

AWDURDOD TÂN AC ACHUB GOGLEDD CYMRU



NORTH WALES FIRE AND RESCUE AUTHORITY

A meeting of the NORTH WALES FIRE AND RESCUE AUTHORITY will be held MONDAY 15 MARCH 2021 virtually via Zoom. The meeting will commence at 9:30am.

Yours faithfully

Colin Everett
Clerk

AGENDA

- 1. Apologies**
- 2. Declarations of Interest**
- 3. Notice of Urgent Matters**

Notice of items which, in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B (4) of the Local Government Act, 1972.
- 4. Minutes of meeting held on 9 November 2020**
- 5. Matters Arising**
- 6. Chair's Report (verbal report)**
- 7. COVID-19 Update (verbal report)**
- 8. Improvement and Well-being Plan 2021/22**
- 9. Safe and Well Checks**
- 10. Provisional Outturn 2020/21**
- 11. Budget Update 2021/22**
- 12. Capital Strategy 2021/22 – 2023/24**
- 13. Pay Policy Statement 2021/22**
- 14. Financial Reserves Strategy**

15. Standards Committee Annual Report

16. Urgent Matters

To consider any items which the Chair has decided are urgent (pursuant to Section 100B (4) of the Local Government Act, 1972) and of which substance has been declared under item 2 above.

PART II

It is recommended pursuant to Section 100A (4) of the Local Government Act, 1972 that the Press and Public be excluded from the meeting during consideration of the following item(s) of business because it is likely that there would be disclosed to them exempt information as defined in Paragraph(s) 12 to 18 of Part 4 of Schedule 12A of the Local Government Act 1972.

17. Appointment of Chief Fire Officer

Report to	North Wales Fire and Rescue Authority
Date	15 March 2021
Lead Officer	Shân Morris, Assistant Chief Officer (Corporate Policy and Planning)
Contact Officer	Pippa Hardwick, Corporate Planning Manager (01745 535286)
Subject	Corporate Plan 2021-24



PURPOSE OF REPORT

- 1 To present for approval the final draft Corporate Plan 2021-24.

EXECUTIVE SUMMARY

- 2 The Fire and Rescue Authority (the Authority) is required to publish improvement and well-being objectives and to have involved the public and other stakeholders in the process of developing those objectives.
- 3 This report presents for Members' approval the final draft Corporate Plan 2021-24. The objectives within the plan were revised and expanded following feedback from the Well-being of Future Generations Commissioner.

RECOMMENDATIONS

- 4 That Members approve the final draft Corporate Plan 2021-24 for publication on the Authority's website before the end of March 2021.

OBSERVATIONS FROM THE EXECUTIVE PANEL

- 5 This report has not previously been considered by the Executive Panel. However, at the November 2020 FRA meeting, Members agreed that the draft Improvement and Well-being Plan 2021/22 be developed based on a continuation of the Authority's 2020/21 improvement and well-being objectives.

BACKGROUND

- 6 Fire and rescue authorities in Wales are required to publish improvement objectives in accordance with the Local Government (Wales) Measure 2009, and well-being objectives in accordance with the Well-being of Future Generations (Wales) Act 2015. For the purposes of the Authority's planning processes these are treated as one and the same and are referred to as the Authority's corporate objectives.

- 7 By law the Authority must endeavour to improve its services in the short term and to consider the well-being of future generations of people in the area in the longer term. Its adopted well-being objectives must contribute to meeting Wales' well-being goals, and the Authority must be able to demonstrate that it is taking all reasonable steps (in exercising its functions) to achieve its objectives.
- 8 The Authority must also publish a statement explaining how meeting the objectives will contribute to achieving the national well-being goals and why it considers it has set well-being objectives in accordance with the sustainable development principle. This statement must set out the more immediate steps that the Authority proposes to take to meet those objectives.

INFORMATION

- 9 Feedback from the Well-Being of Future Generations Commissioner in 2019 suggested the need for the Authority to increase the number of objectives that it was pursuing. This was based on an interpretation of Section 3(2)(a) of the Well-being of Future Generations Act 2015 that a public body must set and publish objectives "...that are designed to maximise its contribution to achieving each of the well-being goals".
- 10 Members will recall that the well-being goals for Wales are to achieve: a prosperous Wales; a resilient Wales; a healthier Wales; a more equal Wales; a Wales of cohesive communities; a Wales of vibrant culture and thriving Welsh language; and a globally responsible Wales.
- 11 The attached Corporate Plan 2021-24 is based on the Authority's long term objectives (retitled as 'corporate objectives' to accommodate anticipated legal changes to reporting requirements). This set of objectives was revised and expanded to reflect the Commissioner's feedback and was approved by the Authority in March 2020.
- 12 Supporting the delivery of the seven corporate objectives is a suite of shorter-term steps that have been linked to the seven well-being goals for Wales using the resources provided on the Well-being of Future Generations website.

IMPLICATIONS

Well-being Objectives	The Corporate Plan summarises the Authority's well-being objectives, and details the actions that it proposes to take to pursue those objectives.
Budget	The Authority's plans for each financial year reflect the level of financial resources available to achieve them. Planned actions for 2021/22 have been taken into account when setting the budget for that year.
Legal	Publishing the Corporate Plan by the end of March will support compliance with improvement planning and well-being legislation.
Staffing	None identified.
Equalities/Human Rights/Welsh Language	The impact of specific actions on these aspects will be assessed at the appropriate point in their development.
Risks	Publishing the Corporate Plan reduces the risk of legal non-compliance and of failing to budget and plan appropriately.

Report to	North Wales Fire and Rescue Authority
Date	15 March 2021
Lead Officer	Richard Fairhead, Assistant Chief Fire Officer
Contact Officer	Paul Scott, Senior Fire Safety Manager 01745 535286
Subject	Safe and Well Checks



PURPOSE OF REPORT

- 1 The purpose of this report is to advise Members of the impact that recent COVID 19 restrictions have had on the number of Safe and Well Checks (SAWCs) carried out by the Service this year, and the possible effect on the Authority's annual target for delivering SAWCs.

EXECUTIVE SUMMARY

- 2 COVID-19 restrictions have meant that North Wales Fire and Rescue Service (the Service) has had to amend its delivery model for SAWCs by carrying out the majority via telephone. The reduced number of visits that have been undertaken in person during this time have been limited to the homes of people at particularly high risk from fire. All such visits have been subject to stringent risk assessments in order to safeguard both the householder(s) and the Service's staff.
- 3 Consequently, the end of year projection for the number of SAWCs delivered during this financial year indicates a potential 40% shortfall against the Authority's annual target of 20,000 checks.
- 4 While COVID-19 restrictions remain in place and even when restrictions are lifted it is likely that the Service will need to review and potentially find alternatives to its normal delivery model for SAWCs. The Authority may therefore need to consider amending its annual target for delivering these checks in future years.

OBSERVATIONS FROM THE EXECUTIVE PANEL

- 5 This report was considered by the Executive Panel at its meeting on 15 February and Members agreed the recommendations noted below.

RECOMMENDATIONS

- 6 Members are asked to:
 - a. note the possible shortfall in the number of Safe and Well Checks delivered in this financial year against the target of 20,000 that was set before the COVID-19 pandemic; and
 - b. note that there is potential, dependent on COVID-19, for the Service to be unable to achieve its annual target of 20,000 SAWCS in 2021/22.

BACKGROUND

- 7 Members will be aware that following the Chief Fire Officer's Task Group Report in 2007 (reviewed 2009), North Wales Fire and Rescue Authority adopted an annual target of delivering 30,000 Home Fire Safety Checks (HFSC). On the basis that there were around 300,000 dwellings in North Wales, the strategy was based on the potential to visit every home within a ten year period.
- 8 A reduction in the capital funding from the Welsh Government in 2015 for single point smoke detectors meant reducing the annual target from 30,000 to 20,000.
- 9 Since that time the capital funding has remained the same but the unit cost of detectors has increased, so reducing the number that can be purchased.

INFORMATION

- 10 With the announcement of the first COVID-19 lockdown in Wales in late March 2020 the Service stopped carrying out face to face SAWCs to comply with the lockdown restrictions and to protect both the community and staff who would otherwise carry out SAWCs.
- 11 As an alternative to visiting homes in person the Service began to carry out more SAWCs by telephone. If it was identified that smoke detectors were required arrangements were made to leave these at the property. Some of the staff who would normally carry out SAWCs in person have been deployed to other duties including supporting the multi-agency response to COVID 19.

- 12 In August 2020, with strict risk assessments in place, the Service reviewed its decision and re-commenced face to face delivery of SAWCs to individuals who had been assessed as being particularly vulnerable and at a high risk from fire.
- 13 Between 1 April 2020 and 31 January 2021 the Service carried out a total of 9,919 SAWCs. Of those, 2,229 were carried out in person at the property, and the remaining 7,690 by telephone. Of those conducted by telephone, 2,512 required the delivery of a smoke detector to the property. This year to date, over 33% of the SAWCs completed have been undertaken in response to a referral from a partner agency.
- 14 It is estimated that the total SAWC figure for 2020/21 will be in the region of 12,000 with approximately 9,000 of these being phone based. This does not meet the target of 20,000 SAWCs that was previously set by the Authority, but as the pandemic continues it is considered appropriate to continue with the current method of delivery.
- 15 In the event that restrictions are lifted later in 2021 the Service will consider returning to delivering all SAWCs face to face whilst taking into account the learning developed during the period of the restrictions. The benefit of delivering SAWCs by telephone to those householders assessed as being at 'low risk' has been recognised and may well form part of the SAWC delivery strategy in future years. It is however, unlikely that restrictions will be fully lifted from April 2021 so the Service will keep delivery methods under review during 2021/22 with the aim of limiting 'face to face' delivery to those households assessed as being at highest risk from fire.
- 16 Despite the reduced number of SAWCs delivered in 2020/21 and the revised delivery model, the Service's focus continues to be on providing SAWCs to those people at highest risk of dying in an accidental dwelling fire. We will continue to work with partners to identify the most vulnerable in our communities and provide appropriate SAWCs to those households.

