

**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 16 OCTOBER 2023**, virtually **via Zoom**, commencing at **09:30**.

*Please note, a training session around complaints will precede this meeting, starting at 09:00.*

Yours faithfully,  
Gareth Owens  
Clerk

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**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 FRA and AGM meetings held on 17 July 2023**
- 5. Matters Arising**
- 6. Emergency Cover Review Consultation Outcomes**
- 7. Chair's Report**
- 8. Annual Governance Statement 2022-23**
- 9. Audit of 2022-23 Financial Statements Report and Certificate**
- 10. Annual Performance Assessment 2022-23**
- 11. Financial Update 2023-24**
- 12. Budget Setting 2024-25**
- 13. Treasury Management Update Report**
- 14. Firefighter's Pension Scheme Update**

**15. New Training Centre Land Purchase**

**16. Audit Wales Presentation re: Reducing Automatic Fire Alarms**

**17. 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.

**18. None**

## **NORTH WALES FIRE AND RESCUE AUTHORITY**

Minutes of the **Annual Meeting** of North Wales Fire and Rescue Authority held on Monday 17 July 2023 via Zoom. Meeting commenced at 9.30am.

### **PRESENT**

#### **Councillor**

Dylan Rees (Chair)  
Paul Cunningham (Deputy Chair)  
Bryan Apsley  
Marion Bateman  
Carol Beard  
Tina Claydon  
Adele Davies-Cooke  
Jeff Evans  
Alan Hughes  
Chris Hughes  
John Brynmor Hughes  
John Ifan Jones  
Marc Jones  
Gwynfor Owen  
Arwyn Herald Roberts  
Austin Roberts  
Gareth A Roberts  
Rondo Roberts  
Gareth Sandilands  
Nigel Smith  
Rob Triggs  
Michelle Walker  
Mark Young

#### **Representing**

Anglesey County Council  
Flintshire County Council (arrived 9:35)  
Wrexham County Borough Council  
Flintshire County Council  
Conwy County Borough Council  
Flintshire County Council  
Flintshire County Council  
Anglesey County Council  
Denbighshire County Council  
Conwy County Borough Council  
Gwynedd Council  
Anglesey County Council  
Wrexham County Borough Council  
Gwynedd Council  
Gwynedd Council  
Conwy County Borough Council  
Gwynedd Council  
Wrexham County Borough Council (left 11:10)  
Denbighshire County Council  
Conwy County Borough Council  
Gwynedd Council  
Denbighshire County Council  
Denbighshire County Council

### **Also present:**

Dawn Docx	Chief Fire Officer (CFO)
Stewart Forshaw	Deputy Chief Fire Officer (DCFO)
Helen MacArthur	Assistant Chief Fire Officer (ACFO)
Stuart Millington	Assistant Chief Fire Officer (ACFO)
Anthony Jones	Area Manager (AM)
Dafydd Edwards	Treasurer
Gareth Owens	Clerk and Monitoring Officer
Lisa Allington	Executive Assistant
Helen Howard	Head of Finance and Procurement
Tracey Williams	Head of Corporate Communications
Dafydd Evans	BBC
Osian Jones	BBC

## 1 APOLOGIES

Councillor	Representing
Beverley Parry-Jones	Wrexham County Borough Council

### ABSENT

Councillor	Representing
Chrissy Gee	Flintshire County Council
Paul Rogers	Wrexham County Borough Council
Dale Selvester	Flintshire County Council

The above apologies were offered and accepted. It was noted that Cllr Chrissy Gee, Cllr Paul Rogers and Cllr Dale Selvester were all absent without apology.

## 2 APPOINTMENT OF CHAIR 2023/24

- 2.1 The Clerk requested nominations for the office of Authority Chair for the 2023/24 municipal year.
- 2.2 Cllr Nigel Smith proposed Cllr Dylan Rees and this was seconded by Cllr John Brynmor Hughes.
- 2.3 There being no counter nominations it was therefore **RESOLVED that Cllr Dylan Rees be elected as Chair of North Wales Fire and Rescue Authority for the 2023/24 municipal year.**

## 3 DECLARATIONS OF INTEREST

There were no declarations of interest to record.

## 4 APPOINTMENT OF DEPUTY CHAIR 2023/24

- 4.1 The Chair proceeded to seek nominations for the office of Authority Deputy Chair for the 2023/24 municipal year.
- 4.2 Cllr Tina Claydon proposed Cllr Paul Cunningham and this was seconded by Cllr Gareth Sandilands.
- 4.3 There being no counter nominations it was therefore **RESOLVED that Cllr Paul Cunningham be elected to serve as Deputy Chair of North Wales Fire and Rescue Authority for the 2023/24 municipal year.**

## **5 APPOINTMENTS OF CHAIR AND DEPUTY CHAIR OF AUDIT COMMITTEE 2023/24**

5.1 The Chair requested nominations for the office of Chair of the Audit Committee for the 2023/24 municipal year.

5.2 Cllr Gwynfor Owen proposed the re-election of Cllr Nigel Smith as the Chair of the Audit Committee and this was seconded by Cllr Austin Roberts.

5.3 The Chair requested nominations for the office of Deputy Chair of the Audit Committee for the 2023/24 municipal year.

5.4 Cllr Nigel Smith proposed the re-election of Cllr Mark Young as the Deputy Chair of the Audit Committee and this was seconded by Cllr Chris Hughes.

5.5 There were no counter nominations.

5.6 **RESOLVED that:**

- i) Cllr Nigel Smith be elected to serve as Chair of the Audit Committee for the 2023/24 municipal year; and**
- ii) Cllr Mark Young be elected to serve as Deputy Chair of the Audit Committee for the 2023/24 municipal year.**

## **6 NOTICE OF URGENT MATTERS**

6.1 It was confirmed that no items had been submitted to the Clerk for consideration.

## **7 MINUTES OF THE LAST ANNUAL MEETING HELD ON 20 JUNE 2022**

7.1 The minutes of the North Wales Fire and Rescue Authority (the Authority) Annual Meeting held on 20 June 2022 were submitted for approval.

7.2 **RESOLVED to:**

- i) approve the minutes as a true and correct record of proceedings.**

## **8 MATTERS ARISING**

8.1 There were no matters arising from the minutes submitted.

## **9 MEMBERSHIP OF THE FIRE AND RESCUE AUTHORITY**

- 9.1 Gareth Owens, Clerk to the Authority, gave a verbal update on the membership of the Authority.
- 9.2 It was noted that there had been a number of changes to Authority membership over the last 12 months. Michelle Blakeley Walker representing Denbighshire County Council had been appointed to replace Cllr Brian Blakeley following his sad passing. Cllr Dyfed Jones representing Anglesey County Council had replaced Cllr Ken Taylor following his resignation, and had since resigned himself being replaced by Cllr John Ifan Jones. It was noted that Cllr Neil Coverley from Conwy County Borough Council had also resigned, but a replacement had not yet been appointed.

### **9.3 RESOLVED to:**

- i) Note the content of the update**

## **10 APPOINTMENTS TO COMMITTEES AND EXTERNAL BODIES**

- 10.1 Gareth Owens, Clerk to the Authority, presented the Appointments to Committees and External Bodies paper which asked that Members note the membership of the Authority and its committees, which has changed since last year. Members were also asked to note the outside appointments such as the Welsh Local Government Association (WLGA) and the Local Government Association (LGA).
- 10.2 It was noted that not all Local Authorities had nominated two representatives to sit on the Executive Panel as yet.

### **10.3 RESOLVED to:**

- i) Approve the membership and appointment to committees and external appointments.**

## **11 MEETING DATES 2023/25**

- 11.1 Gareth Owens, Clerk to the Authority, presented the Meeting Dates 2023/25 paper which aimed to inform Members of the dates for meetings of the full Fire and Rescue Authority, Executive Panel and Audit Committee for 2023-25.
- 11.2 It was noted that there had been a slight change to the timing of the meeting dates in order to align with other deadlines relating to the budget, and the strategic management of North Wales Fire and Rescue Service (the Service).

### 11.3 **RESOLVED to**

- i) agree the dates for meetings of the Fire and Rescue Authority, Executive Panel and Audit Committee; and**
- ii) agree for the constitution to be amended to reflect the fact that the Annual Meeting needs to take place in July, not June as currently specified.**

## 12 **MEMBERS' REMUNERATION SCHEME**

12.1 Gareth Owens, Clerk to the Authority, presented the Members' Remuneration Scheme paper which aimed to inform Members about the current rates of Member remuneration, and contained a request to formally approve the schedule of payments made during the financial year 2022/23.

12.2 It was noted that the annual report of the Independent Remuneration Panel (IRP) set out changes to Members' remuneration, and the report contained information on those changes that would affect Members of fire and rescue authorities.

### 12.3 **RESOLVED to**

- i) note the IRPW's determinations in relation to Members' allowances and remuneration with effect from 1 April 2023;**
- ii) give delegated authority to the Clerk to update the schedule of Member remuneration within the Authority's constitution and to make any necessary amendments to the 2023/24 schedule from time to time during the municipal year, in order to reflect any changes in membership of the Authority, or as a result of any supplementary reports issued by the Independent Remuneration Panel for Wales; and**
- iii) to approve the schedule of payments made during 2022/23 as required by the IRPW**

## 13 **URGENT MATTERS**

There were no urgent matters to consider.

There being no other business, the meeting was brought to a close.

Meeting closed: 09:45

## **NORTH WALES FIRE AND RESCUE AUTHORITY**

Minutes of the meeting of **North Wales Fire and Rescue Authority** held on **Monday 17 July 2023** in St Asaph Fire and Rescue Headquarters and virtually via **Zoom**. Meeting commenced at **09.45hrs**.

### **Councillor**

Dylan Rees (Chair)  
Paul Cunningham (Deputy Chair)  
Bryan Apsley  
Marion Bateman  
Carol Beard  
Tina Claydon  
Adele Davies-Cooke  
Jeff Evans  
Alan Hughes  
Chris Hughes  
John Brynmor Hughes  
John Ifan Jones  
Marc Jones  
Gwynfor Owen  
Arwyn Herald Roberts  
Austin Roberts  
Gareth A Roberts  
Rondo Roberts  
Gareth Sandilands  
Nigel Smith  
Rob Triggs  
Michelle Walker  
Mark Young

### **Representing**

Anglesey County Council  
Flintshire County Council (arrived 9:35)  
Wrexham County Borough Council  
Flintshire County Council  
Conwy County Borough Council  
Flintshire County Council  
Flintshire County Council  
Anglesey County Council  
Denbighshire County Council  
Conwy County Borough Council  
Gwynedd Council  
Anglesey County Council  
Wrexham County Borough Council  
Gwynedd Council  
Gwynedd Council  
Conwy County Borough Council  
Gwynedd Council  
Wrexham County Borough Council (left 11:10)  
Denbighshire County Council  
Conwy County Borough Council  
Gwynedd Council  
Denbighshire County Council  
Denbighshire County Council

### **Also present:**

Dawn Docx  
Stewart Forshaw  
Helen MacArthur  
Stuart Millington  
Anthony Jones  
Dafydd Edwards  
Gareth Owens  
Lisa Allington  
Helen Howard  
Tracey Williams  
Dafydd Evans  
Osian Jones

Chief Fire Officer (CFO)  
Deputy Chief Fire Officer (DCFO)  
Assistant Chief Fire Officer (ACFO)  
Assistant Chief Fire Officer (ACFO)  
Area Manager (AM)  
Treasurer  
Clerk and Monitoring Officer  
Executive Assistant  
Head of Finance and Procurement  
Head of Corporate Communications  
BBC  
BBC

## 1 APOLOGIES

### **Councillor**

Beverley Parry-Jones

### **Representing**

Wrexham County Borough Council

### **ABSENT**

### **Councillor**

Chrissy Gee

Paul Rogers

Dale Selvester

### **Representing**

Flintshire County Council

Wrexham County Borough Council

Flintshire County Council

The above apologies were offered and accepted. It was noted that Cllr Chrissy Gee, Cllr Paul Rogers and Cllr Dale Selvester were all absent without apology.

## 2 DECLARATIONS OF INTEREST

- 2.1 Cllrs Paul Cunningham, Jeff Evans and Rob Triggs declared an interest in Item 13, Local Pension Board Annual Report 2022/23, as they were in receipt of pensions on which the Local Pension Board advises.

## 3 NOTICE OF URGENT MATTERS

- 3.1 There was no notice of urgent matters.

## 4 MINUTES OF THE MEETING HELD ON 17 APRIL 2023

- 4.1 The minutes of the meeting held on 17 April 2023 were submitted for approval.

### 4.2 **RESOLVED to:**

- i) **approve the minutes as a true and correct record of the meetings held.**

## 5 MATTERS ARISING

- 5.1 CFO Docx updated the meeting with regards to paragraph 7.7, in relation to firefighter pay awards and potential industrial action. It was confirmed that, at the recent Social Partnership Forum, there had been a discussion around the budget and the Welsh Government had confirmed that there would be no additional funding given to Fire and Rescue Services in Wales towards the recent pay award.

- 5.2 It was noted that, in relation to paragraph 8.2 regarding the provisional outturn 2022/23, the final accounts would now be presented at the October Fire Authority meeting.
- 5.3 Members were asked to note that in paragraph 9.4 of the minutes, the annual review of the authority's corporate plan 2021-24, it was advised that a report on Automatic Fire Alarms (AFA)'s would be formally presented to Members of the North Wales Fire and Rescue Authority (the Authority) at this meeting. However, this presentation would now take place at the October FRA meeting.
- 5.4 In relation to paragraph 11.3, pay policy statement 2023-24, a paper would be going to the Audit Committee in September.

## **6 EMERGENCY COVER REVIEW**

- 6.1 DCFO Forshaw presented the Emergency Cover Review (ECR) paper which aimed to provide Members with an update on the progress of the Emergency Cover Review since the last progress report, which was presented to the Authority on 17 April 2023.
- 6.2 The paper also sought to confirm with Members the process and timescales for the Authority's public consultation on the future of emergency cover for the communities of North Wales.
- 6.3 Furthermore, confirmation was requested from the Authority on the options to be included within the public consultation.
- 6.5 One Member noted that he was surprised by the statement that Option 3 did not have the support of the Chief Fire Officer, as they thought that all of the options had the support of Officers.
- 6.6 The Chief Fire Officer clarified that the reasons for her reservations around Option 3 was that this option does not meet the objectives of the ECR, which were to ensure that the communities of North Wales were being provided with a service that they could have confidence in. This involved making sure that resources were in the right place to be able to deliver a timely response with the right skills. As Option 3 was based primarily on financial considerations, and does not improve Emergency Cover during the day, it was for this reason that the CFO could not give her professional support to it.
- 6.7 The Chair further confirmed that Officers would support whichever option Members decided to take to consultation.
- 6.8 It was resolved to move to a Part II discussion on this item and as such, all observers present were asked to leave.

## **PART II**

- 6.9 A point of order was clarified in that this discussion was about which options Members would like to take forward for consultation at this stage. It was impressed upon Members that this was a very important decision and so it was essential for all to have the opportunity to comment or ask questions.
- 6.10 It was acknowledged that this was a difficult matter for Members.
- 6.11 Members were reminded that they represent the Authority and therefore have a responsibility to ensure a sufficient level of service whilst at the same time, not overburdening local tax payers. It was suggested that taking all three options forwards to consultation would show that the Authority were serious about listening to the views of the public.
- 6.12 An in-depth and detailed discussion was held around the three options outlined, and their advantages and disadvantages.
- 6.14 It was confirmed that the consultation would be launched on Friday 21 July 2023 with an online questionnaire. This would also be available in paper format, with additional resources such as flyers, posters and easy-read formats available on the website and for distribution. There were also planned drop-in roadshows across each Authority.
- 6.13 Members agreed that it should be for the public to decide which options were the best for them. It was therefore proposed that all three options should proceed to consultation. This proposal was seconded with a majority in favour.
- 6.14 **RESOLVED to:**  
**i) commence a public consultation around options of 1, 2 and 3**

It was agreed to move to a comfort break at 11:06

Part I meeting recommenced 11:15

## **7 CHAIR'S REPORT**

- 7.1 It was noted that a written paper had been supplied for this meeting to provide Members with information on the meetings and events attended by the Chair and Deputy Chair of the North Wales Fire and Rescue Authority (the Authority) in their official capacities between April 2023 and June 2023.
- 7.2 The Chair encouraged Members to attend the Phoenix celebrations if they were at all able, as they were very inspiring events.

- 7.3 **RESOLVED to:**  
i) **note the information provided.**

## **8 INTERNAL AUDIT ARRANGEMENTS FROM APRIL 2023**

8.1 ACFO MacArthur presented the Internal Audit Arrangements from April 2023 paper, which aimed to outline to Members confirmation of the appointment of Mersey Internal Audit Agency as North Wales Fire and Rescue Authority's (the Authority) internal auditor for the period 1 April 2023 – 31 March 2026.

- 8.2 **RESOLVED to:**  
i) **Note the appointment of Mersey Internal Audit Agency as the Authority's internal audit providers for the financial period 1 April 2023-31 March 2026.**

## **9 TREASURY MANAGEMENT ACTIVITY AND ACTUAL PRUDENTIAL INDICATORS FOR 2022/2023**

9.1 Dafydd Edwards, Treasurer, presented the Treasury Management Activity and Actual Prudential Indicators for 2022/2023 paper, which aimed to inform Members of the treasury management activity and prudential indicators for North Wales Fire and Rescue Authority (the Authority) during the 2022/23 financial year. This report is a requirement of the Prudential Code (the Code).

- 9.2 **RESOLVED to:**  
i) **note the treasury management activity; and**  
ii) **approve the final prudential indicators for 2022/23.**

## **10 INTERNAL AUDIT ANNUAL REPORT 2022/23**

10.1 ACFO Helen MacArthur presented the Internal Audit Annual Report 2022/23 paper, which informed Members that, under the terms of the Accounts and Audit (Wales) Regulations 2014 Part 3 5. (2), the North Wales Fire and Rescue Authority (the Authority) is required annually to conduct a review of the effectiveness of its system of Internal Control. Internal Audit is an integral part of that system and is a significant contributor to the preparation of the Annual Governance Statement.

10.2 Members were further advised that CIPFA's Public Sector Internal Audit Standards 2017 require the Head of Internal Audit to provide the Audit Committee with assurance on the whole system of internal control, including the adequacy of risk management and corporate governance arrangements.

- 10.3 Furthermore, the report analyses the work of the Internal Audit Service for 2022/23 and contains the assurance statement based on the work of Internal Audit during the year ended March 2023.
- 10.4 Thanks were passed to the previous auditors, Conwy County Borough Council, and ACFO MacArthur for their sterling work to date.
- 10.5 **RESOLVED to:**
- i) note the content of Head of Audit and Procurement's Annual Report and the overall 'opinion' upon the adequacy and effectiveness of the Authority's framework of governance, risk management and control.**

## **11 ANNUAL GOVERNANCE STATEMENT 2022/23**

- 11.1 AM Anthony Jones presented the Annual Governance Statement 2022/23 paper which presented to Members the draft Annual Governance Statement for 2022/23.
- 11.2 **RESOLVED to:**
- i) note the governance arrangements outlined within the draft 2022/23 Annual Governance Statement;**
  - ii) note the forward work plan for 2023/24; and**
  - iii) approve the draft 2022/23 Annual Government Statement.**

## **12. PROVISIONAL OUTTURN 2022/23**

- 12.1 ACFO MacArthur presented the Provisional Outturn 2022/23, which presented the unaudited revenue and capital expenditure position for 2022/23, to present the unaudited balance sheet position as at 31 March 2023 and to confirm the timetable for the production of the annual statement of accounts.
- 12.2 Members' attention was drawn to the table at the end of paragraph 13 of the paper, which highlighted expenditure across key areas within the Service.
- 12.3 Members were also asked to note the grant funding detailed in paragraph 24 and the pension liabilities in paragraph 47 of the paper.
- 12.4 **RESOLVED to:**
- i) note the unaudited revenue and capital outturn position for the 2022/23 financial year, including the earmarked reserves, as detailed within the report;**
  - ii) note the unaudited 2022/23 balance sheet position; and**
  - iii) note the timescales for the production of the annual statement of accounts and the external audit thereof.**

### **13. LOCAL PENSION BOARD ANNUAL REPORT**

- 13.1 ACFO MacArthur presented to Members the Local Pension Board Annual Report. This report presented to Members of the Authority the annual report of the Local Pension Board (LPB) which details the work of the board during the 2022/23 financial year. The annual report is attached at appendix 1.
- 13.2 Approval was sought from Members to increase the membership of the Local Pension Board. These proposed changes were set out in the updated Terms of Reference attached at appendix 2.
- 13.3 The Treasurer noted that attendance on the Local Pension Board was an issue, and that increasing the membership would help to resolve this.
- 13.4 **RESOLVED to:**
- i) approve the Local Pension Board 2022/23 Annual Report;**
  - ii) note the inclusion of a further item on the forward work programme, to include an update on the financial aspects of the pension fund including the ongoing valuation;**
  - iii) approve the increase in membership of the Local Pension Board from eight to ten members; and**
  - iv) seek nominations via email for a further employer representation from Members of the Authority.**

### **14 ENVIRONMENTAL STRATEGY 2023-2030**

- 14.1 ACFO Millington presented the Environmental Strategy 2023-2030 paper, which presented a proposed Environmental Strategy for consideration by the North Wales Fire and Rescue Authority (the Authority). Authority Members from each of the constituent local authorities have been convened in a working group to develop the Environmental Strategy and specific targets set out within.
- 14.2 It was confirmed that a number of areas of action were highlighted within the sub-documents to this strategy, and that these would be rolled-out following the launch of the Environmental Strategy itself.
- 14.3 Members asked for their thanks to be passed on to Officers, and to Tim Christensen, Environment and Climate Change Manager, for his professional input in compiling this Environmental Strategy 2023-2030.
- 14.4 It was asked whether business cases for the improvement works were being looked at long-term in order to show that costs would be offset over a number of years, and responded that grants were available at the current time and were being utilised.

- 14.5 **RESOLVED to:**  
i) **approve the proposed Environmental Strategy for the period 2023-2030.**

## **15 PERFORMANCE MONITORING: APR 2022 – MAR 2023**

- 15.1 DCFO Forshaw presented the Performance Monitoring: Apr 2022 – Mar 2023, which provided information about incident activity during the 2022/23 financial year; performance in relation to the North Wales Fire and Rescue Authority's (the Authority) improvement and well-being objectives; and other notable incident activity.
- 15.2 Members agreed that there having been no accidental dwelling fire deaths in the last year was a point to celebrate.
- 15.3 ACFO Millington confirmed that there were good arrangements in place for working with local partners in relation to wildfire prevention and response. It was further responded that sharing good practice and sharing of resources was taking place across Wales to ensure the best possible response in respect of Wildfires possible.
- 15.4 One Member asked whether there was any feasibility in mobilising fire appliances below the minimum crewing levels, and having additional crew members arrive late, in order to improve response times. ACFO Millington confirmed that new and innovative methods of improving availability were currently being looked at, and that this was one of the areas being considered.
- 15.5 Members asked for their congratulations to be passed to all employees of the North Wales Fire and Rescue Service for their hard work and dedication in ensuring the safety of the communities of North Wales.
- 15.6 **RESOLVED to:**  
i) **note the contents of this report.**

## **17 URGENT MATTERS**

- 17.1 There were no urgent matters to consider.

It was noted that the next meeting would take place on 16 October 2023.

**Meeting closed: 11:58**

Report to	<b>North Wales Fire and Rescue Authority</b>	
Date	<b>16 October 2023</b>	
Lead Officer	<b>Stewart Forshaw, Deputy Chief Fire Officer (Corporate Policy &amp; Planning)</b>	
Contact Officer	<b>Anthony Jones, Head of Planning, Performance and Transformation</b>	
Subject	<b>Summary Report of the Emergency Cover Review Consultation 21 July to 30 September 2023</b>	

### PURPOSE OF REPORT

1. To provide Members with an update of the key emerging themes from the programme of consultation involving the public, staff and partner organisations on the North Wales Fire and Rescue Authority's Emergency Cover Review which was conducted between 21st July 2023 and 30th September 2023.

### EXECUTIVE SUMMARY

2. This report aims to provide the Authority with information on the key emerging themes identified as part of the consultation on the future of emergency cover in North Wales, to assist Members with decision making prior to setting the budget for 2024/25.
3. On 21 July 2023, the North Wales Fire and Rescue Authority (the Authority) launched a public consultation to gather feedback from those who live, work and travel in the region about the provision of a future emergency cover in North Wales, following agreement at the meeting of the full Fire Authority on 17 July 2023.
4. The public consultation was open from 21 July 2023 to 30 September 2023, having been extended from its original closing date of 22 September 2023. The extension allowed for extra engagement opportunities with young people, equality, diversity and inclusion groups, and for other organisations to respond following their summer recesses.

5. At the close of the consultation on 30 September 2023, 1500 responses were received via the online questionnaire. A further 226 paper questionnaires had also been received. A total of 17 community engagement events had taken place across the region as well as 17 meetings with equality, diversity and inclusion groups in addition to engagement with North Wales Councillors, Chief Executives, Members of the Senedd Cymru and Members of the UK Parliament. A comprehensive programme of staff engagement visits to fire stations and departments had also been delivered across North Wales Fire and Rescue Service (the Service).
6. The consultation clearly shows a clear rejection of options 2 (63% disagreeing) and 3 (93% disagreeing). There is clear public opinion that option 1 is the preferred option (68% agreeing). Whilst there was clear support for option 1 the responses also highlighted other measures that the Authority may need to consider including opportunities for growth. Some responses also sought assurance that costs including corporate management expenditure are reasonable.
7. On the 5 October 2023 the Member led Emergency Cover Review Working Group met and were presented with a recap on the aims of the Emergency Cover Review, the evaluation criteria (paragraph 17 of this report) and the consultation findings.
8. Based on the aim of the Emergency Cover Review, evaluation criteria and the consultation findings, at this meeting, the working group recommend that officers continue to work on variations of option 1 including a refreshed equality impact assessment. The working group also requested further work in relation to the other matters raised in the responses to the consultation and this will be supported through the work of the Budget Scrutiny Working Group.
9. The working group further recommended that the Officers cease working on options 2 and 3 from the Emergency Cover Review based on views received from the public outlined within the consultation report.

## RECOMMENDATION

10. That Members are asked to:

- i) Note, the comprehensive range of community and stakeholder engagement activities delivered as part of the public consultation;
- ii) Note, the analysis of the consultation feedback in the report from independent consultant Sarah Barnett Research (Appendix 1);
- iii) Note, additional comments and suggestions received for making improvements to the provision of fair and equitable emergency cover across North Wales.
- iv) Note, the Member led Emergency Cover Review Working Group recommend that officers continue to work on variations of option 1 plus the points raised in the responses to the consultation; and
- v) Agree, the recommendation from the Member ECR working group that the Authority cease working on options 2 and 3 from the ECR based on clear rejection from the public from within the consultation report.

## BACKGROUND

11. Following the commissioning of an Emergency Cover Review (ECR) by North Wales Fire and Rescue Authority (the Authority) in September 2021, extensive work was undertaken to determine the current position and scope proposals for improvement. The findings were presented to the Member led Emergency Cover Working Group. The group met on five occasions between March 2023 and June 2023. The focus of the group was to consider options around a future of service delivery model to address the existing challenges and to be able to respond to future operational risks.

12. The development journey to determine which options were presented for consultation is here [PowerPoint Presentation \(gov.wales\)](#)

### 13. Consultation Programme

Following a detailed stakeholder mapping exercise, the consultation programme focused on a range of stakeholder tailored engagement activities. These included:

#### i) General public

- A suite of bilingual information material was developed to communicate the consultation options including an in-depth document, a summary document and easy read versions. These were supplemented with posters and flyers. These were made available at public engagement events, on the Service website, and flyers signposting people to the website were distributed by community-based staff during Safe and Well Checks.
- An online questionnaire was developed to gauge opinion, and bilingual as well as easy read paper copies of the questionnaire were also available.
- A bespoke email address and telephone number were adopted to help people to communicate their views and request any assistance or to request hard copies of the information material or questionnaire which could be returned via a freepost address.
- A total of 17 community engagement events were held across the North Wales region, including two of which were held online, all hosted by a panel comprising an independent chair to facilitate engagement, a Principal Officer, an Area Manager and where possible a Member of the Authority. In response to early feedback, the community engagement event venues, locations and times were updated to include holding meetings in the areas named for possible station closures as part of Option 3.
- In addition, a wide range of stakeholders on the Service database of consultees were sent information via email; posters were displayed to advertise the engagement events and the opportunity to take part in the consultation; advertisements were placed in local print media and their associated digital sites; and a variety of social media platforms were used throughout the consultation period to raise awareness.
- Attendance at local annual events helped to raise further awareness of the consultation and these included the National Eisteddfod in Boduan, Gwynedd; the Anglesey Show at Anglesey Showground; the Denbigh and Flint Show in Denbigh; the Merioneth County Show, Harlech; and the Cerrigydrudion Show.

#### ii) Consultation with Staff

- Consultation with members of staff was carried out during a programme of visits by senior managers and Principal Officers to fire stations; at seminars held for middle managers seminar and for supervisory managers; via fire station watch briefings by station support officers and middle managers.
- Internal communications channels also helped to raise regular awareness of the consultation amongst staff – including the Chief Fire Officers Update in the Weekly Brief and intranet information.
- Engagement with Staff Representative bodies was carried out via the Joint Consultative Forum.
- Frequently asked questions were collated from station visits and developed and updated throughout, made available via the Service intranet.

#### iii) Decision Makers

- Engagement opportunities were provided with North Wales Councillors, Members of the Senedd Cymru and Members of the UK Parliament.
- The Chief Fire Officer met with all available politicians and Local Authority Chief Executives as part of the pre-consultation and on request during the consultation.
- Further meetings with Chief Executives and Finance and Scrutiny Committees have also been ongoing throughout the consultation period.

#### iv) Local media and social media

- Members of the media were invited to the Authority meeting announcing the consultation, and interviews were facilitated with print and broadcast journalists throughout the consultation period.
- A concerted social media campaign was delivered via Service social media accounts, including paid and targeted social media messaging through Facebook as required.

#### v) Diverse Groups

- Consultation activity was undertaken to provide an opportunity for a range of diverse groups across the community to take part, with further detail on this provided within the consultation feedback report.
- Equality Impact Assessments were also developed to support the consultation. These will be reviewed as the proposals are implemented.

#### vi) Best Practice

- To ensure best practice, the Service worked with the Consultation Institute (tCI) throughout the process, who provided advice and quality assurance related to key milestones.
- Additional elements and consultation materials introduced to ensure best practice included developing a consultation mandate, producing equality impact assessments and a regularly updated frequently asked questions section on the website.
- Throughout the 10 weeks, the consultation was adapted in response to feedback and a proactive approach to enquiries and requests for support was adopted. For example, community engagement events were increased to include 5 events that were held in the areas identified for potential station closures, with the event in Conwy being rescheduled to an evening meeting; Equality, Diversity and Inclusivity events were expanded; and the consultation closing date was extended.

#### vii) Representative Bodies

- The Service has engaged with representative bodies throughout the pre-consultation and full consultation phases and 2 alternative options for future emergency cover were received from the Fire Brigades Union (FBU). These will be reviewed against the criteria used to develop the consultation options.

#### viii) Responses

- At the close of the consultation, 1500 online responses were received via the online questionnaire, as well as 226 completed paper questionnaires, far exceeding any the response from any previous Service consultation process in the past.
- In total 1248 members of the public and 191 staff responded, 288 additional unidentified responses.
- 33 stakeholder or partner organisations responded.
- The report from Sarah Barnett Research in Appendix 1 summarises the responses received from all the stakeholders and the top line findings and key themes.

#### ix) Emergency Cover Group Meetings

- To adhere to the budget setting process, it will be necessary for further Emergency Cover Group meetings to be held before reporting to the full Authority on 18 December 2023 where a decision can be made on any changes to emergency cover arrangement post April 2024.

- On the 5 October 2023 the Member led Emergency Cover Review Working Group met and were presented with a recap on the Emergency Cover Review aim, the evaluation criteria (paragraph 17 of this report) and the consultation findings.
- Members of the Authority Executive Panel received a mid-point update at their meeting on 18 September 2023.

14. In April 2023, the Service engaged tCI, a not for profit, well-established institute promoting high-quality public and stakeholder consultation in the public, private and voluntary sectors. They have been used by many Fire and Rescue Services in the UK including Mid and West Wales.

15. The Institute provides advice, guidance and qualified peer review to prepare organisations for consultation readiness and adoption of best practice in line with a Consultation Charter. When satisfied that best practice has been achieved, tCI issue a certificate of consultation readiness prior to full public consultation to demonstrate that the consultation is being delivered to the required standard. On 19 July 2023, tCI awarded the Service it's 'Certificate of Consultation Readiness'.

16. Best practice pre-consultation activities include listening to the views of others via focus groups and workshops. This allows for an analysis of who may be impacted and to what extent, to ensure that the right methods of communicating and engaging with all stakeholders is considered prior to full consultation.

17. The Authority Working Group determined which options were viable in terms of meeting criteria for a fair, sustainable and equitable emergency response for everyone in North Wales and used evaluation criteria based on:

- Emergency cover - how our fire appliances respond to emergency calls.
- Protection and prevention services - how we keep your homes and businesses safe.
- Affordability - keeping our services as affordable as possible, providing best value for money.
- Workforce - impact of changes on our teams.
- Fair and equitable service - having our staff at the right place, at the right time and with the right skills.
- Social value - recognising the impact of any changes we make on our communities.

18. This meant that the original Option 1 (which was to do nothing and stay the same) and Option 2 (which involved increasing resources) were not taken forward as options for public consultation as they did not meet the criteria of the review for a fair, sustainable and equitable emergency response.
19. To shape the options that would be presented for full consultation, the Working Group also took the feedback from the pre-consultation stakeholder focus groups into account along with the 166 comments collected from the 21 responses from staff via the bespoke emergency cover review email.
20. The potential closure of fire stations remained within the set of options as the Authority voted unanimously in favour of seeking public feedback on how service reductions could result in a way of reducing costs to householders.
21. The final 3 Options were presented to the Authority Meeting on 17 July 2023 where a unanimous vote was recorded in favour of taking the 3 options to public consultation between 21 July and 22 September 2023.
22. At its meeting on 17 July 2023, the Authority approved to commence public consultation between 21 July and 22 September 2023 on the revised options below:
- **Option 1** This would mean that the 12 rural firefighter posts and 28 wholetime firefighter posts from Rhyl and Deeside station would be reallocated to the 3 new day staffed stations. Cover for Rhyl and Deeside would change to a day crewed model similar to the model which currently operates at Colwyn Bay, Llandudno, Bangor, Caernarfon and Holyhead. This will continue to be in addition to the existing RDS firefighters who crew the second fire engine at all these stations.
  - **Option 2** An alternative model which provides an improved emergency cover by introducing 3 new day staffed stations, but also realises savings of £1.1 million towards the increase in 2024/25 budget, currently estimated at £6 million thus limiting the year on year increase to £4.9m. This option changes the crewing model at Rhyl and Deeside to a day staffed model, which leaves the night time cover to be provided solely by the RDS firefighters and removes the third appliance from Wrexham. In total this sees a reduction in 22 wholetime firefighter posts.

- **Option 3** Changes are in line with option 2, however, only 2 day staffed stations are introduced and the closure of 5 RDS fire stations is included. This is a reduction of 36 wholetime and 38 RDS firefighter posts realises savings of £2.4m thus limiting the year on year cost increase to £3.6m

23. During week 8 of the 9-week consultation, in response to feedback, a decision was taken to extend the consultation period to the 30 September to allow more time for responses.

24. The development of the options for presentation can be found here [PowerPoint Presentation \(gov.wales\)](#)

25. To ensure that all consultation response evidence is accurately analysed and reported, the Service engaged an independent research consultancy, Sarah Barnett Research. The consultant provided weekly updates, a mid-point summary and the full consultation summary analysis report which is included at Appendix 1.

## IMPLICATIONS

Well-being Objectives	The consultation must meet the Authority's obligations under the Well-being of Future Generations (Wales) Act 2015
Budget	The consultation budget implications have been publicised in the consultation frequently asked questions and have been presented to the Budget, Monitoring and Procurement Committee.
Legal	Our legislation requires that the Authority must consult the public on changes to our emergency cover. The ECR consultation and the best practices the Services is following as recommended by the Consultation Institute support the Authority in meeting these requirements.
Staffing	The Service has conducted extensive direct consultation with staff and their representative bodies during pre-consultation and this continues during the full public consultation. However, in deciding on options to be consulted on staff will be impacted by the proposed changes within the options
Equalities/Human Rights/Welsh Language	The Service's Equality, Diversity and Inclusion Officer has created a timetable of engagement events with ED&I groups throughout the consultation. The best practice the Service is following and the quality assurance of the consultation by the Consultation Institute ensures focus on the Authority's requirements in this area.
Risks	The ECR and its consultation reduces the risks of not being able to set a balanced budget and respond to emergencies effectively and efficiently in the communities of North Wales

Report to	<b>North Wales Fire and Rescue Authority</b>
Date	<b>16 October 2023</b>
Lead Officer	<b>Not applicable</b>
Contact Officer	<b>Members Services</b> ( <a href="mailto:members.services@northwalesfire.gov.wales">members.services@northwalesfire.gov.wales</a> )
Subject	<b>Chair's Report – July to September 2023</b>



## PURPOSE OF REPORT

- 1 This report provides Members with information on the meetings and events attended by the Chair and Deputy Chair of North Wales Fire and Rescue Authority (the Authority) in their official capacities between July 2023 and September 2023.

## EXECUTIVE SUMMARY

- 2 The Chair and/or Deputy Chair have attended several meetings and events, both internally and externally on behalf of the Authority. This has significantly increased this quarter due to the public consultation around the Emergency Cover Review.

## RECOMMENDATION

- 3 Members are asked to:
  - i) note the information provided in the report.

## OBSERVATIONS FROM EXECUTIVE PANEL/AUDIT COMMITTEE

- 4 This report has not previously been considered.

## INFORMATION

- 5 In addition to the Authority-related meetings, the Chair and Deputy Chair have met with the Chief Fire Officer (CFO) on a regular basis.
- 6 On 3 July 2023, the Chair and the CFO held a virtual meeting with Councillor Llinos Medi, Leader of Anglesey Council, as part of the pre-consultation to brief her on the Emergency Cover Review.

- 7 On 4 July 2023, the Chair and the Deputy Chair met with the DCFO and officers to review the Corporate Risk register.
- 8 On 5 July 2023, the Chair and the CFO attended a hybrid meeting of the Social Partnership Forum chaired by the Deputy Minister. The agenda included Building Safety and an update on the actions the Fire and Rescue Authorities (FRA)'s have taken to mitigate the effect of fire contaminants.
- 9 On 27 July 2023, the Chair and the CFO held a virtual meeting with Councillor Dyfrig Siencyn, Leader of Gwynedd Council, to brief him on the Emergency Cover Review.
- 10 On 3 August 2023, the Chair and the Deputy Chair met with the Chair and the Secretary of the Fire Brigades Union (FBU) at Rhyl Fire Station to discuss the Emergency Cover Review.
- 11 On 9 August 2023, the Chair and the Deputy Chair met with the Clerk to the Authority to adjudicate on a Stage 3 complaint.
- 12 On 16 August 2023, the Chair and the DCFO attended engagement events held in Wrexham as part of the public consultation into the Emergency Cover Review.
- 13 On 18 August 2023, the Chair and the Deputy Chair met with North Wales representatives of the 'National Association of Retired Firefighters' (NARF) to discuss the Emergency Cover Review. This was followed by a meeting of the Training Centre Working Group.
- 14 On 29 August 2023, the Deputy Chair and ACFO Helen MacArthur attended the engagement event held at Deeside as part of the consultation into the Emergency Cover Review.
- 15 On 7 September 2023, the Chair and the CFO attended the engagement event held in Llanberis as part of the public consultation into the Emergency Cover Review.
- 16 On 13 September 2023, the Chair and the CFO met with FBU representatives to discuss the forthcoming Executive Panel agenda.

- 17 On 14 September 2023, the Chair and the CFO met with the Deputy Minister in the Welsh Government offices in Llandudno, together with other Welsh Fire Service Chairs and CFO's. In the evening the Chair and the CFO attended the engagement event held in Beaumaris as part of the consultation into the Emergency Cover Review.
- 18 On 19 September 2023, the Chair and the Deputy Chair attended the Staff Awards Ceremony at Venue Cymru.
- 19 On 22 September 2023, the Deputy Chair attended the 'Ceremony of Achievement' at Chirk Fire Station and presented certificates to the youngsters who had completed the Phoenix course.
- 20 On 22 September 2023, the Chair remotely attended a meeting of the Fire Commission.
- 21 On 29 September 2023, the Chair attended the 'Ceremony of Achievement' at Llanfairfechan Fire Station and presented certificates to the youngsters who had completed the Phoenix course.
- 22 In addition, the Chair took part in a number of media interviews with ITV, BBC and Golwg about the Emergency Cover Review.

## IMPLICATIONS

Wellbeing Objectives	Not relevant.
Budget	Any costs associated with meetings and events attended by members are reimbursed from the travel and subsistence budget.
Legal	No specific implications arise from approving the recommendation.
Staffing	No specific implications arise from approving the recommendation.
Equalities/Human Rights/ Welsh Language	No specific implications arise from approving the recommendation.
Risks	No specific risks arise from approving the recommendation.

Report to	<b>North Wales Fire and Rescue Authority</b>
Date	<b>16 October 2023</b>
Lead Officer	<b>Stewart Forshaw, Deputy Chief Fire Officer</b>
Contact Officer	<b>Anthony Jones – Head of Planning, Performance and Transformation</b>
Subject	<b>Annual Governance Statement 2022/23</b>



## **PURPOSE OF REPORT**

- 1 This report is to present to Members the Annual Governance Statement for 2022/23.

## **EXECUTIVE SUMMARY**

- 2 The CIPFA/Solace Delivering Good Governance in Local Government Framework (2016) (the Framework) requires the Fire and Rescue Authority (the Authority) to publish an Annual Governance Statement.
- 3 The Annual Governance Statement for 2022/23 is set out in Appendix 1 and has been prepared in accordance with the principles set out in the Framework. The forward work programme for 2023/24 is contained within the Annual Government Statement.
- 4 The Annual Governance Statement has been first and second stage reviewed by Audit Wales to confirm that it is consistent with its knowledge of the Authority and the financial statements.
- 5 The Annual Governance Statement will be published, once endorsed by The Treasurer, The Chair of the Fire Authority and The Chief Fire Officer, by the 31 October 2023.

## **RECOMMENDATION**

- 6 Members are asked to:
  - (i) note the governance arrangements outlined within the 2022/23 Annual Governance Statement;
  - (ii) note the forward work plan for 2023/24; and
  - (iii) approve the 2022/23 Annual Government Statement for publishing on the Authority's website by 31 October 2023.

## **BACKGROUND**

- 7 Since 2010/11 all local government bodies have been required, by the Accounts and Audit Regulations 2015, to prepare an Annual Governance Statement which is published as part of the Statutory Accounts.
- 8 The purpose of the Annual Governance Statement is to assess and demonstrate that there is a sound system of corporate governance throughout the organisation.

## **INFORMATION**

- 9 In 2016, CIPFA and Solace published a new governance framework, Developing Good Governance in Local Government: Framework (the Framework). The Framework is structured around seven principles of governance which enables the Authority to demonstrate its overall arrangements and set out how it has discharged its responsibilities.
- 10 The purpose of the Annual Governance Statement is to set out the Authority's arrangements to ensure that:
  - (i) business is conducted in accordance with all relevant laws and regulations;
  - (ii) public money is safeguarded and properly accounted for; and
  - (iii) resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.
- 11 The 2022/23 Annual Governance Statement is set out in Appendix 1. It provides an overview of the governance arrangements and confirms the work plan for 2023/24.
- 12 Once published, performance against the forward work plan 23/24 will be monitored through the Service Leadership Teams' Performance Board.

## IMPLICATIONS

<b>Wellbeing Objectives</b>	This report links to NWFRA's long-term well-being objectives and demonstrates the governance arrangements in place to enable the Service to provide emergency responses and prevention work well in to the future.
<b>Budget</b>	Not applicable
<b>Legal</b>	The Annual Governance Statement has been prepared in accordance with the prescribed standards.
<b>Staffing</b>	None
<b>Equalities/Human Rights/Welsh Language</b>	None
<b>Risks</b>	A sound governance framework supports the Authority's risk management arrangements.

# Annual Governance Statement 2022–2023

Awdurdod Tân ac Achub Gogledd Cymru  
North Wales Fire and Rescue Authority



Mae'r ddogfen yma ar gael yn y Gymraeg  
This document is also available in Welsh

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# Delivering Good Governance Framework

The Chartered Institute of Public Finance and Accountancy/Solace Delivering Good Governance in Local Government Framework (2016) (the Framework) requires the Fire and Rescue Authority to publish an Annual Governance Statement, to demonstrate that:

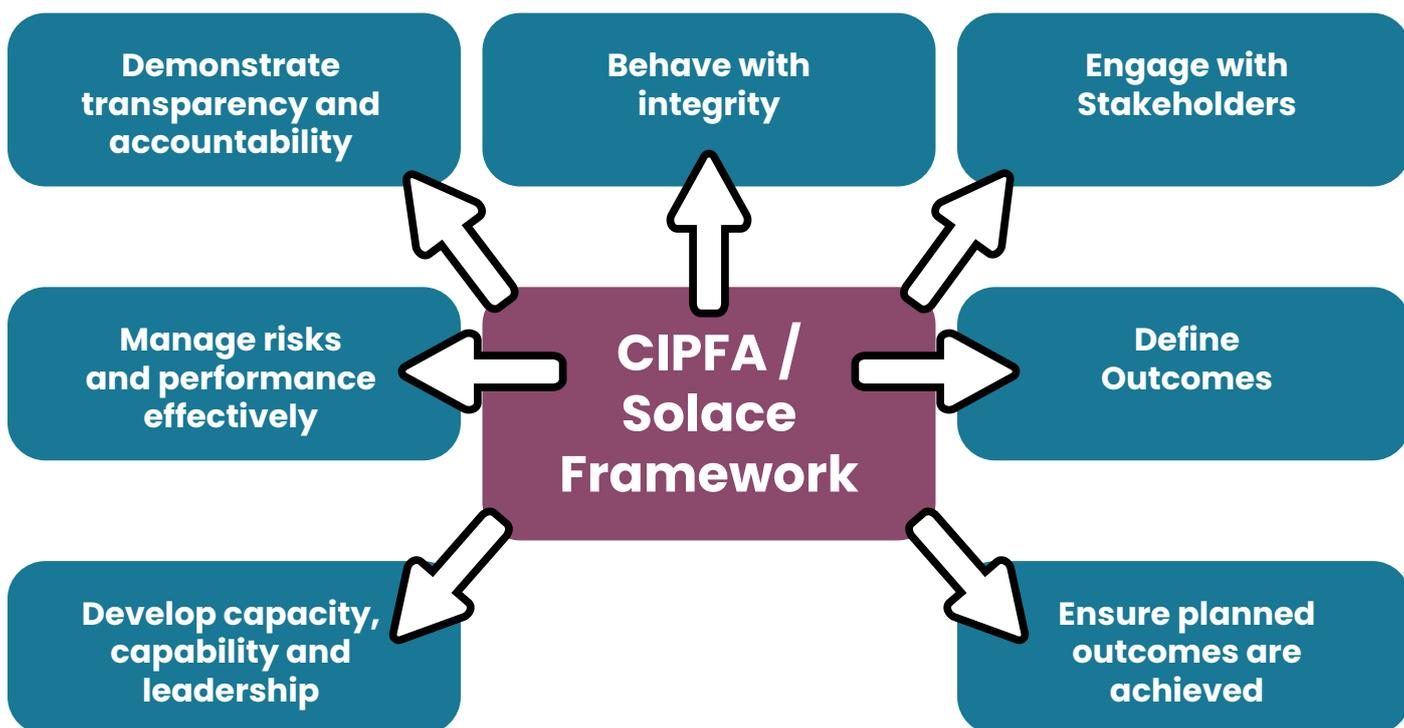
- business is conducted in accordance with all relevant laws and regulations
- public money is safeguarded and properly accounted for
- resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

To fulfil its wide range of functions, the Authority must satisfy political, economic, social and environmental objectives over the short, medium and longer term. This subjects it to a different set of external and internal constraints and incentives from those found in the private sector, all of which affect its governance arrangements. A key piece of legislation in Wales is the Well-being of Future Generations (Wales) Act 2015, which requires the Authority to consider the longer term in making its decisions and to work collaboratively with other public bodies to improve well-being in Wales.

Stakeholders are, therefore, interested in issues such as:

- whether the Authority's planned outputs have been delivered and outcomes achieved
- whether this has been done in an efficient, economic, effective and equitable manner.

The core principles underpinning the CIPFA/Solace Framework are set out below. The following pages detail how the Authority is meeting these principles.



# Key Contributors to Developing and Maintaining the Governance Framework

<p><b>Fire and Rescue Authority</b></p>	<p>Provides the strategic leadership, political interface and corporate challenge in relation to the provision of fire and rescue services across North Wales, encouraging public participation and conducting its affairs in an open and transparent manner. It agrees the Improvement and Wellbeing Plan, and the revenue and capital budgets</p>
<p><b>Executive Panel</b></p>	<p>Monitors the performance of the Service and makes recommendations to the Authority on its key policies including the Improvement and Wellbeing Plan. The Panel reviews the strategic risk register.</p>
<p><b>Fire Authority Working Groups</b></p>	<p>Undertakes detailed work associated with the Authority's planning and budget-setting process. It submits its observations to the Executive Panel which in turn makes recommendations for improvement/risk reduction/well-being objectives to the Authority.</p>
<p><b>Audit Committee</b></p>	<p>Provides independent review of the governance, risk management and control frameworks and oversees the financial reporting, including the Treasury Management Strategy and annual accounts.</p>
<p><b>Standards Committee</b></p>	<p>Promotes and maintains high standards of conduct by Members of the Authority and oversees the whistle-blowing policy for complaints against 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.</p>
<p><b>Service Leadership Team</b></p>	<p>Sets and leads the implementation of the governance standards across the Service. Receives the annual improvement plan and feeds into the annual self-assessment.</p>
<p><b>Internal Audit</b></p>	<p>Provides an annual independent and objective opinion on the adequacy and effectiveness of internal control, risk management and governance arrangements. Investigates fraud and irregularity.</p>



## Summary: Governance Arrangements

The Authority is required to review the effectiveness of its arrangements each year to ensure that there is a sound system of governance. The key contributors to this process are summarised on page 2 and include:

- Regularly reviewing the effectiveness of the Authority's Constitution.
- Having an Authority and committee structure that:
  - ◊ monitors the effectiveness of risk management arrangements
  - ◊ regularly reviews the governance arrangements
  - ◊ considers and reviews internal and external audit strategies, plans and reports
  - ◊ reviews, scrutinises and approves the annual statement of accounts.
- Having an Executive Board that:
  - ◊ provides leadership on governance
  - ◊ contributes to the completion and review of the Annual Governance Statement
  - ◊ provides clear direction to the Service and senior managers.
- The use of information from various sources to inform the governance arrangements, for example:
  - ◊ Improvement and performance board reports
  - ◊ risk management arrangements
  - ◊ external regulator reports
  - ◊ the Internal Audit Annual Report.

Achievements against the core principles are set out within pages 6-12. The Authority's agreed improvement actions for 2022/23 are contained on pages 13-16, which confirms the progress made.

# Governance Arrangements

The new Authority was established in the summer of 2022 following local elections. A number of Member engagement days were implemented to support the induction of new authority members, with a focus on the assurance and governance arrangements in the Authority.

The Fire and Rescue Authority's normal schedule of meetings continue to be attended remotely. This arrangement continues to work effectively and is likely to continue until such time as a technical solution can be found to enable webcasting and simultaneous English translation of Authority meetings if some participants wish to attend in person and others remotely.

In early 2023, the Authority has established three working-groups to support the development of three key organisational priorities:

- The Emergency Cover Review Working Group
- The Environmental Strategy Working Group
- The new Training and Development Centre Working Group.

At its meeting in March 2023 the Authority approved a revised Corporate Plan 2021- 24 which:

- confirmed the Authority's existing long-term objectives
- outlined what actions were planned for 2023/24
- reflected the key challenges facing the Authority
- took account of recent Audit Wales findings and recommendations
- considered the ongoing work of the Public Services Boards
- ensured preparedness for an updated National Framework and recommendations from the Well-being of Future Generations Commissioner's office
- aligned with the Authority's revenue budget, capital plan and medium-term financial plan.

The Service Leadership Team (SLT), chaired by the Chief Fire Officer, comprises of Principal Officers, Area Managers and Heads of Department. It meets as a Performance Board to scrutinise performance, and as an Improvement Board to provide challenge and senior oversight of programmes, projects and policies.

Following the introduction of a new organisational structure in April 2022, a 'light touch review' of the structure was completed in line with its first anniversary. Ensuring staff consultation, this has resulted in the organisation creating additional capacity, more efficient and effective working, whilst reducing costs.

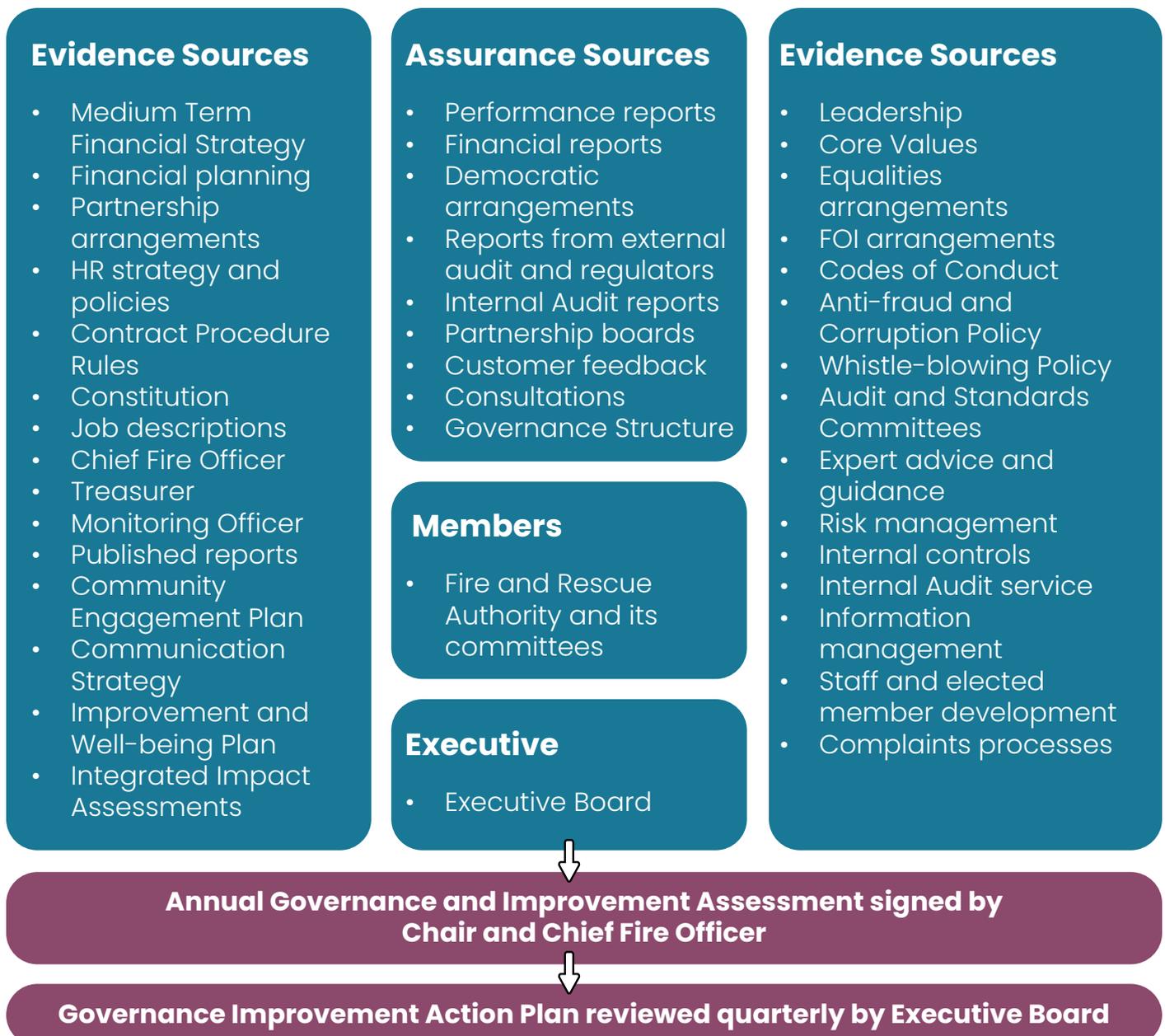
The Service Governance Structure of committees and groups, reporting up to SLT, are now embedded across the organisation. Demonstrating robust governance across reporting, monitoring, scrutiny and decision-making within all areas of the organisation.

