

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 19 JUNE 2017 at DENBIGHSHIRE COUNTY COUNCIL CHAMBER, RUTHIN LL15 1YN immediately after the annual meeting.

Yours faithfully

Colin Everett
Clerk

AGENDA

1. Apologies

2. Declarations of Interest

3. Notice of Urgent Matters

Notice of items which, in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B (4) of the Local Government Act, 1972.

4. Minutes of the Meeting held on 20 March 2017

5. Matters Arising

6. Financial Performance 2016-17

7. 2016-17 Provisional Unaudited Performance Key Points (presentation)

8. Annual Report of Bad Debts Written Off

9. Appreciations and Complaints

10. Independent Remuneration Panel for Wales

11. Firefighters Pension Schemes Local Pension Board – Annual Report 2016/17

12. 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.

None.

NORTH WALES FIRE AND RESCUE AUTHORITY

Minutes of the meeting of North Wales Fire and Rescue Authority held on Monday 20 March 2017 at Wrexham County Borough Council Chamber, Wrexham. Meeting commenced at 10.30am.

PRESENT

<u>Councillor</u>	<u>Representing</u>
M LI Davies (Chair)	Denbighshire County Council
P R Lewis (Deputy Chair)	Conwy County Borough Council
B Dunn	Flintshire County Council
A Evans	Wrexham County Borough Council
J G Evans	Anglesey County Council
A M Jones	Gwynedd Council
G Lowe	Wrexham County Borough Council
D MacRae	Conwy County Borough Council
P Pemberton	Wrexham County Borough Council
J R Skelland	Wrexham County Borough Council
W O Thomas	Flintshire County Council
G Williams	Gwynedd Council

Also present:

S A Smith (Chief Fire Officer and Chief Executive); C Everett (Clerk and Monitoring Officer); K Finch (Treasurer); D Docx (Deputy Chief Fire Officer); R Fairhead and G Brandrick (Assistant Chief Fire Officers); S Millington (Senior Fire Safety Manager); C Nott (Temporary Training and Development Manager); G Roberts (Temporary Senior Professional and Service Standards Manager); K Roberts (Senior Operations Manager); S Morris (Corporate Planning Manager); T Williams (Corporate Communications Manager); A Davies (Member Liaison Officer).

APOLOGIES

<u>Councillor</u>	<u>Representing</u>
B Cowie	Denbighshire County Council
L W Davies	Anglesey County Council
A I Dunbar	Flintshire County Council
M Holland	Denbighshire County Council
C Hughes	Gwynedd Council
R O Jones	Anglesey County Council
H McGuill	Flintshire County Council
W T Owen	Gwynedd Council
W R Owen	Gwynedd Council
R E Parry	Conwy County Borough Council
P Prendergast	Denbighshire County Council
W P Shotton	Flintshire County Council
A Tansley	Conwy County Borough Council
D Taylor	Wrexham County Borough Council
J Vaughan	Conwy County Borough Council

- 1 DECLARATIONS OF INTEREST
 - 1.1 There were no declarations of interest.
- 2 MINUTES OF THE MEETING HELD ON 19 DECEMBER 2016
 - 2.1 The minutes of the Fire and Rescue Authority meeting held on 19 December 2016 were submitted for approval.
 - 2.2 **RESOLVED to approve minutes of the meeting as a true and correct record.**
- 3 MATTERS ARISING
 - 3.1 6.9 (v) – the CFO confirmed that no savings had transpired before 15 February therefore there had been no scope to alter the budget level downwards.
- 4 URGENT MATTERS
 - 4.1 There were no urgent matters.
- 5 CHAIR'S REPORT
 - 5.1 The report listed meetings and events attended by Cllr M LI Davies and Cllr P R Lewis in their roles of Chair and Deputy Chair of North Wales Fire and Rescue Authority between January and March 2017.
 - 5.2 **RESOLVED to note the information provided.**
- 6 THE WHITE PAPER REFORMING LOCAL GOVERNMENT: RESILIENT AND RENEWED
 - 6.1 The CFO presented the report which invited members to consider the Welsh Government White Paper *Reforming Local Government: Resilient and Renewed*.
 - 6.2 Members expressed concern at the lack of detail in the report and felt that the Authority's response should refer to the fact that in terms of scrutiny the Chair and Chief Fire Officer meet with councillors across North Wales as part of the improvement and wellbeing objectives' consultation process. The CFO advised members to note the principles in the report and await the publication of a more detailed report later in the year.
 - 6.3 **RESOLVED to note the report and delegate the approval of the response to the consultation to the Chair and Deputy Chair.**
- 7 DRAFT IMPROVEMENT AND WELLBEING PLAN 2017-18
 - 7.1 The DCFO presented the draft Improvement and Wellbeing Plan 2017-18 for approval.

7.2 The DCFO reminded members of the two stages of Plan development that had been followed:

- stage one: the draft consultation document had been approved for consultation at the full Authority meeting on 19 September 2016;
- stage two: at the Executive Panel meeting on 13 February 2017 members had considered the responses received to the consultation and approved the production of a final draft Improvement and Wellbeing Plan 2017-18, based on four objectives, for approval by the full Authority at this meeting.

7.3 Members also noted that following discussion at the Improvement Planning Working Group at its meeting of 6 March 2017 the wording of the fourth objective had been adjusted to reflect the desire to be collaborative and integrated in diversifying the services provided. The objectives/steps in the plan for 2017-18 were as follows:

- (i) Deliver a comprehensive programme of prevention activity aimed at helping to keep people and communities safe from accidental fires in living accommodation;
- (ii) Secure the Authority's financial sustainability by adopting a 3-year financial strategy that combines the use of reserves, increasing financial contributions and making service reductions;
- (iii) Re-balance the Authority's resources to match risk by implementing a model of resourcing that ensures the availability of at least 20 strategically located fire crews in North Wales at times of relatively lower risk, and at least 38 at times of relatively higher risk;
- (iv) Seek opportunities to work with other organisations to offer a wider range of integrated services to the public of North Wales.

7.4 Members were given the opportunity to discuss the plan and objectives.

7.5 Cllr Pemberton was concerned about objectives 2 and 3, and the potential for the second fire appliance to be removed from Wrexham fire station as part of future service reductions which had been given consideration as options to balance a three year financial plan, if the Plan was approved. Other members expressed concerns over the loss of fire cover in the Wrexham area if the second appliance was removed. Cllr Lewis explained that there was no mention of Wrexham fire station and its second appliance in the report and that the recommendation was to approve the high-level plan for 2017-18 and the four objectives.

7.6 The Clerk advised members that the withdrawal of this appliance, or indeed any other potential service change which might have to be considered in the future, was not referenced in the report and was not therefore a decision for this meeting. Approval of the Plan should not be read as an implied intention to make any specific service changes beyond those already approved in the course of budget setting for 2017/18. The Authority had a duty to adopt the Plan and adoption in itself would not give way to any new service changes. Any options for changes to services in future years would have to come before the full Authority for consideration over the course of time. He explained that objective 2 referred to the only three strategic options

available to the Authority to balance its future budgets - as would be the case with any local authority. The financial future was uncertain and the new Authority would have to size its plans for service retention to the budget it could secure year on year.