IMPLICATIONS

Well-being Objectives	There will be an anticipated shortfall in SAWCs delivered against the target this year. The longer term objective of working towards making improvements to the health, safety and well-being of people in North Wales remains.
Budget	Potential for the grant funding to be reduced in coming years.
Legal	None identified.
Staffing	None identified. Some staff normally delivering SAWCs in person have been deployed to other duties temporarily.
Equalities/Human Rights/ Welsh Language	The focus remains on delivering to those at highest risk from fire, which includes within the assessment consideration of personal characteristics such as age and disability. SAWCs continue to be available through the medium of English or Welsh.
Risks	Potential community risks of increased fires and fire casualties addressed by continuing to deliver SAWCs in a more targeted way.

Report to	North Wales Fire and Rescue Authority
Date	15 March 2021
Lead Officer	Ken Finch - Treasurer
Contact Officer	Helen Howard, Head of Finance 01745 535286
Subject	Provisional Outturn 2020/21



PURPOSE OF REPORT

- 1 This reports sets out the projected outturn position for the 2020/21 financial year as at 31 January 2021. This includes an overview of revenue and capital income and expenditure.

EXECUTIVE SUMMARY

- 2 The Authority approved a revenue budget of £35.9m at its meeting on 16 December 2019. The forecast outturn position remains that the Authority will achieve a breakeven against this budget, including a transfer of £0.1m to earmarked reserves.
- 3 The Authority approved a capital budget of £4.1m on 16 December 2019. Due to the restrictions faced by the Covid-19 pandemic, this has been reviewed and expenditure revised to £0.15m.

RECOMMENDATIONS

- 4 Members are asked to:
 - (i) note the draft revenue and capital outturn positions as detailed within the report; and
 - (ii) approve the budget realignment request.

OBSERVATIONS FROM EXECUTIVE PANEL/AUDIT COMMITTEE

- 5 This report has not previously been considered by Members.

BACKGROUND

- 6 This report provides information on the projected revenue and capital expenditure outturn position for the 2020/21 financial year.

INFORMATION

REVENUE BUDGET

- 7 The table below sets out the projected revenue outturn position for the 2020/21 financial year. This confirms a projected breakeven position against the budget of £35.942m.

Budget heading	Budget £'000	Projection £'000	Variance £'000
Employees	27,069	25,866	-1,203
Premises	2,475	2,991	516
Transport	1,004	1,010	6
Supplies, Services and Third Party Payments	5,145	6,099	954
Capital Financing	2,836	2,591	-245
Income	-2,587	-2,719	-132
Transfers to/from reserves	0	104	104
Total	35,942	35,942	0

Employee Costs

- 8 For the 2020/21 financial year, the budget for expenditure relating to employees is £27.07m which represents 72% of gross expenditure. The draft outturn forecast is an underspend position of £1.2m. This is due to a significant number of vacancies within firefighter and business fire safety apprentices, retained firefighters and other support roles. Due to the COVID-19 pandemic it has not been possible to progress the recruitment of all posts although these posts remain critical to achieving the Authority's objectives.
- 9 The budget setting process included an assumption that pay awards would be 2% for all staff. The pay awards were finalised during August and September and were agreed at 2.75% for LGPS staff (green book) and 2% for firefighting (grey book) staff. For 2020/21 it has been possible to meet the additional costs from in year vacancy savings.
- 10 The underspend in relation to pay costs will be utilised to fund the new fire kit, which was originally to be funded from borrowing.

Premises

- 11 The budget for premises is £2.47m and an overspend of £0.517m is projected. The projected overspend includes a charge for business rates arising from a backdated valuation amendment and costs relating to the COVID-19 pandemic expenditure for buildings.

Transport

- 12 The projected expenditure for transport related costs is £1.0m which is broadly in line with the budget. In year expenditure includes additional costs arising from legislative requirements relating to the replacement of tyres and also costs arising from adjustments necessary to ensure continuity of service during the COVID-19 pandemic.

Supplies

- 13 The projected expenditure on supplies amounts to £6.1m which is an overspend of £0.95m against budget. This includes increased costs in relation to computer licences and maintenance, as well as increased costs in relation to transformation projects including agile working and higher levels of personal protection equipment as a result of the COVID-19 pandemic. The projected outturn position also includes £0.765m relating to the purchase of the new fire kit.

Capital Financing

- 14 The capital financing budget is £2.84m. The capital financing costs include the charge to revenue for depreciation and also the cost of borrowing. There is an anticipated underspend of £0.2m which reflects the reductions in the 2019/20 and 2020/21 capital programmes. This forecast anticipates that interest rates will remain at their current level.

Income

- 15 The income budget is £2.58m, of which £2.21m relates to grant funding. Anticipated income (excluding grants) is £0.43m, of which £0.1m relates to the Local Resilience Forum.

Reserves

- 16 Due to the COVID-19 pandemic, a number of delays have been experienced in relation to the completion of projects. It is anticipated that £0.1m will be included in the earmarked reserves to enable these projects to be completed during 2021/22. There is potential for this to increase, depending on the amount of work that is completed by the end of March.

Revenue Grant Funding

17 A breakdown of grant funding, for 2020/21, is detailed below.

Grant Details	Allocation £
Arson Reduction	157,170
Safe and Well Checks	223,300
Phoenix	147,980
National Resilience	154,256
Firefighters Pension Contributions	1,110,766
Firelink	415,600
Total Grant Funding	2,209,072

Revised Revenue Budget

18 During the course of the year it has been necessary to review the allocation of the budget across the income and expenditure headings. The table below provides details of the original and revised budgets.

Budget heading	Budget agreed in Nov 2020 £'000	Revised £'000	Adjustment £'000
Employees	27,181	27,069	-112
Premises	2,461	2,475	14
Transport	1,009	1,004	-5
Supplies and Services	4,564	4,684	120
Third Party Payments	461	461	0
Capital Financing	2,836	2,836	0
Income	-2,570	-2,587	-17
Total	35,942	35,942	0

CAPITAL PROGRAMME

19 The Authority approved a capital programme of £4.09m. Due to the COVID-19 pandemic, it has been necessary to review and revise the capital programme to reflect projects which can be delivered in year.

20 The provisional outturn for the capital programme is £0.15m.

Department	Description	2020/21 £000	2020/21 £000
		Original Allocation	Revised Allocation
Fleet	Replacement vehicles and appliances	1,350	150
Operations	PPE kit and operational equipment	870	0
Facilities	Building upgrades	1,194	0
ICT/Control	System upgrades and associated works	674	0
Amended Capital Allocation		4,088	150

- 21 Since the programme was revised, projects in relation to building works and fire appliances have been delayed due to the COVID-19 pandemic.
- 22 Some ICT schemes have been delayed due to the reprioritisation of the work of the ICT team to manage the transition to remote working. Other schemes are under review and are not expected to incur capital costs in 2020/21.
- 23 It is anticipated that the deferred schemes will be completed in 2021/22.
- 24 The purchase of three vans has been brought forward from 2021/22, in order to facilitate the continuation of the mobile working arrangements implemented by the Fleet Department. These were introduced during the COVID-19 pandemic and are set to continue.

IMPLICATIONS

Well-being Objectives	This report links to NWFRA's long-term well-being objectives. Funding for the Service benefits the communities of North Wales and ensures there is sufficient investment in infrastructure to enable the service to provide emergency responses and prevention work well in to the future.
Budget	Budget is set annually in accordance with the proposed service delivery which includes emergency response and prevention work.
Legal	It is a legal requirement that the Authority produces the Statement of Accounts in accordance with the prescribed standards.
Staffing	None
Equalities/Human Rights/Welsh Language	None
Risks	Income and expenditure is closely monitored to ensure that deviations from the approved budget are properly identified and reported to Members.

Report to	North Wales Fire and Rescue Authority
Date	15 March 2021
Lead Officer	Ken Finch, Treasurer
Contact Officer	Helen MacArthur, ACFO Finance and Resources (01745 535286)
Subject	Budget Update 2021/22



PURPOSE OF REPORT

- 1 To present to Members the updated revenue and capital budgets for 2021/22.

EXECUTIVE SUMMARY

- 2 The Fire and Rescue Authority (the Authority) is required to set a balanced budget each financial year and confirm contribution figures with each constituent local authority. The budget for 2021/22 of £37.074m, was approved at the Authority meeting on 9 November 2020. Further work has been completed which confirms the overall budget requirement although the allocation across the budget headings has been revised.
- 3 The key assumptions, risks and uncertainties which have been identified during the budget planning process has not changed.

RECOMMENDATIONS

- 4 Members are asked to approve the updated capital and revenue budget allocations for the 2021/22 financial year.

OBSERVATIONS FROM EXECUTIVE PANEL

- 5 Not applicable.

BACKGROUND

- 6 The revenue budget for 2021/22 of £37.074m, was agreed at the Authority meeting on 9 November 2020.
- 7 The capital programme was approved for £3.083m.

INFORMATION

- 8 Since the approval of the revenue budget and capital programme, work has continued to ensure the 2021/22 revenue budget reflects the uncertain environment within which we are currently operating due to Covid-19. This has resulted in the need to revise budget allocations between budget headings to address changing priorities.

- 9 The capital programme has also been reviewed, to ensure continued affordability.

REVISED REVENUE BUDGET ALLOCATIONS 2021/22

- 10 The budget for 2021/22 of £37.074m, was agreed at the Authority meeting on 9 November 2020. Since then further work has been completed which confirms the overall budget requirement across the following budget headings.