The importance of keeping staff informed and engaged continues to be a key priority, internal communications have increased considerably e.g. through the Workplace Facebook platform, an enhanced programme of visits by Principal Officers to Fire Stations and departments, and regular meetings with middle and Supervisory Manager groups to cascade information on progress to date and to discuss what is expected from staff at all levels.

# Summary of the Authority's Governance Framework

## Principles of Good Governance

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the Authority's capacity, including the capability of its leadership and employees
- Managing risks and performance through robust internal control and strong financial management
- Implementing good practices in transparency, reporting and audit to deliver effective accountability



# Core Principles

## Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- The Constitution sets out the responsibilities of the Fire and Rescue Authority and its committees and includes the Scheme of Delegation to Officers.
- The Monitoring Officer ensures that decisions taken are within the law and comply with the provisions of the Constitution.
- The Constitution includes the Code of Conduct for Members and this is monitored by the Standards Committee.
- Where necessary legal advice is sought to inform decision making.
- Codes of Conduct for Members and Officers are in place, which requires the declaration of business interests and recording of the receipt of gifts and/or hospitality.
- The Authority has a procedure to receive and respond to any complaints received. A summary report of complaints and appreciations is provided to the Fire and Rescue Authority annually.
- Key policies are in place to prevent and minimise the risk of fraud. Policies include: Whistleblowing Policy, Anti-Fraud and Corruption Policy and
- Financial Regulations and Contract Procedure Rules. Where irregularity is suspected arrangements are in place to ensure that it is thoroughly investigated.
- The recruitment policy, induction and training processes incorporate personal behaviours with ethical values. The core values of the Service are fully embedded and include; service to the community, striving for excellence, people and diversity and inclusivity.
- Attainment of the Public Health Wales Corporate Health Bronze and Platinum awards.
- The Equality, Diversity and Inclusion Steering Committee was established to consider matters relating to equality, diversity and cultural issues.
- Disciplinary cases and any allegations of wrongdoing are investigated in accordance with the Service's Discipline Handbook.
- A Strategic Equality Plan is published within our Annual Performance Assessment in compliance with the Equality Act 2010. Equality objectives are reviewed annually and monitored throughout the year.
- As part of our commitment to the Welsh language, all new members of staff are required to achieve a minimum of Level 2 Welsh language skills.
- The Improvement and Well-being Plan is published on the Authority's website. This details the improvement objectives as required by the Local Government (Wales) Measure 2009, and well-being objectives in accordance with the Well-being of Future Generations (Wales) Act 2015.
- Safeguarding policy and procedure is in place to refer vulnerable people the Service come into contact with, to other agencies.
- All departmental plans, where applicable, demonstrate alignment to the Well-being of Future Generations (Wales) Act 2015
- The Service has introduced a new confidential reporting line 'Safecall' for staff.

## Ensuring openness and comprehensive stakeholder engagement

- All meetings are advertised and full Authority meetings are webcast. Agendas and papers are available on the Authority's website.
- Information is published on the Authority's website as part of the publication scheme. Easy read/read speak/Welsh versions of documents are provided.
  - ◊ Public consultation arrangements are in place to invite the views of stakeholders prior to developing and implementing key changes. This includes consultation on the Improvement and Well-being Plan.
  - ◊ The Service has embarked on an Emergency Cover Review and it is working towards best practice in preparation for any public consultation by working with the Consultation Institute. This involves ensuring the Service conduct a thorough stakeholder analysis as part its pre-consultation preparations so they can fully understand who may be impacted and how, as well as how best to engage with them. This process will also involve conducting focus/working groups to gather views emerging themes that may shape our consultation.
- The commitment to openness is also shown through:
  - ◊ completion of impact assessments for all key decisions
  - ◊ the Complaints and Compliments Procedure, which includes the ability to escalate significant matters
  - ◊ the Public Engagement and Consultation Strategy (presented to the July 2018 meeting of the Executive Panel)
  - ◊ engagement with Employee Representative Bodies
  - ◊ membership of the North Wales Equality Leads Forum and The Race Council Cymru
  - ◊ Engagement with Arfon Access Group and the North Wales Women's Centre
- A variety of engagement methods are used including:
  - ◊ directed communication using social media, with accounts on Facebook and Twitter. This includes both corporate accounts as well as social media accounts run by fire station staff to widen engagement in local communities
  - ◊ Ability to sign up for email updates on specific issues via the website
  - ◊ engagement with young people via the Phoenix programme, Fire cadets and school visits
  - ◊ community safety engagement with householders and businesses
  - ◊ Positive Action group, chaired by ED&I officer, to plan and direct events for all firefighter recruitment
  - ◊ attendance at open days/events – for example organised events like the Eisteddfod as well as fire station events organised by staff
  - ◊ internal communications include the Weekly Brief electronic newsletter to staff
  - ◊ External communications campaigns, led by the Community Safety Managers.
- Partnership arrangements are in place to deliver certain outcomes. For example, Principal Officers attend the four (revised to three during 22/23) local Public Services Boards and the Regional Partnership Board.
- Collaboration with other Emergency Services partners.
- A bi-annual commitment to engage with staff via the 'Fire Family' survey.

## Defining outcomes in terms of sustainable economic, social and environmental benefits

- The Improvement and Well-being Plan sets the strategic direction for the Authority and details the 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.
- The Service has four core values – People, Diversity and Inclusivity, Striving For Excellence and Service to the Community. These summarise the principles and personal values that staff are encouraged to adopt and demonstrate. [Core values](#)
- The Service has gained White Ribbon accreditation which demonstrates a commitment to stop violence against women.
- The Service has a statutory duty to put in place business continuity arrangements. Plans across the Service have been updated. There is ongoing collaboration with the other fire and rescue services in Wales to improve planning and consider current risks. The National Issues Committee includes a business continuity work stream.
- The Medium-Term Financial Strategy (MTFS) and annual budget process aims to ensure that financial resources are directed to the Authority's priorities.
- Partnership working is undertaken where there are shared objectives and advantages from working together – for example, the Strategic Arson Reduction Board and Public Services Boards.
- The Strategic Risk Management Policy sets out the process used to identify and control exposure to uncertainty, which may impact on the achievement of the objectives or activities. This is reviewed throughout the year to ensure that risks are identified and appropriately assessed.
- The Corporate Risk Register records these risks, and they are regularly monitored, by the Corporate Planning Department and reported to the Executive Panel.
- Key decisions are subject to an integrated impact assessment, which takes account of equality; data protection; health, safety and wellbeing; Welsh language; finance; sustainability and staffing; Well-being of Future Generations (Wales) Act 2015 and the socio-economic duty that came into force on 1 April 2021.
- Safeguarding policy and procedure are in place to refer vulnerable people the Service come into contact with, to other agencies.
- The Equality, Diversity and Inclusion Steering Committee provides strategic oversight and governance.



## Determining the interventions necessary to optimise the achievement of the intended outcomes

- Public consultation is carried out as part of setting the Authority's objectives which are set out in the Improvement and Well-being Plan. This outlines how the Authority intends to work together with other public bodies to tackle the complex issues that affect people's lives. An assessment of the Authority's performance is published in October each year.
- The Authority's Strategic Risk Management Policy sets out the process used to identify and control exposure to uncertainty, which may impact on the achievement of the objectives or activities. This is reviewed throughout the year to ensure that risks are appropriately managed.
- Following scrutiny from the Executive Group, performance and financial reports are presented to the Authority and its committees.
- Monitoring of availability, incidents, the workforce and budgets, through the governance structure, ensures that issues are identified and appropriate interventions agreed.
- National Operational Guidance and Joint Operational Learning available, which the Organisational Learning Committee provides strategic oversight and governance and implements any changes.
- There is a significant amount of partnership working across Wales to respond to issues facing the fire sector and other more general public sector issues. Collaboration with multiple agencies is an important aspect of the Authority's work including prevention and protection, responding to incidents and use of resources. The Service is an effective member of the All Wales Joint Emergency Service Group, for which the CFO is the Deputy Chair. Supporting our response to the national report by Audit Wales published in January 2022 on Joint Working Between Emergency Services. <https://www.audit.wales/publication/joint-working-between-emergency-services>.
- The budget planning processes ensure budgets are prepared in accordance with objectives, strategies and the Medium-Term Financial Strategy (MTFS). This involves input from both Service leads and Authority Members. It shows how the resources will be deployed over the next few years to deliver agreed outcomes and agreed priorities. The Budget, Monitoring and Procurement Committee provides strategic oversight and governance.
- Audit Wales's review of corporate resilience (April 2021) found that the Authority had demonstrated its short-term resilience, [https://www.audit.wales/sites/default/files/publications/north\\_wales\\_fra\\_corporate\\_resilience\\_english.pdf](https://www.audit.wales/sites/default/files/publications/north_wales_fra_corporate_resilience_english.pdf). In relation to Governance, it found that the Authority had an appropriate governance framework but that Members needed to play a more central role in addressing the big risks facing the Service. During 22/23 the membership of the FRA changed significantly, in response, a new Member induction was developed. This included orientation of our Statutory Duties and services delivered across NWFRS, emphasising the roles and responsibilities of Authority Members. These inductions were repeated as the Authority membership changed through the year. The scrutiny of budgets and risks facing the service are evidenced through the establishment of FRA Member working groups to give direction in the development of the Emergency Cover Review, Environmental Strategy 2023-2030 and New Training Centre project.

## Developing the entity's capacity, including the capability of its leadership and the individuals within it

The Authority's Constitution outlines the roles of elected members and designated officers to enable shared understanding of roles and objectives. The designated posts include the Chief Fire Officer, Treasurer and Monitoring Officer.

- Collaborative and partnership working is in place regionally and nationally. For example, the three fire and rescue services in Wales are part of the all Wales Fire Investigation Training Forum. This supports shared learning and promotes a consistent approach across Wales.
- The All Wales People and Organisational Development Strategy 2021-2024 underpins the commitment to lifelong learning and workplace competence.
- Induction processes are in place for Members and employees. These include an introduction to the organisation's core values, the standards of conduct and the role requirements.
- The development needs of employees are identified through one to one, supervision and appraisal meetings. The Service is now a founding member of the pilot NFCC Direct Entry Scheme. The scheme will enable those with proven leadership skills, from a variety of sectors, to apply for Station Manager roles without needing to have fire service experience or without needing to have taken the traditional firefighter promotional route.
- The health and wellbeing of the workforce is key to the organisation and support is provided to maintain physical and mental wellbeing. This is achieved through a range of measures including HR policies and guidance documents, flexible working approach, the occupational health service and the employee assistance programme. To which the Health, Safety & Wellbeing Committee provides strategic oversight and governance.
- The Service has a dedicated training department, with competency frameworks for operational staff. Training is delivered using a variety of methods including e-learning modules which are mandatory for certain subjects e.g. Data Protection. To which the Organisational Learning Committee provides strategic oversight and governance.
- Arrangements are in place for internal reviews of compliance with Service standards and health and safety requirements.
- Staff are members of relevant professional bodies and undertake the required continual professional development.
- The Service aligns its promotional processes to the National Fire Chiefs Council (NFCC) leadership frame work
- The Service has undertaken a detailed assessment of its operational training and implemented an ambitious new Operational Training Delivery Plan 2023/24.

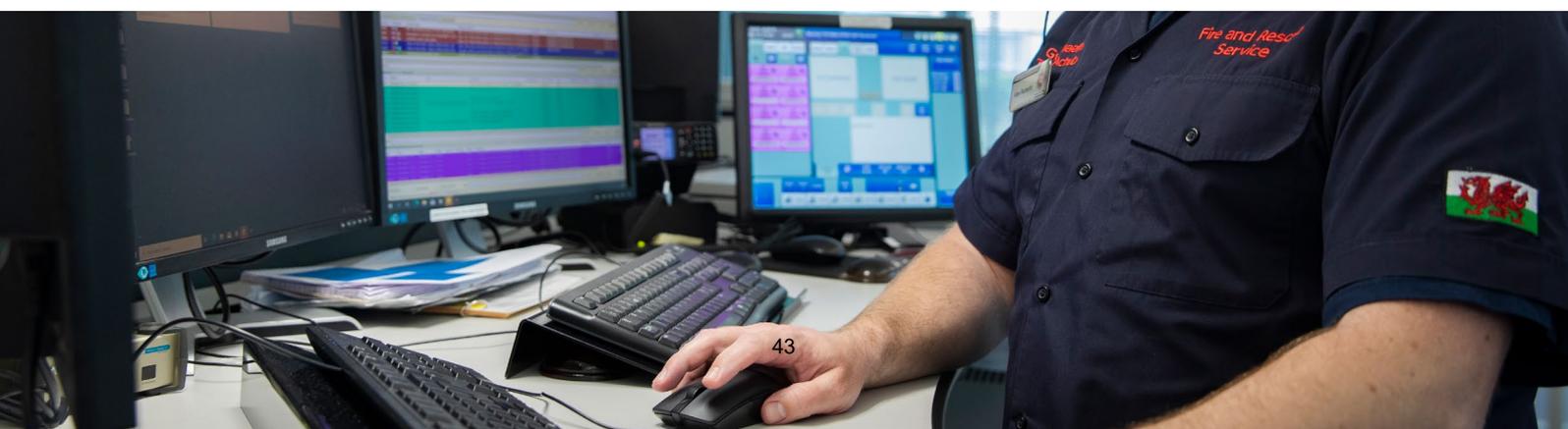
## Managing risks and performance through robust internal control and strong public financial management

- The Treasurer is responsible for the proper administration of the Authority's financial affairs as required by S151 Local Government Finance Act 1992.
- The Monitoring Officer ensures compliance with established policies, procedures, laws and regulations.
- The Strategic Risk Management Policy details the process for the identification and control of risks. A corporate risk register is maintained by the Corporate Planning Department and is monitored throughout the year.
- Reports to the Authority and its committees include an integrated impact assessment to inform and support decisions.
- Business continuity arrangements are in place to ensure that critical services can continue to be delivered at all times.
- Management arrangements ensure that recommendations for improvement made by the Internal Auditor are agreed and monitored.
- Members and senior management are provided with regular reports on Service improvement and performance against key performance indicators and milestones.
- The Authority has arrangements to maintain registers of Members' personal and business interests and a register of gifts and hospitality.
- Policies for Anti-Fraud and Corruption and Whistle-blowing are in place which confirms the Authority's commitment to operating in a fair and transparent manner.
- Policies and arrangements are in place to manage the handling of data. These are the Data Protection Policy, Freedom of Information Policy, Data Retention Policy and Communications and Information Security Policy. These policies are supplemented with training and the e-learning module on data protection is mandatory for all staff.
- Information sharing protocols have been developed and agreed with partners.
- Financial management supports the delivery of services and transformational change as well as securing good stewardship. A financial update is presented at each Authority meeting, with reports available to the public on the website.
- The Treasury Management arrangements follow professional practices and are reviewed annually by members.
- The Authority's Statements of Accounts and its performance against key areas of risk and priority are subject to scrutiny by external audit.



## Implementing good practices in transparency, reporting and audit to deliver effective accountability

- The Authority, with assistance from the Monitoring Officer, oversees and reviews the adequacy and effectiveness of the governance arrangements and internal control environment.
- Agendas and minutes of meetings are publicly available on the internet along with webcasts of the Authority meetings (when available).
- Authority reports follow a structured format which ensures that key information is presented in a clear and consistent manner to aid decision making.
- The Authority has a publication scheme and complies with the requirements of the Information Commissioner in relation to Freedom of Information requests which ensures the public have access to information held.
- The Improvement and Well-being Plan documents the objectives of the Authority.
- The Annual Statement of Accounts are produced in a user-friendly format. This provides clear information on income and expenditure and demonstrates the stewardship of public money for the year. The accounts are submitted for audit by the statutory deadline.
- The Annual Pay Policy Statement is approved and published in accordance with the Localism Act 2011. Members' salaries are paid in accordance with the Independent Remuneration Panel decisions and reported on the internet.
- Members and senior officers declare relevant interests in accordance with the Code of Practice on Local Authority Accounting in the UK. These declarations enable the Authority to identify and report any related party transactions.
- The Annual Governance Statement provides transparency on the governance arrangements and the planned improvements for the coming year.
- The Auditor General is the external auditor appointed by statute and provides an opinion on the Statement of Accounts, which is published on the Authority's website. The Authority acts on recommendations and, where necessary, takes corrective action.
- The Internal Audit arrangements include a risk-based approach, which provides assurance that key risks are being managed. The Authority acts on recommendations and where necessary, takes corrective action.
- Processes are in place to ensure that recommendations from inspection and regulatory bodies are actioned.
- The Audit Wales review of corporate resilience referenced on page 9 will be considered as part of the annual planning cycling to ensure that opportunities for improvement are fully considered.



# How has the Authority Addressed the Governance Improvement Actions from 2022/23

The Annual Governance and Improvement Assessment 2022/23 contained the following improvement actions. Here is how they have been addressed:

Improvement Area	Planned Action	Responsibility	Progress as at June 2023
Cyber Security	Action through the ICT Department to prepare for achieving Cyber Essentials Plus certification to help protect against cyber security threats to the organisation.	Head of ICT, Control and Central Area  Head of ICT	The service has introduced the Intermediate step of achieving Cyber Essentials with the intention of moving on to CE+ in the next year. Significant progress has been made on this journey with the final prerequisite technology having been introduced in a testing stage at the end of the reporting period. It is expected that Cyber Essentials will be achieved early in the 2023/24 period, with work then commencing to achieve CE+.
Service Restructure (introduced 1st April 2022)	Action through the Finance and Corporate Planning Departments to check and confirm that the integrated planning approach remains appropriate and effective.	Head of Finance  Head of Corporate Planning	As part of the review of the internal governance arrangements and development of the assurance framework, the corporate planning and financial planning approaches has been reviewed and revised during 2022/23. This has improved alignment with the corporate objectives and enhanced awareness of interdependencies between departments and major projects.
	Action through the Service Leadership Team to trial the Service's recently developed Assurance Framework and Building Blocks; and revise if necessary.	DCFO	The assurance framework and building blocks were implemented in July 2022. Terms of Reference for all committee and groups have been approved and the framework is embedded. A new departmental planning framework has been implemented for 23/24 departmental plans, this prioritises the capturing of evidence against the Building Blocks, Corporate Plan objectives and the objectives of the Wellbeing and Future Generations act.
	Action through the Service Leadership Team to design an annual process that explicitly involves the SLT and Internal Audit in assessing the extent to which the principles contained in the Good Governance Framework are being applied.	ACO  Head of Corporate Planning	Subject to the approval of a new internal audit provider, Mersey Internal Audit Agency (MIAA) by the Audit Committee in June 2023, this action is to be carried forward into the 2023/24 AGS action plan.

Improvement Area	Planned Action	Responsibility	Progress as at June 2023
Environmental Strategy	Action through the FRA's Planning Working Group to develop a new Environmental Strategy	Head of Operations and East Area  Head of Sustainability  Head of Corporate Planning	An Environmental Strategy working group has been established and is developing the Environmental Strategy 2023 – 2030. It is planned that the strategy will be approved in the July 2023 full Fire Authority meeting.
Internal Audit	Review the contract for the provision of Internal Audit services to ensure its continuing effectiveness in providing assurance with regard to governance arrangements and that recommendations are acted upon.	ACFO (Finance and Resources)	The appointment of Internal Audit Services is a delegated function of the Audit Committee. The current arrangements concluded on 31st March 2023 and the Audit Committee confirmed that the appointment should be via a competitive exercise using the public sector Crown Commercial Services Framework for Audit and Assurance Services. This exercise is due to conclude during June 2023 and the new internal auditors will be appointed for the period of three years covering the 2023/24 – 2025/26 financial years. The appointment will be approved by the Audit Committee at its meeting on the 19th of June 2023.
FRA Member Development	Working with the FRA, design a more structured programme of Member Development to support Members to be effective in fulfilling their leadership and governance roles on the Authority.	ACO  Clerk to the FRA  Head of Training and Development	The membership of the FRA saw significant change due to the local elections in 2022. The majority of the new FRA are new members and a significant number were new local authority councillors. A structure programme of Member Development Support was implemented in 2022. Incorporating an induction pack, Members handbook and the leadership and governance roles on the Authority. During 2022/23 there were a small number of changes to the membership of the Authority, these new Members all received individual inductions.
Constitution	Action for the Clerk to the FRA to incorporate into the Constitution arrangements for pre-election periods leading up to local government elections and interregnum periods between Authorities.	Clerk to the Fire and Rescue Authority.	This action is to be carried forward into the 2023/24 AGS action plan.

# Governance Improvement Action Plan 2023/24

The actions planned for 2023/24 are summarised in the table below. Progress during the year will be reported to the Service Leadership Team through the forums shown.

Improvement Area	Planned Action	Forum	Responsibility	
Carbon Emissions Reduction	Respond to the recommendations found within Audit Wales Carbon Emissions Reduction – North Wales Fire and Rescue Authority Report March 2022	Land and Property Committee  Environmental and Sustainability Group	ACFO Operations  Environmental and Climate Change Manager	December 2023
False Fire Alarms Reduction	Respond to the recommendations found within Audit Wales False fire alarms reduction – North Wales Fire and Rescue Authority Report April 2023	Prevention and Protection Performance Committee	ACFO Prevention and Protection  Head of Prevention and Protection	March 2024
Community Resilience and Self Resilience	Review the recommendations found within the 'Together we can' – Community resilience and self-resilience Audit Wales report for impacts and implications for NWFRS	SLT – Improvement Board	Head of Corporate Planning, Performance and Transformation.	December 2023
Service Restructure (introduced 1st April 2022)	Action through the Service Leadership Team to design an annual process that explicitly involves the SLT and Internal Audit in assessing the extent to which the principles contained in the Good Governance Framework are being applied.	SLT – Improvement Board	ACFO (Finance and Resources)  Head of Corporate Planning, Performance and Transformation	December 2023
Constitution	Action for the Clerk to the Authority to incorporate into the Constitution arrangements for pre-election periods leading up to local government elections and interregnum periods between Authorities.	NWFRA	Clerk to the Fire and Rescue Authority.	March 2024

Improvement Area	Planned Action	Forum	Responsibility	
Departmental Planning	Conduct a review of the departmental planning framework has been implemented for 23/24 departmental plans, this prioritises the capturing of evidence against the building Blocks, Corporate Plan objectives and the objectives of the Wellbeing and Future Generations act.	SLT – Performance board	Head of Corporate Planning, Performance and Transformation.	March 2024
Community Risk Management Assessment (CRMA) and Corporate Planning	Complete a new CRMA aligned to the NFCC Community Risk Management Programme, and the objectives of the Wellbeing and Future Generations act.  Develop a new Four-year Corporate Plan 2024 -2028 for NWFRS. Aligned to the new CRMA.	SLT – Improvement board	Head of Corporate Planning, Performance and Transformation.	March 2024
Emergency Cover Review Consultation	Working towards alignment to 'Best Practice', from The Consultation Institute, in the quality assurance of any public consultation completed on proposal from the Emergency Cover Review.	SLT – Performance Board	Head of Corporate Communications  Head of Corporate Planning, Performance and Transformation.	December 2023



# Compliance with the Financial Management Code

The CIPFA Financial Management Code (CIPFA FM Code) is designed to support good practice in financial management and to assist the Authority in demonstrating their financial sustainability. The CIPFA FM Code therefore sets the standards of financial management for the Authority.

The Code is based on a series of principles supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to:

- Financially manage the short, medium- and long-term finances of the Authority
- Manage financial resilience to meet foreseen demands on services
- Financially manage unexpected shocks in their financial circumstances.

Each Authority must demonstrate that the requirements of the Code are being satisfied.

As Section 151 Officer I have the Statutory Responsibility (supported by the Senior Leadership Team and Members of the Authority) for ensuring compliance with the CIPFA FM Code. I have carried out a full assessment of compliance with the CIPFA FM Code as part of the annual review of the Annual Governance Statement and I can confirm that in my opinion the Authority is compliant with the code in the majority of areas.

Areas of improvement, however, have been identified, many of which are already underway, including:

- The introduction of a new financials system in 2022/23 will require further development of the budget setting and monitoring processes to embed long term decision-making and consultation as core principles.
- Continue to develop the latest Medium-Term Financial Strategy and begin considerations early, on options for ensuring a sustainable budget, including exploring any opportunities for transformation of services.
- Develop a clear long-term capital strategy and plan, for up to 10 years.

**Signed**

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**(Treasurer) 2023**

# Governance Opinion and Conclusion

The Authority recognises that good governance provides the foundation for the delivery of good quality services that meet the needs of stakeholders and ensures that public money is well spent. This review confirms the governance systems and monitoring in place for 2022/23 and the steps taken to ensure that they are working effectively.

The Authority is satisfied that appropriate governance arrangements are in place and remains committed to enhancing these through the implementation of the action plan for 2023/24.

**Signed**

\_\_\_\_\_

**(Chair) 2023**

**Signed**

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**(Chief Fire Officer) 2023**



**Awdurdod Tân ac Achub Gogledd Cymru  
North Wales Fire and Rescue Authority**



**Gwasanaeth Tân ac Achub  
Fire and Rescue Service**

Report to	<b>North Wales Fire and Rescue Authority</b>
Date	<b>16 October 2023</b>
Lead Officer	<b>Dafydd Edwards – Treasurer</b>
Contact Officer	<b>Helen MacArthur, Assistant Chief Fire Officer, Finance and Resources</b>
Subject	<b>Audited Statement of Accounts 2022/23</b>



## PURPOSE OF REPORT

- 1 This report is to present to Members the audited Statement of Accounts for 2022/23. This report also presents the findings of the Auditor General for Wales which confirms an unqualified audit opinion.

## EXECUTIVE SUMMARY

- 2 The draft accounts were submitted for audit on 30 June 2023. These confirmed net expenditure of £39.452m, with a contribution from the General Fund of £0.040m. The final audited position remains unchanged.
- 3 The report issued by Audit Wales on behalf of the Auditor General for Wales is set out in Appendix 2 and confirms an unqualified audit opinion.
- 4 The Accounts and Audit (Wales) (Amendment) Regulations 2010 require that the audited accounts are normally approved by Members by 31 July 2023. However, as was the case last year, these timescales have been extended to 31 December 2023.

## RECOMMENDATION

- 5 Members are asked to:
  - i) note the audited outturn position and performance as detailed within the 2022/23 Statement of Accounts (Appendix 1);
  - ii) note the report of the Auditor General for Wales which confirms an unqualified audit opinion (Appendix 2);
  - iii) note the proposed letter of representation; and
  - iv) approve of the final audited 2022/23 Statement of Accounts.

## **BACKGROUND**

- 6 In compliance with the Accounts and Audit (Wales) (Amendment) Regulations 2010, the unaudited revenue and capital outturn was presented to the Authority at its meeting of the 17 July 2023 and a copy of the statement of accounts provided on the 28 July 2023. These have been subject to external audit and the appendices contain the final audited versions.

## **INFORMATION**

### **REVENUE EXPENDITURE**

- 7 Members of the Authority were presented with a financial performance report for 2022/23 at the North Wales Fire and Rescue Authority (the Authority) meeting on 17 July 2023. This confirmed the draft out-turn position of net expenditure of £39.452m, with a contribution from the General Fund of £0.040m. The final audited position remains unchanged.

### **BALANCE SHEET**

- 8 The Balance Sheet provides further information on the Authority's long-term financial position and is contained on page 19 of the Accounts (set out in Appendix 1). The following paragraphs provide further information.

#### **Fixed Assets and Borrowing**

- 9 The final audited accounts confirmed that the Authority held assets of £57.063m as at 31 March 2023.
- 10 All land and buildings were revalued, by the Authority's independent valuers, as at 31 March 2023, to ensure that the ongoing uncertainty in relation to asset values across the public sector had been accounted for. This resulted in an increase in valuation of £11.757m.
- 11 The Authority is permitted to borrow to fund capital assets and as at 31 March 2023 the value of outstanding loans was £26.460m, which is in line with the limits set by the Authority.

#### **Pension Liabilities**

- 12 The Authority is required to account for the estimated liabilities relating to its pension schemes. The Authority has two schemes; the Firefighters' Pension Scheme and the Local Government Pension Scheme. The value of future liabilities is calculated by the actuary for each scheme and amounted to £227.143m at the balance sheet date.

## Usable Reserves

- 13 The Authority's usable reserves as at 31 March 2023 were £7.821m.

	£m
General Fund	1.480
Earmarked Reserves	6.222
Capital Receipts Reserve	0.034
Capital grants Unapplied	0.085
<b>Total Reserves</b>	<b>7.821</b>

- 14 The reserves policy was approved by the Authority at its meeting of 21 June 2021.

## AUDIT OF THE FINANCIAL STATEMENTS

- 15 The Auditor General for Wales is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial performance and position of the Authority for the year ended 31 March 2023.
- 16 In performing the audit work, Audit Wales does not seek to provide absolute assurance but considers whether there are any material issues which may result in a reader of the accounts being misled. When an error or misstatement is identified, Audit Wales will consider whether an amendment is required. Guidance on the approach is set out in Appendix 3.
- 17 The Auditor General for Wales proposes to issue an unqualified audit opinion which means that the accounts present a true and fair view of the financial transactions of the Authority. The report is contained within Appendix 2 and the following is noted:
- The audit identified a number of amendments which were agreed with management. The amendments included a number of technical adjustments necessary to fully comply with the Code of Practice on Local Authority Accounting.
- 18 The audit identified one matter which remained uncorrected, which related to the external valuers using an incorrect location factor in some of the asset valuations. This resulted in Land and Building assets being overstated by £0.153m and the revaluation reserve also being overstated by the same amount.

- 19 The Audit Report also contained the final letter of representation. This letter provides representation from the Chair and Treasurer to acknowledge their responsibilities and to confirm the arrangements for ensuring that the accounts provide a true and fair view.

## IMPLICATIONS

<b>Wellbeing Objectives</b>	This report links to the Authority's long-term well-being objectives. Funding for the North Wales fire and Rescue Service (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.
<b>Budget</b>	Budget is set annually in accordance with the proposed service delivery which includes emergency response and prevention work.
<b>Legal</b>	It is a legal requirement that the Authority produces the Statement of Accounts and Annual Governance Statement in accordance with the prescribed standards.
<b>Staffing</b>	None
<b>Equalities/Human Rights/Welsh Language</b>	None
<b>Risks</b>	Income and expenditure are closely monitored to ensure that deviations from the approved budget are properly identified and reported to Members.

# Statement of Accounts

2022-2023



Gwasanaeth Tân ac Achub  
Fire and Rescue Service



**ATAL AMDDIFFYN YMATEB  
PREVENTING PROTECTING RESPONDING**

<b>STATEMENT OF ACCOUNTS</b>	<b>PAGE</b>
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Statement of Responsibilities	10
Independent Auditors Report	11-14
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The maintenance and integrity of the Authority's website is the responsibility of the Authority; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

## NARRATIVE REPORT

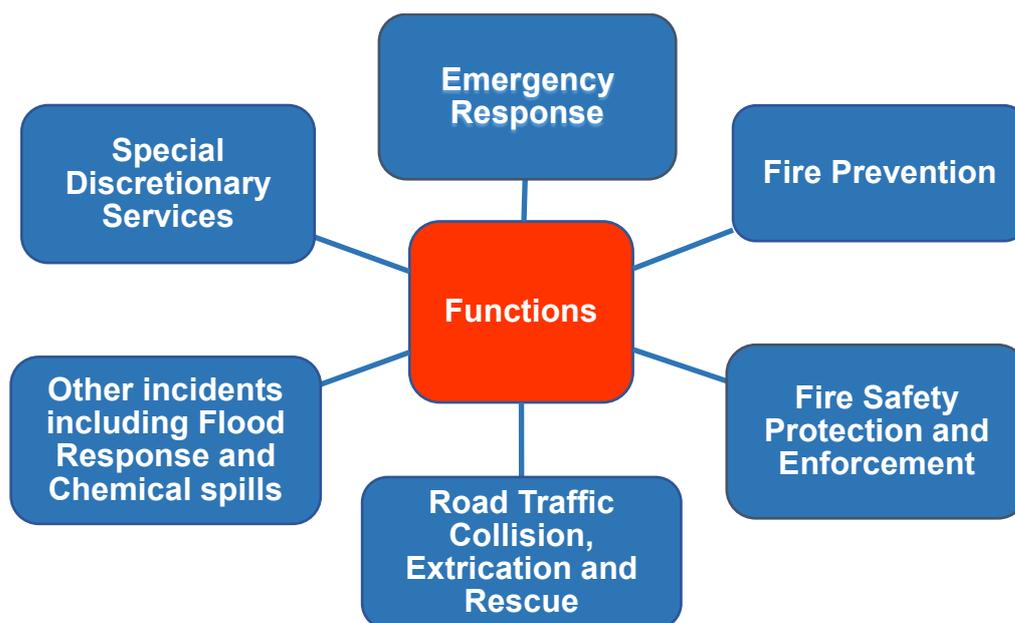
The purpose of the narrative report is to offer interested parties' clear information about the financial position and the financial performance of the North Wales Fire and Rescue Authority (NWFRA) for the financial year 2022/23.

## ORGANISATION OVERVIEW

The North Wales Fire and Rescue Authority (NWFRA) is made up of 28 Elected Members nominated by each of the six local authorities and provides direction and governance for the day to day activities delivered by North Wales Fire and Rescue Service (NWFRS).

NWFRS serves the communities within the counties of Gwynedd and Ynys Môn, Conwy and Denbighshire and Wrexham and Flintshire.

NWFRA is responsible for providing adequate resources to enable the Fire and Rescue Service to undertake a range of activities as detailed below.



The Service deals with a wide-range of emergencies, from fire incidents and road traffic collisions, to floods and chemical spills. Extensive work is carried out with schools, businesses and local communities to promote fire safety and prevention and to help keep people and property safe.

The Authority is financed by contributions from the six constituent authorities, in proportion to population for each authority. Note 11 provides further details.

Details of our service area, funding and activities can be found on the following pages.

# About Our Service Area



## Resources

 **44** fire stations

 **54** front line fire appliances

 **39** special appliances including rescue boats and aerial ladder platforms

 **901** staff of which **37%** are fluent welsh speakers

## Prevention and Protection activities

 **18,052** safe and well checks completed

 **575** business audits conducted

 **169** safety talks with **18,001** children and young people

 **18** phoenix courses with **151** participants completing the programme

## Responding activities

 **13,224** emergency calls handled

 Attended **5896** emergency incidents

 **2011** fires attended of which **55** were wildfires

 **2674** false alarms

## THE AUTHORITY'S IMPROVEMENT AND WELLBEING OBJECTIVES

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.

These long-term objectives are changes that the Authority wants to help bring about in North Wales that will contribute to improving local well-being and to moving Wales closer to achieving its well-being goals. Having identified these long-term objectives, the Authority has a duty to take all reasonable steps to pursue them and to report publicly after the end of each financial year on the progress it has made.

In March 2021 the Authority published its Corporate Plan for 2021- 2024 with a set of seven long-term objectives:

- Work towards making improvements to the health, safety and well-being of people in North Wales
- Continue to work collaboratively to help communities improve their resilience
- Operate as effectively and efficiently as possible, making the best use of the resources available
- Continue to identify opportunities to encourage greater engagement with people, communities, staff and stakeholders
- Maintain a suitably resilient, skilled, professional and flexible workforce
- Develop ways of becoming more environmentally conscious in order to minimise the impact of our activity on the environment
- Ensure that social value and sustainability are considered, including during procurement processes

The following link provides information relating to North Wales Fire and Rescue Service activity and performance against improvement objectives over the last twelve months-[Activity and Performance](#)

The statutory deadline for publishing an Annual Performance Assessment is 30<sup>th</sup> September 2023. The Annual Performance Assessment will be available on the website at [Corporate Plan and Annual Performance Assessment](#)

## SUSTAINABILITY AND CLIMATE CHANGE

During 2022/23 the Service appointed an Environment and Climate Change Manager, who chairs the newly formed Environment and Sustainability Working Group. The Service is also a signatory to the Emergency Services Environment and Sustainability Group Charter.

The draft Environmental Strategy sets out a step change in approach towards achieving net zero emissions by 2030. Detailed decarbonisation proposals are being prepared and are due to be presented to Authority members in Working Groups over the coming months to allow the development of the subordinate action plans set out

in the Environmental Strategy. The proposal is to prioritise elimination of our Scope 1 emissions through fuel substitution and replacement of heating systems, whilst mitigating our Scope 2 emissions where investment grade measures can be funded and implemented. Scope 3 will be partially addressed through active supplier engagement. Our residual emissions will be addressed biogenically where commercially possible to do so.

Our Environmental Strategy sets out our understanding of sustainability as a key element of risk management and intergenerational fairness. As part of our approach to sustainable procurement, we will set out specific proposals to incorporate robust sustainability metrics and social value weightings into our project assessment and procurement frameworks.

Performance will be continuously measured through the use of an Environmental KPI dashboard, and the implementation of a robust Environmental Management System to be overseen by the Environment and Climate Change Manager, under the oversight of the Environment and Sustainability Working Group.

## **FINANCIAL PERFORMANCE**

North Wales Fire and Rescue Authority is committed to continuing to provide excellent fire safety prevention and enforcement services and a comprehensive emergency response. The Authority remains committed to playing its part in building stronger and safer communities, but also acknowledges that for the future the financial situation means that being able to sustain service delivery will require a great deal of flexibility and innovation.

In order to secure financial sustainability for the Authority and maintain service levels, Members agreed a 3 year medium term financial strategy. Members agreed for 2022/23 to increase the contributions from the constituent authorities by 6.3%, to £39.412m. This included £1.13m to address the challenges identified by the Chief Fire Officer.

The situational assessment confirmed that the key challenges facing the Authority are maintaining sufficient availability of on-call fire crews; ensuring sufficient resources to maintain and develop firefighter skills; and having enough corporate capacity to meet current and future demand. This assessment has informed future funding requirements.

In April 2022, a new staffing structure was introduced, however it has continued to be challenging to appoint to specialist corporate roles and retained firefighters. During 2022/23 a review of the retained duty system was undertaken and the findings presented to the Senior Leadership Team in February 2023. Some recommendations have already been implemented, but there is now a national discussion regarding terms and conditions, which has superseded some elements of the review. In contrast recruitment to Wholetime firefighter vacancies continues to attract a high level of applications, with 24 new starters in 2022/23.

Higher than anticipated pay awards and inflation for non-pay costs, particularly utilities, building costs, fuel and ICT costs have put significant pressure on the budget. However, these cost pressures have been largely mitigated by the savings bought about by the staff vacancies, exceptional in year income receipts and delayed expenditure. Departments continue to monitor the impact of the economic situation recognising that changes on both revenue and capital may materialise over the coming months and years.

The Authority's position over the medium term will require careful attention to be paid to all expenditure but in particular cost pressures relating to pension and payroll costs. During 2022/23 the Service commissioned an Emergency Cover Review, which is looking at different ways to deliver our responding services. This will go out to consultation in 2023/24.

In 2022/23 a review of the information provided in the statement of accounts was undertaken. This has resulted in a change of presentation, so that the reporting is in line with the CIPFA guidance.

## REVENUE PERFORMANCE

The Authority reported an overspend of £40k in 2022/23. The breakdown of expenditure is detailed below.

	<b>Budget (£000)</b>	<b>Actuals (£000)</b>	<b>Variance (£000)</b>	<b>Variance (%)</b>
Employees	30,130	30,353	223	0.7%
Premises	2,901	2,992	91	3.1%
Transport	1,204	1,250	46	3.9%
Supplies	5,080	4,956	(124)	-2.4%
Third Party Payments	451	419	(32)	-7.1%
Capital Finance & Charges	2,263	2,424	161	7.1%
Income	(2,617)	(2,943)	(326)	12.4%
<b>Forecast Outturn</b>	<b>39,412</b>	<b>39,452</b>	<b>40</b>	<b>0.1%</b>

## USABLE RESERVES

Reserves have been increased in 2022/23, to cover ongoing service requirements including pension changes and environmental building works. £0.5m of reserves were utilised in 2022/23 but it is envisaged that there will be further use in future years. Further information is available in Note 9.

	<b>Balance 31 March 2022 £'000</b>	<b>Transfers (in)/out 2022/23 £'000</b>	<b>Balance 31 March 2023 £'000</b>
Total Earmarked Reserves	(5,566)	(655)	(6,222)
General Fund	(1,520)	40	(1,480)
Capital Grants Unapplied	(238)	153	(85)
Capital Receipts Reserve	0	(34)	(34)
<b>Total Usable Reserves</b>	<b>(7,325)</b>	<b>(496)</b>	<b>(7,821)</b>

## CAPITAL PERFORMANCE

Capital expenditure for 2022/23 amounted to £3.4m which included bringing 13 new fire appliances into operational use with in year costs of £2.171m.

Ongoing supply chain issues and inflationary pressures remain and it has been necessary to review and revise the capital programme to reflect projects which can be delivered in year.

A particular area of challenge relates to the provision of replacement towers. Whilst the tenders have been awarded there have been delays due to supplier capacity and planning permission and inflationary pressures due to the cost of steel. A total of three replacement towers were scheduled for completion during 2022/23 and these have now been deferred into 2023/24.

Scheme	Revised Plan	Forecast	Proposed Rollover
	£'000	£'000	£'000
Fire Appliance Replacement	1,248	1,263	
Multi-Purpose Station Vans	160	-	160
National Resilience vehicles and equipment	0	132	
Electric vehicle charging points	0	120	
Workshop Equipment	20	12	
Training Tower Replacement	160	-	307
Buildings - Minor Works	391	696	158
Control server	167	125	
Operational Equipment	92	93	
Fire Appliances (b/f from 2021/22)	923	925	
Training Towers (b/f from 2021/22)	160	-	
<b>Total Capital Plan</b>	<b>3,321</b>	<b>3,366</b>	<b>625</b>

The financing of the capital plan is as follows:

Funding	Amount
	£'000
Borrowing	2,351
Grant Funding	490
Internal Resources	525
<b>Total</b>	<b>3,366</b>

## TREASURY MANAGEMENT

An annual treasury report detailing the financial activity for the year is presented to the Fire Authority, in July 2023 and made available on the website, as part of the meeting papers at [Fire and Rescue Authority meetings](#).

This confirmed that the Authority had achieved its prudential indicators, with year end borrowing of £26.45m. The Authority will continue to monitor the impact of increased interest rates when setting future budgets.

## PENSION COSTS

### Firefighters' Pension Scheme

During 2022/23 employer normal contributions to the Pension Fund amounted to £3.89m (2021/22: £3.19m). The total value of payments to retired members amounted to £8.25m with cash support received from the Welsh Government.

The scheme is unfunded and the liability in terms of future pension commitments has decreased to £225.39m (2021/22: £312.95m). This was due to a change in the actuarial assumptions. The results of the 2020 formal valuation of the pension fund will be announced during 2023/24.

### Local Government Pension Scheme

In 2022/23, employer contributions to the Pension Fund amounted to £1.02m (2021/22: £0.92m).

The actuarially assessed liability as at 31 March 2023 was £1.75m (2021/22: £14.55m). The decrease was due to a change in actuarial assumptions used to re-measure the schemes liabilities.

Note 31 and the Firefighter's Pension Fund Account provide further information.

## FURTHER INFORMATION

Additional information about these accounts is available from the Treasurer. Interested members of the public have a statutory right to inspect the accounts before the audit is completed. Availability of the accounts for inspection is advertised on the website for North Wales Fire and Rescue Authority - [Financial - Fire and Rescue Authority](#) and a notice is displayed in the Fire and Rescue Service Headquarters, Ffordd Salesbury, St Asaph, LL17 0JJ.

## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### THE AUTHORITY'S RESPONSIBILITIES

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer.
- to manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.
- to approve the Statement of Accounts.

#### **AUTHORITY'S CERTIFICATE**

I approve the Statement of Accounts of North Wales Fire and Rescue Authority as at 31 March 2023

Signed: \_\_\_\_\_ Dated: 16/10/23

**Chairman, North Wales Fire and Rescue Authority**

### THE TREASURER'S RESPONSIBILITIES

The Treasurer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the Statement of Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the Code of Practice.
- kept proper accounting records which were up-to-date.
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

#### **TREASURER'S CERTIFICATE**

I certify that the accounts provide a true and fair view of the financial position of the Authority as at 31 March 2023 and its income and expenditure for the year then ended.

Signed: \_\_\_\_\_ Dated: 16/10/2023

**North Wales Fire and Rescue Authority**

## **The report of the Auditor General for Wales to the members of North Wales Fire and Rescue Authority**

### **Opinion on financial statements**

I have audited the financial statements of:

- North Wales Fire and Rescue Authority
- North Wales Fire and Rescue Authority's Firefighters Pension Fund

for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

North Wales Fire & Rescue Authority's financial statements comprise the Expenditure and Funding Analysis, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including the significant accounting policies.

The Firefighters Pension Fund Accounts comprise the Fund Account and Net Assets Statement and related notes.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of North Wales Fire and Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of North Wales Fire and Rescue Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on North Wales Fire and Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

## Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

## Matters on which I report by exception

In the light of the knowledge and understanding of North Wales Fire and Rescue Authority and North Wales Fire and Rescue Authority's Firefighter Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit.
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns.

## Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and

- assessing North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit the financial statements in accordance with section 13(2) of the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the North Wales Fire and Rescue Authority head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud by posting of unusual journals;
- Obtaining an understanding of North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's framework of authority as well as other legal and regulatory frameworks that North Wales Fire and Rescue Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund; and
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Fire and Rescue Authority about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton  
Auditor General for Wales  
October 2023

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

## EXPENDITURE AND FUNDING ANALYSIS

This statement shows how annual expenditure is used and funded from resources (grants, contributions etc.) by local authorities compared to resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes according to the type of expenditure incurred. Income and Expenditure accounted for under generally accepted accounting practices (GAAP) is presented more fully in the CIES.

2021/22				2022/23		
Net Expenditure Chargeable to the General Fund £'000	Adjustments Between the Funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income & Exp Statement £'000		Net Expenditure Chargeable to the General Fund £'000	Adjustments Between the funding and Accounting Basis £'000	Net Expenditure in the Comprehensive Income & Exp Statement £'000
34,751 (37,074)	2,991 7,068	37,742 (30,006)	Provision of Fire Services	38,797	(3,081)	35,716
			Other Income & Expenditure	(39,412)	8,805	(30,607)
<b>(2,323)</b>	<b>10,059</b>	<b>7,736</b>	<b>Deficit or (Surplus) on Provision of Services</b>	<b>(615)</b>	<b>5,724</b>	<b>5,109</b>

2021/22				2022/23		
General Fund Balance £'000	Earmarked General Fund Reserves £'000	Total General Fund £'000		General Fund Balance £'000	Earmarked General Fund Reserves £'000	Total General Fund £'000
(1,450)	(3,461)	(4,911)	Brought Forward	(1,520)	(5,804)	(7,324)
(2,323)		(2,323)	(Surplus)/Deficit on Provision of Services	(615)		(615)
0	(238)	(238)	Transfer between General Fund Balance and Capital Grants Unapplied		153	153
2,253	(2,105)	148	Transfer between General Fund Balance and Earmarked General Fund Reserves	655	(689)	(34)
<b>(1,520)</b>	<b>(5,804)</b>	<b>(7,324)</b>	<b>Closing General Fund Balance</b>	<b>(1,480)</b>	<b>(6,340)</b>	<b>(7,820)</b>

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with GAAP, rather than the amount to be funded from contributions. The Authority's expenditure is funded by contributions from the six Local Authorities in North Wales in accordance with regulations; this may be different from the accounting cost. The contribution position is shown in the Movement in Reserves Statement.

2021/22				2022/23			
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Note	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
40,660	(2,918)	37,742	Provision of Fire Services		38,640	(2,925)	35,715
<b>40,660</b>	<b>(2,918)</b>	<b>37,742</b>	<b>Cost of Services</b>		<b>38,640</b>	<b>(2,925)</b>	<b>35,715</b>
(15)	0	(15)	Other Operating Expenditure		(11)	0	(11)
7,085	(2)	7,083	Financing & Investment Income & Expenditure	<b>10</b>	9,130	(61)	9,069
0	(37,074)	(37,074)	Taxation and Non Specific Grant Income	<b>11</b>	0	(39,664)	(39,664)
		<b>7,736</b>	<b>(Surplus)/Deficit on Provision of Services</b>				<b>5,109</b>
0	(2,162)	(2,162)	(Surplus) or Deficit on Revaluation of Property, Plant & Equipment Assets	<b>19</b>	0	(9,832)	(9,832)
		(22,167)	Remeasurement of the Net Defined Benefit Liability	<b>19</b>			(109,388)
		<b>(24,329)</b>	<b>Other Comprehensive (Income) &amp; Expenditure</b>				<b>(119,220)</b>
		<b>(16,593)</b>	<b>Total Comprehensive (Income) &amp; Expenditure</b>				<b>(114,111)</b>

## MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce contributions from the Constituent Authorities) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance which is funded by contributions from the six Constituent Authorities. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

2022-23	Note	General Fund Balance £'000	Earmarked and Grant Reserves £'000	Capital Grants Unapplied £'000	Earmarked Capital Receipts £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
<b>Balance at 31 March 2022</b>		(1,520)	(5,567)	(238)	0	(7,325)	312,842	305,517
<b>Movement in Reserves during 2022/2023</b>								
Surplus or (Deficit) on the Provision of Services		5,109	0	0	0	5,109	0	5,109
Other Comprehensive Income & Expenditure		0	0	0	0	0	(119,220)	(119,220)
<b>Total Comprehensive Income &amp; Expenditure</b>		<b>5,109</b>	<b>0</b>	<b>0</b>		<b>5,109</b>	<b>(119,220)</b>	<b>(114,111)</b>
Adjustments between accounting basis & funding basis under regulations	8	(5,605)	0		0	(5,605)	5,605	0
<b>Net (Increase)/Decrease before Transfers to Earmarked Reserves</b>		<b>(496)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(496)</b>	<b>(113,615)</b>	<b>(114,111)</b>
Other Transfers to/(from) Earmarked Reserves	9	536	(655)	153	(34)	0	0	0
<b>Increase/(Decrease) in 2022/23</b>	7	<b>40</b>	<b>(655)</b>	<b>153</b>	<b>(34)</b>	<b>(496)</b>	<b>(113,615)</b>	<b>(114,111)</b>
<b>Balance as at 31 March 2023</b>		<b>(1,480)</b>	<b>(6,222)</b>	<b>(85)</b>	<b>(34)</b>	<b>(7,821)</b>	<b>199,227</b>	<b>191,406</b>

## MOVEMENT IN RESERVES STATEMENT

2021-22	Note	General Fund Balance £'000	Earmarked and Grant Reserves £'000	Capital Grants Unapplied £'000	Earmarked Capital Reserves £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
<b>Balance at 31 March 2021</b>		(1,450)	(3,462)	0		(4,912)	327,022	(322,110)
<b>Movement in Reserves during 2021/2022</b>								
Surplus or (Deficit) on the Provision of Services		7,736	0	0		7,736	0	7,736
Other Comprehensive Income & Expenditure		0	0	0		0	(24,329)	(24,329)
<b>Total Comprehensive Income &amp; Expenditure</b>		<b>7,736</b>	<b>0</b>	<b>0</b>		<b>7,736</b>	<b>(24,329)</b>	<b>(16,593)</b>
Adjustments between accounting basis & funding basis under regulations	8	(10,059)	0	(238)	148	(10,149)	10,149	0
<b>Net (Increase)/Decrease before Transfers to Earmarked Reserves</b>		<b>(2,323)</b>	<b>0</b>	<b>(238)</b>	<b>148</b>	<b>(2,413)</b>	<b>(14,180)</b>	<b>16,593</b>
Other Transfers to/(from) Earmarked Reserves	9	2,253	(2,105)	0	(148)	0	0	0
<b>Increase/(Decrease) in 2021/22</b>	7	<b>(70)</b>	<b>(2,105)</b>	<b>(238)</b>	<b>0</b>	<b>(2,413)</b>	<b>(14,180)</b>	<b>16,593</b>
<b>Balance as at 31 March 2022</b>		<b>(1,520)</b>	<b>(5,567)</b>	<b>(238)</b>	<b>0</b>	<b>(7,325)</b>	<b>312,842</b>	<b>(305,517)</b>

## BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2022 £'000		Note	31 March 2023 £'000
43,165	Property, Plant & Equipment	12	56,841
226	Intangible Assets	12	222
33	Long Term Debtors	15	33
<b>43,424</b>	<b>Long Term Assets</b>		<b>57,096</b>
601	Inventories	14	638
3,732	Short Term Debtors	15	5,041
0	Short Term Investments	16	0
2,532	Cash & Cash Equivalents	16	4,177
<b>6,865</b>	<b>Current Assets</b>		<b>9,856</b>
(13,763)	Short Term Borrowing	13	(8,868)
(602)	Provisions	18	(273)
(3,047)	Short Term Creditors	17	(4,287)
<b>(17,412)</b>	<b>Current Liabilities</b>		<b>(13,428)</b>
(327,498)	Pension Liability	19	(227,143)
(135)	Long Term Provisions	18	0
(10,761)	Long Term Borrowing	13	(17,787)
<b>(338,394)</b>	<b>Long Term Liabilities</b>		<b>(244,930)</b>
<b>(305,517)</b>	<b>Net Assets</b>		<b>(191,406)</b>
(7,325)	Usable Reserves	9	(7,821)
312,842	Unusable Reserves	19	199,227
<b>305,517</b>	<b>Total Reserves</b>		<b>191,406</b>

## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of contributions and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2021/2022 £'000		Note	2022/23 £'000
7,736	<b>Net (Surplus)/Deficit on the Provision of Services</b>		5,109
(11,437)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	20	(7,889)
(303)	Adjustments for Items Included in the net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	20	(404)
(4,004)	Net Cash Flows From Operating Activities	20	(3,184)
1,013	Investing Activities	21	3,356
1,987	Financing Activities	22	(1,816)
(1,004)	Net (Increase) or Decrease in Cash and Cash Equivalents		(1,644)
<b>(1,528)</b>	<b>Cash and Cash Equivalents at the beginning of the reporting period</b>		<b>(2,533)</b>
<b>(2,533)</b>	<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	16	<b>(4,177)</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

The notes present information about the basis of preparation of the financial statements and the specific accounting policies used. They provide information not presented elsewhere in the financial statements and are relevant to an understanding of the accounts.

### **1 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED**

Where a new Standard has been published but has not yet been adopted by the Code, the Authority is required to disclose information relating to the impact of the accounting change. The changes that are introduced by the 2023/24 Code are:

- IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).
- Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.
- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

It is not anticipated that the above amendments will have a material impact on the information provided in the Authority's financial statements.

### **2 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

In applying the accounting policies set out in Appendix 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgement in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for Local Government.

However the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of the need to reduce levels of service provision.

### **3 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION AND UNCERTAINTY**

The statement of accounts contains estimated figures that are based on assumptions made by the authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The main items in the Authority's Balance Sheet at 31 March 2023, for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

**Property, Plant and Equipment** - The Authority revalues its assets every 5 years. It is possible that property values could continue to fluctuate especially during times of economic uncertainty. Valuations are based on assumptions about asset conditions, useful lives, residual values and market conditions. These judgements are underpinned by the best available information and made by qualified valuers.

Due to the ongoing volatile market position a full property valuation has been completed as at 31 March 2023.

**Pension Liability** - Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and, for the Local Government Pension Scheme, the expected return on pension fund assets.

Consulting actuaries are engaged to provide the Authority with expert advice about the assumptions to be applied. Further information is provided within the pension fund account.

### **4 MATERIAL ITEMS OF INCOME AND EXPENSE**

Due to changes in actuarial assumptions the total net liability on the Firefighters Pension Scheme and Local Government Pension Scheme have decreased by £100.36m. This is mainly due to the changes associated with the re-measurement of the net defined benefit assets / liability.

### **5 EVENTS AFTER THE REPORTING PERIOD**

The Statement of Accounts was authorised for issue by the Treasurer on 16 October 2023. Events taking place after this date are not reflected in the financial statements or notes.

