (Wales) (Amendment) Regulations 2018 set the requirement to approve and publish the accounts by 31 May and 31 July respectively. The internal closure of the accounts at year end was a successful project for the second year running and the 31 May deadline was met, although audited accounts were not published by 31 July 2020 as members of the public were unable to exercise their right to inspect the accounts and ask questions of the auditor, due to the Covid-19 outbreak.

In November 2018 the Welsh Government published for consultation a White Paper “Reform of Fire and Rescue Authorities in Wales”. A full consultation response on the proposed changes to governance, funding and performance management arrangements for FRAs was completed in February 2019. The Service will await Welsh Government’s response to the consultation and will consider the implications for both the SWFRA and the Service at this time.

Welsh Government published the Local Government and Elections (Wales) Bill in November 2019. The Authority monitored the Bill’s progress and actively engaged with the public consultation, the most recent of which was the response to the consultation on the Regulations to establish corporate joint committees.

The FRA continued to follow the progress of national negotiations on pay and the broadening of the firefighter role and continued to assess any consequent impacts upon the Authority.

The Service developed Biodiversity and Carbon Reduction plans.

This Annual Governance Statement is a reflection of the operation of the Service during the whole of the 2020/21 financial year and up to the date of approval of the publication of the Statement of Accounts.

6. Significant Governance Issues and Challenges for 2021/22

[NOTE FOR FAPM COMMITTEE DRAFT VERSION: The following section will be updated with the current position prior to publication of the Statement of Accounts.]

The Service will be maintaining its response to the Covid-19 Pandemic with the continuation of the CIT regime to access and respond to the latest UK and Welsh Government advice ensuring that we maintain operations and support in Covid compliant environments. The Service will also continue its support to partner agencies and continue to respond to calls for support as and when required. Recovery activities will be maintained and developed as we move through the progression of the pandemic.

The Strategic Covid-19 Risk and associated control tasks will continue to be monitored and the response tailored to emerging situations. The actions taken

will ensure that we continue to mitigate the effects of the pandemic on the Service and its work in our wider communities. However as the pandemic continues into 2021/22, the full and lasting effects are yet to be seen.

Using the powers contained within the Coronavirus Act 2020, meetings of the Authority will, for the foreseeable future, continue to be held virtually, using video conferencing software and recorded for publication online.

The Service will continue to safely deliver critical services to the communities we serve using the robust risk assessments by implementing actions to allow staff to socially distance, maintain good hygiene and work safely both within operational incidents and in the general workplace. The ability for office-based staff to work from home will be maintained.

Operational response will continue to operate as normal using required PPE (based on NFCC guidance) to ensure firefighters attending operational incidents are protected. Staff who can work from home are still encouraged to do so whilst ensuring that all teams are represented effectively in the workplace. The safer and more innovative ways of delivering services that were developed will be maintained and built upon during 2020/21.

Over the next 12 months the Service will continue the development of the Business Management Information System (BMIS) to both support the Covid-19 response and support business as usual.

The Service's integrated Core HR and Payroll system will again be further developed looking to rollout new modules which will further improve efficiency and internal processes.

The Service will complete the Job Evaluation Project and it is expected that in 2021/22 a new pay structure will be developed.

Changes to pension and tax legislation will continue to provide challenges to the organisation and the capacity to deal with the complex issues with existing resources continues to be of concern with various options continuing to be explored.

Public Sector Funding also remains a challenge. The impact of spending reductions in the public sector is a key issue for SWFRA and the settlements that local authorities face is always taken into account when SWFRA sets its annual budget. These factors are always carefully considered when determining the Medium Term Financial Strategy.

The Accounts and Audit (Wales) (Amendment) Regulations 2018 set the requirement to approve and publish the accounts by 31 May and 31 July, notwithstanding the Covid-19 pandemic plans and preparations for maintaining

the shortened timetable in 2021/22 are well underway using recent lessons learned.

When the Welsh Government provides its response to the consultation on the White Paper “Reform of Fire and Rescue Authorities in Wales”, the Service will consider the implications for both the SWFRA and the Service at this time and respond accordingly.

The Authority will continue to monitor the Local Government and Elections (Wales) Bill and take necessary actions as a consequence of the various Bill provisions being implemented.

The FRA will continue to follow the progress of national negotiations on pay and the broadening of the firefighter role and assess any consequent impacts upon the Authority.