	2021/22 Budget agreed in Nov 2020 £'000 £	2021/22 Revised Budget £'000 £
Employee pay costs	26,775,611	26,975,477
Other employee costs	1,336,677	1,384,102
Total Employee Costs	28,112,288	28,359,579
Premises	2,718,352	2,687,110
Transport	1,009,221	1,003,257
Supplies, Services and Third Party Payments	4,927,565	4,975,959
Total Non Pay Expenditure	8,655,138	8,666,326
Fees and Charges/Misc Income	-235,356	-231,356
Grant Income	-2,209,072	-2,187,555
Total Income	-2,444,428	-2,418,911
Capital Financing and Interest Charges	2,751,240	2,467,243
Budget requirement	37,074,237	37,074,237
Increase in Budget	3.15%	

- 11 Detailed budget planning work has been undertaken including a review of the key planning assumptions, risks and uncertainties, as detailed in the report present on 9 November 2020. The Welsh Government has confirmed the grant support for 2021/22 but all other risks and uncertainties remain unchanged.
- 12 Although the spending review in November 2020 announced a public sector pay freeze, this is not binding for Fire and Rescue Service staff. As national pay awards have not yet been finalised this remains a significant planning risk. Work continues to ensure the careful management of employee costs including the continued management of variable pay.
- 13 Employee costs account for 72% of net expenditure and the draft budget for 2021/22 is £26.9m. The budget was set assuming a pay award of 2% for all staff. This pay award will not be distributed as part of the Service's budget, but will be retained centrally, until the result of pay negotiations are known.
- 14 The revised budget takes account of known changes to the establishment for 2021/22, including the recruitment of 18 apprentice firefighters and 8 firefighters.
- 15 A review of the specific risks within each budget heading have been further considered resulting in a further increase of £0.16m to £8.66m, for supplies, services and third party payments. This reflects the unavoidable cost pressures that are being experienced in relation to utility costs, backlog maintenance, fuel costs and ICT costs including software licences and maintenance contracts. Significant work has been undertaken to manage non pay costs including using all Wales procurement options.
- 16 Capital financing costs include the costs of borrowing and revenue charges for using capital assets. A rise in Bank of England base rates is not anticipated during 2021/22 and this has been factored into the budget. The capital financing budget for 2021/22 has been reduced to reflect the reductions in the capital programme for 2019/20, 2020/21 and 2021/22. Capital financing costs have been amended in line with the reduction in the capital plan and the continued reduction in borrowing costs.

UPDATED CAPITAL PLAN 2021/22

17 The updated capital plan is detailed below:

Department	Description	2021/22	2021/22
		Agreed Nov 2020 £000	Proposed £000
Control/ICT	System/Server upgrades	167	167
Facilities	Building refurbishments	888	790
Fleet	Replacements vehicles and appliances	2,028	2,028
Operations	Personal Protective Equipment	0	0
PROPOSED CAPITAL ALLOCATION		3,083	2,985

- 18 The capital plan confirms a capital requirement of £2.98m for 2021/22. The main element of the plan relates to the essential investment in new fire appliances.
- 19 All schemes included within the plan have been reviewed in light of the impact of Covid 19. A capital requirement of £0.8m has been included for building schemes and due to the continuing situation and the expected changes to building occupancy, all building works will undergo a further review before any funding is released. An Estates Strategy will be developed in 2021/22 which will cover the current and future development/management of the estate.
- 20 The development of the training facility on the Dolgellau site is currently being considered following receipt of the condition survey in 2019. The scope of the works and the anticipated costs are currently unknown and unlikely to progress during 2021/22. Therefore, this scheme has not been included in the capital plan for 2021/22.
- 21 The capital expenditure will have a consequential impact on the capital financing charges in future financial years which have been included within the revenue budget.

IMPLICATIONS

Wellbeing Objectives	The budget enables the Authority to achieve its long-term well-being objectives.
Budget	The year on year increase in local authority contributions for 2021/22 is £1.13m.
Legal	The Fire and Rescue Authority has a legal duty to set a balanced revenue budget.
Staffing	None
Equalities/Human Rights/ Welsh Language	None
Risks and Uncertainties	<p>The budget has been risk assessed and the following key risks noted:</p> <ul style="list-style-type: none"> • The budget is based on an assumption that pay awards will be 2%. National agreements have not yet been reached; • The Authority plans to continue to develop an Environmental Strategy during 2021/22. An assessment of costs has not yet been made; and • The uncertainty over the EU Exit remains and no additional costs have been factored into the 2021/22 budget.

Report to	North Wales Fire and Rescue Authority
Date	15 March 2021
Lead Officer	Ken Finch - Treasurer
Contact Officer	Ken Finch (01745 535286)
Subject	Capital Strategy 2021/22 – 2023/24



PURPOSE OF REPORT

- 1 The Capital Strategy provides information on how capital expenditure, capital financing and treasury management activity contribute to the provision of a Fire and Rescue Service. This includes information on how associated risk is managed and the implications for future financial sustainability. It summarises the overall processes and procedures that govern the purchase and financing of assets in order to enhance members' understanding of these technical areas. The report incorporates the Prudential Indicators and Treasury Strategies.

EXECUTIVE SUMMARY

- 2 The revenue and capital budgets for 2021/22 were approved by the Fire and Rescue Authority at its meeting of the 9 November 2020. Members approved a net revenue budget of £37.07m for 2021/22 with a further £3.08m approved for capital expenditure. The Capital Strategy has been prepared using the relevant data contained in the revenue and capital budgets approved by Members and from various policies and procedures that are in place to manage the purchase and financing of assets.
- 3 The report at appendix 1 provides further details relating to the Capital Strategy along with detailed information with regards the Prudential Indicators for 2021/22 to 2023/24 and the strategy to be followed regarding borrowing and investing the Authority's funds in the financial year 2021/22.

OBSERVATIONS FROM THE AUDIT COMMITTEE

- 4 This report was presented to the Audit Committee on the 25 January. The Audit Committee is tasked with ensuring effective scrutiny of the treasury management strategy and policies and based on its findings make recommendations to the Fire and Rescue Authority. Members of the Audit Committee recommended the report for approval by the Fire and Rescue Authority.

RECOMMENDATION

- 5 That Members approve the Capital Strategy which incorporates the minimum revenue provision policy, the Treasury Management Strategy and Prudential Indicators.

INFORMATION

- 6 The strategies in the report have been prepared using guidance from the Treasury Management advisors, Arlingclose, used by Conwy County Borough Council who has the responsibility for the Fire and Rescue Treasury function.

IMPLICATIONS

Wellbeing Objectives	This report links to NWFRA's long-term well-being objectives and ensures that the purchase of assets to support front line service delivery is prudent, affordable and sustainable. The Capital Strategy ensures that there is sufficient investment in infrastructure to enable the service to provide emergency responses and prevention work well in to the future.
Budget	Budget is set annually for capital financing in line with the Treasury report.
Legal	The regulatory framework is set out in the appendices to the report.
Staffing	None
Equalities/Human Rights/Welsh Language	None
Risks	Investment of surplus funds – there is a risk that the financial institution in which the Service's funds are invested could fail with a loss of part of the principal invested. However, one of the purposes of the report is to mitigate this risk.

CAPITAL STRATEGY

This document sets out the Capital Strategy (the Strategy) for North Wales Fire and Rescue Authority (the Authority) for the financial years 2021/22 through to 2023/24.

This strategy brings together the complex areas relating to capital investment and includes:

1. Capital expenditure plans;
2. Capital financing requirements;
3. The revenue budget implications of capital decisions;
4. Affordability and sustainability of capital plans;
5. Treasury management activity;
6. Prudential Indicators; and
7. Governance arrangements.

1.0 Capital Expenditure Plans

Capital expenditure is where the Authority spends money on assets which will be used over a period exceeding one year. This will include amounts spent on buying assets such as property, vehicles or equipment but may also include expenditure on upgrading existing assets. The underlying assets are generally owned by the Authority but capital expenditure may also be incurred on assets owned by other bodies or relate to loans or grants issued to other bodies to enable them to buy assets.

The Authority follows the CIPFA Code of Practice on Local Authority Accounting which includes some limited discretion on what counts as capital expenditure. For example, assets costing below £5,000 are not capitalised and are charged directly to the revenue account in the year that the expenditure is incurred. The Authority's Financial Regulations contain the key controls and confirm that all expenditure must be in accordance with the Authority's Contract Procedure Rules.

The details of the Authority's policy on capitalisation and the treatment of assets for accounting purposes is included as an appendix to the Statement of Accounts under 'Statement of Accounting Policies'. The accounts are published on the Fire Service website every year, www.nwales-fireservice.org.uk.

The Authority's Medium Term Financial Strategy recognises the need for continued investment in buildings, vehicles, ICT assets and equipment to ensure that the Authority is able to achieve its stated objectives. Governance arrangements are in place to ensure that all expenditure is aligned to the corporate priorities which are set out in the Authority's Improvement and Well-being Plan.

The capital expenditure detailed below forms part of the Authority's Medium Term Financial Strategy and was approved by the Fire and Rescue Authority in November 2020.

	2019/20 Actual £'000	2020/21 Revised £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Capital expenditure	775	1,031	3,082	2,576	5,176

2.0 Capital Financing Requirement

As part of the process for establishing the capital expenditure plans, it is important that the Authority considers how such expenditure will be financed and the affordability of these decisions over the lifetime of the asset. Capital expenditure may be financed from internal sources such as revenue budgets, capital receipts or usable reserves or from external sources such as borrowing, leasing or grants.

