

Report to	North Wales Fire and Rescue Authority
Date	15 April 2024
Lead Officer	Dafydd Edwards - Treasurer
Contact Officer	Helen MacArthur – Assistant Chief Fire Officer
Subject	Financial Reserves Strategy



PURPOSE OF REPORT

1. The purpose of this report is to present an updated version of the Financial Reserves Strategy (the Strategy) to Members of the North Wales Fire and Rescue Authority (the Authority).

EXECUTIVE SUMMARY

2. The Financial Reserves Strategy was last presented to the Authority in January 2021, and in line with good practice has been subject to review.
3. The Strategy has been updated to reflect current practices and procedures.

OBSERVATIONS FROM THE AUDIT COMMITTEE

4. The report was reviewed by the Audit Committee at a meeting on 18 March 2024, at which Members recommended approval.

RECOMMENDATION

5. That Members:
 - i) **Approve the Financial Reserves Strategy at Appendix 1, as a basis for managing the Authority's usable reserves.**

BACKGROUND

6. The Authority differs from other local authorities, in that it is funded by contributions from the six constituent authorities in North Wales; it 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 (i.e. avoiding a supplementary levy on constituent Councils).

INFORMATION

9. The Financial Reserves Strategy is set out in Appendix 1. It provides details of 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 £7.821m (31 March 2023)
Legal	The 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 are closely monitored to ensure that deviations from the approved budget are properly identified and reported to Members. This includes the movements in the reserves.