Looking to longer term improvement and developments the Service will continue to progress the Biodiversity and Carbon Reduction plans and also implement actions in support of the Social Economic Duty.

The current Scrutiny Committee arrangements within the Authority are under review. It is envisaged the new Scrutiny Committee will cover wider organisational areas of scrutiny and thematic reviews within the Authority. The effect of these proposed reforms on the FAPM Committee and the HR & Equalities Committee and associated changes to the agreed terms of reference are being deliberated.

[NOTE FOR FAPM COMMITTEE DRAFT VERSION: The preceding paragraphs of this section will be updated with the current position prior to publication of the Statement of Accounts.]

[NOTE FOR FAPM COMMITTEE DRAFT VERSION: The progress comments in the Governance Action Plan 2020/2021 will be updated with the current position prior to publication of the Statement of Accounts.]

Governance Action Plan 2020/2021				
Issue	Action	Outcome	Completion Date	Progress
Reform of Fire and Rescue Authorities in Wales Lead Officer: Director Corporate Services	Respond to the requirements placed upon the organisation	The Service will be in compliance with requirements from Welsh Government and able to evidence robust Governance, Financial arrangements and performance management.	To be determined pending Welsh Government response to the White Paper.	The Service continues to proactively engage with Welsh Government. Once Welsh Government direction of travel is released the Service will implement necessary actions. This has been included as an action in the 2021/22 Governance Action Plan
Brexit Lead Officer: Director Technical Services	Provide adequate planning and resilience through the Brexit Process	The Service will continue to deliver all functions during the Brexit process and beyond.	Extended to September 2021 from original date of March 2021	Significant preparations have been made with regular internal meetings and updates. External meetings with Local Resilience Forums will ensure a consistent approach. This has been included as an action in the 2020/21 Governance Action Plan to monitor ongoing issues following withdrawal from the EU.

Governance Action Plan 2020/2021

Issue	Action	Outcome	Completion Date	Progress
Pensions Appeals Lead Officer: Director People Services	To implement the decisions of national pensions appeals in line with national guidance when issued.	Appeals determined	As per the national guidance.	The internal pensions appeals process has been fully supported and completed and we will monitor external appeals as appropriate.
Job Evaluation Lead Officer: Director People Services	The 227 Corporate (Green Book) posts within the Service will be reviewed to Ensure that our people are remunerated fairly in line with their current roles and responsibilities	Identify appropriate remuneration for individual roles.	September 2021	The interview stage was been completed. The analysis and subsequent pay modelling elements are expected to complete in the 2021/22 FY.
Biodiversity and Carbon Reduction Plan Lead Officer: Deputy Chief Officer	To seek to maintain and enhance biodiversity in the proper exercise of the Services functions, and in doing so promote the resilience of ecosystems.	Develop and implement the first 3 year plan to reduce the impact of the Service on the environment and support the Environmental objectives of the Wellbeing Future Generations Act.	March 2023	The Biodiversity and Carbon Reduction plans have been approved by the Fire Authority. The Service has recruited a Sustainability Officer to support the implementation of these plans.

Governance Action Plan 2020/2021

Issue	Action	Outcome	Completion Date	Progress
<p>Covid-19 Response and Recovery</p> <p>Lead Officer: Chief Fire Officer</p>	<p>To review the Services response to and recovery from the Covid-19 pandemic.</p> <p>Develop a Covid-19 Secure Workplace</p> <p>Deliver value for money and effective governance in a Covid-19 Environment.</p> <p>Identify new and innovative ways to deliver Services and Engage with the public in a post Covid-19 environment.</p>	<p>Improved business continuity plans to respond to and recover from future instances.</p> <p>A robust Service able to deliver services with less disruption.</p> <p>The Service maintains the high standards of conduct with regard to financial administration and corporate governance,</p> <p>New ways of working to safely deliver Services and engage with our communities in person, remotely and virtually.</p>	<p>March 2021</p>	<p>The CIT has operated throughout the pandemic to steer the Service response to emerging situations.</p> <p>The Service has implemented new working practices and implemented measures to provide a Covid secure workplace for all its staff.</p> <p>The Service has invested in new ICT equipment to improve engagement across all Service locations and with partners as well as supporting remote working.</p> <p>Operational response has been maintained and new innovative ways to educational, engagement and risk reduction services have been developed.</p>

[NOTE FOR FAPM COMMITTEE DRAFT VERSION: The progress comments in the Governance Action Plan 2020/2021 will be updated with the current position prior to publication of the Statement of Accounts.]