- 7.7 The Treasurer provided reassurance that similar wording for an objective had been used in previous years and it had not prevented the Authority from deciding to vary the objective once approved. The Treasurer also reminded members that the new Authority, post-election, would have to review the plan and how best to implement the objectives over time.
- 7.8 The CFO supported the Clerk and Treasurer's comments. He reminded members that the value of deferring any further service reductions until as late as possible had been discussed at length at previous Authority meetings. A main concern of members had been to avoid compulsory redundancies thereby requiring forward planning on other options. The CFO listed other budget pressures facing the Authority such as the new ESMCP and the pension revaluation. Also, the Authority will have to deal with wider local government and constitutional issues as well as any changes that may result from the White Paper discussed earlier in the meeting. Members were also reminded that other options to make budget savings to meet the anticipated shortfall of £900k by 2019-20 had been discussed by the Improvement Plan Working Group and reported. Therefore, members had been aware of the options for some time.
- 7.9 Cllr Pemberton asked that an amendment be made 'that all talk about Wrexham is removed from objective 3' and he also requested a recorded vote. The Clerk advised that this was not a valid amendment as the issue of the Wrexham second appliance was not referred to in any of the objectives.
- 7.10 On the advice of the Clerk, Cllr Pemberton then put forward an alternative amendment as follows 'the option to withdraw second pump from Wrexham is withdrawn'. The Clerk advised that as this option has been under consideration by the Authority, and that as the objective two did refer to the possibility of service reductions, that this was a valid amendment to clarify the position and the intentions of this Authority. He advised that if passed this amendment would not fetter the new Authority from considering this or any other service reduction or service change option in the future. The new Authority would have an obligation to have a balanced financial plan and could not be fettered.
- 7.11 The valid amendment was carried by a vote of 8 to 4. A recorded vote was taken at the request of the requisite number of members.
- 7.12 Cllr Lewis congratulated the author of the improvement and wellbeing plan for an easy to read and concise document and it was agreed to place on record thanks to the Corporate Planning Manager.
- 7.13 **Having accepted the amendment as noted above, it was RESOLVED, UNANIMOUSLY, to approve the final draft of the Improvement and Well-being Plan 2017-18 and Statement for publication on the Authority's website before the end of March 2017.**

8 IMPROVEMENT AND WELLBEING OBJECTIVES 2018-19

8.1 The DCFO presented the report which proposed draft improvement and wellbeing objectives 2018/19 and requested that members approve the objectives for consultation. The Clerk clarified that the financial sustainability issue will be at the discretion of the new Authority.

8.2 **RESOLVED to approve the draft improvement and well-being objectives 2018/19 for consultation as follows:**

- i. To deliver a comprehensive programme of prevention activity aimed at helping to keep people and communities safe from accidental fires in living accommodation;
- ii. To secure the Authority's financial sustainability by maintaining the 3-year financial strategy that can combine the use of reserves, increasing financial contributions and making service reductions;
- iii. To seek opportunities to work with other organisations to offer a wider range of integrated services to the public of North Wales.

9 EMERGENCY MEDICAL RESPONSE

9.1 ACFO Fairhead presented the report which advised Members of developing issues in respect of the National Joint Council for Local Authorities Fire Brigades (NJC) workstreams in support of more diverse activities for firefighters. A key workstream is the provision of emergency medical response (EMR) or co-responding with the ambulance service to certain categories of medical emergency.

9.2 Members had been kept informed throughout the co-responding trial which had commenced in April 2015 and ran until 28 February 2017. It was noted that the NJC had commissioned researchers to evaluate the co-responding work using data from those involved in the trials and from other fire authorities undertaking this type of work; a copy of the report had been made available to members and its findings were being analysed by the NJC.

9.3 Members were given the opportunity to ask questions and have issues clarified; it was confirmed that firefighters respond to calls in pairs using a car. However, this varies nationally and may change once a final decision has been made by the NJC.

9.4 **RESOLVED to**

- (i) note the developing national situation;**
- (ii) recognise that local arrangements continue on an interim basis but may be affected by the outcome of the FBU recall conference on 21 March 2017.**

10 PROVISIONAL OUTTURN 2016-17

10.1 The Treasurer presented the report which informed Members about the estimated provisional outturn for the financial year 2016-17. Current indications are that there will be no underspend and £454,327 of reserves will be needed to support the budget for 2016/17. The Treasurer confirmed that reserves are being used to subsidise the Authority's budget, however, less reserves than anticipated had been used therefore the remainder will be used for future financial planning.

10.2 **RESOLVED to note the financial position of the Authority.**

11 PRUDENTIAL INDICATORS, TREASURY MANAGEMENT STRATEGY, INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION POLICY

11.1 Members were presented with the Prudential Indicators, Treasury Management Strategy, Investment Strategy and Minimum Revenue Provision Policy for 2017/18. The Treasurer explained that the Audit Committee has delegated power to review these documents in finer detail and this had been done at its meeting on 30 January 2017.

11.2 Members were advised that an internal audit of the treasury management function had identified a risk for Conwy County Borough Council (CBC) in that the professional negligence policy did not cover losses when dealing with third party funds, such as North Wales Fire and Rescue Service. In order to address this issue, it was noted that Conwy CBC is proposing to amend the Service Level Agreement (SLA) that is in place with the Fire and Rescue Authority to include a proviso that 'Conwy CBC will show due diligence when managing North Wales Fire and Rescue Service funds and any losses incurred due to bank failures/fraud/corruption etc. will be the responsibility of the Fire and Rescue Authority unless it can be proved that Conwy CBC was negligent in the management of those funds'. It was also noted that the risk to the Fire and Rescue Authority of agreeing to the amendment is low as Conwy CBC has an excellent track record and always manage those funds within the strategy approved by Members at the beginning of the financial year.

11.3 **RESOLVED to approve each of the four key elements of the report and the recommendations contained therein and also the amendment to the SLA:**

- (i) **a list of prudential indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities;**
- (ii) **the Treasury Management Strategy outlining the strategy to be followed regarding short and long-term borrowing for 2016/17 in accordance with the CIPFA code of Practice on Treasury Management;**
- (iii) **the strategy to be followed regarding the investment of Fire and Rescue Authority funds;**
- (iv) **Minimum Revenue Provision Statement;**
- (v) **amendment to the Service Level Agreement with Conwy County Borough Council as explained in paragraph 11.2.**

- 12 THE STANDARDS COMMITTEE'S ANNUAL REPORT TO THE FIRE AND RESCUE AUTHORITY
- 12.1 The Clerk presented the annual report of the Standards Committee to members.
- 12.2 It was noted that independent members, Celia Blomeley and Jane Eyton-Jones, were coming to the end of their second terms on the Authority and members wished to place on record their thanks to these two ladies for their excellent contributions over the last eight years. Recruitment of two new independent members will take place later in the year.
- 12.3 **RESOLVED to note the Standards Committee's annual report.**
- 13 PAY POLICY STATEMENT
- 13.1 The report sought members' approval for the pay policy statement for 2017/18. It was noted that the statement had been amended for 2017/18 in order to comply with the revised guidance notes for 'Transparency of Senior Pay in the Devolved Welsh Public Sector' compiled by the Public Services Staff Commission.
- 13.2 **RESOLVED to approve the pay policy statement for the coming financial year 2017/18.**
- 14 TEMPORARY DELEGATION OF POWERS
- 14.1 The Clerk presented the report which asked members to delegate powers from the end of office of the present members of the Fire and Rescue Authority to the first meeting of the Authority after the elections.
- 14.2 **RESOLVED to**
- (i) **approve that all the powers of the Fire and Rescue Authority, its committees and its office holders be delegated to the Chief Fire Officer, in consultation with the Clerk and Treasurer, for the period from 9 May 2017 until the first meeting of the Fire and Rescue Authority on 19 June 2017.**
 - (ii) **note that these delegations shall apply only so far as such powers relate to decisions that cannot reasonably be delayed until the date of that first meeting.**
- 15 POST ELECTION ARRANGEMENTS AND INDUCTION (VERBAL)
- 15.1 The Clerk informed members that a training/induction day will be held for new and returning members on 13 June 2017.
- 15.2 **RESOLVED to note the information provided.**

16 MINUTES - FOR INFORMATION

16.1 The minutes of the following meetings were submitted for information:

- Audit Committee meeting held on 30 January 2017
- Executive Panel meeting held on 13 February 2017
- Standards Committee meeting held on 1 March 2017.

