

North Wales Fire and Rescue Authority



Public Consultation

We are seeking your views on the funding of fire and rescue services in 2019/20.

Consultation ends 2nd November 2018.

Introduction and Executive Summary

North Wales Fire and Rescue Authority is in the process of setting its budget for 2019/20. By law it must not set its budget so low that it won't cover its estimated running costs, but it can set its budget at a level where it has to implement cost savings in order to ensure that its services are affordable without going over budget.

The decision for the Authority, therefore, is as much about managing risk as it is about managing its finances. It is mindful, too, of the impact its decision will have on the county councils who provide the Fire and Rescue Authority's funds through their annual contributions towards the total cost of delivering fire and rescue services in North Wales.

Setting a balanced budget is an unusually difficult process for the Authority this year. Not only is it facing some unavoidable cost increases in 2019/20, but it is also having to make up ground after three consecutive years of keeping the contributions from the county councils artificially low by taking money from its own financial reserves instead.

Whilst using reserves in this way worked well as a short term alternative to increasing the contributions, the true cost of providing services has continued to increase gradually in the meantime and the Authority is understandably reluctant to risk spending its financial reserves so that it had nothing to fall back on.

The gap between the Authority's estimated costs in 2019/20 and the level of financial contributions made by the county councils in 2018/19 has reached almost £1.9 million.

The decision the Authority faces now is whether to increase its budget by the full amount next year (and so increase the contribution it receives from the county councils by £1,898,824) or to increase its budget by a smaller amount and implement cost saving measures so that it doesn't risk running out of money mid-year.

Given the nature of the fire and rescue services that the Authority provides, any decision to reduce costs is inevitably going to be a difficult one to make.

Having carefully weighed up the alternatives for ensuring a balanced budget next year, the Authority is minded not to pursue large scale savings because it considers that the level of risk would be too high at this time. It has not ruled out making savings, but the scale of those savings in 2019/20 would stop short of, for example, closing fire stations or making firefighters redundant.

At a time when all public services are facing difficult financial decisions the Authority recognises that it has a duty to ensure it remains as efficient as possible. However, it also recognises its duty to ensure that it can provide the level and quality of fire and rescue services that the public expects and that it does not introduce an unacceptable level of risk in the area.

This consultation is intended to provide anyone who has an interest in fire and rescue services in North Wales with an opportunity to share their views with the Authority before it sets its draft budget for 2019/20 in December 2018. The Authority is keen to take a wide range of views into consideration before it makes any final decision on this.

We hope you find the information provided useful and that this will encourage you to submit your views by 2nd November 2018.

We have developed a set of questions to make it easier for people to respond, and these can be accessed via the North Wales Fire and Rescue Service website.

Alternatively we are happy to receive your comments if you prefer not to use the questions. You can contact us by post or email using the details below;

By post to:

North Wales Fire and Rescue Authority
Fire and Rescue Service Headquarters
Ffordd Salesbury
St Asaph Business Park
St Asaph
Denbighshire, LL17 0JJ

By e-mail to:

futurefire@nwales-fireservice.org.uk

We look forward to hearing from you.



WHAT IS THE NORTH WALES FIRE AND RESCUE AUTHORITY?



It is a formally constituted Authority of **twenty-eight county councillors** from Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham councils who jointly carry the legal responsibility for providing fire and rescue services for the whole of North Wales.

Please see [Information Sheet 1 – North Wales Fire and Rescue Authority members](#).

The Authority's **legal duties include making sure that there are enough resources to meet normal requirements** of operating and delivering fire and rescue services including emergency response, fire prevention and fire safety enforcement.

The Authority is also responsible for making sure that firefighters have the proper training to do their job, and that when a person dials 999 and asks for the fire service the call can be answered and the incident dealt with safely and effectively.

Please see [Information Sheet 2 – The powers and duties of North Wales Fire and Rescue Authority](#)

The Chief Fire Officer is responsible for the efficient day-to-day running of the Fire and Rescue Service.

Please see [Information Sheet 3 – Service information](#).

The Authority focuses on meeting its legal obligations by, for example, determining priorities, setting the budget so that it has enough money to cover its costs, monitoring the Service's performance and being accountable to the public through annual performance assessments, governance statements and statements of accounts. Information is regularly updated on www.nwales-fireservice.org.uk.

The Authority also engages with its many stakeholders, keeping them informed of its plans and listening to their views. This consultation is part of that regular process of seeking feedback to inform the Authority's decision-making.



WHAT DOES NORTH WALES FIRE AND RESCUE AUTHORITY DO?



It provides fire and rescue services in North Wales. By that we mean making sure that arrangements are in place (including sufficient money) to provide important services such as:

- fighting fires and rescuing people from those fires;
- tackling non-fire emergencies such as releasing people from crashed vehicles and rescuing people from floods;
- preventing fires by working in the community, giving home safety advice and visiting schools to teach children about staying safe;
- improving the safety of individuals who are particularly vulnerable to the effects of fire and other hazards;
- working with groups and with other organisations to reduce the incidence of arson and deliberate fire-setting;
- enforcing fire safety by working with the managers of non-domestic premises such as offices and factories, schools and hospitals, hotels and care homes to make sure that the buildings for which they are responsible have appropriate fire safety measures in place.

In addition to these, the Authority must ensure that it can provide a response to emergencies involving hazardous chemicals, collapsed buildings, farming accidents and crashed aircraft. There are times, too, when the fire and rescue service needs to work efficiently alongside other organisations in joint responses to particular situations. The Fire and Rescue Service must therefore remain prepared, trained and equipped for any of these.

Like any other public sector organisation, **the Authority must meet its obligations for operating legally and effectively** in areas such as health and safety, financial management, compliance with Welsh language standards, equality and human rights legislation, copyright laws, information governance legislation and employment law. Its vehicles need to be roadworthy and its buildings need to be safe to work in. Its computer and phone systems need to work efficiently and be secure. Its staff need to have access to the right training and equipment to do their jobs safely and efficiently. Its bills need to be paid and staff need to receive the correct salary for the work that they do.



HOW WELL DOES NORTH WALES FIRE AND RESCUE AUTHORITY PERFORM?



We think it performs well. We think this because:

- **Our prevention work has helped make North Wales safer.** In the late 1990s we used to attend around 5,000 fires per year. We now attend around 2,000. Accidental fires in dwellings account for fewer than three deaths per year now – that's about half the rate that it used to be in the late 1990s.
- **Our efficiency has improved.** In the 1990s we used to attend over 5,000 false alarms every year. We have managed to reduce that significantly and now attend closer to 2,000 every year.
- **We have accommodated large fluctuations in levels of demand for services** without resorting to seeking additional in-year financial contributions from county councils. This is despite having a predominantly retained (on-call) workforce whose pay can vary greatly according to such things as the weather (especially prolonged periods of particularly dry or particularly wet weather which can increase the number and duration of incidents attended).
- **We continue to explore opportunities** to expand our involvement in other aspects of public safety, for example by taking part in trials of co-responding and attending to elderly people who had suffered a fall at home, assisting the ambulance and police services.
- **Our budget management has been repeatedly acknowledged as good:**
 - "The Authority has managed its budget well in recent years." "...it has a good track record of making sure its services are delivered within the resources that it has available." (Wales Audit Office report issued January 2012.)
 - "The Authority continues to manage its financial challenges effectively." "The Authority has a sound approach to financial management..." (Wales Audit Office report issued April 2013.)
 - "Financial challenges continue to be managed effectively although the scale of change necessary will continue to require clear leadership and direction." (Wales Audit Office report issued June 2014.)
 - "The Authority's arrangements for achieving financial resilience are sound." "...financial control is supported by effective budget monitoring and forecasting and the Authority has a good track record of managing budgets." (Wales Audit Office report issued September 2016.)



WHO PAYS FOR PROVIDING FIRE AND RESCUE SERVICES IN NORTH WALES?



Each county council in North Wales contributes money every year towards the cost of providing fire and rescue services. How much the county councils contribute depends on how much the Authority has estimated it will need to cover its running costs. For the past three years the Authority has avoided passing on the full cost to county councils and relied instead on using some of its reserves.

The total cost of providing fire and rescue services is allocated to the counties according to the percentage of North Wales's total population who live there.

	Population estimate 2018	Percentage allocation	Contribution to the Fire and Rescue Authority 2018/19
Anglesey	70,175	10.02%	£3,356,175
Gwynedd	123,660	17.66%	£5,914,137
Conwy	116,879	16.69%	£5,589,830
Denbighshire	95,530	13.64%	£4,568,797
Flintshire	154,923	22.12%	£7,409,315
Wrexham	139,143	19.87%	£6,654,624
	700,310	100.00%	£33,492,878

For example, in 2018/19 Anglesey will contribute 10.02% of North Wales Fire and Rescue Authority's budget because an estimated 10.02% of North Wales's population live there.



HOW MUCH DO FIRE AND RESCUE SERVICES COST?