[NOTE FOR FAPM COMMITTEE DRAFT VERSION: The contents of the Governance Action Plan 2021/2022 will be updated as the position develops up until the publication of the accounts in 2021.]

Governance Action Plan 2021/2022				
Issue	Action	Outcome	Lead Officer	Completion Date
Reform of Fire and Rescue Authorities in Wales	Respond to the requirements placed upon the organisation	The Service will be in compliance with requirements from Welsh Government and able to evidence robust Governance, Financial arrangements and performance management.	Deputy Chief Officer (Director Corporate Services)	To be determined pending Welsh Government response to the White Paper.
Constitutional Documents	To review and update the Constitutional Documents of the Service	The constitutional documents will be updated to reflect the outcomes of both the Reform of Fire and Rescue Authorities in Wales and the Local Government and Elections (Wales) Bill taking necessary actions as a consequence implemented.	Deputy Chief Officer (Director Corporate Services)	To be determined pending Welsh Government guidance.
Brexit	Provide adequate planning and resilience through the Brexit Process	The Service will continue to deliver all functions during the Brexit process and beyond.	Director Technical Services	September 2021
Pensions Appeals	To implement the decisions of national pensions appeals in line with national guidance when issued.	Appeals determined	Director People Services	As per the national guidance.

Governance Action Plan 2021/2022

Issue	Action	Outcome	Lead Officer	Completion Date
Job Evaluation	The 227 Corporate (Green Book) posts within the Service will be reviewed to Ensure that our people are remunerated fairly in line with their current roles and responsibilities	Identify appropriate remuneration for individual roles. Completion of the process may involve the appropriate processing of appeals and the development of a new pay structure.	Director People Services	Q2 2021
Biodiversity and Carbon Reduction Plan	To seek to maintain and enhance biodiversity in the proper exercise of the Services functions, and in doing so promote the resilience of ecosystems.	Develop and implement the first 3 year plan to reduce the impact of the Service on the environment and support the Environmental objectives of the Wellbeing Future Generations Act.	Deputy Chief Officer	March 2023

Governance Action Plan 2021/2022

Issue	Action	Outcome	Lead Officer	Completion Date
Covid-19 Response and Recovery	<p>To review the Services response to and recovery from the Covid-19 pandemic.</p> <p>Maintain a Covid-19 Secure Workplace</p> <p>Deliver value for money and effective governance in a Covid-19 Environment.</p> <p>Identify new and innovative ways to deliver Services and Engage with the public in a post Covid-19 environment.</p>	<p>Improved business continuity plans to respond to and recover from future instances.</p> <p>A robust Service able to deliver services with less disruption.</p> <p>The Service maintains the high standards of conduct with regard to financial administration and corporate governance,</p> <p>New ways of working to safely deliver Services and engage with our communities in person, remotely and virtually.</p>	Chief Fire Officer	Extended to December 2021 from an original date of March 2021

Governance Action Plan 2021/2022

Issue	Action	Outcome	Lead Officer	Completion Date
Social Economic Duty	Implement the principles of the Socio – Economic Duty in our planning and reporting systems. To enable the when taking any strategic decision making, to have due regard of the need to reduce the inequalities resulting from socio-economic disadvantage.	Ensuring that strategic decisions made by the Service: <ul style="list-style-type: none"> • take account of evidence and potential impact through consultation and engagement • understand the views and needs of those impacted by the decision, particularly those who suffer socio-economic disadvantage • welcome challenge and scrutiny • drive a change in the way that decisions are made and the way that decision makers operate 	Deputy Chief Officer (Director Corporate Services)	October 2021

[NOTE FOR FAPM COMMITTEE DRAFT VERSION: The contents of the Governance Action Plan 2021/2022 will be updated as the position develops up until the publication of the accounts in 2021.]

Internal documents referred to in this statement can be found on our website at <https://www.southwales-fire.gov.uk/>

8. Summary Conclusion

[NOTE FOR FAPM COMMITTEE DRAFT VERSION: The evaluative summary conclusion will be updated following receipt and evaluation of 1)TIAA - Internal Audit Annual Report (expected March/April 2021) and 2)Audit Wales - Annual Improvement Report. This conclusion will also take into account any future developments in respect of the developing Covid-19 pandemic and the finalised progress comments.]