16.2 **RESOLVED to note the minutes for information.**

Report to	North Wales Fire and Rescue Authority
Report no	FRA2017/06/06
Date	19/06/17
Lead Officer	Treasurer
Contact Officer	Ken Finch (01745 535286)
Subject	Financial Performance 2016-2017



PURPOSE OF REPORT

- 1 This report provides Members with the financial performance of the Authority for 2016-17.

EXECUTIVE SUMMARY

- 2 Provide information to Members on the Authority's financial performance for 2016-17 and approve the rollover of the earmarked reserves as detailed in paragraphs 32 and 33.

RECOMMENDATIONS

- 3 It is recommended that Members:
 - (i) note the financial position of the Authority; and
 - (ii) approve the rollover of the earmarked reserves as detailed in paragraphs 32 and 33;
 - (iii) the new earmarked reserve as detailed in paragraph 34.

OBSERVATIONS FROM THE EXECUTIVE PANEL/AUDIT COMMITTEE

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

INTRODUCTION

- 5 The first part of the report reviews the revenue expenditure for 2016-17 against budget with the financial breakdown included in Appendix A. The second part of the report comments on reserves and provisions held by the Authority; the reserves and provisions are detailed in Appendix B. The next section of the report looks at the schemes that were grant funded with a detailed breakdown in Appendix C. The final part of the report discusses capital activity for the year; the details of which can be found in Appendix D.

BACKGROUND

- 6 The draft Improvement Objectives approved for 2016-17 were to maintain the current level of fire prevention work; re-balance resources to match risk for emergency responses; diversify the role of the firefighter to offer additional service to the public; and absorb any unavoidable costs so setting a zero increase budget.
- 7 In order to set a frozen budget and maintain service delivery at current levels, it was decided by the Authority that any unavoidable cost pressures would be absorbed through changing the way services are delivered and by the use of one off reserves. The estimated level of reserves needed to set a balanced budget was £760k.
- 8 Internally, this year North Wales Fire and Rescue Service has focused upon updating its infrastructure. Wrexham Fire and Ambulance station was completed this year, bringing to a close the 15 year investment in the estates programme. The replacement and more resilient command and control system was delivered on time and the business case for the HR/management information system was developed with other public sector partners.

REVENUE ACTIVITY

Employees

- 9 A large proportion of Fire and Rescue Service expenditure relates to pay; 70% for 2016-17. Overall expenditure against the budget for employees is underspent by £65k.
- 10 Following a review of the provision of fire cover, a number of wholetime (WDS) firefighters were employed on WDS rural contracts along with a number of firefighter apprentices. The new recruits are providing cover on retained duty system (RDS) stations as well as on WDS stations. During the budget setting process an estimate was made of the anticipated number of hours cover required but, due to retirements and long-term sickness absence, the new recruits are providing more cover than originally anticipated. This overspend on WDS firefighters is offset by the savings on the RDS firefighters budget.
- 11 The underspend on the Chief Officers' budget relates to the currently vacant Assistant Chief Fire Officer post. However, part of the budget for this post has been utilised to provide sickness absence cover within the Principal Officer team.

- 12 The overspend on the support staff budget and temporary staff budget relates mainly to specialist skilled staff who have been employed on fixed term contracts in order to deliver on a number of key transformational projects such as the replacement of the command and control system and the new management information system.
- 13 Following the introduction of new systems a number of processes have been streamlined which has resulted in the requirement for fewer support staff. Included in the projected outturn are the costs of the voluntary redundancy payments which were not included in the original budget. The redundancy costs will be offset by savings in future years.
- 14 The pensions' budget is overspent due to some ill health retirements during the year. It has been decided that it is prudent to fund these retirements from the revenue budget and not through the pensions' provision.

Premises

- 15 The repair and maintenance budget is overspent partly due to a contingency amount being added for the new Wrexham fire and ambulance station and a number of additional projects, which have been brought forward to ensure essential maintenance works are carried out to comply with health and safety legislation.
- 16 Energy costs have increased significantly over recent years and, in order to reduce consumption and costs, measures have been put in place which are overseen by an energy monitoring officer (a post shared with North Wales Police). These measures have resulted in energy costs coming in under budget for the year and £40k lower than the expenditure incurred for the previous year.
- 17 The increase in business rates is due mainly to the new Wrexham fire and ambulance station becoming operational.

Transport

- 18 Overall the transport budget is underspent by £82k. Fuel costs and travel expenses are underspent by £204k due to the reduction in fuel prices and the current activity levels.
- 19 However, the repair and maintenance budget is overspent due to the increase in electronic equipment fitted to vehicles which add to the maintenance costs. The additional costs on the plant and equipment budget are due to the fleet department making provision to provide a maintenance service at the new Wrexham station in collaboration with the Welsh Ambulance Service Trust and North Wales Police.

Supplies

- 20 The underspend on operational equipment is due to an adjustment for items that have been purchased for stores and are being held as stock.
- 21 The uniforms budget is overspent due to the need for additional personal protective equipment (PPE) for new recruits and dual role employees.
- 22 There is an overspend on the computer costs budget. This was authorised in order to deliver the risk critical command and control project within the prescribed timeframe. These costs could have been capitalised. However after discussions with the treasurer it was decided to fund them from revenue to reduce future budget pressures on the revenue budget.
- 23 Additional costs have been incurred on subsistence expenses due to the firefighter role becoming more mobile in order to provide more efficient cover at WDS and RDS stations.
- 24 The additional expenditure on the corporate communications budget is due to the development costs for the long overdue upgrading and improvement of the Service's website.
- 25 In order to comply with guidance from the Wales Audit Office, grant expenditure is now shown within the body of the accounts, as is the grant income received. A breakdown of grants is also shown in Appendix C.

Agency

- 26 The contract that has been let for cleaning work at all stations provides for consistently higher level and standard but incurs a higher cost.

Capital Financing

- 27 The debt charges associated with the capital programme are less than the original budget due to the use of short term borrowing in lieu of PWLB (Public Works Loans Board) loans and the re-scheduling of the capital programme for building works in 2015-16. The capital charges for repayment of debt are less than the budget as the budget was set based on the outturn position as at December 2015. Lower interest costs have also been achieved by 'internally borrowing', where reserves and balances have been used to fund the programme rather than taking out new loans.

Income

- 28 Overall income is higher than the original budget (excluding grant income). There has been a welcome reduction in special service calls but this has resulted in less income being raised than anticipated when the budget was set. Income from capital fees has decreased in line with expenditure incurred on the capital programme and the re-alignment of the capital budget. The additional income from sales is due to the income achieved from the disposal of vehicles and equipment as they are replaced or are no longer required.
- 29 Interest on balances was less than the original budget due to the low interest rates and the use of reserves and balances to fund the capital programme.

Underspend

- 30 The original budget included a contribution from reserves of £760k. Due to underspends on a number of budget heads the contribution from reserves required to balance the budget was £655k, £105k less than the budgeted amount.