Where events taking place before this date provided information about conditions existing as at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There have been no material events after the Balance Sheet date.

## 6 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2022/23	Adjustments for Capital Purposes £'000	Net Charge for Pensions Adjustments £'000	Other Adjustments £'000	Total Adjustments £'000
Provision of Fire Services	(3,444)	367	(4)	(3,081)
<b>Net Cost of Service</b>	<b>(3,444)</b>	<b>367</b>	<b>(4)</b>	<b>(3,081)</b>
<b>Other Income &amp; Expenditure</b>				
Other Income & Expenditure from the expenditure and funding analysis	(264)	8,666	403	8,805
<b>Differences between the General Fund surplus and Comprehensive Income and Expenditure Statement surplus on the provision of services</b>	<b>(3,708)</b>	<b>9,033</b>	<b>399</b>	<b>5,724</b>

2021/22	Adjustments for Capital Purposes £'000	Net Charge for Pensions Adjustments £'000	Other Adjustments £'000	Total Adjustments £'000
Provision of Fire Services	(2,585)	5,562	14	2,991
<b>Net Cost of Service</b>	<b>(2,585)</b>	<b>5,562</b>	<b>14</b>	<b>2,991</b>
<b>Other Income &amp; Expenditure</b>				
Other Income & Expenditure from the expenditure and funding analysis	(15)	6,780	303	7,068
<b>Differences between the General Fund surplus and Comprehensive Income and Expenditure Statement surplus on the provision of services</b>	<b>(2,600)</b>	<b>12,342</b>	<b>317</b>	<b>10,059</b>

- **Adjustments for capital purposes** – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:
- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. minimum revenue provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The taxation and non-specific grant income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

**Net change for the pensions adjustments** - Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- For financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

**Other Adjustments** - Other adjustments between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For financing and investment income and expenditure the other statutory adjustments column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the General Fund.

## 7 EXPENDITURE AND INCOME ANALYSED BY NATURE

2021/22 £000		2022/23 £000
	<b>Expenditure</b>	
32,491	Employees	30,194
7,809	Other Operating Costs	8,522
639	Support Services	419
(15)	Gain on the disposal of assets	(11)
7,085	Financing and Investment Expenditure	9,131
(279)	Capital Financing Costs	(495)
<b>47,730</b>	<b>Total Expenditure</b>	<b>47,760</b>
	<b>Income</b>	
(192)	Fees, Charges & Other Service Income	(540)
(2)	Interest and Investment Income	(61)
(37,074)	Levies from Constituent Authorities	(39,412)
(2,726)	Government Grants and Contributions	(2,638)
<b>(39,994)</b>	<b>Total Income</b>	<b>(42,651)</b>
<b>7,736</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>5,109</b>

## **8 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER STATUTE**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the authority in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the authority to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

### **General Fund balance**

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund balance, which is not necessarily in accordance with proper accounting practice. The General Fund balance therefore summarises the resources that the authority is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the authority is required to recover) at the end of the financial year.

### **Capital receipts reserve**

The capital receipts reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

### **Capital grants unapplied**

The capital grants unapplied account (reserve) holds the grants and contributions received towards capital projects for which the authority has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2021/22					Adjustments between Accounting Basis and Funding Basis under Regulations	2022/23				
General Fund Balance £'000	Capital Grants Unapplied £'000	Earmarked Capital Reserves £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000		General Fund Balance £'000	Capital Grants Unapplied £'000	Capital Receipts Reserves £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000
(2,101)	0	0	(2,101)	2,101	Depreciation and impairment	(2,089)	0	0	(2,089)	2,089
(64)	0	0	(64)	64	Prior year adjustment - buildings	0	0	0	0	0
2,206	0	0	2,206	(2,206)	Revaluation losses/Gains on Property	2,584	0	0	2,584	(2,584)
15	0	0	15	(15)	Disposal of non-current assets	11	0	(34)	(23)	23
0	0	148	148	(148)	Capital expenditure financed from earmarked reserve/CERA	525	0	0	525	(525)
2,001	0	0	2,001	(2,001)	Capital expenditure funded from grants	253	(36)	0	217	(217)
					Financing Capital (MRP)	1,959	0	0	1,959	(1,959)
<b>2,057</b>	<b>0</b>	<b>148</b>	<b>2,205</b>	<b>(2,205)</b>		<b>3,243</b>	<b>(36)</b>	<b>(34)</b>	<b>3,173</b>	<b>(3,173)</b>
8,830	0	0	8,830	(8,830)	Employers Pension contributions and payments to pensioners	9,386	0	0	9,386	(9,386)
(21,172)	0	0	(21,172)	21,172	Reversal of retirement benefits in the CIES	(18,419)	0	0	(18,419)	18,419
<b>(12,342)</b>	<b>0</b>	<b>0</b>	<b>(12,342)</b>	<b>12,342</b>		<b>(9,033)</b>	<b>0</b>	<b>0</b>	<b>(9,033)</b>	<b>9,033</b>
238	(238)	0	0	0	Adjustment to Grants Reserve	0	189	0	189	(189)
(12)	0	0	(12)	12	Movement in Accumulated Absence accrual	66			66	(66)
<b>(10,059)</b>	<b>(238)</b>	<b>148</b>	<b>(10,149)</b>	<b>10,149</b>	<b>Adjustments between accounting basis and funding basis under regulation</b>	<b>(5,724)</b>	<b>153</b>	<b>(34)</b>	<b>(5,605)</b>	<b>5,605</b>

## 9 USABLE RESERVES

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2022/23.

Reserve	Purpose of the Reserve	Balance 1 April 2021 £'000	Transfers (in) / out 2021/22 £'000	Balance 31 March 2022 £'000	Transfers (in) / out 2022/23 £'000	Balance 31 March 2023 £'000
<b>Service Reserves</b>						
Pension Reserve	Additional pension costs relating to changes to pension rules	(85)	0	(85)	(460)	(545)
Interest Reserve	Offset increases in interest rates that would impact on the revenue budget	(100)	(200)	(300)	0	(300)
Fire Hydrant Repairs	Funding of the backlog of hydrant repairs	(90)	0	(90)	0	(90)
PPE Uniform / Stock	Increased uniform costs due to changes in legislation	(250)	0	(250)	0	(250)
Transformational Change	Funding for the delivery of transformational change projects	(800)	(51)	(851)	0	(851)
Facilities Improvements	Ensure buildings meet required standard and improve energy efficiency	(490)	(833)	(1,323)	672	(651)
Legal Liability	Funding of future legal liabilities for known/expected claims	(200)	(25)	(225)	39	(186)
Training	Implement legislative requirements for changes to training provision	(100)	(150)	(250)	0	(250)
Major Incidents	Offset costs of major incidents in excess of budget	(150)	0	(150)	0	(150)
System Improvements	Funding available to implement system improvements	(502)	(346)	(848)	137	(711)
Inflation	Offset costs of inflation in excess of budget	0	(250)	(250)	0	(250)
<b>Capital &amp; Grants Reserves</b>						
Capital Projects	Funding for delayed schemes and retention costs	0	0	0	(1,043)	(1,043)
Radio Scheme	Emergency Service Network upgrade - offset some of the additional costs	(500)	(250)	(750)	0	(750)
Grant Reduction	Offset reduction in Fire Safety funding from Welsh Government	(195)	0	(195)	0	(195)
<b>Total Earmarked Reserves</b>		<b>(3,462)</b>	<b>(2,105)</b>	<b>(5,567)</b>	<b>(655)</b>	<b>(6,222)</b>
General Fund	Available for general purposes and to provide operational resilience	(1,450)	(70)	(1,520)	40	(1,480)
Capital Receipts Reserve	Holds receipts from the sale of assets, available to finance future capital expenditure	0	0	0	(34)	(34)
Capital Grants Unapplied	Holds grants and contributions received towards capital projects for which the Authority has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure	0	(238)	(238)	153	(85)
<b>Total Usable Reserves</b>		<b>(4,912)</b>	<b>(2,413)</b>	<b>(7,325)</b>	<b>(496)</b>	<b>(7,821)</b>

## 10 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2021/22 £'000		2022/23 £'000
305	Interest payable and similar charges	464
(2)	Interest receivable and similar income	(61)
6,780	Net Interest on the net defined benefit liability	8,666
<b>7,083</b>	<b>Total</b>	<b>9,069</b>

## 11 TAXATION AND NON SPECIFIC GRANT INCOME

2021/22 £'000		2022/23 £'000
6,230	Conwy County Borough Council	6,631
3,690	Anglesey County Council	3,916
6,597	Gwynedd Council	7,018
5,060	Denbighshire County Council	5,381
8,282	Flintshire County Council	8,814
7,215	Wrexham County Borough Council	7,652
<b>37,074</b>	<b>Levies from Constituent Authorities</b>	<b>39,412</b>
0	Capital Grants and Contributions	252
<b>37,074</b>	<b>Total Taxation and Non Specific Grant Income</b>	<b>39,664</b>

## 12 PROPERTY PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

### Movements on Balances

2022-2023	Land and Buildings £'000	Vehicles and Equipment £'000	Assets Under Construction £'000	Property Plant & Equipment Total £'000	Intangible Assets Total £'000	Assets Held for Sale Total £'000
<b>Gross Book Value at 1 April 2022</b>	<b>34,836</b>	<b>22,250</b>	<b>1,027</b>	<b>58,113</b>	<b>672</b>	<b>0</b>
Re-categorisation of assets	0	1,027	(1,027)	0	0	0
Additions	696	2,461	85	3,242	125	0
Revaluation increase / (decreases) recognised in the Revaluation Reserve	9,173	0	0	9,173	0	0
Revaluation increase / (decreases) recognised in the Surplus / Deficit on the Provision of Services	2,584	0	0	2,584	0	0
Derecognition - Disposals	0	(1,004)	0	(1,004)	0	0
Derecognition - Other	0	(13)	0	(13)	(366)	0
<b>Gross Book Value at 31 March 2023</b>	<b>47,289</b>	<b>24,721</b>	<b>85</b>	<b>72,095</b>	<b>431</b>	<b>0</b>
<b>Accumulated Depreciation &amp; Impairment</b>						
At 1 April 2022	0	(14,948)	0	(14,948)	(446)	0
Depreciation/Amortisation charge	(663)	(1,297)	0	(1,960)	(129)	0
Depreciation written out of the Revaluation Reserve	659	0	0	659		0
Derecognition - Disposals	0	982	0	982	0	0
Derecognition - Other	0	13	0	13	366	0
<b>Accumulated Depreciation at 31 March 2023</b>	<b>(4)</b>	<b>(15,250)</b>	<b>0</b>	<b>(15,254)</b>	<b>(209)</b>	<b>0</b>
<b>NET BOOK VALUE AT 31 MARCH 2023</b>	<b>47,285</b>	<b>9,471</b>	<b>85</b>	<b>56,841</b>	<b>222</b>	<b>0</b>
<b>NET BOOK VALUE AT 31 MARCH 2022</b>	<b>34,836</b>	<b>7,302</b>	<b>1,027</b>	<b>43,165</b>	<b>226</b>	<b>0</b>

2021/2022	Land and Buildings	Vehicles and Equipment	Assets Under Construction	Property Plant & Equipment	Intangible Assets	Assets Held for Sale
	£'000	£'000	£'000	Total £'000	Total £'000	Total £'000
<b>Gross Book Value at 1 April 2021</b>	<b>31,625</b>	<b>22,770</b>	<b>198</b>	<b>54,593</b>	<b>1,221</b>	<b>0</b>
Re-categorisation of assets	0	198	(198)	0		0
Prior Year Adjustment recognised through Revaluation Reserve (Llandudno Workshop Valuation)	(1,009)			(1,009)		
Prior Year Adjustment recognised through Capital Adjustment Account (Llandudno Workshop Valuation)	(65)	0	0	(65)	0	0
Additions		148	1,027	1,175		
Derecognition - Disposals	0	(65)	0	(65)	0	0
Derecognition - Other	0	(801)		(801)	(549)	0
Revaluation increase / (decreases) recognised in the Revaluation Reserve	3,048	0	0	3,048	0	0
Revaluation increase / (decreases) recognised in the Surplus / Deficit on the Provision of Services	1,237	0	0	1,237	0	0
<b>Gross Book Value at 31 March 2022</b>	<b>34,836</b>	<b>22,250</b>	<b>1,027</b>	<b>58,113</b>	<b>672</b>	<b>0</b>
<b>Accumulated Depreciation &amp; Impairment</b>						
At 1 April 2021	(605)	(14,451)	0	(15,056)	(744)	0
Depreciation Prior Year Adjustment recognised through Revaluation Reserve (Llandudno Workshop)	29	0	0	29	0	0
Depreciation Prior Year Adjustment recognised through Capital Adjustment Account (Llandudno Workshop)	1			1		
Depreciation written out of the Revaluation Reserve	184	0	0	184	0	0
Depreciation written out to the Surplus / Deficit on the Provision of Services	967	0	0	967	0	0
Depreciation/Amortisation charge	(576)	(1,363)		(1,939)	(251)	0
Derecognition - Disposals	0	65		65	0	
Derecognition - Other	0	801	0	801	549	0
<b>Accumulated Depreciation at 31 March 2022</b>	<b>0</b>	<b>(14,948)</b>	<b>0</b>	<b>(14,948)</b>	<b>(446)</b>	<b>0</b>
<b>NET BOOK VALUE AT 31 MARCH 2022</b>	<b>34,836</b>	<b>7,302</b>	<b>1,027</b>	<b>43,165</b>	<b>226</b>	<b>0</b>
<b>NET BOOK VALUE AT 31 MARCH 2021</b>	<b>31,020</b>	<b>8,319</b>	<b>198</b>	<b>39,537</b>	<b>477</b>	<b>0</b>

## Depreciation

Depreciation is based on the Beacon Approach, for buildings, where an estimate is made of the components of the building and the useful life of each component.

Other assets are recognised at historic cost which is a proxy for current cost on short life assets and depreciated over their useful lives.

## Revaluations and Impairments

The authority ensures that all property, plant and equipment required to be measured at current value is revalued sufficiently regularly so that their carrying amount is not materially different from their current value at the year-end, and as a minimum every five years. All valuations were carried out internally. Valuations of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

A full property revaluation exercise was undertaken by Wilks Head and Eve, as at 31 March 2023. Office accommodation and workshops have been valued at existing use value and fire stations at depreciated replacement cost. To comply with the Code of Practice the valuer estimated residual lives for all the Authority's buildings.

Valuations of vehicles, plant and equipment were based on current prices where there was an active second-hand market or latest list prices adjusted for the condition of the asset.

## CAPITAL COMMITMENTS

The Authority is committed to capital expenditure in future periods arising from contracts entered into at the Balance Sheet date. Capital expenditure committed at the 31 March 2023 for future periods equates to £ 882k (2021/22: £2,251k). The commitments relate to the following:

Description	£'000
Building Works	789
Equipment	12
Vehicles	141
<b>Total</b>	<b>942</b>

## SURPLUS ASSETS (Non operational property, plant and equipment)

The Authority does not have any material surplus assets.

## 13 FINANCIAL INSTRUMENTS

### Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

	Non Current		Current	
	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000
<b>Financial Assets at Amortised Cost:</b>				
Cash and Cash Equivalents	0	0	2,532	4,177
Debtors	33	33	3,732	5,041
<b>Financial Liabilities at Amortised Cost:</b>				
Interest Accrued	0	0	(89)	(194)
Borrowings	(10,761)	(17,787)	(13,674)	(8,674)
<b>Total Borrowing</b>	<b>(10,761)</b>	<b>(17,787)</b>	<b>(13,763)</b>	<b>(8,868)</b>
Creditors	0	0	(3,047)	(4,287)

### Financial Instruments Gains/Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	2021/22		2022/23	
	Financial Liabilities	Financial Assets	Financial Liabilities	Financial Assets
	Measured at amortised cost £'000	Loans and receivables £'000	Measured at amortised cost £'000	Loans and receivables £'000
Interest expense	305		464	
<b>Total expense in Surplus or Deficit on the Provision of Services</b>	<b>305</b>		<b>464</b>	
Interest income		(2)		(61)
<b>Total income in Surplus or Deficit on the Provision of Services</b>		<b>(2)</b>		<b>(61)</b>
<b>Net gain/(loss) for the year</b>	<b>305</b>	<b>(2)</b>	<b>464</b>	<b>(61)</b>

## Fair Value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried on the Balance Sheet at amortised cost (in long term assets/liabilities with accrued interest in current assets/liabilities). Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB and other loans payable, borrowing from the PWLB has been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	31-Mar-22		31-Mar-23	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
PWLB debt	(15,425)	(16,175)	(20,460)	(18,630)
Non-PWLB debt	(9,000)	(9,000)	(6,000)	(6,000)
<b>Total Debt</b>	<b>(24,425)</b>	<b>(25,175)</b>	<b>(26,460)</b>	<b>(24,630)</b>

The fair value has been calculated with direct reference to published price quotations in an active market. In the case of the Fire and Rescue Authority they are based on premiums that would be payable if PWLB loans were surrendered and provides an estimate of the additional interest payable compared to the same loan at current market rates discounted back to the current period.

## 14 INVENTORIES

	Main Stores		Fleet Stock		Totals	
	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000	2022/23 £'000
Balance at start of year	419	420	147	181	566	601
Purchases	99	101	220	203	319	304
Write offs	0	(15)	0	(1)	0	(16)
Recognised as an Expense in year	(98)	(55)	(186)	(196)	(284)	(251)
<b>Balance outstanding at year end</b>	<b>420</b>	<b>451</b>	<b>181</b>	<b>187</b>	<b>601</b>	<b>638</b>

## 15 DEBTORS

2021/22 £'000		2022/23 £'000
	<b>Long Term</b>	
33	Prepayments	33
<b>33</b>	<b>Total Long Term</b>	<b>33</b>
	<b>Short Term</b>	
384	Other Receivable Amounts	372
2,511	Trade Receivables	3,692
837	Prepayments	977
<b>3,732</b>	<b>Total Short Term</b>	<b>5,041</b>
<b>3,765</b>	<b>Total Long and Short Term Debtors</b>	<b>5,074</b>

## 16 CASH AND CASH EQUIVALENTS

31-Mar-22 £'000		31-Mar-23 £'000
2,522	Cash and Bank Balances	4,167
0	Short Term Deposits	0
10	Petty Cash Imprests	10
<b>2,532</b>	<b>Total</b>	<b>4,177</b>

## 17 CREDITORS

2021/22 £'000		2022/23 £'000
(1,195)	Other Payables	(811)
(1,852)	Trade Payables	(3,476)
<b>(3,047)</b>	<b>Total</b>	<b>(4,287)</b>

## 18 PROVISIONS

At 31 March 2023 the Authority held a provision with a value of £273k relating to employee liabilities. This provision will be utilised to offset revenue expenditure, when it occurs.

	Opening Balance £'000	Movements In £'000	Movements Out £'000	Closing Balance £'000
Short Term Provisions	(602)	(166)	495	(273)
Long Term Provisions	(135)	0	135	0
<b>Total</b>	<b>(737)</b>	<b>(166)</b>	<b>630</b>	<b>(273)</b>

## 19 UNUSABLE RESERVES

31-Mar-22 £'000		31-Mar-23 £'000
(8,550)	Revaluation Reserve	(18,175)
(6,444)	Capital Adjustment Account	(10,013)
327,498	Pensions Reserve	227,143
338	Accumulated Absences Account	272
<b>312,842</b>	<b>Total</b>	<b>199,227</b>

### 19a Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment.

The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation or disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2021/22 £'000		2022/23 £'000
<b>(6,719)</b>	<b>Balance at 1 April</b>	<b>(8,550)</b>
(3,231)	Upward revaluation of assets	(9,832)
0	Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services.	0
980	Prior Year Adjustment	0
331	Adjustment from Capital Adjustment Account	57
89	Difference between fair value depreciation and historical cost depreciation	150
<b>(8,550)</b>	<b>Balance at 31 March</b>	<b>(18,175)</b>

## 19b Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains valuation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2021/22 £'000		2022/23 £'000
<b>(3,908)</b>	<b>Balance at 1 April</b>	<b>(6,444)</b>
2,101	Charges for depreciation & impairment of non-current	2,089
(15)	Amount of non current asset written off on disposal or sale	23
64	Prior Year Adjustment through the CIES	0
0	Prior Year Adjustment - transfer between CAA and RR	(57)
(2,206)	Adjustment relating to the revaluation of assets	(2,584)
(331)	Adjusting amounts written out of the Revaluation Reserve	(150)
<b>(387)</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>(679)</b>
(148)	Capital grants & contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(216)
0	Capital expenditure charged against the General Fund/ Earmarked reserves	(525)
0	Application of grants to capital financing from the capital grants unapplied account	(189)
(2,001)	Statutory provision for the financing of capital investment charged against the General Fund	(1,960)
<b>(2,149)</b>	<b>Capital Financing Applied in year</b>	<b>(2,890)</b>
<b>(6,444)</b>	<b>Balance at 31 March</b>	<b>(10,013)</b>

## 19c Pensions Reserve

The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2021/22 £'000		2022/23 £'000
<b>337,323</b>	<b>Opening Balance 1 April</b>	<b>327,498</b>
(22,167)	Re-measurement of the net defined benefit liability	(109,388)
21,172	Reversal of Items related to retirement benefits debited to the Provision of Service in the Comprehensive Income & Expenditure Statement	18,419
(8,830)	Employer's pensions contributions and direct payments to pensioners payable in the year	(9,386)
<b>(9,825)</b>	<b>Movement on Pension Reserve</b>	<b>(100,355)</b>
<b>327,498</b>	<b>Balance at 31 March</b>	<b>227,143</b>

## 19d Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absence 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 Balance is neutralised by transfers to or from the Account.

2021/22 £'000		2022/23 £'000
<b>326</b>	<b>Balance at 1 April</b>	<b>338</b>
(326)	Settlement or cancellation of accrual made at the end of the preceding year	(338)
338	Amounts accrued at the end of the current year	272
<b>338</b>	<b>Balance at 31 March</b>	<b>272</b>

## 20 CASH FLOW STATEMENT - OPERATING ACTIVITIES

2021/22 £'000		2022/23 £'000
7,736	<b>Net (Surplus)/Deficit on the Provision of Services</b>	5,109
	<b>Adjustment to net (surplus)/deficit for non-cash movements</b>	
35	Increase/(Decrease) in Inventories	38
742	Increase/(Decrease) in Debtors	1,310
101	(Increase)/Decrease in Creditors	(1,240)
(2,100)	Depreciation Charge	(2,089)
148	Contributions Received/Capital Receipts	34
(12,342)	IAS 19 Pension Adjustments	(9,033)
2,142	Impairment Charge/Revaluation of Assets	2,584
0	Carrying amount of Non Current Assets sold or derecognised	(23)
(151)	Contribution (to)/from Various Provisions	464
0	Other non-cash items charged to the net surplus or deficit on the provision of services	0
(12)	Accumulated Absences Reserve	66
<b>(11,437)</b>	<b>Less Total</b>	<b>(7,889)</b>
	<b>Adjustments for Items Included in the net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities</b>	
(305)	Interest paid	(465)
2	Interest Received	61
<b>(303)</b>		<b>(404)</b>
<b>(4,004)</b>	<b>Net Cash Flow From Operating Activity</b>	<b>(3,184)</b>

## 21 CASH FLOW STATEMENT – INVESTING ACTIVITIES

2021/22 £'000		2022/23 £'000
1,176	Purchase of property, plant and equipment, investment property and intangible assets	3,367
(15)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(11)
(148)	Other receipts from investing activities	0
<b>1,013</b>	<b>Net cash flow from investing activities</b>	<b>3,356</b>

## 22 CASH FLOW STATEMENT – FINANCING ACTIVITIES

2021/22 £'000		2022/23 £'000
(10,767)	Cash receipts of short-term and long-term borrowing	(13,000)
12,451	Repayments of short-term and long-term borrowing	10,780
303	Other payments for financing activities	404
<b>1,987</b>	<b>Net cash flow from financing activities</b>	<b>(1,816)</b>

## 23 MEMBERS' ALLOWANCES

The Authority paid the following amounts to elected members during the year:

<b>2021/22</b> <b>£</b>		<b>2022/23</b> <b>£</b>
72,997	Salaries	74,215
96	Expenses	1,226
<b>73,093</b>	<b>Total</b>	<b>75,441</b>

Note the 2021/22 figures have been re-stated to disclose only those expenses paid to Authority Members, which previously included expenses relating to Independent Members of the Standards Committee.

## 24 OFFICERS' REMUNERATION

The remuneration paid to the Authority's senior employees is as follows:

Post Title	Year	Salary (Inc Fees & Allowances) £	Expenses Reimbursed £	Benefit in Kind £	Total (Excluding Pension Contributions) £	Pension Contributions £	Total Remuneration £
Chief Fire Officer (Commenced July 2021)	2021/22	101,763	0	0	101,763	17,300	119,063
	<b>2022/23</b>	<b>138,685</b>	<b>57</b>	<b>0</b>	<b>138,742</b>	<b>23,576</b>	<b>162,318</b>
Chief Fire Officer (Retired June 2021)	2021/22	33,669	32	0	33,700	5,724	39,424
	<b>2022/23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deputy Chief Fire Officer (Commenced February 2022)	2021/22	12,820	978	0	13,798	3,500	17,298
	<b>2022/23</b>	<b>110,948</b>	<b>5,565</b>	<b>1,380</b>	<b>117,893</b>	<b>30,289</b>	<b>148,182</b>
Assistant Chief Fire Officer	2021/22	100,365	126	0	100,491	27,400	127,891
	<b>2022/23</b>	<b>105,795</b>	<b>126</b>	<b>1,896</b>	<b>107,817</b>	<b>28,882</b>	<b>136,699</b>
Assistant Chief Fire Officer	2021/22	99,428	0	0	99,428	16,903	116,331
	<b>2022/23</b>	<b>104,014</b>	<b>0</b>	<b>0</b>	<b>104,014</b>	<b>17,682</b>	<b>121,696</b>
Assistant Chief Fire Officer	2021/22	95,547	24	0	95,571	23,976	119,547
	<b>2022/23</b>	<b>104,014</b>	<b>0</b>	<b>1,595</b>	<b>105,609</b>	<b>28,396</b>	<b>134,005</b>
Assistant Chief Officer (Left February 2023)	2021/22	71,931	126	8,789	80,846	12,228	93,074
	<b>2022/23</b>	<b>76,233</b>	<b>116</b>	<b>5,194</b>	<b>81,543</b>	<b>12,960</b>	<b>94,503</b>
Temporary Assistant Chief Fire Officer (Retired January 2021)	2021/22	109	0	0	109	0	109
	<b>2022/23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Treasurer - Section 151 Officer (15 days per Year) (Retired Dec 2021)	2021/22	5,859	0	0	5,859	0	5,859
	<b>2022/23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Treasurer - Section 151 Officer (commenced Apr 2022)	2021/22	0	0	0	0	0	0
	<b>2022/23</b>	<b>8,020</b>	<b>251</b>	<b>0</b>	<b>8,271</b>	<b>0</b>	<b>8,271</b>

The Authority does not have any employees with a salary in excess of £150k. The Monitoring Officer is provided by Flintshire County Council as part of a Service Level Agreement so no costs for an individual are shown in the table above. Further details on the Monitoring Officer costs can be found within Note 28 – Related Parties.

The authority's other employees receiving more than £60,000 remuneration for the year (excluding employer pension contributions) were paid the following amounts:

REMUNERATION BAND	2021/22 NUMBER OF EMPLOYEES	2022/23 NUMBER OF EMPLOYEES
£60,000 - £64,999	6	9
£65,000 - £69,999	0	7
£70,000 - £74,999	2	0
£75,000 - £79,999	0	4
£80,000 - £84,999	2	0

The following table gives the ratio between the Chief Fire Officer's remuneration and the median remuneration of Fire and Rescue Service staff:

2021/22 £		2022/23 £
134,940	Chief Fire Officer	138,685
32,244	Median	34,501
4.18	Ratio	4.02

The staff that are employed under Retained Duty System Contracts have been included in the calculation on their Full Time Equivalent scale point rather than actual earnings. The above data includes total salary paid (excludes pension contributions).

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages		Total Cost of Exit Packages	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	£'000	£'000
£0-£20,000	0	0	2	0	2	0	28	0
£20,000 - £40,000	0	0	1	0	1	0	28	0
£40,000 - £60,000	0	0	1	0	1	0	48	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>104</b>	<b>0</b>

## 25 EXTERNAL AUDIT COSTS

2021/22 £'000		2022/23 £'000
	Fees payable to the Auditor General for Wales with regard to external audit services carried out by the appointed auditor	
54	Financial audit work	56
17	Performance Audit work	16
<b>71</b>	<b>Total</b>	<b>72</b>

## 26 GRANTS

2021/22 £'000	Credited to Services	2022/23 £'000
416	Firelink Service Fees	416
157	Arson Reduction	179
213	Home Safety Equipment	226
10	Ask and Act	10
233	All Wales National Resilience	314
160	Youth & Young People Engagement	147
1,089	Firefighter Pension Scheme Employer Contribution Costs	1,081
210	Emergency Services Network Upgrade	0
0	Heating Survey	2
0	Security Information Event Management	10
<b>2,488</b>	<b>TOTAL</b>	<b>2,385</b>
	<b>Credited to taxation and non-specific income &amp; expenditure</b>	
238	Training Facilities Upgrade	0
0	All Wales National Resilience	133
0	Electric Vehicle Charging Points	120
<b>238</b>	<b>TOTAL</b>	<b>253</b>

## 27 AGENCY SERVICES

The Authority acts as an agent on behalf of Welsh Government in administering two grant schemes for all the Fire and Rescue Services in Wales. The approved grants are paid to North Wales Fire and Rescue Service who are then responsible for distributing the grants to the Mid and West Wales Fire and Rescue Service and South Wales Fire and Rescue Service.

The Authority acts as an agent for the Local Resilience Forum. This is a multi-agency partnership made up of representatives from local public services, including the emergency services, local authorities, the NHS, the Environment Agency and others. Contributions from the various public bodies, are paid to North Wales Fire and Rescue Service. This funding is utilised to pay for the expenditure of the Forum. As at 31 March 2023, the Authority held funds of £86k relating to the Forum.

2021/22 £'000		2022/23 £'000
2,766	All Wales National Resilience	2,545
208	Youth and Young People Engagement	247
119	Local Resilience Forum	129
<b>3093</b>	<b>Total</b>	<b>2,921</b>

## **28 RELATED PARTIES**

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the authority.

### **Welsh Government**

The Welsh Government has significant influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the authority operates, provides the majority of its funding in the form of grants (the Revenue Support Grant is paid to constituent authorities) and prescribes the terms of many of the transactions that the authority has with other parties. Directly received grant receipts are shown in Note 26 and constituent authority contributions are shown in Note 11.

### **Members**

Members of the authority have direct control over the authority's financial and operating policies. The total of members' allowances paid in 2022/23 is shown in Note 23.

All Members completed a declaration of interest with related parties return for the year 2022/23. Apart from allowances and expenses no other transactions were identified. Nothing was paid by the Authority during 2022/23 under such arrangements (2021/22: nil), and no income was received by the Authority during 2022/23 (2021/22: nil).

A list of Elected Members' interests is maintained by the Monitoring Officer and is available to view on the website - <https://www.northwalesfire.gov.wales/fire-and-rescue-authority/members/>

### **Senior Officers**

The Senior Officers completed a declaration of interest with related parties return for the year 2022/23. Senior Officers' remuneration is shown in Note 24.

An Assistant Chief Fire Officer declared an interest as a trustee with DangerPoint. The independent charity runs an education activity centre based in North Wales. Payments of £5,450 have been made to DangerPoint in 2022/23, as part of Welsh Government grant funding (2021/22: £5,700). In addition funding is provided for the cost of an administrator, which amounted to £29,287 (2021/22: £26,701).

No income was received by the Authority during 2021/22 and 2022/23.

## Other Public Bodies

Flintshire County Council provide the role of Monitoring Officer. This post is held by the Chief Officer (Governance)/Monitoring Officer and payments amounted to £18k (2021/22: £17k).

Conwy County Borough Council provides internal audit services and legal services for which payments amounted to £12k (2021/22: £12k). As at 31 March 2023 £12k remained outstanding.

On 1 April 2022 all financial services transferred back in-house, however it was agreed that the Council would finalise all work in relation to 2021/22, which incurred costs of £64k (2021/22: £140k).

Carmarthenshire County Council, acting on behalf of the Dyfed Pension Fund, manage the payments made to firefighter pensioners on behalf of the Authority. They are also responsible for managing the records of current pensioners and active members of the scheme. Transactions in the year amounted to £98k (2021/22: £59k). As at 31 March 2023 £98k remained outstanding.

There are joint arrangements with North Wales Police and Crime Commissioner as well as a shared control room. The Authority's contribution towards facilities management amounted to £219k (2021/22: £212k) and for procurement advice which amounted to £7k (2021/22: £7k). As at 31 March 2023 £55k remained outstanding.

## 29 CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the authority, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the authority that has yet to be financed.

2021/22 £'000		2022/23 £'000
29,389	Opening Capital Financing Requirement	28,401
	<b>Capital Investment</b>	
1,176	Property, Plant & Equipment	3,366
	<b>Sources of Finance</b>	
0	Government Grants & Contributions	(406)
(2,164)	Sums set aside from revenue	(1,959)
0	Direct Revenue Contributions	(525)
<b>28,401</b>	<b>Closing Capital Financing Requirement</b>	<b>28,877</b>
(988)	Increase/(decrease) in underlying need to borrow (unsupported by government financial assistance)	476
<b>(988)</b>	<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>476</b>

## 30 LEASES

### Finance Leases

The Authority acquired Wrexham Fire Station under a finance lease in 2016/17. The asset acquired under the lease is carried on the Balance Sheet under Property, Plant and Equipment with a net value of £6,873k. The lease payment for Wrexham Fire Station is a peppercorn rent, therefore there is no reconciliation between the total of future minimum lease payments and the present value.

### Operating Leases

The Authority has acquired vehicles and equipment by entering into operating leases with typical lives of four years.

In addition the Authority leases three buildings with typical lease periods of five years.

The future minimum lease periods due under non cancellable leases in future years are:

2021/22 £'000		2022/23 £'000
312	Not later than 1 year	362
808	Later than 1 year and not later than 5 years	644
183	Later than 5 years	59
<b>1,303</b>	<b>Total</b>	<b>1,065</b>

## 31 DEFINED BENEFIT PENSION SCHEMES

### Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that the employees earn their future entitlement.

The Local Government Pension Scheme (LGPS) is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of Clwyd Pension Fund, Flintshire County Council. Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the pensions committee of Flintshire County Council. The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and the amounts required by statute as described in the accounting policies note. We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge we are required to make against levy is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

The Firefighters' Pension Scheme is an unfunded defined benefits scheme, meaning that no investments are held to fund the liabilities. Contributions, at a rate set by the Welsh Government, made by the employer and employees are held in a pension fund account, benefits paid are charged to the account with any balance on the account being received from, or paid to the Welsh Government.

### **O'Brien**

Following the O'Brien judgment Welsh Government Ministers have agreed to extend the pension entitlement to eligible retained firefighters to cover service pre-July 2000. The Memorandum of Understanding signed in March 2022 sets out the intended scope and operation of the options exercise required to enact remedy in this case.

This options exercise will increase the pension entitlement for some current special retained members and also allow access to the scheme for additional historic retained firefighters. The pension liabilities include an actuarial estimate of the impact although significant uncertainty remains at this time.

### **Guaranteed Minimum Pension equalisation and indexation**

The Government has published a consultation on indexation and equalisation of Guaranteed Minimum Pensions (GMP), with the proposal being to extend the "interim solution" to those members who reach State Pension Age after 5 April 2021.

A past service cost was included within the 2019/20 disclosures for extending the equalisation to all future retirees. There was also a further court ruling on 20 November 2020 regarding GMP equalisation. The court ruled that scheme trustees are required to revisit past Cash Equivalent Transfer Values (CETVs) to ensure GMP equalisation. This may result in additional top-ups where GMP equalisation means that members did not receive their full entitlement. For public service pension schemes, the expectation is that this ruling will be taken forward on a cross scheme basis and will need legal input.

This may require revisiting past CETV cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETV were equalised. The scope of any costs are yet to be determined. Data on historic CETVs is not available to estimate the potential impact. It is expected that this will be a relatively small uplift for a relatively small subset of members (i.e. those who took a CETV and are in scope for a top up).

## **Goodwin**

The Welsh Government have advised that there is no requirement to allow for this legal challenge within the 2022/23 disclosures. (Case refers to dependants benefits)

## **McCloud and 2016 valuation cost control**

Following the Court of Appeal, the McCloud judgment was handed down in December 2018 which concluded that the transitional protections introduced in 2015 were discriminatory on the basis of age. The UK Government subsequently announced plans to address the discrimination across the UK public sector pension schemes including the Firefighters' Pension Scheme. The cap mechanism for the 2016 valuation has since been un-paused and the calculations completed, with the outcome being no changes to benefits or contributions.

It also announced that the outstanding issues arising from the 2016 actuarial valuation will be addressed and that the McCloud costs would fall into the 'member cost' category of the cost control element of the valuations process. By taking into account the increased value as a result of the McCloud remedy the scheme cost control valuation outcomes will show greater costs than otherwise would have been expected.

The past service costs have been estimated to take into account the impact of the McCloud judgment and have been included since 2018/19 and updated to reflect the proposed remedy outlined by the UK Government following the consultation during 2020.

The new regulations are due to go through the WG's legislative process and will be implemented from 1 October 2023. There is currently no ongoing litigation around the processing of Cat 2 claims and given that any new litigation would not be concluded before the implementation of the new regulations there is no residual risk. Further, the regulations will make provision for interest to be paid on money due and therefore the risk of litigation arising from any delays in introducing the regulations is not a likely risk.

## **Scheme Valuation - 2020**

Scheme Valuations are carried out on a quadrennial basis, and the next valuation will be based on data at 31 March 2020. The Government Actuary's Department has collected the necessary data and the valuation will be undertaken following the recent issuing of Directions by HM Treasury. Initial results are anticipated over the Summer 2023, and the final valuation will set employer contribution rates from 1 April 2024.

LGPS	FFPS		LGPS	FFPS
2021/22 £'000	2021/22 £'000	General Fund Transfers	2022/23 £'000	2022/23 £'000
		<b>Comprehensive Income &amp; Expenditure Statement</b>		
		<b>Cost of Services</b>		
		<b>Service Cost comprising:</b>		
2,119	9,750	Current Service Cost	2,295	7,170
0	2,400	Past Service Costs	0	0
43	0	Administration Expenses	46	0
		<b>Financing &amp; Investment Income &amp; Expenditure</b>		
380	6,400	Net Interest Expense	396	8,270
0	0	Transfers out of scheme	0	0
0	80	Transfers in to scheme	0	220
0	0	Curtailments	22	0
<b>2,542</b>	<b>18,630</b>	<b>Total Post Employment Benefits Charged to Provision of Services</b>	<b>2,759</b>	<b>15,660</b>
		<b>Other Post Employment Benefits Charged to the Comprehensive Income &amp; Expenditure Statement</b>		
		<b>Remeasurement of the net defined benefit/liability comprising:</b>		
(4,157)	0	Return on Plan Assets (excluding Interest)	4,634	0
(1,177)	0	Actuarial (Gains)/Losses arising on Changes in Demographic Assumptions	4,966	(10,560)
(313)	(3,780)	Actuarial (Gains)/Losses arising on Changes in Financial Assumptions	(24,238)	(101,710)
0	(12,740)	Actuarial (Gains)/Losses - experience		17,520
<b>(5,647)</b>	<b>(16,520)</b>	<b>Total Post Employment Benefits Charged to the Comprehensive Income &amp; Expenditure Statement</b>	<b>(14,638)</b>	<b>(94,750)</b>
		<b>Movement in Reserves Statement</b>		
(2,542)	(18,630)	Reversal of net charges made to the surplus or deficit on the Provision of Services for Post Employment Benefits in accordance with the Code	(2,759)	(15,660)
		<b>Actual amounts charged to the General Fund for pensions in the year</b>		
0	7,910	Retirement Benefits payable to Pensioners	0	8,470
920	0	Employer Contributions Payable to the scheme	916	0

The amount included on the Balance Sheet arising from the Authority's obligation, in respect of its defined benefit plans are as follows:

LGPS 2021/22 £'000	FFPF 2021/22 £'000	Pension Assets and Liabilities Recognised in the Balance Sheet	LGPS 2022/23 £'000	FFPF 2022/23 £'000
(56,519)	312,950	Present value of the defined benefit obligation	(40,312)	(225,390)
<b>(56,519)</b>	<b>312,950</b>	<b>Sub Total</b>	<b>(40,312)</b>	<b>(225,390)</b>
41,971		Fair Value of plan assets	38,559	
<b>(14,548)</b>	<b>312,950</b>	<b>Net liability arising from defined benefit obligation</b>	<b>(1,753)</b>	<b>(225,390)</b>

LGPS 2021/22 £'000	FFPF 2021/22 £'000	Movement in the Value of Scheme Assets	LGPS 2022/23 £'000	FFPF 2022/23 £'000
37,071	0	Opening Fair Value of Scheme Assets	41,971	0
779	0	Interest Income	1,176	0
		<b>Remeasurement Gain/Loss</b>		
4,157	0	The return on plan assets, excluding the amount included in the net interest expense	(4,634)	0
920	9,520	Contributions from employer	916	10,270
371	0	Contributions from employees into the scheme	369	0
(1,284)	(9,520)	Benefits/transfer Paid	(1,193)	(10,270)
(43)	0	Administration Expenses	(46)	0
<b>41,971</b>		<b>Closing value of scheme assets</b>	<b>38,559</b>	<b>0</b>

LPGS 2021/22 £'000	FFPF 2021/22 £'000	Movement in the Fair Value of Scheme Liabilities	LGPS 2022/23 £'000	FFPF 2022/23 £'000
(55,644)	(318,750)	Opening Balance as at 1 April	(56,519)	(312,950)
(2,119)	(9,750)	<b>Current Service Cost</b>	(2,295)	(7,170)
0	(80)	Transfers In	0	(220)
(1,159)	(6,400)	Interest Costs	(1,572)	(8,270)
(371)	(1,610)	Contributions from scheme participants	(369)	(1,800)
		<b>Remeasurement Gains and losses</b>		
0	0	Actuarial Gains/losses- experience	0	(17,520)
313	16,520	Actuarial Gains/losses arising from changes in demographic assumptions	(4,966)	10,560
1,177	0	Actuarial Gains/losses arising from changes in financial assumptions	24,238	101,710
1,284	9,520	Benefits/ transfers paid	1,193	10,270
0	0	Curtailments	(22)	0
0	(2,400)	Past Service Cost	0	0
<b>(56,519)</b>	<b>(312,950)</b>	<b>Balance at 31 March</b>	<b>(40,312)</b>	<b>(225,390)</b>

**Local Government Pension Scheme: Assets Comprised Of:**

Quoted 2021/22 £'000	Fair Value of Scheme Assets	Quoted 2022/23 £'000
	<b>Cash &amp; Cash Equivalents</b>	
1,343	Cash Accounts	1,697
0	Temporary Investments	0
<b>1,343</b>	<b>Subtotal Cash and Cash Equivalents</b>	<b>1,697</b>
	<b>Equity Securities</b>	
4,490	Global Quoted	2,236
3,777	Emerging Markets	1,967
<b>8,267</b>	<b>Subtotal Equities</b>	<b>4,203</b>
	<b>Bonds</b>	
4,197	Overseas Other	3,933
10,703	LDI	10,604
<b>14,900</b>	<b>Subtotal Bonds</b>	<b>14,537</b>
	<b>Property</b>	
2,099	UK	2,044
420	Overseas	308
<b>2,519</b>	<b>Subtotal Property</b>	<b>2,352</b>
	<b>Alternatives</b>	
2,728	Hedge Funds	2,776
4,449	Private Equity	5,013
2,015	Infrastructure	2,236
210	Timber and Agriculture	193
4,659	DGF	4,511
881	Private Credit	1,041
<b>14,942</b>	<b>Subtotal Alternatives</b>	<b>15,770</b>
<b>41,971</b>	<b>Totals Assets</b>	<b>38,559</b>

All scheme assets have quoted prices in active markets

## Basis for Estimating Assets and Liabilities

Liabilities have been valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value.

The Firefighters' Scheme has been valued by the Government Actuary's Department

The LGPS liabilities have been valued by Mercer, an independent firm of actuaries and are based on the latest full valuation of the scheme as at 1 April 2022.

2021/22	LGPS	2022/23
	<b>Mortality Assumptions</b>	
	Longevity at retirement for current pensioners:	
22.5	Men	21.4
24.9	Women	23.8
	Longevity at retirement for future pensioners	
24.0	Men	22.9
26.9	Women	25.6
	<b>Other Assumptions</b>	
3.3%	Rate of Inflation	2.7%
4.6%	Rate of Increase in Salaries	4.0%
3.4%	Rate of Increase in Pensions	2.8%
2.8%	Rate of Discounting Scheme Liabilities	4.8%
3.3%	CARE Revaluation Rate	2.7%

2021/22	Firefighters Pension Scheme	2022/23
	<b>Mortality Assumptions</b>	
	Longevity at retirement for current pensioners:	
21.5	Men	21.2
21.5	Women	21.2
	Longevity at retirement for future pensioners	
23.2	Men	22.9
23.2	Women	22.9
	<b>Other Assumptions</b>	
3.0%	Rate of Inflation	2.6%
4.8%	Rate of Increase in Salaries	3.9%
3.0%	Rate of Increase in Pensions	2.6%
2.7%	Rate of Discounting Scheme Liabilities	4.7%
4.8%	CARE revaluation rate	3.9%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the above tables.

The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that the life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the other assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumption used in preparing the sensitivity analysis below did not change from those used in the previous period.

### Impact of Assumptions on the obligation - LGPS

	As Reported	+0.5% pa discount	+0.25%pa inflation	+0.25% pa pay growth	1 year increase in life expectancy	+/-1% change in 2022/23 investment returns	
	£000	£000	£000	£000	£000	+1% £000	-1% £000
Liabilities	40,312	36,920	42,165	40,639	41,130	40,312	40,312
Assets	(38,559)	(38,559)	(38,559)	(38,559)	(38,559)	(38,945)	(38,173)
Deficit (surplus)	1,753	(1,639)	3,606	2,080	2,571	1,367	2,139
Projected Service Cost for next year	1,004	858	1,088	1,004	1,029	1,004	1,004
Interest Cost for next year	71	(102)	160	86	110	52	89

	As Reported	Discount rate on liabilities 0.5% increase	Increase in salaries 0.5% increase	Life expectancy 1 year increase	Increase in pensions 0.5% increase
	£000	£000	£000	£000	£000
FFPS	Impact (225,390)	-6.50% (210,740)	1% (227,644)	6.50% (240,040)	2% (225,389)

### Impact on the Authority's Cashflow

The cost of retirement benefits in the reported cost of services is recognised when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against the levy is based on the cash payable in the year, so the real cost of post-employment/ retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund balance via the Movement in Reserves Statement during the year.

## **32 NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

The Authority has adopted the CIPFA Code of Practice on Treasury Management which ensures the Authority has measures in place to manage financial risks. The Authority's Treasury Management Strategy for 2022/23 was approved at a meeting on 16 January 2022. The Strategy sets out the Prudential Indicators (PI's) for the year. During the year a report details progress against the strategy and if necessary a revision of the PI's.

At year end, a final report sets out how the Authority has performed during the year. How the Authority manages risks arising from financial instruments is detailed in the treasury reports presented to Members and can be accessed from North Wales Fire and Rescue Service website - [www.northwalesfire.gov.wales](http://www.northwalesfire.gov.wales)

The authority's activities expose it to a variety of financial risks, including:

### **Credit Risk**

This is the possibility that other parties might fail to pay amounts due to the Authority.

The highest credit risk is for investments and these are managed through the Treasury Management Strategy, which sets out the parameters for the management of risks associated with Financial Instruments and emphasises that priority is to be given to security and liquidity, rather than yield. The Authority's policy on treasury investments is to place short term cash surpluses into bank call accounts until required. The Authority does not have long term investments. Cash that is likely to be spent in the near term is invested securely, with selected high-quality banks, to minimise the risk of loss.

### **Liquidity Risk**

This is the possibility that the Authority might not have funds available to meet its commitments, to make payments.

The Authority monitors its cash balance to ensure that cash is available as needed. The Authority has ready access to borrowings from the Public Works Loan Board and so there is no perceived risk that the Authority will be unable to raise finance to meet its commitments, under financial instruments. Instead, the risk is that the Authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates.

### **Market Risk**

This is the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

An assessment of the financial effect of a 1% increase in interest rates has been undertaken. Interest on variable rate and temporary borrowing would have increased by £30k.

The Authority is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance.

### **33 CONTINGENT LIABILITY**

#### **Legal Claims**

There are legal claims currently being dealt with by the Authority where there is less than 50% likelihood of settlement. The Authority has a sum of £0.186m reserved for insurance in relation to current emerging claims not currently recognised. The value of known legal cases are £0.050m.

#### **Pension Claims**

Following a lengthy legal process, the judgment in the case of O'Brien vs Ministry of Justice was issued during 2019. This found that the decision to limit the period from which a part-time employee could join the pension scheme was erroneous and eligible employees should be permitted to join the relevant scheme with effect from the start of their contracts.

This judgment will have implications for the Firefighters' Modified Pension Scheme which previously restricted past service to 1 July 2000. The result is that the government proposes to run a second options exercise although precisely when it will open is not yet known. The FPS can only be amended by legislation, the timing of which will depend on a consultation exercise and parliamentary timetable. It is not yet possible to determine the financial impact of the second options exercise.

### **34 CONTINGENT ASSET**

In July 2016 the European Commission fined European truck manufacturers 2.926 billion Euro for price fixing and other cartel activities between 1991 and 2001. DAF, Daimler, Iveco, MAN, and Volvo/Renault acknowledged their guilt (Scania is still being investigated) and confirmed they did the following:

- At Senior HQ management level, fixed gross and sometimes net list prices.
- Aligned gross list prices in Europe including the UK at the start of the cartel.
- Reduced rebates when the Euro was introduced.
- Delayed introduction of more fuel efficient Euro 3, 4, 5 and 6 technologies.
- Agreed the cost that operators should pay for Euro technologies.

This involves any trucks of 6 tonnes and over, purchased outright, financed or leased between 1997 and 2011. A legal action is now ongoing to recoup some of the money lost due to this cartel price fixing. No specific value or percentage has been discussed as yet and the legal action may take several years to complete.

Under the Litigation Funding Agreement, only the VAT is payable by the Authority for the legal costs.

Current payments under the Litigation Funding Agreement (VAT payable only) for 2022/23 totalled £52 (2021/22: £1,257).

## FIREFIGHTERS' PENSION FUND ACCOUNT

Firefighters Pension Fund Account for the year ended 31 March 2023

2021/22 £'000		2022/23 £'000
	<b>Contributions Receivable:</b>	
(3,192)	Employer normal contributions	(3,893)
(131)	Employer ill health charge	(135)
(186)	Employer backdated contributions	0
(1,509)	Members normal contributions	(1,822)
(132)	Members backdated contributions	(100)
(76)	Transfers In	(221)
<b>(5,226)</b>	<b>TOTAL</b>	<b>(6,171)</b>
	<b>Benefits Payable:</b>	
7,983	Pension Payments	8,246
719	Commutation of Pensions and Lump Sum retirement benefits	2,381
7	Backdated Commutation Payments	67
	<b>Payments to and on account of leavers:</b>	
711	Transfers out	413
<b>9,420</b>	<b>TOTAL</b>	<b>11,107</b>
4,194	Deficit for the year before grants receivables from the Welsh Government	4,936
(4,194)	Top Up grant receivable from the Welsh Government	(4,936)
<b>0</b>	<b>NET AMOUNT (PAYABLE)/RECEIVABLE FOR YEAR</b>	<b>0</b>

### Net Assets Statement as at 31 March 2023

2021/22 £'000		2022/23 £'000
	<b>Current assets</b>	
2,577	Amount owed (from)/to the General Fund	2,616
<b>2,577</b>	<b>Total Current Assets</b>	<b>2,616</b>
	<b>Current Liabilities</b>	
(669)	Prepayment to Pensioners	
(1,908)	Top Up grant payable from Welsh Government	(2,616)
<b>(2,577)</b>	<b>Total Current Liabilities</b>	<b>(2,616)</b>

## Notes to the Firefighters' Pension Fund Account

The Fund was established on 1 April 2007, under the Firefighters' Pension Scheme (Wales) Order 2007, and covers the 1992, 2007 and 2015 Firefighters' Pension Schemes and is administered by the Authority. The scheme is an unfunded scheme with no investment assets and any difference between benefits payable and contributions receivable is met by Top Up Grant from the Welsh Government.

Employee and employer contributions are paid into the Fund, from which payments to pensioners are made. Employee's and employer's contribution levels are based on percentages of pensionable pay set nationally by the Welsh Government and subject to triennial revaluation by the Government Actuary's Department (GAD).

Transfers in to the scheme are a transfer of pension benefits from another pension scheme, for new or existing employees and transfers out are transfer of benefits for employees who have left the Authority and joined another pension scheme.

The Authority is responsible for paying the employer's contributions into the fund. These are the costs that are included in the accounts for the Authority.

At the beginning of the financial year an assessment is made as to the amount of Top Up grant required from the Welsh Government. The estimate includes an assessment of the number of firefighters due to retire within the year, based on age and years' service.

### Contribution Rates

On 1 April 2022, all scheme participants were transferred into the 2015 scheme. Under the Firefighters' Pension Regulations the employer's contribution rate for the 2015 scheme was 27.3% (2021/22: 27.3%) of pensionable pay with employee's rate as per the pensionable pay banding detailed below:

<b>Pensionable Pay Band</b>	<b>2022/23 Contribution Rate %</b>
Up to £27,818	11.0
£27,819 to £51,515	12.9
£51,516 to £142,500	13.5
More than £142,501	14.5

The Firefighters' Pension Fund Account does not take account of liabilities for pensions and other benefits after the period end as this is the responsibility of the Authority. Details of the long term pension obligations can be found in Note 31 to the core financial statements.

## ACCOUNTING POLICIES

### 1. GENERAL PRINCIPLES

The Statement of Accounts summarises the Authority's transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014, which require the accounts to be prepared in accordance with proper accounting practices. These practices, under section 21 of the Local Government Act 2003, primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

### 2. ACCRUALS OF INCOME AND EXPENDITURE

In the revenue accounts, income and expenditure are accounted for net of VAT (unless the VAT is irrecoverable) in the year in which they arise, not simply when cash payments are made or received.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made. Amounts due from customers are accounted for as income at the date the Authority provides the relevant goods or services.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Interest receivable on investments and payable on borrowings is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

### 3. CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

#### **4. PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

#### **5. CHARGES TO REVENUE FOR NON-CURRENT ASSETS**

Services, support services and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the revaluation reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

The Authority is not required to raise a levy to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance). Depreciation, revaluation and impairment losses, and amortisation are therefore replaced by the contribution in the General Fund balance - MRP, by way of an adjusting transaction with the capital adjustment account in the Movement in Reserves Statement for the difference between the two.

## 6. EMPLOYEE BENEFITS

### Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy, in exchange for those benefits, and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

### Post-Employment Benefits

Employees of the Authority are members of two separate pension schemes:

- the Firefighters' Pension Scheme, administered by Dyfed Pension Fund, Carmarthenshire County Council
- the Local Government Pensions Scheme, administered by Flintshire County Council.

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

### Firefighters' Pension Scheme (FFPS)

The Firefighters' Pension Scheme is accounted for as an unfunded defined benefits scheme, the scheme has no assets and no investment income:

- The liabilities of the Fund are included in the Balance Sheet on an actuarial basis using the projected unit method — i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 4.65% (based on Government bond yields of appropriate duration plus an additional margin). The change in the net pension liability is analysed into the following components:

Service cost comprising:

- Current service cost — the increase in liabilities as a result of years of service earned this year — allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service cost — the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years — debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined benefit liability, i.e. net interest expense for the Authority — the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement — this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period — taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- Actuarial gains and losses — changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions — charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Fund — cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension funds or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.<sup>15</sup>

## Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Clwyd Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 4.7%-4.9% (based on the indicative rate of return on corporate bonds).
- The assets of Clwyd Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value.