South Wales Fire and Rescue Authority recognises its responsibility as a public service organisation to both provide a vision for the community it serves and to lead by example in its decision making and other processes and actions, with Members and officers acting in accordance with high standards of conduct. The organisation operates in an economical, effective, efficient and ethical manner.

The Authority recognises that good governance provides the foundation for the delivery of good quality services that meet the needs of stakeholders and ensures that public money is well spent. The Authority considers that its governance arrangements for 2021/22 continue to be regarded as fit for purpose.

It is believed that that the scrutiny, internal and external audit processes as well as risk management have demonstrated that the Corporate Governance in this organisation is effective, existing arrangements are fit for purpose and the Authority is well placed to meet its aims and objectives, to achieve the intended outcomes for the community and service users.

The Authority is satisfied that appropriate governance arrangements are in place and remains committed to enhancing these through the implementation of the action plan for 2021/22.

9. Joint Statement by the Fire & Rescue Authority Chairperson and Chief Fire Officer

We propose to take steps to address all of the above matters to further enhance our governance arrangements during the coming year as outlined in the plan above. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review. However due to external influences beyond our control it may not be possible to achieve everything identified.

The Annual Governance Statement for 2021/22, will include an updated position against the governance issues identified in the 2020/21 Statement.

Signed:	Signed:
Fire & Rescue Authority Chairperson	Chief Fire Officer
Date:	Date:

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

AGENDA ITEM NO 18
 15 MARCH 2021

WALES AUDIT OFFICE ENQUIRIES TO ‘THOSE CHARGED WITH GOVERNANCE’ – DRAFT RESPONSE

SUMMARY

This report details a draft response to the Wales Audit Office paper on ‘Those Charged with Governance’ when approving financial statements.

RECOMMENDATIONS

That the Fire & Rescue Authority confirms its response to the Wales Audit Office questions, as detailed in Appendix 1 attached.

1. BACKGROUND

1.1 The Wales Audit Office (WAO) has requested a response from the Fire & Rescue Authority to a series of questions based on the draft paper ‘Audit Enquiries to those Charged with Governance’. Paragraphs 2.1 to 2.8 detail the rationale provided by the WAO behind their enquiry.

2. ISSUE

2.1 Those charged with governance are accountable for the quality of the Authority’s financial reporting. The respective responsibilities towards the financial statements are set out in the Statement of Responsibilities of Auditors and of Audit Bodies, which states that:

2.1.1 *“The financial statements, which comprise the published accounts of the audited body, are an essential means by which it accounts for its stewardship of the resources at its disposal and its financial performance in the use of those resources. It is the responsibility of the audited body to:*

- *put in place systems of internal control to ensure the regularity and lawfulness of transactions;*
- *maintain proper accounting records; and*
- *prepare financial statements that give a true and fair view of the financial position of the body and its expenditure and income and that are in accordance with applicable laws, regulations and accounting policies.”*

2.2 The responsibilities of the Authority in respect of the financial statements are also summarised as part of those statements in the Statement of

Responsibilities for the Statement of Accounts. This is signed on the Authority's behalf by the Treasurer.

2.3 The Statement of Responsibilities of Auditors and of Audited Bodies goes on to say that:

2.3.1 *“Auditors audit the financial statements and give their opinion, including:*

- *whether they give a true and fair view of the financial position of the audited body and its expenditure and income for the year in question; and*
- *whether they have been prepared properly in accordance with relevant legislation and applicable accounting standards.*

In carrying out their audit of the financial statements, auditors will have regard to the concept of materiality.”

2.4 The WAO approach to enable them to give their opinion on the Authority's financial statements is guided by the International Standards of Auditing (ISAs). A number of these ISAs require the WAO to make specific enquiries of those charged with governance.

2.5 This paper focuses on the requirement of four key ISAs:

- ISA 240 – auditor's responsibility to consider fraud in an audit
- ISA 250 – consideration of laws and regulations in an audit of financial statements
- ISA 570 – going concern
- ISA 580 – management representations

2.6 The WAO approach also takes into account the Auditing Practices Board Practice Note 10, Audit of Financial Statements of Public Sector Bodies in the UK (PN10).

2.7 The enquiry paper is structured by each of the above ISAs, briefly summarising the requirements, then setting out a series of questions to those charged with governance.