Earmarked Reserves

- 31 Previous reports have identified the risks associated with the new national contract for radio communication. Some of the project costs have been funded from the revenue budget in 2016-17 rather than use the reserve set aside specifically for the project. However, as the project is still ongoing it is necessary to have funding available to cover the risk of the service incurring additional costs in the following areas:-
- a. If the timescales for transition are not met it may be necessary to extend the current contract which could be significantly more expensive.
 - b. The current system is partially funded by a grant from the Welsh Government and it is not guaranteed that this will continue.
- 32 Given the position above, the £300k reserve will be carried forward as part of earmarked reserves.
- 33 An earmarked reserve of £194k was set up in 2015-16 following the Welsh Government's intention to reduce the grant for community fire safety. Funding for 2016-17 reduced by 50% and the level of funding for 2017-18 is also at a reduced level. It is, therefore, prudent to carry over this reserve to fund future expenditure.

- 34 The fleet department has had to replace its transporter vehicle. There is currently no funding set aside for this vehicle so it is requested that an earmarked reserve is set aside for £54k to cover the costs.

General Reserves

- 35 A reserve is defined 'as a voluntary action by the Authority to set resources aside for future schemes'. The Authority held £2,669k in a general reserve at 1 April 2016, and has used £655k as a contribution to the revenue budget for 2016-17. The use of reserves to set a balanced budget was approved by Members. The amount of reserve utilised was less than the budgeted amount.
- 36 An earmarked reserve was set aside to fund some training costs in 2016-17. The training has been funded from revenue so it is no longer a requirement to hold this reserve. Consequently, £30k has been transferred to the general reserve. As detailed in paragraph 34, £54k has been transferred from the general reserve to an earmarked reserve. The balance on the general reserve at 31 March 2017 is £1,990k.
- 37 It is prudent for the Authority to hold a general reserve to cover any contingent liabilities that may arise and assist in future planning to mitigate budget increases.

Capital Reserve

- 38 The capital reserve was set up to be used to finance the capital programme when it is most advantageous to do so in that the savings made by reducing debt charges for future budgets is maximised. This year all of the reserve has been utilised to finance the capital programme to reduce future debt charges.

Provisions

- 39 The Authority has always been able to hold provisions and a provision is defined as 'funds set aside when the Authority has a present obligation as a result of a past event (legal or constructive) and it is probable that a settlement will be made some time in the future'.
- 40 The Authority only holds one provision – the pension provision – which is held to cover payments in to the pension fund for ill health retirements and the costs of any ill health lump sum payments that are not covered by the pension scheme. There has been no movement on the provision this year as it has been possible to fund these costs from the revenue budget.

Grant Funded Schemes

- 41 The Authority has received funding for a number of schemes mainly from the Welsh Government; the total funding received is £3.179m. The benefits to the community created by these schemes include the Phoenix scheme, installation of free smoke alarms, and the Arson Reduction Team. There has been an increase in funding for All Wales Resilience, which accounts for the increase in grant funding compared to the previous year. A comprehensive list of these schemes is detailed in Appendix C.

Capital Activity

- 42 The original capital budget was set in December 2015 and was based on new spend and rollovers from previous years.
- 43 Following the closure of the accounts for 2015-16, the capital budget for 2016-17 was revised to incorporate any schemes that had been rescheduled from 2015-16. The budget was then increased by £2.09m to £6.11m.
- 44 The budget for planned maintenance and minor building works was underspent as some smaller items of capital spend was transferred to revenue.
- 45 The new Wrexham Fire and Ambulance Station was completed in 2016-17 and became operational in April 2017. The work was completed close to the revised budget. Appendix D details actual expenditure against budget.
- 46 The expenditure on light vehicles was higher than the budget set due to the replacement of a number of vehicles earlier than expected. The overspend was offset by underspends on other budget heads. The expenditure on water tenders (fire engines) was less than budget due to the timing of the stage build on the vehicles. The budget will be rolled forward to cover the full cost of the vehicles once they are completed.
- 47 The expenditure on IT and other equipment is less than budget due to the rescheduling of a number of transformational projects. The budget for these specific projects will be rolled over to 2017-18.
- 48 Expenditure on a stage build for a special appliance for £116k has been funded by Welsh Government. Further funding has been received to cover the full cost of the appliance, which will be applied on completion of the vehicle.

49 In 2016-17 £400k of the capital reserve has been utilised to reduce future capital financing costs.

IMPLICATIONS

Wellbeing Objectives	This report links to NWFRAs long-term well-being objective which is "To facilitate high quality, responsive and better integrated fire and rescue services so that prevention activity and emergency response can continue to be available when and where required, affordably, equitably and on the basis of risk."
Budget	As set out in the paper
Legal	None
Staffing	None
Equalities/Human Rights/ Welsh Language	None
Risks	If the Authority was to overspend its approved budget it would have to supplement its budget from reserves. This would increase the difficulty of setting a sustainable budget in future years

NORTH WALES FIRE & RESCUE SERVICE

BUDGET 2016/2017

Subjective Heads	Actuals	Budget	Actuals	Budget
	2015/2016	2016/2017	31/03/2017	Variance
	£	£	£	2016/2017
				£
EMPLOYEES				
Chief Officers	476,775	599,786	555,689	-44,097
Firefighters - Wholetime	13,031,462	13,511,572	13,583,954	72,382
Firefighters - Retained Duty System	3,374,671	3,527,288	3,191,931	-335,357
Support Staff	4,115,000	4,379,450	4,539,642	160,192
Engineering Craftsmen	291,518	288,395	288,244	-151
Formal Training of Staff	481,571	453,140	447,058	-6,082
Relocation Expenses	15,795	22,000	7,661	-14,339
Advertising/CRB Checks	15,321	10,500	9,802	-698
Miscellaneous (Medical, Ni lease cars)	67,716	64,899	126,205	61,306
Local Government Pensions	13,042	13,300	19,979	6,679
Firefighter Pensions	458,621	421,000	456,080	35,080
TOTAL EMPLOYEES	22,341,492	23,291,330	23,226,245	-65,085
PREMISES				
Repair and Maintenance	343,226	194,320	385,482	191,162
Write Off Conwy Court	59,874	0	0	0
Energy Costs (Gas, Electricity, Oil)	289,256	342,294	249,368	-92,926
Water Services	54,360	59,615	57,213	-2,402
Insurance	43,772	39,000	48,221	9,221
National Non Domestic Rates	516,659	540,000	579,985	39,985
Fixtures and Fittings	4,361	5,075	5,823	748
Rental of Divisional Offices	144,890	140,000	130,841	-9,159
Rent of Control & Storage Unit	30,416	60,900	56,303	-4,597
Green Dragon Project	9,368	6,000	10,409	4,409
Cleaning Supplies/Refuse Collection	48,547	43,272	46,866	3,594
	0			
TOTAL PREMISES	1,544,728	1,430,476	1,570,511	140,035
TRANSPORT				
Purchase of Plant and Equipment	22,201	8,000	33,647	25,647
Repair and Maintenance	330,951	290,000	369,244	79,244
Running Expenses	279,238	266,115	283,827	17,712
Fuel	238,604	384,000	238,629	-145,371
Staff Contract Hire	129,931	149,325	121,894	-27,431
Travelling Expenses	88,827	140,000	108,332	-31,668
TOTAL TRANSPORT	1,089,752	1,237,440	1,155,573	-81,867