Borrowing is only a temporary source of finance and must be repaid during the lifetime of the asset. A financing charge is made to the Authority's revenue accounts each year which is known as minimum revenue provision (MRP).

The Authority's cumulative outstanding amount of borrowing is measured by the capital financing requirement (CFR). This increases when further expenditure is funded by borrowing and reduces when debt is repaid using capital receipts and MRP.

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt.

The Authority's Capital Financing Requirement (CFR) is set out in the table below:

	2019/20 Actual £'000	2020/21 Revised £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Capital Financing Requirement					
Opening CFR	33,382	31,744	30,581	31,505	31,839
Closing CFR	31,744	30,581	31,505	31,839	34,640
Movement in CFR	(1,638)	(1,163)	924	334	2,801

Movement in CFR represented by					
Net financing need for the year (above)	599	1,031	3,082	2,576	5,176
Less MRP/VRP	(2,236)	(2,195)	(2,159)	(2,243)	(2,374)
Movement in CFR	(1,638)	(1,163)	924	334	2,801

3.0 Revenue Budget Implications of Capital Decisions

Capital expenditure is not charged directly to the revenue budget. Instead an annual charge is made to the revenue account for using the capital assets. This charge to revenue reflects the repayment of a proportion of the borrowing incurred to buy the underlying capital assets. The charge to revenue is known as the minimum revenue provision (MRP) and forms part of the capital financing charge. The capital financing charge also includes the interest cost of borrowing but may be offset by any receivable investment income.

The Local Government Act 2003 does not specify how the MRP should be calculated but the Authority must consider the Welsh Government guidance which was issued in 2018. The broad aim of the guidance is to ensure that over the life of the asset the charges made to the Authority's revenue account reflect the underlying costs and finance charges. Thus the full cost of capital decisions will be reflected in the Authority's revenue position.

The Authority's MRP Policy is set out below which is consistent with the Welsh Government guidance and reflected in the Medium Term Financial Strategy approved in November 2020:

- The MRP will be calculated by charging the expenditure over the expected useful life of the asset as determined by the Authority's Financial Accounting Policies. The charge will be made in equal instalments and commence in the year after the asset became operational.

The revenue impact of the capital investment plans are outlined below:

	2019/20 actual (£'000)	2020/21 forecast (£'000)	2021/22 budget (£'000)	2022/23 budget (£'000)	2023/24 budget (£'000)
Minimum Revenue Position	2,236	2,195	2,159	2,243	2,374
Financing costs	513	458	592	637	591
Total charge to revenue	2,749	2,653	2,751	2,880	2,965

4.0 Affordability and Sustainability of Capital Plans

Due to the long-term nature of capital assets, the decisions made in relation to capital expenditure will have a revenue consequence for a number of years. The actual number of years is dependent on the type of asset although in respect of buildings this may extend to 50 years. Therefore, the capital planning process must have due regard for the longer term affordability and sustainability of capital expenditure and financing decisions.

The Financial Regulations include controls to ensure that all proposals are subject to appropriate scrutiny and approval. In addition, the Authority has adopted affordability indicators to provide insight into the impact of capital investment plans on the Authority's overall revenue position

The core measure is the actual and estimated financing costs as a percentage of all of the Authority's revenue costs. This identifies the trend in the cost of capital (borrowing and other long term obligation costs) against the expected revenue streams within the medium term financial plans. The estimates of financing costs below include current commitments and the Capital Programme approved by members in November 2020.

	2019/20 Actual %	2020/21 Revised %	2021/22 Estimate %	2022/23 Estimate %	2023/24 Estimate %
Ratio	7.8%	7.4%	7.4%	7.6%	7.6%

5.0 Treasury Management Strategy

The Authority's treasury management arrangements are a key component of the capital strategy and reflect the management of cash flows for both revenue and capital expenditure requirements.

The Authority's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). The Code requires that the Treasury Management Strategy is reported to the Authority on an annual basis. The Treasury Management Strategy sets out how the Authority will meet the funding requirements established within the capital expenditure plans.

A key requirement of the strategy is to explain both the risks, and the management of the risks, associated with treasury activities and set out the Authority's risk appetite and control measures.

Capital Financing Requirement (CFR)

The borrowing requirement comprises the expected movement in the CFR taking into account existing borrowing, loans expected to be paid off and future borrowing requirements arising from the capital expenditure programme. The table below shows this effect on the treasury position over the next three years. It also highlights the expected change in investment balances.

	2020/21 Revised £'000	2021/22 Estimated £'000	2022/23 Estimated £'000	2023/24 Estimated £'000
External Debt				
Debt at 1 April	31,744	30,581	31,505	31,839
New loans to meet CFR	0	924	334	2,801
Maturing Debt	-26,600	-25,000	-25,000	-25,000
Maturing Debt Replacement	25,437	25,000	25,000	25,000
Debt at 31 March	30,581	31,505	31,839	34,640
Annual change in debt	-1,163	924	334	2,801
Investments				
Total Investments at 31 March	1,000	1,000	1,000	1,000
Investment change	0	0	0	0

Further changes may be required due to technical amendments to the financial reporting standard governing the treatment of leases. This is expected to be introduced during 2022 and will reclassify existing operating leases as capital commitments. Work is currently ongoing to fully quantify the impact, which will be reported to the Authority.

It is important that the Authority sets limits to ensure that the borrowing is carefully managed and this is achieved through two key indicators:

- **The Operational Boundary** – this indicator is based on the probable external debt during the course of the year; it is not a limit. Actual external debt could vary around this boundary for short times during the year. It should act as a monitoring indicator to ensure the authorised limit is not breached.
- **The Authorised Limit** – this represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the 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. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

The following limits are in place for the periods 2021/2024:

	2020/21 Revised £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Operational Boundary	30,581	31,505	31,839	34,640
Authorised Limit	32,581	33,505	33,839	36,640

Economic Background

The economic environment arising from both the coronavirus pandemic and the UK's exit from the European Union is currently very uncertain. The impact on the financial markets remains unclear and the Bank of England has maintained the base rate at 0.1%. The Authority's treasury management adviser Arlingclose is forecasting that the base rate will remain at 0.1% until at least the end of 2023. However, this remains a very uncertain position which may even give rise to negative interest rates.

Gilt yields are expected to remain very low in the medium term with short term rates remaining below or at zero. In the longer term, Arlingclose is forecasting that the 10 and 20 year gilt yields will rise to 0.5% and 0.75% respectively.

Borrowing Strategy 2021/22

The main objectives when borrowing are to achieve low rates, reduce risks and maintain flexibility. These objectives are often conflicting, and it is necessary to achieve a balance between cheap short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5% to 2.5%).

The Treasurer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account any risks and in accordance with the following controls.

Maturity Structure

The upper and lower limits for the maturity structure of the Authority's fixed rate borrowings are set out below:

	Upper Limit	Lower Limit
Under 12 months	60%	0%
12 months and within 24 months	45%	0%
24 months and within 5yrs	45%	0%
5 yrs and within 10 yrs	75%	0%
10 yrs and above	100%	0%

Variable and Fixed Rate Loans

The Treasurer will ensure that the mix of variable and fixed rate loans is maintained within the following limits:

	% Borrowing
Fixed Interest Rate	65 – 100
Variable Interest Rate	0 – 35

Investment Strategy

When cash balances are higher than expected cash outflows, the Authority is able to invest surplus cash. These investments are short term in nature and incidental to the Authority's core business. Therefore, all investment decisions should aim to reduce risk rather than maximise returns and liquidity is a priority.

The Authority's investment strategy primarily seeks to safeguard the principal invested and ensure that it is available in a timely manner when required. The investment returns are a secondary consideration.

The Treasurer will maintain a list of all the financial institutions which the service can utilise for investing funds. The counterparty list will be subject to the following criteria:

Institution	Description	Limit
Banks	All UK banks and their subsidiaries that have good ratings (Fitch or equivalent). This is currently defined as long term (BBB)	£5m
Central Government	Debt management Office	Unlimited
Money Market Funds (MMF)	Only in conjunction with advice from Arlingclose.	£1m per fund
Local Authorities	All except those subject to limitation of council tax and precepts under Part 1 of the Local Government Finance Act 1992.	£2m
Building Societies	Building societies with a rating (as for the banking sector).	£2m
Building Societies (Assets £1bn)	Building societies without a rating but with assets of £1 billion or more.	£2m/ 9 months

6.0 Prudential Indicators

The Local Government Act 2003 requires the Authority to adopt the CIPFA Prudential Code for Capital Finance. The key objective of the Prudential Code is to ensure that the capital investment plans of the Authority are affordable, prudent and sustainable.

To aid those charged with governance, the Prudential Code requires the adoption of indicators which either summarise the expected capital activity or introduces limits upon that activity. These indicators reflect the outcome of the Authority's capital appraisal systems and ensures that controls are in place, including appropriate risk awareness and management.

The table below confirms the indicators for period 2020/2024 and reflect the capital plans within the medium term financial strategy approved by the Authority on the 9 November 2020. These indicators provide the framework of control for the Authority.

		2020/21 Forecast (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)
1	Capital Expenditure	1,031	3,082	2,576	5,176
2	Capital Financing Requirement	30,581	31,505	31,839	34,640
3	Authorised Limit	32,581	33,505	33,839	36,640
4	Operational Boundary	30,581	31,505	31,839	34,640
5	Ratio of Financing Costs to Net Expenditure	7.4%	7.4%	7.6%	7.6%
6	Investments	1,000	1,000	1,000	1,000
7	Fixed Interest rate loans as a % of Total Borrowing	Minimum 65% Maximum 100%			
8	Variable rate loans as a % of Total Borrowing	Minimum 0% Maximum 35%			
9	Maturity Structure of Fixed Rate Borrowing				
		Upper Limit		Lower Limit	
	Under 12 months	60%		0%	
	12 months to 2 years	45%		0%	
	2 years to 5 years	45%		0%	
	5 years to 10 years	75%		0%	
	10 years and above	100%		0%	

7.0 Governance Arrangements

The governance framework for the capital strategy is underpinned by a number of codes of practice as outlined within this document. The Prudential Indicators are monitored and reported to the Audit Committee during the financial year with variances highlighted and investigated.