2.8 Towards the end of the audit, they will be asking that a Letter of Representation is provided. This letter will include reference to the consideration of a number of the issues contained in this paper, in addition to any specific assertions required as a result of the audit work carried out on the financial statements.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications arising directly from this report. However, the WAO is seeking an assurance that it can rely on the statements within the Letter of Representation in respect of all financial matters relating to fraud issue.

4. RECOMMENDATION

- 4.1 That the Fire & Rescue Authority confirms its response to the Wales Audit Office questions, as detailed in Appendix 1 attached.

Contact Officer:	Background Papers:
Geraint Thomas Head of Finance & Procurement	Audit Enquiries to those Charged with Governance

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Appendix 1

Matters in relation to fraud

International Standard for Auditing (UK and Ireland) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance', which for South Wales Fire and Rescue Authority is the Fire and Rescue Authority. Management, with the oversight of the Fire and Rescue Authority, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- the intentional misappropriation of assets (cash, property, etc); or
- the intentional manipulation or misstatement of the financial statements.

We also need to understand how the PASC exercises oversight of management's processes. We are also required to make enquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud. for identifying and responding to the risks of fraud and the internal controls established to mitigate them.

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
<p>1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud and what are the principal reasons?</p> <p>[For 2020-21 please set out how the COVID-19 pandemic has affected your risk assessment].</p>	<p>We consider the risk to be minimal and are not aware of any fraud that would impact materially on our financial statements. Robust internal controls, internal audit annual reviews including key financial controls and counter fraud policies exist to reduce risks in this area.</p>	<p>We consider the risk to be minimal and are not aware of any fraud that would impact materially on our financial statements. Robust internal controls, internal audit annual reviews including key financial controls and counter fraud policies exist to reduce risks in this area.</p> <p>Throughout the COVID pandemic the service has remained operational and responded to the challenges by creating a Critical Incident Team, with a specific command structure to manage every area of the service. Risks and control measures specific to COVID were developed and added to the corporate risk register and monitored on a monthly basis. With all departments operating at near full capacity albeit with remote working and rotas for attendance at HQ, existing controls and policies remain in place to maintain the stance that risks of misstatement to the financial statements be minimal.</p>
<p>2. What processes are employed to identify and respond to the risks of fraud more generally and specific risks of misstatement in the financial statements?</p>	<p>Robust systems of internal controls exist and are tested through a programme of planned internal audits each year. Financial regulations, Anti-Fraud Policy and procurement procedures provide an operating framework for all personnel. Personnel have previously completed a fraud awareness e-learning package. The controls</p>	<p>Robust systems of internal controls exist and are tested through a programme of planned internal audits each year. Financial regulations, Anti-Fraud Policy and procurement procedures provide an operating framework for all personnel. Personnel have previously completed a fraud awareness e-learning package. The controls</p>

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
	in place have successfully identified previous cases of fraud and act as a deterrent.	in place have successfully identified previous cases of fraud and act as a deterrent.
3. What arrangements are in place to report fraud issues and risks to the Fire and Rescue Authority?	The Anti-Fraud and Corruption policy, Whistle-blowing policy, fraud response plan and associated organisational procedures exist and provide the necessary reporting guidelines.	The Anti-Fraud and Corruption policy, Whistle-blowing policy, fraud response plan and associated organisational procedures exist and provide the necessary reporting guidelines.
4. How has management communicated expectations of ethical governance and standards of conduct and behaviour to all relevant parties, and when?	The senior management team through consultation with its middle managers has adopted a comprehensive set of values which have been disseminated to all staff with guidance on how these values should be exhibited. These values are supported by a comprehensive suite of policies and procedures which are constantly being reviewed through working groups and when finalised communicated to staff in various ways. A standards and expectations policy has been drafted through engagement with middle leaders which sets out the standards that all employees are expected to meet in a number of areas related to conduct and behaviour. This complements Appendix 5 of General Standing Orders which outlines Officers code of conduct, applicable to all staff.	The senior management team through consultation with its middle managers has adopted a comprehensive set of values which have been disseminated to all staff with guidance on how these values should be exhibited. These values are supported by a comprehensive suite of policies and procedures which are constantly being reviewed through working groups and when finalised communicated to staff in various ways. A standards and expectations policy has been drafted through engagement with middle leaders which sets out the standards that all employees are expected to meet in a number of areas related to conduct and behaviour. This complements Appendix 5 of General Standing Orders which outlines Officers code of conduct, applicable to all staff.