Subjective Heads	Actuals	Budget	Actuals	Budget
	2015/2016	2016/2017	31/03/2017	Variance
	£	£	£	2016/2017
				£
SUPPLIES				
Cleaning and Domestic Equipment	3,448	5,738	4,319	-1,419
Office Equipment	34,704	48,512	45,705	-2,807
Furniture	28,019	10,075	11,014	939
General Equipment	7,587	11,382	6,595	-4,787
Operational Equipment	302,895	277,673	251,352	-26,321
Canteen Equipment	3,015	1,269	2,628	1,359
Books/Publications	1,809	700	488	-212
Subscriptions	48,608	51,410	49,286	-2,124
Provisions	14,291	15,076	8,093	-6,983
Uniforms and Laundry	209,724	195,700	245,711	50,011
Printing and Stationery	87,665	94,800	73,171	-21,629
Fire Safety General	140,875	152,767	156,431	3,664
Computer Costs	875,254	688,588	784,685	96,097
Communications	964,530	1,176,590	1,109,884	-66,706
Conference and Subsistence Expenses - General	80,300	73,234	91,529	18,295
Insurance	215,930	245,735	263,791	18,056
Audit Fees	49,792	57,000	62,417	5,417
Corporate Planning	426	3,000	1,490	-1,510
Corporate Communications	115,876	109,861	139,208	29,347
Professional Fees (Bank Charges, Actuary)	23,760	8,500	18,820	10,320
JESG/Contingency Planning/NIC Initiatives Co-Responding Pilot	163,363	100,000	94,987	-5,013
Other Grant Expenditure	1,424,553	0	2,778,596	2,778,596
Members Allowances, Committee Costs	70,080	80,090	70,588	-9,502
Job Evaluation System	0	1,000	0	-1,000
	0			
TOTAL SUPPLIES	4,866,504	3,408,700	6,270,788	2,862,088
AGENCY				
Occupational Health	137,066	135,000	134,772	-228
Grounds Maintenance	23,728	20,000	25,616	5,616
Building Cleaning	274,177	201,120	256,594	55,474
TOTAL AGENCY	434,971	356,120	416,982	60,862

Subjective Heads	Actuals	Budget	Actuals	Budget
	2015/2016	2016/2017	31/03/2017	Variance
	£	£	£	2016/2017
				£
SUPPORT SERVICES				
Facilities Management	193,189	196,000	141,154	-54,846
Procurement	7,500	17,000	7,500	-9,500
Monitoring Officer/Legal Services	13,982	15,000	24,061	9,061
Treasurer to the Fire Authority	6,573	3,507	9,058	5,551
Financial Services	106,500	112,200	112,565	365
Superannuation Services	37,100	29,000	40,428	11,428
Employment Law	49,800	50,000	23,727	-26,273
TOTAL SUPPORT COSTS	414,644	422,707	358,493	-64,214
CAPITAL FINANCING				
Debt Charges	2,822,046	3,260,000	3,063,408	-196,592
TOTAL CAPITAL FINANCING	2,822,046	3,260,000	3,063,408	-196,592
TOTAL EXPENDITURE	33,514,137	33,406,773	36,062,000	2,655,227
INCOME				
Sales	-42,384	-18,000	-66,852	-48,852
Alarm Monitoring	-2,934	-2,775	-3,210	-435
Special Service Calls	-38,791	-10,100	-4,376	5,724
Fire Hydrant Licences	-48,253	-45,000	-37,473	7,527
Rents - Joint Sites	-45,215	-40,804	-41,507	-703
Miscellaneous	-42,427	-26,000	-68,491	-42,491
Interest	-7,554	-10,000	-5,960	4,040
Rhyl Community Fire Station	-34,562	-41,234	-32,148	9,086
Firelink Grant	-415,600	-415,600	-415,600	0
Other Grants	-1,424,553	0	-2,763,012	-2,763,012
Rents - Aerial Sites	-34,044	-36,000	-37,955	-1,955
Emergency Planning	-29,680	-25,000	0	25,000
Co-Responding Recharge	0	0	-4,481	-4,481
Recharge Capital Fees	-69,251	-90,000	-40,573	49,427
Leasing Refund	-34,204	0	0	0
TOTAL INCOME	-2,269,452	-760,513	-3,521,638	-2,761,125
NET EXPENDITURE	31,244,685	32,646,260	32,540,362	-105,898
CONTRIBUTIONS TO/FROM RESERVES				
Contribution to/from Reserves	0	-760,417	-654,519	105,898
Capital Expenditure Funded from Revenue	641,158	0	0	0
TOTAL	31,885,843	31,885,843	31,885,843	0

BALANCE SHEET PROVISIONS & RESERVES

Scheme	Opening Balance 01-Apr-16 £	Movement 2016/17	Closing Balance 31-Mar-17
Provisions			
Ill Health Pension Provision	(100,000)	0	(100,000)
TOTAL PROVISIONS	(100,000)	0	(100,000)
Reserves			
General Reserve	(2,668,648)	678,519	(1,990,129)
Earmarked Reserves	(624,506)	(24,000)	(648,506)
Capital Reserve	(400,000)	400,000	-
TOTAL RESERVES	(3,693,154)	1,054,519	(2,638,635)

APPENDIX C

GRANT FUNDED EXPENDITURE

Supported Scheme	Actual	Actual
	2015/2016	2016/2017
	£	£
Arson Reduction Team	191,782	113,880
Defibrillators -Co-responding Equipment	147,860	0
Firelink	415,600	415,600
HFSC Partnership Development	25,168	0
Interventions	126,907	75,709
NDG Equipment Maintenance	102,099	128,458
New Dimensions/All Wales Resilience	264,136	1,998,556
Phoenix	395,687	284,044
Resilience	52,891	69,021
RTC Initiatives	107,206	0
Third Sector Co-ordinator	10,818	0
Community Assistance Team	0	93,343
TOTAL EXPENDITURE	1,840,153	3,178,611

CAPITAL EXPENDITURE

Subjective Heads	Original	Revised	
	Budget	Budget	Actual
	2016/2017	2016/2017	2016/2017
	£	£	£
EXPENDITURE			
PREMISES			
Minor Building Works	100,000	103,449	83,110
Planned Maintenance	750,000	842,625	716,762
Tywyn FS	0	93,902	9,186
Nefyn Fire Station	0	27,586	1,591
Deeside Fire Station	0	0	57,464
New Build -Wrexham Fire Station	0	144,414	155,435
Dolgellau Fire Station	500,000	498,750	1,200
TOTAL PREMISES	1,350,000	1,710,726	1,024,748
TRANSPORT			
Water Tenders	1,150,000	1,273,450	598,079
Light Vehicles	491,000	168,153	268,420
Aerial Platform	0	0	0
Special Appliances	0	0	116,400
TOTAL TRANSPORT	1,641,000	1,441,603	982,899
SUPPLIES			
IT and Other Equipment	1,023,000	2,957,942	934,733
TOTAL SUPPLIES	1,023,000	2,957,942	934,733
TOTAL	4,014,000	6,110,271	2,942,380
RESOURCES AVAILABLE:			
Contributions External	0	0	185,890
Capital Receipts	430,000	0	20,094
Contribution from Capital Reserve	190,000	400,000	400,000
Revenue Contributions	0	0	0
Loans	3,394,000	5,710,271	2,336,396
TOTAL	4,014,000	6,110,271	2,942,380

Mae'r ddogfen yma ar gael yn Gymraeg

Report to	North Wales Fire and Rescue Authority
Report no	FRA2017/06/08
Date	19/06/17
Lead Officer	Treasurer
Contact Officer	Ken Finch (01745 535286)
Subject	Bad Debts Written Off



PURPOSE OF REPORT

- 1 To inform members of the bad debts write offs between 1 April 2016 and 31 March 2017.

EXECUTIVE SUMMARY

- 2 To inform members that there have been no bad debts write offs between 1 April 2016 and 31 March 2017.

RECOMMENDATION

- 3 That members note that the Service has not written off any bad debts between 1 April 2016 and 31 March 2017.