Control and oversight is maintained by the Treasurer with day to day decision making delegated to officers. The capital expenditure plans are managed by the Service, with financing and treasury management arrangements delegated to Conwy County Borough Council as part of the Financial Services contract.

Officers and staff are supported through the appointment of professional advisors, Arlingclose Limited who provide professional Treasury Management services, thus ensuring appropriate risk management.

Report to	North Wales Fire and Rescue Authority
Date	15 March 2021
Lead Officer	Ken Finch, Treasurer
Contact Officer	Helen MacArthur, Assistant Chief Fire Officer
Subject	Pay Policy Statement 2021/22



PURPOSE OF REPORT

- 1 To inform Members of the Fire and Rescue Authority's responsibilities arising from the Localism Act 2011 (the Act).
- 2 The Act requires the Fire and Rescue Authority (the Authority) to prepare an annual Pay Policy Statement for approval before the commencement of the financial year to which it relates.
- 3 This paper sets out the proposed Pay Policy Statement for 2021/22.

EXECUTIVE SUMMARY

- 4 The Authority is required to prepare and approve a Pay Policy Statement on an annual basis in accordance with the Localism Act 2011. The statement must also comply with the Welsh Government guidance issued in 2017, "Pay Accountability in Local Government in Wales"

OBSERVATIONS FROM THE EXECUTIVE PANEL OR AUDIT COMMITTEE

- 5 This report has not previously been considered.

RECOMMENDATION

- 6 Members are requested to
 - i. note the requirements of the Localism Act 2011; and
 - ii. approve the Pay Policy Statement for the 2021/22 financial year.

BACKGROUND

- 7 A Pay Policy Statement must be prepared in accordance with Part 1; Chapter 8 (Sections 38 – 43) of the Localism Act 2011. The guidance issued by the Welsh Government summarises the key elements of the Pay Policy Statement which includes:

- (a) Information relating to the remuneration of its chief officers;
- (b) the remuneration of its lowest paid employees; and
- (c) the relationship between:
 - (i) the remuneration of its chief officers, and
 - (ii) the remuneration of its employees who are not chief officers.

8 The statement must state:

- (a) the definition of "lowest-paid employees" adopted by the Authority for the purposes of the statement; and
- (b) the Authority's reasons for adopting that definition.

9 The statement must also include the Authority's policies relating to:

- (i) the level and elements of remuneration for each chief officer;
- (ii) remuneration of chief officers on recruitment;
- (iii) increases and additions to remuneration for each chief officer;
- (iv) the use of performance-related pay for chief officers;
- (v) the use of bonuses for chief officers;
- (vi) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority; and
- (vii) the publication of and access to information relating to remuneration of chief officers.

INFORMATION

10 The purpose of this Pay Policy Statement is to provide transparency with regard to the Authority's approach to setting the pay of its employees, in particular, that of chief officers and employees on the lowest pay scale, by identifying the methods by which salaries are determined.

IMPLICATIONS

Wellbeing Objectives	The Pay Policy Statement provides a framework for decision making on pay and in particular decision making on senior pay, contributing to securing the Authority's financial sustainability and to being able to demonstrate the fair and equitable allocation of pay.
Budget	Pay awards agreed and published by the National Joint Councils are taken into consideration when setting the Authority's annual budget.
Legal	Under section 38(1) of the Localism Act 2011 the Fire and Rescue Authority has a legal duty to produce an annual Pay Policy Statement by 31 March preceding the year of the statement.
Staffing	The Pay Policy Statement supports the principles of transparency, equal pay and support for staff.
Equalities/Human Rights/ Welsh Language	Equal treatment in respect of pay is an important part of the FRA Equality objectives.
Risks	Non-compliance with legislation leads to legal and reputational risk.

North Wales Fire and Rescue Authority Pay Policy Statement 2021/22

1.0 Introduction

1.1 North Wales Fire and Rescue Authority's (the Authority) primary role is to:

- perform all the duties and responsibilities of a Fire and Rescue Authority in accordance with appropriate legislation and regulations, in particular the [Fire and Rescue Services Act 2004](#), and the [Regulatory Reform \(Fire Safety\) Order 2005](#) (which came into force on 1 October 2006), and the [1995 Combination Scheme](#);
- agree the annual service plans the revenue and capital budgets and the contribution for the constituent councils; and
- monitor the revenue and capital budgets and deal with any significant variations, including decisions on any supplementary contributions.

1.2 In order to fulfil its role, the Authority appoints staff to undertake duties on its behalf and in doing so must follow all relevant employment legislation. The Authority also follows a number of key principles which ensure affordability, equal pay, transparency and support for low pay.

1.3 The purpose of this document is to meet the Authority's legal obligations under the Localism Act 2011 and to provide information regarding the Authority's approach to setting the pay of its employees. It provides information on the remuneration of Chief Officers and employees on the lowest pay scale. It also provides information on the methods by which salaries are determined for all staff.

1.4 The document covers the period 1 April 2021 - 31 March 2022 and provides a framework for decision making on pay and in particular decision making on senior pay.

1.5 The Pay Policy Statement is an annual document prepared and approved by the Authority prior to the commencement of the financial year to which it relates.

2.0 Legislative framework

2.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh Local Authorities to produce a Pay Policy Statement from 2012/13 and for each financial year after that. The Act also requires the Authority to have due regard for any guidance issued by Welsh Ministers. The Welsh Government issued guidance in May 2017, "Pay Accountability in Local Government in Wales".

- 2.2 The Act defines remuneration widely and includes pay, allowances, benefits in kind, increases in/enhancements of pension entitlements and termination payments.
- 2.3 In determining the pay and remuneration of all its employees, the Authority is required to comply with all relevant legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Agency Workers Regulations 2010 and, where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006.
- 2.4 The Authority ensures that there is no pay discrimination within its pay structures to meet its obligations under the equal pay requirements of the Equality Act 2010. Job evaluation processes are embedded across the organisation to ensure that pay differentials between employees can be objectively justified and salaries directly relate to the requirements, demands and responsibilities of the role.

3.0 Decision making including consideration of value for money

- 3.1 This policy applies to all North Wales Fire and Rescue Authority employees.
- 3.2 The Authority advocates collective bargaining arrangements and supports existing national level provisions that govern pay and conditions of service for the following employee groups:
- National Joint Council (NJC) for Brigade Managers of Fire and Rescue Services, Constitution and Scheme of Conditions of Service (Gold Book)
 - Joint Negotiating Committee for Chief Officers of Local Authorities; Constitution, Conditions of Service, Salaries (Blue Book)
 - National Joint Council for Local Authorities' Fire and Rescue Services, Scheme of Conditions of Service (Grey Book)
 - National Joint Council (NJC) for Local Government Services (Green Book).
- 3.3 Pay levels are reviewed annually through these collective bargaining arrangements and any “cost of living” award associated with contractual conditions is implemented upon receipt of notification from the relevant negotiating body.
- 3.4 The Authority will consider any contractual ‘cost of living’ award for its chief officers in the context of similar decisions on lower paid employees and in accordance with the outcome of collective bargaining outlined above.
- 3.5 All roles conditioned to the NJC for Local Government Services are subject to the Authority’s job evaluation scheme which objectively assesses each role on creation of a new post, changes to existing posts or at periodic intervals to determine a fair remuneration pay grade comparable across this group of staff. On voluntary cessation of their duties no additional payments will be made.

3.6 In accordance with the constitution, the Authority is responsible for approving the annual financial budget including the affordability of employee costs.

4.0 Role of the Chief Fire Officer

4.1 The Chief Fire Officer is the Head of Paid Service and is responsible for the Service. The role is a full time appointment and the post holder is appointed on merit and against objective criteria following an open competitive process. The selection process is overseen by an Appointment Panel comprising of members of the Authority.

4.2 The Chief Fire Officer works closely with elected members to deliver the strategic aims of the Authority. The organisation has an annual revenue budget of approximately £37 million and a capital budget of £3 million and is responsible for a wide range of services under the Fire and Rescue Services Act 2004, employing some 862 staff.

5.0 Chief Officers' Pay

5.1 The Authority's pay policy for the remuneration of chief officers, including the Chief Fire Officer, is aligned to the National Joint Council arrangements. Under these arrangements, Brigade Manager pay is reviewed annually at national level which provides the minimum salary for chief fire officers.

5.2 Remuneration of chief officers on appointment will be to the single point market-related base pay prevailing at the time of appointment and approved by the full Authority. In addition, a car will be provided in order to carry out the roles. The remuneration of the Chief Fire Officer is also subject to an independent pay review undertaken on a periodical basis. This process benchmarks the chief officer salary levels against relevant comparators in other fire and rescue authorities, and the wider employment market place.

5.3 The remuneration of chief officers is also subject to an independent pay review undertaken on a periodical basis. This process benchmarks the chief officer salary levels against relevant comparators in other fire and rescue authorities, and the wider employment market place.

5.4 The Authority does not pay any bonuses or additional enhancements such as performance related pay. On voluntary cessation of their duties no additional payments will be made to chief officers.

5.5 Following resignation or retirement from their duties no additional payments will be made other than those due for salary purposes or payments made to an individual in line with the appropriate pension scheme on retirement. Such payments may include salary paid in lieu of notice, pension benefit entitlements and holiday pay.