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement [note that the treatment of past service costs will depend on the decisions of the Authority about how they are allocated to service segments]
- net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.
- contributions paid to the Clwyd pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

#### **Discretionary Benefits:**

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

## **7. EVENTS AFTER THE REPORTING PERIOD**

Events after the Balance Sheet reporting period are those events, both favourable and unfavourable, that occur between the end of the Balance Sheet date and the date when the statement of accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the statement of accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the statement of accounts is not adjusted to reflect such events, but where such a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

## 8. FINANCIAL INSTRUMENTS

A Financial Instrument is defined as 'any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another'. Financial liabilities (loans) and financial assets (investments) are initially measured at fair value and carried at their amortised cost. The annual interest paid and received in the Income and Expenditure account is based on the carrying amount of the loan or investment multiplied by the effective rate of interest for the instrument. For all of the loans and investments the Authority has, the amounts presented in the Balance Sheet are the principal outstanding plus any accrued interest for the year.

The Authority recognises expected credit losses on all of its financial assets held at amortised cost.

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

### Financial assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The Authority holds financial assets measured at:

- amortised cost, and
- fair value through profit or loss (FVPL)

The Authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost.

### Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the financing and investment income and expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest), and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income and expenditure line in the CIES.

## **9. FOREIGN CURRENCY TRANSACTIONS**

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

## **10. ACCOUNTING FOR GOVERNMENT GRANTS**

Whether paid on account, by instalments, or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due are not credited to the Comprehensive Income & Expenditure Statement until conditions attached to the grant or contribution have been satisfied.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When the conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation & Non-specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income & Expenditure Statement.

Where capital grants are credited to the Comprehensive Income & Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure

## **11. INTANGIBLE ASSETS**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it

can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at cost less accumulated depreciation and any accumulated impairment loss. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve.

## **12. INVENTORIES**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO costing formula.

## **13. LEASES**

### **Finance Leases**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability.

Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and

- a finance charge (debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

The Authority is not required to raise a levy to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund balance, by way of an adjusting transaction with the capital adjustment account in the Movement in Reserves Statement for the difference between the two.

### **Operating Leases**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense to the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

## **14. PROPERTY PLANT AND EQUIPMENT**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant & Equipment.

### **Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant & Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

A de-minimus expenditure level of £10,000 has been set for Property, Plant & Equipment, below which expenditure will not be subject to capital accounting requirements. Where an asset is revalued below £10,000, any associated expenditure and depreciation will normally be written out and the asset removed from the Fixed Asset Register.

### **Measurement**

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

- an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Authority does not capitalise borrowing costs incurred while assets are under construction. The cost of assets acquired other than by purchase is deemed to be its fair value.

Assets are carried on the Balance Sheet using the following measurement bases:

- Land & Buildings: Offices/Workshops – current value (Existing Use Value)
- Land & Buildings: Fire Stations – current value (Depreciated Replacement Cost)
- Assets under construction - historical cost
- All other assets - current value, determined as the amount that would be paid for the asset in its existing use (existing use value - EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. [Exceptionally, gains might be credited to the surplus or deficit on the provision of services where they arise from the reversal of a loss previously charged to a service.]

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

## Impairments

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

## Depreciation

Depreciation is provided for all property, plant and equipment assets, by systematic allocation of their depreciable amounts over their useful lives.

### Useful Economic Life of Assets

Land	Infinite (no depreciation)
Buildings	Useful life of the property (as estimated by the valuer)
Buildings (leased)	Term of lease
Vehicles, Plant and Equipment	5 - 20 years
Intangible Assets	5 years

Depreciation is provided on a straight-line basis, with acquisitions being depreciated in the year following purchase. A full year's depreciation is charged in the year of disposal.

Buildings are depreciated using the Beacon Approach. An estimate is made of the components of the building and the useful life of each component. The weighted average method is then used to determine the depreciation charge. The percentages used are:

Buildings – fire stations	2.12% - 2.22%
Buildings – offices/workshops	2.22% - 2.23%

Depreciation is charged within the income and expenditure account. This amount is credited to the General Fund Balance and has a neutral impact on the contributions made by the constituent authorities.

The Authority is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution from General Fund

Balances (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the revaluation reserve to the capital adjustment account.

## **Disposals**

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continued use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts remains within the capital receipts reserve, and can then only be used for new capital investment [or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement)]. Receipts are appropriated to the reserve from the General Fund balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against the levy, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

## **15. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

### **Provisions**

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the Authority a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Authority has an obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

### **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

### **Contingent Assets**

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

## **16. RESERVES**

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund balance so that there is no net charge against the levy for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

## **17. VAT**

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

## Audit of Accounts Report – North Wales Fire and Rescue Authority

Audit year: 2022-23

Date issued: October 2023

Document reference: 3815A2023

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

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

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

This document is also available in Welsh.

# Contents

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

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# Audit of Accounts Report

## Introduction

- 1 We summarise the main findings from our audit of your 2022-23 accounts in this report.
- 2 We have already discussed these issues with the Section 151 officer, Assistant Chief Fire Officer (Finance and Resources) and her team.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £955,000 for this year's audit of the main financial statements and at £222,000 for the Fire Fighters Pension Fund.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
  - Related Party Disclosures £10,000
  - Senior Officer Remuneration £1,000
- 6 We have now substantially completed this year's audit.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

## Proposed audit opinion

- 8 We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 9 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 10 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards.
- 11 Our proposed audit report is set out in **Appendix 2**.

## Significant issues arising from the audit

### Uncorrected misstatements

- 12 We set out below the misstatements we identified in the accounts, which have been discussed with management but remain uncorrected. We request that these are corrected. If you decide not to correct these misstatements, we ask that you provide us with the reasons in writing for not correcting them:
- Land and Building asset values are overstated by £153,000. This is due to the Fire and Rescue Authority's external valuers using incorrect location factors in some of the asset valuations completed. The revaluation reserve is also overstated by the same amount.

### Corrected misstatements

- 13 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention, and they are set out with explanations in Appendix 3.

### Other significant issues arising from the audit

- 14 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no issues arising in these areas this year.

# Appendix 1

## Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales  
Wales Audit Office  
1 Capital Quarter  
Tyndall St  
Cardiff  
CF10 4BZ

16 October 2023

### Representations regarding the 2022-23 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of North Wales Fire and Resue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund for the year ended 31 March 2023, for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

### Management representations

#### Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23; in particular the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

## Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects North Wales Fire and Resue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware;

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these items is set out below:

- Land and Building asset values are overstated by £153,000 due to the Authority's external valuers using incorrect location factors in some of the asset valuations completed.

It has been decided not to adjust for the errors on the basis that they are immaterial.

## **Representations by North Wales Fire and Rescue Authority**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Fire and Rescue Authority on 16 October 2023.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Dafydd Edwards  
Treasurer  
16 October 2023

Councillor Dylan Rees  
Chair of the Authority  
16 October 2023

# Appendix 2

## Proposed Audit Report

### The report of the Auditor General for Wales to the members of North Wales Fire and Rescue Authority

#### Opinion on financial statements

I have audited the financial statements of:

- North Wales Fire and Rescue Authority
- North Wales Fire and Rescue Authority's Firefighters Pension Fund

for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

North Wales Fire & Rescue Authority's financial statements comprise the Expenditure and Funding Analysis, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including the significant accounting policies.

The Firefighters Pension Fund Accounts comprise the Fund Account and Net Assets Statement and related notes.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of North Wales Fire and Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

#### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of North Wales Fire and Rescue Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on North Wales Fire and Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

## **Other Information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Opinion on other matters**

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

## **Matters on which I report by exception**

In the light of the knowledge and understanding of North Wales Fire and Rescue Authority and North Wales Fire and Rescue Authority's Firefighter Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit.
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns.

### **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit the financial statements in accordance with section 13(2) of the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the North Wales Fire and Rescue Authority head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud by posting of unusual journals;
- Obtaining an understanding of North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's framework of authority as well as other legal and regulatory frameworks that North Wales Fire and Rescue Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund; and
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Fire and Rescue Authority about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of North Wales Fire & Rescue Authority and North Wales Fire and Rescue Authority's Firefighters Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton  
Auditor General for Wales  
October 2023

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

# Appendix 3

## Summary of Corrections Made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

### Exhibit 3: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£194,000	<b>Accrued interest</b> Short term creditors reduced by £194,000 and short term borrowings increased by £194,000.  This amendment also impacts the cash flow statement and notes.	To correct the classification of accrued interest
Disclosure only	<b>Note 4 – Material items of income &amp; expense</b> Amend the disclosed movement in pension fund net liability from £10,380,000 to £100,360,000.	To correctly disclose the movement in the pensions liability
£60,000	<b>Note 12 – Capital Commitments</b> Building works to be increased from £729,000 to £789,000.  Total Capital Commitments to increase from £882,000 to £942,000.	To correctly disclose the capital commitments as at 31/3/2023.

£525,000	<p><b>Note 19b - Capital Adjustment Account (CAA)</b></p> <p>Capital grants &amp; contributions credited to the CIES that have been applied to capital financing: Reduced from (£741,000) to (£216,000)</p> <p>Capital expenditure charged against the general fund/earmarked reserves: Increase from £0 to (£525,000)</p>	To ensure movements in the CAA are correctly analysed in the note
£2,146	<p><b>Note 24 – Officers remuneration</b></p> <p>Assistant Chief Officer (left 28 February 2023) – benefits in kind: increased from £3,048 to £5,194</p>	To correct the value of benefit in kind disclosed
Disclosure only	<p><b>Note 24 – Officers remuneration: remuneration band table</b></p> <ul style="list-style-type: none"> <li>- £60,000 - £64,999: Amend number officers from 5 to 9.</li> <li>- £65,000 - £69,999: Amend number officers from 6 to 7.</li> <li>- £70,000 - £74,999 Amend number officers from 3 to 0.</li> <li>- £75,000 - £79,999: Amend number officers from 2 to 4.</li> </ul>	To correct the numbers of officers in the salary bandings over £60,000
£6,742	<p><b>Note 24 – Officers remuneration: Remuneration ratio</b></p> <p>Amend the Chief Fire Officer salary from</p>	To correct the chief officer salary used in the remuneration ratio calculation

	£145,494 to £138,685 which reduces the remuneration ratio from 4.22 to 4.02.	
Disclosure only	<b>Note 28 – Related parties</b> Include additional context regarding related parties and, including amounts payable to / receivable by related parties	To comply with CIPFA's requirements regarding related party disclosures.
Disclosure only	<b>Note 31 - Defined Benefit pension schemes</b> Provide narrative regarding the McCloud immediate detriment position	To provide the reader of the accounts with understanding of the Authority's position regarding immediate detriment cases.
Disclosure only	<b>Note 32 - Financial instruments</b> Quantitative data included to disclose sensitivity analysis of the Authority's exposure market risk.	To ensure disclosure complies with the CIPFA Code of Practice
Various: other presentational changes to supporting notes	A number of other narrative, presentational and minor amendments were made to supporting disclosure notes.	To ensure that all disclosures are accurately presented.





Audit Wales

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

Report to	<b>North Wales Fire and Rescue Authority</b>	
Date	<b>16 October 2023</b>	
Lead Officer	<b>Stewart Forshaw, Deputy Chief Fire Officer (Corporate Policy and Planning)</b>	
Contact Officer	<b>Anthony Jones, Head of Planning, Performance and Transformation</b>	
Subject	<b>Annual Performance Assessment 2022/23</b>	

## PURPOSE OF REPORT

- 1 To present for Members' approval the annual assessment of North Wales Fire and Rescue Authority's (the Authority) performance during 2022/23 in relation to:
  - (i) its progress towards achieving its long-term Improvement and Well-Being Objectives, and medium-term Equality Objectives; and
  - (ii) its compliance with applicable Welsh Language Standards.

## EXECUTIVE SUMMARY

- 2 The Authority made good progress last year towards meeting its long-term Improvement and Well-Being Objectives. This was achieved in part through the successful delivery of the planned actions outlined in the Authority's published Improvement and Well-being Plan for 2022/23.
- 3 Steady progress was also made during the year towards achieving the Authority's 2020/24 Equality Objectives; and the Authority continued to comply with the applicable Welsh Language Standards.
- 4 On the 18 September 2023 the Authority's Executive Panel were presented with the Annual Performance Assessment, where it was noted and endorsed to come to Full Authority on 16 October 2023.

## RECOMMENDATION

- 5 That Members:
  - (i) approve the annual assessment of the Authority's performance in 2022/23 for publication on the Authority's website; and
  - (ii) note the Service's intention to publish a simple summary version of the key elements of the assessment report.

## **BACKGROUND**

- 6 The Authority is required under various pieces of legislation to give a public account of its performance, progress and compliance. These pieces of legislation include:
  - i. the Well-being of Future Generations Act 2015 which requires the Authority to set and publish objectives that will contribute to improving local well-being and to moving Wales closer to achieving its well-being goals. Having set these long-term objectives, the Authority must take all reasonable steps to pursue them and to report publicly after the end of each financial year on the progress it has made;
  - ii. the Local Government (Wales) Measure 2009 which requires the Authority to set and publish improvement objectives and to publish performance information annually by 31 October in relation to the preceding financial year;
  - iii. the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 which require the Authority to produce a strategic equality plan and to report annually by on the progress that it has made towards fulfilling its equality objectives; and
  - iv. the Welsh Language (Wales) Measure 2011 which requires the Authority to comply with Welsh Language Standards and to report annually by 30 September on its compliance with those Standards.
- 7 For convenience, reporting against all four of the above has been incorporated within a single document for publication on the Authority's website.

## **INFORMATION**

- 8 This year's Annual Performance Assessment opens with introductory sections which describe the legal requirements for reporting, presenting information about the challenges and issues facing Wales in the future along with information about the area covered by the Authority. This provides context to aid understanding of the Authority's provision of services and its contribution to the well-being of North Wales communities.
- 9 The middle section of the Assessment Report gives a detailed account of the specific actions that the Authority took last year to meet its long-term Improvement and Well-Being Objectives. As in last year's report, more emphasis has been placed in this year's report on narrative and case studies that demonstrate the real difference that the Authority's work makes to people's lives. Evidence of progress against all actions is included within the assessment.

- 10 Covid-19 restrictions were officially lifted in Wales from the 30 May 2022; however, the Service faced new challenges as the 'Cost of Living Crisis' continued alongside the repeated increases to interest rates.
- 11 There were no reported accidental dwelling fire fatalities during the year 2022-23.
- 12 This middle section of the Assessment Report also presents information on the Authority's compliance with the Welsh Language Standards. As at 31 March 2023, 757 or 84% of the Service's employees had self-assessed or been assessed as having at least some Welsh language skills, with 37% categorised as fluent Welsh speakers. In the past, language ability levels of each shortlisted candidates were assessed but more recently owing to the time/number of recruitment posts, those being offered posts are assessed to confirm their level in order to offer the support they need through the probationary period. For the fifth year in succession, no complaints had been received during the year in relation to the Welsh language. The many steps taken by the Authority to promote the Welsh language and proactively encourage a language choice for all staff and Service users are also described in this section.
- 13 The progress that was made during 2022/23 towards meeting each of the Authority's six Strategic Equality Objectives is also described in this middle section of the Assessment Report. Through a range of actions, the Authority has been able to contribute to improving aspects of people's lives under each one of the subject areas of: life and health; employment; education; personal safety; representation and voice; and access to services, information and buildings.
- 14 The final sections of the Assessment Report include performance indicator information in the Welsh context and an account of how the Authority has met its commitments under the 'All-Wales Dwelling Fires Response Charter'. Activity during the year included:
- handling 13,224 emergency 999/112 calls;
  - alerting an emergency response within 90 seconds on 86.1% of occasions, against a target of 80%;
  - attending 5,896 emergency incidents, of which 2,011 were fires;
  - delivering fire safety talks in schools to 18,001 children and young people at key stages 1 to 4;
  - completing 18,052 Safe and Well Checks.
- 14 Additional information at the end of the Assessment Report includes the outcome of work undertaken by Audit Wales that looked specifically at the Authority's progress made to reduce and prevent fire false alarms.

- 15 The report concluded that the Authority has significantly reduced the number of non-domestic false fire alarms it attends but needs to address financial risks and capacity issues to ensure its risk-based approach is sustainable.

## IMPLICATIONS

Well-being Objectives	This assessment describes the Authority's progress during 2022-23 in relation to achieving its adopted long-term improvement and wellbeing objectives.
Budget	None identified.
Legal	The combined document discharges the Authority's duties under the Local Government (Wales) Measure 2009; the Well-being of Future Generations Act 2015; the Equality Act 2010 and the (Statutory Duties) (Wales) Regulations 2011; and the Welsh Language (Wales) Measure 2011.
Staffing	None identified.
Equalities/Human Rights/ Welsh Language	Implications for the protected characteristics are covered within the draft assessment.
Risks	None identified.

**North Wales Fire and Rescue Authority**

# **Annual Performance Assessment 2022–23**

Published Autumn 2023



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## North Wales Fire and Rescue Authority

### Blazing Trails: A Comprehensive Progress and Self-Assessment Report of Fire and Rescue Excellence

Welcome to North Wales Fire and Rescue Authority's progress and self-assessment report for 2022-23.

In March 2021 the Authority published its Corporate Plan 2021-24 which sets out our seven long-term improvement and wellbeing objectives. In October 2021 the Authority confirmed its intention to continue to pursue those same objectives in 2022-23 and in March 2023 the plan was revised.

This assessment report details our progress against the seven improvement and well-being objectives, compliance with the Welsh Language Standards and progress against our Strategic Equality Objectives.

Our mission is to make North Wales a safer place for everyone to live, work and visit across our diverse communities.

2022-23 was a milestone year for us - for the first time since we have kept records, there were zero deaths due to accidental fires in dwellings in North Wales. This is great news, but we must not become complacent and we are committed to working harder still to maintain this level of safety.

We are pleased to report that we have made excellent progress against our objectives and the detail within this document reflects just how busy we have been this year and how much progress we are making in ensuring we provide the best possible service to the people of North Wales.

As always, we welcome your feedback on any suggestions for improving our reporting - our contact details are on page 80.



**Chief Fire Officer**



**Fire Authority Chair**

## Making North Wales a safer place to live, work and visit

# Legal Requirements For Reporting

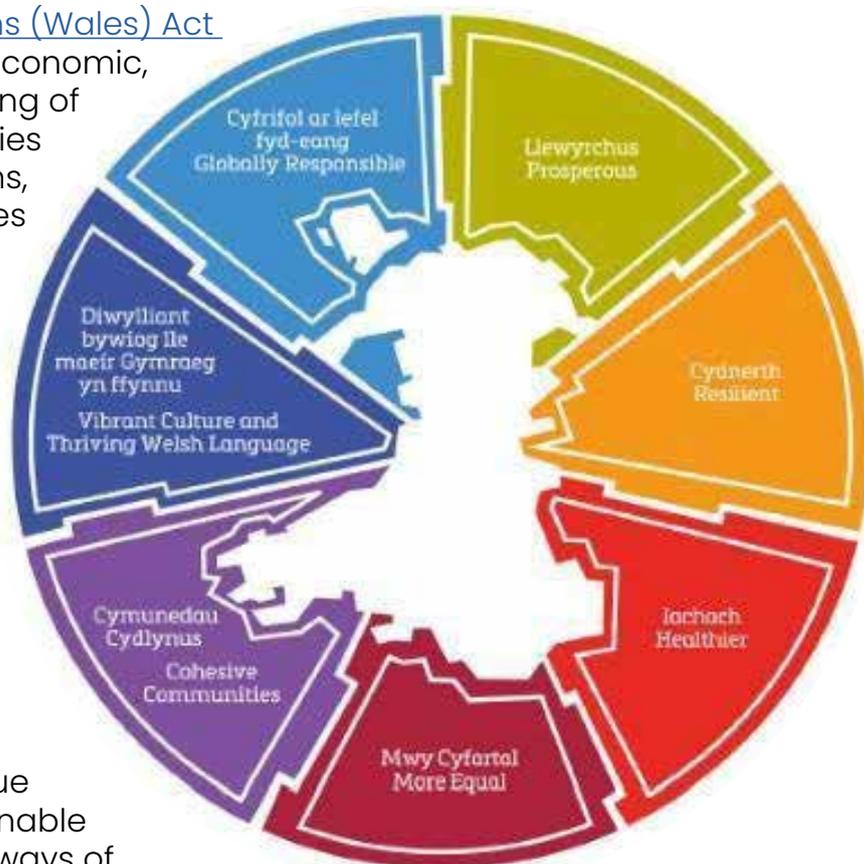
The Authority considers public accountability and transparency to be of vital importance in all aspects of its relationships with local communities, partners and organisations and welcomes the opportunity to publish performance information.

Each year the Authority is required to publish an assessment of its performance in accordance with the legislation below:

## The [Well-being of Future Generations \(Wales\) Act 2015](#)

is about improving the social, economic, environmental and cultural well-being of Wales. Its aim is to make public bodies think more about the long-term aims, work better with people, communities and each other, look to prevent problems and take a more joined-up approach. The Act requires the Authority to set and publish well-being objectives. These long-term objectives are improvements that the Authority wants to help bring about in North Wales, that will contribute to improving local well-being and to moving Wales closer to achieving its well-being goals.

Having identified these long-term objectives, the Authority has a duty to take all reasonable steps to pursue them in accordance with the Sustainable Development Principle and the five ways of working (listed below), and to publish a progress report after the end of each financial year.



### The five ways of working:

-  Balancing short term needs with long term needs.
-  Preventing problems from occurring or getting worse.
-  Taking an integrated approach, balancing social, economic and environmental needs.
-  Remembering the rich diversity of people in North Wales and encouraging them to get involved in decisions that affect them.
-  Collaborative working to meet the well-being objectives.

<sup>1</sup> [Well-being of Future Generations \(Wales\) Act 2015 – The Essentials](#)

Fire and rescue authorities in Wales are also classed as 'Welsh Improvement Authorities' and are subject to the requirements of the Local Government Measure 2009. They therefore must follow an annual process of setting and achieving local improvement objectives.

In addition to the duties placed on individual public bodies, the Well-being of Future Generations (Wales) Act 2015 also requires each local authority area to form a Public Services Board (PSB).

With regard to the area covered by North Wales Fire and Rescue Authority, three Public Services Boards have been established:

- Anglesey and Gwynedd.
- Conwy and Denbighshire.
- Flintshire and Wrexham (merged 1st January 2023).

Each Public Services Board published a 'Well-being Plan' to identify its priorities, and how it is working to achieve those priorities in its area.

## The Equality Act 2010

The Equality Act 2010 includes a public sector equality duty that requires public sector bodies, in the exercise of their functions to have due regard for the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.



Equality Act 2010

## Welsh Language Standards 2016

The Welsh Language Commissioner issued fire and rescue authorities with their Compliance Notices on 30 September 2016. This document lists which of the Welsh Language Standards (as listed in full in the Welsh Language Standards Regulations (No.5); 2016) an organisation must comply with, along with any exemptions and their implementation dates.

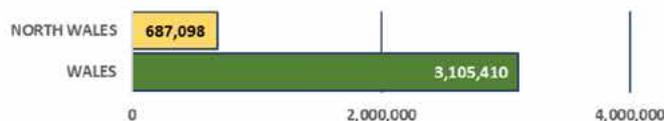


Comisiynydd y  
Gymraeg  
Welsh Language  
Commissioner

# About North Wales

Knowing about North Wales today helps the Authority plan to make positive changes for the future.

## Population

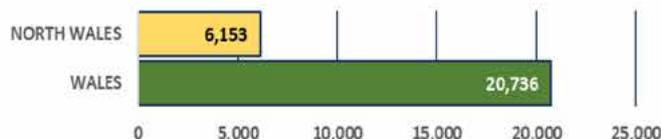


**22.1%**

of Wales

Source: [Welsh Government](#)

## Area KM2

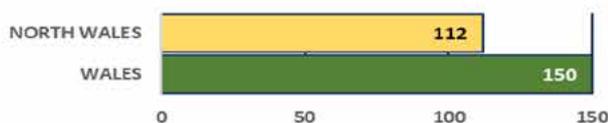


**29.7%**

of Wales

Source: [Welsh Government](#)

## Population Density

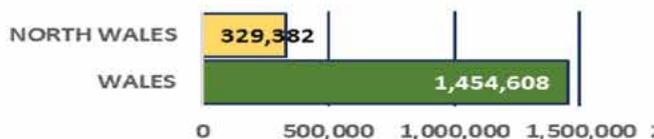


**112**

The Welsh average is 150

Source: [Welsh Government](#)

## Dwellings

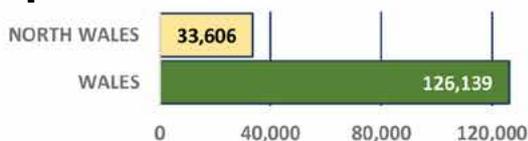


**22.6%**

of Wales

Source: [Welsh Government](#)

## Non-Domestic Properties

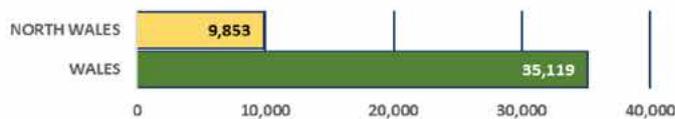


**26.6%**

of Wales

Source: [Welsh Government](#)

## Road Length KM

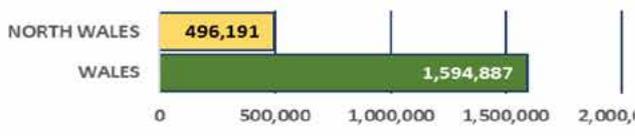


**28.1%**

of Wales

Source: [Welsh Government](#)

## Agricultural Area KM2



**31.1%**

of Wales

Source: [Welsh Government](#)

## Welsh Speakers



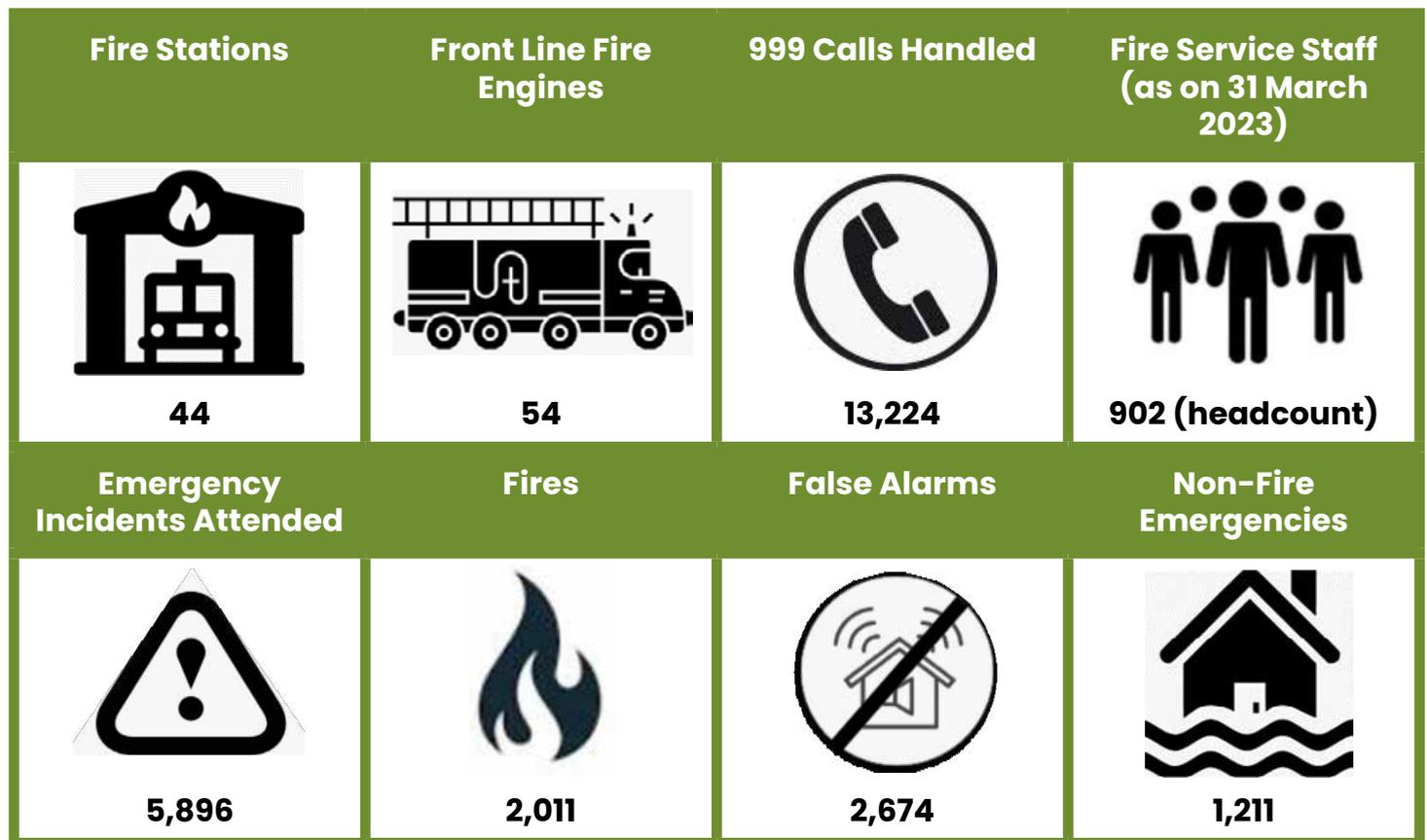
**31.9%**

of Wales

Source: [Welsh Government](#)

# About North Wales Fire and Rescue Authority

Below is a summary of the Authority's resources and activity levels during 2022-23.



## What are our current shift patterns?

Our retained duty or on-call (part-time) firefighters are mainly based in rural fire stations located across our region. They are required to be live within five minutes of their fire station (although this can be extended on a case by case basis) and to carry an alerter so as to be able to respond to emergencies, as well as attend drill nights once a week for training sessions and other pre-arranged duties.

Our day-crewed firefighters are full-time firefighters located at Colwyn Bay, Llandudno, Bangor, Caernarfon and Holyhead. The day-crewing shift system requires our crews to work a combination of hours on station during the day and to remain on-call from a base location overnight in order to provide a 24-hour response. There are also on-call firefighters based at these fire stations.

Our wholetime or full-time firefighters are located at Wrexham, Deeside and Rhyl. Crews at these stations work shifts from the station at night and during the day so as to provide a 24-hour response. In addition, there are also on-call firefighters based at these fire stations.

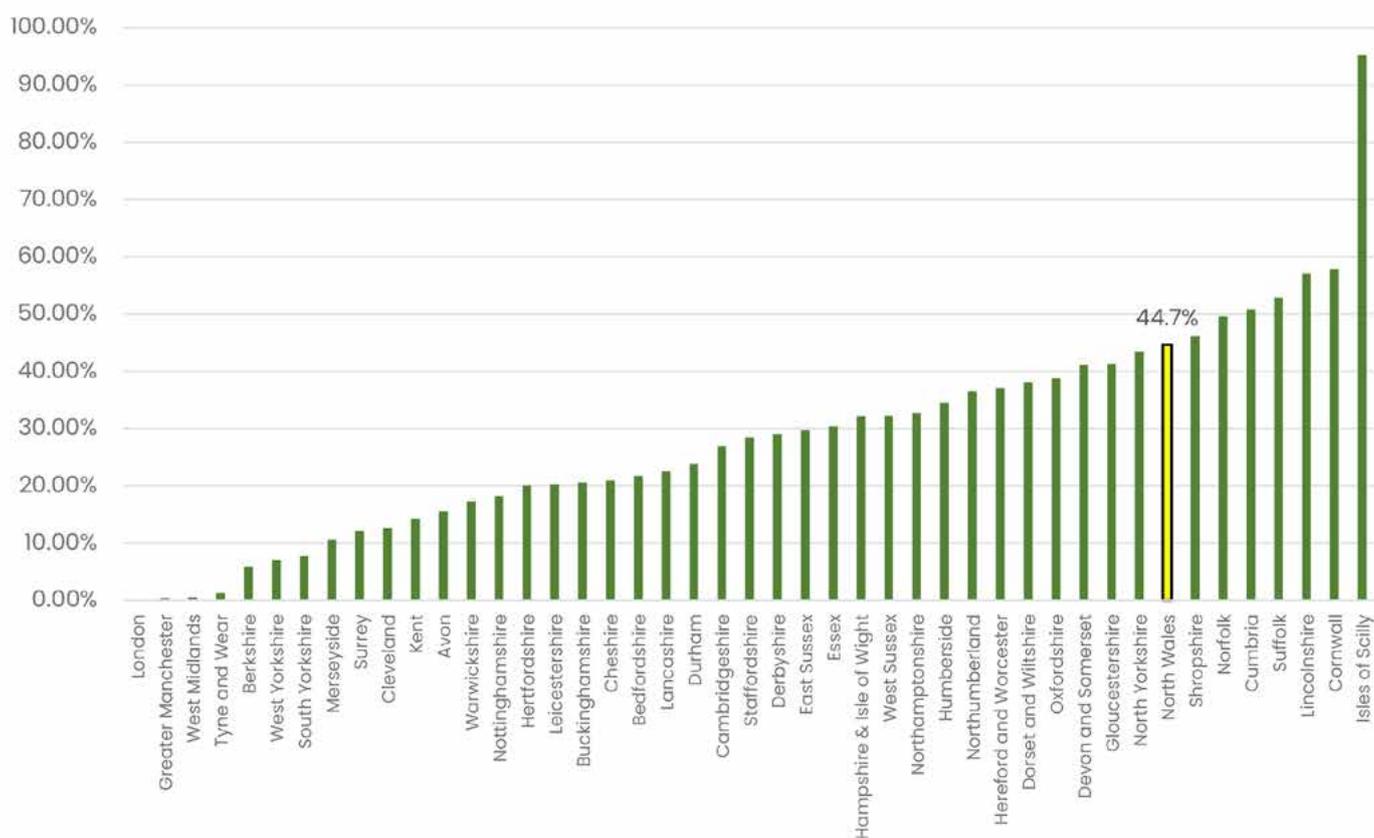
Wholetime rural firefighters also work full-time and work 12-hour day shifts covering the region on a dynamic basis, depending on demand.

# Staffing

As on 31 March 2023	Full time equivalent strength	Headcount of individual staff
Wholetime Operational (WDS)	279.00	280
Retained Operational (RDS/on-call)	365.25	452
Corporate Services	135.58	139
Control	30.71	31
<b>Totals</b>	<b>810.54</b>	<b>902</b>

Nearly half of the personnel employed by the Authority are categorised as on-call firefighters; this is one of the highest proportions when compared with fire and rescue authorities in England.

The bar chart below shows the total number of on-call firefighter (by strength) as a percentage of the total workforce across fire and rescue authorities in England and North Wales.



Data as at the 31st March 2022.

Source: [Fire statistics data tables - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/fire-statistics-data-tables)

# What is Expected of the Fire Authority

Fire and Rescue Authorities in Wales

<b>Fire Prevention</b>	must arrange for fire safety to be promoted in their area. This would include informing people about fire prevention and advising them how best to react if a fire does break out.
<b>Fire Safety Enforcement</b>	have a duty to enforce fire safety in non-domestic premises, for example, hotels, schools, shops and offices. This duty includes exercising powers to issue alteration, enforcement and even prohibition notices if they find that fire safety arrangements in premises are unsatisfactory.
<b>Emergency Response</b>	must make arrangements for receiving 999 calls and for sending trained and equipped personnel to extinguish fires and protect life and property at those fires. They must also make arrangements for rescuing people from road traffic collisions and for protecting them from serious harm.
<b>Planning for and Responding to Other Emergencies</b>	must make arrangements for the mass decontamination of people after chemical, biological or radio-active incidents, and for rescuing people from trains, aircrafts and collapsed buildings. They must also be prepared to assist with large-scale emergencies (including terrorist attacks) elsewhere in the UK. As 'Category 1' responders under the Civil Contingencies Act, fire and rescue authorities also have duties relating to large-scale events that threaten serious damage to the welfare of people, wildlife, the environment and primary supply chains.
<b>Flooding and Inland Water Emergencies</b>	must make arrangements to respond to incidents of flooding or water rescue which pose a direct threat of death or injury.
<b>Equalities</b>	must work towards eliminating discrimination, advancing equality of opportunity and fostering good relations between people with different protected characteristics.
<b>Welsh language</b>	treat the Welsh and English languages equally, promoting the use of Welsh and complying with defined Welsh language standards.
<b>Continuous Improvement</b>	must set objectives continuously to improve what they do, and publish information about their improvement and performance.
<b>Future Planning</b>	must work towards improving people's social, economic, environmental and cultural well-being as well as working in a manner which seeks to ensure that the needs of the present are met without compromising the needs of future generations.

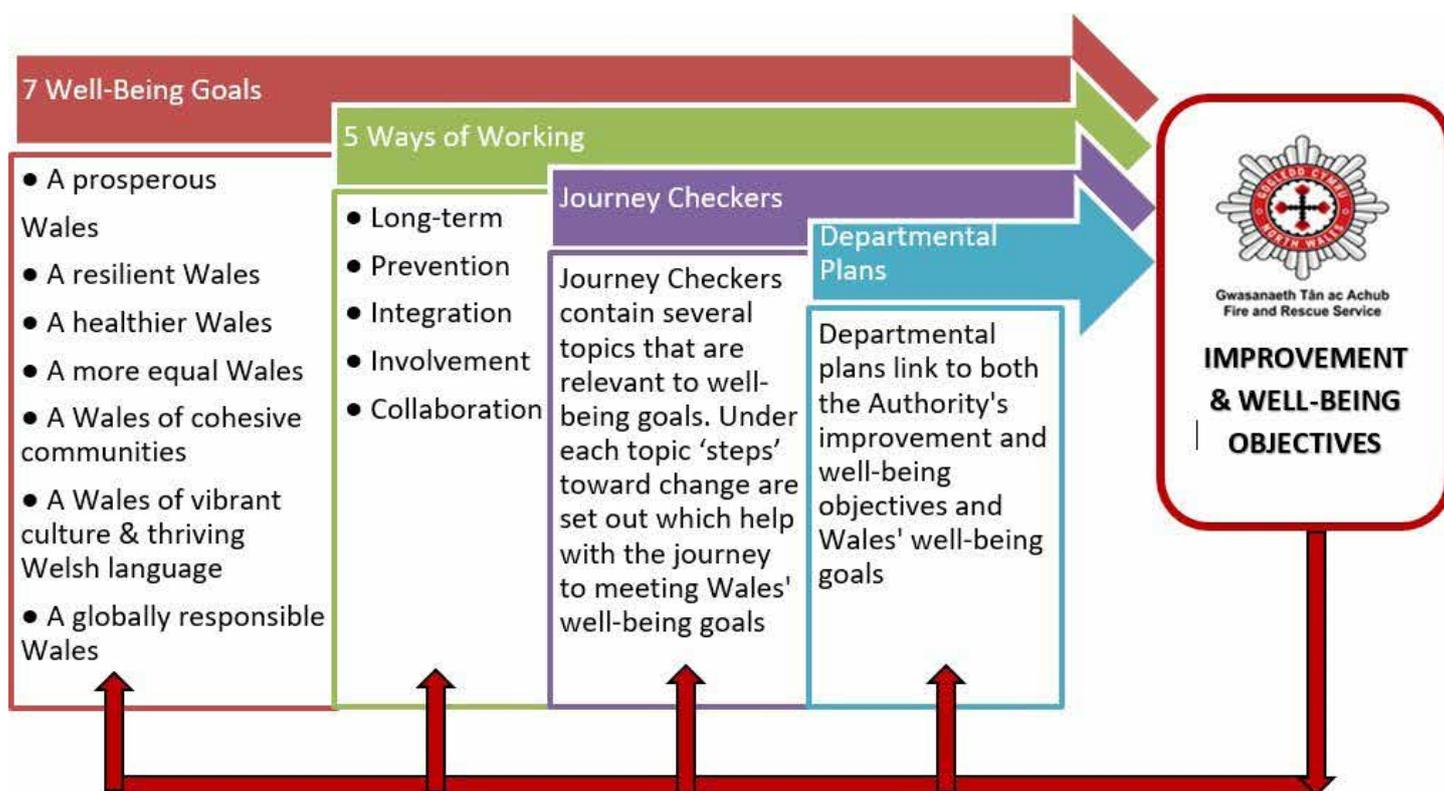
Please see page 75 for sources of legislation.

# Progress Against Improvement and Well-being Objectives

This section describes the progress the Authority made towards meeting its long-term improvement and well-being objectives during 2022-23. The Authority is required to publish this assessment of its own performance for 2022-23 and the statutory performance indicators for the same year by 31st October 2023.

In 2018-19 the Authority increased the number of objectives that it was pursuing in order better to comply with section 3(2) (a) of the Well-being of Future Generations Act 2015, which states that a public body must set and publish objectives "...that are designed to maximise its contribution to achieving each of the well-being goals".

Using a variety of resources on the Commissioner's website such as 'journey checkers', a new set of objectives was developed in accordance with the sustainable development that helped to identify opportunities for the Authority to improve its contribution to Wales' well-being goals.



During 2022-23 work was undertaken to ensure the well-being objectives are embedded throughout all departmental plans where applicable. This work was further underpinned by the development of a set of 'Building Blocks' which are a set of measures to support both the well-being objectives and the departmental objectives.

The Annual Governance Statement for 2022-23 is currently awaiting approval from the Authority and it provides an overview of the governance arrangements as well as confirming a work plan for 2023-24.

Once approved and published, performance against the forward work plan will be monitored through the Service Leadership Team's Performance Board.

# Objective 1: To work towards making improvements to the health, safety and well-being of people in North Wales

Well-being goals met:



A range of factors can place people at an increased risk of accidental fires in the home, for example their age (young children and older adults), having a disability or a limiting medical condition, being alone at the time of the fire, and being affected by alcohol and / or drugs.

Individuals and communities who know how to prevent fires and stay safe when they do occur will not only be safer and healthier, but also economically, socially and culturally more resilient. The polluting effect of fires contributes to a less healthy environment, which in turn deters people from outdoor activities and can negatively impact upon physical and mental well-being. Throughout 2022-23, the Authority continued to focus its efforts on helping people stay safe, whether at home, in work, on the roads, or out in the community.

## Action 1: support people to prevent accidental dwelling fires and stay safe if they do occur.

During the year, we attended 344 accidental dwelling fires, at which 23 people sustained slight injuries and a further three required overnight treatment at a hospital, and there were no fire fatalities recorded.

Control call handlers provided lifesaving advice during 999 calls while trying to keep the residents calm and focused on their escape. This advice proved invaluable during a call to a house fire in Denbighshire while five fire engines were being mobilised, our Control staff remained on the phone giving lifesaving advice and constant reassurance. In total, 12 people safely exited the burning building, with four being rescued by firefighters, and all of the occupants only suffered minor smoke inhalation. Following a fire investigation, the cause was believed to be a build-up of fat residue in a cooking appliance.

A Campaign Steering Group made up of representatives from around the Service works in conjunction with the National Fire Chiefs Council (NFCC) to create and respond to both locally targeted and national prevention campaigns, for example:

- Older Persons day
- No Smoking day
- Deaf Awareness week

Fire safety staff also attended local and national events, such as the National Eisteddfod to promote our prevention and protection work, including our 'You Can Save a Life Campaign' to encourage people to look out for others in an effort to help prevent accidental dwelling fires.

## **Action 2: delivering 20,000 Safe and Well Checks in either English or Welsh with at least 25% of those being delivered to households referred to the Service by another agency.**

A total of 18,052 Safe and Well Checks (SAWCs) were completed during the year, with 32% undertaken in response to a referral from a partner agency; just over a third of all SAWCs completed were classed as high priority.

During the year, the Service commenced an ambitious process of re-contacting occupiers for whom we had previously conducted a 'High Priority' SAWC, as far back as 2019–2020. Operational fire crews were given the contact detail in phases, dealing with each year in turn. We aim to complete this process by April 2024, following which the re-engagement calls will continue year-on-year and will become business as usual. This excludes referrals made following either a 'threat to burn' or due to domestic violence, for obvious safety reasons.

Bespoke interventions continued to be provided to the most vulnerable in the community, and this included fitting innovative equipment such as Stoveguards; this is a piece of equipment that cuts the power to the cooker to prevent a fire by sensing heat or a combination of heat and cooking fumes.

One of our many fire safety engagement initiatives this year included promoting our new text number 07507 303678, which coincided with 'Older People's Day' as an alternative way for people to register a request for a Safe and Well Check.

Safe and Well Checks are promoted regularly via our website, through leaflets, and on our social media through the #TestItTuesday campaign. The opportunity to receive these checks bilingually is also promoted to our communities.

A Campaign Steering Group made up of representatives from around the Service works to promote campaigns aimed at maintaining public safety as well as to publicise our prevention and protection work – this includes promoting safe and well checks and campaigns to raise awareness of helping those who are more vulnerable to stay safe and to maintain smoke alarm ownership.

## **Action 3: support other agencies in reducing the number of road traffic collisions and associated deaths and injuries.**

A total of 234 road traffic collisions (RTCs) were attended during the year.

A month prior to promoting 'Operation Darwin', a campaign working with partners to reduce the risk of motorcycle-related deaths and serious injuries, we attended a serious RTC near Llanrwst; this incident involved two motorcyclists, one of whom died a week after the incident, while the other suffered life changing injuries. The campaign focused on popular bike routes in Wales and was aimed at breaking down barriers with motorcyclists through engagement and discussion.

We worked in partnership with other organisations including other fire and rescue services in Wales to promote road safety and to raise awareness of the main causes of fatal RTCs. The 'Fatal Five' message focused on 'Don't drink and drive, Kill your speed, Don't get careless, Belt up, and Switch off your mobile phone'. One example of this work involved the

launch of a powerful road safety film in 2022 telling the story of a young girl who was killed in a road traffic collision in North Wales.

'Olivia's Story', an educational film, is about a young person who was tragically killed in an RTC; this was delivered at a special event in Ruthin at which its powerful road safety message was shared with the local community for the first time. This story then subsequently featured as part of the BBC1's 'One Show' and has been used by our prevention educationalists and staff in schools and colleges to promote road safety. This safety message has now been delivered to over 2,500 young people; we have taken the lead to deliver this to all colleges, while North Wales Police will address all secondary schools within our Service area.

Olivia's Story has been used to help educate drivers about the potentially fatal consequences of speeding or not paying attention while driving – this is particularly important for younger drivers as it is well- documented that drivers aged 16-24 are disproportionately more likely to be casualties in road traffic collisions.

In recognition of the success of Olivia's Story, staff will be attending the Houses of Parliament at Westminster in July 2023, when Olivia's mother and an MP will be encouraging young people to have 'black boxes' fitted in their cars to help prevent future accidents thanks to improved driver awareness.

## **Action 4: embed safeguarding practices into day-to-day activities and these are aligned with national policy and guidance.**

We continue to ensure legislative compliance and the number of appropriate safeguarding referrals increased, while the content of information within referrals improved. In addition, a review of staff training was undertaken to identify which staff members needed instruction at Levels three and four and coaching is being planned for those identified.

As we continue to refer adults and children to local authority safeguarding teams, we have seen an ongoing increase in the number of referrals made for both adults and children; the continued training and awareness of NWFERS staff is contributing to this growth.

The Serious Violence Duty (SVD) will soon be enacted in law, and the Service is a 'specified authority' with a duty to assist in the reduction of Serious Violence in North Wales.

From the 1st December 2022, new legislation was introduced to ensure that a hard-wired and working smoke alarm is fitted to the ceiling of each storey in all rented properties. While this is the responsibility of the landlord, we have provided guidance on the most appropriate type of alarm for the property.

A referral system has been developed across Wales to refer landlords to Rent Smart Wales, who will then contact the relevant local authority so as to ensure compliance.

## **Action 5: continue to develop and deliver interventions and engagement with children and young people through targeted activities.**

We continued to deliver Phoenix courses across North Wales; these courses (for young

people aged between 11 and 25) are designed to encourage not only community spirit and personal development (for example confidence, teamwork and trust) but also road and home fire safety awareness through vocational activities.

Our educationalists continued with face-to-face engagement sessions for young people, visiting the majority of primary and secondary schools in North Wales. Over the year, our educationalists delivered potentially lifesaving fire safety advice to over 18,000 school children.

An all-Wales collaborative project called Staywise is due to be finalised during May 2023. This will be the culmination of years of preparatory work to bring the project to fruition; a newly-built website will offer downloadable resources to schools, teachers and young people, and will be committed to saving lives through education.

We continued to deliver regular Fire Cadet programmes each week across North Wales; the Fire Cadets is an educational youth organisation scheme run by North Wales Fire and Rescue Service in partnership with the National Fire Chiefs Council. The aim of the scheme is to create safer, stronger communities through the development of an individual's knowledge and awareness of their community so as to enhance their citizenship skills. Whilst the number of Fire Cadet units declined due to Covid-19, it is pleasing to see interest increasing, with a new unit opening in 2023 at Bala Fire Station.

We maintained our annual involvement with the 'Be a Nice Guy' (BANG) campaign, working alongside North Wales Police in requesting people to consider how they celebrate Halloween. There was a focus on reminding parents to protect their children from the fire risk posed by some fancy-dress costumes.

## **Action 6: work with organisations that support vulnerable people.**

The Service has three dedicated Partnership Managers across the Service who proactively foster and develop working relationships with partner agencies to assist and identify the most vulnerable people in the communities of North Wales, such as those suffering with dementia, older people and those generally more at risk of a fire in the home. Often, when required, a data-sharing agreement is set up to formalise and explain the exchange of information between the two agencies. Where two-way sharing of information is required (i.e. the partner agency requires a response), we then need to set up a far more in-depth agreement called an Information Sharing Protocol (ISP).

One such example is to support the ongoing agreement with the British Red Cross (BRC) in relation to its 'Prepare, Respond, Recover' assistance programme; the agreement allows the BRC to provide aid in the form of practical and emotional support to individuals affected by emergency incidents. This year we have seen a second vehicle located in the Eastern area of the Service in order to further enhance support to the communities of North Wales.

## **Action 7: implement the latest technological advancements and upgrades to enhance efficiency, accuracy and safety.**

The continued implementation of Microsoft 365 has seen the migration of data away from our data centre and into the cloud, bringing efficiencies in data centre energy

consumption. This data has also therefore become more accessible to staff on the move, immediately improving efficiencies and, by making safety information available in this manner, enhancing public safety. Microsoft 365 brings security benefits through the introduction of multi-factor authentication and the movement of our critical websites under this authentication wrapper has improved our security stance.

Further data centre power consumption reductions have been made by replacing equipment with modern and more power-efficient technology, as well as by consolidating services on dedicated devices onto a single platform.

The replacement of our mobile data terminal technologies (an electronic smart tablet installed on fire engines) has resulted in lower electrical and fuel demands to support the equipment, together with improvements that dramatically reduce the time spent physically and virtually supporting these devices. The software hosted on these devices has also been refreshed, which makes access to risk and safety information faster to access and more up-to-date.

Finally, the removal of desk-based phone systems and the migration of most of our voice services to cloud-supported soft phones has improved staff efficiency through the agile working policy, as well as bringing significant cost benefits.

## **Action 8: implement the findings of the Grenfell Tower fire inquiry and review to mitigate the risk of such a tragedy occurring in North Wales.**

The Welsh Government started the process of legislating for changes brought about by the Grenfell Tower fire which occurred on the 14th June 2017, with the instigation of high level groups to look at the challenges identified in its white paper. We are able to influence this via an All-Wales working group by continuing to respond to consultations which relate to changes required in addition to those that will be introduced via the process described above. The consultations are wide-ranging and will have a major impact in all aspects of fire safety.

We have also responded informally to the Chief Fire and Rescue Advisor and Inspector for Wales, about the proposal not to enact all of the fire safety changes required by the Grenfell Tower Inquiry.

We continue to support premises throughout North Wales in their efforts to reduce the fire risks that are present; this is done by education, auditing and formal notices.

## **Action 9: introduce more eco-friendly electric vehicles to promote better air quality whilst reducing carbon emissions.**

We were awarded a capital grant from the Welsh Government for the installation of 34 electric vehicle chargers in 22 locations around the Service area. This will support our growing electric fleet, and we are examining the feasibility of allowing staff and partner agencies to access our charging network while recovering costs.

This investment also means that we are well-positioned to increase our electric vehicle fleet in the future, as we are now committed to ending our purchase of petrol- and diesel-fueled cars and vans from the beginning of 2025.

## **Action 10: delivering against the strategy for replacing the command and control system, due in 2022–2026. This will ensure that the latest technology is utilised to make the best use of Service resources in emergency response.**

The Service migrated to the existing mobilising System in March 2017, undertaking a five-year contract with an optional two-year extension. Due to a staffing shortfall, it was agreed to suspend this project for a period of 12 months and to extend the existing contract. However, work was undertaken to secure agreements directly with the main supplier which will ensure that, when we do go out to tender, any possible companies must have compatible platforms with them as well as meeting our specific requirements.

## **Action 11: promoting health and well-being awareness events for Service staff and running health and fitness awareness sessions for potential recruits.**

The Health, Fitness, and Wellbeing team plays a crucial role in promoting good health practices throughout our organisation. They regularly share healthy recipes as well as easy-to-follow workouts, and raise awareness of health and well-being campaigns including 'Time to Talk' day, 'Mental Health Awareness' week, and 'World Suicide Prevention' day. Their approach encompasses an holistic focus on nutrition, exercise, sleep, hydration, posture, alcohol intake, medication, smoking, and other factors that impact physical and mental well-being.

Throughout the year, the team delivered activities to promote health, fitness and wellbeing; these included a Step Competition, a Menopause discussion group, an Ultimate Fireground Challenge, a Parkinson's support group meeting, and an Alzheimer's Dementia walk. These initiatives aimed to engage employees, raise awareness, and encourage participation in physical activities.

Changes have also been made to our Annual Health and Fitness Reviews, with a person-focused approach that emphasises privacy, confidentiality, and tailored advice. We have developed bespoke exercise programs and supporting resources that cater to individual employees' goals and needs. Pre-recorded fitness videos which are available on our YouTube channel offer convenient and accessible workout options. We promote physical activities through local well-being walks and collaborations with various organisations.

We have established a new Parenting and Carers Staff Network to connect colleagues and to provide guidance and support to staff members who are parents or carers. Many staff members have expressed interest in coming together to share advice and address challenges associated with parenting and caring responsibilities. The network meets regularly with the intention to organise social activities, and acts as a working group to support our Equality, Diversity and Inclusion Committee. The Network is intended to identify relevant support and guidance to assist staff in navigating their roles as parents and carers, fostering a supportive community within the Service.

In 2022, the Health, Fitness and Wellbeing team ran "Get Fire Fit" sessions across North Wales. These days allowed potential recruits from minority groups to understand the physical demands of being a firefighter, the importance of a healthy lifestyle and maintaining fitness levels. Recruits were also given a chance undertake some field testing

to assess if they had the requirements to be successful through the physical selection or indicate if they had a weakness in a particular area. All participants then undertook a group training session with a fitness adviser.

The team have been active on the “Get Fire Fit” Facebook page which allows recruits the opportunity to have access to online materials, details of open days, and information on which areas we are currently recruiting. The general public can also access exercises through the Health, Fitness and Wellbeing channel on ‘YouTube’.

The team have also been active in the community promoting recruitment, having discussions about lifestyle with members of the public and providing the chance to have a go at some activities. At the Colwyn Bay Fire Station open day and Pride events a fitness competition was set up for both children and adults, fun for the whole family to enjoy, whilst also measuring blood pressure and body composition for those who wanted lifestyle advice. Other events with similar offerings include open days in St Asaph, Chirk, Corwen, Llangefni, Tywyn; 999 day in Wrexham in 2022; Health and exercise advice at monthly LGBTQ+ meeting in Mind Rhyl.

Our approach to promoting health and well-being through awareness events, welfare support, tailored reviews, and physical activities demonstrates our commitment to maintaining a fit and healthy workforce. We remain dedicated to fostering a culture of well-being and to providing the necessary resources and support to our staff.

## **Action 12: rolling out Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV) refresher training to all staff, with enhanced training for frontline community safety staff.**

We continue to train and develop our staff in line with the Welsh Government VAWDASV Training Framework; this ensures that the most appropriate training is matched to staff in various roles across the organisation, thus ensuring that they are equipped with the right knowledge and skills to make a difference.

We continue to support Welsh Women’s Aid and their partners, Thrive Women’s Aid, Threshold DAS, Swansea Women’s Aid, DASU, Safer Wales, West Wales DAS, RASAC and Bawso in their endeavours to continue delivering Ask & Act training until March 2025. We have engaged with these partners to support the development of training content for continuation training, as well as providing training for new staff of relevant organisations.