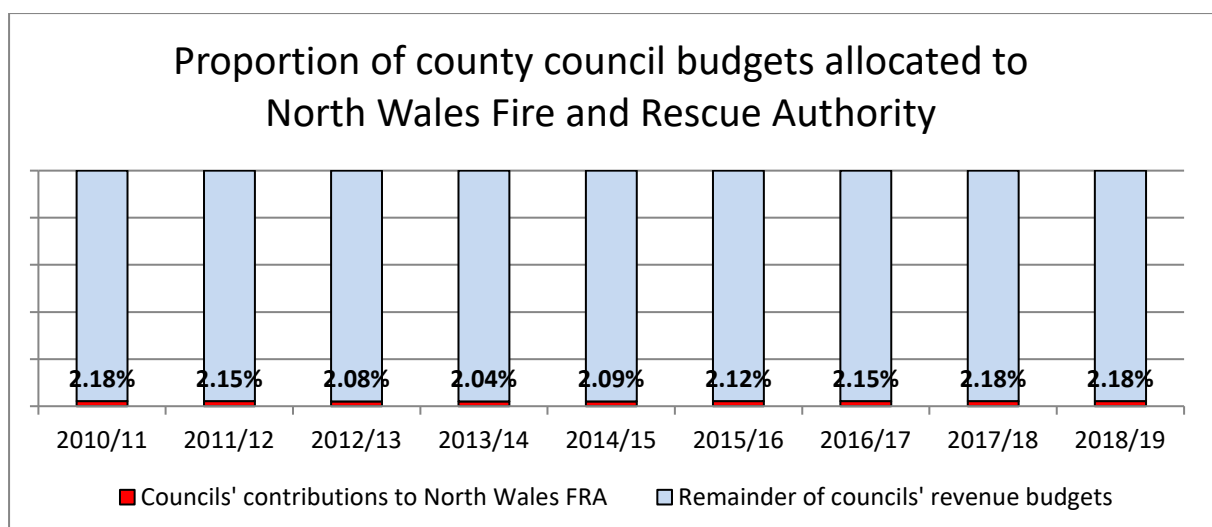
Instead of running a separate fire and rescue service in each county, there is one single **'combined' Fire and Rescue Authority to cover the whole of North Wales**. This has the benefit of pooling the costs of, for example: providing a Control room (where 999 calls are answered); staff training; buying and servicing fire engines; maintaining computers, alerters and phone systems; plus all the usual overheads such as utility bills, general administration and the headquarters function.

More importantly, this arrangement has the benefit of being able to provide operational cover across the whole area, moving emergency vehicles, equipment and crews to where they're needed at any given time, sharing specialist expertise and organising staff through centralised departments. **Services are delivered according to when and where they are required, not according to the size of an individual county's financial contribution.**

This year the county councils will contribute a total of £33,492,878 between them. Or, to put it another way, **each county council will pay the equivalent of 13 pence per day for every person living in its area for fire and rescue services to be provided.**

In fact, **since at least 2010/11** the councils' contributions have remained at the equivalent of:

- **13 pence per day per person;** and
- **between 2.0% and 2.2% of the councils' total budgets** (net of their contributions to the Authority).



Figures derived from published Gross Revenue Expenditure Budget information.



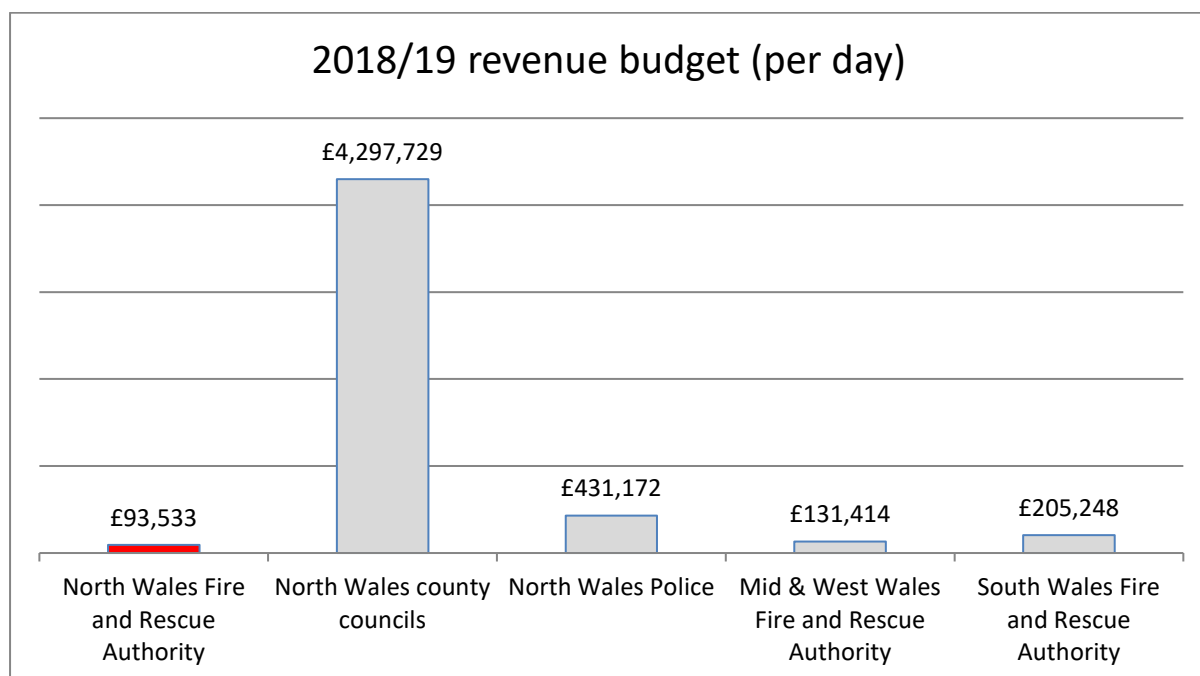
HOW DOES NORTH WALES FIRE AND RESCUE AUTHORITY COMPARE?



It is important for the Authority that it continues to provide value for money and that the cost of delivering fire and rescue services in North Wales is not disproportionately higher than other services.

✓ North Wales Fire and Rescue Authority's cost per day is lower

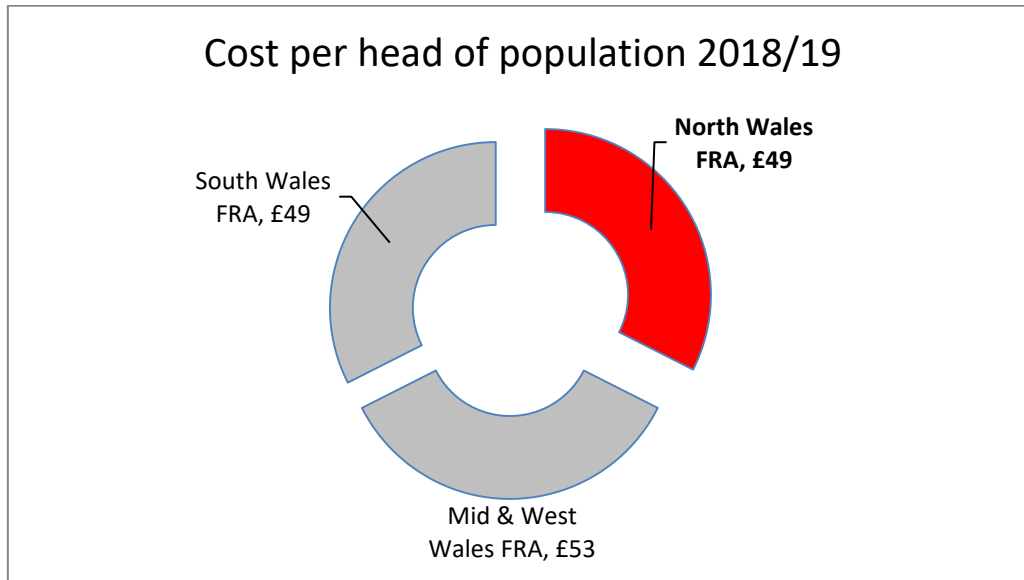
Using annual revenue budget figures published by the Welsh Government for 2018/19¹ we can compare how much it costs per day to provide the various services:



¹ Local Authority Revenue Budget and Capital Forecast 2018-19, <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Revenue/Budgets/budgetedrevenueexpenditure-by-authority-service>

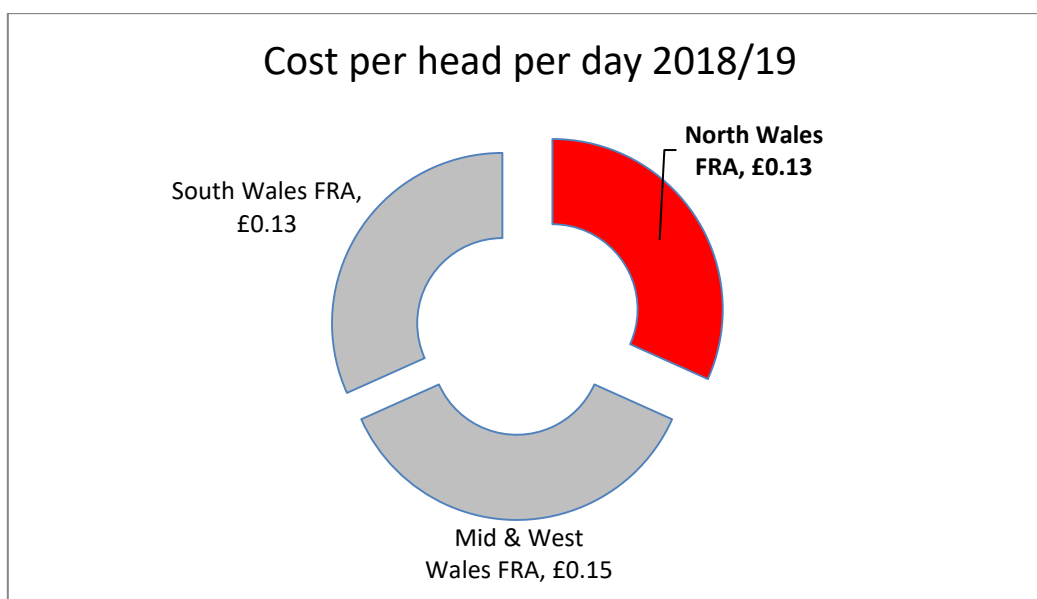
✓ **North Wales Fire and Rescue Authority's cost per head is the same or lower**

If calculated on a population basis, the Fire and Rescue Authority's revenue budget in 2018/19 in North Wales equates to £49 per head of population compared with £53 in Mid and West Wales and £49 in South Wales.