- 5.6 In circumstances where a severance package is being considered upon an agreed cessation of duties other than for the reasons outlined above, the full Authority will be offered the opportunity to vote before any severance package is approved for chief officers.
- 5.7 Information on the remuneration of chief officers is published as part of North Wales Fire and Rescue Authority's annual Statement of Accounts. These are published on the Authority's website.
- 5.8 Business expenses such as for train, car mileage, overnight accommodation and parking are claimed back in accordance with the organisation's travel and subsistence policy which is applicable to all employees.
- 5.9 Chief officers are members of the relevant pension scheme. The Authority does not permit increases or enhancements to the pension outside of standard arrangements.
- 5.10 The notice period for chief officer roles is 3 months.

6.0 Senior Staff

- 6.1 For the purposes of this Pay Policy Statement the term "chief officer" is not limited to Head of Paid Service and includes those who report directly to the Chief Fire Officer. This includes the Monitoring Officer, the Section 151 Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officers and Assistant Chief Officers.
- 6.2 These posts are covered by a range of terms and conditions:

Employee Group	Terms and Conditions	Other benefits	Pension arrangements
Chief Fire Officer	Gold Book	Car provided	Local Government Pension Scheme
Monitoring Officer	Provided by a named officer from Flintshire County Council under a contracted out arrangement		
Treasurer (section 151 officer)	Part time contract negotiated outside of national terms and conditions.		
Deputy Chief Fire Officer	Gold Book	Car provided	Local Government Pension Scheme or Firefighters' Pension Scheme
Assistant Chief Fire Officer	Gold Book	Car provided	Local Government Pension Scheme or Firefighters' Pension Scheme
Assistant Chief Officer	Blue Book	Car provided	Local Government Pension Scheme

7.0 Talent management

7.1 The Authority's strategic focus is on supporting and developing the quality of leadership in the Service. This includes increasing the capacity of existing management teams, planning the development of future leaders, championing leadership values throughout the organisation and attracting effective leaders, where appropriate, from other sectors.

8.0 Performance related pay

8.1 There is currently no performance related pay scheme in operation for any role across the Service.

9.0 Remuneration of other staff other than chief officers

9.1 The Authority's pay policy for the remuneration of employees who are not chief officers is aligned to nationally agreed salary rates. These are agreed annually and are set out in the appendices to this report.

Employee Group	Terms and Conditions	Other benefits	Pension Arrangements
Officers (Station Managers, Group Managers and Area Managers)	Grey Book	A lease car is provided for staff on the flexi duty rota	Firefighters' Pension Scheme
Firefighters	Grey Book	NONE	Firefighters' Pension Scheme
Apprentice Firefighters	Grey Book	NONE	Firefighters' Pension Scheme
Control Staff	Grey Book	NONE	Local Government Pension Scheme
Fire Safety and Prevention	Green Book	NONE	Local Government Pension Scheme
Corporate Services	Green Book	NONE*	Local Government Pension Scheme
Apprentices	Green Book	NONE	Local Government Pension Scheme

* A lease car is provided on an optional basis for a small number of posts where significant or frequent travel is undertaken

9.2 The lowest paid employee is engaged on the National Joint Council (NJC) for Local Government Services (Green Book) spinal column point 6 which equates to £19,698 per annum from 1 April 2020. The Authority occasionally employs apprentices who are not included within the definition of 'lowest paid employees' as they are not employed under contracts of employment.

- 9.3 The statutory guidance under the Localism Act 2011 recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010).
- 9.4 The 2020/21 pay levels within the Authority define the multiple between the average of lowest paid (full time equivalent basic pay) employee scales and the Chief Fire Officer as 1:6.64 and between the lowest paid employee.
- 9.5 The Hutton report on fair pay in the public sector was asked to explore the case for a fixed limit on pay dispersion in the public sector, through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median salary of the whole of the Authority's workforce. The multiple between the median full time basic equivalent earnings and the Chief Fire Officer is 1:4.12 (excluding RDS). Please note this figure includes full time salaries only and excludes allowances.
- 9.6 The Authority publishes information on the remuneration of Chief Officers, the median earnings of the organisation's workforce, and the ratio between these two figures in their annual financial statement to demonstrate the relationship between the two.

10.0 Support for lower paid staff

- 10.1 All employees of the Fire and Rescue Service are paid above the living wage. A range of further support measures are offered including a cycle to work scheme, Employee Assistance Programme, counselling, Occupational Health services and childcare vouchers.
- 10.2 A physiotherapy scheme is also offered to all employees. Employees receive financial assistance to refer themselves for therapy arising from musculo-skeletal injury or other ailments.
- 10.3 A range of flexible benefits have also been introduced including corporate discounts. Non-pay benefits and rewards assist with the development of an effective employment package and utilise reward systems whereby employees are able to flex the rewards they receive so they get more of whatever element is important to them at different stages of their careers.

11.0 Additions to Salary of Other Employees

11.1 Where appropriate, and in line with national conditions of service or local agreement, individuals may receive an allowance in addition to their salary. Examples include, but are not restricted to:

- on-call or out of hours provision
- continuous availability
- additional responsibility
- rent, fuel and light allowance
- telephone allowance
- pension employer contributions
- mileage allowances.

12.0 Honoraria

12.1 A member of staff who performs duties outside the scope of his or her post over an extended period may be granted a one-off additional payment of an amount dependent upon the circumstances of each case. Examples include:

- where an employee temporarily carries out significant additional work over and above their usual responsibilities; or
- where an employee carries out a significant amount of work over their normal contracted hours, but is not eligible for overtime payments because of their placing on a salary scale.

12.2 Any determination relating to a proposed honoraria for chief officers would require approval by the Authority.

12.3 Decisions relating to all other staff will be considered by the appropriate Head of Department in consultation with the Assistant Chief Fire Officer (Finance and Resources).

13.0 Exit policy

13.1 On voluntary cessation of their duties no additional payments will be made other than those due for salary purposes or payments made to an individual in line with the appropriate pension scheme on retirement. Such payments may include salary paid in lieu of notice, pension benefit entitlements, holiday pay and any fees or allowances paid.

13.2 Employees conditioned to the NJC for Local Government Services may, at the Authority's discretion be entitled to added pension and/or redundancy payments upon authority initiated early termination of employment under the Authority's discretions in relation to the Local Government Pension Scheme Regulations 1997 (as amended) and the Local Government (Early Termination of Employment) (England and Wales) Regulations 2006 (as amended) – generally referred to as the Discretionary Compensation Regulations.

13.3 The Service has a [policy for severance or exit arrangements](#).

13.4 Former employees are, on occasion, re-employed by the Fire and Rescue Service. Where the combined earnings and pension exceed the inflation adjusted final salary in the original employment the pension is subject to abatement in accordance with the scheme regulations.

14.0 Off payroll arrangements

14.1 The Authority does not routinely engage with individuals using off payroll arrangements. These are only considered on an exceptional basis for specialist pieces of work for which there is no internal capacity or expertise. The Authority has arrangements in place to ensure that the employment status indicator tool published by HMRC is completed for each supplier before payments are made.

15.0 Appendices

Appendix 1 Chief Officers' salary matrix

Appendix 2 NJC salary rates

2.1 Firefighter Roles

2.2 Retained Duty System

2.3 Control Roles

2.4 Non –operational control and junior roles

Appendix 3 NJC for local government services, salary matrix

**North Wales Fire and Rescue Service
Chief Officers Pay Rates**

	SALARY (01/01/20)	% of CFO
CFO*	£130,751	
DCFO*	£101,593	77.7%
ACFO*	£94,463	72.2%
ACO	£64,141 (01/04/20)	49.1%

- includes remuneration for continuous duty arrangements

External provision of service	Value (per annum)
Monitoring Officer	£17,468 (excluding VAT)
Section 151 Officer	£7,812

FIREFIGHTING ROLES - PAY RATES FROM 1 JULY 2020

	Basic annual £	Basic hourly rate £	Overtime rate £
Firefighter			
Trainee	23,833	10.88	16.32
Development	24,826	11.34	17.01
Competent	31,767	14.51	21.77
Crew Manager			
Development	33,763	15.42	23.13
Competent	35,219	16.08	24.12
Watch Manager			
Development	35,981	16.43	24.65
Competent A	36,980	16.89	25.34
Competent B	39,383	17.98	26.97
Station Manager			
Development	40,964	18.71	28.07
Competent A	42,194	19.27	28.91
Competent B	45,183	20.63	30.95
Group Manager			
Development	47,179	21.54	Not Applicable
Competent A	48,594	22.19	“
Competent B	52,301	23.88	“
Area Manager			
Development	55,389	25.29	Not applicable
Competent A	57,049	26.05	“
Competent B	60,756	27.74	“

FIREFIGHTING ROLES – PAY RATES FROM 1 JULY 2020 (RETAINED DUTY SYSTEM)

	(1) £ per annum	(2) £ per annum	(3) £ per hour	(4) £ per occasion
Firefighter				
Trainee	2,383	1,192	10.88	4.18
Development	2,483	1,241	11.34	4.18
Competent	3,177	1,588	14.51	4.18
Crew Manager				
Development	3,376	1,688	15.42	4.18
Competent	3,522	1,761	16.08	4.18
Watch Manager				
Development	3,598	1,799	16.43	4.18
Competent A	3,698	1,849	16.89	4.18
Competent B	3,938	1,969	17.98	4.18
Station Manager				
Development	4,096	2,048	18.71	4.18
Competent A	4,219	2,110	19.27	4.18
Competent B	4,518	2,259	20.63	4.18
Group Manager				
Development	4,096	2,048	18.71	4.18
Competent A	4,219	2,110	19.27	4.18
Competent B	4,518	2,259	20.63	4.18
Area Manager				
Development	5,539	2,769	25.29	4.18
Competent A	5,705	2,852	26.05	4.18
Competent B	6,076	3,038	27.74	4.18