Enquiries of management - in relation to fraud

Question	2019-20 Response	2020-21 Response
5. Are you aware of any instances of actual, suspected or alleged fraud within the audited body since 1 April 2020?	There have been no instances of actual or suspected fraud since 1st April 2019.	There have been no instances of actual or suspected fraud since 1st April 2020.
6. Are you aware of any fraud within the RCT Pension Fund (Service organisation) since 1 April 2020? [RCT are considered as a service organisation as they administer the FireFighters' Pension Scheme on behalf of the Fire Authority.]	We are not aware of any fraud within the RCT pension fund since 1st April 2019.	We are not aware of any fraud within the RCT pension fund since 1st April 2020.

Enquiries of those charged with governance – in relation to fraud

Question	2019-20 Response	2020-21 Response
1. How does the Performance, Audit and Fire and Rescue Authority exercise oversight of management's processes for identifying and responding to the risks of fraud within the audited body and the internal control that management has	The FAPM committee undertakes this role on behalf of the Fire and Rescue Authority. The FAPM committee scrutinise the corporate risk register and internal audit reports to ensure risks are managed and controls are robust.	The FAPM committee undertakes this role on behalf of the Fire and Rescue Authority. The FAPM committee scrutinise the corporate risk register on which it receives quarterly reports. They also scrutinise internal audit reports to ensure risks are managed and controls are robust.

Enquiries of those charged with governance – in relation to fraud

Question	2019-20 Response	2020-21 Response
established to mitigate those risks?		
2. Are you aware of any instances of actual, suspected or alleged fraud with the audited body since 1 April 2020?	There have been no instances of actual or suspected fraud since April 2019	There have been no instances of actual or suspected fraud since April 2020

Appendix 2

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance (the Fire and Rescue Authority), is responsible for ensuring that the South Wales Fire & Rescue Authority's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make inquiries of management and the Fire and Rescue Authority as to whether South Wales Fire & Rescue Authority is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance, we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Enquiries of management – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
<p>1. How have you gained assurance that all relevant laws and regulations have been complied with?</p> <p>[For 2020-21 please set out the key changes to laws and regulations arising from the COVID-19 pandemic affecting the authority and how assurance was obtained about compliance].</p>	<p>The Deputy Chief Officer in her role as Director of Corporate Services and Monitoring Officer has a general advisory role to the Fire and Rescue Authority. As a qualified Solicitor she and the Head of Business Support are supported by a legal services officer and specialist external legal advisors. In his role as responsible financial officer (S112) the treasurer to the authority also ensures compliance with up to date regulations and guidance relating to the financial reporting. The treasurer is supported by three qualified accountants within the Finance Department.</p>	<p>The Deputy Chief Officer in her role as Director of Corporate Services and Monitoring Officer has a general advisory role to the Fire and Rescue Authority. As a qualified Solicitor she and the Head of Business Support are supported by a legal services officer and specialist external legal advisors. In his role as responsible financial officer (S112) the treasurer to the authority also ensures compliance with up to date regulations and guidance relating to the financial reporting. The treasurer is supported by three qualified accountants within the Finance Department.</p>
<p>2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations since 1 April 2020, or earlier with an ongoing impact on the 2020-21 financial statements?</p>	<p>Management are not aware of any non-compliance with relevant laws or regulations in 2019/20.</p>	<p>Management are not aware of any non-compliance with relevant laws or regulations in 2020/21.</p>
<p>3. Are there any potential litigations or claims that would affect the financial statements?</p>	<p>All litigations or claims are explicitly disclosed or recorded as contingent liabilities in the financial statements.</p>	<p>All litigations or claims are explicitly disclosed or recorded as contingent liabilities in the financial statements.</p>
<p>4. Have there been any reports from other regulatory bodies,</p>	<p>Management are not aware of any such non-compliance.</p>	<p>Management are not aware of any such non-compliance.</p>

such as HM Revenues and Customs which indicate non-compliance?		
5. Are you aware of any non-compliance with laws and regulations within RCT Pension Fund (service organisation) since 1 April 2020?	Management are not aware of any such non-compliance.	Management are not aware of any such non-compliance.

