

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 21 JUNE 2021 virtually via Zoom.

The meeting will start 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 meeting held on 15 March 2021**
- 5. Matters Arising**
- 6. Chair's Report (verbal report)**
- 7. COVID-19 Update (verbal report)**
- 8. Performance Monitoring April 2020 – March 2021**
- 9. Audit Plan 2021**
- 10. Draft Statement of Accounts 2020/21**
- 11. Annual Governance Statement 2020/21**
- 12. Treasury Management Activity and Actual Prudential Indicators for 2020/2021**
- 13. Legal challenge to the 2015 pension reforms**
- 14. Modern Slavery Statement 2020/21**

15. Firefighters Pension Schemes Local Pension Board – Annual Report 2020/21

16. Firefighters' Pension Schemes Local Pension Board – Terms of Reference


17. Urgent Matters

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

PART II

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

18. None

Report to	North Wales Fire and Rescue Authority	
Date	21 June 2021	
Lead Officer	Shân Morris, Assistant Chief Officer (Corporate Policy and Planning)	
Contact Officer	Pippa Hardwick, Corporate Planning Manager (01745 535286)	
Subject	Performance Monitoring April 2020 – March 2021	

PURPOSE OF REPORT

1. To provide Members with information relating to North Wales Fire and Rescue Service activity and performance against improvement objectives during the financial year 2020/21.

EXECUTIVE SUMMARY

2. Between April 2020 and March 2021 the Service attended a combined total of 4,698 emergency incidents and false alarms – 3.6% fewer than in the same months of the previous financial year.
3. A total of 1,770 fires were attended during the year - 180 (9.2%) fewer than in 2019/20. Contributing to that overall reduction were decreases in secondary fires and in fires in non-residential buildings but there were also increases in deliberate fires and in primary fires in dwellings.
4. The Service attended 2,314 false alarms during the year – 40 (1.8%) more than in 2019/20.
5. The Service also attended 614 non-fire emergency incidents, which was 34 (5.2%) fewer than in 2019/20. Within that total there were 105 road traffic collisions - 74 (41.4%) fewer than in 2019/20.
6. The number of accidental fires in dwellings increased by 4 (1.1%). At those incidents 29 people were recorded as having sustained slight injuries and 3 as having sustained serious injuries. Sadly, 5 people lost their lives in accidental dwelling fires during the year – 2 more than in 2019/20.
7. Despite pandemic restrictions, the Service was able to complete 11,334 Safe and Well Checks during the year, including 4,382 to households identified as being at high risk from fire. The number completed was lower than planned, but the Service continued to target its activity towards those in greatest need as 34.5% (3,908) of the completed Checks originated from referrals made to the Service by other agencies under partnership agreements designed to help identify more vulnerable households.

8. Disappointingly, however, the number of dwelling fires that the Service attended where there was no smoke alarm fitted actually increased from 43 in 2019/20 to 51 in 2020/21; and similarly, the number of dwelling fires attended where a smoke alarm had alerted the occupants to the fire decreased from 176 in 2019/20 to 165 in 2020/21.

RECOMMENDATION

9. That Members note the contents of the performance monitoring report.

INFORMATION

10. Attached and for Members' information is the monitoring report for the period 1 April 2020 to 31 March 2021.

IMPLICATIONS

Well-being Objectives	Helps the Authority to monitor performance against the improvement and well-being objectives set in its combined improvement and well-being plan 2020/21.
Budget	Helps to highlight any potential impacts on budget due to unanticipated incident activity.
Legal	Assists the Authority with ensuring that there are sufficient resources to meet the altering demands placed on it with changes in incident activity.
Staffing	No implication identified.
Equalities/Human Rights/ Welsh Language	No implication identified.
Risks	Not satisfying legal requirements to report on and monitor performance that may impact on the ability to ensure that there are sufficient resources to meet demand.