Column 1 shows the full annual retainer (10% of the full-time basic annual salary, as set out in Appendix A)

Column 2 shows the retainer for employees on the day crewing duty system (5% of the full-time basic annual salary, as set out in Appendix A)

Column 3 shows the hourly rate for work undertaken

Column 4 shows the disturbance payment per call-out

CONTROL SPECIFIC ROLES - PAY RATES FROM 1 JULY 2020

	Basic annual* £	Basic hourly rate £	Overtime rate £
Firefighter (Control)			
Trainee	22,641	10.34	15.51
Development	23,585	10.77	16.16
Competent	30,179	13.78	20.67
Crew Manager (Control)			
Development	32,075	14.65	21.98
Competent	33,458	15.28	22.92
Watch Manager (Control)			
Development	34,182	15.61	23.42
Competent A	35,131	16.04	24.06
Competent B	37,414	17.08	25.62
Station Manager (Control)			
Development	38,916	17.77	26.66
Competent A	40,084	18.30	27.45
Competent B	42,924	19.60	29.40
Group Manager (Control)			
Development	44,820	20.47	Not applicable
Competent A	46,164	21.08	"
Competent B	49,686	22.69	"

*(95% of the respective firefighting role basic annual salary, as set out in Appendix A)

NON-OPERATIONAL STAFF - PAY RATES FROM 1 JULY 2020

	£ per annum
Fire Control Operator equivalent	
During first six months	20,299
After six months and during 2 nd year	21,199
During 3 rd year	22,204
During 4 th year	23,297
During 5 th year	25,374
Leading Fire Control Operator equivalent	27,173
Senior Fire Control Operator equivalent	
During 1 st year in rank	27,869
During 2 nd year in rank	28,926

JUNIOR FIREFIGHTERS - PAY RATES FROM 1 JULY 2020

	£ per annum
Aged 16	11,026
Aged 17	11,847
Aged 18	23,833

SCP	01-Apr-20	
	per annum	per hour
1	£17,842	£9.25
2	£18,198	£9.43
3	£18,562	£9.62
4	£18,933	£9.81
5	£19,312	£10.01
6	£19,698	£10.21
7	£20,092	£10.41
8	£20,493	£10.62
9	£20,903	£10.83
10	£21,322	£11.05
11	£21,748	£11.27
12	£22,183	£11.50
13	£22,627	£11.73
14	£23,080	£11.96
15	£23,541	£12.20
16	£24,012	£12.45
17	£24,491	£12.69
18	£24,982	£12.95
19	£25,481	£13.21
20	£25,991	£13.47
21	£26,511	£13.74
22	£27,041	£14.02
23	£27,741	£14.38
24	£28,672	£14.86
25	£29,577	£15.33
26	£30,451	£15.78
27	£31,346	£16.25
28	£32,234	£16.71
29	£32,910	£17.06
30	£33,782	£17.51
31	£34,728	£18.00
32	£35,745	£18.53
33	£36,922	£19.14
34	£37,890	£19.64
35	£38,890	£20.16
36	£39,880	£20.67
37	£40,876	£21.19
38	£41,881	£21.71
39	£42,821	£22.20
40	£43,857	£22.73
41	£44,863	£23.25
42	£45,859	£23.77
43	£46,845	£24.28

*hourly rate calculated by dividing annual salary by 52.143 weeks (which is 365 days divided by 7) and then divided by 37 hours (the standard working week in the National Agreement 'Green Book')

Report to	Fire and Rescue Authority
Date	15 March 2021
Lead Officer	Ken Finch - Treasurer
Contact Officer	Helen MacArthur, Assistant Chief Fire Officer (01745 535286)
Subject	Financial Reserves Strategy



PURPOSE OF REPORT

1. This purpose of this report is to present to Members the updated Financial Reserves Strategy (the Strategy).

EXECUTIVE SUMMARY

2. The Financial Reserves Strategy was last presented to the Fire and Rescue Authority in March 2016 and in line with good practice has been subject to review.
3. The Strategy has been updated to reflect current practices and procedures.

RECOMMENDATIONS

4. That Members approve the Financial Reserves Strategy at Appendix 1, as a basis for managing the Fire and Rescue Authority's usable reserves.

OBSERVATIONS FROM AUDIT COMMITTEE

5. The report was reviewed by the Audit Committee, prior to submission to the Authority and the committee recommended approval.

BACKGROUND

6. The Fire and Rescue Authority differs from other local authorities in that it is funded from contributions from the six constituent authorities in North Wales, so is not a precepting or billing authority.
7. The Welsh Government enacted 'The Combined Fire and Rescue Services Schemes (Variation) (Wales) Order 2009' in recognition of the possible burden on council budgets should the Authority require an additional contribution in any year. This provided fire and rescue authorities in Wales with a statutory basis for holding reserves.

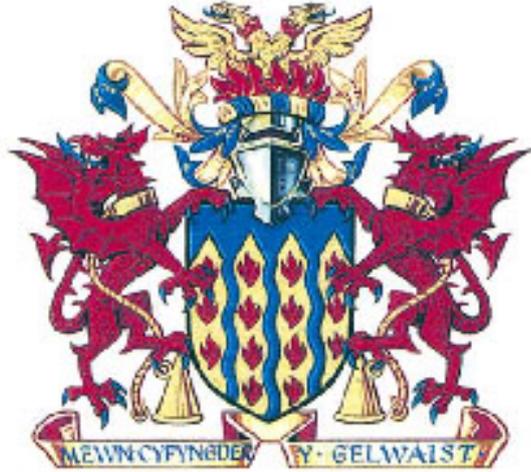
8. The use of reserves is a critical component in managing the financial affairs of the Authority and has ensured that in any year the need for revised contributions is reduced.

INFORMATION

9. The Financial Reserves Strategy is set out in Appendix 1 and details the reserves held and documents the process for the review and reporting of the reserves.

IMPLICATIONS

Wellbeing Objectives	The holding of reserves enables the Authority to achieve its long-term well-being objectives which are: To support people to prevent accidental dwelling fires and stay safe if they do occur; To facilitate high quality, responsive and better integrated fire and rescue services so that prevention activity and emergency response can continue to be available when and where required, affordably, equitably and on the basis of risk
Budget	Current usable reserves total £1.82m
Legal	The Fire and Rescue Authority has a legal duty to set a balanced revenue budget. This may include the use of reserves for known commitments.
Staffing	None
Equalities/Human Rights/ Welsh Language	None
Risks	Income and expenditure is closely monitored to ensure that deviations from the approved budget are properly identified and reported to Members. This includes the movements in the reserves.



North Wales Fire and Rescue Authority

Financial Reserves Strategy

This document is uncontrolled when printed. All users are responsible for checking to confirm that this is the current version before use.

Version:	1.0	Next review:	16/03/2024	Financial Reserves Strategy
Status:	Draft	Issue date:	TBC	

1.0 RESERVES HELD

North Wales Fire and Rescue Authority (the Authority) will maintain reserves in accordance with prevailing legislative and regulatory requirements. The Authority will seek to avoid using reserves to fund a general deficit in the net revenue budget as this represents an unsustainable financial position.

The Authority will not maintain funds for contingency purposes other than those reported as reserves.

In addition to a general reserve, the Authority will maintain earmarked reserves for specified purposes where this is necessary to meet one-off time limited costs associated with specific initiatives or liabilities.

2.0 REPORTING OF RESERVES

The reporting of reserves in the financial statements will meet the prevailing accounting codes of practice applicable to the Authority.

In order to ensure transparency and scrutiny, publicly accessible reports containing further detail will be presented to the Authority when agreeing the Medium Term Financial Strategy and when reporting the financial outturn for the preceding financial year.

When reporting the financial outturn for the previous year the following information will be provided:

- The purpose of the reserves
- The basis of assessment of adequacy
- Transfers in and out of reserves

3.0 RESPONSIBILITY AND DELEGATION

The creation, deletion, assessment of adequacy and transfers in/out of reserves will be delegated to the Section 151 Officer of the Authority.

The adequacy of reserves will be assessed by the Section 151 Officer at least annually, as part of the accounts closedown process.

The Section 151 Officer will report to the Authority as required within this Strategy.

4.0 ROLE OF THE SECTION 151 OFFICER

There is currently no direct role for Welsh Ministers to determine or advise on the appropriate level of reserves for specific Authorities. This is a matter for determination at an organisational level and consideration must be given to the particular risks, circumstances and plans which prevail at any time.

Within the existing statutory and regulatory framework, it is the responsibility of the Section 151 Officer to advise the Authority about the level of reserves that should be held and to ensure that there are clear protocols for their establishment and use.

5.0 USABLE RESERVES

The Authority may hold Usable Reserves for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves; or
- A means of building up funds often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Fund.

Category of Earmarked Reserve	Rationale
Sums set aside for major schemes, such as capital developments or asset purchases, or to fund major reorganisations and Service priorities.	Where expenditure is planned in future accounting periods, it is prudent to set aside resources in advance.
Insurance reserves.	In the absence of any statutory basis, sums held to meet potential and contingent liabilities are reported as earmarked reserves where these liabilities do not meet the definition of a provision under the requirements of International Accounting Standard 37 <i>Provisions, Contingent Assets and Liabilities</i> .
Reserves for unspent revenue grants and donations.	Where revenue grants or donations have no conditions or where the conditions are met and expenditure has yet to take place, the sums are held as earmarked reserves.

The Authority may also hold a Capital Receipts Reserve. This reserve holds the proceeds from the sale of non-current assets, and can only be used for those purposes specified in "The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 as amended". That is:

- To meet capital expenditure;
- To repay the principal of any amount borrowed; or
- To meet any liability in respect of credit arrangements, other than any liability which, in accordance with proper practices, must be charged to a revenue account.