Enquiries of those charged with governance – in relation to laws and regulations

Question	2019-20 Response	2020-21 Response
1. How does the Fire and Rescue Authority in its role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	The Fire and Rescue Authority adopts a system of sub committees and working groups together with designated lead members for specific areas of work, through this framework members are able to effectively scrutinize the processes and actions taken to ensure compliance has taken place.	The Fire and Rescue Authority adopts a system of sub committees and working groups together with designated lead members for specific areas of work, through this framework members are able to effectively scrutinize the processes and actions taken to ensure compliance has taken place.
2. Are you aware of any instances of non-compliance with relevant laws and regulations?	The Fire and Rescue Authority are not aware of any instances of non-compliance with laws or regulation in 2019.20.	The Fire and Rescue Authority are not aware of any instances of non-compliance with laws or regulation in 2020.21

Appendix 3

Matters in relation to related parties

International Standard for Auditing (UK and Ireland) 550 covers auditors' responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Enquiries of management – in relation to related parties

Question	2019-20 Response	2020-21 Response
<p>1. Confirm that you have disclosed to the auditor:</p> <ul style="list-style-type: none"> • the identity of any related parties, including changes from the prior period; • the nature of the relationships with these related parties; • details of any transactions with these related parties entered into during the period, including the type and purpose of the transactions. 	<p>All appropriate accounting and disclosures in respect of related parties will be disclosed to the auditor and recorded within the relevant section of the annual statement of accounts.</p>	<p>All appropriate accounting and disclosures in respect of related parties will be disclosed to the auditor and recorded within the relevant section of the annual statement of accounts.</p>
<p>2. What controls are in place to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>An annual disclosure for the Statement of Accounts is required for all senior officers and any officer with budget responsibility to declare any related party transactions in accordance with IAS 24. Each year at the AGM members sign a declaration of interests which is also held on file.</p>	<p>An annual disclosure for the Statement of Accounts is required for all senior officers and any officer with budget responsibility to declare any related party transactions in accordance with IAS 24. Each year at the AGM members sign a declaration of interests which is also held on file.</p>

Enquiries of those charged with governance – in relation to related parties

Question	2019-20 Response	2020-21 Response
<p>1. How does the Fire and Rescue Authority in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?</p>	<p>Through FAPM scrutiny, forward work programmes and Fire and Rescue Authority approval of the annual statement of accounts.</p>	<p>Through FAPM scrutiny, forward work programmes and Fire and Rescue Authority approval of the annual statement of accounts.</p>

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**FORWARD WORK PROGRAMME FOR
FINANCE, AUDIT & PERFORMANCE MANAGEMENT COMMITTEE 2020/21**

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	ACFO SD Contact Officer: Sarah Watkins	
As required	WAO Reports	To advise Members of the conclusions of WAO Reports and to consider the implications for the Service	DCO Contact Officer: Sally Chapman	
15 June 2020	Revenue Outturn	To advise on total revenue expenditure for the year against the set revenue budget following the year end and to explain variations	Treasurer/DCO Contact Officer: Geraint Thomas	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
15 June 2020	Capital Outturn	To advise on total capital expenditure for the year against the set capital budget following the year end and to explain variations	Treasurer/DCO Contact Officer: Geraint Thomas	Completed
15 June 2020	Draft Statement of Accounts	To advise Members of the content of the Draft Statement	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	Completed
27 July 2020 21 Sept 2020	Statement of Accounts (Revenue and Capital) for 2019/20 budget	To seek Members' approval for publication of the Statement of Accounts.	Treasurer Contact Officer: Geraint Thomas	Deferred to full Fire Authority on 28 September 2020
27 July 2020	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	Completed
27 July 2020	Update on COVID-19 Expenditure	To provide an update on the revenue spend and budget commitments to date.	Treasurer Contact Officer: Geraint Thomas	Completed
21 Sept 2020	Health Check of Priority Actions and Q1 progress against the Statutory PI's	To scrutinise the issues in relation to each of the Priority Actions and to review what the Service has planned to do to address each issue in the current financial year, and review Q1 progress against each of the statutory PI's	DCO Contact Officer: Sarah Watkins	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
21 Sept 2020	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	Completed
21 Sept 2020	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	Completed
21 Sept 2020	Treasury Management Outturn Report	To advise on performance against the treasury management policy and strategy following financial year end	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	Completed
21 Sept 2020	Medium Term Financial Strategy Update, Reserves Strategy and Revenue & Capital Budget Setting Report	To update Members on the MTFS to inform and influence the 2021/22 budget setting process to meet the Service's requirements for the following financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	Completed
21 Sept 2020	Audit Wales Involvement Review	To present to Members the conclusion of the Audit Review	DCO Contact Officer: Sally Chapman	Completed