On White Ribbon Day, our staff demonstrated their support by participating in a video shared on our social media channels. Additionally, our staff attended the ‘All for One’ conference in Llandudno Junction, an important event bringing together agencies and organisations to address domestic violence and modern slavery in North Wales. Our staff have been encouraged to become White Ribbon Ambassadors or Champions, actively working to combat male violence against women and to promote equality and respect. The coinciding of White Ribbon Day with the start of the FIFA men’s World Cup highlights the collective effort to end violence against women and girls. By engaging on social media and promoting this crucial cause, we contribute to the creation of safer communities for everyone.

# Objective 2: To continue to work collaboratively to help communities improve their resilience

Well-being goals met:



Working with local communities is extremely important to improve safety and to help communities become more resilient. The Authority worked closely with partner agencies throughout 2022–23 around targeted areas in order to assist communities and local businesses with pre-planning and education, enabling them to become more resilient in emergencies.

The risks faced by communities are ongoing, and the Authority remained committed in 2022–23 to working with and supporting people to become more resilient. Working in close collaboration with partners, the Authority continued to ensure that a joined-up message was communicated, not only about safety but also with regard to a range of other initiatives designed to improve the well-being of the whole community.

## **Action 1: work with partners and stakeholders such as Natural Resources Wales and farmers / graziers, to identify locations in North Wales which are at greater risk of outdoor / grassland fires and help to develop emergency response plans.**

During the summer, staff worked closely with Natural Resources Wales, North Wales Police and local authorities on Llantysilio and Ruabon mountains to engage with visitors so as to help prevent and reduce incident attendance during the hot weather, and to raise awareness of the damage that wildfires can cause to the upland landscape. This fire safety work included working alongside Denbighshire Rangers in identifying high risk areas.

In November 2022, the Welsh fire and rescue services, led by North Wales Fire and Rescue Service and in collaboration with Denbighshire County Council, launched a new video at the Royal Welsh showground in Builth Wells to provide a step-by-step guide to landowners on how safely to conduct a controlled burn, with the aim of educating landowners and helping to drive down wildfires resulting from irresponsible controlled burning.

Wildfire has now been officially recognised as a major hazard in the United Kingdom, with its inclusion in the National Risk Register of Civil Emergencies.

## **Action 2: continue to contribute to the development of a multi-agency regional wildfire plan.**

A multi-agency wildfire helicopter training event was held at Caernarfon Airport to demonstrate the capabilities of using a helicopter; this included topping up its bucket from behind a nearby dam. This has enhanced our access to water when dealing with wildfires.

The Service is also part of a multi-agency group collaborating with a local company 'Darlun TV' in the production of a TV series called 'Snowdonia SOS' which will air next year. This opportunity will assist the Service in promoting fire safety messages, and will highlight partnership working as well as taking a retrospective look at challenges concerning wildfires and on-call firefighter recruitment.

We continued to work with strategic partners, farming communities and landowners to reduce wildfire incidents across the region. The UK and North Wales were subject to an unprecedented hot summer coupled with drought, during which temperatures in some parts of the UK exceeded 40 degrees Celsius. As a result, there was an increase to 35 wildfires during the year which were attended by a combined total of 108 vehicles for over 646 hours.

The Service collaborated with the other Welsh Fire and Rescue Services to create the Wales Wildfire Board (WWB), and has already drafted an All-Wales Wildfire Charter. The Board has key strategic partners including Natural Resources Wales, Welsh Government, the Met Office and the Welsh Police Services who work with landowners, farmers and land managers to help reduce wildfires nationally and locally. We continue to attend farmers markets, and use media messaging and videos on numerous social media platforms with the aim to raise awareness and education for farmers and landowners alike.

The three fire and rescue services in Wales launched a new video at the Winter Fair in Builth Wells in December which provides a step-by-step guide for landowners on how safely to conduct a controlled burn. Every year in Wales, fire is responsible for damaging thousands of hectares of countryside, open space and wildlife habitats. Fire crews across Wales want to continue to work with local communities, farmers and landowners to protect our precious Welsh landscape.

### **Action 3: build relationships with partners such as Natural Resources Wales, Local Resilience Forums, the Joint Emergency Services Group (JESG) and inland flood and water rescue groups to improve the joint capabilities of agencies to help those affected by flooding.**

Six members of staff from across the Service successfully completed a training course based in Glasgow which looked at rescue techniques from submerged vehicles. The course provided our Training Instructors with a real insight into new techniques, with hands-on experience in challenging water temperatures.

The North Wales Warning and Informing Group provides an excellent opportunity for professionals to communicate and work together across Local Resilience Forum organisations; this helps each party to promote the other's messages, and to warn and inform the public in times of emergencies such as flooding etc.

The Technical Operations Department purchased underwater cameras and reach poles for all water incident units. This follows the receipt of an action note from the National Fire Chiefs Council's (NFCC) National Operational Learning User Group that relates to firefighters putting themselves at risk by attempting to search sub-surface without the necessary equipment and qualifications. This equipment will greatly enhance firefighter safety as we move forwards.

## **Action 4: work collaboratively with communities and retained firefighters to enhance resilience of fire cover in their areas.**

Staff attended, and participated in local park runs and other fitness events to help to promote firefighter recruitment; park runs attended included those held at Penrhyn Castle, Bangor, Wepre Park, Deeside, Conwy, Newborough Forest, Anglesey and Erddig, Wrexham.

In addition to the full-time firefighter recruitment window in April 2022, on-call firefighter opportunities continued to be advertised throughout the year. Taster Days were held at Rhyl Fire Station to raise awareness of the opportunities available; these were open to identified under-represented groups within the Service which currently include women and people from LGBTQ+, black and ethnic minority groups. The recruitment team in each area targeted key fire station areas to look at encouraging suitable applications from a range of candidates so as to enhance the resilience of the fire cover in that particular area.

On-call firefighter opportunities are promoted regularly through the Service website and on social media throughout the year, highlighting what it is like to be an on-call firefighter, how people can help protect their communities, and the important contribution of local employers in allowing their staff to act as on-call firefighters.

## **Action 5: introduce Microsoft 365 as a means of further improving communication and integration with partners.**

All users have successfully been migrated to the cloud version of Microsoft 365, and ICT security has increased with the introduction of Multi-factor Authentication (MFA), allowing users to access work systems via their personal devices. Multimodal training has been offered to all staff currently using MS Teams in order to support a smooth transition to the new software.

Work is ongoing to create a user-friendly Service intranet that will also be accessible for staff working from home or away from the office; it will include quick reference information pages relating to Health, Safety and Employee Well-being.

The Service has also been working on launching a new intranet for staff which will help to improve communications across all areas of the Services and all duty systems. The new intranet will be launched in July 2023.

# Objective 3: To operate as effectively and efficiently as possible, making the best use of resources available

Well-being goals met:



Given the backdrop of financial uncertainty, the cost of living crisis, rising inflation and the potential increase in demand for services across the public sector, it is inevitable that the Authority will be faced with challenges in being able to sustain its services over the coming decades. The pressure on fire and rescue services is likely to come from several different directions, including the ability to recruit and retain sufficient on-call firefighters.

The Authority has embarked on a number of reviews to support the Service in operating as efficiently and as effectively as possible; one such review will be the 'Emergency Cover Review' which will be out for public consultation during 2023-24.

## Action 1: deliver fire and rescue services in North Wales within the agreed budget.

The Authority remained committed to playing its part in building stronger and safer communities. It recognises that it requires flexibility and innovation to prepare for future financial challenges, whilst being able to sustain service delivery.

The initial planning assessment for 2022-23 identified a net budget requirement of £39.41m, compared to £37.07m for 2021-22; had been developed on the basis of current Service provision, whilst being mindful of the need to keep the increase to constituent authorities as low as possible. In November 2021, members of the Fire Authority reflected on some key challenges that had been highlighted through the new Chief Fire Officer's situational assessment, and the consequences for the Authority's budget. The revenue budget subsequently approved in January 2022 included an increase of £1.13m to address those challenges.

In order to sustain service delivery, several reviews were undertaken during 2022-23 including a wildfire review, a retained duty system review; the Emergency Cover Review commenced and is still ongoing.

## Action 2: continue to pursue ongoing internal efficiencies.

Various cost-saving efficiencies were implemented during 2022-23 which included:

- Continuing the implementation of energy efficiency measures in order to save energy long-term.
- Increasing the number of electric and plug-in hybrid vehicles in the fleet to reduce fuel usage and promote sustainability for the future.
- Continuing to review the use of ICT systems. For example, staff now receive electronic payslips instead of paper versions that were posted to their home addresses, the use of Microsoft Teams for meetings and phone calls.

As well as ensuring the careful management of its revenue budget, the Authority continued to scrutinise its capital programme in order to make sure that best value was achieved. The Authority remained committed to ensuring that its assets are utilised efficiently and effectively, and it continued to analyse the capital programme against possible negative revenue implications.

### **Action 3: monitor the progress of the reintegration of financial services previously outsourced to Conwy County Borough Council.**

All financial services were successfully reintegrated during April 2022, along with the implementation of the new financials system; this involved the restructuring of the Finance and Procurement Department in order to meet the increased workload. As is the case with other public bodies in the North Wales area, it has proved difficult to attract candidates for the specialist posts required, and recruitment is ongoing.

### **Action 4: build on existing measures to monitor operational performance by fire crews before, during and after incidents.**

The operational assurance of fire crews is undertaken by the first attending flexi-duty manager (a type of working rota staffed by operational personnel) and each operational assurance generates a return which is analysed by the operational assurance team. Trends and issues identified are addressed appropriately so as to ensure that the Service continues to improve. The operational assurance team monitors incidents remotely as well, to ensure that the standard of messages and the handling of other related issues is appropriate. A range of debriefs occurs after incidents, including an initial hot brief at the conclusion of the incident. A structured debrief will occur for larger incidents and will involve key Service personnel to identify areas of good practice and areas for potential improvement. Larger incidents involving partner agencies will result in a multi-agency debrief facilitated by the Local Resilience Forum, and these will focus on the importance of inter-agency working and whether the JESIP principles have been applied correctly. Any issues identified are addressed accordingly.

### **Action 5: develop a more flexible model for the delivery of training and development, including providing training more locally to support the needs of retained / on-call firefighters.**

The Training and Development Team reviewed their operational training offer in 2022-23, benchmarking existing training provision against the core competencies of operational crews. The revised training model sees an increase in training capacity to deliver risk-critical training across a range of fire and rescue skills.

The training model is supported by an operational training strategy and is underpinned by a three-year training delivery plan which sets out the schedule of operational training courses from 2023-24.

The plan aims to deliver a comprehensive training programme that includes new initial courses and a three-year cycle of refresher courses. So as to deliver this plan, there has been an increase in the number of operational instructors to enable the delivery of new development courses, incident command training days, and the overhaul of learning management systems.

Managers are encouraged to use the plan to identify training requirements and to select training dates for their staff. Refresher courses will be delivered across a number of core skills, including road traffic collisions, hazardous materials, and working at height. Flexibility has also been considered in the training plan to enable courses to be facilitated locally in Service premises, as well as additional weekend dates that will improve access to training for on-call staff.

The new plan is a step forward in training and development provision; the comprehensive plan will enable staff to identify their training needs and select dates that work best for them. The increase in the number of operational instructors will ensure the effectiveness and currency of information, and the overhaul of learning management systems will improve available knowledge-based content for staff.

## **Action 6: focus on improving the effectiveness of cover provided through the Retained / on-call Duty System (on-call firefighters).**

The advent of the recruitment and availability teams in each area has provided a dedicated resource to focus on the issue of recruitment and availability. The Service is able to target specific areas for recruitment, as well as identifying key training and development requirements to improve the availability of on-call staff.

During the year, a team of staff worked hard to produce the Retained Duty staff experience review which was published at the end of the financial year. The findings of this report will form a fundamental part of the response function business plan in the year 2023-24.

During the year, the Service reached a significant milestone at which a net increase was recorded in the on-call staff establishment, thus providing a positive testament to the recruitment and availability teams in each area.

## **Action 7: review Business Continuity Management and enhancing the Service's capability to deal with large-scale incidents.**

The implementation of our management restructure in 2022-23 resulted in a whole scale review of our business continuity plans across all departments, ensuring the Service can operate as effectively and efficiently as possible during periods of potential disruption.

As with many public sector organisations, potential industrial action posed a significant business continuity management (BCM) risk that required planning during 2022-23. Following a successful ballot by the Fire Brigades Union (FBU), the Service implemented both Gold and Silver BCM groups and embarked on planning and preparing for large-scale industrial action by staff across North Wales. Whilst a national pay settlement averted industrial action, the Service was well-prepared for industrial action, and the plans

remain in place ready to be implemented, should industrial action become a possibility again.

In March 2023, the Service participated in a National BCM exercise which was facilitated across all Local Resilience Forums and the Welsh and National Governments. Exercise 'Mighty Oak' was a three-day exercise to test the UK's response to a National Power Outage (NPO). Whilst the outcomes and learning from the exercise are still being developed by the facilitators, the Service has commenced its own development of a Service-wide BCM plan for an NPO. During 2023-24 this will be refined so as to be ready for implementation, should the exercise scenario become a reality.

In relation to our preparedness for large-scale exercise, a summary below outlines some of the multiagency exercise activities completed during 2022-23.

### **Conwy Tunnel exercise**

We took advantage of a week-long closure of the westbound carriageway to arrange a multi-agency training exercise and familiarisation visit to the tunnel. This provided crews with a realistic training scenario and an opportunity to review operational tactical plans for the tunnel.

### **Holyhead Port Exercise**

A training scenario to test operational response in a maritime setting was carried out at Holyhead Port. A particular focus was on breathing apparatus procedures and the use of the Dräger Smoke Hoods

### **Exercise Eithin**

An exercise took place in Bangor which was based at a students' halls of residence involving an accommodation block consisting of four floors.

### **Exercise Connect**

A security and emergency response exercise was held at the Trawsfynydd decommissioning site, working with Magnox staff and the Office for Nuclear Regulation who oversaw the training event.

## **Action 8: Monitor and evaluate the impact and effectiveness of programmes undertaken in partnership with other organisations.**

Forming and maintaining partnerships with other emergency services and agencies enables us to extend our safety messages into the community, and helps to promote and maintain our community profile.

Some examples of our partnerships working in this way are:

### **North Wales Police and Operation Diopside – Fatal 5 Collaboration**

Operation Diopside took place in the Rhyl area, with North Wales Police stopping drivers for speeding, not wearing a seatbelt, mobile phone usage and careless / inconsiderate driving. Depending on the severity of the offence, drivers were offered to attend a road

safety intervention course, while others were issued fines and points on their license.

## **NHS and Help me Quit (7.3% of accidental dwelling fires involved smoking materials)**

As part of a new initiative this year, staff gave smokers details of the free help available from local stop smoking experts during safe and well check visits to their home. As well as the health impacts of smoking, people need to be aware of the deadly risks it creates in the home, and how careless disposal of smoking materials can very quickly and easily lead to a fire.

## **Outside Lives Ltd**

Staff attended an event in Flintshire to celebrate Carers Week. The event, organized by North East Wales Carers Information Service (NEWCIS) in partnership with Outside Lives Ltd, was an opportunity for unpaid carers to explore new wellbeing practices, and gave our staff the opportunity to talk to carers from across the region.

## **Action 9: develop an effective asset management system that promotes optimal resource allocation.**

The asset management system has had a technological overhaul, including integration with the processes of stakeholders from other departments and the development of a system to speed up the discovery and recovery of assets that have been allocated to staff who have left the organisation.

Regular audits have been carried out, although their initiation has only been on opportunistic or reactive basis whilst the recruitment of ICT staff remains unresolved.

## **Action 10: Implement the findings of the Grenfell Tower Fire inquiry and review to mitigate the risk of such a tragedy occurring in North Wales.**

The Welsh Government has started the process of legislating for changes brought about by the Grenfell incident; it is instigating high-level groups to look at the challenges identified in the white paper.

We are able to influence this via the all-Wales working group, by continuing to respond to consultations which relate to changes required in addition to those that will be introduced by means of the process described above. The consultations are wide-ranging and will have a significant impact in all aspects of fire safety.

We have also responded on an informal basis to the Chief Fire and Rescue Advisor and Inspector for Wales, about the proposal not to enact all of the fire safety changes required by the Grenfell Tower Inquiry.

We continue to support premises throughout North Wales in their efforts to reduce the fire risks present; this is achieved by education, auditing and formal notices.

All actions from stage one of the Grenfell Tower inquiry have been completed; the Service has reviewed how it trains, prepares, and communicates between the incident ground and Control.

# Objective 4: To continue to identify opportunities to encourage greater engagement with people, communities, staff and stakeholders

Well-being goals met:



During 2022-23, the Authority continued to improve the way in which it communicates and engages with communities about the services it delivers.

A collaborative approach working across our own functions and together with our emergency service partners, local authorities, public services boards and other stakeholders ensures the consistent and widespread promotion of safety messages as well as the development of innovative techniques and the sharing of best practices.

A particular focus this year was improving communications with our staff, in particular in relation to those employed under the retained duty system (on-call) and implementing the key findings from our very first Fire Family staff survey.

## Action 1: raise awareness of, help prevent arson attacks and reduce the number of deliberate fires and false alarms.

The Arson Reduction Team (ART) continued to engage with policing teams, regularly putting out the 'Need to Know' document on how to contact and how to refer an individual to the Arson Reduction Team. Training and awareness sessions were delivered to all new Police Constables and Police Community Support Officer recruits as part of their initial training.

ART worked with various partners to raise awareness of the team and identify any hotspot areas. We recorded and analysed all deliberate fire statistics to identify any emerging trends, and which partners we need to engage with, depending on the type of fires and associated crimes and issues in that area. We attended all Vulnerable Adult Risk and Anti-social behaviour meetings across the Service area, and produced reports on the Team's activity and work with partners in those identified areas.

We continued to conduct site visits at high-risk derelict properties across North Wales, working with owners and local authorities to secure them in order to assist with the reduction of the risk of arson and the public safety risk. We also visited businesses which were identified as being at risk of arson.

ART are a point of contact for all high-risk referrals for threats to burn, kill or harm vulnerable people throughout North Wales; these referrals come from various partners including Police, Social Services, the Domestic Abuse Safety Unit, the Youth Justice Service and the Probation Service. ART manage referrals and delivers fire-setter interventions

to children, young people and adults so as to reduce further deliberate fires. The Team attends schools to conduct consequence talks to assemblies and smaller groups.

ART also attends Multi-Agency Public Protection Arrangements and Multi-Agency Risk Assessment Conferences meetings; these are for people being released from prison.

## **Action 2: engage with local employers, communities and those directly affected by fire and other emergency incidents to develop prevention activities and campaigns.**

The Service continued to hold bi-monthly meetings with the British Red Cross (BRC) to review incidents so as to improve partnership working. In June the BRC attended two incidents in North Wales, of which one was to provide support for a large family who had been made unintentionally homeless after a kitchen fire. They supported the occupiers while they were being rehomed and provided emergency food, money and clothing. The second occasion was after a fire in the roof space left a family and their dog with only the clothes they stood up in. On this occasion, the occupiers were briefly housed by friends and family, with the extra support from the BRC in the form of emergency cash, clothes and toiletries.

The staff from British Red Cross said that the volunteers were delighted that the Incident Commanders had requested their attendance and that they had been mobilised. They went on to say that the information provided by the Incident Commanders via the Control operators ensured that the volunteers had a good situational awareness and insight as to what would be needed before they arrived.

## **Action 3: promote national and local safety campaigns, ensuring that areas of greatest risk are prioritised, for example fires caused by cooking.**

This year saw a new campaign launched together with our colleagues from the Mid and West Wales and the South Wales Fire and Rescue Services to address concerns about fire safety during the 'Cost of Living Crisis'.

By January 2023 it was expected that more than half of UK households could be in 'Fuel Poverty', and this is likely to increase fire risk at home as people looked to find alternative ways to heat and light their homes.

## **Action 4: maintain the currency of existing information-sharing agreements, and seek to establish new agreements where appropriate.**

Partnership managers from across the service were tasked with pursuing data disclosure agreements with partner agencies using the universal template that ensures adherence to the requirements of the relevant legislation.

Progress however has been slow as it is often difficult to encourage partners to sign off on agreements, but we remain committed to getting these agreements drawn up and signed with a view to adding them to the All-Wales Accord on the Sharing of Personal Information (WASPI) agreement register. Work is planned to review existing agreements upon their

renewal date in order to upgrade them into the latest format. This work will be on-going as we develop new partnerships, close down old ones and maintain the currency of active agreements.

One such example was the completion of a new data-sharing agreement with Public Health Wales (PHW) for us to provide aggregated and anonymised details of grassland, woodland and crop fires. This will allow PHW to analyse the data on an all-Wales basis and will inform the service they provide to their users.

## **Action 5: conduct a health and well-being survey of all staff, promoting activities throughout the Service.**

We made significant efforts to promote the health, fitness, and well-being of our staff. In collaboration with the Mind charity, we actively supported a mental health awareness week. Our dedicated health, fitness, and well-being team organised daily activities on the Workplace Facebook platform, encouraging staff to prioritise their mental health and providing support to those who may be facing challenges.

As part of our commitment to employee well-being, we introduced the rebranded and revised Calon Fund, a voluntary staff fund that operates independently but with our support; this fund aims to provide emotional, physical, sociable, and charitable support to our staff. Additionally, we offer a range of resources to ensure the well-being of our employees; these include the Health, Fitness, and Wellbeing Team, Colleague Supporters, Blue Light Champions, Care First (Employee Assistance Program), and our Service Chaplain, all of whom provide confidential assistance, mental health support and emotional guidance.

We supported 'Time to Talk' day, emphasising the importance of staying connected and initiating conversations about well-being. Our Health, Fitness and Wellbeing Adviser highlighted the positive impact of reaching out and talking to someone, and how to access formal and informal support. By encouraging our 'Cuppa and a Catch Up' event, our staff have an opportunity to connect and to expand their networks within the Service.

We celebrated International Men's Day in Llangefni by bringing together staff from across the Service. The event commenced with a 5km park run, with the notable achievement of a fire officer running in full fire kit, and the morning continued with a 'Cuppa and Catch Up' session at Llangefni Fire Station, promoting engagement, raising awareness of men's concerns, and emphasising the importance of mental well-being. Our Deputy Chief Fire Officer attended the event and his support was greatly appreciated. The event underscored the significance of addressing men's mental health and of fostering open conversations.

Later in the year, some of our staff participated in an LGBTQ+ Online event delivered by the Unique Transgender Network. The course provided valuable insights and guidance, empowering participants to become Fire Pride Allies and to support LGBTQ+ individuals in the workplace. Its objectives included enhancing understanding of the challenges faced by Gender Diverse People, equipping participants with the knowledge to support and collaborate with them, and ensuring compliance with legal rights and equality duties. The event successfully celebrated the unique experiences and talents that gender diversity brings to the workplace while fostering positive change in understanding and behaviour.

## **Action 6: complete a review of the Corporate Communication Strategy.**

This action was completed during 2021-22, with the following comments.

A new Corporate Communications Delivery plan for 2021-24 was published following the review of the Corporate Communications Strategy.

The delivery plan outlines the direction and framework actively to support and engage with a wide range of internal and external audiences, and to do so clearly and effectively.

## **Action 7: report on energy usage and reducing carbon prevalence within NWFRS buildings, including the development of an 'Invest to Save' fund for future carbon reduction projects.**

This action is ongoing, and we have now hired an Environment and Climate Change Manager to oversee our energy consumption and carbon emissions.

We have prepared an Environmental Strategy for the period to 2030 which sets out how we will improve the energy efficiency of our buildings, reduce waste and minimize our carbon emissions.

We have developed an energy consumption analysis tool which allows us directly to compare energy efficiency and emissions across our whole estate, while compensating for differences in building size and local weather. Using this, we will prioritise the worst-performing buildings for improvement.

We have engaged with 'Re:Fit Cymru', a procurement framework provider which will assist us in identifying a package of energy efficiency improvements across our whole estate which, once installed, will have the financial savings contractually guaranteed by the installer. We will be seeking to borrow the money to fund these measures interest-free, using the guaranteed cost savings to fund the repayments; this will allow us to reduce our energy consumption and carbon emissions without impacting budgets elsewhere in the Service.

## **Action 8: develop an online generic / standalone rolling survey which reflects all seven corporate objectives which could be used to record feedback from all stakeholders on the services the Authority provides.**

This action was not completed during 2022-23; however, a new process for departmental plan was implemented during the year and the all relevant objectives are captured within these plans. The plans will be reviewed each quarter during 2023-24 to gather evidence against the Well-being of Future Generations Act objectives, the Services Building Blocks and Corporate Plan Objectives.

## **Action 9: implement a staff-led review into the experiences of staff employed under the Retained Duty System (RDS) / On-call system.**

During January 2023, the Retained Duty System Staff Experience Review was completed. This brought together the experiences, thoughts, ideas and opinions of staff who provide 'on-call' cover in stations across the whole of North Wales.

A dedicated team of Service personnel was committed to completing research, identifying key findings and proposing recommendations against 10 key lines of enquiry which were in relation to:

- RDS pay and reward
- RDS attraction, selection, recruitment and on-boarding
- RDS promotion process
- Local line management and staff retention
- Time allocated for training
- Time allocated for administration
- Utilisation of skills
- Engaging with primary employers
- Recognising contribution and celebrating achievement
- Resource requirements

These will now be reviewed by the Service Leadership Team and an action plan developed.

## **Action 10: work to agree an action plan to focus on the key findings from the Fire Family staff survey in relation to both cultural change and a proposed change to staff structure.**

The survey was successfully released during the 2021-22 year, with the results analysed and an action plan formulated and shared with members of the Service Leadership Team (SLT) and the wider workforce.

Updates were then provided in relation to progress against the action plan using a series of infographics.

Further information will now be provided to the next SLT meeting in October to discuss how the action plan can be updated and reviewed.

Preparation work has already started for the next survey which is due to be issued late in 2023.

# Objective 5: To maintain a suitably resilient, skilled, professional and flexible workforce

Well-being goals met:



The Authority continued to extend its efforts to attract, develop and retain a workforce that reflects the diversity within the communities it serves.

Supporting equality and diversity lies at the heart of the Authority's culture and core values, embracing a commitment to diversity and inclusion, a desire to strive for excellence, protecting communities and valuing its people. A workforce that is appropriately developed and trained to be safe benefits the people of Wales, and a well-developed performance management framework supports managers in meeting the demands of their roles.

## Action 1: recruit, develop and retain a highly skilled, motivated and bilingual workforce.

The Service has resumed active participation of in-person recruitment events and job fairs held across the region. These events provide valuable opportunities for us to engage with jobseekers, to promote current and upcoming vacancies, and to interact with potential candidates. Notable events include Welsh-speaking job fairs in Bangor, Dolgellau and Bala, as well as careers days in Colwyn Bay, Rhyl, Deeside, Llangollen and Wrexham, thus offering us exposure throughout North Wales.

We have taken proactive measures to increase awareness of job vacancies and to encourage applications; examples of this are the sharing of vacancies on the Service's main Facebook page, and on general North Wales and local county-based job groups on the platform. Furthermore, we have created a dedicated North Wales Fire Careers page on Facebook which has gained a significant following. Notably, our posts on Facebook have reached thousands of people and received substantial interactions, resulting in increased visibility and interest in Service roles. As part of our strategy to showcase the diverse range of roles within the Service, we have produced videos featuring the current postholders; these provide insight into a typical day within the role and highlight what individuals find fulfilling about working for us. The aim is to attract potential candidates who may not have previously considered us an option.

The Human Resource (HR) Recruitment Specialists play a vital role in the Service's Recruitment and Availability group, focusing on On-call recruitment strategies. A review of the On-call literature and templates was conducted to ensure consistency in branding and messaging, aligning them with organisational guidelines. Similarly, a thorough review of Green Book recruitment literature was undertaken to enhance its effectiveness. Refreshing these documents in a new format aligns them with policy templates and effectively communicates our core values, promoting appeal among new recruits.

The Service has made various updates and improvements to recruitment materials and processes. Candidate booklets now include pictures reflecting the diversity of our employees and roles, so as to highlight the different opportunities within the Service and

increase their attraction. Line Manager documents for internal applicants have been updated in order to collect more relevant information that complements existing HR data. Contract documents have also been updated in line with legislation, i.e. compliance regarding vetting, DBS, right to work, training, and qualifications.

The HR Recruitment Specialists attend and contributes to the Welsh language group, streamlining Welsh language proficiency requirements for existing employees, new recruits and applicants. Informative videos featuring Control staff members and Compliance Officers demonstrate the practical application of the Welsh language in various roles, serving recruitment purposes and being shown during school events. Updates to the recruitment information booklet clarify Welsh language requirements, eliminating misconceptions and ensuring accurate understanding. A checklist has been implemented in order consistently to meet the Service's bilingual requirements for advertised roles.

The HR Specialists are visiting stations and departments and facilitating Siop Siarad sessions. This initiative was prompted by the Fire Family staff survey and is aimed at promoting two-way conversations and providing the opportunity to speak freely about wider issues, and to highlight views and new ideas from staff at stations and locations across the region. It is an opportunity to network and to share new ideas, to be open to new ways of thinking, and to help staff feel included and able to challenge processes in a mutually supportive and positive environment. Feedback from these sessions is shared with the relevant groups / committees for consideration and awareness.

## **Action 2: develop employment practices aimed at increasing the employment prospects of people who might otherwise find it difficult to gain access to work and prioritise action to promote gender equality.**

The HR Department now provides management information to support decision-making in workforce planning; this information includes data on staffing numbers, starters, leavers, and recruitment-related metrics, and the updated Organisational Resourcing Committee relies on this information to inform its decisions. We have improved the collection of Equality, Diversity and Inclusion (EDI) data during the recruitment stage, and it will help identify trends and monitor specific groups facing challenges in the application process, enabling targeted positive action to be taken.

During the first and second quarters, the Service carried out recruitment for Wholetime Duty System Firefighters, conducting a total of 120 remote interviews using Zoom. A total of 796 applications were received for the positions; among the applicants, 15% were female and 3% were from BME backgrounds, indicating some diversity in the applicant pool. In an effort to attract underrepresented groups, pre-campaign taster sessions were held in March 2022 and these sessions specifically targeted individuals from diverse backgrounds, including female, BME and LGBTQ+ participants. Over the course of three sessions, 19 individuals attended the taster sessions; impressively, 16 of these participants went on to apply for the WDS Firefighter role, and six applicants successfully completed all stages of the recruitment process. Between the two intakes, 12 of the appointed applicants are female, one is BAME, three are LGBTQ+, seven are fluent Welsh speakers and there are two with declared neuro-diverse conditions. Five are also current employees of the service,

four are employed as On-call firefighters and one is employed in a support role. Five of the appointed applicants also attended the pre-campaign positive action sessions in March 2022.

So as better to understand and address barriers faced by unemployed candidates, the HR Specialists have been attending recruitment events and building relationships with the relevant sectors. These engagements provide insights into the obstacles faced by job seekers as well as opportunities to explore potential solutions. External recruitment events and job fairs allow us to engage with job seekers, promote vacancies, and address any barriers that may have deterred individuals from applying. By actively addressing these barriers, we aim to enhance inclusivity in the recruitment process.

The Service is committed to promoting equality and fairness, and will consider all requests for support and reasonable adjustments within the recruitment process. All applicants, whether internal or external, are encouraged to disclose any disability or neurodivergent conditions within their application in order for any reasonable and appropriate adjustments to be considered. It is however recognised that employees and applicants are not obliged to disclose a neurodivergent condition; however, appropriate support can only be offered if the Service is made aware of the condition by the applicant.

The Service conducted a thorough review and redesign of its recruitment literature to eliminate potential barriers that could hinder candidates' engagement and comprehension. Efforts have been made to remove jargon and complex terminology and to create accessible and inclusive materials. The adverts now include the Service's core values in the strapline, transparently conveying the organisation's mission and culture. This allows candidates to assess their alignment with the Service's values from the beginning, facilitating self-selection and a better fit between candidates and the organisation's ethos. Our advertisements also highlight the Services' dedication to multiple programmes, including those addressing domestic violence, whistleblowing, corporate health and the Armed Forces; they also emphasise our status as an employer supporting individuals with disabilities.

A dedicated Facebook page was launched to enhance accessibility and engagement, serving as a central hub to disseminate information about vacancies, with all posts listed bilingually to cater to a diverse audience. Various images featuring staff members have been used to provide an holistic view of the Service and to increase awareness of all the roles available. Additionally, the page showcases a member of staff currently holding the advertised role, offering a personal perspective and essential information for candidates; this approach creates an inviting and engaging online space in which potential candidates can develop a genuine understanding of the roles available.

The Service adheres to a fair and merit-based approach when evaluating all applications, without bias or discrimination. The Service encourages applicants to request reasonable adjustments during the application and interview stages; this commitment is reiterated throughout the recruitment process, highlighting the opportunity for applicants to seek necessary adjustments. We aim to create an environment in which candidates feel comfortable and empowered to participate fully, and to accommodate their specific needs appropriately.

### **Action 3: adopt agile and flexible working models which will contribute to a low carbon society through reducing emissions associated with travel for work purposes.**

The Service has implemented an agile working policy that provides staff members with the flexibility to work either from home or the office, fostering a hybrid arrangement when feasible; this policy applies to both existing and new employees, ensuring a consistent approach throughout the Service. By reducing the need for daily commuting, the agile working approach significantly contributes to a notable decrease in the carbon emissions associated with driving.

The Service supports the adoption of new ways of working, to create more flexible and technologically-enabled teams who can work more efficiently to deliver an excellent service whilst improving the relationship between work and home life. We also recognise the environmental benefits of utilising agile working to minimise unnecessary travel. Agile working is an option for those in certain roles and are supported wherever possible; for employees in some roles including front-line firefighting, some elements of agile working (such as virtual meetings) may be possible, but flexibility about working from different locations may not be possible if operational delivery requirements are to be maintained. This is noted in all job adverts and discussed with candidates during the interview process.

We are currently in the process of reviewing and updating our Flexible Working policy to ensure compliance with the relevant legislation and to incorporate best practices. Our existing policy follows a reason-neutral approach, allowing employees to request flexible working arrangements without the obligation to disclose the specific reasons behind their request. This approach respects and recognises individual privacy whilst promoting a supportive and inclusive work environment.

Furthermore, the adoption of agile working practices within the Service has facilitated the continued utilisation of digital communication tools such as Teams, enabling virtual meetings and minimising the necessity for work-related travel. This strategic shift towards hybrid working and remote collaboration has also played a crucial role in reducing emissions.

In addition to reducing carbon emissions, the agile working arrangements actively promote the concept of "hot-desking", encouraging employees to optimise desk space and thereby decreasing the energy consumption related to lighting and heating.

### **Action 4: continue to seek out new opportunities to develop apprenticeship schemes within the Service.**

The Service currently implements several apprenticeship programmes, currently within our Finance and Fleet Departments, and offers operational roles in the form of Apprentice Firefighters. Each of these schemes is currently ongoing.

A group of 12 WDS Firefighter Apprentices commenced in their roles in September 2022, and an additional 12 apprentices joined the Service in January 2023. Between the two intakes, 12 of the appointed applicants are female, one is BME, three are LGBTQ+, seven are fluent Welsh speakers and there are two with declared neuro-diverse conditions. Five are also current employees of the Service, four employed as On-call firefighters and

one employed in a support role. Five of the appointed applicants also attended the pre-campaign positive action sessions in March 2022. In order to support their onboarding and initial induction, the HR Department conducted an information session which provided an overview of the HR Department, its key processes and pertinent information in relation to their employment. The objectives were to ensure their active engagement with the Service, to promote a smooth transition into their roles and to aid in their retention.

Throughout the initial stages of the recruitment process, hiring managers are consistently consulted about the suitability of the roles for apprenticeships. Options for apprenticeship opportunities are explored and revisited as the recruitment process progresses.

The Service is an early adopter of the National Fire Chiefs Council (NFCC) Direct Entry Scheme and is currently advertising for Station Manager positions. We have previously undertaken direct entry recruitment to roles at Strategic, Middle and Supervisory Manager levels. The primary aim of the scheme is to provide a different route to entry into the role of Station Manager, alongside the more traditional Firefighter route; this can play a valuable part in diversifying senior management in the Fire and Rescue Service.

The Service continues to review the suitability of direct entry to all operational management roles prior to recruitment, and has recently completed a recruitment process for an Area Manager role as part of the Service Leadership Team, and offered this as a direct entry route. Following a fair and open selection process with a mixture of candidates from both operational and non-operational backgrounds, a non-operational female candidate was offered the role but later declined the position; the role was subsequently offered to the next candidate who has operational experience.

## **Action 5: adopt a more holistic approach to improving employee wellbeing, continue to invest in reducing absence and concentrate on health promotion.**

Over the past year, the HR Department has collaborated with the Occupational Health provider to improve existing processes and to identify areas for development. Regular monthly meetings with the Contract Manager have established a strong partnership and facilitated the implementation of new working methods which are aligned with best practice.

The HR Specialists are visiting stations and departments to provide HR Overview sessions, including recent important updates to familiarise employees with the services that HR provides and the benefits available to them; they are also facilitating Siop Siarad sessions. This initiative was prompted by the Fire Family staff survey and is aimed at promoting two-way conversations and providing the opportunity to speak freely about wider issues, as well as to highlight views and new ideas from staff at stations and locations across the region. It is an opportunity to network and to share new ideas, to be open to new ways of thinking, and to help staff feel included and able to challenge processes in a mutually supportive and positive environment. Feedback from these sessions is shared with the relevant groups / committees for consideration and awareness.

The establishment of the Attendance, Grievance & Discipline Committee marks a significant step for the Service, as this body takes responsibility for the development of policies related to absence management, grievances and matters of conduct, including

disciplinary procedures. By focusing on these critical areas, the Committee promotes a fair and transparent work environment that encourages appropriate behaviour and effectively seeks to resolve disputes.

Recognising the importance of supporting employees with long-term health conditions and mental health difficulties arising from stress, the Service has created two distinct pathways as guidance for Line Managers. These pathways are tailored to address specific needs and are scheduled to be shared with managers in early 2023. This ensures that the latter have the necessary resources and knowledge to provide appropriate support and guidance to their team members.

To enhance awareness and accessibility to available support options within the organisation, a new poster has been designed and distributed to all departments and stations. The poster prominently features the range of support options currently available, with a particular focus on mobile app support in the form of QR codes. It also provides information on telephone- and web-based support, offering employees multiple avenues to seek assistance, based on their individual needs and preferences.

In a proactive effort better to understand and meet the needs of employees requiring support, members of the HR team and the Occupational Health Unit (OHU) team visited Jubilee House. This visit provided a valuable insight into the services offered at the centre, equipping the HR team with first-hand knowledge to enable them to guide and support employees seeking assistance effectively.

A dedicated health and wellbeing team has been established to ensure an holistic and proactive approach to employee wellbeing in collaboration with support from the HR team. The health and wellbeing team is dedicated to promoting and supporting the overall health and wellbeing of employees, fostering a positive working environment.

## **Action 6: secure revalidation of the Platinum Corporate Health Award.**

During the year, we submitted evidence for a status check to Healthy Working Wales to seek revalidation of our Platinum Corporate Health Award.

Our submission detailed the work of many teams across our organisation and sought to demonstrate our commitment to sustainability and corporate social responsibility. Our submission highlighted our Environmental Strategy 2023-2030, which aligns with the Wellbeing of Future Generations (Wales) Act 2015, covering waste and recycling, water management, fleet operations, biodiversity, energy conservation, sustainable procurement and community engagement.

We were praised for our corporate accomplishments in various areas. Noteworthy achievements included the installation of Electric Vehicle Charging Points at multiple sites, the replacement of diesel fleet cars with hybrid vehicles and an operational trial of Hydrogenated Vegetable Oil as a substitute for diesel. Our active collaboration with partners such as North Wales Police in procurement matters and our participation in All-Wales Procurement exercises aimed at achieving social and economic value was noted.

Our drive to improve our estate through facilities management improvements such as energy-efficient lighting installations, door replacements, enhanced heating controls and the exploration of air source heat pumps was received positively. Our commitment to reducing waste was evident through our reduction of waste to landfill achievements.

Community engagement initiatives such as partnerships with the National Trust and the sponsorship of events demonstrated our support for diversity and inclusion. The report also highlights the Service's dedication to working with children and young people through programmes such as Fire Cadets, safety education in schools and collaborations to prevent fires and promote well-being.

The assessor's report concluded by awarding the Service the Platinum Enhanced Status Check, recognising the organisation's exemplary efforts and dedication to sustainability and corporate social responsibility.

## **Action 7: continue to contribute to the All-Wales 'People and Organisational Development Strategy'.**

The new Chair of the People and Organisational Development Group updated the group's Terms of Reference (and Agenda). The group unanimously agreed to formally approve and sign off the redrafted version. The main contents of which sets out the purpose of the group to work on the behalf of the three Fire & Rescue Services in Wales to:

- Proactively maintain an overview of all HR, Learning & Development, Equality & Diversity, and Welsh Language activities.
- Identify opportunities for HR, Learning & Development, Equality & Diversity, and Welsh Language collaboration.
- Anticipate, address and lead on the resolution of issues that affect people issues external or internal.
- Develop an All Wales HR, POD Strategy & Action Plan.
- Create and monitor Task & Finish Groups as required.
- National Fire Chiefs Council (NFCC) Workstreams – consider information emanating from the NFCC.
- Work to develop close liaison with the Welsh Government, NFCC, and other key stakeholders.
- POD Group members to brief their own Service Leadership Team members so they are fully briefed and views shared.

In addition, there is an ongoing initiative to establish a dedicated forum that focuses on recruitment and enhancing the representation of underrepresented groups. The objective is to form a subgroup under the People and Organisational Development Group (PODG), that collectively examines specific themes and best practices; this subgroup will establish a network across the entirety of Wales, facilitating collaboration and progress in these areas.

Regarding operational matters, a review of the National Fire Chiefs Council (NFCC) paper on 'modified duties' has been conducted, and fitness standards are currently under review to ensure consistency across all three Welsh fire and rescue services. Health and fitness advisors have been invited to participate in future meetings in order to contribute their expertise. Furthermore, continuing discussions are taking place regarding guidance and promotion of the Firefighters Charity, with the aim of providing support and resources to firefighters.

A review of the NFCC paper on 'modified duties' has been undertaken, and fitness standards are also under review to ensure consistency across the three Welsh services. Health & Fitness advisors have been invited to attend future meetings, while discussions are ongoing regarding the guidance and promotion of the Firefighters Charity.

The 3 Fire and Rescue Services in Wales will individually review the NFCC Maturity Module Levels in order to conduct a gap analysis. Areas such as equality and recruitment are being considered for an all-Wales review assessing the relevance of specific topics in this context.

## **Action 8: improve ways of supporting staff to become future leaders.**

The Service has engaged in a number of workstreams relating to a direct entry scheme being developed by the NFCC. The scheme was commissioned through the NFCC Leadership project, alongside several other initiatives to support the development of leaders within the fire sector. The scheme will be a framework to support people entering the fire service at Station and Area Manager levels in undertaking operational roles. It is a nationally-developed programme that is robust, quality-assured, and credible; it will be centrally coordinated and supported at a national level, whilst being delivered at a regional and local level. The scheme will be designed to be both additional and complementary to existing progression routes so as to ensure that we continue to nurture and develop our internal staff. NWFRS, along with six other Fire and Rescue Services in the UK, is committed to supporting the project and anticipates recruitment of one Direct Entry Scheme (DES) candidate on the Station Manager pathway programme.

Two interactive events were conducted in Old Colwyn and Rhyl which focused on promoting an inclusive workplace and strong leadership within the Service. The morning session centered around Equality, Diversity, and Inclusivity (EDI), led by the Service's EDI Officer; in the afternoon, a speaker from Academi Wales delivered a 'Leadership on Ice' presentation, aiming to inspire staff to pursue their purpose with passion, practice solid values and establish enduring relationships. These events aimed to develop leadership behaviours and address areas for improvement as identified through our 'Fire Family' Staff Survey. Becoming an inclusive organisation is a continuous journey, and events such as these that develop the skills, knowledge and understanding of our future leaders ensure that we can evolve as a Service to meet the changing demands on public services.

## **Action 9: introduce a new staff structure that will help to increase the number of staff in communities.**

The new management restructure was implemented in April 2022, providing an additional staff resource in each of the areas to assist with availability, recruitment and the training of staff so as to try and improve the availability of on-call fire appliances. Additional resources are also available to improve the operational preparedness of crews through increased exercising, allowing staff to increase their familiarisation with key risks and carry out training exercises in those locations (for example Trawsfynnydd Power Station). During the year, a review of the restructure has occurred and some slight changes are planned for June 2023.

# Objective 6: To develop ways of becoming more environmentally conscious in order to minimise the impact of our activity on the environment

Well-being goals met:



In 2017, the Welsh Government set the ambition of achieving a net carbon neutral public sector by 2030. In March 2019, it published 'Prosperity for All: A Low Carbon Wales' which aims to support the public sector to baseline, monitor and report progress towards carbon neutrality.

In 2022-23, the Authority reaffirmed its commitment to improving environmental performance and considering it in all areas of its work, from fire prevention to making sure that it considers environmentally- friendly technology. The Authority also committed to renewing its environmental vision so as to become a more environmentally conscious and responsible organisation, and it will develop and produce a new Environmental Strategy during 2023- 24.

## Action 1: establish a Strategic Board with responsibility for developing an Environment Strategy for the Authority.

An Environment and Sustainability Working Group has now been established, which is chaired by the Environment and Climate Change Manager and meets on a monthly basis. This working group is developing the Environmental Strategy for the period 2023-2030, following a series of working group sessions with members of the Fire and Rescue Authority.

The Environment and Sustainability Working Group reports to the Land and Property Committee which meets every three months.

## Action 2: explore opportunities to reduce plastic packaging on goods brought in to the Service.

The new Environmental Strategy will also require the development of a Waste Reduction Strategy which will set out how we will reduce plastic packaging on purchased goods.

We have now hired a dedicated Procurement and Contract Manager who is reviewing potential ways to minimise packaging waste, and how to promote better environmental performance within our supply chain.

### **Action 3: identify ways to use water supplies as responsibly as possible.**

Within our new Environmental Strategy, there will be commitments to:

- Measuring and reporting corporate water consumption throughout our estate.
- Considering rainwater harvesting, grey water use and similar water conservation measures whenever refurbishment or rebuilding works are undertaken.
- Educating and encouraging staff and other users of our premises on water conservation and efficiency.
- Engaging with Welsh Water to make use of treated wastewater for firefighting.

### **Action 4: seek opportunities to reduce the amount of waste the Authority sends to landfill.**

The Service disposes of approximately 83 tonnes of waste every year, of which the majority is recycled. The bulk of the remainder goes to Energy from Waste plants in order to be incinerated.

Only feminine hygiene waste is routed to landfill due to handling requirements, and this makes up less than 10kg per year.

We are actively examining ways to improve the effectiveness of our recycling systems, and will begin pre-sorting recyclable waste at all our premises from April 2024.

### **Action 5: identify ways to increase biodiversity on premises.**

In December, Fire Authority members approved the 2022 Biodiversity Report and three-year Plan; this reported the actions we took in the period from 2019 to 2022 to improve biodiversity on our estate and the wider North Wales area. It included measures such as reduced mowing schedules and the provision of bird boxes, as well as the important work that the Service carries out to prevent wildfires which can be extremely harmful to plant and animal life.

Ideas to improve biodiversity are discussed at every monthly meeting of our Environment and Sustainability Working Group. The actions we take will be recorded and reported in our next Biodiversity Report and Action Plan in 2025.

### **Action 6: work with Public Services Boards across North Wales to understand climate change from a regional perspective.**

Our Deputy Chief Fire Officer and the two Assistant Chief Fire Officers are members of the three Public Service Boards covering the North Wales area.

As the Fire and Rescue Service is on the front line in dealing with the consequences of climate change, we are able to contribute a valuable perspective to these groups as well as learning about the experiences of other public agencies.

The Principal Officers who attend the Public Service Boards are in regular contact with our Environment and Climate Change Manager, and any relevant information is fed back in either direction.

## **Action 7: working with landowners to reduce incidences of wildfires and encourage notification of controlled burning.**

The burning season runs from the 1st of October up until 15th March (up to the 31st of March in Upland areas), during which period farmers and landowners across Wales can burn heather, grass, bracken and gorse. There are strict legal requirements for burning, and individuals must have a 'burn plan' in place to ensure they are burning safely.

We have seen how wildfires put lives at risk – the lives of our communities as well as those of our firefighters. These fires tie up our resources when we could be required at another emergency.

The rise in global temperatures affects the growth of vegetation and, as a result, the controlled burning period can coincide with drier-than-usual ground conditions, more vegetation and wildlife activity.

In the lead-up to this period of burning, the Service promotes the notification of controlled burning on its website and all of its social media platforms. The Service also engages with farmers, landowners, land managers and strategic partners including Natural Resources Wales (NRW) in order to help reduce the incidences of wildfire across North Wales.

In a proactive attempt to engage homeowners who have controlled burns within their gardens, staff from the Fire Safety Department visited garden centres and similar premises to promote our controlled burning advice and our notification telephone number.

## **Action 8: replacing technical rescue units to achieve greater fuel efficiency and lower engine emissions.**

The replacement of the Technical Rescue Units was put on hold whilst we consider options to support the 'Emergency Cover Review', the outcomes of which will provide the basis for the public consultation which is due in July 2023.

## **Action 9: consider the five recommendations outlined below by Audit Wales in their review of the Authority's progress towards reducing its carbon emissions.**

1. Develop an accurate carbon baseline.

This action is ongoing. We have chosen to form a baseline with data collected after the Covid 19 pandemic, as our operations were significantly affected by 'stay at home' orders. It is also important to ensure that the baseline reflects the state of our environmental performance before we did anything to improve it.

With this in mind, we will be using carbon emissions from our annual report for financial year 2021-22, combined with the emissions for home working and commuting from 2022-23 which have not been included before. We will regularly review the carbon emissions baseline and ensure that it remains accurate.

2. Develop a specific plan for carbon reduction that sets out the actions that the Authority will take to become carbon neutral and to meet Welsh Government targets.

This action has been completed. We have prepared an Environmental Strategy for the period 2023–2030, together with detailed decarbonisation plans for our fleet and buildings. Detailed plans for procurement and waste will be developed in the coming months. Finally, we will publish a strategy discussing how we plan to address the carbon emissions that we cannot reduce ourselves, such as those made by our suppliers.

3. Revise the Vehicle Replacement Programme policy and agree the Authority's strategy for replacing diesel appliances and improving the charging infrastructure across the Service area.

This action has been completed. We have prepared a Fleet Decarbonisation Plan which requires the Service to switch all diesel appliances to run on a zero-carbon alternative fuel by 2030.

4. Engage and involve staff in planning for carbon emission reduction to ensure that they take ownership of the Authority's plans for improvement and are fully contributing to the delivery of key actions.

This action is ongoing, and will never be completed. We have established an Environment and Sustainability Working Group which meets monthly and has membership drawn from many different parts of the Service.

The Environment and Climate Change Manager has been featured on multiple occasions within our internal Weekly Brief, and has undertaken regular station visits to meet crews and discuss environmental issues. A presentation and 'Q&A' session about the Environmental Strategy was delivered to all middle managers in the Service in July 2023.

5. Strengthen how progress in delivering actions to reduce carbon emissions and delivery against Welsh Government targets is progressing and resulting in improvement.

This action is ongoing.

# Objective 7: To ensure that social value and sustainability are considered, including during procurement processes

Well-being goals met:



Social value is the value that people place on the changes they experience in their lives. During 2022-23, the Authority continued developing its social value and ensured that social, economic and environmental issues were considered as part of its activities, including support for the local Young Firefighters Association (YFAs) and the Phoenix Project.

## Action 1: continue to seek out opportunities to add social value to communities.

Fire safety staff from across the Service took part in various activities with their local communities. Not only does this benefit and increase the well-being of local communities, but it allows us to engage with the most vulnerable in the communities and provides us with an opportunity to complete a Safe and Well Check at the same time.

Some examples of these community activities are as follows:

- Home Safety Support Workers helped raised money to install defibrillators in their local community of Dolgellau.
- Service staff attended a Christmas celebration at the African Community centre in Wrexham.
- Food was supplied to local food banks.

As well as other open days and community events across the region, staff took part in the Community Heros day in Wrexham and supported and collaborated with other blue light partners, the military, coastguard and a number of charities, to deliver a community event in Wrexham town centre.

The installation of post-incident Arson Reduction Boards has encouraged communities to report incidents of deliberative fire-setting. In addition, the Arson Reduction Team offered advice in relation to security of derelict buildings and their waste and site management, which can sometimes attract Anti-social behaviour.

## Action 2: develop a Social Value and Sustainable Procurement Strategy.

Whilst progress towards agreeing a Social Value and Sustainable Procurement Strategy for the Authority was delayed by the challenges presented by the pandemic, the Service recognises the importance of developing a sustainable and ethical procurement strategy. During 2022-23, the Service appointed an Environment and Climate Change Manager and a Procurement and Contracts Manager who will take the lead on this action.

There is a UK-wide procurement bill reform in progress which is currently going through Parliament; this will then have a further Welsh Government iteration to align with the Wales Social, Sustainability and Environmental goals. This will have to be taken into consideration when developing our own Strategy.

Despite limited progress, sustainability still played a key part in decisions around procurement and purchasing as evidenced in this objective and in objective six. As part of the planning process for adding more fuel-efficient vehicles to the fleet, any tendering process routinely considered the benefit of local suppliers who met Service requirements.

### **Action 3: explore options for local procurement to be delivered via national / regional collaboration both within the fire and rescue sector and across other blue light agencies.**

We continually consider potential local procurement collaborations through All-Wales collaborations or procurement routes such as Blue Light Services. Some recent examples are:

- Corporate uniform refresh tender (All Wales).
- Flash Hood procurement (All Wales).
- Inspection, Maintenance, Calibration & Repair of Workshop Tools & Equipment (All Wales).

### **Action 4: ensuring that the procurement of new operational equipment includes consideration of 'total end-of-life' disposal.**

The Service considers end-of-life disposal for operational equipment at the beginning of the procurement activity and incorporates this into business cases; indeed, any business case we have produced in the last 12 months has incorporated that consideration. Some recent examples of this include:

- Biodegradable bags for storing dirty kit entering the laundry process as part of the contaminants working group.
- Reviewing historical kit.
- Recycling electrical items.
- Procuring environmentally friendly foam which identified a cleaner way of disposal rather than incineration.

Other areas that the operational department is currently considering include day-to-day items such as general packaging, other biodegradable products (barrier tapes etc.) and the potential recycling and repair of current items, where applicable.

## **Action 5: further develop opportunities to work with 'Fire Aid' to ensure that equipment is recycled where possible.**

During May, a donated fire appliance and equipment was driven to Poland by members of the Operations Department and safely handed over to Ukrainian Firefighters as part of the NFCC fire convoy. Another significant donation of a fire engine and firefighting equipment left North Wales in October en route to Ukraine.

September saw an operational firefighter set off on a 4,000-mile journey to Africa to deliver an old fire appliance, rescue boats and Personal Protective Equipment (PPE) as part as Fire Aid's 'Operation Zephyr'. Upon delivery, time was also spent familiarising those in the area with the equipment.

## **Action 6: develop a procurement awareness training package.**

In-person training and awareness sessions have been carried out within individual departments by the Procurement and Contracts Manager.

This training will be further enhanced when the sourcing and contract management module of the financial system is developed.

## **Action 7: ensure procurement frameworks and contracts measure social value and sustainability during tendering processes.**

All new procurement frameworks and contracts require added weighting in order to measure social value and sustainability. A recent example was that the service advertised an 'Invitation to Tender' via the 'Crown Commercial Service' for Internal Auditing Services. In the scoping document, a 10% weighting was included for social values and sustainability.

Suppliers will have to demonstrate activities to support this action through the application of the Procurement and Policy Note (reference: PPN 06/20) 'Taking Account of Social Value in the award of Central Government Contracts'.

## **Action 8: promoting social value and sustainability within the Service.**

Our Environment and Sustainability Working Group has members from many different parts of the Service, so the measures that we take towards improving sustainability and social value are reported there and fed back to separate departments or working locations.

We recognise the importance of sustainability and social value, and the fact that these concepts are important beyond just legal duties. The Environment and Climate Change Manager works closely with the Principal Officers as well as operational staff to make sure that they are considered in all significant policy decisions.