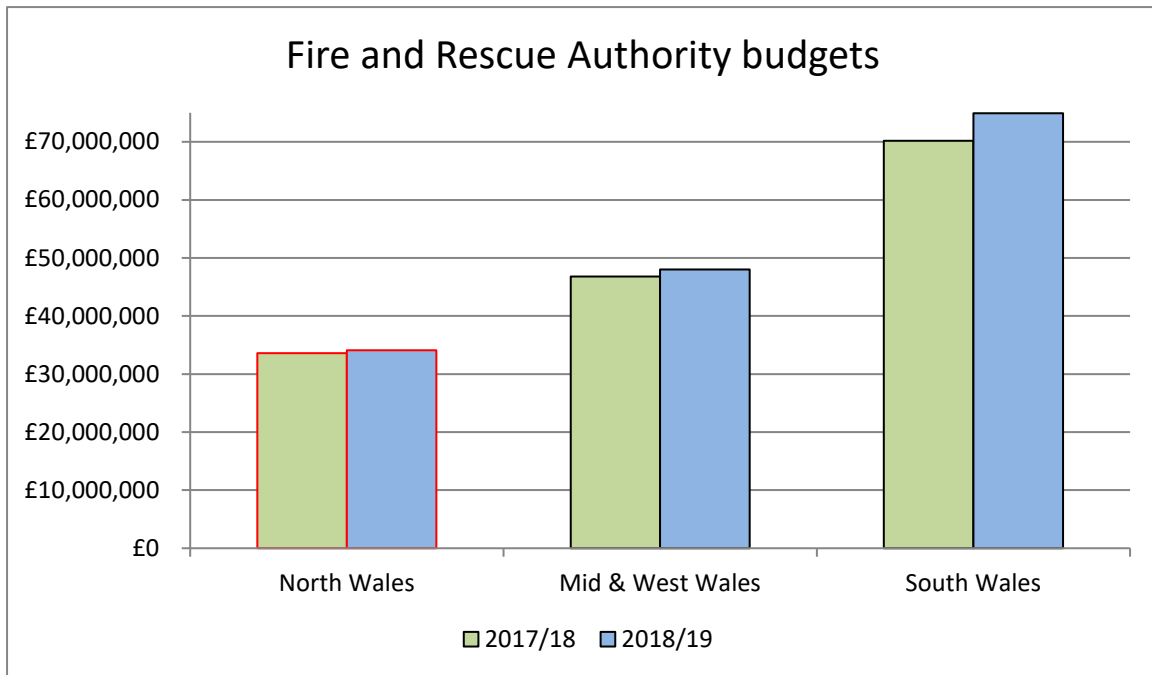
✓ **North Wales Fire and Rescue Authority's cost per head of population per day is the same or lower**

As a further comparison, this equates to 13 pence per person per day in North Wales compared with 15 pence per person per day in Mid and West Wales and 13 pence per day in South Wales.



✓ **North Wales Fire and Rescue Authority's increase from year to year has been smaller**

In terms of recent patterns of increases in budget, the same published annual revenue budget figures show that North Wales Fire and Rescue Authority's gross revenue budget increased by 1.7% from £33.6 million in 2017/18 to £34.1 million in 2018/19.



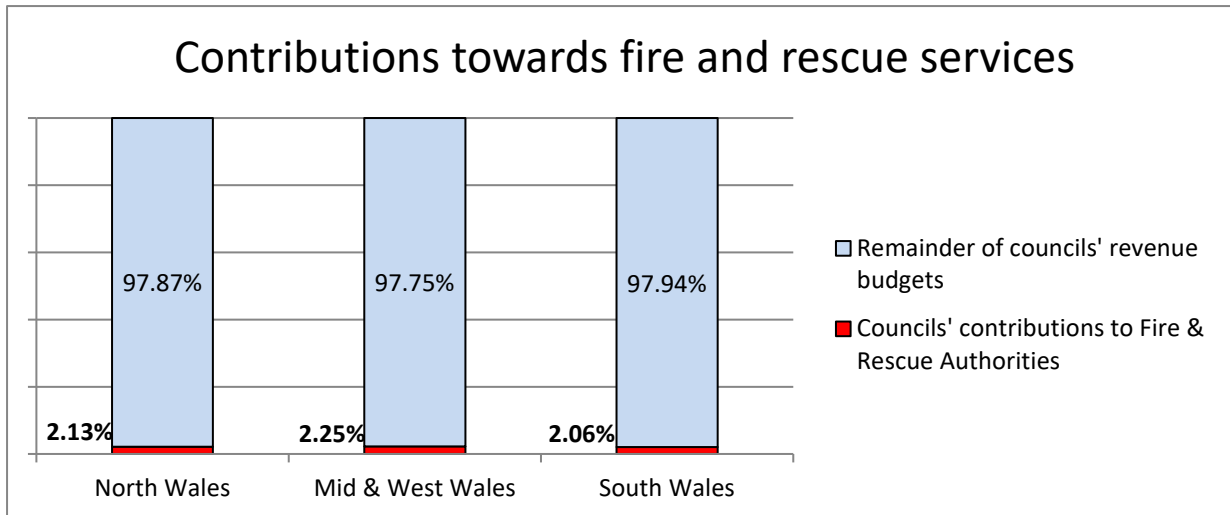
The 1.7% increase in North Wales was less than in either of the other two Welsh fire and rescue authorities. The gross revenue budget increased by 2.6% in Mid and West Wales (from £46.8 million to £48 million) and by 6.7% in South Wales (from £70.2 million to £74.9 million).

For county and county borough councils in Wales, their revenue budgets increased by 1.5% between 2017/18 and 2018/19. The smallest increase in North Wales was 1.1% and the largest was 2.3%.

For the Police and Crime Commissioners in Wales, their revenue budgets increased by 6.8% between the two years. In North Wales the increase was 2.9%.

✓ **The proportion of county councils' revenue budgets spent on fire and rescue services in North Wales was comparable**

As a further comparison, an analysis of the proportion of the Welsh county councils' total revenue budget that is allocated to fire and rescue services in their area showed that the contributions for 2018/19 average out at 2.13% of the combined council revenue budgets in North Wales compared with 2.25% in Mid and West Wales and 2.06% in South Wales.



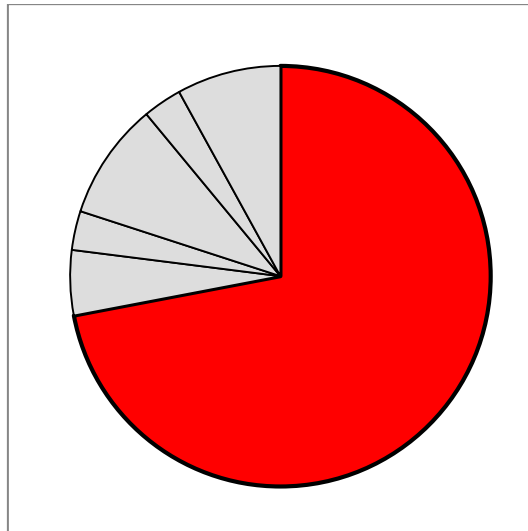


WHAT DOES THE AUTHORITY SPEND ITS BUDGET ON?