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
23 Nov 2020	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	Completed
23 Nov 2020	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	Completed
23 Nov 2020	Revenue & Capital Budget Setting Update Report	To assist in determining the appropriate revenue & capital budget required to meet the Service's requirements for the financial year	Treasurer/DCO Contact Officer: Chris Barton/ Geraint Thomas	Completed
23 Nov 2020	Audit & Plan Scheme Updates	To seek Members' views upon the progress of Audit & Plan Scheme Actions	DCO Contact Officer: Sarah Watkins	Completed
23 Nov 2020	Treasury Management Interim Report	To update Members on treasury management activity during the year to date	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	Completed
15 March 2021	Treasury Management Strategy Report	To secure Members' approval to the adoption of the Treasury Management Strategy 2021/22	Treasurer Contact Officer: Chris Barton/ Geraint Thomas	On agenda

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
15 March 2021	Health Check of Priority Actions and Q3 progress against the Statutory PI's	To scrutinise the issues in relation to each of the Priority Actions and to review what the Service has planned to do to address each issue in the current financial year, and review Q3 progress against each of the statutory PI's	DCO Contact Officer: Sarah Watkins	On agenda
15 March 2021	Draft Annual Report of the Work of the FAPM Committee and the Discharge of the Terms of Reference of the Finance, Asset & Performance Management Scrutiny Group	To consider the draft report on the annual work of the Committee before its submission to the Fire Authority and to ensure the Authority has efficient use of resources and robust procedures in place to ensure and manage this.	Chair of FAPM, Chair of Scrutiny Group & DCO Contact Officer: Sally Chapman	On agenda
15 March 2021	Revenue Monitor	To provide an update on revenue expenditure against the revenue budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	On agenda
15 March 2021	Capital Monitor	To provide an update on capital expenditure against the capital budget for the year	Treasurer/DCO Contact Officer: Geraint Thomas	On agenda
15 March 2021	Internal Audit Programme	To outline the planned internal audit coverage for the financial year and to seek comment and approval	DCO Contact Officer: Sally Chapman/ Geraint Thomas	On agenda

Expected Date of Report	Report Name	Purpose of Piece of Work	Lead Director/ Contact Officer	Progress
15 March 2021	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: Sally Chapman/ Geraint Thomas	On agenda
15 March 2021	Corporate (Strategic) Risk Register	To seek Members' views upon the Corporate (Operational) Risk Register	DCO Contact Officer: Sarah Watkins	On agenda
15 March 2021	Register of Gifts and Hospitality	To advise Members of gifts and hospitality accepted and declined by Members and Officers during the year	DCO Contact Officer: Sally Chapman	On agenda
15 March 2021	Job Evaluation	To agree the Job Evaluation outcomes for the Service	ACO PS Contact Officer: Gill Goss	Deferred

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

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

AGENDA ITEM NO 20

**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 23 November 2020 5
 - Finance, Asset & Performance Management Scrutiny Group held on 12 October 2020 9
5. Treasury Management Strategy 2021/22 17
6. Health Check of Priority Actions and Q3 progress against the Statutory PI's 45
7. Draft Annual Report of the Work of the Finance Audit & Performance Management Committee and the Discharge of the Terms of Reference of the Finance, Asset & Performance Management Scrutiny Group 83
8. Revenue Monitoring Report 2020/21 99
9. Capital Monitoring Report 2020/21 117
10. Internal Audit Report 125
11. Internal Audit Annual Plan 2021/2022 171
12. Internal Auditors Annual Report year ending 31 March 2021 195
13. Completion of 2019/20 Accounts 203

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14.	Proposed new Terms of Reference for Scrutiny Committee	219
15.	Strategic Risk Register Report 2020/21 Quarter 3	245
16.	Register of Gifts and Hospitality	297
17.	Second draft of Annual Governance Statement 2020/21	303
18.	Wales Audit Office enquiries to 'Those Charged with Governance' – Draft Response	331
19.	Forward Work Programme 2020-21	347
20.	To consider any items of business that the Chairperson deems urgent (Part 1 or 2)	353