# Monitoring Compliance with Welsh Language Standards

## Background

The Welsh Language (Wales) Measure 2011 replaced the Welsh Language Act 1993 and as part of this legislation, North Wales Fire Authority is required to comply with a set of Welsh Language Standards which ensure the Welsh language is not treated any less favourably than the English language.

The Welsh Language Commissioner issued fire and rescue authorities with their compliance duties on 30 September 2016. This document lists which of the Standards, as listed in full in the Welsh Language Standards Regulations (No.5) 2016, the Authority must comply with, along with any exemptions and their implementation dates.

The Authority is required to publish its Welsh Language Standards annual report for 2022/23 by September 2023 and to publicise it appropriately.

The Authority is committed to ensuring that, in conducting public business in Wales, the English and Welsh languages should be treated on the basis of equality in order to recognise and value the rich diversity of communities, against a backdrop of significant natural and cultural heritage.

The Authority also acknowledges its duty towards its staff, most of whom are residents of North Wales, and who themselves reflect the linguistic and cultural make-up of their own communities.

By acknowledging its moral and legal duties to protect the cultural heritage of the area and meet the expectations of the local community, the Authority continues to work towards ensuring that it conducts its public business in both languages.

The Authority's Implementation Plan is available to view using the link below;  
[The Welsh Language Standards](#)

During 2022-23, the Authority continued to comply with the set of Welsh Language Standards issued in the [Compliance Notice of 30 September 2016](#).

It also continues to work collaboratively with external language groups via the Welsh Language Officer, in addition to establishing an internal Welsh Language Governance Group that serves the purpose of;

- Co-ordinating between departments on Welsh Language issues
- Scrutinising and offering guidance to improve any aspect of the bilingual provision of the Service
- Collaborating on how to resolve any challenges or complaints
- Ensuring that the Welsh language is being treated as favourably as the English language within the Service

During 2022-23, the Service was successful in a tender process to secure a translation contract with an external company, in order to help fulfil all obligations set by the Welsh Language Standards.

The Authority also continues to collaborate with colleagues at the two other Welsh fire and rescue services, North Wales Police, and the National Fire Chiefs Council (NFCC) in order to share information on best practice.

## Compliance with the Welsh Language Standards

### Service delivery standards

The Compliance Notice which lists these standards can be seen on the North Wales Fire and Rescue Service website. Arrangements have been made to meet the Service Delivery Standards that have come into force including the following:

#### Standards 8-17

All staff have been made aware of the requirement to consider the importance of language choice when dealing with telephone calls to and from members of the public, in addition to resources being shared internally on how to promote the use of Welsh at work.

**Tanwen**

# GALL BAWB DDEFNYDDIO'R GYMRAEG YN Y GWEITHLE

**SIARADWR CYMRAEG**

- Gad i bawb wybod dy fod yn gallu siarad Cymraeg drwy wisgo bathodyn 'Cymraeg' neu 'Dwi'n Siarad Cymraeg'
- Sefydlu arferiad o siarad Cymraeg gydag eraill i greu awyrgyich Gymreig yn y gweithle
- Pan fydd gweithgareddau i hybu Cymraeg, rhannu'r wybodaeth efo eraill
- Bydda'n fentor positif i ddysgwyr sy'n llai hyderus wrth eu hatgoffa bod eu Cymraeg yn grêt!

**Gwell Cymraeg Slac Na Saesneg Slac**

**DYSGWYR CYMRAEG**

- Gad i bawb wybod dy fod yn dysgu Cymraeg drwy wisgo bathodyn 'Dysgwr Cymraeg'
- Defnyddia dy Gymraeg wrth siarad ag eraill ag eglura dy fod eisiau ymarfer Cymraeg gyda nhw
- Holl eraill yn y gwaith, yr Hyrwyddwr Cymraeg, neu'r Swyddog Iaith am unrhyw syniadau ar sut i ymarfer siarad Cymraeg
- Cofia ei fod yn iawn i ddefnyddio ambell i air Saesneg wrth ymarfer, fydd hynny'n dy sbarduno i ddysgu'r gair Cymraeg erbyn tro nesaf

**PAWB**

- Defnyddio llofnod e-bost dwyieithog a chyfarch gyda 'Bore Da' neu 'Su' Mae'
- Gosod neges 'Allan o'r Swyddfa' yn ddwyieithog
- Ateb y ffon yn Gymraeg ac yna'n Saesneg fel eich bod yn cynnig dewis iaith
- Sicrhau bod eich lefel iaith wedi ei gofnodi a'i fod yn gyfredol gyda'r Adran Adnoddau Dynol - os na cawsoch asesiad iaith rhochch wybod i'r Adran Hyfforddiant

**Cymraeg yn gyntaf**

**RHEOLWYR**

- Rhannu gwybodaeth fewnol e.e. Bwletin 'Mercher' Marfer, Y Golofn Gymraeg yn y Fflam, unrhyw ddigwyddiadau gyda staff
- Anfon negeseuon allweddol allan yn ddwyieithog
- Sicrhau bod staff wedi cwblhau'r modiwl Ymwybyddiaeth Iaith ac wedi cael asesiad iaith (os oes angen)
- Gosod esiampl drwy ddefnyddio'ch Cymraeg chi hefyd a normaleiddio defnydd anffurfiol o'r Gymraeg yn y gweithle

**ATAL AMDDIFFYD YMATEB**  
**PREVENTING PROTECTING RESPONDING**

[www.tangogleddcymru.llyw.cymru](http://www.tangogleddcymru.llyw.cymru)  
[www.northwalesfire.gov.wales](http://www.northwalesfire.gov.wales)



# EVERYBODY CAN USE WELSH IN THE WORKPLACE



## WELSH SPEAKERS

- Let everybody know you can speak Welsh with a 'Cymraeg' or 'Dwi'n Siarad Cymraeg' badge
- Establish Welsh speaking habits with others to create a natural Welsh environment at work
- Share news of any events that are happening to promote the Welsh Language
- Be a positive mentor to any others that are trying to learn Welsh and remind them that their Welsh is great!

Some is better than none



## WELSH LEARNERS

- Let everybody know that you're learning Welsh by wearing a 'Dysgwr Cymraeg' badge
- Use your Welsh when speaking to others and explain that you would like to practise speaking Welsh with them
- Ask others in the workplace, the Language Champion, or the Language Officer about any new ways to practise your Welsh
- Remember it's ok to use an English word in your sentence when learning, you will be inspired to learn that word for the next time you need it.

## EVERYBODY

- Use a bilingual E-mail signature and greet people with a 'Bore Da' or 'Su' Mae'
- Use bilingual 'Out of Office' Messages
- Answer the phone in Welsh and then English to ensure you are giving people a choice of language
- Ensure that your language level is recorded and up to date with HR. If you haven't received a language assessment, please make the Training Department aware of this

Say it in Welsh



## MANAGERS

- Share internal information with other members of staff i.e. 'Mercher' Marfer, Y Golofn Gymraeg in Y Fflam, and any other relevant information
- Send out key messages to staff bilingually
- Ensure staff have completed the Language Awareness module and completed a Language Assessment (if needed)
- Set an example by using your own Welsh language skills and normalise the use of everyday Welsh in the Workplace

ATAL AMDDIFFYD YMATEB  
PREVENTING PROTECTING RESPONDING

www.tangogleddcymru.llyw.cymru  
www.northwalesfire.gov.wales

The Authority recognises the value and benefit of offering language choice and as such has continued to operate a fully bilingual Control Room/Joint Communications Centre, despite there being no statutory requirement to answer 999 calls bilingually. In addition to recognising its moral and ethical duty to deal with 999 calls swiftly and effectively in the caller's language of choice, the Authority's decision to go above and beyond the requirements of the Standards also acknowledges the benefits in terms of safety in emergency situations when some callers are able to communicate more effectively in Welsh as their first language.

Job vacancies in the Control Room are advertised with a Level 4<sup>1</sup> Welsh language skills requirement to ensure an active language choice is offered to any caller wishing to speak Welsh. This year, a [promotional video](#) highlighting the Welsh language skills of our Control room staff was produced to help support recruitment efforts.

Welsh language ability of Level 4 or above is required in order to be able to offer a proactive language choice to any Service users that contact us through the Control Room.

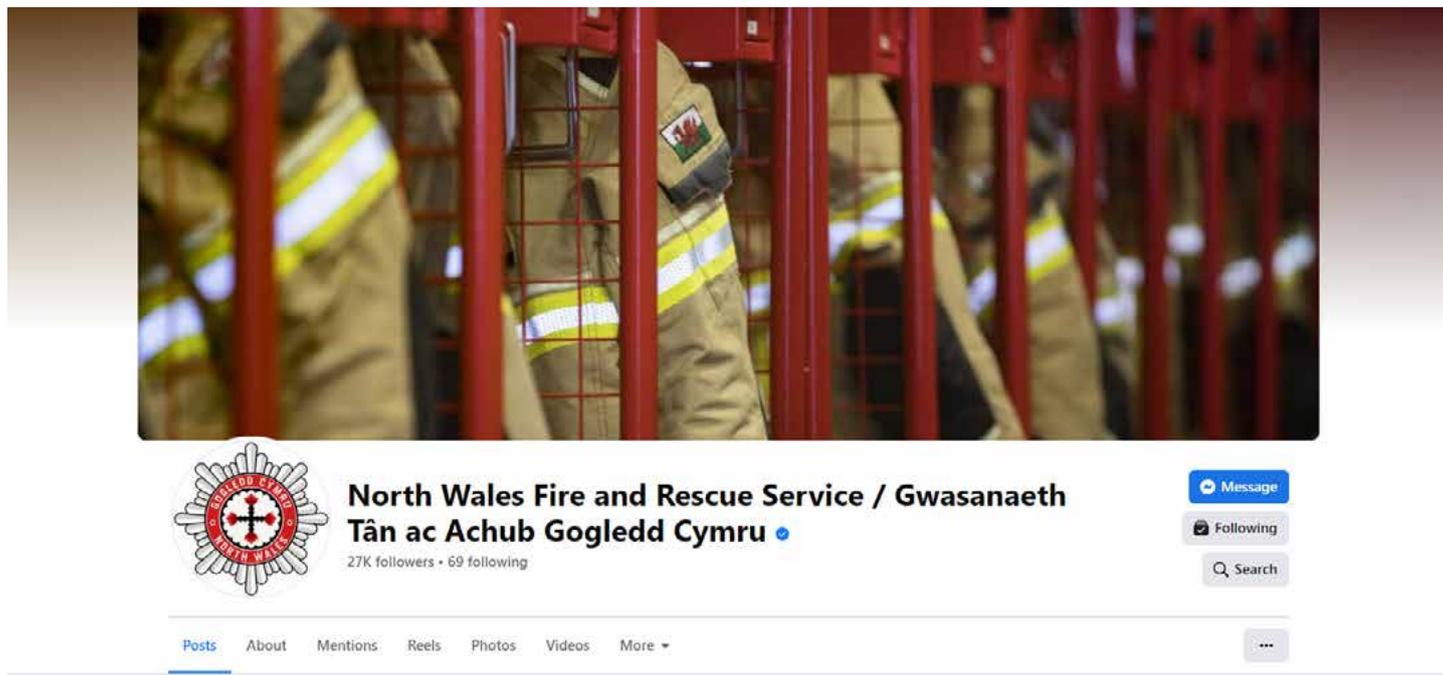
Data is collected on how many service users contact us in Welsh, for monitoring and evaluation purposes. As of 31st March 2023, 373 (2.82%) of calls were handled in Welsh. This is a slight increase in the number of calls handled in Welsh compared to the previous year, however the percentage of the total number of calls remains the same.

<sup>1</sup> The Service standard for Level 4 Welsh skills are as follows: Holding informal conversations in Welsh with fluency, reading and writing fluently with the aid of grammar and spelling software for accuracy.

Training is provided to ensure that staff are able and willing to deal with calls in Welsh. Control operators use a bilingual standard greeting when answering the call, which facilitates people's choice to continue the call in Welsh if they wish. This is regularly promoted on the Service social media and in attended public events in to raise external awareness. The initial contact with the 999-emergency switchboard is monolingual English therefore awareness campaigns seek to counteract and have included videos of our Control staff promoting their work in Welsh - and we continue to explore further campaigns to highlight our bilingual Control operators.

### **Standards 32, 36, 58-60**

All publicly available materials and platforms are displayed bilingually including the Service website and corporate social media accounts. Any posters, leaflets, videos or other promotional material are also bilingual. With the exception of operational signs, all signs are bilingual.



### **Standards 62-64**

Service policy notes that staff with front facing positions must be fluent in the Welsh language (Level 4 and above). There are 34 front facing posts, and 92 members of staff filling these posts. Monitoring these posts helps us identify any potential skills gaps. It has been identified that 6 of these 92 members of staff do not meet the required Welsh language level for their post, and have been employed by the Service after the Welsh language level requirements were set. Recruitment challenges saw a lack of applications from candidates with the required Welsh language skills. These staff are supported on Welsh language matters where the need arises and are also being supported to improve and develop their Welsh language skills. The posts also remain at fluency level for future recruiting.

### **Standards 73-77**

All tender advertisements are bilingual. In relation to the Welsh Language Act, if a supplier prefers to correspond in Welsh this can be arranged; any tender or related documents submitted in Welsh will not be treated less favourably than those submitted in English.

We would issue a tender in Welsh if the need arises e.g. Welsh Language Training. Both languages are treated equally (it is noted that not many tenders are submitted to us in Welsh but sometimes parts are in Welsh). Use of external Welsh language translation services helps compliance with Standard 76.

## Operational Standards

The Compliance Notice which lists these standards can be seen on the Service website. Arrangements have been made to meet the Operational Standards that have come into force including the following:

### Standards 96-101

Staff have a right, that is regularly promoted and communicated internally, to receive any relevant correspondence in Welsh or bilingually. Relevant forms are available bilingually relating to their employment. Staff can view these on our staff information site.

A record is kept of a staff member's preferred language to receive correspondence in their preferred language.

### Standards 102 -108

New and revised policies are published internally in both Welsh and English and each policy is required to have an associated integrated impact assessment to ascertain its impact on the Welsh language and to identify and promote ways of creating a positive impact and avoiding negative impact.

### Standards 125 – 132

In terms of developing Welsh language skills, as mentioned, we offer Level 1, 2 and 3 training courses using internal Welsh language learning materials. Staff can receive support from a Welsh Language Officer or Welsh Language Champion. Conversation sessions are offered, and 1-to-1 sessions to promote and support staff to develop their Welsh language skills. Due to the nature of the Service and its operational staff, in 2023 Welsh language learning groups are now established on fire stations in order to allow operational staff an opportunity to develop their Welsh skills.

Welsh language learning courses are offered to all staff through the Learn Welsh service and through Coleg Cambria. Language Awareness training is offered in two ways; first face-to-face, usually for operational staff joining in groups. Secondly, an online module is provided through LearnPro on Language Awareness.



The requirement to include the Welsh language on e-mail signatures and out of the office messages is promoted internally. Examples are available on our information site along with relevant logos. In terms of training, essential and desirable modules are available bilingually on our LearnPro online training system.

## Standard 143

Complaints are monitored and dealt with by the Human Resources (HR) Department and Business Support Unit. Complaints and letters of appreciation are reported annually to the Fire Authority. No complaints were received in 2022–23 in relation to the Welsh language. North Wales Fire and Rescue Service has published a complaints procedure on its website and also has an internal policy for staff on how to raise a concern or complaint.

## Standard 147

As of 31 March 2023, 84% of staff were able to demonstrate that they had Welsh language skills (Level 1 and above), 37% of whom were classed as fluent speakers (Level 4 and 5). This has increased slightly from 36% in the previous year despite a number of fluent Welsh speaking staff retiring. 96% of staff had either a formal or self-assessment recorded for their Welsh skills. Staff that have been employed for less than their probationary period may not yet have been assessed.

## Standards 150, 151

In the past, the language ability level of new candidates joining the Service was assessed at the interview shortlisting stage, but more recently owing to the throughput of candidates and the availability of resources to conduct assessments, successful candidates who are offered posts are assessed to confirm their Welsh language level and establish how much support they will require to reach the required level during their probationary period. The aim is for this to happen in the first few weeks of their employment if they have not had an assessment during the recruitment process.

Self-learning resources are available in addition to further training courses in the event that staff are finding difficulty progressing their skills.

This method has successfully seen those staff joining with little or no Welsh ability being able to reach Level 2 and 3, and a select few reaching gaining Welsh fluency (Level 4 or 5).

## Recent appointments and promotions

Following a whole-time firefighter recruitment period in Autumn 2022, 24 new firefighters were appointed. Out of these, 14 did not meet (some have not been assessed for confirmation) the required level on appointment and have a two-year time period as part of their development plan to achieve the required level of Welsh skills.

During the Area Manager, Group Manager, Station Manager, Watch Manager and Crew Manager promotions boards, 26 appointments were made across these levels and three of these did not meet the required level of Welsh skills on appointment. This will be achieved in a set time frame as condition of their contract.

There were also five new members of staff appointed to the Control Room and all were at the required standard of Welsh fluency (level 4) for the front facing role.

In addition, 37 staff were appointed to green book support staff roles and 30 of these new staff appointed met the Welsh level required for the role upon appointment.



# Monitoring, promoting and developing the Welsh language within the service

Monitoring and promoting the Welsh language among staff is delivered internally in a variety of different ways including. The services available in Welsh for the public are also promoted and highlighted through external campaigns.

The HR monitoring system, iTrent, is used to keep track of Welsh language ability of staff, including their level of ability (on a scale of 0-5 with 4 being fluent) and monitoring Welsh Language assessments (either formal or self-assessment). Staff are encouraged to show that they speak Welsh by wearing an appropriate pin badge. This helps members of staff to know with whom they may speak Welsh.

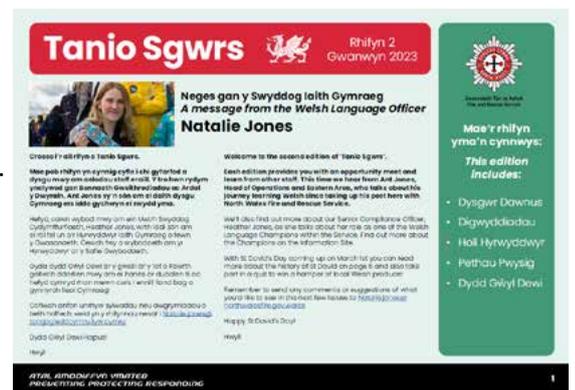


- The Welsh Language Champions scheme offers a financial allowance for staff members that commit to promoting the Welsh language within their departments or fire stations. Welsh Language Champions are spread across the Service areas and departments and facilitate the promotion of using Welsh at work, support staff with Welsh language assessments, and promote Welsh language activities with other staff. The Welsh Language Champions are rewarded for their efforts and submit a quarterly task form noting their achievements in order to receive an allowance. There were 4 new Welsh Language Champions added to the list in the past year.



- The internal 'Welsh Wednesday' monthly bulletin shares information about the Welsh language to staff, including about learning Welsh and using Welsh more on a day to day basis. Also included within is a section informing staff of key Welsh language standards and ways they can ensure compliance e.g. bilingual e-mail signatures and out of office messages.

- From Winter 2022 onwards, a new internal Welsh newsletter 'Tanio Sgwr's was launched which is published on a quarterly basis. The aim of this newsletter is to encourage staff to read Welsh with the assistance of a guide or glossary of terminology. 'Tanio Sgwr's features articles by staff, particularly the Welsh language champions and Welsh learners from around the Service. It also presents a means of sharing share news and events about local Welsh initiatives and celebrations in an attempt to highlight where speakers can use their Welsh language skills more often.



- During December 2022, the Service took part in a national social media campaign to promote Welsh Language Rights Day and promote its commitment to ensuring that staff are aware of their rights in regards to the Welsh language. Staff took part in this by appearing in new promotional posters showing the public what services can be accessed in Welsh. In addition, regular social media posts are scheduled to raise awareness about our bilingual services. For promotion internally, a staff video was produced to serve as a clear guide as to what the Welsh language standards mean for people who work for the Service.



- The Welsh Language Officer took part in a bilingual promotional video to encourage Welsh speakers to apply for a post that required fluency in Welsh. In a video explaining more about the role of a Compliance Officer, as a role that requires Welsh fluency, the Welsh Language Officer added that the importance of strong Welsh skills is imperative to the role as they deal with the public and local business owners that have the right to use Welsh when dealing with the Service.

- A Weekly Welsh drop-in session is available on Microsoft Teams each Friday at 12pm for staff who wish to have a chance to use Welsh with another staff member or for any help or advice to do with Welsh language development. The Welsh Language Officer also offers 1-2-1 Welsh speaking sessions with all members of staff to help build confidence and prepare staff to use their Welsh with others within the Service. In 2023, this has been extended to include group sessions with operational staff at their stations. A watch can request a Welsh development group to be arranged for them whilst on duty.



- Attendance at Welsh community events such as the National Eisteddfod in Llŷn and Eifionydd, 2023, allows our staff to experience Welsh cultural events and also helps to engage with Welsh speaking communities. It also serves as an opportunity to work on the Service Eisteddfod stall and make use of their Welsh language skills with members of the public, especially as it was held in a traditional Welsh language heartland this year.



- Engagement with staff during Welsh national events. This year (2023) on St. David's Day, a Welsh themed competition, advertised in the new 'Tanio Sgwrs' newsletter, was held for staff with an opportunity to win local Welsh produce. This encouraged engagement from across the Service and acted as an incentive for staff to read and share the newsletter. Members of staff also attended St. David's events such as the parade in Wrexham.

- A Welsh 'Paned a Sgwrs' (cuppa & chat) session was also held by the Service's Welsh Language Champions in order to allow Welsh speakers and learners from across the Service to establish Welsh connections with other staff.



- There is also a 'Contribution to the Welsh Language' award in the Service's annual Community Awards Ceremony where a member of staff that has shown dedication to the Welsh language can be rewarded. This year the award was given to Brian Holmes, Partnership and Communities Manager – West Area, to recognise his committed efforts to learning Welsh since joining the Service.
- The number of Home Safe and Well Checks (SAWCs) conducted through the medium of Welsh has risen this year to 1,802. There was however a decrease in the percentage of Welsh checks as a proportion of all checks to 10.1%. In comparison with previous years, it is noted that take up of the offer of a SAWC in Welsh is gradually decreasing yearly. Following an historic campaign promoted by the Welsh Language Board, the predecessor of the Welsh Language Commissioner, in 2011, the percentage of checks carried out in Welsh reached a high of 20% in 2012. To help improve on the number of checks conducted in Welsh, more targeted efforts are being introduced to promote the availability of Welsh SAWCs, paying particular attention to highlighting language choice with the agencies that make SAWC referrals to the fire and rescue service.

## Welsh Language Development

The Training and Development Department maintains a record of all the Welsh courses attended and assessments undertaken by employees, and records the results on its internal recording system.

Following a Welsh language assessment, the ability of staff is subsequently recorded onto the iTrent system, where internal staff information is stored such as leave requests and timesheets.

The Training and Development Department also facilitates internal Welsh courses provided by Coleg Cambria, and members of staff are encouraged to request courses during their annual appraisal.

The use of Welsh is also encouraged amongst staff on social media, especially on individual fire station social media accounts. Key phrases and a social media toolkit are available to highlight the importance of including Welsh in posts or tweets on these accounts.

The Authority will continue to concentrate its efforts on encouraging more applications from Welsh speakers as well as encouraging people to be confident when noting their linguistic skills.

The Authority will also continue to look at new ways of engaging with its communities to highlight the Welsh language services on offer and emphasise that Welsh is a valued skill in its workplace. Over the past 12 months, the Welsh Language Officer has visited schools across North Wales, taking part in career events to promote the Welsh language with secondary school students. These sessions were arranged by Careers Wales and the individual schools that expressed interest for their year 9 and 10 students to gain insight

into how they would use their Welsh language skills outside of the classroom and in their future careers. These events are invaluable in promoting and reinforcing the value of Welsh as a workplace skill and take place in addition to usual programmed school visits to highlight fire safety messages.

## **Opportunities**

Data from the 2021 Census tells us that 34% of the population in North Wales are Welsh speakers, and 37% have some skills in Welsh; this can be the ability to understand but not speak Welsh, read but not speak Welsh and more. With 37% of our Fire and Rescue Service staff being fluent Welsh speakers, the bilingual capacity of the Service's workforce surpasses the bilingual landscape of North Wales and ensures that a competent bilingual service is provided to all.

The following priorities and opportunities have been identified:

- Continuing with the provision, as capacity allows, of Welsh development groups for operational staff at fire stations. Normalising and facilitating the informal use of Welsh will enable Welsh speaking staff to use Welsh more often.
- Identifying staff that have no Welsh language skills recorded and liaising with them, offering support and encouraging them to ensure any gaps are filled in the data we hold.
- Working to help raise the Welsh skill level of staff that have a recorded level less than level 2 by offering support with development and assessments, utilising the Welsh Language Champions to facilitate this.
- Helping staff to adopt more informal Welsh language use with their colleagues in order to ensure they are confident and able Welsh speakers.
- Liaising with external agencies to ensure they are considering language choice when making referrals for home safe and well checks - more campaigning and awareness raising of the bilingual service is required to increase the level of checks undertaken in Welsh.

# Progress Against Strategic Equality Objectives 2022–2023

## What the Act requires the Authority to do

The Equality Act (2010) requires the Authority to write an equality plan every four years. The Authority's Strategic Equality Plan 2020–2024 identifies five priorities. These priorities are broken down into six equality objectives that the Authority wants to help bring about to make Wales a fairer place to live. The aim of the Equality Act is to ensure that everyone has the right to:

- Promote the equality of opportunity.
- Foster good relations.
- Eliminate discrimination.

The categories for the objectives are based on the area headings in the Equality and Human Rights Commission's "How Fair is Wales" document. These headings also align with the North Wales Public Sector Equality Network Strategic Equality Plan; this enables joint objectives to be included in individual public sector organisations' strategic equality plans.

Having identified these objectives, the Authority has a duty to take all reasonable steps to pursue them and to report publicly after the end of each financial year on the progress it has made. The Equality Act lists a number of characteristics which must be taken into consideration when determining the actions to be undertaken. These are the 'protected characteristics' which include age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and/or belief, sex (Gender) and sexual orientation. Socioeconomic status is also protected in Wales.

A number of processes and practices have been used to develop the Authority's strategic equality objectives:

- Equality Impact Assessments.
- Combined improvement and risk reduction planning objectives.
- Business plans from Heads of Departments.
- Existing strategies and plans, and
- Outcome of EDI related campaigns and engagement activities.

Legislation allows for the objectives to be changed at any time, therefore ongoing evaluation is undertaken to ensure objectives remain current. The Authority continuously examines the most effective methods of communication via engagement with all relevant stakeholders. The Authority is required to publish this assessment of its own performance for 2022–23.

## Priority 1 – Life and Health

### Equality Objective 1

Reduce dwelling fires and associated casualties through a comprehensive prevention strategy that specifically targets people living in North Wales who can be shown to be at greater risk because they may share one or more particular characteristic.

## Working to achieve this objective, the Authority has:

- NWFRS continues to deliver against its targets. Partnership Managers continue to engage with the most at-risk people in our communities and for the first time ever as an authority we are able to report that we did not attend a fatal for a full financial year, with our last fire death being in April 2022.
- NWFRS continues to increase the number of partnerships with community groups, places of worship and charities in the past year. These partnerships have led to our staff connecting with more people from diverse backgrounds and more people have received key safety information, especially those from 'at risk' groups who we can later engage and support.
- Using data, community profiling and referral methodology, our service has been able to use protected characteristics to identify groups of people that are at an increased risk of fire in the home. This approach has helped us target some equality interest groups and adapt the ways we communicate with them as a means of keeping them safe. For example, we are working closely with the Jewish community to promote key safety messages ahead of the holiday season which sees hundreds of Jews visit and spend time in North Wales. We have engaged with the Muslim community in the North East Wales area to promote fire safety around observances.
- NWFRS ongoing collaboration agreement with Care and Repair continues to deliver direct access to the most 'at risk' people in the community. NWFRS has almost returned to pre-Covid activity levels.



## Priority 2 – Employment

### Equality Objective 2

Through our own employment practices, programmes and schemes, we aim to increase the employment prospects of people who might otherwise find it difficult to gain equal access to the world of work. We will prioritise action to advance gender equality in North Wales.

## Working to achieve this objective, the Authority has:

- Recruitment Information Packs have been created and are bespoke for each vacancy. They include information on the Welsh language requirements, the daily duties of the role, and the person to contact for further information. The aim of these booklets is to provide all the information an applicant would require in one place, as well as highlight a point of contact.
- A North Wales Fire Careers page has been created on Facebook to advertise upcoming and current vacancies across the Service, with all posts created bilingually in compliance with Service Guidelines and Welsh Language Standards. The page went live in early February 2023 and within a month of the page going live it has gained 173 followers. A post highlighting what a typical day in Control room looked like was

posted in order to gain interest in the Firefighter Control vacancies and reached 17,989 people with 1,521 people engaging with it. Once the vacancies went live, the post advertising the vacancy reached 24,452 people, and 2,093 people engaged with the post, resulting in 20 applications for the vacancy (compared to 8 received during the previous campaign). The aim of the page is to raise the profile of Green Book roles and encourage more application whilst also supporting recruitment of grey book roles as and when required.



- HR staff have utilised their own social media channels such as Facebook, Twitter and LinkedIn to promote any upcoming Green Book vacancies to gather interest ahead of the vacancies going live. This approach has helped promote career opportunities through other HR and recruitment contacts.
- Attendance at recruitment events has resumed as many in person recruitment events and job fairs have restarted across the region. Applications have been at a reduced level since the Coronavirus pandemic and attending these events has allowed the Service to engage with job seekers in our local communities and promote the great opportunities on offer. It also gives the HR team the opportunity to discuss with potential applicants any barriers they may be experiencing so these can be reviewed and addressed where possible. For example, the HR team have attended Welsh speaking jobs fair in Bangor to promote vacancies within Fire Safety and Control room, where Welsh language is an essential requirement of the role. Following the service re-structure, the service has appointed dedicated Recruitment and Availability Managers in each of the three areas.
- HR have also worked with the Corporate Communications department to produce short social media videos to promote roles and vacancies within the Service, particularly aimed at improving engagement with Welsh speakers and explaining why Welsh language is needed for some roles and removing barriers to applicants where Welsh is not essential as a day one skill.
- NWFRS have supported the Chair of our Firepride to attend regional LGBTQ+ networking events. This engagement has connected us with local people and this is useful for when the Service want to promote key safety messages and recruitment. Our Firepride network have been actively supporting recruitment events at local leisure centres and pride events.



## Priority 3 – Education

### Equality Objective 3

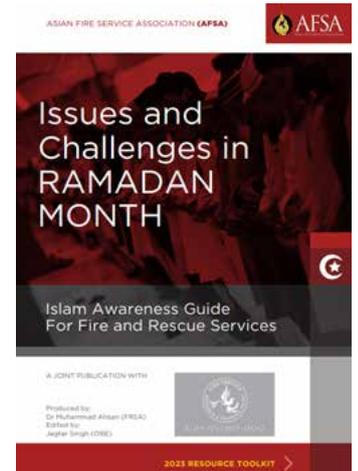
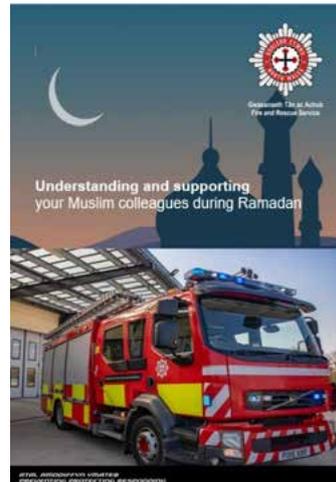
We will progress an inclusive culture where leaders and staff demonstrate their commitment to promoting equality and support for a fair and inclusive workforce.

#### Working to achieve this objective, the Authority has:

- Recruited two Corporate Policy Development Managers who have been working through a policy review which involves re-formatting existing HR policies and procedures. HR specialists are continuing to review the content of our policies, including those relating to discipline, attendance management, grievance, recruitment as well as others. The Integrated Impact Assessment (IIA) is also reviewed once the policy review is in its final stage.
- Two documents have been produced to support line managers with the steps required when conduct matters arise in the workplace:
  - ◆ **Conduct Flowchart:** The flow chart is guidance for managers and details the steps that should be undertaken when dealing with conduct matters (from the initial notification of a conduct issue to the completion of an investigation report).
  - ◆ **Initial Fact-Finding Form:** The initial 'fact-finding' form was devised as a preliminary step in determining whether a disciplinary investigation is warranted and is used to obtain objective information to aid in determining whether the event merits a more detailed investigation and whether suspension is necessary.
- An anti-sexual harassment policy has been drafted in order to set out the behaviours and expectations of employees and volunteers. The policy also provides guidance to managers on how to deal with complaints of sexual harassment.
- A confidential 'speak up' service is being procured to provide an anonymous means, through an external provider, for employees to report any serious concerns they have regarding inappropriate or discriminatory behaviour or misconduct.
- A guide for employees has been formulated to help translate the Core Values and expectations of the Service into the way that employees should act. The document details the Service's aspirations in terms of the Core Values and signposts employees to policies that can provide further information when issues arise.
- NWFRS take the safety of our staff and communities very seriously, which is why we require all staff to undertake a DBS or Vetting check prior to employment, and request that staff disclose any criminal convictions during the recruitment process and throughout their career with the Service. This initial work means that from 1st May 2023, the Service will be reviewing staff DBS and Vetting status every three years. The Service will be implementing an amnesty in April 2023 and during this time, any staff member who has not previously disclosed involvement with the Police will have the opportunity to do so without being subject to disciplinary action for breach of contract due to non-disclosure. Any disclosed convictions will be considered on a case by case basis in line with our core values and disciplinary handbook.
- NWFRS have established three new staff networks to focus on religion, ethnicity and cultural heritage; neurodiversity; and parents and carers. These new networks

complement the existing 'Women in the Fire Service' and 'Firepride' networks which enable staff to meet regularly to raise concerns and share ideas to how the service can improve. Some of the staff networks have a senior sponsor and this has reinforced the relationship between senior leaders and staff members.

- NWFRS produced new guidance in March 2023 relating to supporting Muslim colleagues during Ramadan. Similar EDI guidance documents will be developed throughout 2023-24 to create a suite of resources that help raise awareness and enable our people to create a more supportive and inclusive workplace culture. The promotion of guidance documents from external sources also aids cultural awareness and staff development.



- The Equality, Diversity and Inclusion (EDI) Officer delivered a half day session at the supervisory and middle managers combined EDI and leadership Conference in March 2023. This session focused on inclusive practices, workplace culture and leadership theory.



- NWFRS have continued to provide specific EDI training for staff relating to LGBTQ+ inclusion, unconscious bias, neurodiversity and gender equality. This training has helped raise awareness and introduced new concepts to staff. For example, during March 2023, the Service promoted 'Neurodiversity Celebration Week 2023' and this campaign featured multiple informal learning materials include video links, guidance documents and case studies.

- Initial dyslexia screening was introduced to staff in September 2022. Screening has enabled staff to develop self-awareness and the service have considered and implemented some basic reasonable adjustments. A more detailed screening tool has been explored in recent months to ensure the service considers the different ways that staff learn, process and receive information. In line with the Equality Act 2010, this process proactively helps NWFRS identify reasonable adjustments which enable staff to perform to the best of their ability.

- Further work has been completed to ensure the service reduces the gender pay gap. With this gap closing as a result of more women being recruited into the service, including into operational roles, with many of them being successful in recent promotional processes. Gender gap data for 2022-23 has been submitted to the government and the relevant narrative has been included in an annual report which has been published on our website as per the legislative reporting requirements.

- The EDI Officer has attended various forums including the 'AGE in the Workplace' Network during 2022-23 which has been organised by the Business in the Community and Age Cymru. This network has enabled our service to share and identify best practice, policy and processes in terms of creating an inclusive workplace for older people.



- In the past year, NWFRS have become members of the Asian Fire Service Association. Our staff attend their executive committee meetings which enables us to identify best practice. Our staff also benefit hugely from attending the annual AFSA conferences which enable networking and learning around race equality and other interconnecting equality related themes.
- NWFRS have also continued our membership with the Women in the Fire Service and staff attended their annual development weekend in June 2022.
- NWFRS have been actively attending the all-Wales EDI Meetings alongside our counterparts from Mid and West Wales and South Wales Fire and Rescue Services. The first meeting was held in Newtown on Thursday 9th February 2023. This forum enables each Service to provide updates on key priorities, share resources and collaborate together. Meetings will take place on a quarterly basis.
- The Deputy Chief Fire Officer, Stewart Forshaw and the quality, Diversity and Inclusion Officer, Benji Evans attended the NFCC Culture Conference in March 2023. Various speakers highlighted concerns relating to workplace culture in the fire and rescue sector. The London Fire Brigade Culture Review and subsequent culture reports from NFCC and HMICFRS have outlined key actions and recommendations for the FRS sector to consider. As a service, we have used the recommendations to inform our future planning.
- The Employment Monitoring Report will be published in the Autumn of 2023. This includes all employment data identified by the Welsh Specific Equality Duty 2011 ensuring this is reported by contract type, permanent and fixed-term contracts, full-time, part-time and other flexible working arrangements. This information enables the authority to monitor the diversity of its workforce and plan positive action activity accordingly.



## Equality Objective 4

Through a comprehensive programme of tailored education and advice provided singly and in collaboration, to empower people living, working and visiting North Wales to continue to reduce their own level of risk from fire and other hazards throughout the different stages in their lives.

### Working to achieve this objective, the Authority has:

- The number of schools engaged in the 2022-23 financial year are 74 primary schools and 45 secondary schools. This has resulted in 7,324 primary school children and 8,590 secondary school children receiving key safety information.
- In addition to this the NWFRS educationalists have delivered to 20 young farmers, 20 pony club members, 340 young people in seven station visits, 25 students from the Girls' Brigade and 30 home schooled children in one visit.

- The Educationalists have provided two fire setters intervention and 10 sessions of Olivia's Story to 750 students. This means that the Educationalists have provided key safety information to 18,001 children and young people in 139 engagements.



- Additional impacts of this engagement mean that young people are developing their own resilience to ensure they are safer in their home, on the road and in their communities.

- NWFRS in collaboration with road safety partners and the other Welsh Fire and Rescue Services deliver a road safety intervention called Olivia's Story is aimed at reducing those killed and seriously injured on the road, and in particular, young drivers. North Wales Police deliver Oliver's Story to all secondary schools and NWFRS deliver to further education establishments such as colleges, and to apprentices in workplaces, such as Airbus. In the past year, over 5,107 young people and young drivers have received this intervention.



- In the previous year, our service has adopted some resources developed by Dangerpoint Education Activity Centre and the CSSEF charity. These resources have widened access for school age children who are deaf and hard of hearing to access key safety information. The service will also continue to develop a range of resources that we access via the StayWise Cymru education platform.
- A comprehensive mapping exercise has been conducted to identify equality interest groups across North Wales. This intelligence has enabled our service to target certain groups by adopting appropriate communication and engagement methodology. This piece of work has led to us working in partnership with local community groups and charities which has led to our Service being able to promote our key safety messages. For example, our work with North Wales Women's Centre has enabled us to connect with many women who are often the primary care giver. People who live alone are at an increased risk of fire in the home, so working with women's groups helps us connect with a group of people that happen to make up 90% of single parents in the area.

## Priority 4 – Personal Safety

### Equality Objective 5

Reduce the risk of death or injury from fires in North Wales by the provision of effective prevention and protection services and emergency fire and rescue response.

#### Working to achieve this objective, the Authority has:

- Continued to deliver training in Welsh language to staff, with a view to continue with a training plan for new starters and refresher training for existing members of staff. Welsh speakers in the workforce enable our staff to communicate key safety messages, attend community events, receive emergency calls and to effectively respond to emergencies.

- All staff access and complete Mandatory Equality, Diversity and Inclusion (EDI) e-learning to introduce (and refresh) basic knowledge. In addition, all staff complete bespoke EDI training has been developed for each department to provide best practice when engaging with external stakeholders. This training was delivered to Home Safety Support Workers in the East area in February 2023 along with staff from our arson reduction team. This training covers all types of discrimination, harassment and abuse with specific case studies relating to safety in the home which consider intersectionality. Further delivery of this training will commence throughout 2023-24.



- To further develop our understanding around the specific needs of the victims of domestic violence from underrepresented groups, NWFRS is working to revalidate our White Ribbon accreditation. Initial work has been undertaken in recent months to reconnect with relevant partners on the back of the Covid-19 Pandemic. Partnership working with local support groups and charities will enable our service to better support victims of domestic abuse that we come into contact with.

- Partnership managers are given the autonomy to be innovative with their solutions to prevention activity. One pilot project involved installing new fire detection devices in the kitchens of 17 'at risk' people, which happened to be older residents living within different high-rise buildings in Flintshire. Data captured from the devices found that 18 potential kitchen fires were avoided because the devices turned off the cooker when the sensors indicated a person had left cooking unintended for a period of time, the cooker was too hot or when food/oil was burning. This creative prevention activity is saving the lives of our most 'at risk' people. Plans to broaden the pilot to more residents is planned for 2023-24.



- NWFRS is essentially back to pre-pandemic engagement levels and methods e.g. face to face. This has resulted in a positive level of engagement with local businesses.

## Priority 5 – Participation and Communication

### Equality Objective 6

By being open and accountable about what we do and what our plans are, encourage more people to involve themselves in the process of determining the way fire and rescue services are delivered in North Wales, and aim to increase the range of representative voices that contribute to that process.

### Working to achieve this objective, the Authority has:

- NWFRS staff have been actively participating in the North Wales Public Sector Equality Network and All Wales EDI Group which meet bi-monthly and quarterly respectively. These forums help to share best practice and resources and collaborate on organising

training, events and other engagement related activities. Attraction and recruitment into the public sector have been a key focus during 2022-23.

- NWFRS Partnership Managers have been very active maintaining existing partnerships and building new relationships to ensure the Service promotes key safety messages to the most at-risk people in North Wales. For example, many new projects have been established during 2022-23 including 'walk and talk' sessions that were developed in conjunction with the national trust to engage with older people with dementia. Similar sessions have been developed with Parkinsons Group and Lymphedema Support Group. This specific engagement helps target people in the 'at risk' category and their wider family members which provides feedback that we use to evaluate and shape our service delivery.



- Specific engagement with colleagues at the North East Wales Interfaith Forum has enabled our service to connect more effectively with religious and humanistic groups. These networks have been useful to communicate key safety messages to older people who are a target audience concerning fire in the home, whilst reaching out to people who celebrate and observe religion benefit from fire safety information relating to cooking, lighting bonfires, lanterns, candles and oil burners.



- The introduction of some additional religious celebrations and observances in our campaigns calendar have been communicated via the website and social media platforms. Collaborations with external partners has enhanced our social media reach across North Wales and beyond through sharing, reposting and liking of posts.



- Staff from the service's Firepride network are active members of North Wales Pride and they attended their annual pride event in Bangor (June 2022) and multiple virtual and physical meetings throughout 2022-23. This engagement has enabled the service to connect with LGBTQ+ communities, communicate key safety information and seek feedback on various matters and work streams.



- NWFRS have attended the Arfon Access Group which reformed in February 2023. This group helps our service connect with a broader network of people with a disability in Gwynedd and Anglesey to communicate information and seek feedback.

- Community safety staff have also been engaging more with food banks and a cost of living campaign was launched across Wales in the winter month with regular messaging on social media – to target vulnerable groups impacted by the current cost of living crisis and from those who are seldom heard in our communities.
- Accessibility improvements have been made to our website to ensure we maintain the standards required and community members find information accessible. Our staff are receiving website accessibility training to ensure that we maintain standards going forward.
- Increased engagement with ethnic minority groups across North Wales have enhanced our reach to some seldom heard people. Actively attending community-based events which are organised by ethnic minority groups and other equality interest groups goes some way to engage and build up a rapport with people that often don't often have a voice. NWFRS sponsored the inaugural Black History Month events held in Wrexham and Bangor in October 2022. Staff also attended Christmas events and multicultural events in February 2022. These events enable staff to engage with African, Caribbean, Portuguese and various other ethnic minority groups that attended.
- During 2022–23, the services Equality, Impact Assessment (EqIA) template was updated to include socio-economic duty, welsh language, geography, a section to highlight any potential impact against on-call staff and 'other' equality interest groups. This new template uses a score matrix which assesses the 'likeliness' and potential 'impact' so there is a clear measure of the risk which enables mitigation to take place. Staff across different departments have completed EqIA training. This training will continue to be delivered to staff throughout 2023–24.



In accordance with the requirements of the Equality Act 2010, our annual Gender Pay Gap report and employment information in respect of employees and applicants between 1st April 2022 and 31st March 2023 have been published on our website.

**To promote equality of opportunity and accessibility, please contact our Equality, Diversity and Inclusion (EDI) Officer, if you require this report in large print, different language or alternative format.**

# Performance Information Summary

The Fire and Rescue Authorities (Performance Indicators) (Wales) Order 2015 introduced three statutory performance indicators that accompany locally collected sector indicators.

STATUTORY INDICATORS:	Year 1 of our Plan		Year 2 of our Plan		Year 3 of our Plan	
	2021-22		2022-23		2023-24	
	Number	Rate	Number	Rate	Number	Rate
Fires attended	1,879	26.71	2,011	29.27		
False alarms attended	2,517	35.79	2,674	38.92		
Road traffic collisions	207	2.94	234	3.41		
Other emergency incidents attended	751	10.68	977	14.22		
Where the rate is based on 10,000 population						
Fire deaths and injuries	58	8.25	40	5.82		
Deaths and injuries arising from fires started accidentally	50	7.11	35	5.09		
Where the rate is based on 100,000 population						
Dwelling fires confined to room of origin	375	87.62%	330	86.84%		
As a percentage of the number of dwelling fires attended						

Sector indicators were introduced for 2015 and agreed to be collected and shared by all three Fire and Rescue Services in Wales.

SECTOR INDICATORS:	Year 1 of our Plan		Year 2 of our Plan		Year 3 of our Plan	
	2020-21		2021-22		2022-23	
	Number	Rate	Number	Rate	Number	Rate
Deliberate fires	472	6.71	519	7.55		
Accidental fires (or motive not known)	1,408	20.02	1,492	21.71		
Where the rate is based on 10,000 population						
Fire related fatalities	7	1.00	0	0.00		
Injuries caused by fires	51	7.25	40	5.82		
Fire related fatalities in accidental dwelling fires	5	0.71	0	0.00		
Fire related fatalities in accidental dwelling fires	0	0	0	0.00		
Fire related fatalities in accidental dwelling fires	39	5.54	26	3.78		
Fire related fatalities in accidental dwelling fires	5	0.71	3	0.44		
Where the rate is based on 100,000 population						
Dwelling fires	429	13.02	380	11.49		
Accidental fires in dwellings	400	12.14	344	10.40		
Deliberate fires in dwellings	29	0.88	36	1.09		
AFA false alarms in dwellings	1,100	33.40	1,165	35.23		
Where the rate is based on 10,000 dwellings						
Fires in non-domestic premises	156	4.74	158	4.70		
AFA false alarms in non-domestic premises	295	8.95	365	10.86		
Where the rate is based on 1,000 non-domestic premises						
Dwelling fires attended where a smoke alarm was not fitted	58	13.52%	50	13.16%		
As a percentage of the number of dwelling fires attended						



# The Dwelling Fire Response Charter in 2022-23

During 2012 the three Welsh fire and Rescue Authorities jointly developed an all-Wales Charter to ensure that wherever people live in Wales, they can expect to be helped and supported to remain safe from fire in their homes. They should also be able to expect that if a fire does break out, they will receive a prompt, effective and professional emergency response to their call for assistance.

The Charter makes seven specific commitments that the Fire and Rescue Authority will:

1. Take the lead in driving down the number of dwelling fires that occur and in reducing their impact on people.
2. React quickly and efficiently every time we receive an emergency 999 call to attend a dwelling fire.
3. Attend dwelling fires swiftly and properly equipped to deal with them.
4. Deal with dwelling fires effectively, efficiently and professionally.
5. Help to restore normality to communities in the aftermath of dwelling fires.
6. Investigate the causes of dwelling fires and hold relevant people to account when appropriate to do so.
7. Strive to maintain high standards and improve aspects of what we do.

The following pages provide information about our compliance with these commitments during 2022-23.

For consistency, we use a standard narrative for reporting against the Charter each year, and only update the figures within the narrative framework.

# 1. We will take the lead in driving down the number of dwelling fires that occur and in reducing their impact on people.

We are committed to taking the lead in maintaining a downward trend in the incidence of dwelling fires and associated casualties in Wales.

In 2022-23 we provided advice and encouragement to people on how they can prevent fires from starting in their home and how they can keep themselves safe from fire. Our prevention activity included delivering 18,052 SAWCs to householders, and 18,001 children and young people at key stages 1 - 4 received a fire safety talk.

During 2022-23 we attended 344 accidental dwelling fires. As a consequence of those fires, there were no recorded fatalities, but 28 people sustained injuries. The number of accidental dwelling fires in the FRA area has trended upwards with 399 accidental fires attended during 2021-22.

The number of accidental dwelling fires in the FRA area over the past five years, has sadly trended upwards.

# 2. We will react quickly and efficiently every time we receive an emergency 999 call to attend a dwelling fire.

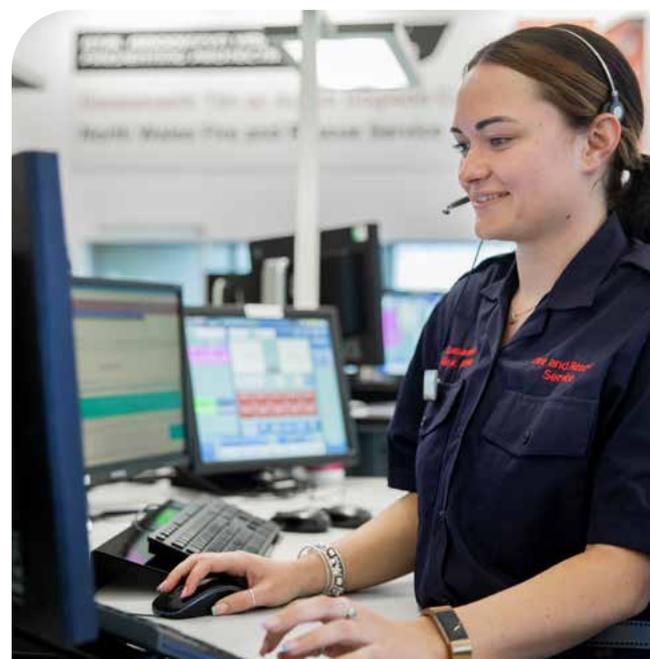
We are committed to reacting quickly and efficiently when emergency 999/112 calls are put through to us by the operator.

Our emergency fire control facility remains available around the clock every day of the year, with special arrangements in place for a seamless transfer of calls from one control facility to another in the event of serious disruption or a surge in the number of calls coming in at the same time.

Sophisticated mapping and electronic systems help us to: a) identify the location of the reported incident and b) send the most appropriate available resource to attend the incident.

In 2022-23, we handled a total of 13,224 emergency 999/112 calls. We were able to obtain enough information about dwelling fire incidents to alert the appropriate initial response within 90 seconds on 86.1% of occasions and between 91 and 120 seconds on 7.8% of occasions.

However, we know that the speed of call handling – although important – is not the only relevant yardstick. Knowing where our services are needed requires specialist skills to effectively glean



information from callers who may, for example, be unfamiliar with the area they are in, be frightened or in distress, be very young, or have communication or language difficulties.

Another important skill is recognising when a caller is abusing the 999/112 system by falsely claiming that there is an emergency when, in fact, there is not. It is a criminal offence to knowingly make false calls to the emergency services. Sadly, that does not seem to deter a minority of people who tie up the 999 lines and divert services away from people who may be in a genuinely life-threatening situation. Every time we turn out to one of these malicious false alarms, it wastes both time and money, and places the rest of the community at higher risk.

In 2022-23, we received 114 malicious false alarms. In 54% of cases, we were able to establish that these calls were not genuine and so avoided needlessly mobilising resources to attend.

### **3. We will attend dwelling fires swiftly and properly equipped to deal with them.**

Once we have answered the emergency 999/112 call and allocated the most appropriate resources to make up the initial attendance at the incident, our next priority is to get to the incident quickly, safely and properly equipped to deal with it.

In 2022-23 we responded to 10% of dwelling fires within 1-5 minutes, 53% within 5-10 minutes, 20% within 10-15 minutes and 17% in over 15 minutes. These times include the time it takes for personnel to turn in to the fire station as well as the travel time. As a result, a number of things can affect the speed of response figures, including the urban/rural geography and the nature of road networks in the area.

Speed of response to dwelling fires is extremely important, but we cannot over-emphasise the importance of preventing those fires from happening in the first instance, and of having at least one working smoke alarm fitted and a pre-planned escape route in case a fire does occur. However, if a dwelling fire has occurred, we ensure that our firefighting crews are properly equipped to deal with it.

We equip our firefighters with high quality personal protective equipment and firefighting equipment. We require them to be operationally fit and healthy and we make sure that their skills are routinely tested and exercised. We also routinely check that the way our crews dealt with incidents was in accordance with accepted firefighting procedures.

We take the safety of our firefighters very seriously, given the nature of the work that they undertake. In 2022-23, our crews attended 2,011 fires in a variety of different types of premises and at outdoor locations. Whilst fighting those fires, eight operational staff received an injury.



## 4. We will deal with dwelling fires effectively, efficiently and professionally.

We are committed to dealing with fires effectively, efficiently and professionally. To this end, we equip our highly trained fire crews with the right skills, knowledge, information, firefighting equipment and command support so that whatever the circumstances of the dwelling fire, they will be correctly prepared to deal with it.



In 2022-23, of all the dwelling fires that we attended, 87% were successfully contained within the room of origin, without spreading any further. Although a number of factors could contribute to this statistic that would be outside the control of the attending crews such as how long it took for someone to discover the fire in the first instance, whether or not internal doors had been shut to help prevent the spread of the fire, and how far away from a fire station the dwelling was located, we still consider this to be a reasonable indicator of our firefighting success.

We recognise the importance of research and equipment improvements, and ensure that we invest time and effort in staying in touch with the latest developments.

We also take very seriously the professional image of the fire and rescue service. We place great emphasis on the personal qualities and attributes of all our operational staff, as well as their physical and psychological fitness and the high standard of their operational and management training.

We encourage all our staff to adhere to a set of core values that was adopted nationally by the UK Fire and Rescue Service. This expresses our commitment to valuing service to the community, people, diversity and improvement.

## 5. We will help to restore normality to communities in the aftermath of dwelling fires.

We are committed to helping to restore normality to communities in the aftermath of dwelling fires.

A fire in the home can leave people feeling extremely vulnerable. When people have lost their possessions, they will have need for practical as well as emotional support. When people have been injured or killed in the fire, the experience can affect whole communities as well as the individual and his or her immediate friends and family. For this reason, the fire and rescue service's role in supporting communities does not end when the fire was extinguished and everyone was accounted for.

In all cases, the cause of the fire will be investigated and carefully recorded. Every detail of how and where the fire started, how far it



spread, any special circumstances, and any particular factors that contributed to the fire will be recorded as a source of future learning, research and monitoring.

If there are reasons to believe that a fire was started deliberately in a dwelling, either by someone living there or by someone else, this will be followed up with the police and other relevant agencies.

In some premises, such as blocks of flats or houses occupied by a number of different tenants, the post-incident investigations might indicate that a landlord had failed to ensure the necessary level of fire safety. Our specialist fire investigators might then be involved in a criminal investigation and court proceedings.

If a fire is found to have started accidentally, we might undertake some form of community safety activity or campaign in the vicinity, offering advice and reassurance by way of free SAWCs.

## **6. We will investigate the causes of dwelling fires and hold relevant people to account when appropriate to do so.**

We always investigate the causes of dwelling fires. In many cases the cause and origin of a fire will be very clear and straightforward, but in others a more in-depth, forensic investigation will be required to ascertain the most likely cause of the fire. In 2022-23, 18 dwelling fires were recorded as having an unknown cause.

If a crime is suspected, the investigation of the fire will be conducted with the police. People suspected of deliberately setting fire to a dwelling are likely to face criminal prosecution, although in some cases this may not be the only course of action available, for example if the fire was started by a young child or by a person attempting suicide.