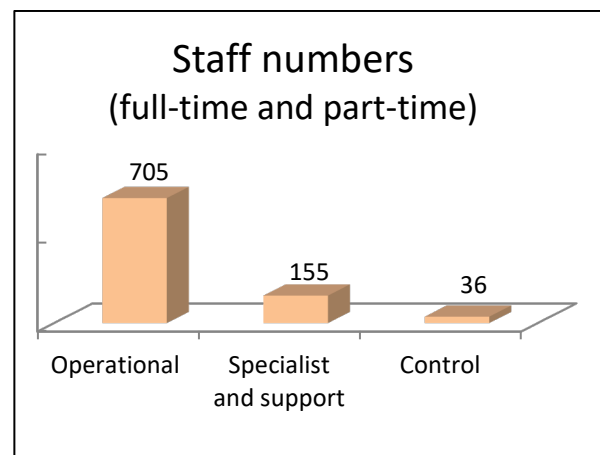
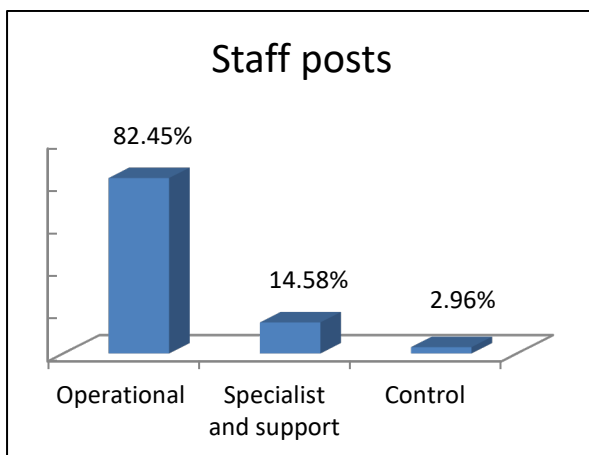
The Authority has three main areas of expenditure - employee costs, capital financing and non-pay related costs.

1. Employee costs



Around 72% of the Authority's costs relate to employees, which includes salaries and incident fees, and the cost of training staff. The majority of that is spent on operational firefighters.

As at the end of March 2018, the Authority employed just under 900 people in full-time and part-time roles. Over 700 of those people were operational firefighters, with the remainder being employed in specialist, support and Control roles.



The specialist and support roles range from those engaged in front line fire safety enforcement activities and fire prevention, such as the delivery of home safety checks to those who provide technical support, for example, in fleet maintenance servicing fire engines and other appliances and professional expertise such as financial accounting.

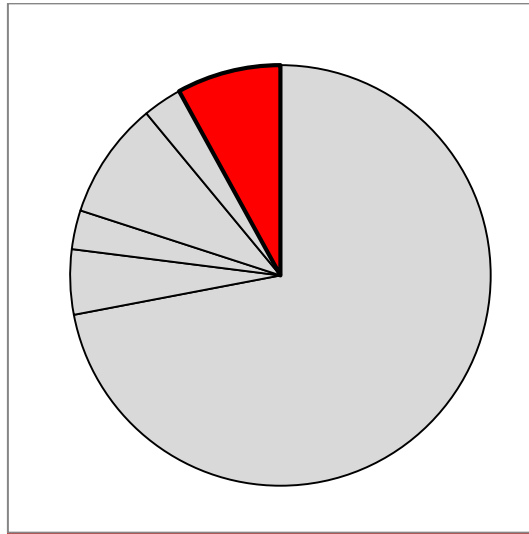
More recently the Authority has also been instrumental in developing a range of apprenticeship roles covering a range of disciplines including as firefighters, community safety practitioners and fleet mechanics.

Because North Wales is a predominantly rural area the majority of fire stations are staffed by retained firefighters. Only three of the forty-four fire stations in the area are staffed on a wholetime 24-hour basis and a further five on a wholetime day-crewed basis. The remaining thirty-six fire stations are entirely retained. Retained firefighters are paid for each incident that they are called out to plus an annual retainer to attend weekly drill nights and training sessions.

Consequently, the Authority needs to be able to manage a pay bill that varies from month to month and from year to year according to the number and duration of incidents. A particularly wet period with widespread flooding or a hot dry spell with protracted wildfires can add significantly to the amount spent on retained incident fees.

Staff pay and conditions are for the most part determined nationally - even a 1% pay increase for staff can add around £180,000 to the Authority's annual pay bill.

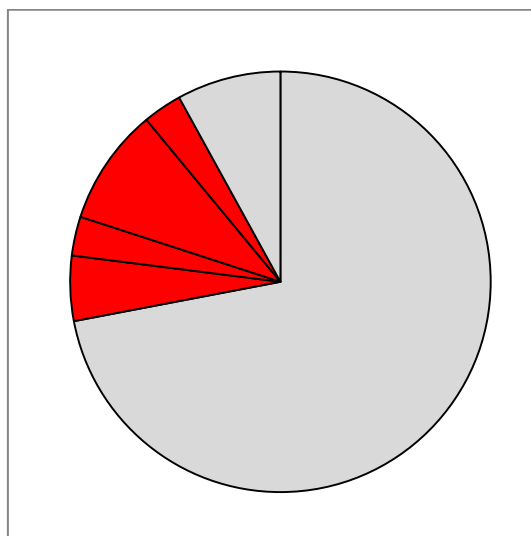
2. Capital financing



Around 8% of the annual budget is spent on financing capital purchases. Capital purchases are the larger ones relating to, for example, premises, training towers and fire engines. They would also include equipment such as computer equipment and breathing apparatus and protective equipment for firefighters.

These large items provide a benefit over a number of years and are generally funded through borrowing. In much the same way as mortgage repayments, this helps spread the cost of large purchases over a longer term. The annual cost of both the interest and principal repayments are met from the revenue budget.

3. Non-pay expenditure



Around 20% of the annual budget is spent on items which are classified as non-pay expenditure. This category of expenditure covers a broad range of items which relate to the day to day running of the Authority. The four main components of non-pay expenditure relate to:

Supplies and services (around 9% of the budget)

This includes costs such as audit fees and members' allowances, information technology and communications, printing, uniforms, small items of equipment and furniture and cleaning materials.

Premises (around 5% of the budget)

This includes rents, rates, gas and electricity and the day to day costs of maintaining the Authority's buildings and land including the forty-four fire stations in North Wales, various training facilities, workshops and offices.

Transport (around 3% of the budget)

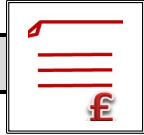
This includes transport costs for the Authority's fleet of fire engines, special appliances and support vehicles and includes the cost of repairs and maintenance as well as fuel, tax and insurance.

Other services and support (around 3% of the budget)

This relates to activities which the Authority has decided should be provided externally rather than by employing additional staff. Where possible, the Authority works closely with other public sector bodies and purchases a range of specialist services. This enables the Authority to benefit from the economies of scale across a range of functions including treasury management, facilities management, procurement advice and legal advice. In addition, the Authority has an external contract with a specialist in employment law.

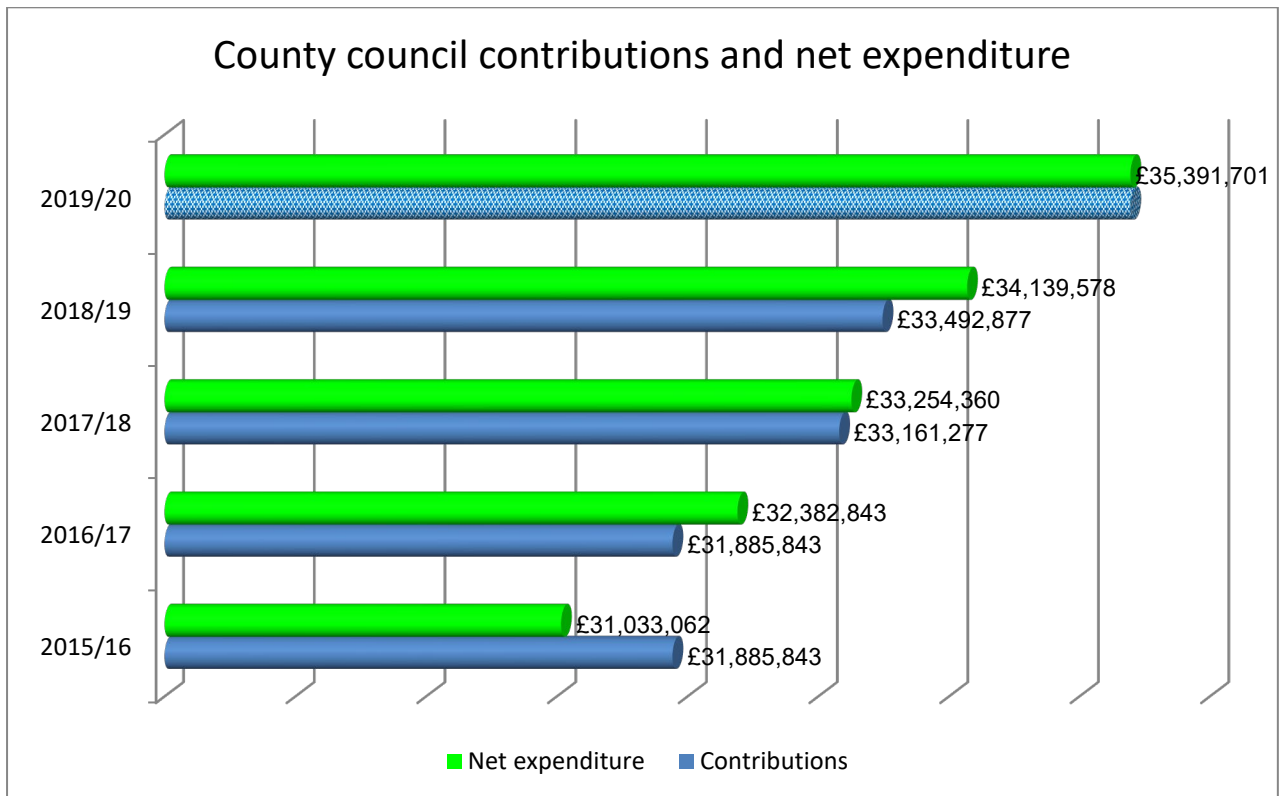


WHAT IS THE AUTHORITY'S CURRENT FINANCIAL POSITION?