NORTH WALES FIRE AND RESCUE SERVICE



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

PERFORMANCE MONITORING REPORT

Full Year

April 2020 – March 2021

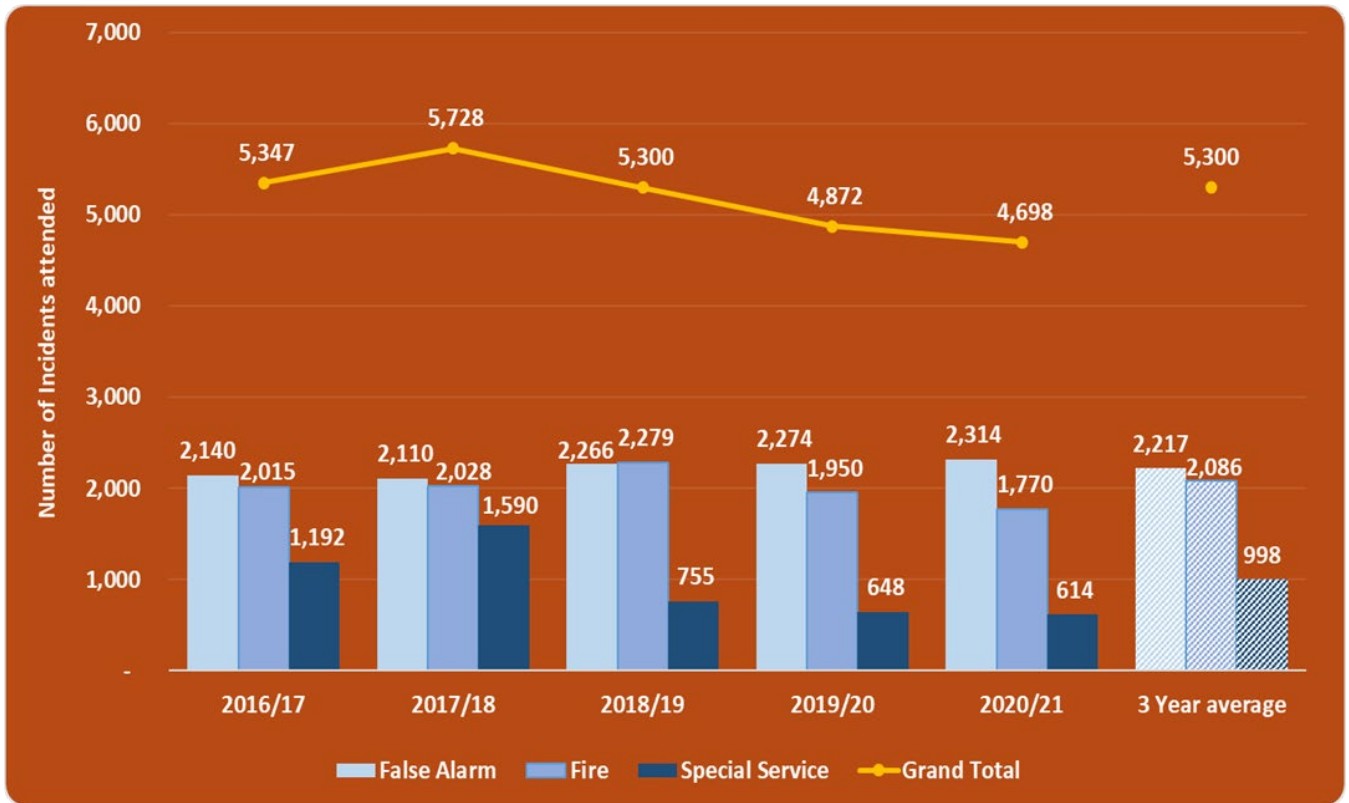
Figures are provisional and may be subject to minor amendment.

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1.0 All Incidents

1.1 During the financial year 2020/21 the Service attended 4,698 emergency incidents, 174 fewer (3.6%) than the previous year (4,872).



Category	Year	Q1	Q2	Q3	Q4	Whole Year		Average of 3 previous years	
Total incidents attended	2020-21	1,378	1,231	998	1,091	4,698	↓ 3.6%	5,300	↓ 11.4%
	2019-20	1,330	1,329	1,078	1,135	4,872			
Total fires	2020-21	653	433	324	360	1,770	↓ 9.2%	2,086	↓ 15.1%
	2019-20	586	521	392	451	1,950			
Total special service incidents	2020-21	96	182	137	199	614	↓ 5.2%	998	↓ 38.5%
	2019-20	171	175	141	161	648			
Total false alarms	2020-21	629	616	537	532	2,314	↑ 1.8%	2,217	↑ 4.4%
	2019-20	573	633	545	523	2,274			

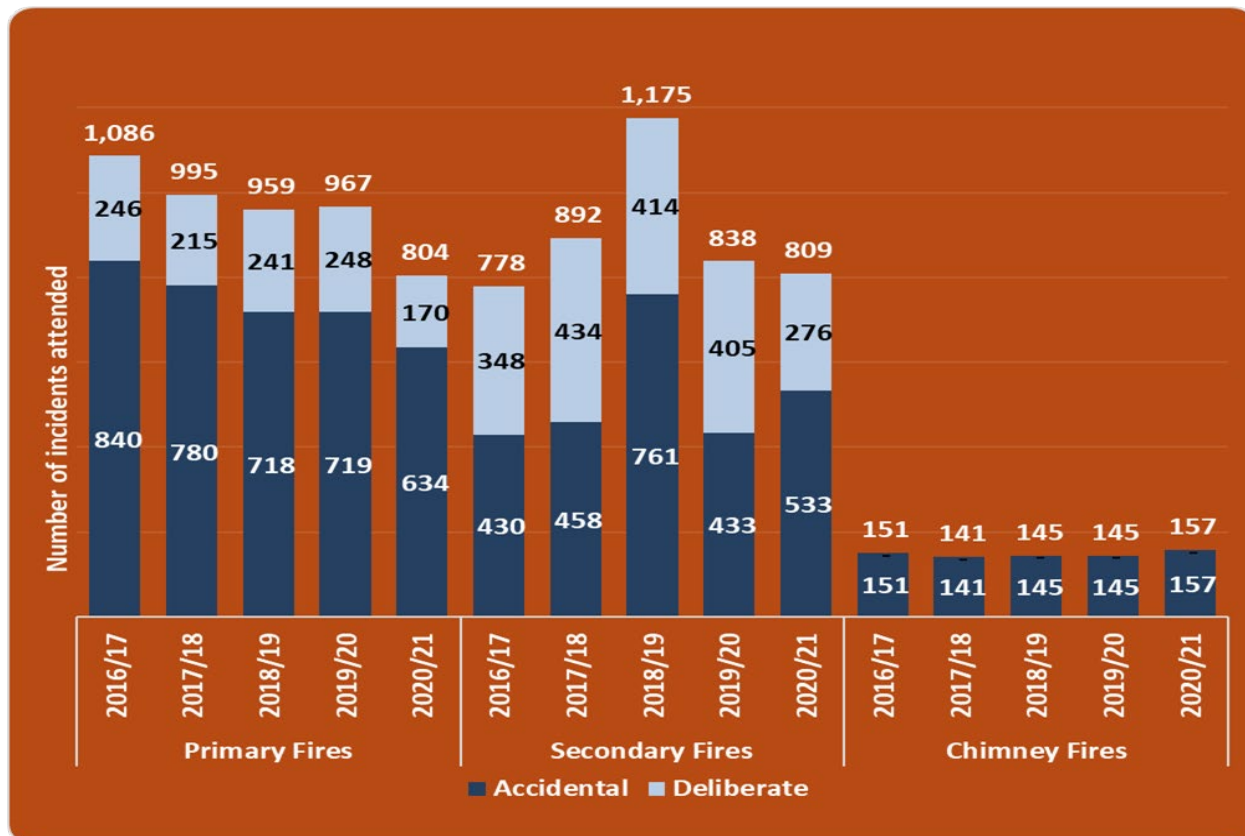
Comparisons against previous year and 3 year average are shown in right-hand column of table.