OBSERVATIONS FROM THE EXECUTIVE PANEL/AUDIT COMMITTEE

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

BACKGROUND

- 5 At the request of the Authority, the Treasurer submits an annual report listing all the debts under £5,000 which have been written off as irrecoverable, for information.

INFORMATION

- 6 Between 1 April 2016 and 31 March 2017, the Service has not written off any bad debts.

IMPLICATIONS

Wellbeing Objectives	None
Budget	None
Legal	None
Staffing	None
Equalities/Human Rights/ Welsh Language	None
Risks	None

Report to	North Wales Fire and Rescue Authority
Report no	FRA2017/06/09
Date	19/06/17
Lead Officer	Assistant Chief Fire Officer
Contact Officer	Gary Brandrick (01745 535286)
Subject	Complaints and Appreciations



PURPOSE OF REPORT

- 1 To inform members of the numbers of complaints and appreciations received from the public for the period 1 April 2016 through to 31 March 2017.

EXECUTIVE SUMMARY

- 2 To inform members of the numbers of complaints and appreciations received from the public for the period 1 April 2016 through to 31 March 2017.

RECOMMENDATIONS

- 3 That Members note the information provided.

OBSERVATIONS FROM THE EXECUTIVE PANEL/AUDIT COMMITTEE

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

INFORMATION

Formal Complaints Recording

- 5 Reportable complaints are recorded as those issues brought to the attention of the Service when members of staff are participating in or carrying out the legitimate business of North Wales Fire and Rescue Service (NWFRS).
- 6 The total number of complaints does not include those from concerned members of the public relating to matters concerning the fire safety provision at premises for which NWFRS would be the enforcing or a consulting authority for safety legislation and regulations applicable to those premises.

Complaints received 1 April 2016 to 31 March 2017

- 7 Reportable complaints received, investigated and resolved have been recorded as follows:

Table 1			
Complaint categories	Reportable complaints received		Difference
	2015/2016	2016/2017	
Welsh Language	0	1	↑ +1
Policy & Procedure	3	6	↑ +3
Driving	8	3	↓ -5
Operational Activities	3	7	↑ +4
Conduct	6	8	↑ +2
Business/Community Safety delivery	5	5	↔ 0
Total	25	30	↑ +6
Percentage increase from 15/16			↑ +20%
Average of the previous 3 years = 22.5			↑ +33%
Table 2			
Complaint categories	Reportable complaints substantiated		Difference
	2015/2016	2016/2017	
Welsh Language	-	1	↑ +1
Policy & Procedure	0	3	↑ +3
Driving	2	2	↔ 0
Operational Activities	1	1	↔ 0
Conduct	2	0	↓ -2
Business/Community Safety delivery	2	2	↔ 0
Total	7	9	↑ +2
Percentage of complaints substantiated			↑ +2%
Average of the previous 3 years = 39%			↓ -9%

Appreciations Received 1 April 2016 to 31 March 2017

- 8 Members may wish to note that 129 messages of appreciation through letters, cards, e mail, social media and in person were formally received expressing appreciation and satisfaction with NWFRS and its staff.
- 9 The messages of appreciation received covered a wide range of our activities but fall broadly into the categories in table 3.

- 10 When an appreciation is received, the staff members concerned will be informed in writing and will be formally thanked on behalf of the Service.

Table 3			
Appreciation categories	Appreciations received		Difference
	2015/2016	2016/2017	
Community safety initiatives and event including visits to and by NWFRS.	25	26	↑ +1
Home Safety Checks, Community Assistance Team and smoke detectors/other interventions issued	12	19	↑ +7
Partnership working including Phoenix and Arson reduction	11	1	↓ -10
Charitable support including community bonfire donations	9	34	↑ +25
Operational incidents and exercises	29	37	↑ +8
Conduct	6	12	↑ +6
Total	92	129	↑ +37
Average number of appreciations received in the last 3 years			94
2016/17 performance in relation to 3 year average			↑ + 37%

IMPLICATIONS

Wellbeing Objectives	This report links to NWFRS long-term well-being objective which is "To facilitate high quality, responsive and better integrated fire and rescue services so that prevention activity and emergency response can continue to be available when and where required, affordably, equitably and on the basis of risk."
Budget	Considered not relevant.
Legal	All relevant legislation considered when dealing with complaints received.
Staffing	Substantiated complaints are used as development opportunities for individual members of staff and the organisation as a whole.
Equalities/Human Rights/Welsh Language	All protected characteristics considered and the appreciation/complaint will be dealt with bilingually or as requested by the individual.
Risks	Considered not relevant.

Report to	North Wales Fire and Rescue Authority
Report no	FRA2017/06/10
Date	19/06/17
Lead Officer	Clerk
Contact Officer	Colin Everett (01745 535286)
Subject	Independent Remuneration Panel for Wales



PURPOSE OF REPORT

- 1 To present the Annual Report of the Independent Remuneration Panel (IRP) which sets out changes to members remuneration which will come into effect on the date of the annual meeting on 19 June 2017.

EXECUTIVE SUMMARY

- 2 To present the Annual Report of the Independent Remuneration Panel (IRP) which sets out changes to members remuneration which will come into effect on the date of the annual meeting on 19 June 2017.

RECOMMENDATIONS

- 3 Members are asked to:
 - (i) note the IRPW's determinations in relation to members' allowances and remuneration, for implementation as of 19 June 2017;
 - (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 2017/18 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.

OBSERVATIONS FROM THE EXECUTIVE PANEL/AUDIT COMMITTEE

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

BACKGROUND

- 5 The remit of the Independent Remuneration Panel (IRP) was extended through the Local Government (Wales) Measure 2011. Under the powers provided by the Measure, the IRP has produced a new set of Regulations which came into effect on 1 April 2012. The Regulations apply to payments made to members and co-opted members of local authorities, national park authorities and Welsh fire and rescue authorities.

INFORMATION

- 6 The report acknowledges that there has been a significant change to the proposals of the Welsh Government for the future of local government in Wales. The report deals with the current structure of local government pending change. It is noted that the Panel will in due course be examining the potential implications for remuneration and will be consulting with councils following the local authority elections.
- 7 The Panel has decided to make a modest increase in the basic salary for elected members of principal councils, the first increase for three years, with consequential increases for members of national park and fire and rescue authorities.
- 8 For fire and rescue authorities the Panel has made the following determinations:
 - the basic salary for FRA ordinary members should be £1,715 per annum (up from £1,700)
 - the senior salary of the chair of an FRA should be £10,415 per annum (up from £10,400)
 - an FRA senior salary can be paid to the deputy chair and up to two chairs of committees where there is significant and sustained responsibility. This should be paid at £5,415 per annum (up from £5,400)
 - the Panel has determined to include a provision for FRAs to apply for specific or additional senior salaries that do not fall within the current remuneration framework
 - members must not receive more than one FRA senior salary
 - an FRA senior salary is paid inclusive of the FRA basic salary and must reflect significant and sustained responsibility
 - members of a principal council in receipt of a band 1 or band 2 senior salary cannot receive a salary from any FRA to which they have been nominated.

- 9 The Chair of the North Wales Fire and Rescue Authority is also the Chair of the Executive Panel and can only claim one salary. In order to differentiate between 'main committee' and 'other committee', it is recommended that it is based on the number of meetings held per year. The Executive Panel meets five times per year and the Audit Committee meets 3 times per year. Therefore, it is recommended that the Authority continues with its previous decision that the Chair of the Audit Committee will be paid under the category "other committee chair".
- 10 The daily fee paid to independent members of the Standards Committee remains the same; a daily fee capped at a maximum of 4 full days per year on the following rate:
- Standards committee Chair £256 daily fee (£128 for half day)
 - Independent member £198 daily fee (£99 for half day).