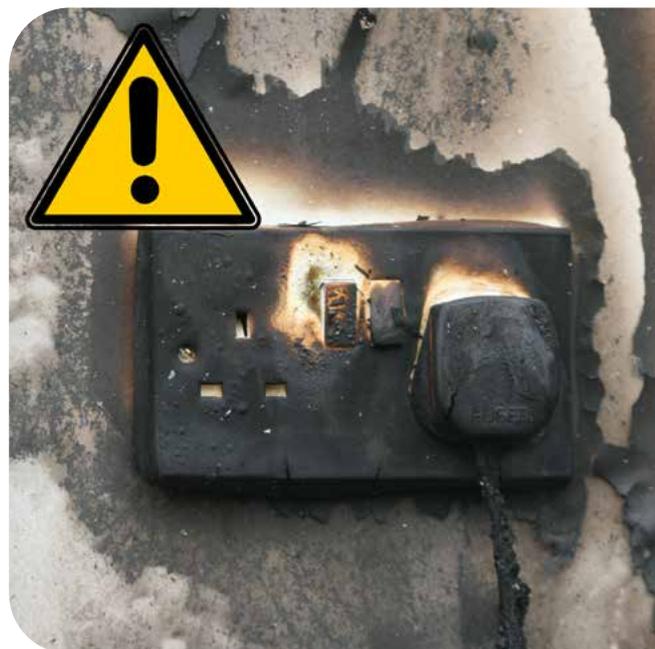
In 2022-23, we attended 380 fires in dwellings, of which 36 were found to have been started deliberately.

In some residential premises, such as flats and houses of multiple occupation, the communal and shared areas are covered by regulations that require whoever is responsible for those premises (such as the landlord or the premises manager) to have good fire safety arrangements in place.

Failure to do so can lead to the closure of the premises and prosecution of the responsible person with the prospect of imprisonment and/or an unlimited fine.

As an enforcing authority, we ensure that responsible persons fulfil their obligations under this legislation, and can select from a range of enforcement options available to us, depending on the seriousness and risk posed by the contravention.

In 2022-23, we served one Enforcement Notice and one Prohibition Notice. No Formal Cautions or prosecutions were concluded during the year.



## 7. We will strive to maintain high standards and improve aspects of what we do.

We continuously strive to maintain high standards and improve aspects of what we do.

Under legislation, Fire and Rescue Authorities are classed as 'Welsh Improvement Authorities' and are expected to routinely review and continuously improve their own performance through a formal process of setting, implementing and reporting against annual improvement objectives.

We do not limit our improvement activity to this formal annual process; high standards and continual improvement form an integral part of our everyday running of the Fire and Rescue Service.

Examples of improvement activities that go on include:

- Responding positively to peer reviews, audits and inspections;
- Responding positively to consultation responses, feedback from stakeholders, complaints and compliments;
- Learning from our experiences, such as from post-incident debriefs, reports of accidents, or 'near misses';
- Contributing to working groups, sharing good practice, and learning from research undertaken;
- Taking opportunities to learn from, and with, other organisations through partnerships, committees, boards and professional associations;
- Planning for potential challenges in order to maintain our operations, such as through business continuity management processes;
- Planning for potential challenges to future service delivery, such as through local resilience forums;
- Continuously developing the technical and professional skills of our staff;
- Maintaining and renewing our physical and computerised assets such as our equipment, vehicles, buildings and technology



# What Others Said About Us

## Audit Wales – False fire alarms reduction

The 2022–23 report stated that The Authority has significantly reduced the number of non-domestic false fire alarms it attends but needs to address financial risks and capacity issues to ensure its risk-based approach is sustainable. We reached this conclusion because:

- The Authority demonstrates a good understanding of the locations, causes and impacts of false fire alarms in non-domestic premises.
- The Authority has a well-embedded policy to address false fire alarms in non-domestic premises and has revised its approach to reflect evolving risks.
- The Authority closely monitors responses to automatic fire alarms and works with partners to address problem premises.

The Authority's policy has resulted in a dramatic reduction in the number of false fire alarms it responds to. However, numbers have steadily increased since 2015–16 and Members need to scrutinise future performance in the face of challenging financial pressures.

## Audit Wales – Carbon Emissions Reduction

The 2020–21 report concluded that it is unlikely that the Authority will meet its statutory obligations and become net carbon zero by 2030 unless there is a step change in performance. This conclusion was based on two key findings: The Authority does not have an accurate base line position on all its carbon emissions, and, it does not have a comprehensive plan to reduce its carbon emissions and become net carbon zero.

## Audit Wales – Review of Involvement 2019–20

The 2019–20 report by Audit Wales focused on the Authority's approach and management of involving stakeholders when proposing service and policy changes, and in the design of activities. The report concluded that the Authority has pockets of good engagement activity but is yet to shift to an integrated strategic approach to involvement.

## Audit Wales – Corporate Resilience 2020–21

The most recent report by Audit Wales reviewed the Authority's approach to corporate resilience in order to provide assurance on how well it is addressing the financial and capacity challenges facing public bodies. The report found that the Authority has demonstrated its short-term resilience, but needs to take some major decisions to remain resilient in the future:

- Finance: The Authority has managed budgets well, but some key risks need to be addressed to remain financially sustainable;
- Governance: The Authority has an appropriate governance framework, but Members need to play a more central role in addressing the big risks facing the Fire and Rescue Service;

- **Workforce:** The Authority has a resilient workforce and has dealt well with immediate challenges, but there are some medium-term risks that need to be managed to ensure services are sustainable;
- **Assets:** The Authority has good examples of how it is integrating assets and developing its use of technology, but there are some long standing challenges that need to be addressed to help support future resilience; and
- **Business continuity:** The Authority's business continuity plans helped maintain corporate and operational resilience in responding to the pandemic.

## Other Information

The Fire and Rescue Services Act 2004 clarifies the Authority's duties and powers to:

- Promote fire safety
- Fight fires
- Protect people and property from fires
- Rescue people from road traffic accidents
- Respond to other specified risks, such as chemical incidents
- Respond to large scale emergencies such as terrorist attacks.

**The Fire and Rescue Services (Emergencies) (Wales) Order 2007 and (Amendment) Order 2017** place duties on the Authority in connection with emergencies involving chemical, biological or radioactive contaminants; structural collapse; trains, trams or aircrafts; and flooding and inland water emergencies when they present a risk of death, serious injury or illness.

The **Civil Contingencies Act 2004** requires the Authority to plan for and respond to large scale emergencies that threaten serious damage to human welfare, the environment or to security.

The **Regulatory Reform (Fire Safety) Order 2005** requires the Authority to enforce fire safety in non- domestic premises, including the communal parts of blocks of flats and houses in multiple occupation.

Under the **Local Government (Wales) Measure 2009** the Authority must set objectives to continuously improve what it does and publish information about its improvement and performance.

The **Well-being of Future Generations (Wales) Act 2015** requires the Authority to work towards improving the social, economic, environmental and cultural well-being of future generations of people in Wales, both individually, and as a statutory member of Public Services Boards in North Wales.

The **Equality Act 2010** places duties on the Authority to have due regard to eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people with different protected characteristics.

**The Welsh Language (Wales) Measure 2011** replaced the Welsh Language Act 1993. As part of the new legislation in Wales the Welsh language has equal legal status with English and must not be treated any less favourably. Public bodies no longer need to develop and implement Welsh Language Schemes and must comply with a set of national Welsh

Language Standards instead.

**The UK Data Protection Act 2018** was introduced to modernise data protection laws and meet the needs of an increasingly digital economy and society. It provides a legal framework for data protection, implements GDPR standards across all general data processing and ensures that the UK continues to have appropriate data protection legislation in place after it leaves the EU.

## **Welsh Government – People and Communities**

<http://gov.wales/topics/people-and-communities/communities/safety/fire/?lang=en>

### **Audit Wales**

Audit Wales publishes reports on behalf of the Auditor General who is required to assess the likelihood that the Authority will continue to improve and whether the Authority is discharging its duties and acting in accordance with relevant issued guidance. Auditors also work with Fire and Rescue Authorities across Wales to deliver a programme of financial and value-for-money audits.

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External information sources used in compiling this document Wales Fire and Rescue Incident Statistics: Fire incidents (gov.wales) England Fire and Rescue Incident Statistics:

Fire statistics data tables – GOV.UK (www.gov.uk) Welsh Government Future Trends Report 2017:

<https://gov.wales/sites/default/files/statistics-and-research/2018-12/170505-future-trends-report-2017-en.pdf>

## **INTERVENTION IN THE EVENT OF FAILURE OR POTENTIAL FAILURE TO COMPLY:**

The Welsh Government has powers of intervention:

- under section 22 of the **Fire and Rescue Services Act 2004** if it considers that a Fire and Rescue Authority is failing, or is likely to fail, to act in accordance with the National Framework. In such cases, section 23 – Intervention Protocol would apply.
- under section 29 of the **Local Government (Wales) Measure 2009** if it considers that a Fire and Rescue Authority is failing, or is at risk of failing, to comply with the Measure. However, in all but the most exceptional circumstances, Welsh Ministers may only intervene after they have offered voluntary support to the Authority under section 28 of the Measure.

# Consultations

Each year the Authority seeks the opinions and views of the North Wales public and other stakeholders as part of its process of developing its strategic plans and objectives.

Recent consultations are listed below: Staff Family Survey 2021-22 internal survey cross organisation survey and plan to revisit in autumn 2023.

Title	Consultation	Publication	For year
Improvement and Well-Being Objectives for 2020-21 onwards (new Environmental Strategy)	Autumn/Winter 2019	March 2020	2020-21
Improvement and Well-Being Objectives for 2019-20 onwards	Summer/Autumn 2018	March 2019	2019-20
Improvement and Well-Being Objectives for 2018-19 onwards	Autumn 2017	March 2018	2018-19
Improvement and Well-Being Objectives for 2017-18 onwards	Autumn 2016	March 2017	2017-18
Improvement Objectives for 2016-17	Autumn 2015	March 2016	2016-17
Improvement Objectives for 2015-16	Autumn 2014	March 2015	2015-16



# Glossary and Definitions

## Fires

All fires fall into one of three categories – primary, secondary or chimney.

### Primary Fires

These are fires that are not chimney fires, and which are in any type of building (except if derelict), vehicles, caravans and trailers, outdoor storage, plant and machinery, agricultural and forestry property, and other outdoor structures such as bridges, post boxes, tunnels, etc.

Fires in any location are categorised as primary fires if they involve casualties, rescues or escapes, as are fires in any location that were attended by five or more fire appliances.

### Secondary Fires

Secondary fires are fires that are neither chimney fires nor primary fires. Secondary fires are those that would normally occur on open land, in single trees, fences, telegraph poles, refuse and refuse containers (but not paper banks, which would be considered in the same way as agricultural and forestry property to be primary fires), outdoor furniture, traffic lights.

Secondary fires do not involve casualties, rescues or escapes, and will have been attended by four or fewer fire appliances.

### Chimney Fires

These are fires in occupied buildings where the fire is confined within the chimney structure, even if heat or smoke damage extends beyond the chimney itself.

Chimney fires do not involve casualties, rescues or escapes and will have been attended by four or fewer fire appliances.

### Wildfires

A grassland, woodland and crop fire where the incident was attended by four or more vehicles, or the Service was in attendance for six hours or more, or where there was an estimated fire damage area of over 10,000 square meters.

### Special Service Incidents (other emergency incidents)

These are non-fire incidents which require the attendance of an appliance or officer and include:

- local emergencies e.g. flooding, road traffic incidents, rescue of persons, 'making safe' etc;
- major disasters;
- domestic incidents e.g. water leaks, persons locked in or out etc;
- prior arrangements to attend incidents, which may include some provision of advice and inspections.

## **Fire Deaths (fire related)**

This is where a person whose death is attributed to a fire even if the death occurred weeks or months later. There are also occasional cases where it becomes apparent subsequently that the fire was not the cause of the death. These figures are therefore subject to revision.

## **Fire Injuries**

For consistency after April 2009 across the UK, fire casualties are recorded under four categories of severity:

- The victim went to hospital, injuries appear to be serious.
- The victim went to hospital, injuries appear to be slight.
- The victim was given first aid at the scene only, but required no further treatment.
- A precautionary check was recommended – the person was sent to hospital or was advised to see a doctor as a precaution, but having no obvious injury or distress.

## **False Alarm (general guidance)**

Where the Fire and Rescue Service attends a location believing there to be an incident, but on arrival discovers that no such incident exists, or existed.

Note: if the appliance is 'turned around' by Control before arriving at the incident it is not classed as having attended and does not need to be reported.

## **Malicious**

These are calls made with the intention of getting the Fire and Rescue Service to attend a non-existent incident, including deliberate and suspected malicious intentions.

## **Good Intent**

These are calls made in good faith in the belief that the Fire and Rescue Service really would attend a fire or special service incident.

## **Automatic Fire Alarm (AFA)**

These are calls initiated by fire alarm and fire-fighting equipment. They include accidental initiation of alarm equipment or where an alarm operates and a person then routinely calls the Fire and Rescue Service as part of a standing arrangement, with no 'judgement' involved, for example from a security call centre or a nominated person in an organisation.

# Have your say

We are always looking for ways to improve our service and to present information that is meaningful. In order to help us to do this we want to ensure your views are considered when delivering our activities and keeping you informed. So, if you have any comments about this assessment, or how we might improve our future annual performance assessments, we would very much like to hear from you.

Other versions of this document are available

- In paper and electronic formats.
- In Welsh and English.
- As a short summary leaflet of the key points.
- In accessible formats through our website.

## Write to us



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Denbighshire  
LL17 0JJ

## Call us



01745 535 250

## Send us an email



[Corporateplanning.helpdesk@northwalesfire.gov.wales](mailto:Corporateplanning.helpdesk@northwalesfire.gov.wales)

## Visit our website



[www.northwalesfire.gov.wales](http://www.northwalesfire.gov.wales)

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# Please ring 999 only in an emergency

Report to	<b>North Wales Fire and Rescue Authority</b>
Date	<b>16 October 2023</b>
Lead Officer	<b>Helen MacArthur, Assistant Chief Fire Officer Finance &amp; Resources</b>
Contact Officer	<b>Helen Howard, Head of Finance</b>
Subject	<b>Provisional Outturn 2023/24</b>



## **PURPOSE OF REPORT**

- 1 To provided Members with an update on the revenue and capital expenditure forecast for 2023/24, as at 31 August 2023.

## **EXECUTIVE SUMMARY**

- 2 The net budget requirement was approved by the North Wales Fire and Rescue Authority (the Authority) at its meeting of 16 January 2023. This confirmed a net requirement of £44.39m to be funded by the constituent local authorities.
- 3 Actual expenditure is forecast to be £45.478m which includes costs relating to various projects, national pay settlements above the budget provision, and general inflationary pressures. The use of earmarked reserves, the general fund, and provisions will mitigate the additional costs and it is not anticipated that a supplemental levy will be required.
- 4 The Authority approved the 2023/24 capital budget of £6.532m, on 16 January 2023. This included £3.00m for the purchase of land relating to the proposed training centre, which has yet to be agreed. In addition, there is rollover funding of £0.625m from 2022/23. The capital programme is experiencing cost pressures and therefore schemes are being prioritised, in order to remain with the funding available. It is anticipated that expenditure will be £5.14m and a requirement to rollover funding of £2.02m.

## **RECOMMENDATIONS**

- 5 Members are asked to:
  - i) note the draft revenue and capital outturn projections for the 2023/24 financial year as detailed within the report;
  - ii) note the risks associated with inflation and supply chain issues;
  - iii) note the risks associated with the ongoing pay negotiations; and
  - iv) approve the use of earmarked and general fund reserves.

## **OBSERVATIONS FROM EXECUTIVE PANEL/AUDIT COMMITTEE**

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

## **BACKGROUND**

- 7 This report provides information on the draft revenue and capital expenditure outturn position for the 2023/24 financial year.

## **INFORMATION**

### **REVENUE BUDGET**

- 8 The net budget for 2023/24 of £44.394m was approved at the Authority meeting on 16 January 2023. It was noted that this budget includes measures that will impact on both service provision and corporate capacity.
- 9 Staff costs represent 72% of gross expenditure. The staffing budget of £31.826m for 2023/24 was set in January 2023 and included measures taken at that time to contain expenditure within the approved budget.
- 10 The budget setting process included an assumption that pay awards for 2023/24 would be 4% for all staff. The pay offer for local government staff is currently an uplift of £1,925 across all grades which equates to approximately 6.6%. This is above the planning assumption and remains a risk at this time.
- 11 A pay award of 7% has been accepted for firefighter and firefighter control roles from July 2022 and a 5% award has been agreed from July 2023. These settlements were above the 5% and 4% planning assumptions used when setting the budget.
- 12 The non-pay forecasts reflect the known unavoidable cost pressures that are being experienced in relation to ICT costs, building maintenance and fuel costs. However, further uncertainty remains due to general inflationary pressures and supply chain issues resulting in expenditure above anticipated budget.
- 13 Whilst the majority of expenditure is funded from the constituent authority levy, income is received from the Welsh Government for grant funded activities, as well as recharges from other bodies in relation to the use of our premises.

- 14 Capital financing costs include the costs of borrowing and revenue charges for using capital assets. It is anticipated that this budget will be underspent due to the delays in completing capital projects.

## REVENUE OUTTURN

- 15 The report is projecting an overspend of £1.084m. The breakdown is detailed below.

	<b>Budget (£m)</b>	<b>Forecast (£m)</b>	<b>Variance (£m)</b>	<b>Variance (%)</b>
Employees	31.826	32.006	0.181	0.57%
Premises	3.516	3.835	0.319	9.07%
Transport	1.268	1.404	0.136	10.72%
Supplies	5.349	6.233	0.884	16.53%
Third Party Payments	0.305	0.323	0.017	5.69%
Capital Finance & Charges	3.129	2.756	-0.373	-11.92%
Income	-0.999	-1.079	-0.080	8.02%
<b>Forecast Outturn</b>	<b>44.394</b>	<b>45.478</b>	<b>1.084</b>	<b>2.44%</b>

## EMPLOYEE COSTS

- 16 Employee costs form a significant element of the budget (72%) and include pay, pension costs, cost of recruitment and training and employee services, such as occupational health services. As part of the final budget approval in January 2023 a range of measures were approved by Members to contain staff expenditure. These are not recurring in nature and included measures such as not filling vacancies and limiting recruitment to RDS stations.
- 17 A new staffing structure was implemented in June 2023 and these posts remain critical to achieving the corporate objectives. The cost of the vacancy savings has partially mitigated the increased costs in relation to the pay awards and overtime.
- 18 Action continues to be taken to increase the number of retained duty firefighters to address and maintain availability issues, mindful of the budget constraints.
- 19 As is the case with other local government bodies, a one-off refund has been received in relation to employer pension contributions, from Clwyd Pension Fund, following the actuarial valuation. This amounted to £0.503m and has partially mitigated the gross overspend of £0.684m.

20 The net overspend in staffing costs amounts to £0.181m and includes the following:

- in year costs of pay awards;
- additional overtime to cover sickness and maintain availability;
- additional holiday pay;
- temporary posts to deliver specific projects; less
- reductions arising from current vacancies;
- refund received from Clwyd Pension Fund.

## **NON-PAY COSTS**

21 The non-pay budget is experiencing significant pressures. These include fuel costs which remain unpredictable due to price and supply issues. In addition, the availability and costs of other commodities such as building supplies, ICT equipment and fleet parts are also of concern given the complexity of supply chains and global uncertainty.

22 A review of non-pay expenditure is undertaken by budget holders to ensure that the projections continue to be reasonable.

## **Premises**

23 Premises costs are projecting an overspend of £0.319m. This is largely due to an increase in relation to servicing and maintenance costs.

24 The budget figures include the preliminary costs agreed at a previous meeting in relation to the site surveys for the proposed land purchase and developing the business case for a new training centre (£0.25m).

25 The market instability and increased costs of gas and electricity are a major financial challenge for the Authority. The current projected costs are within budget and costs are monitored as part of the service level agreement with North Wales Police.

## **Transport**

26 The transport budget is projecting a variance of £0.136m. Increasing costs in relation to fuel and vehicle parts are causing pressures on this budget. This relates to an increase in oil and fuel prices and vehicle lease costs.

## Supplies

- 27 The net supplies budget is £5.349m, a current forecast overspend of £0.884m, which includes in year initiatives that will be funded from earmarked reserves.
- 28 Significant inflationary pressures are being experienced in a number of business-critical areas and action is being taken to contain and mitigate these, where possible.
- 29 The projected outturn position includes costs for the replacement of essential operational equipment and fire kit, updated HR software and project work in relation to the various reviews that are currently being undertaken throughout North Wales Fire and Rescue Service (the Service), including the Emergency Cover Review.

## Third Party Payments

- 30 Third party payments relate to service level agreements with partners, including Conwy County Borough Council, Flintshire County Council, Carmarthenshire County Council and North Wales Police. The agreements include the provision of legal services, monitoring officer services, pension administration and facilities.
- 31 This expenditure is currently projected to be overspent by £0.017m. This is due to the additional work required regarding the legislative changes in relation to firefighters pensions.

## CAPITAL FINANCING

- 32 The capital financing budget sets aside revenue funding to finance capital expenditure.
- 33 The Minimum Revenue Provision (MRP) represents the minimum amount that must be charged to an authority's revenue account each year for financing of capital expenditure, which will have initially been funded by borrowing. It is part of all Authorities' accounting practices, and is aimed at ensuring that the Authority can pay off the debts it has from buying capital assets, such as buildings and vehicles.
- 34 Regulations require the Authority to determine each financial year an amount of MRP, which it considers to be prudent by reference to a calculated capital financing requirement (CFR). The MRP for 2023/24 is £1.99m. Following discussions with the Treasury Advisors, work is currently being undertaken to review this.

- 35 The budget also holds the interest costs in relation to the Authority's loans. Due to the volatile economic position, the cost of borrowing has continued to increase. However, it has not been necessary to take out further borrowing as capital expenditure to date has been significantly slower than anticipated resulting in a forecast budget saving of £0.173m.
- 36 In addition, there has been capacity to invest funds in short term treasury deposits. The cash position is reviewed daily and any unused funds are transferred to various deposit accounts, in order to gain interest. To date interest received is £0.160m.

## INCOME

- 37 As well as the constituent authority levy, the budget also includes expected income for fees, charges and grants.
- 38 Fees and charges largely relate to the recharges for buildings shared with other bodies.
- 39 Other income has increased due to an increase in recharges to other bodies and proceeds from the disposal of vehicles and equipment.

	<b>Budget (£m)</b>	<b>Projection (£m)</b>	<b>Variance (£m)</b>
Grants	0.747	0.747	0.000
Fees and charges	0.252	0.332	0.080
<b>Total</b>	<b>0.999</b>	<b>1.049</b>	<b>0.080</b>

## Grant Funding

- 40 The 2023/24 Welsh Government grant funding allocation totals £0.747m. A breakdown of grant funding, for 2023/24, is detailed below. All grants are carefully monitored throughout the financial year to identify any variances and to enable remedial action to be taken.

	<b>Allocation (£m)</b>
Arson Reduction	0.169
Home Safety Equipment	0.240
Youth & Young People Engagement	0.137
National Resilience	0.201
<b>Total Grant Funding</b>	<b>0.747</b>

## CAPITAL PROGRAMME

- 41 The Authority approved a capital programme of £3.532m, in January 2023. In addition, there was an allocation of £3.00m for the purchase of land, if the proposed training centre gets approval.
- 42 As per the final outturn report, presented to the July 2023 meeting, the requirement for rollover funding was agreed at £0.625m, for schemes that were not completed in 2022/23.
- 43 Due to ongoing delays, capital expenditure to date totals £0.732m and is projected to be £5.14m.
- 44 As is the case with the revenue budget, the capital programme is experiencing cost pressures, with increased costs in relation to the purchase of vehicles and building works. This is being managed by prioritising the delivery of critical projects.
- 45 Details of the schemes are below:

Scheme	Original Allocation £m	Revised Allocation £m	Forecast £m	Rollover £m
<b>2023/2024</b>				
Fire Appliance replacement	1.430	0.475	0.475	0.960
Multi- purpose vans	0.189	0.189	0.189	
Welfare Units	0.150	0.150	0.150	
Command & Control refresh	0.600	0.600	0.000	0.600
Minor Building works	0.483	0.100	0.100	
Training Towers	0.250	0.250	0.000	0.250
Fleet - fall arrest system and roof works	0.100	0.126	0.126	
Appliance bay doors	0.180	0.180	0.168	0.057
Llandudno Heating upgrade	0.150	0.150	0.000	0.150
Dolgellau Smokehouse works	0.000	0.365	0.309	
Proposed training centre land	3.000	3.000	3.000	
Unallocated	0.000	0.947	0.000	
<b>Total: Capital Plan</b>	<b>6.532</b>	<b>6.532</b>	<b>4.517</b>	<b>2.017</b>
<b>Rollover 2022/23</b>				
Training Towers	0.307	0.307	0.307	
Multipurpose station vans	0.160	0.160	0.162	
Buildings - Minor works	0.158	0.158	0.158	
<b>Total: Rollover</b>	<b>0.625</b>	<b>0.625</b>	<b>0.627</b>	<b>0.000</b>
<b>Total</b>	<b>7.157</b>	<b>7.157</b>	<b>5.144</b>	<b>2.017</b>

- 46 Rollover of funding has already been highlighted, as per the above. Five fire appliances are on order; however, stage payments are expected to extend into 2024/25 due to delays in the availability of the chassis and build slots with the supplier.

- 47 The other schemes that have not commenced this year, are all under review and will be considered as part of the capital planning for 2024/25.
- 48 The anticipated financing of the capital expenditure is set out below:

<b>Funding</b>	<b>Amount £m</b>
Borrowing	4.521
Earmarked Reserves	0.623
<b>Total</b>	<b>5.144</b>

## **BORROWING**

- 49 Capital expenditure is largely funded via external borrowing. In the short term the Authority utilises surplus revenue cash, known as internal borrowing.
- 50 The Authority continues to utilise internal borrowing. This means that the capital borrowing needed, as calculated by the Capital Financing Requirement (CFR), has not been fully funded with external loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary expedient to fund capital spend and generate revenue savings. However, as reserves are utilised it becomes necessary to replace the internal borrowing with external borrowing.

## **USE OF THE GENERAL FUND AND EARMARKED RESERVES**

- 51 The aim of the Authority's financial reserves is to provide funding for investment in future activities and to act as a safety net in case of short-term financial challenges arising from activity demands or unforeseen pressures.
- 52 The Authority currently has earmarked reserves of £6.22m which have been built up in recent years due to slippage in recruitment and delivery of projects following the pandemic.
- 53 In 2022/23 earmarked reserves were set aside to fund costs that should have been incurred in 2022/23, but supply chain issues meant that these could not be completed and were delayed. In addition, there are reserves set up to fund interest rate rises, increases in inflation, system improvements and service improvements.

- 54 The provisional outturn assumes that earmarked reserves of £0.800m will be utilised in year. The use of reserves is kept under review as part of the budget monitoring process.
- 55 The measures identified during the budget setting process included the use of the Authority's General Fund. The current forecast assumes that £0.284m will be utilised.

## PRUDENTIAL INDICATORS – Q1 2023/24

- 56 The Authority measures and manages its capital expenditure and borrowing with references to the following indicators. It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

### Capital Expenditure

- 57 The Authority has undertaken and is planning capital expenditure as summarised below:

	<b>2022/23 actual £m</b>	<b>2023/24 forecast £m</b>	<b>2024/25 budget £m</b>	<b>2025/26 budget £m</b>
General Fund services	3.366	2.144	5.834	5.658
Proposed Training Centre	0	3.000	25.000	20.000
<b>Total</b>	<b>3.366</b>	<b>5.144</b>	<b>30.834</b>	<b>25.658</b>

- 58 Further details of the General Fund capital projects to date are detailed in Paragraph 45.

### Capital Financing Requirement

- 59 The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt.

	<b>31.03.23 actual £m</b>	<b>2023/24 forecast £m</b>	<b>*2024/25 forecast £m</b>	<b>*2025/26 forecast £m</b>
General Fund Services	28.877	31.751	62.589	85.198

\*The table above includes the costs for the training centre as detailed in paragraph 57.

## Gross Debt and the Capital Financing Requirement

- 60 Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	<b>31.03.23 actual</b>	<b>30.06.23 actual</b>	<b>2023/24 budget</b>	<b>2024/25 budget</b>	<b>2025/26 budget</b>
Debt (incl. Finance Leases)	26.650	23.230	27.626	55.895	77.258
Capital Financing Requirement	28.877	31.751	33.832	62.589	85.198

\*The table above includes the costs for the training centre as detailed in paragraph 56.

## Debt and the Authorised Limit and Operational Boundary

- 61 The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	<b>Maximum debt Q1 2023/24</b>	<b>Debt at 30.06.23</b>	<b>2023/24 Authorised Limit</b>	<b>2023/24 Operational Boundary</b>	<b>Complied Yes/No</b>
Borrowing (£m)	26.650	23.230	30.999	28.990	Yes

- 62 Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

## Proportion of Financing Costs to Net Revenue Stream

- 63 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from the levy and general government grants.

	<b>2022/23 actual</b>	<b>2023/24 forecast</b>	<b>2024/25 budget</b>	<b>2025/26 budget</b>
Financing costs (£m)	2.351	2.756	4.700	6.900
Proportion of net revenue stream	5.96%	6.21%	9.80%	13.50%

\*The table above includes the costs for the training centre as detailed in paragraph 56.

## Treasury Management Indicators

64 These indicators are within the Treasury Management Report Q1 2023/24.

### 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	Effective financial management supports the long-term workforce strategy to ensure that the Authority is able to discharge its responsibilities
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	<b>North Wales Fire and Rescue Authority</b>
Date	<b>16 October 2023</b>
Lead Officer	<b>Dafydd Edward, Treasurer</b>
Contact Officer	<b>Helen MacArthur, Assistant Chief Fire Officer</b>
Subject	<b>Budget Setting 2024/25</b>



## PURPOSE OF REPORT

- 1 This report is to present to Members the budget process, planning assumptions and timescales for setting the North Wales Fire and Rescue Authority's (the Authority) revenue budget for 2024/25.

## EXECUTIVE SUMMARY

- 2 The Authority is required to set the revenue budget for 2024/25 at its meeting on 22 January 2024. The preliminary work required to establish the base budget has commenced which includes a review of current expenditure levels, key planning assumptions and risks. A summary is provided in Appendix 1.

## RECOMMENDATIONS

- 3 Members are asked to:
  - i) note the planning assumptions being used to develop the revenue budget for 2024/25;
  - ii) note the remit of the budget scrutiny working group established by the Audit Committee and the proposed reporting timetable;
  - iii) note the proposal to provide initial budget estimates to the Executive Panel at its meeting of 18 December 2022; and
  - IV) note the proposal to seek approval for the 2024/25 revenue budget by the Authority at its meeting of 22 January 2024.

## BACKGROUND

- 4 Each year the Authority is required to set a balanced revenue budget which must be approved by the full Authority. Although the term "balanced" is not formally defined in the legislation, the Chartered Institute of Public Finance (CIPFA) recognises that organisations should have financial plans which demonstrate how expenditure will be funded over the short and medium term.

- 5 The Authority's financial sustainability in the short, medium and longer term is underpinned by knowledge and understanding of key cost drivers including the evaluation of risks and uncertainties. Pivotal to this is an understanding of service demands, resources available and the future strategic vision.
- 6 The Chief Fire Officer's report to Members in September 2021 provided a situation assessment. This confirmed that the key challenges facing the Authority are maintaining sufficient availability of on-call fire crews; ensuring sufficient resources to maintain and develop firefighter skills; and having enough corporate capacity to meet current and future demands.
- 7 Following this assessment, the Authority approved a number of internal reviews including an emergency cover review, a review of the retained duty system (on-call crews) and a training review to ensure firefighter safety. These reviews have been supplemented through further work in key areas such as wildfire tactical assessments and decontamination of appliances, kit and equipment.
- 8 In addition to these specific areas of challenge, the Authority is also facing the uncertainties common to all public sector bodies due to the uncertain economic situation. In particular, the need to manage the impact of inflation, supply issues and wage inflation being the key priorities.
- 9 Although the initial budget assessment for 2023/24 presented to the Authority in December 2022 indicated a net budget requirement of £44.7m (£45.8m including the pension funding adjustment), the budget was not approved at that time.
- 10 Subsequent to that meeting and at the request of the Authority, further work was undertaken to identify opportunities to reduce the net expenditure. The final budget to be met through the levy from constituent local authorities was approved by the Authority in January 2023 and was £44.4m. This included £1.1m of funding previously received directly from the Welsh Government and included within the revenue settlement grant to local authorities for 2023/24.
- 11 When setting the 2023/24 budget, the Authority recognised the actions taken to reduce the levy on constituent local authorities. These included deferring expenditure including the purchase of essential wildfire kit, the reduction in daily emergency cover, the reduction in the target for home safety checks and one-off use of reserves. In addition, the Authority noted that the national pay negotiations for 2023/2024 financial year had not concluded and the situation was further complicated by the fact that the 2022/23 pay negotiations for firefighters were outstanding and subject to possible industrial action.

- 12 When setting the final 2023/24 budget the pay assumptions for firefighters were 5% and 4% for the 2022/23 and 2023/24 financial years respectively. Subsequently the pay negotiations were settled at 7% and 5% which created a significant additional cost pressure.
- 13 The actions taken during the budget setting processes for 2023/24 are not sustainable as they require the use of reserves on an ongoing basis. The regulators have been clear in advising authorities that “*financing recurrent expenditure from reserves would not normally be appropriate*”, thus NWFRA needs to recalibrate for 2024/25, “*seeking more sustainable approaches, which often involve making unpopular decisions*” (quotes from para 1.8 of ‘*Meeting the Financial Challenges*’, 2014, Audit Wales). The emergency cover review has, therefore, included an initial financial planning assessment against each option.

## INFORMATION

- 14 As part of the work for the emergency cover review an initial high-level planning assessment was undertaken during February 2023 which identified a potential year on year budget increase of circa £6m. This is set out within Appendix 1. The budget setting process for 2024/25 has now commenced with the key planning assumptions provided within Appendix 2.
- 15 Although the 2024/25 budget setting process will be underpinned by the outcome of the emergency cover review, the preparatory work on the existing costs has commenced. A budget scrutiny working group has been established made up of members of the Audit Committee.
- 16 With members representing each local authority, the working group is scheduled to meet on four occasions between October and November 2023. A review will take place in respect of payroll, non-pay and capital financing costs to provide members with a greater understanding and an opportunity to provide scrutiny and challenge. This work will be reported to the Audit Committee at its December meeting and inform the budget setting process.
- 17 The planning work will also consider the Authority’s capital requirement over the medium-term planning cycle. This will consider the financial assessment and affordability of future plans and this work will include the provision of a new training facility. If approved, the new training facility will require significant financial investment although at this stage a business case has not been presented to the Authority.

- 18 The initial planning assessment for 2024/25 will be presented to the Executive Panel at its meeting on 18 December 2023. This will include sensitivity analysis setting out the impact of the emergency cover review options considered by the Authority and will incorporate the findings of the Audit Committee scrutiny.
- 19 The 2024/25 draft revenue budget will be prepared and considered for approval by the Authority at its meeting on 22 January 2024.

## IMPLICATIONS

Well-being Objectives	This report links to the Authority's Improvement and Well-being Objectives. It reports on the financial viability of the Authority.
Budget	The initial planning assessment has indicated a budget requirement of £50.4m. This will be updated as part of the detailed planning work including the outcome of the Authority's Emergency Cover Review.
Legal	The Fire and Rescue Authority has a legal duty to set a balanced budget based on realistic planning assumptions.
Staffing	Over 70% of expenditure relates to staff costs and therefore is a material factor when considering future financial stability. The risks identified by the Chief Fire Officer include ongoing pay negotiations as well as the need to recruit further retained duty staff and build corporate resilience.
Equalities/Human Rights/Welsh Language	These issues will be factored into budget setting proposals.
Risks	The key risks and uncertainties to the 2024/25 budget have been outlined in Appendix 1.

## Initial financial planning assessment 2024/25

£'m	Approved budget 2023/24	Unfunded costs 23/24	4% Pay award 2024/2025	Potential additional pension costs	Inflation & Growth	Interest cost increase	Training Centre	Total
Pay	31.824	1.745	1.343	0.400				35.312
Non-Pay	10.384	0.200			0.741			11.325
Capital Financing and Interest	3.130					0.500	1.1	4.730
Income	-0.944							-0.944
<b>Levy</b>	<b>44.394</b>	<b>1.945</b>	<b>1.343</b>	<b>0.400</b>	<b>0.741</b>	<b>0.500</b>	<b>1.100</b>	<b>50.423</b>

## Summary of planning assumptions and risks

Heading	Planning assumptions used in budget setting	Risks/Uncertainties
Employee costs	<ul style="list-style-type: none"> <li>• The staffing budgets will be formulated on existing service delivery models and updated to reflect the decision of the Fire and Rescue Authority following the Emergency Cover Review.</li> <li>• At the time of setting the budget for the 2023/24 financial year the national pay awards for firefighters for the 2022/23 &amp; 2023/24 financial years had not been finalised. The final budget for 2023/24 assumed 5% and 4% respectively but the actual pay award was settled at 7% and 5%. The increased costs associated with this have been built into the base budget and a planning assessment of 4% for national pay awards in 2024/25 has been made for all staff.</li> <li>• The valuation of the firefighters' pension scheme was undertaken during 2020 and will set the employer contribution rates for the four-year period from April 2024. At the time of writing this report the updated valuation is not available but remains a key risk.</li> </ul>	<ul style="list-style-type: none"> <li>• The National Joint Council (NJC) has not yet reached agreement on the firefighter pay award for 2024/25 although settlements above the budget provision are anticipated at the time of writing this report.</li> <li>• The National Joint Council (NJC) for Local Government Services has not yet reached agreement on the pay award for staff on LGPS contracts for 2023/24 or 2024/25.</li> <li>• The budget planning assumes normal levels of activity. If spate conditions occur budget pressures will be experienced. The working assumption is that the General Fund would be utilised in the first instance.</li> </ul>

<p>Non-Pay</p>	<ul style="list-style-type: none"> <li>• The initial planning assessment has confirmed that the non-pay budgets will be formulated on existing service delivery models, updated for the outcome of the Emergency Cover Review. The demands on the non-pay budget are further exacerbated by the inflationary impact inherent within existing and future contracts and supply chain issues in a number of business-critical areas. These include the supply of firefighting kit and the sourcing of replacement parts for operational vehicles.</li> <li>• Unavoidable costs associated with industry specific health and safety matters have been included within the non-pay budget. These include costs associated with the management of contaminants for our operational firefighters following national work.</li> <li>• Budgets have been formulated using the knowledge and professional judgement of budget managers and underlying contractual obligations but through necessary include a large degree of estimation. Where costs pressures can be quantified these have been separately identified and included.</li> <li>• During 2023/24 the Welsh Government removed its financial support of £0.4m for the existing national emergency services communication network (Firelink). The full contract price of £1m is now funded directly from core funding. Due to the fixed nature of this contract these costs are unavoidable and the contract includes an annual inflationary increase.</li> </ul>	<ul style="list-style-type: none"> <li>• Whilst the Service continues to review non-pay costs and strives to manage cost pressures within the planned budget this remains an area of risk due to ongoing pressures within the supply chain arising from price rises and availability issues. This position is being carefully managed but due to significant volatility it is not possible to fully quantify the impact.</li> <li>• The cost of gas and electricity has been a known cost pressure since 2022/23 due to global cost pressures. The position appears to have stabilised and the budget for 2024/25 is predicated on best estimates at this time. However, volatility in the market continues and this remains a known uncertainty and risk.</li> <li>• Although the Authority continues to work towards reducing its carbon footprint detailed plans have not yet been formalised. This work will progress during 2023/24 and no budget provision has been included.</li> </ul>
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Heading	Planning assumptions used in budget setting	Risks/Uncertainties
Capital Financing	<ul style="list-style-type: none"> <li>• The capital financing requirement for 2024/25 includes the revenue charge for the minimum revenue provision for existing assets and an estimate of the interest charges arising from borrowing. These costs are influenced by historical capital expenditure, the need to borrow for the 2024/25 capital programme and the impact of interest rate increases when re-financing maturing loans.</li> <li>• The initial planning assessment will assume that all future borrowing will be at the prevailing PWLB rate at the time of budget setting.</li> <li>• The capital plan includes potential costs associated with a new training centre. At this time the business case has not been considered by the Authority and, therefore, it is assumed that capital costs will be incurred from 2025/2026 onwards.</li> </ul>	<ul style="list-style-type: none"> <li>• The increase in interest rates is a key risk area given the economic uncertainty at this time. Financial modelling will be undertaken to assess the sensitivity of the Authority's financial position and performance to existing interest rates and reported as part of the budget setting.</li> <li>• The timing of any costs associated with a new training centre are unknown at this stage as the business case has not been considered by the Authority. Although it is not anticipated that any building works will commence during 2024/25 it may be necessary to make provision for costs associated with detailed planning applications should approval be given.</li> </ul>
Income	<ul style="list-style-type: none"> <li>• Income budgets have been reviewed and set in line with previous years.</li> <li>• Welsh Government grant income reduced significantly during 2023/24 due to the removal of the Firelink Grant (£0.4m) and incorporation of the Scape Grant (£1.08m) into the RSG paid to local authorities.</li> <li>• Budget setting will assume that remaining Welsh Government grant funding will be received at 2023/24 levels.</li> </ul>	<ul style="list-style-type: none"> <li>• No specific risks have been identified over and above the grant income from the Welsh Government for which inflationary uplifts are not anticipated.</li> </ul>

Report to	<b>North Wales Fire and Rescue Authority</b>	
Date	<b>16 October 2023</b>	
Lead Officer	<b>Helen MacArthur – Assistant Chief Fire Officer</b>	
Contact Officer	<b>Helen Howard – Head of Finance and Procurement</b>	
Subject	<b>Treasury Management Report April – June 2023/24</b>	

## PURPOSE OF REPORT

- 1 The purpose of this report is to provide Members with an update on the treasury management activity, and compliance with the treasury management prudential indicators for the period 1 April 2023 – 30 June 2023.

## EXECUTIVE SUMMARY

- 2 In December 2003, North Wales Fire and Rescue Authority (the Authority) adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice (2021)* (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.
- 3 The CIPFA Code also included a new requirement for quarterly reporting of the treasury management indicators from April 2023. The non-treasury prudential indicators are incorporated in the Authority's normal revenue and capital monitoring report.
- 4 The Authority's treasury management strategy for 2023/24 was approved at a meeting on 20 March 2023. As the Authority borrows and invests significant sums of money there are financial risks that need to be considered including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

## OBSERVATIONS FROM EXECUTIVE PANEL/AUDIT COMMITTEE

- 5 The Audit Committee considered the Treasury Management activity for 2023-24 at its meeting of 18 September 2023. The Audit Committee noted the activity and endorsed the approval of the Prudential Indicators for Quarter 1 of 2023-24.

## RECOMMENDATIONS

- 6 It is recommended that Members:
  - i) approve the treasury management activity; and
  - ii) approve the prudential indicators for quarter 1 of 2023/24.

## EXTERNAL CONTEXT

- 7 Inflation fell from its peak of 11.1% reached in October 2022, but annual headline CPI in May 2023 was higher than the consensus forecast at 8.7% (8.4% expected). This was largely driven by services inflation, while the annual measure of underlying core inflation rose to 7.1% from 6.8%.
- 8 The Bank of England's Monetary Policy Committee re-accelerated monetary policy tightening over the period with a 0.25% rise in May to a 0.5% rise in June, taking Bank Rate to 5.0%.
- 9 Interest rate expectations priced in further hikes in policy rates. Arlingclose, the authority's treasury adviser, revised its forecast to forecast a further 0.5% of monetary tightening to take Bank Rate to 5.5%. The risks, however, are that rates could be higher; financial markets are forecasting policy interest rates above 6%.

## LOCAL CONTEXT

- 10 On 31 March 2023, the Authority had net borrowing of £22.48m arising from capital expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

**Table 1: Balance Sheet Summary**

	<b>31.03.23 Actual £m</b>
General Fund CFR	28.88
External borrowing	-26.65
Less: Balance sheet resources	-6.40
Less: New Investments	4.17
<b>31 March 2023</b>	<b>0.00</b>

- 11 The treasury management position at 30 June and the change over the quarter is shown in Table 2 below.

**Table 2: Treasury Management Summary**

	<b>31.3.23 Balance £m</b>	<b>Movement £m</b>	<b>30.6.23 Balance £m</b>	<b>30.6.23 Rate %</b>
Long-term borrowing (PWLB)	17.79	0	17.79	1.00 - 4.90
Short-term borrowing	8.86	-3.42	5.44	1.30 - 3.91
<b>Total borrowing</b>	<b>26.65</b>	<b>-3.42</b>	<b>23.23</b>	
Short-term investments	0.00	0.00	0.00	
Cash and cash equivalents	-4.17	-6.01	-10.18	4.16 - 4.90
<b>Total investments</b>	<b>-4.17</b>	<b>-6.01</b>	<b>-10.18</b>	
<b>Net borrowing</b>	<b>22.48</b>	<b>-9.43</b>	<b>13.05</b>	

**BORROWING**

- 12 CIPFA's 2021 Prudential Code outlines that local authorities must not borrow to invest with the primary objective being financial return. It is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement requiring new borrowing, unless directly and primarily related to the functions of the Authority.
- 13 The Authority has not invested in assets for financial return and all expenditure is related to the discharge of the Authority's functions.

**BORROWING STRATEGY AND ACTIVITY**

- 14 As outlined in the treasury strategy, the Authority's main objective when borrowing has been to adopt a low risk strategy balancing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 15 There has been a substantial rise in the cost of both short and long-term borrowing over the last 18 months. In this quarter, Bank Rate rose from 4.25% at the beginning of April to 5.0% at the end of the quarter and was also significantly higher than its level of 1.25% at the end of June 2022.
- 16 PWLB borrowing rates continued to rise over the quarter. On 30 June, the PWLB certainty rates for maturity loans were 5.25% for 10-year loans, 5.36% for 20-year loans and 4.95% for 50-year loans. Their equivalents on 31 March 2023 were 4.33%, 4.70% and 4.41% respectively.

- 17 At 30 June the Authority held £23.23m of loans, a decrease of £3.42m on 31 March 2023, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans, on 30 June are summarised in Table 3A below.

**Table 3A: Borrowing Position**

	<b>31.3.23 Balance £m</b>	<b>Net Movement £m</b>	<b>30.6.23 Balance £m</b>	<b>30.6.23 Weighted Average Rate %</b>	<b>30.6.23 Weighted Average Maturity (years)</b>
Public Works Loan Board	20.65	-0.42	20.23	2.46	4.74
Local authorities (short-term)	6.00	-3.00	3.00	4.35	1.00
<b>Total borrowing</b>	<b>26.65</b>	<b>-3.42</b>	<b>23.23</b>		

- 18 The Authority's short-term borrowing cost has continued to increase with the rise in Bank Rate and short-dated market rates. The average rate on the Authority's short-term loans at 30 June 2023 on £6.00m was 4.35%, this compares with 1.3% on £6.00m loans 12 months ago.

**Table 3B: Long-dated Loans borrowed**

	<b>Amount £m</b>	<b>Rate %</b>	<b>Period (Years)</b>
PWLB Maturity Loan	2.60	4.80	29.00
PWLB EIP Loan	4.70	3.91	18.00
<b>Total borrowing</b>	<b>7.30</b>	<b>4.23</b>	

- 19 The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short and long-term borrowing was maintained.
- 20 During the period 1 April – 30 June 2023, a short-term market loan of £3m was repaid. This was replaced with a long term PWLB loan, which was taken out in 2022/23. This was undertaken following advice from our treasury management advisors and undertaken when interest rates were favourable.

## **TREASURY INVESTMENT ACTIVITY**

- 21 CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20 December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

- 22 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £4.17m and £10.18m due to timing differences between income and expenditure. The majority of the balance relates to the income received in relation to the Firefighters Pensions Fund, which will be spent throughout the year. The investment position is shown in table 4 below.

**Table 4: Treasury Investment Position**

	<b>31.3.23</b>	<b>Q1</b>	<b>31.6.23</b>	<b>30.6.23</b>	<b>30.6.23</b>
	<b>Balance</b>	<b>Net</b>	<b>Balance</b>	<b>Income</b>	<b>Weighted</b>
	<b>£m</b>	<b>Movement</b>	<b>£m</b>	<b>Return</b>	<b>Average</b>
		<b>£m</b>		<b>%</b>	<b>Maturity</b>
					<b>days</b>
Banks & building societies	4.17	6.01	10.18	4.16-4.90	on call
<b>Total investments</b>	<b>4.17</b>	<b>6.01</b>	<b>10.18</b>		

- 23 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 24 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments.
- 25 Bank rates increased by 0.75%, from 4.25% at the beginning of April to 5% by the end of June, with the prospect of further increases to come. Short-dated cash rates rose commensurately, with 3-month rates rising to around 5.25% and 12-month rates to nearly 6%.

## **COMPLIANCE**

- 26 The Treasurer reports that all treasury management activities undertaken during the quarter complied with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy, apart from the limit for investments held with one bank. The Service hold two call accounts that are used to place short term deposits, with Lloyds Bank and Barclays Bank. The interest rates being offered on treasury deposits, was significantly higher with Lloyds Bank and therefore in order to obtain the best return all deposits have been placed with them.

- 27 To help mitigate this in future, the Service have applied for a Debt Management Office Account, as the Treasury Management Strategy allows for unlimited funds to be placed with the DMO.
- 28 Compliance with specific investment limits is demonstrated in table 5 below.

**Table 5: Investment Limits**

Institution	Description	Limit	30.06.23 Actual	Complied? Yes/No
Banks	All UK banks and their subsidiaries that have good ratings (Fitch or equivalent). This is currently defined as long term (BBB)	£5m	£10.18m	no
Central Government	Debt Management Office (DMO)	Unlimited	0	yes
Money Market Funds (MMF)	Only in conjunction with advice for Arlingclose	£1m per fund	0	yes
Local Authorities	All except those subject to limitation of council tax and precepts under Part 1 of the Local Government Finance Act 1992	£2m	0	yes
Building Societies	Building societies with a rating (as for the banking sector)	£2m	0	yes
Building Societies (Assets £1bn)	Building societies without a rating but with assets of £1 billion or more	£2m/9 months	0	yes

- 29 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 6 below.

**Table 6: Debt and the Authorised Limit and Operational Boundary**

	30.6.23 Actual £m	2023/24 Operational Boundary £m	2023/24 Authorised Limit £m	Complied?
Borrowing	23.23	28.99	30.99	Yes
<b>Total debt</b>	<b>23.23</b>	<b>28.99</b>	<b>30.99</b>	

- 30 Since the operational boundary is a management tool for in-year monitoring there may be occasions when actual borrowing exceeds this target. This may be due to variations in cash flow and short-term breaches would not count as a compliance failure.

## TREASURY MANAGEMENT INDICATORS

- 31 As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

### Maturity Structure of Borrowing

- 32 This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	<b>30.6.23 Actual</b>	<b>Actual Limit</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Complied Y/N</b>
Under 12 months	2.44	10.50%	60.00%	0.00%	Y
12 months and within 24 months	6.71	28.89%	45.00%	0.00%	Y
24 months and within 5 years	5.62	24.19%	45.00%	0.00%	Y
5 years and within 10 years	1.32	5.68%	75.00%	0.00%	Y
10 years and above	7.14	30.74%	100.00%	0.00%	Y

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

### Long-term Treasury Management Investments

- 33 The Authority does not hold any long-term treasury investments.

## IMPLICATIONS

<b>Wellbeing Objectives</b>	This report links to NWFRA's long-term well-being objectives. Ensures that the purchase of assets to support front line service delivery is prudent, affordable and sustainable. Ensures there is sufficient investment in infrastructure to enable the service to provide emergency responses and prevention work well in to the future.
<b>Budget</b>	Budget is set annually for capital financing in line with the Treasury report.
<b>Legal</b>	The regulatory framework is set out in paragraph 1.
<b>Staffing</b>	None
<b>Equalities/ Human Rights/ Welsh Language</b>	None
<b>Risks</b>	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.

Report to	<b>North Wales Fire and Rescue Authority</b>	
Date	<b>16 October 2023</b>	
Lead Officer	<b>Helen MacArthur, Assistant Chief Fire Officer (Finance and Resources)</b>	
Subject	<b>Firefighters' Pension Scheme Wales – age discrimination</b>	

## PURPOSE OF REPORT

- 1 To provide an update to Members on the arrangements to address the age discrimination in the Firefighters' Pension Scheme in Wales.

## EXECUTIVE SUMMARY

- 2 The Welsh Government has concluded the legislative process necessary to remedy the age discrimination associated with the firefighter pension schemes in Wales.
- 3 The Firefighters' Pensions (Remediable Service) (Wales) Regulations 2023 (the Regulations) came into force on 1 October 2023 and make provision for the actions necessary by Scheme Managers to address the age discrimination.
- 4 The Regulations create an obligation on the Scheme Manager to fully implement remedy for all eligible members within an 18-month period. Work has commenced to ensure that all affected members are identified and the provisions within the Regulations are complied with.

## RECOMMENDATIONS

- 5 Members are asked to:
  - i) note the legislative requirements and timescales established by the regulations; and
  - ii) note the work undertaken to implement the regulations.

## BACKGROUND

- 6 The Public Service Pensions Act 2013 (the 2012) introduced comprehensive reforms of public sector pensions across the UK. The overall aim was to reduce the cost of pensions to the public purse through the introduction of higher pension ages with pensions calculated on a Career Average Revalued Earnings basis (CARE), rather than the traditional final salary scheme. Transitional protection was contained within the legislation which was subsequently proved to be discriminatory on the grounds of age.

- 7 Since that time, the UK Government has confirmed that eligible members will be transferred back to their legacy schemes for the period of remedy which is 1 April 2015 – 31 March 2022. The Public Service Pensions and Judicial Offices Act 2022 is the primary legislation to implement the remedy and to empower responsible authorities.
- 8 As the firefighters' pension scheme is devolved in Wales, the Welsh Ministers have responsibility for drafting the underpinning regulations necessary to effect remedy.
- 9 The pension regulations required to address the age discrimination associated with the firefighter pension schemes in Wales came into force on 1 October 2023. The Firefighters' Pension (remediable Service) (Wales) Regulations 2023 (the Regulations) make provision for Scheme Managers to implement the changes necessary and these are required to be completed within an 18-month period.
- 10 The Regulations place all active employee members back into their legacy schemes for the period 2015-22 and offer a choice of legacy scheme or 2015 scheme benefits upon retirement. The Regulations include provision to support Scheme Managers in a range of scenarios including previous opt-out decisions, pension sharing upon divorce, when and how decisions are deemed to have been made and the action to be taken in specific circumstances including ill-health retirements and cases involving bereavement.
- 11 The detailed Regulations can be accessed at <https://www.legislation.gov.uk> and work is ongoing with the administrator, Dyfed Pension Fund, to ensure implementation within the prescribed timescales. A detailed review of each payroll and pension record is required to ensure that each element of pay is correctly treated for pension purposes. The employees' pension contribution will also require adjustment and arrangement is made within the Regulations for the treatment of tax relief on such contributions. The work is concluded through the provision and actioning of a remediable service statement for each eligible member.
- 12 The Regulations not only affect current employees but include former employees who are deemed to be eligible members. North Wales Fire and Rescue Service (the Service) has identified and communicated with all members considered to be in scope.
- 13 The detailed work necessary has commenced and the implementation will be prioritised to ensure that members retiring from 1 October 2023 will be processed in accordance with the Regulations. Priority will also be given to those members who retired during the remedy period without full protection from the previous pension changes.

- 14 Members should be aware that this highly technical work will be carried out by the Service's one Pensions Officer, supported by the ACFO (Finance and Resources), and therefore it may take up to 18 months to complete.

## IMPLICATIONS

Wellbeing Objectives	The pension arrangements promote long term stability in the workforce and the remedy addresses age discrimination.
Budget	The requirement to address remedy will impact financially on the Authority's financial position as pensions for those affected will be enhanced. The impact will be addressed via the valuation and setting of future employer contributions.
Legal	The Authority has a legal duty to address the age discrimination and comply with the scheme regulations.
Staffing	The provision of remedy will support staff in their retirement planning and support wellbeing.
Equalities/ Human Rights/Welsh Language	The remedy addresses previous inequalities.
Risks and Uncertainties	The provision of remedy is a complex area which unknown financial consequences.