2.0 Fires, by Category and Motive

2.1 **Primary fires** – there has been a steady reduction in the number of primary fires each year. There were 804 primary fires in 2020/21 compared to 967 in 2019/20, a 16.9% reduction. Deliberate primary fires saw a 31.5% reduction from 248 in 2019/20 to 170 in 2020/21.

2.2 **Secondary fires** – the number of these fires each year fluctuates, with the weather having a significant impact on their occurrence. The majority of secondary fires (over 95%) occurred at 'outdoor' property types. Secondary deliberate fires decreased by 31.9% to 276 in 2020/21 from 405 the previous year.



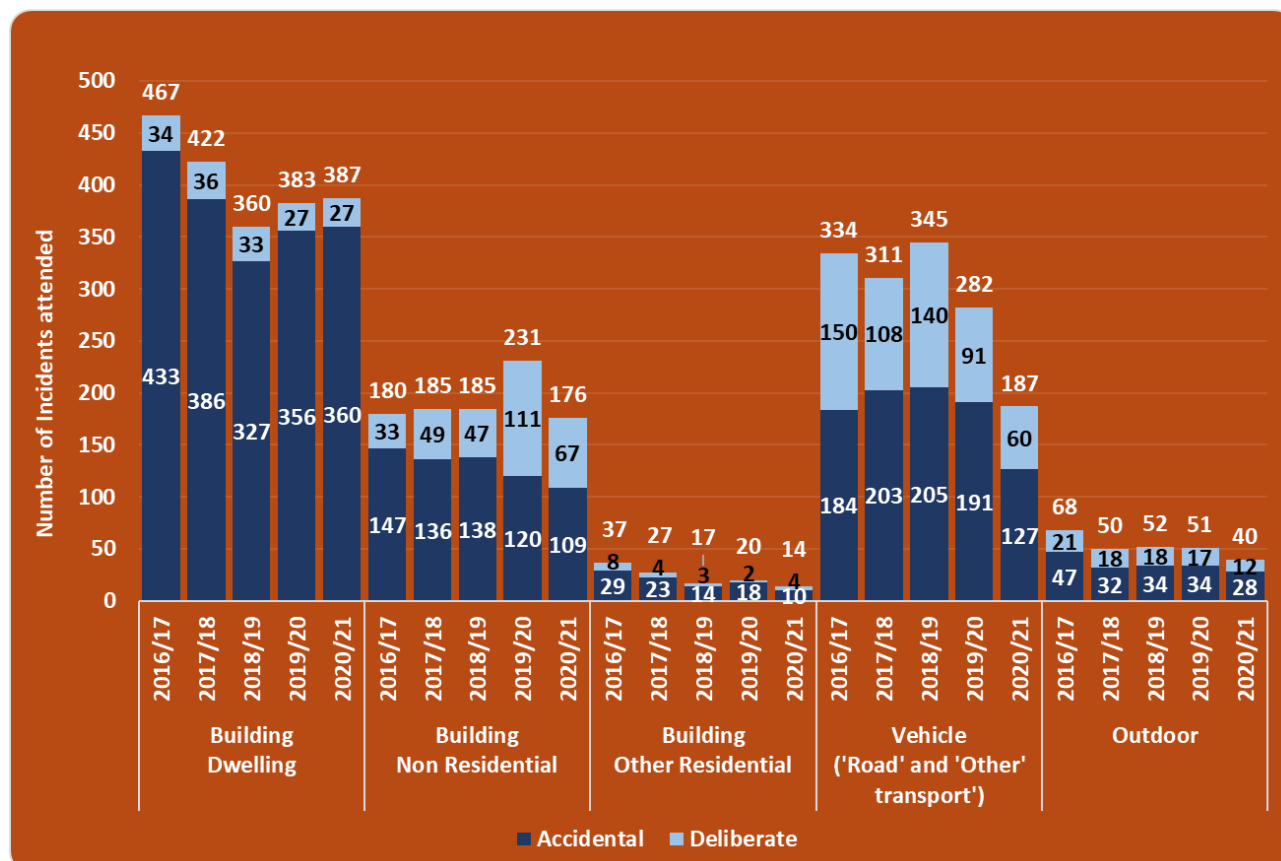
Category	Year	Q1	Q2	Q3	Q4	Whole Year		Average of 3 previous years	
Primary fires	2020-21	224	217	190	173	804	↓ 16.9%	974	↓ 17.5%
	2019-20	238	267	224	238	967			
Secondary fires	2020-21	394	202	95	118	809	↓ 3.5%	968	↓ 16.4%
	2019-20	319	245	113	161	838			
Chimney fires	2020-21	35	14	39	69	157	↑ 8.3%	144	↑ 9.0%
	2019-20	29	9	55	52	145			

Comparisons against previous year and 3 year average are shown in right-hand column of table.