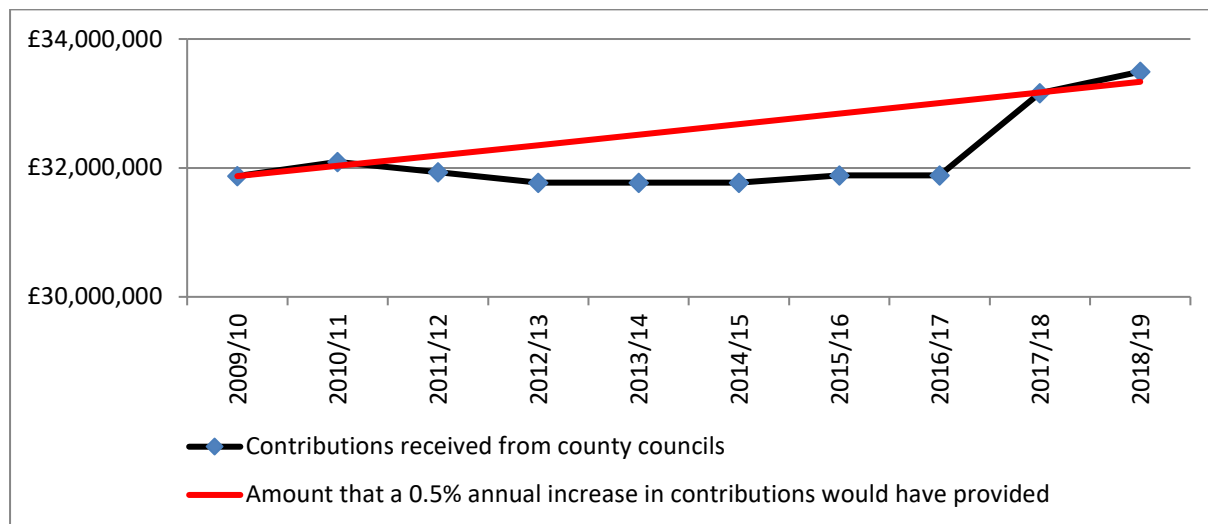


For the past few years the contributions that the Authority received from the county councils have not been sufficient to meet all its net expenditure. Instead, at a time when all public sector organisations have come under financial pressure the Authority has been relying on its financial reserves rather than increasing the contributions to ensure a balanced budget.

The graph below illustrates how contributions to the Authority towards the cost of fire and rescue services have been lower than the actual expenditure since 2015/16. This has been possible because the Authority was able to rely on using its financial reserves to top up the contributions it received.



As illustrated by the graph below, the annual contributions remained relatively constant between 2009/10 and 2016/17 as the Authority made savings and relied on its reserves to absorb unavoidable cost increases. By 2017/18, however, the Authority had no option but to increase the level of contributions.



The red line on the graph above shows what the level of contributions would have been if they had increased year on year by 0.5%, which would have been below the rate of inflation.

2018/19

Looking at the current year, the Authority's total expenditure was estimated at around £34,847,178. Of that total, £33,492,877 will have come as contributions from the county councils, £707,600 as other income and the remainder - £646,701 – from the Authority's financial reserves. On that basis, there will be £1.4 million left in reserve by the end of March 2019.

2019/20

Early estimates of the Authority's running costs next year show that its total expenditure will increase by 3.6% to £36,099,301. Assuming that other income remains at £707,600 and that using financial reserves is no longer a viable option, that would leave **£35,391,701** to be met from county council contributions.

With its reserves down to just £1.4 million, the Authority would therefore need to increase the contributions from the county councils next year by £1,898,824 if it is to meet the whole estimated cost of **£35,391,701 through contributions**.

For 2019/20, although the Authority's expenditure is estimated to be just £1,252,123 higher than in 2018/19, bringing county council contributions up to that level would mean **adding a further £1,898,824** to their combined 2018/19 contributions.



WHY NOT CARRY ON USING RESERVES TO KEEP CONTRIBUTIONS DOWN?

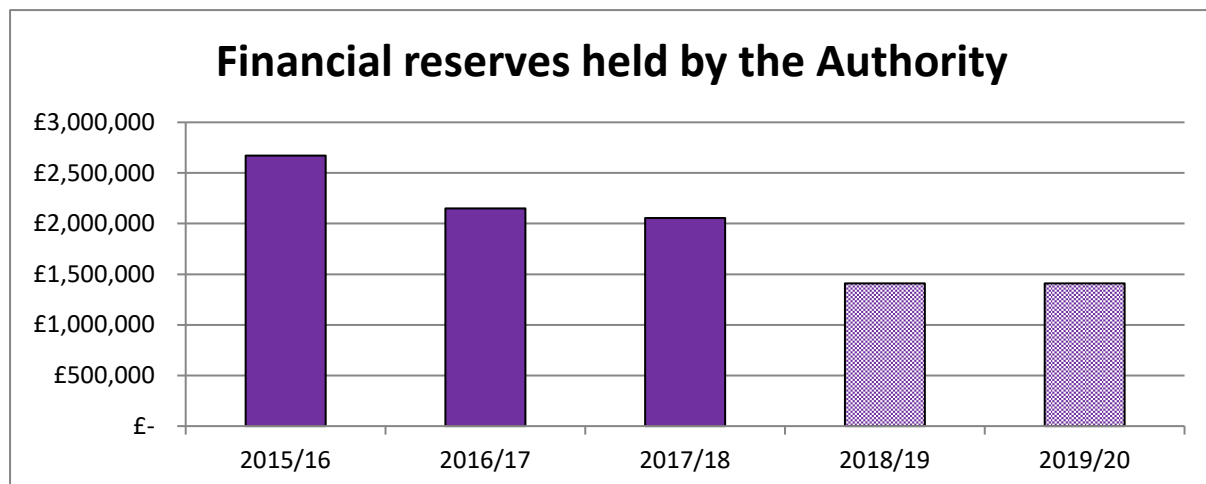


This would not be sustainable. Unlike the annual budget, reserves are not routinely replenished so once the money is used up it takes time to build them back up using underspends.

The reasons for holding general reserves is that they cushion the impact of unexpected events, emergencies and uneven cash flows and can cover the transitional costs of schemes that could not be funded from the revenue budget.

Similarly, earmarked reserves represent amounts set aside for specific items of expenditure, typically for such things as specific projects that have not been completed in year, or to underpin future budgets.

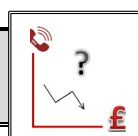
It was not until 2009 that fire and rescue authorities were allowed to hold reserves. Before then only billing and precepting authorities could do so.



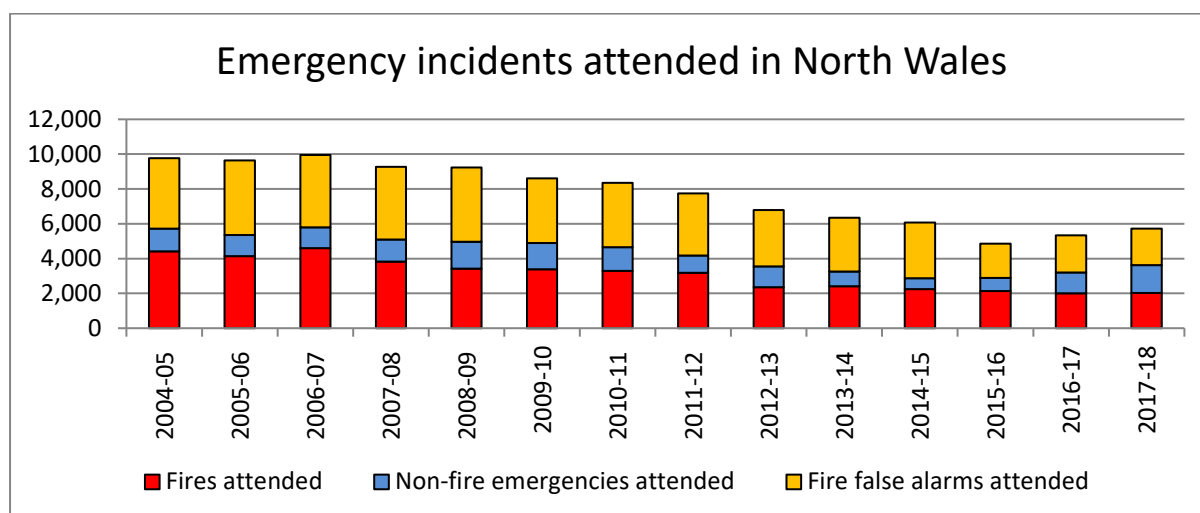
Having gradually built up its reserves to £2.7million by 2015/16 (the equivalent of 8.55% of the Authority's net revenue expenditure in that year), the fact that actual expenditure has been higher than contributions from the county councils since then has meant that reserves will have fallen to a very low level of £1.4 million (under 4% of net revenue expenditure) by 2019/20 unless more can be added back in and assuming that no more is taken out than the planned £646,701 in 2018/19.