Travel, Subsistence and Care Allowance

- 11 There have been no changes to travel, subsistence and care allowances which are in line with Welsh Government rates.

- **Subsistence**

£28 per day	Day allowance for meals, including breakfast, where not provided in the overnight charge
-------------	--

- **Accommodation**

£200 per night	London
£95 per night	Elsewhere
£30 per night	Staying with friends and/or family

- **Mileage** rate remains at 45p per mile.

- 12 Determination 43 in the report states that:

All authorities must provide for the reimbursement of necessary costs for the care of dependent children and adults (provided by informal or formal carers) and for personal assistance needs up to a maximum of £403 per month. Reimbursement shall only be made on production of receipts from the carer.

- 13 The Panel encourages promotion and use of the Care Allowance and states that it recognises that there is some sensitivity concerning the publication of this legitimate expense and has reflected this in the options for publication as detailed in the report.

IMPLICATIONS

Wellbeing Objectives	Considered not relevant
Budget	<p>There will be an increase of £15 on the basic salary for Members of FRAs from the date of the authority's Annual General Meeting, which is therefore an annual basic salary of £1,715.</p> <p>There will also be an increase of £15 on the salary of the Chair and Deputy Chair of the FRA, which is therefore an annual salary of £10,415 and £5,415 respectively.</p>
Legal	<p>Part 8 and schedules 2 & 3 of the Local Government (Wales) Measure 2011 set out the arrangements for the payments of Members of relevant authorities and the functions and responsibilities of the IRPW.</p> <p>In accordance with the IRPW Regulations and guidance set out in the draft IRPW Annual Report for 2017/18, the Authority must produce and maintain an annual Schedule of Member Remuneration which sets out details of the specific payments that it intends to make to Members and Co-opted Members in accordance with the levels of remuneration and allowances determined by the IRPW in its final Annual or Supplementary Reports.</p> <p>Any amendments to the Schedule made during the municipal year must be conveyed to the IRPW as soon as practicable after the amendments are made.</p>
Staffing	Considered not relevant
Equalities/Human Rights/ Welsh Language	It is not considered that there are any issues that need addressing as the recommendations apply equally to all Members regardless of protected characteristics under the Single Equality Act.
Risks	Considered not relevant

Report to	North Wales Fire and Rescue Authority
Report no	FRA2017/06/11
Date	19/06/17
Lead Officer	Deputy Chief Fire Officer
Contact Officer	Dawn Docx (01745 535286)
Subject	Firefighters Pension Schemes Local Pension Board – Annual Report 2016/17



PURPOSE OF REPORT

- 1 To present to members the annual report of the Local Pension Board which details the work of the board during the last financial year. The annual report is attached at appendix 1.

EXECUTIVE SUMMARY

- 2 To present to members the annual report of the Local Pension Board which details the work of the board during 2016/17.

RECOMMENDATION

- 3 That Members approve the local pension board annual report 2016-17 for publication on the Authority's website.

OBSERVATIONS FROM THE EXECUTIVE PANEL/AUDIT COMMITTEE

- 4 This report has been considered and approved by the Local Pension Board at its meeting on 7 April 2017.

INFORMATION

- 5 The new governance requirements around pensions were introduced as a result of the Public Service Pensions Act 2013. The Act provides for clearer governance arrangements with specific defined roles, the publication of more information on a consistent basis, and administration practices in line with those in the private sector.
- 6 The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 relating to the creation and ongoing operation of local pensions came into force on 1 April 2015. These regulations required the Fire and Rescue Authority (NWFA) to agree the establishment of a Local Pension Board in respect of the Firefighter's Pension Scheme by 1 April 2015.

- 7 The role and remit of the Local Pension Board is to assist North Wales Fire and Rescue Authority in its capacity as scheme manager by making sure it is administering the Firefighters' Pension Scheme effectively and efficiently and, in doing so, is complying with relevant laws and regulations. In order to improve transparency, NWFRA is required to publish the annual report of its Local Pension Board.

IMPLICATIONS

Wellbeing Objectives	Considered not relevant
Budget	Cost of the Local Pension Board is funded from existing Members' Services budget
Legal	The new governance requirements around pensions were introduced as a result of the Public Service Pensions Act 2013.
Staffing	Considered not relevant
Equalities/Human Rights/ Welsh Language	It is not considered that there are any issues that need addressing as the recommendations apply equally to all Members regardless of protected characteristics under the Single Equality Act.
Risks	All FRAs need to comply with the guidance provided by the Pensions Regulator around the governance arrangements for Local Pension Boards.

North Wales Fire and Rescue Service Firefighters' Pension Scheme

Local Pension Board Annual Report 2016-17

Contents

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1.0 Background

The Public Services Pensions Act 2013 requires all Public Service Pension Schemes to establish a Local Pension Board. In the case of the Firefighters' Pensions Scheme, the role of the Board is to assist the Scheme Manager (North Wales Fire and Rescue Authority): to secure compliance with:

- the relevant regulations;
- any other legislation relating to the governance and administration of the Scheme ; and
- the requirements imposed by the Regulator in relation to the Scheme and
- to ensure the effective and efficient governance and administration of the Scheme.

The Local Pension Board is expected to complement and enhance the Authority's existing arrangements for managing the scheme. It does not replace the existing arrangements and it is not a decision making body. Rather, it is designed to act as a critical friend to the Authority and its officers when they act in the capacity of scheme manager.

The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 relating to the creation and ongoing operation of local pension came into force on 1st April 2015. These regulations required the Authority to agree the establishment of a Local Pension Board in respect of the Firefighter's Pension Scheme by 1st April 2015. In this context, established means that the Authority, as Scheme Manager, had to approve the creation of the Board and agree its composition and terms of reference in accordance with its constitution. It did not mean that the Firefighters' Pension Scheme Local Pension Board had to be fully operational by that date.

However, it was anticipated that all Local Pension Boards should be operational within a reasonable period after 1st April 2015, and certainly by the end of July of that year. The North Wales Firefighters' Pension Scheme Local Pension Board was established by the Authority on 20 April 2015 when it held its first meeting.

2.0 Role and Remit

The role and remit of the Local Pension Board is to assist the Authority in its capacity as Scheme Manager by making sure it is administering the Firefighters' Pension Scheme effectively and efficiently and, in doing so, is complying with relevant laws and regulations. The Board does this by reviewing the policies and practices that the Authority has adopted and checking them against the applicable regulations, as well as comparing them to examples of best practice elsewhere. It is a slightly different role when compared to the (separate) Board charged with overseeing the Local Government Pension Scheme arrangements as the Firefighters' Pension Scheme is an unfunded scheme with no investment aspect.

3.0 Constitution and Membership

The Local Pension Board approves and reviews on an annual basis the terms of reference for the Firefighters' Pension Scheme; a copy of the document is available at the following link:

<http://www.nwales-fireservice.org.uk/media/1253/local-pension-board-tofr.pdf>

In order to ensure they are fully representative, all Local Pension Boards must include an equal number of employer and member representatives with a minimum requirement of no fewer than four in total. At its meeting in April 2015, the Authority agreed to establish a Firefighters' Pension Scheme Local Pension Board with three employer representatives and three scheme member representatives. The term of appointment for all members is three years or until qualification for membership ceases.

Membership of the Local Pension Board 2015-2017

Employer:

Four members of North Wales Fire and Rescue Authority, namely, Cllr Brian Dunn, Cllr Delyth Macrae, Cllr W Tudor Owen, Cllr J Rodney Skelland. Clerk to the Authority, Treasurer of the Authority.