3.0 Primary Fires, by Property Type and Motive

3.1 In 2020/21, property types 'buildings' and 'road vehicles' accounted for the majority of primary fires, an average of 71.8% and 23.3% respectively, with the remaining 5% being 'outdoor'. In 2020/21, the number of vehicle fires decreased by 33.7% compared with the same period the previous financial year. There was a slight increase in the number of dwelling fires that were started accidentally and a 39.6% decrease in fires in non-residential buildings that were started deliberately. Deliberate and accidental fires in vehicles ('road' and 'other' transport) decreased by 34.1% and 33.5% respectively.



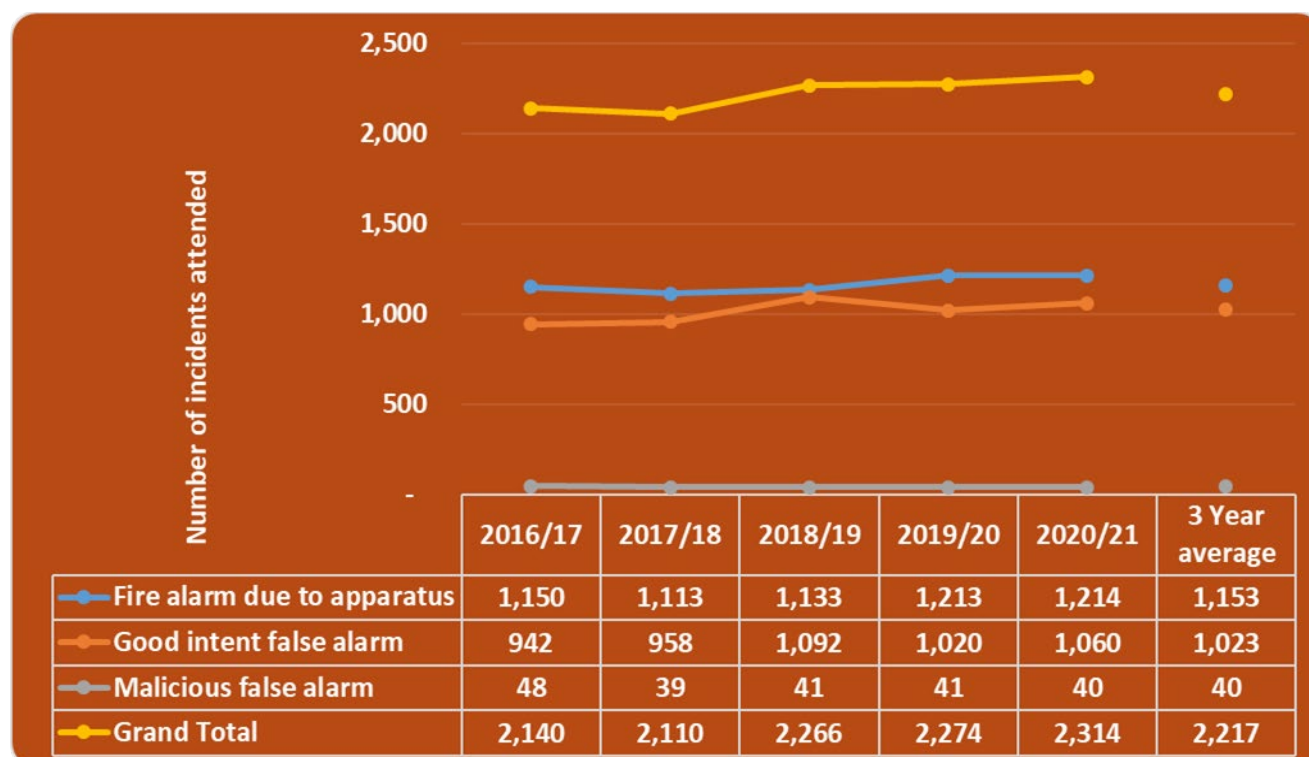
Category	Year	Q1	Q2	Q3	Q4	Whole Year Category	Average of 3 previous years
All deliberate primary fires	2020-21	41	47	34	48	170	235
	2019-20	43	66	66	73	248	
All accidental primary fires	2020-21	183	170	156	125	634	739
	2019-20	195	201	158	165	719	

Comparisons against previous year and 3 year average are shown in right-hand column of table.



4.0 False Alarms

4.1 In 2020/21, there were 2,314 false alarm, a 1.8% increase from 2,274 the previous financial year. The number of false alarms made with good intent increased by 3.9% whilst malicious false alarms decreased by 2.4%; 41 incidents in the previous year compared to 40 during 2020/21. False alarms due to apparatus (AFA false alarms) increased by one to 1,214 during 2020/21, from 1,213 in 2019/20.