WHY HASN'T REDUCING DEMAND FOR YOUR SERVICES REDUCED COSTS?



The Authority's prevention strategy has greatly reduced the frequency of demand for emergency response. It is impossible to quantify precisely how much more would be being spent on emergency response now if the number had not reduced, but clearly the scale of savings through investment in prevention has been significant.



(Note: the recent increase in non-fire emergencies is partly due to trials of collaborative work with Ambulance and Police services.)

For fire and rescue services the number of incidents attended is only one aspect of achieving value for money because people rightly expect an emergency response to be available when required, irrespective of the number of times that the Service has been called out before.

Unlike some other public services, emergency fire and rescue services cannot be pre-planned in terms of their location, time of day, complexity or duration.

Risk profiling has shown that operational cover needs to be maintained in readiness for those times when a risk becomes a reality, whether in the form of a fire or as another type of non-fire emergency.

A reduction in demand for fire and rescue services provides an opportunity to undertake more preventive or other types of activity rather than an opportunity to reduce the Service's capacity to respond to emergencies when required.

Inevitably, therefore, despite the reduction in the number of incidents attended, the level of risk would increase if the number of fire stations, fire appliances or firefighters were to reduce, whether as an increased risk to human life or as an increased risk to, for example, communities, businesses, the natural environment, heritage or the transport infrastructure.



WHAT ABOUT MAKING SAVINGS, REDUCING THE COST OF SERVICES?



The Authority has been reducing its running costs and made significant savings over a number of years and is still committed to reviewing costs and making even more savings in future. However, it is mindful that costs could simply be transferred but not reduced because emergency incidents would still need to be attended even if there were fewer fire stations, fire appliances or firefighters in North Wales.

Similarly, there are some costs, for example, for rent and rates, utility bills, insurances and licences) that would be difficult or impossible to reduce to any significant degree, and the nature of the work performed by the fire and rescue service means that the quality of things such as operational equipment, emergency vehicles and training of firefighters has to be maintained.

Please see [Information Sheet 4 – Savings and efficiencies already achieved](#).

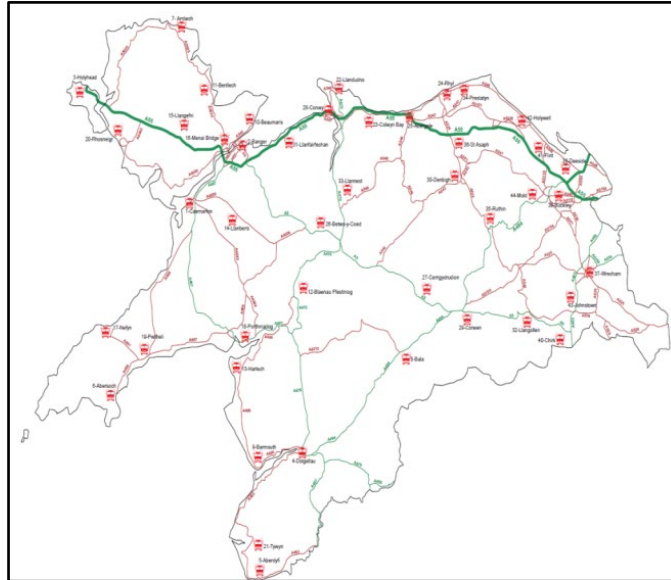
For the most part the changes made to save money have been internal ones that have been imperceptible to the public. Up to now the Authority has managed to keep all its fire stations open despite a reduction in staff, although from 2015/16 the public might well have noticed a change in the way the Service responds to automatic fire alarms and that two non-statutory services have been discontinued. Anyone contacting us to request rope rescue or large animal rescue services now will almost certainly be advised that we no longer provide these.

With time, however, **it has become increasingly difficult to find ways of making yet more savings without adversely affecting front line fire and rescue services.**

The Authority has considered a range of possible options² for making savings. With around 72% of the revenue budget being allocated to employee costs, and around 80% of the Service's staff being employed as operational firefighters, **it would not be possible to achieve large scale savings without making significant reductions in the size of the operational workforce.**

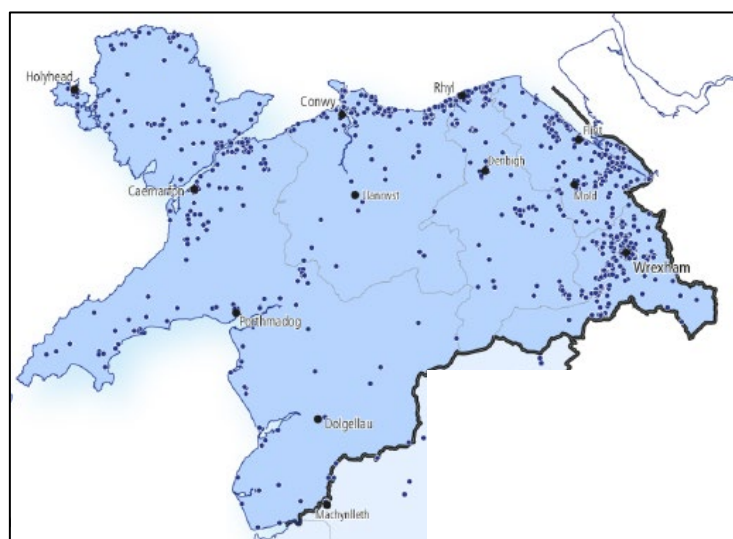
² <http://www.nwales-fireservice.org.uk/media/338279/7-improvement-wellbeing-plan-2019-20.pdf>

Whilst closing fire stations or reducing the size of the operational fleet would achieve some savings (mainly in capital financing, maintenance and general running costs), the operational response would still have to be made so much of the savings would be lost through additional costs being transferred to a different location.



Map showing the location of fire stations

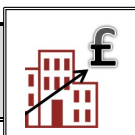
Perversely, the least busy fire stations and fire appliances would release the least amount of savings if removed, but also the impact of removing the busiest would be felt the greatest in terms of transferred workload (and therefore transferred cost) to other fire stations, and increased risk to the community.



Map showing the location of primary fires 2017/18



HOW MUCH OF AN INCREASE COULD COUNTY COUNCILS EXPECT?



As explained previously, the Authority's estimated budget in 2019/20 is £36,099,301. Assuming that other income remains at £707,600 (the same as in 2018/19) and that using financial reserves is no longer a viable option, that would leave £35,391,701 to be met by county council contributions.

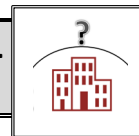
Although the Authority has been relying on its financial reserves to help keep the contributions from the county councils low, it will not be in a position to do the same in 2019/20. So although the Authority's expenditure is estimated to be just £1,252,123 (3.7%) higher than in 2018/19, bringing county council contributions up to that level would mean adding a further £1,898,824 (5.7%) to their 2018/19 level of contributions.

Additional contributions to meet whole increase in 2019/20:

	2018 population estimate	2018/19 contributions	Per person per day	Additional	2019/20 contributions
Anglesey	70,175	£3,356,175	13 pence	£190,272	3,546,447
Gwynedd	123,660	£5,914,137		£335,292	6,249,429
Conwy	116,879	£5,589,830		£316,906	5,906,736
Denbighshire	95,530	£4,568,797		£259,021	4,827,818
Flintshire	154,923	£7,409,315		£420,058	7,829,373
Wrexham	139,143	£6,654,624		£377,273	7,031,897
TOTAL	700,310	£33,492,877		£1,898,824	£35,391,701



COULD COUNTY COUNCILS CONTRIBUTE LESS THAN THE FULL AMOUNT?



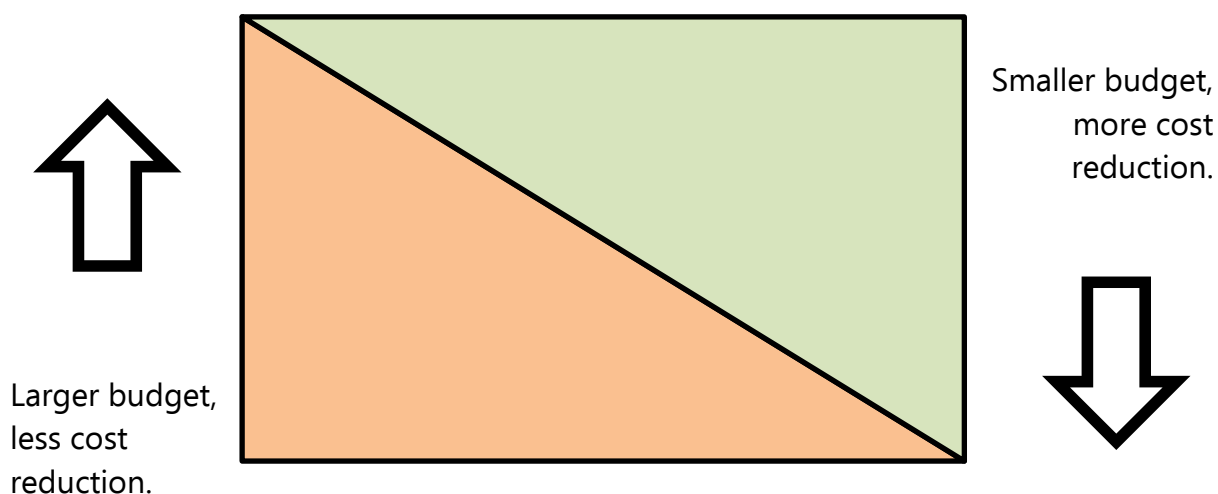
The size of the 2019/20 Fire and Rescue Authority budget is a matter for the Authority to decide in December 2018, but what seems clear already is that some additional contributions will be required from the county councils.