Scheme Manager:

Two representatives from each representative body officially associated with the NWFRA: Fire Brigades Union - Shane Price and Sandra Williams;
Fire Officers' Association - Geraint Hughes and Paul Scott;
Association of Principal Fire Officers - Richard Fairhead and Ruth Simmons.

Chair of the Board

The Chairperson of the Local Pension Board will be rotated every two years between a member representing employers and those representing scheme members.

Cllr W Tudor Owen has been elected Chair for the first two year period, 2015-2017. The Chair is nominated to sit on the National Firefighters' Pension Advisory Board.

The Board has met twice during the period of this annual report.

4.0 Code of Conduct and Conflicts Policy

The Authority, as Scheme Manager is required to prepare and approve a code of conduct for the Board to adopt. This code has to set out the standards of behaviour expected of members, incorporating the 'Seven Principles of Public Life' (known as the Nolan Principles). The elected and co-opted members of the Authority are governed by the code of conduct for councillors. This code is required of every local authority by the Localism Act 2011 and sets out the standards of behaviour expected of individuals in their capacity as councillors or co-opted members. In addition, there is a legal obligation for councillors to disclose, in a register maintained by the authority's monitoring officer, certain pecuniary interests, as defined in regulations made under the 2011 Act. Both of these requirements apply to any members of a Local Pension Board who are also councillors of a local authority. They do not apply to members of a Local Pension Board who are not Councillors unless they are specifically adopted in terms of reference or other policy document to apply to the other members of the Board. At its meeting in November 2015, the Firefighters' Pension Scheme Local Pension Board formally agreed to adopt the Authority's Code of Conduct for all members of the Board.

Aside from the provisions of the Authority's Code of Conduct, for the purposes of the members of the Local Pension Board, a 'conflict of interest' is defined in section 5(5) of the Public Service Pensions Act 2013 as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of a Local Pension Board (although that does not include a financial or other interest arising by virtue of that person being a member of the Firefighters' Pension Scheme). The Pensions Regulator recommended that all administering authorities put in place a Conflict of Interest Policy for the operation of their new local pension boards. The Firefighters' Pension Scheme Local Pension Board duly agreed a detail Conflicts Policy at their meeting in November 2015. A copy of the policy can be found here:

<http://www.nwales-fireservice.org.uk/media/337270/conflict-of-interest-policy-adopted-301115.pdf>

It is not anticipated that significant conflicts of interest will arise, particularly as the Firefighters' Pension Scheme has no investment aspect. However, officers will take steps to identify, monitor and manage conflicts in accordance with the policy.

5.0 Knowledge and Understanding

In accordance with Section 248A of the Pensions Act 2004, every individual who is a member of a Local Pension Board must be conversant with:

- the rules of the Firefighters' Pension Scheme; and
- any document recording policy about the administration of the Scheme which is for the time being adopted in relation to the Fund.

Each individual must have knowledge and understanding of the law relating to pensions and such other matters as may be prescribed.

The Authority is required to make appropriate training available to Local Pension Board members to assist them in undertaking their role and where possible support all members of the Board in undertaking that training. The Local Pension Board is required to keep appropriate records of the learning activities of individual members and the Local Pension Board as a whole. This will assist members in demonstrating their compliance, if necessary, with the legal requirement and how they have mitigated risks associated with knowledge gaps.

It is a statutory requirement to include details of the training undertaken by members of the Pension Fund Board in the Fund's Annual Report. In addition, this information may be required by other agencies such as the Pensions Regulator from time to time. A schedule detailing the training undertaken by Local Pension Board members is detailed below:

Date	Training	Attendees
20/04/16	Conflict of Interest – Pension's Regulator' Training Module RDS Modified Pension Scheme	Employer Representatives – Cllr W T Owen (Chair); Cllr B Dunn; Cllr J Rodney Skelland. Advisors – D Docx, Deputy Chief Fire Officer/Interim Treasurer; J Brown, Head of Finance. Employee Representatives - R Fairhead and R Simmons, ACFOs, Association of Fire Principal Officers; G B Hughes and P Scott, Fire Officers' Association; S Williams, Fire Brigades Union.
08/11/16	Managing Risk and Internal Control - Pension's Regulator' Training Module Norman v Cheshire	Employer Representatives – Cllr W T Owen (Chair); Cllr B Dunn, Cllr D Macrae; Cllr J Rodney Skelland. Advisors – D Docx, Deputy Chief Fire Officer/Interim Treasurer; J Brown, Head of Finance. G B Hughes and P Scott, Fire Officers' Association.

6.0 Reporting Breaches of the Law to the Pensions Regulator Policy

In accordance with section 70 of the Pensions Act 2004, certain individuals must report to the Pensions Regulator as soon as reasonably practicable where that individual has reasonable cause to believe that:

- a duty which is relevant to the administration of the LGPS, and is imposed by or by virtue of an enactment or rule of law, has not been or is not being complied with; and
- the failure to comply is likely to be of material significance to the Regulator in the exercise of any its functions.

This obligation directly applies to each individual who is a member of the Local Pension Board. The Local Pension Board must therefore have effective arrangements in place to meet its duty to report breaches of law.

At its awareness session in November 2014, the Firefighters' Pension Scheme Local Pension Board was informed that, in line with the Pensions Regulator's Code of Practice number 14 (Governance and administration of public service pension schemes), guidance was available on the Pension's Regulator's website which set out the mechanism for reporting breaches of the law. The guidance ensures that those with a responsibility to report breaches of the law are able to meet their legal obligations, by analysing situations effectively in order to make an informed decision on whether a breach has been made.

<http://www.thepensionsregulator.gov.uk/codes/code-reporting-breaches.aspx>

7.0 Work Programme 2016-17

The Local Pension Board met twice in 2016-17 on 20 April 2016 and 08 November 2016. As a statutory requirement, members of the Local Pension Board have been provided with regular legislative updates.

Board Meeting – 20 April 2016

Declaration of Interest
Conflict of Interest Module
Update on communications effectiveness
Training – RDS Modified pension Scheme

Board Meeting – 08 November 2016

Declaration of Interest
The Board reviewed and agreed the Terms of Reference and the Annual Report of the Local Pension Board 2015-16.
Undertook the training module provided by the Pension's Regulator covering Risk and Internal Controls
Presentation on 'Norman v Cheshire' court case
Delivery of a pensions update and Scheme Advisory Board update

More detail is available in the agendas and minutes of the above Board meetings which can be accessed via following link:

<http://www.nwales-fireservice.org.uk/fire-and-rescue-authority/local-pension-board/?lang=en>

8.0 Work Programme 2017-18

The Firefighters' Pension Scheme Local Pension Board maintains a work programme which is considered at every meeting. Now that the Board is established and members have completed a number of training activities it will begin to select topics for in-depth analysis with a view to making recommendations to the Fire and Rescue Authority as and when necessary.

The Work Programme for 2017-18 is as set out below:

Review of Terms of Reference and agreement of the Annual Report for 2016/17

Ongoing training sessions – Reporting breaches of the Law and Maintaining accurate member data

Discretionary policies

Presentations on current pension issues (as and when they arise)

The work programme for 2017-18 has been assigned on the basis that following local elections, representatives may change. For any new Board members the Scheme Manager recognises that newly appointed pension board members are likely to need additional support and training in the first few months. Therefore, the Scheme Manager will offer pre-appointment training and will provide an additional awareness training session on the new governance arrangements.

9.0 Key Officers supporting the Local Pension Board

Deputy Chief Fire Officer – Dawn Docx

Head of Finance - Julie Brown