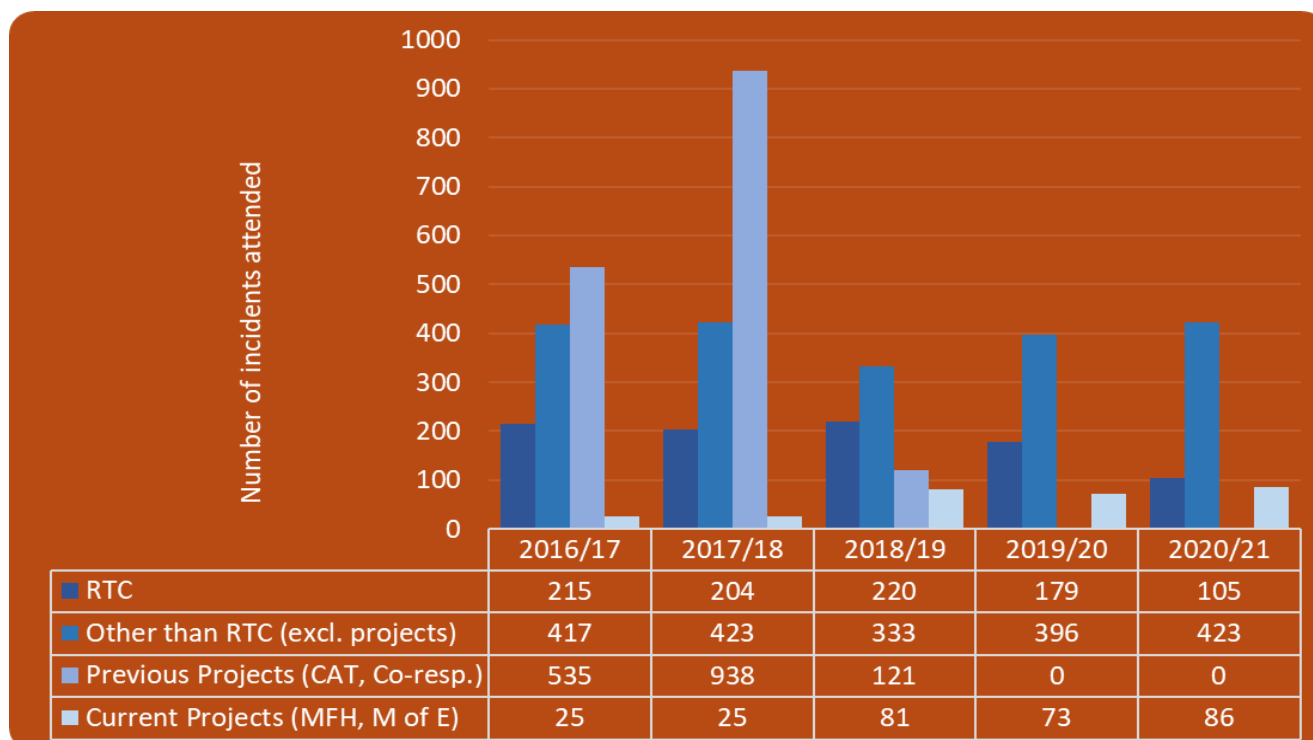
Category	Year	Q1	Q2	Q3	Q4	Whole Year		Average of 3 previous years	
Total false alarm	2020-21	629	616	537	532	2,314	↑ 1.8%	2,217	↑ 4.4%
	2019-20	573	633	545	523	2,274			
AFA	2020-21	282	331	304	297	1,214	↑ 0.1%	1,153	↑ 5.3%
	2019-20	288	339	307	279	1,213			
False alarms made with good intent	2020-21	330	284	219	227	1,060	↑ 3.9%	1,023	↑ 3.6%
	2019-20	273	283	229	235	1,020			
Malicious	2020-21	17	1	14	8	40	↓ 2.4%	40	→ 0%
	2019-20	12	11	9	9	41			

Comparisons against previous year and 3 year average are shown in right-hand column of table.



5.0 Special Service Incidents

5.1 In 2020/21 there were 614 special service incidents compared with 648 the previous financial year, a decrease of 5.2%; the number of road traffic collisions (RTCs) saw a decrease while other non-fire emergencies saw an increase.