Based on its assessment of the risk involved, the Authority could potentially set its budget at a level lower than its estimated running costs and implement a plan for reducing its own running costs so that it starts the year with a balanced budget. The question of how much lower than its estimated costs the Authority would be willing to set its budget would depend on what the Authority sees as appropriate in terms of its own risk profile, but also acknowledging the pressure on county councils.

Since the Authority has already decided not to pursue savings on a scale that would involve removing fire and rescue resources (closing fire stations, removing fire appliances or making firefighters redundant) in 2019/20, any cost reduction would necessarily have to be on a smaller scale. **The Authority will take its decision in December 2018 when it agrees a draft budget for next year, having taken into account the response to this consultation and in light of discussions with the county councils.**

Potentially, therefore, the Authority could set its budget based on making some savings and so reducing the increase that will be required in the county council contributions.

This will be a decision for the Authority to make, based on its assessment of how much savings could be made without adversely affecting front line services.



As an illustration, the table below quantifies three different scenarios in terms of additional contributions and the associated savings that would be required to be made by the Authority in order to achieve a balanced budget in 2019/20.

	2018/19 contributions	2019/20 estimated budget required	Additional contributions to meet 75% of the £1,898,824 shortfall	Additional contributions to meet 85% of the £1,898,824 shortfall	Additional contributions to meet 100% of the £1,898,824 shortfall
Anglesey	£3,356,175	3,546,447	+£142,704	+£161,731	+£190,272
Gwynedd	£5,914,137	6,249,429	+£251,469	+£284,998	+£335,292
Conwy	£5,589,830	5,906,736	+£237,680	+£269,370	+£316,906
Denbighshire	£4,568,797	4,827,818	+£194,266	+£220,167	+£259,021
Flintshire	£7,409,315	7,829,373	+£315,044	+£357,049	+£420,058
Wrexham	£6,654,624	7,031,897	+£282,955	+£320,682	+£377,273
TOTAL	£33,492,877	£35,391,701	+£1,424,118	+£1,614,000	+£1,898,824
Amount of savings that the Authority would need to implement →:			-£474,706	-£284,823.60	£0



WOULD INCREASED CONTRIBUTIONS MEAN HIGHER COUNCIL TAX?



Not necessarily. Higher contributions to the Fire and Rescue Authority would mean an additional cost pressure on county councils, but that would have to be seen in the context of each council's spending plans for the year, and the amount that it would expect to raise through council tax in its area. This would be a matter for the county council itself to determine.

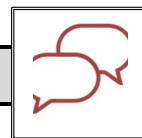
At most, if the Authority went ahead and increased its budget for next year by the full £1,898,824, **the financial impact on an individual county council would range between contributing an additional £190,272 (Anglesey) and £420,058 (Flintshire).**

Assuming that the Authority decides to increase its budget for next year by the full £1,898,824, and assuming that the county councils decide to raise that whole additional amount through an increase in council tax in their area, then that increase could be **in the region of £6 or £7 per Band D dwelling.**

Using the 2018/19 tax base figures for each county (these change annually), the additional £1,898,824 - if reflected in full in the average Band D dwelling council tax – would add another: £6.18 (0.54%) in Anglesey; £6.44 (0.49%) in Gwynedd; £6.33 (0.54%) in Conwy; £6.55 (0.52%) in Denbighshire; £6.58 (0.56%) in Flintshire; and £7.08 (0.65%) in Wrexham. **The average for North Wales would be an additional £6.53 (0.55%).**



CONSULTATION QUESTIONS



The money that North Wales Fire and Rescue Authority spends on fire and rescue services is provided by the six county councils in the area. To cover its costs the Authority may need to ask for up to £1.9 million more next year.

Question 1 Do you think it is reasonable to ask the county councils to pay the additional amount?

- A. Yes. I would prefer to see the additional £1.9 million being collected from the county councils than see local fire and rescue services being reduced.
- B. Partly. I would want something close to the additional £1.9 million to be collected from the county councils if that means maintaining local fire and rescue services, but I would expect the Fire and Rescue Authority to try to reduce its running costs.
- C. No. I don't think that the county councils should pay anything close to an additional £1.9 million, even if that does mean that North Wales loses some fire and rescue services.

If county councils had to pay £1.9 million more for fire and rescue services next year they could decide to raise it through council tax. The full amount could add £6 or £7 a year to the average Band D council tax bill.

Question 2 In your opinion:

- A. £6 or £7 more next year would be excellent value and worth paying.
- B. £6 or £7 more next year would be acceptable, but no more.
- C. £6 or £7 more next year would be a bit too much to ask.
- D. £6 or £7 more next year would be far too much to ask.

Question 3 If the Fire and Rescue Authority decided to reduce its own running costs in future, how should it do this?

- A. I don't accept that the Authority should be expected to reduce its running costs.
- B. I think the Authority should try to reduce its costs, but only to the extent that it won't reduce the availability or quality of front line services.
- C. I think the Authority should try to reduce its costs, and accept that some front line services might have to be scaled back a little.
- D. I think fire and rescue services should cost as little as possible, even if that means closing fire stations and making firefighters redundant.



ADDITIONAL INFORMATION



1	Members of North Wales Fire and Rescue Authority
2	Powers and duties of North Wales Fire and Rescue Authority
3	North Wales Fire and Rescue Service
4	Savings and efficiencies achieved by North Wales Fire and Rescue Authority
5	Contributions by county councils 2011/12 to 2018/19

INFORMATION SHEET 1

Members of North Wales Fire and Rescue Authority

Anglesey
<ul style="list-style-type: none">○ Richard Griffiths, richardgriffiths@anglesey.gov.uk○ Eric Wyn Jones, ericjones@anglesey.gov.uk○ Dylan Rees, dylanrees@ynysmon.gov.uk
Gwynedd
<ul style="list-style-type: none">○ Annwen Daniels, cynghorydd.annwendaniels@gwynedd.llyw.cymru○ Simon Glyn, cynghorydd.simonglyn@gwynedd.llyw.cymru○ John Brynmor Hughes, Cynghorydd.JohnBrynmorHughes@gwynedd.llyw.cymru○ Dilwyn Lloyd, cynghorydd.i.dilwynlloyd@gwynedd.llyw.cymru○ Gethin Glyn Williams, cynghorydd.gethinglynwilliams@gwynedd.llyw.cymru
Conwy
<ul style="list-style-type: none">○ Peter Lewis, cllr.peter.lewis@conwy.gov.uk (Deputy Chair)○ Sue Lloyd-Williams, cllr.sue.lloyd-williams@conwy.gov.uk○ Roger Parry, cllr.roger.parry@conwy.gov.uk○ Nigel Smith, cllr.nigel.smith@conwy.gov.uk○ Adrian Tansley, cllr.adrian.tansley@conwy.gov.uk
Denbighshire
<ul style="list-style-type: none">○ Brian Blakeley, brian.blakeley@denbighshire.gov.uk○ Ann Davies, janetann.davies@denbighshire.gov.uk○ Meirick Lloyd Davies, meirick.davies@sirddinbych.gov.uk (Chair)○ Peter Evans, peter.evans@denbighshire.gov.uk
Flintshire
<ul style="list-style-type: none">○ Marion Bateman, marion.bateman@flintshire.gov.uk○ Ian Dunbar, ian.dunbar@flintshire.gov.uk○ Veronica Gay, veronica.gay@flintshire.gov.uk○ Paul Shotton, paul.shotton@flintshire.gov.uk○ Owen Thomas, owen.thomas@flintshire.gov.uk○ David Wisinger, david.wisinger@flintshire.gov.uk
Wrexham
<ul style="list-style-type: none">○ Bryan Apsley, bryan.apsley@wrexham.gov.uk○ Michael Dixon, michael.dixon@wrexham.gov.uk○ Geoff Lowe, geoff.lowe@wrexham.gov.uk○ Rondo Roberts, rondo.roberts@wrexham.gov.uk○ J Rodney Skelland, rodney.skelland@wrexham.gov.uk

INFORMATION SHEET 2


Key pieces of legislation that define the powers and duties of North Wales Fire and Rescue Authority

- 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.

INFORMATION SHEET 3

North Wales Fire and Rescue Service

North Wales Fire and Rescue Services operates:

	24-hour Shift Fire Stations	Day Crewed Fire Stations
	Three fire stations are crewed around the clock. These are located in Wrexham, Deeside (Queensferry) and Rhyl.	Five fire stations that are crewed between midday and 10:00p.m., and operate as retained fire stations outside those hours. These are in Caernarfon, Bangor, Holyhead, Llandudno and Colwyn Bay.