Report to	<b>North Wales Fire and Rescue Authority</b>	
Date	<b>16 October 2023</b>	
Lead Officer	<b>Helen MacArthur, Assistant Chief Fire Officer Finance and Resources</b>	
Subject	<b>Firefighters' Pension Scheme Wales – pension entitlement for retained firefighters</b>	

## PURPOSE OF REPORT

- 1 To provide an update to Members on the proposed amendments to the Firefighters' Pension Scheme in Wales to extend access for eligible retained (on-call) firefighters with pre-2000 service.

## EXECUTIVE SUMMARY

- 2 The Welsh Government is current consulting on proposals to extend access to the Firefighters' Pension Scheme in Wales for eligible firefighters with pre-2000 service.
- 3 The proposals will extend the action taken during 2014 to address the less favourable treatment of part time workers. At that time, the Matthews judgment determined that the work of a retained firefighter was within scope of the Part Time Workers' Regulations (2000) (the Regulations) and allowed eligible members to purchase pension entitlement dating back to 1 July 2000.
- 4 A further successful legal challenge, the O'Brien judgment, confirmed that for those within scope their full service should be pensionable and not just the element following the date of the Regulations.
- 5 The Welsh Government in also seeking to correct a further error in that the original provisions should have allowed those with service from 7 April 2000 rather than 1 July 2000 to be within scope.

## RECOMMENDATIONS

- 6 Members are asked to:
  - i) note the background to the legal matter; and
  - ii) note the proposals set out by the Welsh Government to address the legal issues arising.

## BACKGROUND

- 7 For a number of years, access to the Firefighters' Pension Scheme was only available to firefighters employed on a wholetime basis. Specifically, on-call firefighters employed to work on the retained duty system were precluded from joining the pension scheme.
- 8 This arrangement did not change when the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000 (the Regulations) were introduced. The Regulations prohibit treating part-time workers less favourably than whole-time workers who are engaged in broadly similar work. At that time, it was held that the work of on-call firefighters was not sufficiently comparable. This view was overturned by the Matthews Judgment which found that the work was sufficiently comparable.
- 9 Consequently, on-call firefighters were permitted to join the Firefighters' Pension Scheme 2007 with effect from 7 April 2006. This provided parity for on-call and whole-time recruits from that point forward.
- 10 To correct the issue retrospectively, the Firefighters' Pension Scheme (Wales) Amendment Order 2014 created a modified scheme for on-call firefighters who were employed between 1 July 2000 and 6 April 2006. Known as the "2007 Modified Scheme" it provided benefits broadly similar to those received by whole-time firefighters.
- 11 The on-call firefighters in scope were permitted to join retrospectively by paying the pension contributions which would have been due had the unlawful treatment identified by the Matthews Judgment not arisen. This is known as the "1<sup>st</sup> choice exercise" and was conducted during 2015.
- 12 The application of a cut-off of date of 2000 was similar to the approach adopted by other part time workers and was subject to a legal challenge by a part time judge (O'Brien vs Ministry of Justice). The legal challenge argued that the full extent of service should be pensionable and not just the element that post dates the Part-time workers regulations. The O'Brien Judgment found in favour of the employee and it follows that the 1 July 2000 cut-off in the modified scheme is also unlawful and thus on-call firefighters with service on or after 7 April 2000 is potentially pensionable.

## INFORMATION

- 13 Although this is a national issue, the responsibility for firefighter pensions is devolved in Wales and it falls to the Welsh Government to make the necessary arrangements to correct this matter. The Welsh Government is proposing that the existing provisions contained within the Modified Scheme be extended. For eligible individuals it is proposed to offer a second-choice exercise which will enable them to pay the pension contributions for all continuous service that pre-dates the 7 April 2000.

- 14 The Welsh Government has drafted the proposed amendments to the existing regulations and conducted a consultation that can be accessed at <https://www.gov.wales/pension-entitlements-retained-firefighters-2023>. The supporting document confirms the principles that will be applied to correct the matter.
- 15 The consultation closed on 6 October 2023 and the Authority's response to the consultation is set out in Appendix 1 which was approved by the Chair of the Local Pension Board and the Chair of the Authority. The responses confirm broad agreement with the principles set out and highlight some specific administrative areas for further consideration.
- 16 The consultation confirms that eligible individuals will include on-call firefighters whose:
- i. employment ceased between 7 April 2000 – 30 June 2000 and who were excluded from the first-choice exercise;
  - ii. employment straddles the operative date of 7 April 2000; or
  - iii. employment commenced after 1 July 2000 but were not afforded the full opportunity to purchase past service to which they were entitled.
- 17 Eligible individuals will be permitted to purchase past service pension by making contributions that would have become due. This will be a complex matter due to the longevity of some contracts and administrative records may not be available to confirm actual pensionable earnings. The draft regulations make provision for estimating pensionable pay in these circumstances.

## IMPLICATIONS

Wellbeing Objectives	The pension arrangements promote long term stability in the workforce and the remedy addresses age discrimination.
Budget	The requirement to address this matter will impact financially on the Authority's financial position as pensions for those affected will be enhanced. The impact will be addressed via the valuation and setting of future employer contributions.
Legal	The Authority has a legal duty to address this matter and comply with the scheme regulations.
Staffing	Addressing the matter will support staff in their retirement planning and support wellbeing.
Equalities/ Human Rights/Welsh Language	The proposals address previous inequalities.
Risks and Uncertainties	This is a complex area which unknown financial consequences.

## Consultation – Pension Entitlements for Retained Firefighters 2023

### Consultation question 01

Do you agree with the eligibility criteria set out at paragraphs 12-17?

The criteria set out within paragraphs 12 – 17 of the consultation document appears reasonable for on-call staff conditioned on RDS contracts of employment.

### Consultation Question 02

Do you agree that the proposed arrangements should include the option to purchase uninterrupted RDS service in the modified scheme between 31 March 2015 and 31 March 2022, irrespective of whether that is provided for through these provisions or separate regulations made under the PSPJO Act 2022?

This appears a reasonable and practical approach.

### Consultation question 03

Do you agree with the assumption that we have proposed for historic service, pay and grade?

This is clearly a challenging area given the historical nature of this matter. The proposals provide a clear framework of options to be worked through and the suggested approach where records are not available provide a practical solution.

### Consultation question 04

How far do you agree with our proposal to spread periodic contributions for post 2000 service over 10 years and for pre-2000 by 10 years plus half the length of pre-2000 service that they have opted to purchase?

The proposal is workable for the majority of cases although there will an administrative burden on the Scheme Manager. The proposals don't apply any form of de-minimis resulting in the risk that for small amounts the pay back period is overly generous.

### Consultation question 05

Do you agree that the new options exercise should be completed within 18 months (with flexibility included to go beyond that in exceptional cases as described in paragraph 72).

The 18-month timeframe places an obligation on both the Scheme Manager and the eligible person to complete the process within prescribed timescales. In normal circumstances this would be achievable but as the practical implementation may coincide with remedying the age discrimination the burden on Scheme Managers will be need to be considered.

The timescales outlined within para 70 provide further information on the respective obligations of each party. It is considered that these would require strengthening to confirm the evidence that is required by each party in the event of dispute. For example, eligible members not notified by the FRA have 9 months from the date of legislation to declare their interest. However, it is not clear whether this specifically relates to members who may have moved without a forwarding address rather than those erroneously omitted due to the Scheme Manager's poor administration. Similarly, the duty of an individual to reply to the Scheme Manager within 6 months of receiving the relevant information is potentially fraught as it is not clear how the Scheme Manager can evidence that they have provided in the information in the event of dispute (this specific point being the subject of an IDRPs following the first-choice exercise).

### **Consultation question 06**

How far do you agree that we should change the definitions of "firefighter" and of "pensionable pay" in the Compensation Scheme, to ensure that those firefighters who have second contracts are entitled to compensation on the same terms as those who do not?

This proposal is sensible and recognises the substance of the employment arrangements

### **Consultation question 07**

We would like to know your views on the effects that the above proposals would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

It is not evident the proposals have any specific impact on the Welsh language

### **Consultation question 08**

Please also explain how you believe the proposed policy could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

No further comments

### **Consultation question 09**

We have asked a number of specific questions. Do you have any other comments on our proposals or any related issues which we have not specifically addressed?

No comments to note

Report to	<b>North Wales Fire and Rescue Fire Authority</b>
Date	<b>16 October 2023</b>
Lead Officer	<b>Stewart Forshaw, Deputy Chief Fire Officer</b>
Contact Officer	<b>Stewart Forshaw, Deputy Chief Fire Officer</b>
Subject	<b>New Training Centre Land Purchase</b>



## PURPOSE OF REPORT

- 1 This report provides an update to Members on the work undertaken to assess the suitability of identified land in St Asaph, Denbighshire, for the future development of a sustainable training and development centre in North Wales.
- 2 The report also confirms the recommendation for Members to support the land purchase and necessary new mitigation work, now the necessary due diligence has been completed.
- 3 The land purchase is the first step in developing a business case for Members to consider building a new training and development centre in North Wales, to mitigate current and future health and safety concerns regarding the operational and wider organisational training provision in North Wales Fire and Rescue Service (the Service).
- 4 The purchase of this land will not commit North Wales Fire and Rescue Authority (the Authority) to the construction of a new training centre. If this scheme does not progress the land purchase will provide the Authority with a valuable capital asset.

## EXECUTIVE SUMMARY

- 5 The Authority is committed to the provision of essential operational training to its staff to support service delivery and ensure firefighter safety, in accordance with Health and Safety legislation, the Fire and Rescue Services Act 2004 and the Fire and Rescue National Framework for Wales 2016.
- 6 The Chief Fire Officer's (the CFO) assessment undertaken during 2021 identified training as a priority area, and Authority approval was given to undertake a full review of operational training and development provision within the Service.

- 7 This has involved a review of current operational training facilities, including those located at Dolgellau, Rhyl, Wrexham, and Deeside fire stations, as well as the Compartment Fire Behaviour Training (CFBT) facilities at Airbus in Broughton. The review has identified that existing training and development facilities fall short of contemporary standards in many areas. Therefore, there is a need to conduct an options appraisal for the future of training and development facilities within the Service. This appraisal will be included in a business case to ensure firefighter operational preparedness and safety for future generations.
- 8 The review of operational training facilities in the Service also supports the findings of the Chief Fire and Rescue Advisor's thematic review of operational training within the Welsh Fire and Rescue Services (October 2022), which recognises the need for significant capital investment required to replicate real-world conditions for firefighters to develop, maintain and refresh their operational skills.
- 9 Following approval by the Authority, on the 17 October 2022 to allocate a budget for the development of a detailed business case for a new training and development centre, a number of options have been explored by the project team.
- 10 This work has included the identification of a suitable parcel of land to locate a new training and development centre in St Asaph, Denbighshire.
- 11 The Authority approved a 6-month exclusivity agreement with the vendor which expired on the 27 September 2023. However due to the site being assessed as suitable following the necessary due diligence, the vendor has agreed to extend the agreement until the conclusion of this Authority meeting.
- 12 The exclusivity agreement has enabled the relevant surveys and suitability assessments to be undertaken on the site, and discussions have also been held with local planning officers prior to the submission of an outline planning application. The outcome of this due diligence supports the recommendation for the Authority to purchase the land.
- 13 A working group consisting of six Authority Members, one from each of the Authority areas, has also been established with the aim to develop and scrutinise plans and business case for a new training and development centre in North Wales. The working group has also visited neighbouring Fire and Rescue Service training and development centres to identify areas of good practice.

- 14 A budget for land purchase has been previously approved by the Authority, with its use conditional to Members approval. The land cost of £2.75m is included in the Authority's budget for 2023/24 and would be funded through external borrowing should Welsh Government assistance not be available. The full annual cost at the current prevailing interest rates would be £150k.

## **RECOMMENDATION**

- 15 It is recommended that Members:
- (i) note the background to review fire and rescue training facilities in North Wales;
  - (ii) note that the current training facility provision is reaching its end of life;
  - (iii) approve the purchase of land in St Asaph, Denbighshire, that has been assessed as being suitable for the construction of a new training and development centre in North Wales;
  - (IV) approve commencement of newt mitigation work to ensure the site is ready for construction from December 2024. This would be subject to Member's scrutiny and approval;

## **BACKGROUND**

- 16 At the meeting of the Fire Authority 20 September 2021 the three main priorities for the Service were identified by the Chief Fire Officer (CFO) in her situational assessment. They included improving availability, improving training and strengthening the corporate structure. Members endorsed these priorities and allocated initial funding to support these areas.
- 17 Training has been reviewed and improved by developing a new training strategy. Funding has been allocated to pay for more trainers and the breathing apparatus training facilities at Dolgellau have had some improvements that support its continued use in the short-term.
- 18 The report presented to the Authority on the 17 October 2022 recommended that an initial budget was allocated to develop the business case for a new training and development centre.
- 19 To assist in the development of the business case the new training centre project team have consulted with staff, building construction professionals, sustainability experts, an architect and members of the new training centre working group. This work has also included the identification of a piece of land assessed as being suitable because of its geographical location, size and ground conditions following the necessary due diligence.

- 20 Local planning officers have also been engaged as part of the process, to provide assurances that the proposal could be supported in principle provided sufficient detail is included in the planning application.

## **INFORMATION**

- 21 During the past decade the Authority will have noted the number of fires and other emergency incidents have reduced significantly. Although this is a success story for the fire prevention work that has taken place in our communities during this time, it has resulted in the risk of firefighters having less exposure to the wide range of hazards and complex situations they are likely to face when attending such incidents.
- 22 Fire contaminants are also a significant health and safety risk for our staff, they are present in the smoke and toxic flammable gases released during fires. Exposure to these contaminants has been linked to cancer and other health conditions in firefighters. The management of fire contaminants must be intrinsic to any new training and development centre design.
- 23 Although interim measures have been put in place, the long-term management of fire contaminants is a health and safety concern for Service staff using the current breathing apparatus training facilities at Dolgellau and Airbus, Broughton.
- 24 Therefore, the Service has undertaken a review of its operational training facilities and as a result it has become apparent that they do not provide the facilities required to train staff operating in a modern-day fire and rescue service for its long-term future.
- 25 Although the fire house training facility at Dolgellau fire station continues to be used for operational training, it requires significant investment to extend its medium-term life span for risk critical breathing apparatus and firefighting tactics training. It cannot be considered as a long-term option for operational training and is therefore a health and safety concern for the future training provision for firefighters in the Service. It is also located in an area of North Wales which is a considerable distance for the majority of our staff to travel and attend breathing apparatus courses.
- 26 The breathing apparatus training facilities at Rhyl, Wrexham and Deeside Fire stations have also been reviewed and have been found to provide adequate 'cold smoke' localised training opportunities for staff, though some minor improvements are required.

- 27 It has also been identified that these facilities are not designed to allow firefighters to train in an environment that exposes them to realistic conditions including heat and smoke, a requirement for all breathing apparatus wearers to act in accordance with National Operational Guidance, Breathing Apparatus Training Specification and Service policy.
- 28 The Service also has CFBT facilities located within the Airbus factory site, Broughton. The site appraisal has identified that there are many shortcomings to the Service relying on the facilities for its primary usage. They include some access issues for staff and maintenance contractors due to site security policy, with limited access to classrooms and welfare facilities.
- 29 It has also been identified that none of the above sites are suitable to meet the long-term welfare and the management of contaminants requirements for our staff when they attend breathing apparatus training courses involving the use of fire, heat and smoke.
- 30 To mitigate these risks, operational training and development for our staff in a realistic and immersive training environment which includes adequate health and safety measures, needs to be at the forefront of our thinking and training and development centre design.
- 31 The full review of our current facilities and an options appraisal for the future provision will be included in a new training centre business case, to be presented at a future Authority meeting following scrutiny by the new training centre working group.
- 32 To support this project, at the meeting of the Authority on the 17 October 2022 the recommendation to allocate an initial budget to the project was approved, which included the option to enter into an exclusivity agreement with a vendor of a suitable site.
- 33 Since that meeting a suitable parcel of land for locating a training and development centre has been identified and following constructive conversations with the land agent and local planning office, the Authority entered into a 6-month exclusivity agreement with the vendor to allow the necessary surveys and land suitability assessments to take place. This agreement does not bind the Authority to the purchase but allows for all due diligence to be undertaken.

- 34 During the past 6 months a working group consisting of Authority Members from each of the Authority areas has been established, to develop and scrutinise ideas for a new training centre in North Wales. This group has met regularly with members of the project team, and has visited other Fire and Rescue Service training and development centres in the United Kingdom.
- 35 The Service has also worked with specialists, who have conducted the relevant land surveys and assessments, supported by dialogue with the Denbighshire County Council planning office to satisfy their requirements prior to the potential submission of a pre-planning application.
- 36 The outcomes from the working group, site surveys and discussions with the local planning office are favourable and support the recommendation to purchase the site in St Asaph, Denbighshire for the future construction of a new fire and rescue service training and development centre in North Wales.
- 37 A revenue budget for the purchase of land valued at £2.75m has been included in the Authority's 2023/24 budget, with its use conditional to Members approval, following the due diligence being completed on the site which has now concluded. The land purchase would be funded through external borrowing at an annual cost of £150k at the current prevailing interest rates. Welsh Government financial support is also being sought although this cannot be confirmed.
- 38 If the land purchase is approved, a business case including an options appraisal, timetable and costs will be developed for Members to review prior to any decision to proceed with the new training centre build programme.
- 39 However, newt mitigation work is required on this site which can only take place during a single period of the year. Therefore, this work will need to proceed from December 2023 up to October 2024 to have the site ready for any potential future development from December 2024.

## IMPLICATIONS

Well-being Objectives	This project is aligned to all of the Well-being and Corporate Objectives 2022/23 and will promote firefighter safety, support operational preparedness and ensure sustainability over the longer term
Budget	Members approved the provision budget of £2.75m for land purchase in the 2023/24 budget, funded through borrowing at an annual cost of £150k at the current prevailing interest rates. Welsh Government financial support is also being sought although it cannot be confirmed.
Legal	The Authority has a duty under the Health and Safety legislation to ensure the sufficiency of training of its staff, management of risks such as contaminants. The Authority must also secure the provision of training for personnel in relation to fire-fighting, road traffic collisions and emergencies under the Fire and Rescue Services Act 2004. The Authority also needs to ensure a safe and effective response as detailed in the Fire and Rescue National Framework for Wales 2016. The project also addressed the wider legal obligation to reduce carbon emissions.
Staffing	Project team and stakeholders are included in the Project Initiation Document (PID) for approval at Service Leadership Team. The project supports staff health and safety and wellbeing.
Equalities/Human Rights/ Welsh Language	Implications for the protected characteristics are covered within the PID Integrated Impact Assessment.
Risks	All risks are included in the PID risk register.

Report to	<b>North Wales Fire and Rescue Authority</b>
Date	<b>16 October 2023</b>
Lead Officer	<b>Stuart Millington, Assistant Chief Fire Officer</b>
Contact Officer	<b>Euros Lake – Audit Wales</b>
Subject	<b>Audit Wales – False Alarms Reduction</b>



## PURPOSE OF REPORT

1. To formally present to Members an overview of the findings following an audit of false fire alarms that was undertaken by Audit Wales.

## EXECUTIVE SUMMARY

2. Between November 2022 and March 2023, Audit Wales reviewed North Wales Fire and Rescue Authority's (the Authority) approach to the reduction of false fire alarms, focussing primarily on its approach to attendance at non-domestic premises.
3. The question posed that the review sought to answer was: **Is the Authority doing all that it can to reduce the prevalence and responses to non-domestic fire false alarms?**
4. The audit team found that: **The Authority has significantly reduced the number of non-domestic false fire alarms it attends but needs to address financial risks and capacity issues to ensure its risk-based approach is sustainable.**
5. Whilst recognising that the Authority is addressing the issue of false alarm reduction in non-domestic premises well, the report makes three recommendations about how this could be further improved.
6. The first recommendation relates to how the Authority is able to demonstrate the impact of false fire alarms from a financial perspective, to include enhanced data capture and analysis to ensure that efficiencies are correctly realised and presented.
7. The second recommendation focusses on how Automatic Fire Alarm (AFA) data can be integrated or provided to others, as well as how it can add value specifically to the work of Business Fire Safety teams.
8. The third and final recommendation relates to building resilience into how false fire alarms are managed, set against a context of significant organisational capacity challenges.

## **RECOMMENDATIONS**

9. It is recommended that Members:
  - i) note the content of the Audit Wales False Fire Alarms reduction report.

## **OBSERVATIONS FROM EXECUTIVE PANEL**

10. The Executive Panel previously considered this report at their meeting of 19 June.

## **BACKGROUND**

11. Between November 2022 and March 2023, staff members at different levels from across North Wales were asked a series of questions with a clear focus on the efforts that had already been made, as well as where potential existed to further reduce the number of occasions when a resource was unnecessarily mobilised to a false alarm in a non-domestic setting.
12. Similar audits were completed of both Mid and West Wales Fire and Rescue Authority and South Wales Fire Authority.
13. Audit Wales provided a draft report to officers and comments were submitted for consideration. These comments mostly focussed on making a clearer differentiation between false alarms in non-domestic and domestic properties.
14. Audit Wales developed a log of these comments and have subsequently provided a response as to where changes to the document have been made and where North Wales Fire and Rescue Service (the Service) observations have been noted, accepted or partially accepted.

## **INFORMATION**

15. The audit considered all false alarms related policy, how it was developed and how it is currently being implemented; as well as how false alarm reduction is monitored and evaluated.
16. The report provides both a summary and a detailed report, with the detailed report referencing
  - How the fire and rescue services are facing the most challenging financial and operational environment in a generation;
  - What a false fire alarm is and why reductions are important; and
  - How false alarms are managed by North Wales Fire and Rescue Authority.
17. In relation to financial and operational challenges, the report describes Welsh Governments' aspirations for a reduction in false alarms in order to release resources and capacity.

18. It also reflects how any resulting increase in capacity could be better utilised, as part of a broader firefighter role or to improve the time available for firefighters to maintain their own operational competencies.
19. In the section regarding what a false alarm is the Home Office Incident Reporting System (IRS) categories for false alarms are described. The information that is shown in this section reflects the positive work that has been undertaken over a number of years to challenge those who may place malicious calls to the Service, but also highlights that the largest proportion of false alarms result from faulty automatic fire alarm systems.
20. A point to note here is that this will also include false alarms in domestic settings. False alarms in domestic settings are out of scope for this review and there is no desire to reduce attendance to incidents of this type, as they assist our staff to get over the thresholds and provide support to those who are most at risk from fire.
21. The report goes on to highlight financial implications of unnecessary attendance at false fire alarms, whilst also identifying the complexities of accurately quantifying any real terms savings. Examples are provided of when Services in England have begun to recover costs through charging for attendance to those who are chronic repeat offenders.
22. Environmental and road safety implications of attendance at incidents when not required are also described.
23. The final section of the report examines the current policy that NWFRS employs, as well as performance data that describes a significant reduction since 2015/16, with a cautionary note to point out slight increases in 2021/22. Again, we must recognise that this section refers to an increase in domestic and non-domestic properties collectively. Nevertheless, there is a need to continuously monitor any increases, specifically in non-domestic settings.

## False fire alarms reduction – North Wales Fire and Rescue Authority

Audit year: 2022-23

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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# Summary report

## Summary

### What we reviewed and why

- 1 We reviewed the Authority's approach to the reduction of false fire alarms, focusing primarily on its approach to attendance at non-domestic premises. Our audit included reviewing the Authority's policy, how it was developed and is being implemented, how false alarms are monitored, and how performance is managed and evaluated.
- 2 We examined false alarms due to the significant numbers responded to by Welsh Fire and Rescue Authorities (FRAs). This means that they have a significant operational, financial, and environmental impact. They are also a key area for improvement within the Fire and Rescue National Framework 2016<sup>1</sup>, set by the Welsh Government.
- 3 We undertook the review during the period November 2022 to March 2023.

### What we found

- 4 Our review sought to answer the question: **Is the Authority doing all it can to reduce the prevalence and responses to non-domestic fire false alarms?**
- 5 Overall, we found that: **The Authority has significantly reduced the number of non-domestic false fire alarms it attends but needs to address financial risks and capacity issues to ensure its risk-based approach is sustainable.** We reached this conclusion because:
  - the Authority demonstrates a good understanding of the locations, causes and impacts of false fire alarms in non-domestic premises.
  - the Authority has a well-embedded policy to address false fire alarms in non-domestic premises and has revised its approach to reflect evolving risks.
  - the Authority closely monitors responses to automatic fire alarms and works with partners to address problem premises.
  - the Authority's policy has resulted in a dramatic reduction in the number of false fire alarms it responds to. However, numbers have steadily increased since 2015-16 and Members need to scrutinise future performance in the face of challenging financial pressures.

<sup>1</sup> [Fire and Rescue National Framework 2016, Welsh Government](#)

## Recommendations

### Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
<b>Demonstrating the impact of false fire alarms</b>	
R1	<p>This report highlights opportunities to build on the Authority’s understanding of the impact of false fire alarms on its use of resources. To address this, we recommend that the Authority:</p> <ul style="list-style-type: none"><li>• updates its financial analysis to capture the impact of responding to false alarms across its services.</li><li>• in quantifying the impact of responding to false alarms, analyse and report of the impact of attending false alarms looking at hours lost by wholetime and on-call crews in attendance. This will help to support strategic decisions on the growing role of firefighters and help to inform the Authority’s future approach to maintaining firefighters’ competency.</li><li>• as part of its performance reporting framework, report on the number of automatic fire alarm (AFA) actuations that do not elicit an emergency response under its current policy, including as a proportion of all AFA actuations. This will help the Authority to demonstrate the impact of its current policy.</li><li>• reviews the avenues by which false alarm data is captured (e.g. post-incident forms, control information) to ensure information is captured accurately and consistently.</li></ul>
<b>Improving integration</b>	
R2	<p>We found limited clarity on how data on AFA actuations (both the ones that elicit an emergency response, and those that do not) is used by business fire safety teams. We recommend that the Authority includes data on all non-domestic AFA actuations as part of its development of new data dashboards, and provides appropriate access to business fire safety teams. This will help to improve the use of intelligence to proactively inform the workload of business fire safety teams.</p>

## Recommendations

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### Building resilience

- R3 The final part of this report highlights capacity challenges which threaten to undermine the effectiveness of the Authority's risk-based approach to managing false alarms. We recommend that the Authority reviews Members' development needs and tailors training opportunities accordingly to support their role in scrutinising performance and supporting improvement.

# Detailed report

## Fire and rescue services face the most challenging financial and operational environment in a generation

### National framework expectations

- 6 The Welsh Government's National Framework for Fire identifies the reduction of false alarms as a key efficiency saving available to FRAs<sup>2</sup>. It notes that responding to false alarms incurs significant financial and opportunity costs, both for FRAs and building occupiers, whilst yielding no benefit whatsoever. This is especially impactful as there are more false alarms than actual fires. In 2021-22, 47% of total incidents attended by the Authority were false alarms, illustrating the significant burden they place on the limited resources available. Consequently, the Welsh Government requires FRAs to 'Identify the main sources of false alarms and take all reasonable and practical steps to reduce their incidence'.
- 7 In shaping their approach, FRAs must also demonstrate the Sustainable Development Principle under the Well-being of Future Generations 2016. FRAs are required to show how they are taking a long-term view to improvement that focuses on prevention, involving people, and integrating and working collaboratively with key partners and stakeholders.
- 8 Therefore, the expectation of the Welsh Government is to see a reduction in responses to false alarms in order to free both resources and capacity. This would also put FRAs in a stronger position to realise Welsh Government's wider ambitions for fire and rescue services in Wales.

### Growing the role of the firefighter

- 9 Reducing false alarms is required to provide the additional capacity needed to meet the Welsh Government's policy expectations. Since the National Framework was published in 2015, the Welsh Government have set out a broader policy direction for FRAs. This involves expanding the role of firefighters to support the health and social care system, such as responding to non-injured falls. This was approved by the Cabinet in 2020.
- 10 In 2021, the Welsh Government published its assessment of whether the role of firefighters could be expanded without causing detriment to the core fire and rescue service. Even without delivering a broader role, the review concluded that a 'fundamental review of station work routines is required to ensure that activity is appropriately scheduled to maximise output'. Analysis found that there was no unallocated capacity during the day shift of wholetime crews, which would coincide

<sup>2</sup> [Welsh Government, Fire and Rescue National Framework 2016, November 2015](#)

with peak hours of demand for the Welsh Ambulance Service Trust (WAST) between 7am and midday.<sup>3</sup>

- 11 A lack of adequate training time was also identified by the Welsh Government and led to a second thematic review focused on operational training<sup>4</sup>. It concluded that there was insufficient training time available, particularly to firefighters under the Retained Duty System (RDS). The report recommended that FRAs 'undertake an unconstrained analysis of the amount of time required for firefighters to train'.
- 12 Given the broad impact across the service, a reduction in false alarms responses can help increase capacity, which is needed to help grow role of the fire fighter. This is alongside other requirements, such as leadership from senior officers and members, effective collaboration, robust data analysis, and effective scrutiny.

## Reductions in resources

- 13 FRAs have had to deliver within significantly reduced budgets during years of austerity and, as all public bodies, must continue to adapt to respond to the current financial pressures. Consequently, Authorities have had to maintain their services with fewer resources and have long focused on rebalancing their emphasis from responding to incidents, to preventing fires and improving safety.
- 14 In real terms, the Authority experienced a 10.9% decrease (£4.5 million) in revenue expenditure between 2009-10 and 2021-22<sup>5</sup>. Over the same period, the calls received by the Authority decreased by 27.6%<sup>6</sup> and the number of incidents attended reduced by 38.2%<sup>7</sup>. The number of staff employed by the Authority also fell by 15.6% between 2009-10 and 2021-22 (**Exhibit 2**):

<sup>3</sup> Welsh Government, [Broadening of the role of firefighters in Wales](#), November 2021

<sup>4</sup> Welsh Government, [Thematic review of operational training within the Welsh Fire and Rescue Services](#), October 2022

<sup>5</sup> StatsWales, [Revenue outturn by authority](#)

<sup>6</sup> StatsWales, [Calls handled by fire control watch FTE by call type and financial year](#)

<sup>7</sup> StatsWales, [Fires, Special Service Incidents and False alarms attended by Fire and Rescue Services in Wales](#)

## Exhibit 2: North Wales FRA personnel headcount by employment type, 2009-10 to 2021-22

Role	2009-10	2020-21	Change
Wholetime uniformed staff	294	278	-5.4%
Retained staff	556	429	-22.8%
Fire control staff	33	30	-9%
Non-operational staff	151	136	-9.9
All staff	1,034	873	-15.6%

Source: [StatsWales](#)

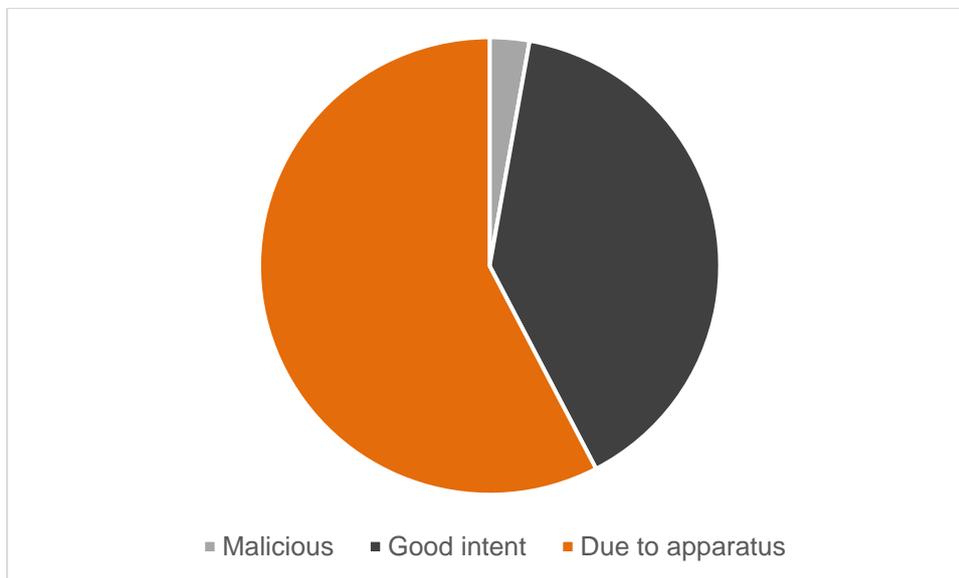
## What are false fire alarms and why are they important?

### Definition and types

- 15 Within the Home Office Incident Reporting System (IRS), false alarms are categorised into three types:
- **Malicious** – a call made with the intention of getting a response to a non-existent fire-related event.
  - **Good intent** – a call made in good faith that a response would be needed.
  - **Due to apparatus** – a call initiated by a fire alarm or firefighting equipment (including accidental initiation).
- 16 **Exhibit 3** shows that, nationally, false alarms 'due to apparatus' account for just under 60% of total false alarms.<sup>8</sup>

<sup>8</sup> Note – this includes both domestic and non-domestic false alarms responded to due to how data is reported.

### Exhibit 3: share of total false alarms in Wales by type, 2021-22



Source: [StatsWales](#)

- 17 These are typically caused by Automatic Fire Alarm systems (AFAs), which are networks of detector heads in buildings that are linked to an alarm system. The alarms are linked to Alarm Receiving Centres (ARCs). Due to technology not requiring on-site management, ARCs can be located anywhere in the world. However, ARCs are required to register with each FRA in the areas they operate within. **Exhibit 4** sets out the AFA process when activated.

### Exhibit 4: automatic Fire Alarm Process



Source: Audit Wales

- 18 When a false alarm is received via an AFA, it is typically referred to as an Unwanted Fire Signal (UwFS). As UwFS form the largest share of false alarms, they are the key focus of reduction activity across the UK<sup>9</sup>. Consequently, the focus

<sup>9</sup> For example, see the [National Fire Chiefs Council guidance](#)

of the Authority's approach and this audit has been on UwFS reduction, whilst also covering other types of false alarms.

## False alarms impact the resilience of Fire and Rescue services

- 19 As with any response made by the Authority to any incident, there are financial, operational, environmental, and safety impacts when responding to false alarms.
- 20 Taken together, the impacts of responding to false alarms are significant and highlight the importance of having an effective approach to reduce their prevalence. As a result, any improvement in performance in this context can help the Authority to better manage its resource pressures and increase capacity to undertake additional training and other priority tasks.

## Financial

- 21 The total financial impacts of a false alarm response are difficult to quantify precisely. In most cases, the cost of deploying an appliance to attend a false alarm would be similar if not identical to that of a genuine incident, as crews are deployed in the expectation of a genuine fire. This varies by Authority based on various factors, such as geography, but other UK FRAs estimate the cost of attendance to be around £350-400 per hour<sup>10</sup>. Using their estimates, the total financial cost for North Wales FRA responding to the total number of false fire alarms received in 2021-22 would be between £900,000 and £1 million.<sup>11</sup>
- 22 In North Wales, the Authority has not quantified the cost of responding to false fire alarms in recent years. When changing its AFA response policy<sup>12</sup> in 2014, the Authority applied a notional cost of £81.50 per AFA false alarm attended, to help calculate the potential financial impact. This was based on the salary cost of a crew of four firefighters with a watch manager to respond and attend an incident for one hour. Using this cost calculator, the financial impact of responding to AFAs in the years preceding the policy change were noted as: £158,273 (2011-12), £150,367 (2012-13) and £142,951 (2013-14).
- 23 The cost impact in rural areas is easier to quantify accurately, using call-out fees for retained duty system (RDS) crews as the basis. In reality, however, the majority of false fire alarms occur in urban areas where stations are either wholetime or day crewed. Indeed, the Authority estimated in 2014 that just 15% of the AFAs it responded to were from its RDS stations.

<sup>10</sup> For example, Devon and Somerset FRS' standard charge of £364.27 or Buckinghamshire FRS estimate of £305 plus VAT.

<sup>11</sup> This notional calculation is based on published data which includes domestic and non-domestic false alarms.

<sup>12</sup> Paragraph 37 describes the Authority's policy.

- 24 The Authority estimated that its change in policy in 2014 would result in a cost saving of £25,000. This is based on the demand on RDS stations alone (i.e. around 15% of the overall number of false alarms). This reflects a limited consideration of the impact on its resources. Despite the policy paper highlighting the financial impact beyond that on its RDS stations, it stopped short of setting how the difference between its estimated cost saving of £25,000 and the wider financial cost of responding to AFAs (circa £150,000 per annum) would be accounted for. For example, by setting out how the savings resulting from its policy change could be used – e.g. investment in equipment, training or a further contribution to addressing budget shortfalls.
- 25 To counter the financial impact of responding to false alarms, some FRAs in England have prescribed charges for premises that produce multiple false alarms. For example, Cleveland FRS charge premises £345 (excluding VAT) from their fifth call.<sup>13</sup> Similarly, Humberside FRS charge a minimum of £365.75 from the fourth false alarm.<sup>14</sup>

## Operational

- 26 Responding to false alarms causes unnecessary disruption. This highlights the importance of reducing attendance. It can divert people from training, prevention work, or premises familiarisation, which are all critical tasks for a crew to maintain operational capability. Disruptions to training are particularly costly, as highlighted by the Welsh Government's most recent report<sup>15</sup>, which notes a risk of staff competencies not being maintained where crews are regularly responding to false alarms.
- 27 The operational impact is potentially significant for retained firefighters, whose capacity to attend training is less compared to wholetime crews. Typically, retained firefighters receive two to three hours of training per week, which may be removed entirely if required to respond to false alarms during training hours.
- 28 In addition, as the RDS model relies on the goodwill of employers to release staff to attend a call during their work hours, increasing responses to false alarms risks deterring businesses from supporting their staff to take on a RDS role. This may negatively affect staff retention.

## Environmental

- 29 As set out in our report into Carbon Emissions Reduction report<sup>16</sup> in 2021-22, there are significant environmental impacts incurred in delivering fire and rescue services. This includes the use of fuel for a response, as well as the environmental

<sup>13</sup> Cleveland FRS, [Fire Alarms](#)

<sup>14</sup> Humberside FRS, [Call out charges 2022-23](#)

<sup>15</sup> Welsh Government, [Thematic review of operational training within the Welsh Fire and Rescue Services](#), October 2022

<sup>16</sup> [Carbon emissions reduction in North Wales FRA](#), Audit Wales, March 2022

impact of firefighters travelling to their station. Given that 47% of all the incidents attended by the Authority in 2021-22 were false fire alarms<sup>17</sup>, it is an area where a significant reduction in carbon emissions could be made.

**Safety**

- 30 False alarm reduction is crucial to reducing safety risks. The prevalence of false alarms also has potentially significant impacts on the safety risks of communities, such as road risk and complacency.
- 31 Road safety risks are present whenever the emergency services respond to an incident. Driving at speed or under blue light conditions can generate significant risks to both crews and other road users. This risk is also present at road speed, due to the significant size and weight of fire appliances.
- 32 High volumes of false alarms can also lead to complacency among building occupants and citizens. For example, it may lead to a lack of response during a real incident, placing both the occupants and the responding crew at increased risk. False alarm reduction, therefore, helps to reduce the safety risks to both the Authority’s crews and communities.

**What others are doing**

- 33 FRAs across the UK have devised different solutions to address the volume of false alarms. They are a significant burden on the local stations and limit the time that can be spent on other issues. Home Office research<sup>18</sup> found that 63,000 hours were wasted in England during 2017-18 due to responding to false alarms.
- 34 As a result, English fire and rescue services have developed a range of approaches to help reduce the number of false alarms attended, which vary in their usage (**Exhibit 5**).

**Exhibit 5: example approaches taken by English FRAs in 2018**

Approach	Description	Proportion of English FRAs adopting the approach in 2018
Call challenging	Where fire control staff ask questions to those making a call to confirm if a fire is real to prevent a first response.	93%
Education and information initiatives	Information or materials are given to building occupants on the need to reduce false alarms.	93%

<sup>17</sup> [Fires, Special Service Incidents and False alarms attended by Fire and Rescue Services in Wales \(gov.wales\)](#)

<sup>18</sup> Home Office, [Trends in fire false alarms and fire false alarm policies](#), November 2022

Approach	Description	Proportion of English FRAs adopting the approach in 2018
No confirmation needed	A normal response is sent without confirmation.	76%
Adapted responses	An immediate response is made but reduced from the Pre-Determined Attendance (PDA), e.g., one appliance is sent to investigate rather than three.	74%
Requiring confirmation (or 'double knock')	A response is only sent if a call to confirm a fire is received, or if multiple alarms are triggered.	60%
Enforcement action	A legal enforcement action is taken against premises that often trigger false alarms, such as a fire safety audit or fine.	33%
Fines	A monetary charge is made for premises with repeat false alarms.	24%
Non-attendance	After a warning, no response is made to premises that repeatedly trigger false alarms.	13%

Source: [Home Office research](#)

- 35 The National Fire Chiefs Council has published a toolbox<sup>19</sup> to support FRAs with their management of false alarms and the potential options to be considered. These include:
- no response being made to AFAs during daytime hours unless there is a higher level of risk (e.g. sleeping risk or high-risk premises like a hospital).
  - charging the occupants of a building that repeatedly cause UwFS.
  - requiring premises to register their AFAs to enable enhanced monitoring to help call handlers make better informed decisions.
  - establishing thresholds for an adapted response based on the number of detector heads in a building (e.g. a building with 500 heads would get a full response with ten UwFS whilst a building with 100 heads would not).
  - prioritising work on educating and informing people of their responsibilities and having dedicated officers to help facilitate change in buildings/organisations with high numbers of false alarms.
  - engagement with ARCs to improve call handling and encouraging bodies to undertake visual checks to confirm there is a fire.
- 36 Both the toolbox and research demonstrate the breadth of approaches available to FRAs, reflecting their local circumstances and risk appetite.

<sup>19</sup> National Fire Chiefs Council, [Unwanted fires signals toolbox](#)

# Managing false alarms in North Wales FRA

## Current policy

- 37 The Authority has a clear and well-embedded policy to determine its attendance at automatic fire alarms. It will not send an emergency response to automatic fire alarm actuations unless a back-up 999 call is received confirming that there is a fire. There are exemptions which will elicit a response. These are:
- all residential property – where the responsibility for the safety of the occupiers rests with the individuals who reside there – HMP Berwyn, hospitals, sheltered housing and houses in multiple occupation will continue to receive a response.
  - other sleeping accommodation and schools – such as care homes, hostels, all schools and colleges, hotels and halls of residence will be exempt between the hours of 8pm and 8am. During these hours, they will respond to automatic fire alarm calls.
  - all Control of Major Accident Hazards (COMAH) sites<sup>20</sup> in North Wales which will continue to receive a response as usual.
  - the Authority's Control department also holds a list of other commercial/industrial premises where an attendance will be made. The application of exemptions is overseen by the Head of Fire Safety.
- 38 The current iteration of the Authority's policy was adopted in September 2022, following a review. The review centred on an evolving risk profile due to changes in building occupancy as a result of the pandemic. For example, a reduced likelihood of someone being present in a public building who would normally be expected to make a back-up 999 call to confirm a fire. Apart from reviewing some exemptions, the current policy broadly reinforces the approach adopted in 2014. Prior to 2014, the Authority responded to all automatic fire alarms with little or no challenge.

## Current performance

- 39 The Authority's 2014 policy resulted in a dramatic reduction in the number of false fire alarms it attends. Although responses to false alarms still represents a significant proportion of all incidents attended by the Authority, **Exhibit 6** shows that the total number of incidents has fallen over time. The Authority responds to around 700 fewer false alarms compared to 10 years ago; a 22% reduction.

<sup>20</sup> COMAH sites are sites covered by the Control of Major Accident Hazards (COMAH) Regulations 2015. The regulations cover any establishment storing or otherwise handling large quantities of hazardous industrial chemicals.

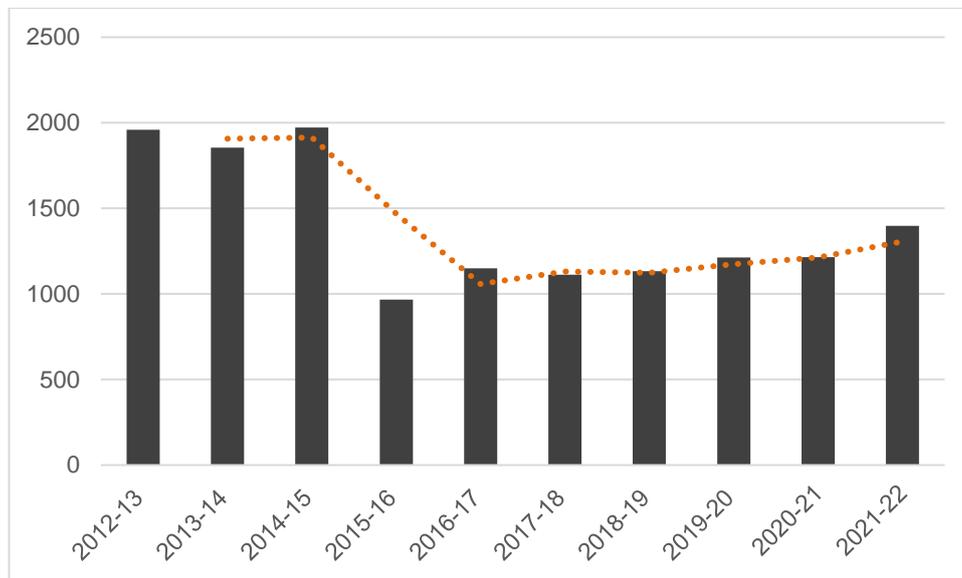
**Exhibit 6: all false alarms attended by the Authority over the last 10 years**

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>All incidents attended (includes FFAs)</b>	6,803	6,356	6,099	4,879	5,348	5,733	5,300	4,872	4,699	5,354
<b>FFAs attended</b>	3,229	3,088	3,203	1,975	2,124	2,102	2,256	2,263	2,302	2,506
<b>FFAs as a proportion of all incidents</b>	47%	49%	53%	40%	40%	37%	43%	46%	49%	47%

Source: [Fires, Special Service Incidents and False alarms attended by Fire and Rescue Services in Wales \(gov.wales\)](#)

40 The impact of the 2014 policy change is clearly demonstrated by data on the Authority’s attendance at fire alarms caused by apparatus activation. **Exhibit 7** shows that the Authority responded to 1,972 false alarms of this type in 2013-14, the year preceding its policy change. In the following year operating to the new policy (2014-15), this reduced to 966. Although the data includes both domestic and non-domestic AFAs, it shows a significant reduction in false alarms demonstrating the positive impact of its policy. In addition, performance has been sustained since 2014 with the number of false fire alarms responded to during 2021-22 some 29% lower compared to 10 years ago. However, numbers have steadily increased since 2015-16, highlighting the need to regularly review and monitor attendance.

**Exhibit 7: false alarms due to apparatus (domestic and non-domestic), over a 10 year period**



Source: [False alarms by reason and financial year \(gov.wales\)](https://gov.wales)

## Understanding the challenge

- 41 The Authority has a good understanding of the location, cause and impact of false fire alarms in non-domestic premises. Officers clearly and consistently articulate the impacts of false alarms. These include:
- the impact on training and development opportunities and the risks around maintaining competency, especially for a largely retained operational workforce;
  - the issues around availability and capacity, and how responding to false alarms risks crews' capacity to attend a genuine emergency;
  - enhanced road risks in relation to emergency response; and
  - risks around public complacency, affecting how people may respond to a genuine emergency.
- 42 However, the Authority's understanding of the environmental and financial impact of responding to false alarms is less developed. As described above (paragraphs 21-23), it has been some time since the Authority quantified and updated its assessment of the financial impact of responding to false alarms. If the Authority is to effectively meet the Welsh Government's ambitions around broadening the role of the firefighter in future, it will need to demonstrate a firmer grasp on the impact of false alarms on its resources, including both wholetime and retained staff.
- 43 Positively, the Authority is learning from its previous approach to reducing attendance at false alarms. **Exhibit 7** shows that, since the initial dip following the introduction of its 2014 policy, attendance at false alarms due to apparatus have increased by 45% between 2015-16 and 2021-22. In reviewing its approach, the

Authority found that its policy may have been applied too stringently initially, and the list of exempted properties has increased over time as its understanding of risk has developed. In addition, officers described the impact of an increasing number of new housing developments now being built with AFA systems as standard – for example, new homes built with hard wired smoke alarms and multi-occupied buildings with systems that cover communal areas.

- 44 The Authority regularly reviews false alarm attendance and has a good understanding of the type of organisations generating the biggest demand in this respect. For example, a report to the Authority’s Service Leadership Team in November 2022 highlighted the number of false alarms and reasons for actuation. This included an analysis of the 152 AFA actuations in non-domestic properties in second quarter of 2022-23. Of these, 134 were in hospitals. This is reflective of the key challenge facing the Authority in reducing false alarms – the biggest generator by far is the health board.
- 45 The Authority has good systems to record and measure the volume and nature of false fire alarms. For example, its internal platforms facilitate reporting on false alarms to enable detailed information to be captured and shared with colleagues in the health board to help identify trends. Building on this, officers we interviewed highlighted ongoing projects to develop real time data dashboards to help to equip and empower local teams to manage responses informed by more granular data.
- 46 Despite this positive development, data dashboards are only as good as the information being inputted. In this respect, we found opportunities to improve how the Authority records data. For example, there are inconsistencies in how the Authority is capturing data when appliances are recalled to station while enroute. Other examples include inconsistencies in how post-incident forms are completed by response crews following false alarm attendances.
- 47 There are also some varying interpretations of what constitutes a ‘false alarm’ – for example, depending on your perspective, a recent pattern of incidents leading to AFA actuations at HMP Berwyn in Wrexham could be described as fires, arson incidents, or false alarms. Agreeing the definitions and ensuring consistency in how data is captured will give the Authority greater confidence in using data to inform future approaches to reduce false alarms.
- 48 At the time of our audit, we found scope to improve how the Authority captures and uses data on AFA actuations that fall outside of its response policy (e.g. low risk commercial properties). Reporting on the number of calls the Authority has not responded to, coupled with more robust financial data, would help it to better demonstrate the impact of its policy over time. Furthermore, patterns in AFA actuations are important to monitor even if the Authority does not respond. Such patterns can indicate a poorly managed property in the context of fire safety. And the risk of false alarms causing public complacency still applies, regardless of whether the Authority responds.

## Tackling problem premises

- 49 Although the extent to which the Authority engaged and involved wider stakeholders in shaping its 2014 policy is unclear, the change in approach was well communicated at the time, helping to ensure a smooth transition. Promotional literature targeted those who would be affected by the change and the communications planning helped the Authority to prepare for any negative backlash.
- 50 As the main source of AFA false alarms across the region, the Authority has a good approach to working with the health board to reduce the number of actuations. Officers demonstrate an excellent understanding of the main causes of AFA actuations in these problem premises, using granular data to support detailed analysis of the main causes of in hospital sites. The sharing of information is symptomatic of the good working relationships between the Authority and the estates teams in Betsi Cadwaladr University Health Board. This is important because, having decided against the principle of pursuing enforcement action in problem premises, the Authority relies on good working relationships to influence change.
- 51 Despite the positive relationships, however, the pace of change by partners is slow and the health board continues to generate a significant number of false alarms. Changes to the Authority's pre-determined response reflect the pressures this causes. For example, to reduce the impact on its resources, the Authority's daytime response consists of sending just one appliance to hospitals following an AFA actuation, in anticipation of it being a false alarm. This is a tricky balance and relies on the Authority's risk appetite – if there is a large fire in a hospital, it's unlikely that a single appliance would be able to tackle it, and the delay until a second appliance arrives could be significant. The Authority's risk appetite does not extend to exploring this further, for example by applying the same logic as the basis for not sending any appliances in response to AFA actuations in hospitals.

## A sustainable approach?

- 52 Overall, our review has found that the Authority has a good, risk-based approach to managing false alarms. However, the key difficulties facing the Authority are centred around its capacity to maintain its current approach and continue to resource its services to reflect risks. In this respect, and given the significant demand they continue to place on the Authority, false alarms cannot be perceived as an isolated issue and must be considered alongside the wider challenges facing the Authority.
- 53 The Authority is on a journey of change and the new leadership has led to a number of thorny issues being tabled. This includes:
- a wholesale Emergency Cover Review across North Wales. As described above, capacity is impacted significantly by the high proportion of false alarms attended by the Authority. In the context of increasing expectations

and diminishing resources, it is important that the Authority accurately quantifies the impact of false alarms to support future options appraisals.

- the Authority's asset base, including the number and location of fire stations. This is inherently linked to the review of fire cover across the region, and reflects the Auditor General's recent review of the Authority's corporate resilience. Our report highlighted that its fire stations are not always located in the best location to maintain service resilience with the changing role and expectations being placed on fire and rescue services.<sup>21</sup>
- difficulties in recruitment and retention impacting on on-call availability, in the context of a delivery model heavily weighted towards retained firefighters. Recruitment was paused during the pandemic, and thereafter the Authority has struggled to meet its recruitment targets for on-call firefighters. Officers highlighted that reducing attendance at false alarms can be perceived as a barrier in this respect, because much of the potential financial savings are directly linked to call-out fees. Again, this highlights the importance of accurately quantifying staff capacity, to inform strategic decisions on the "redeployment of human and other resources... to more productive tasks".<sup>22</sup>
- an investment in new training facilities. Significant investment is needed to develop a new training centre in North Wales to support firefighters' competency. Firefighters' capacity to attend training and development is affected by false alarms and this needs to be captured in the context of its investment in new facilities.
- new governance structure and the evolving culture of the organisation. The Authority has recently established a new governance structure within the officer cadre, with a view to improving performance focus and help devolve decision making and scrutiny of performance at all appropriate levels.

54 This is a challenging agenda, set against a backdrop of current and future budget shortfalls. However, despite being presented with performance information on false alarms, our review of the minutes of full Authority and Audit Committee meetings over the last two years found little evidence of Members actively seeking to challenge performance on false alarms to help support financial and operational improvement.

55 The Authority's limited resilience in the context of false alarms is exemplified by its approach to business fire safety. Whilst it has a good approach to reduce attendance at AFAs, its decision to not attend a large proportion of false alarms inevitably increases the emphasis on fire safety colleagues responding in a different way. For example, by identifying patterns of occurrence and proactively inspecting fire safety procedures, or following up through the work of business education colleagues. Paragraph 48 of this report highlights opportunities to strengthen the links between AFA actuations data and the workloads of business

<sup>21</sup> [Corporate resilience in North Wales Fire and Rescue Authority, Audit Wales, May 2021](#)

<sup>22</sup> This expectation is set out in the Welsh Government's [Fire and Rescue National Framework 2016](#)

fire safety colleagues. However, we found that there are barriers to do this, not least the limited scope to increase workloads within the current structure, with teams already at capacity.

# Appendix 1

## Audit approach and methodology

### Audit approach

Our approach was to understand the Authority's approach to fire false alarm reduction, focusing in particular on non-domestic settings. The review sought to answer the question 'Is the Authority doing all it can to reduce the prevalence and responses to non-domestic fire false alarms?'. Our focus was on the actions of the Authority, not the actions available to building managers or responsible people.

We completed our fieldwork across all three Fire and Rescue Authorities separately, using the same team across all three. This enabled insights to be drawn into each Authority, as well as informing a forthcoming national output.

We sought to be flexible to fit around officers when organising and delivering our fieldwork, ensuring that our work did not detract from the operational work of the Authority.

### Methodology

Our review was completed between November 2022 and March 2023. We used a range of methods to draw conclusions for our review:

- document review – we reviewed policies and documentation provided by the Authority, as well as reviewing their published information, such as their website. In addition, we also reviewed documentation from the Welsh Government, NHS Shared Services Partnership (NWSSP), and representative groups.
- data analysis – we analysed both data provided by the Authority and publicly available data. This included management data, Incident Recording System (IRS) data, and other available data from StatsWales.
- local interviews – we interviewed officers nominated by the Authority that covered a range of different areas, both corporately and locally. This included the lead officer for false alarms, Business Fire Safety (BFS) officers, and senior officers.
- national interviews – we interviewed representatives of local health boards, the NWSSP, and the National Fire Chiefs Council (NFCC).
- survey – we designed a survey for building managers and responsible people to gauge their views of false alarms and the Authority. We encouraged the Authority to send this to organisations in their area, as well as promoting it through professional networks, such as the NHS Estate Managers group. Unfortunately, too few responses were made to use this evidence to draw conclusions.





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