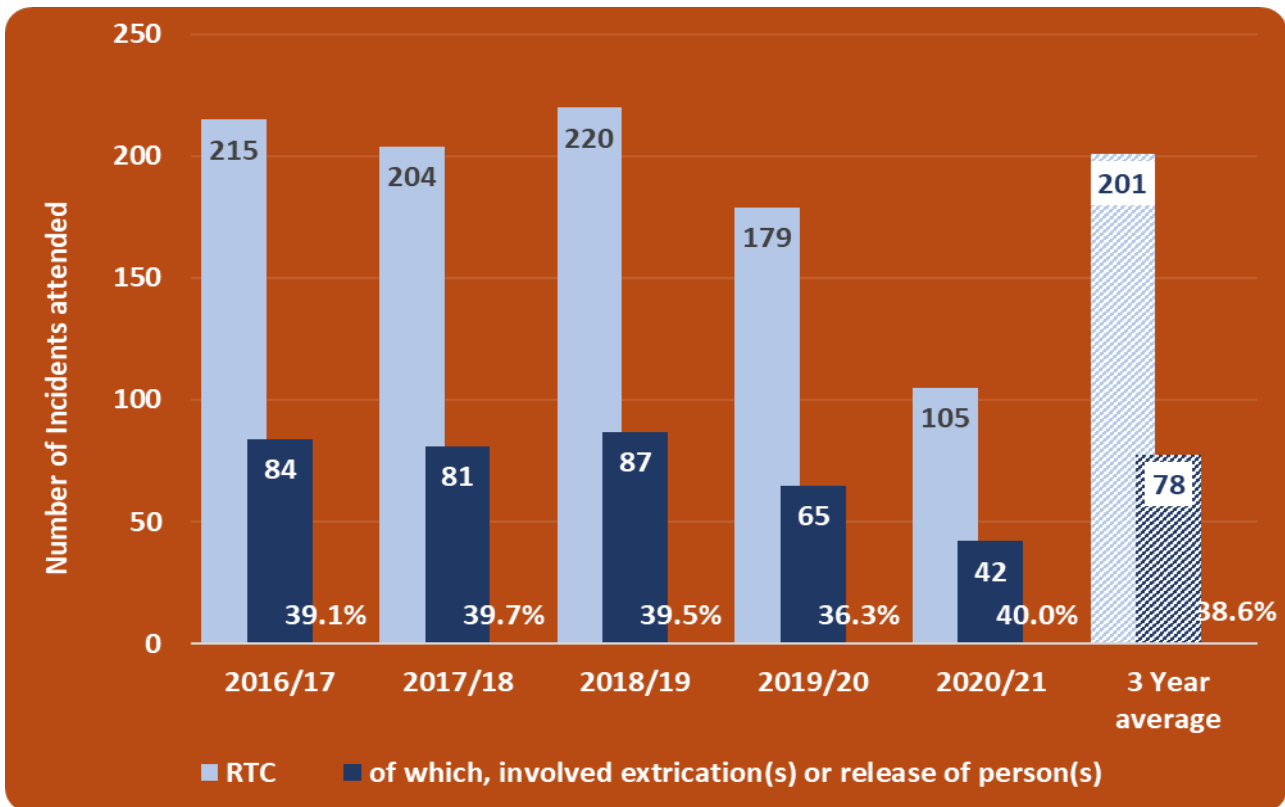
Category	Year	Q1	Q2	Q3	Q4	Whole Year		Average of 3 previous years	
Total special service incidents	2020-21	96	182	137	199	614	↓ 5.2%	998	↓ 38.5%
	2019-20	171	175	141	161	648			
Road traffic collisions (RTC)	2020-21	17	32	32	24	105	↓ 41.3%	201	↓ 47.8%
	2019-20	53	58	33	35	179			
Other than RTC	2020-21	79	150	105	175	509	↑ 8.5%	797	↓ 36.1%
	2019-20	118	117	108	126	469			

Comparisons against previous year and 3 year average are shown in right-hand column of table.



6.0 Road Traffic Collisions and Extrications/Release

6.1 During 2020/21 the Service attended 105 RTC incidents a 41.3% reduction when compared to 179 in 2019/20. Of the 105 incidents attended, 42 (40%) involved extrication(s) and/or release(s), and this proportion has consistently ranged between 36% and 40% of RTCs attended over the past 5 years.



105 RTC incidents attended

70 incidents where people sustained injury

42 incidents involved extrication / release

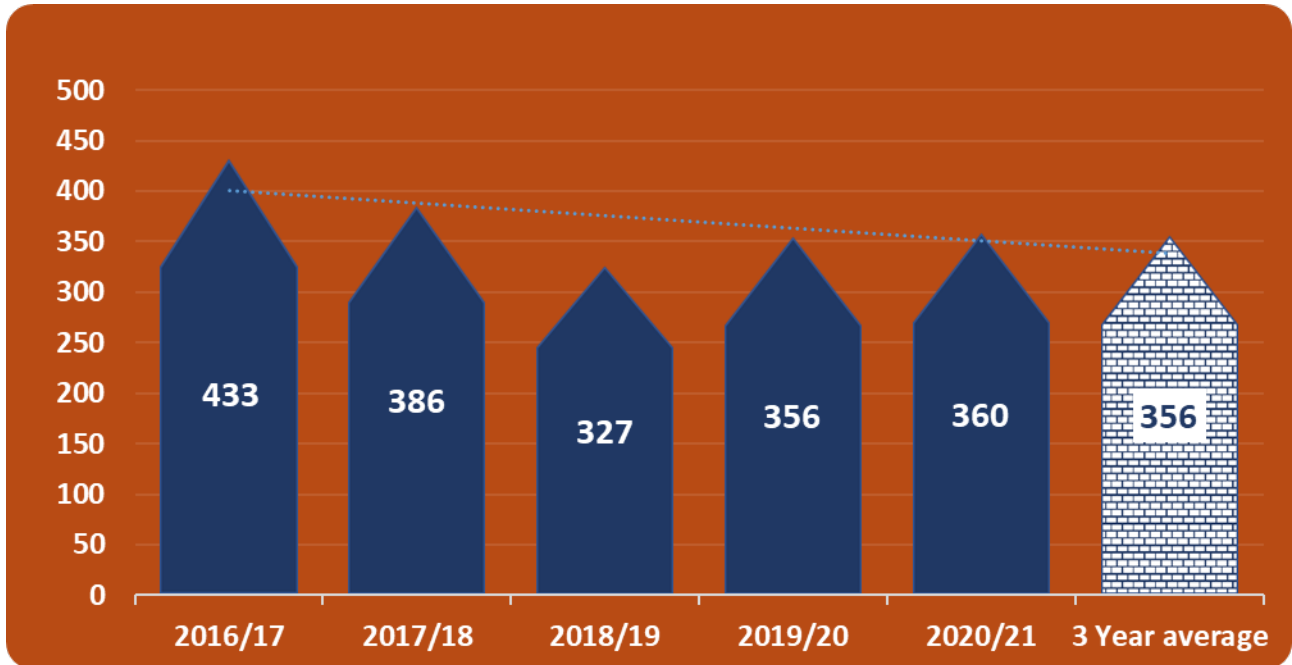
Severity of Injury *	Number of people
Precautionary check	11
First Aid	7
Injuries - Slight	37
Injuries - Serious	27
Fatalities	8

* RTC injuries - where available - are recorded in the IRS in the same categorisation as fire injuries

7.0 Monitoring against Improvement and Well-being objective A: To support people to prevent accidental dwelling fires and stay safe if they do occur.