Each of the 8 wholetime fire stations has one fire engine crewed by Retained Duty System staff, plus one fire engine that is crewed by Wholetime Duty System staff, with the exception of Wrexham which has two (total 17).

Retained Fire Stations

Thirty-six fire stations that operate wholly as retained fire stations

Anglesey 1 day crewed station 6 retained stations	Conwy 2 day crewed stations 6 retained stations	Flintshire 1 24-hour shift station 4 retained stations
Gwynedd North 2 day crewed stations 4 retained stations	Denbighshire 1 24-hour shift station 6 retained stations	Wrexham 1 24-hour shift station 2 retained stations

Gwynedd South 8 retained stations

Each of the 36 retained fire stations has one fire engine crewed by Retained Duty System staff, with the exception of Pwllheli which has two (total 37). For much of the time, a retained fire station is not staffed. Each retained firefighter carries a pocket alerter, which is activated when they are needed. Retained firefighters will have other occupations, but when they are needed they become part of a team and depending on the type of cover given, a retained firefighter may respond from home and/or work, day and/or night.

STAFF: As at 31 March 2018, North Wales Fire and Rescue employed:



	Full time equivalent strength	Headcount of individual staff
Wholetime operational (WDS)	257.67	262
Retained operational* (RDS)	369.75	443
Support and prevention	146.03	155
Control	32.75	36
Totals	806.20	896

*Because of the 'on call' nature of these posts, they are calculated as '24-hour units of cover' instead of full-time equivalents.

INFORMATION SHEET 4

Savings and efficiencies already achieved by North Wales Fire and Rescue Authority

2011/12	
<p>Total contributions of £31,932,654.</p> <p>Year 1 of 3-year financial plan 2011/12 - 2013/14.</p> <p>Costs reduced by £800,000.</p>	<ul style="list-style-type: none"> • £460,000 removed from the operational management budget by restructuring the officer cover arrangements. • £200,000 removed from specific budget lines by either discontinuing or scaling down planned spending. • £90,000 removed from the Support Staff budget. • £50,000 removed from the Community Fire Safety budget. • £30,000 removed from the Control budget by restructuring the department. • Costs of delivering the Business Fire Safety function reduced, including by transferring posts from grey book (operational) to green book (support staff) terms and conditions. • One of four Aerial Ladder Platforms removed from the Service's fleet. • <u>Other savings:</u> • Keeping attendances at conferences down to a minimum. • Changing the way non-operational learning was provided. • Not funding Young Firefighter Association event. • Combining different awards ceremonies.
2012/13	
<p>Total contributions of £31,772,011 (£160,643 less than the previous year).</p> <p>Year 2 of 3-year financial plan 2011/12 - 2013/14.</p> <p>Savings of £815,000 made.</p>	<ul style="list-style-type: none"> • £500,000 removed from the operational firefighters' pay budget (22 wholetime posts) by changing the way working shifts were rostered but without affecting the number of firefighters in a crew. • £150,000 removed from specific budget lines by either discontinuing or scaling down planned spending. • £50,000 removed from the Community Fire Safety budget. • Further £90,000 removed from the Support Staff budget.

2013/14	
<p>Total contributions of £31,772,011 (the same as the previous year).</p> <p>Year 3 of 3-year financial plan 2011/12 - 2013/14.</p> <p>Savings of £800,000 made.</p>	<ul style="list-style-type: none"> • £500,000 removed from the operational firefighters' pay budget (as previous year). • Wholetime firefighters allocated through an Operational Resource Pool to support day-to-day availability of Retained fire stations. • £70,000 removed from specific budget lines by either discontinuing or scaling down planned spending for a third time. • £50,000 removed from the Community Fire Safety budget. • £180,000 removed from the Support Staff budget.
2014/15	
<p>Total contributions of £31,772,011 (budget frozen for another year).</p>	<ul style="list-style-type: none"> • Decision taken to use financial reserves to cover any shortfall and so avoid introducing the large-scale cuts that would otherwise have been necessary. However, it was understood that this option would not be sustainable for longer than this one year.
2015/16	
<p>Total contributions of £31,885,843 (increase of £113,000),</p> <p>£223,000 of reserves made available to cover shortfall.</p>	<ul style="list-style-type: none"> • £16,000 of predicted savings from discontinuation of non-statutory services e.g. providing large animal rescues and line rescue incidents. • £35,000 saved by discontinuing non-statutory services (Atal Tân). • £25,000 of predicted savings from changing policy on responding to Automatic Fire Alarm calls. Actual savings were higher - cashable savings of £67,889.50 and non-cashable savings from more effective use of time for activities such as community safety. • £250,000 of potential savings by removing four middle management posts (flexible duty officers), reducing the number of such posts from 32 to 28 which is the absolute minimum required to implement safe systems of work under the national Incident Command System. • New operational Management Structure (Sept 2015). • Introduction of new "WDS rural" contracts providing 21 hours per week.

2016/17

Total contributions of **£31,885,843** (the same as the previous year).

£454,000 of reserves made available to cover shortfall.

- May 2016 the Authority estimated that there would be a funding gap of £1.7million by 2018/19 and diminishing financial reserves. Although sympathetic to the financial pressures on most public services, also acknowledged the unavoidable cost pressures from pay and price inflation and changing government policy around pensions.
- June 2016 the Authority estimated that there would be a funding gap of £2.26million by 2019/20 and diminishing financial reserves. It did not consider that its strategy of continuing to freeze the budget was sustainable.
- The Executive Panel proposed that the Authority should adopt a new strategy from 2017/18 of combining higher contributions, reducing services and using reserves to cover any shortfall. This would mean a significant increase in contributions in 2017/18 but it would be followed by two years (2018/19 and 2019/20) without further increases in contributions.
- The planning working group looked how savings could be made to help keep county council contributions down and identified a potential £1,000,000 saving by removing a wholtime fire appliance from Wrexham (leaving one wholtime and one retained fire appliance there).
- October 2016 the Authority reflected on the fact that the Service had achieved £3million of savings and its workforce had been reduced by 9%, but to accommodate a 1% pay increase, the cost of the apprenticeship levy, the revenue cost of the capital budget and non-discretionary price inflation, the county council contributions would have to increase by £1.7million in 2017/18.
- December 2016 the Authority again reflected on the savings already achieved but the proposal to increase contributions by £1.7million in 2017/18 (which included a budget shortfall in 2016/17 of £740,000 which had been funded from reserves) was rejected. As an alternative, the Authority decided to increase the contributions by £1.28million in 2017/18 and then to increase them again by 1.3% in 2018/19 if necessary. Any shortfall in 2017/18 could be met from reserves.

	<ul style="list-style-type: none"> The Authority's intention was that preparations would begin in 2017 to reduce running costs by £1,000,000 from 2019/20 onwards. However, in March 2017 the possibility of pursuing £1,000,000 of savings with effect from 2019/20 by removing a fire appliance from Wrexham was abandoned when the Authority decided to withdraw the option and allow the new Authority after the May 2017 elections to make its own decisions about its financial strategy.
2017/18	
<p>Total contributions of £33,161,277 (an increase of £1,275,434).</p> <p>£414,000 made available from reserves to cover shortfall.</p>	
2018/19	
<p>Total contributions of £33,492,877 (an increase of £331,600).</p> <p>£646,000 made available from reserves to cover shortfall.</p>	<ul style="list-style-type: none"> · £366,000 saved annually by revising the Minimum Revenue Provision (MRP) policy. • December 2017 the Authority decided on an additional 1% (£331,600) in contributions for 2018/19 – less than the 1.3% mentioned in December 2016 and less than the 4.05% that would have met the total estimated costs in 2018/19 (as calculated before the MRP policy decision).

INFORMATION SHEET 5

Contributions from county councils towards the cost of fire and rescue services in North Wales

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Anglesey	£3,236,545	£3,219,270	£3,216,231	£3,198,669	£3,200,523	£3,190,812	£3,330,579	£3,356,175
Gwynedd	£5,588,685	£5,525,827	£5,507,985	£5,588,255	£5,602,787	£5,598,221	£5,851,817	£5,914,137
Conwy	£5,240,568	£5,206,959	£5,198,570	£5,283,704	£5,289,891	£5,277,177	£5,539,433	£5,589,830
Denbighshire	£4,549,039	£4,569,316	£4,593,630	£4,342,155	£4,360,740	£4,363,962	£4,524,683	£4,568,797
Flintshire	£7,051,716	£6,981,590	£6,955,089	£7,018,721	£7,033,548	£7,022,578	£7,339,795	£7,409,315
Wrexham	£6,266,101	£6,269,049	£6,300,506	£6,340,507	£6,398,354	£6,433,093	£6,574,971	£6,654,624
TOTAL	£31,932,654	£31,772,011	£31,772,011	£31,772,011	£31,885,843	£31,885,843	£33,161,277	£33,492,877
Change		-£160,643	0	0	+£113,832	0	+£1,275,434	+£331,600
Population estimate	688,417	690,434	691,986	694,038	695,549	697,122	698,715	700,310
£ per head	£47	£46	£46	£46	£46	£46	£47	£48
Actual cost (net expenditure)	£31,021,654	£31,523,220	£31,772,011	£31,155,730	£31,033,062	£32,382,843	£33,254,360	£34,139,578*

*Estimated.