The Authority may also make provision for expenditure in accordance with the strict definitions contained in accounting codes of practice. These are where specific liabilities exist at the balance sheet date and a reliable estimate of the liability can be made.

6.0 UNUSABLE RESERVES

Unusable reserves arise out of technical accounting adjustments due to interaction of legislation and proper accounting practice. These may be established to either record revaluation gains or as adjustment to reconcile accounting and statutory requirements.

These reserves which are not resource-backed and cannot be used for any other purpose. The common unusable reserves are described below:

Revaluation Reserve	This reserve records unrealised gains in the value of property, plant and equipment. The reserve increases when assets are revalued upwards, and decreases as assets are depreciated or when assets are revalued downwards or disposed of. The Reserve contains only revaluation gains accumulated since 1 April 2007, the date the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.
Capital Adjustment Account	This reserve reconciles the different rates at which assets are depreciated under proper accounting practice and are financed through the capital controls system. Statute requires that the charge to the General Fund is determined by the capital controls system. For example, the credit balance on the Account shows that an Authority has generally financed capital investment in advance of receiving the benefits of that investment. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

Pensions Reserve	This reserve reconciles the payments made for the year to various statutory pension schemes in accordance with those schemes' requirements and the net change in the Authority's recognised liability under International Accounting Standard 19 <i>Employee Benefits</i> , for the same period. A transfer is made to or from the pensions reserve to ensure that the charge to the General Fund reflects the amount to be raised in taxation. For example, the debit balance on the Reserve shows that an authority has made commitments to fund pensions that the Government has permitted it to fund from contributions to be made in future years.
Accumulated Absences Account	This account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund is neutralised by transfers to or from the Account.
Financial Instruments Adjustment Account	This account reconciles the different rates at which gains and losses (such as the premiums on the early repayment of debt) are recognised under proper accounting practice and are required by statute to be met from the General Fund. For example, the debit balance on the Account shows that the Authority has incurred expenses on borrowings that the Government has permitted it to spread over future years.

Other such reserves may be created in the future where developments in local authority accounting result in timing differences between the recognition of income and expenditure, under proper accounting practice and under statute or regulation.

7.0 REPORTING OF RESERVES

The IFRS-based *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code) determines the reporting requirements around reserves. The Movement in Reserves Statement presents the movement in the year of the reserves of the authority analysed into usable and unusable reserves.

The Code recommends that earmarked reserves are reported on the face of the Movement in Reserves Statement. The statutory reporting regime and effective financial management underpin the need for clear, transparent reporting arrangements for reserves and best practice suggests that for each earmarked reserve held the following information should be reported:

- the reason for the reserve;
- how and when the reserve can be used;
- procedures for the reserve's management and control; and
- review mechanisms.

The budget report to the Authority should include:

- any use of or addition to reserves including any specific use of reserves to meet recurring costs;
- a statement from the Section 151 Officer on the adequacy of the general reserves and provisions.

8.0 ADEQUACY OF RESERVES

In order to assess the adequacy of reserves when setting the budget, the Section 151 Officer will take account of the strategic, operational and financial risks facing the Authority. The assessment of risks will include external risks, such as matters that may affect business continuity as well as internal risks, for example, the ability to deliver planned efficiency savings.

In financial terms, the following risks will be considered:

Treatment of inflation and interest rates	<ul style="list-style-type: none"> • The overall financial standing of the authority • Rises in the prices of some commodities and whether reserves are adequate to deal with unexpected price variations. • How changes in interest rates will affect borrowing or income given the agreed Treasury Management Strategy.
Estimates of the level and timing of capital receipts	<ul style="list-style-type: none"> • The Authority's track record in budget and financial management including the robustness of the medium term plans. • How the property market, affects delivery of receipts both in timing and amount.
Treatment of demand led pressures	<ul style="list-style-type: none"> • The Authority's capacity to manage in-year budget pressures, and its strategy for managing both demand and service delivery in the longer term.

Treatment of planned efficiency savings/ productivity gains	<ul style="list-style-type: none"> • The strength of the financial information and reporting arrangements.
Financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or Major capital developments	<ul style="list-style-type: none"> • The Authority's virement and end of year procedures in relation to budget under/overspends at authority and department level. • Risk management measures in relation to partnerships, including consideration of risk allocation. • Contract provisions designed to safeguard the authority's position in the event of problems arising from outsourcing arrangements.
Availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions	<ul style="list-style-type: none"> • Risk assessments should be used when balancing the levels of insurance premiums and reserves.
The general financial climate to which the authority is subject	<ul style="list-style-type: none"> • External factors, such as future funding changes, political landscape and world economic conditions.

Report to	North Wales Fire and Rescue Authority
Date	15 March 2021
Lead Officer	Colin Everett, Clerk to the Authority
Contact Officer	Gareth Owens, Deputy Clerk 01745 535286
Subject	The Standards Committee's Annual Report



PURPOSE OF REPORT

- 1 To present the Standards Committee annual report to the Fire and Rescue Authority as required by legislation.

EXECUTIVE SUMMARY

- 2 As a matter of good corporate governance the Standards Committee provides the Authority with an annual report on its activities during each financial year.
- 3 Consequently the Committee's sixteenth annual report is attached for Members' consideration.

RECOMMENDATIONS

- 4 That Members note the Standards Committee's annual report for 2020/21.

ANNUAL REPORT OF THE STANDARDS COMMITTEE OF NORTH WALES FIRE AND RESCUE AUTHORITY 2020/21

Background

This is the Standards Committee's sixteenth annual report to the Fire and Rescue Authority and spans the period from April 2020 to March 2021. Legislation requires that Standards Committees meet at least annually.

The Terms of Reference of the Standards Committee provide a remit to promote and maintain high standards of conduct by Members of the Authority. Also, where statute permits, to receive reports and complaints about Members and to conduct or oversee investigations and make recommendations to the Authority.

Membership

Mr Antony P Young's second term of office came to an end in March 2020, therefore he was ineligible to remain on the Committee for another term. There were no other issues in relation to independent members.

In terms of FRA representatives on the Committee, it was agreed that since Cllr Dylan Rees had been appointed Deputy Chair of the FRA it would be prudent to have another member of the Authority sit on the Committee; Cllr Michael Dixon will join Cllr Owen Thomas on the Committee to represent the FRA. Therefore, the Standards Committee's membership is as follows:

Independent Members

Sally Ellis 01/01/18 – 31/12/2021 (eligible for a second term) (Deputy Chair)

Julia Hughes 01/01/18 – 31/12/2021 (eligible for a second term) (Chair)

Gill Murgatroyd 01/09/19 – 31/08/23

Gareth Pritchard 01/09/19 – 31/08/23

Fire and Rescue Authority Members

Councillor Owen Thomas (19/06/18 until the next council elections)

Councillor Michael Dixon (09/11/20 until the next council elections)

Attendance

A meeting was held on 17 September 2020 via Zoom. Julia Hughes was elected Chair and Sally Ellis elected Deputy Chair. Gill Murgatroyd, Gareth Pritchard and Cllr Owen Thomas were in attendance.

A second meeting was held on 25 February 2021 via Zoom. All members were present.

Issues Discussed

At its meeting on 17 September 2020 the Committee reviewed:

- FRA members' attendance at meetings. It was highlighted that failure to attend meetings represents a significant issue for the Authority as it reduces its capacity and creates gaps in Members' understanding that can take time to overcome. The Deputy Clerk has worked with constituent councils to improve attendance. During the year the number of meetings was also considerably reduced due to restrictions imposed to manage the coronavirus pandemic. The move to virtual/remote meetings will reduce the need for members to travel and will thereby make it easier for members to fulfil their duties on the Authority
- the Authority's gifts and hospitality policy which appears to be in line with other such policies in the other fire and rescue authorities and principal councils in Wales
- the work programmes of the Standards Committees in the other Welsh fire and rescue authorities. Their work programmes already closely resembled its own and the committee has further harmonised its work programme to align more closely whilst considering additional reports as necessary.

The Committee met again on 25 February 2021. At this meeting, Members considered the following matters:

- PSOW Consultation on Revised Guidance on the Code of Conduct
- Directions Issued by the Adjudication Panel for Wales
- PSOW casebook and annual report
- Joint standards committee
- Local Government and Elections (Wales) Act 2021.

The Committee has also looked at significant public reports to see whether there are recommendations or instances of good practice which the Authority could adopt. It specifically looked at the report into the Manchester Bombing and the report by the Committee on Standards in Public Life into the Ethical Regime in England. It has made recommendations to amend the code of conduct based on the latter report which the Authority has adopted.

Training

The committee has agreed that it will undertake training at each of its meetings on matters pertinent to its terms of reference.

Forward Work Plan

The Committee has set itself a forward programme to ensure that it fulfils its terms of reference and considers all items that it needs to cover within a year. Forthcoming items include, amongst others, the regular training slot(referred to above), feedback from Independent Members' observations of meetings, whether to form a Joint Standards Committee with another North Wales authority (either a council or the parks authority) and continued review of attendance.

The Committee conducts a rolling review of the codes and protocols within its terms of reference so that each is considered at least once per Authority term. That programme is complete for this term but will start again after the elections in 2022.

Complaints against Members of the Fire and Rescue Authority

There were no complaints about FRA Members during this period.

Financial Implications

The budget for the Standards Committee is managed through a single budget heading for all Authority costs. Since 2012, independent members of the Standards Committee are entitled to claim remuneration based on meetings and events attended. For attending meetings in this financial year, a total of £850 has been claimed.

Conclusion

The Standards Committee recommends that the North Wales Fire and Rescue Authority notes its annual report 2020/21.