7.1 During 2020/21, the number of accidental fires in dwellings increased to 360 from 356 the previous year. Whilst ADFs were on a downward trend until 2018/19, which saw the lowest annual total of ADFs recorded in North Wales, the number of ADFs during the two subsequent years has increased slightly.



Category	Year	Q1	Q2	Q3	Q4	Whole Year		Average of 3 previous years	
						Whole Year	% Change	Average	% Change
Accidental fires in dwellings	2020-21	104	83	96	77	360	↑ 1.1%	356	↑ 1.1%
	2019-20	98	88	82	88	356			

Comparisons against previous year and 3 year average are shown in right-hand column of table.

8.0 Fatalities and casualties from accidental fires in dwellings

8.1 In 2020/21, there were 91 non-fatal casualties from accidental fires in dwellings; there was one less serious injury and 3 more slight injuries compared with 2019/20.

8.2 During 2020/21, there were five fatal casualties from accidental fires in dwellings, one still pending confirmation from the Coroner.

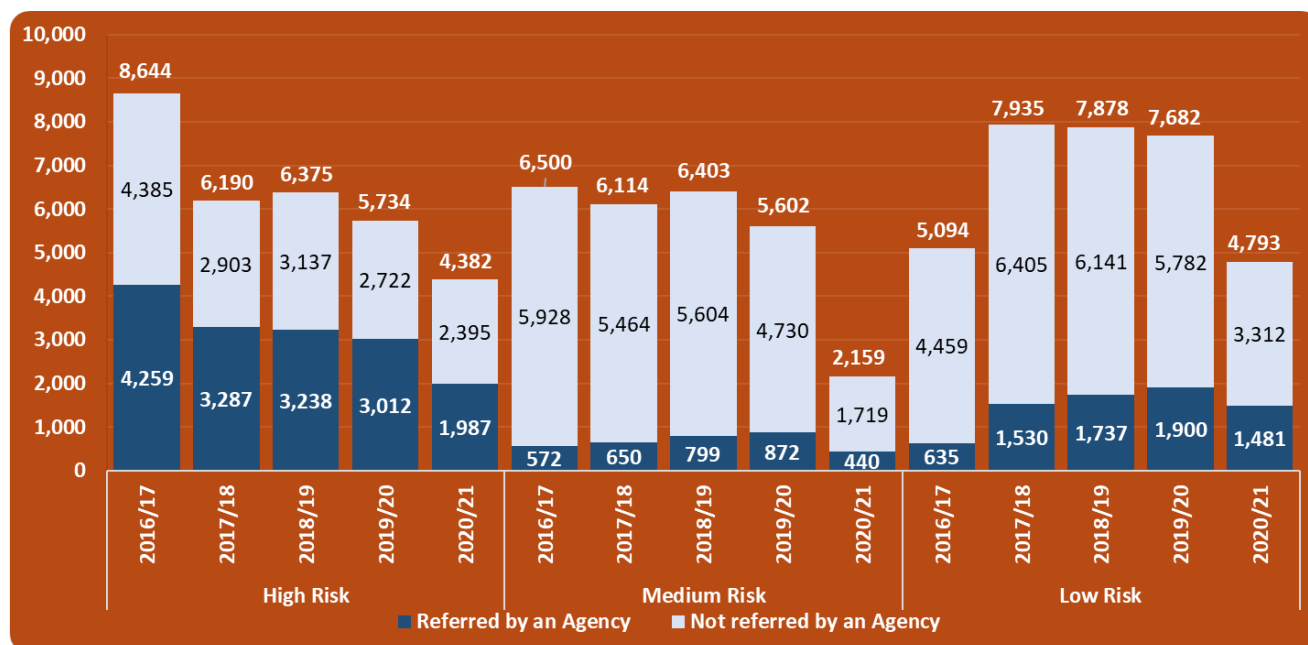
Severity of injury	2016/17	2017/18	2018/19	2019/20	2020/21
Precautionary Check	49	32	13	19	33
First Aid	42	25	27	41	26
Injuries - Slight	25	39	11	26	29
Injuries - Serious	8	2	6	4	3
Fatality	4	1	5	3	5
Total	128	99	62	93	96

Category	Year	Q1	Q2	Q3	Q4	Whole Year		Average of 3 previous years	
						Total	Change	Average	Change
Injuries from accidental fires in dwellings	2020-21	26	15	24	26	91	↑ 1	82	↑ 9
	2019-20	32	14	23	21	90			
Deaths from accidental fires in dwellings	2020-21	3	0	1	1	5	↑ 2		
	2019-20	1	0	2	0	3			



9.0 Safe and Well Checks

9.1 During the year 11,334 Safe and Well Checks were delivered, of which 3,908 (34.5%) were to households referred by partner agencies. There were 4,382 high risk checks carried out in 2020/21 compared with 5,734 the previous financial year, a reduction of 23.6%. Referrals by an agency in the high risk category decreased to 1,987 in 2020/21 compared to 3,012 in 2019/20 (34%). Medium risk checks not referred by an agency reduced by 63.7% from 4,730 in 2019/20 to 1,719 during 2020/21.

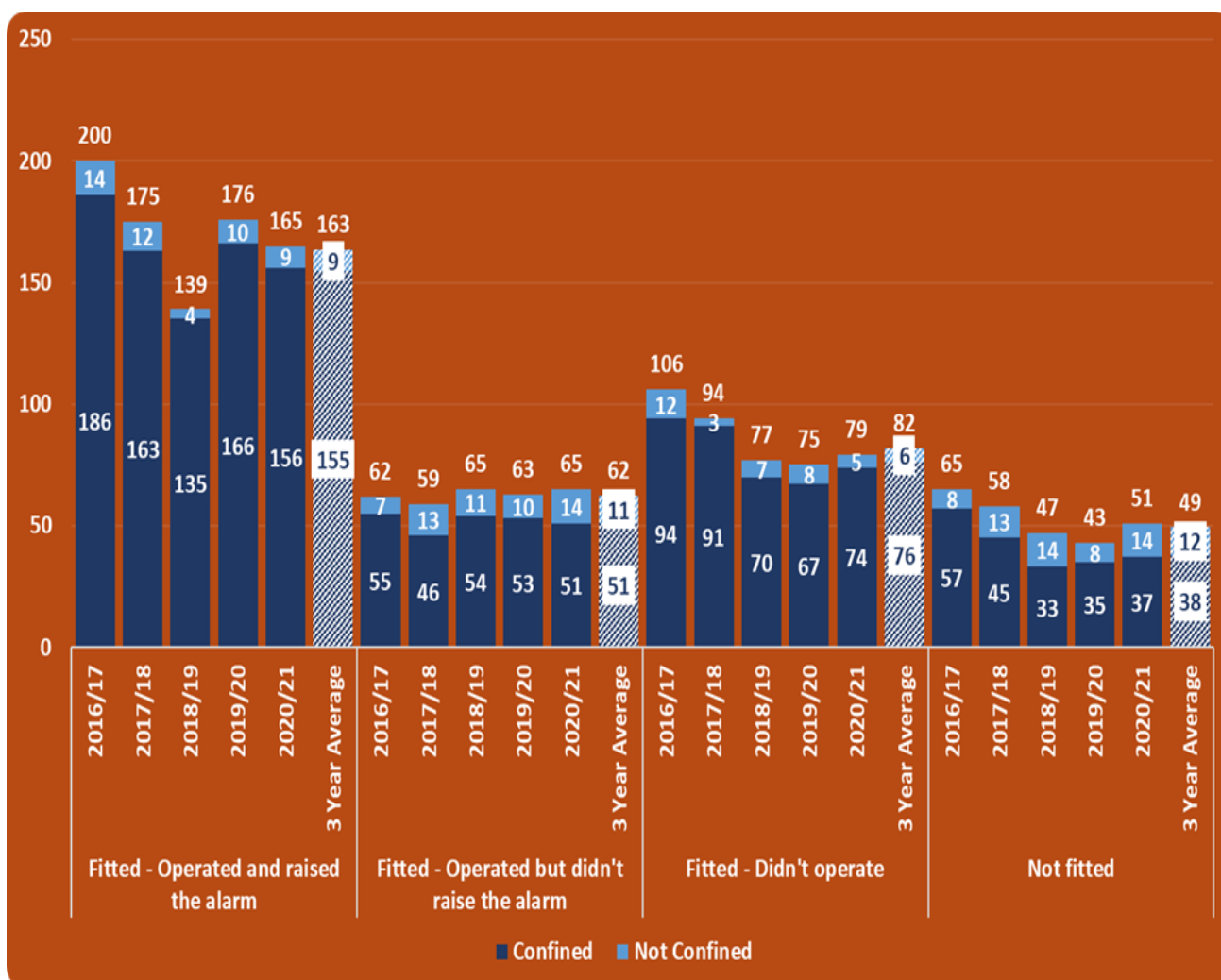


Category	Year	Q1	Q2	Q3	Q4	Whole Year		Average of 3 previous years	
% of all Safe and Well Checks undertaken that originated from a referral from a partner organisation	2020-21	30.4%	36.7%	35.9%	35%	36.4%	→ Opp	28%	↑ 2pp
	2019-20	28%	31%	27%	36%	30%			
Comparisons against previous year and 3 year average are shown in right-hand column of table.									



10.0 Smoke Detectors (ADF)

10.1 Smoke/heat detectors can provide early warning of fire and, these were present at the majority (85.8%) of accidental fires in dwellings in 2020/21; the number of primary accidental dwelling fires where no detector was fitted, increased to 51 from 43 (18.6%) compared with the previous financial year. Where a smoke/heat detector was fitted and operated and raised the alarm, the number of incidents attended reduced from 176 in 2019/20 to 165 in 2020/21. There were slight increases in the number of incidents attended where a smoke/heat detector was fitted and operated but didn't raise the alarm and where a smoke/heat detector was fitted but didn't operate.



Category	Year	Q1	Q2	Q3	Q4	Whole Year		Average of 3 previous years	
Smoke detector fitted which operated and raised alarm	2020-21	48	36	50	31	165		163	↑ 1.2%
	2019-20	51	40	33	52	176	↓ 6.3%		
Smoke detector didn't operate	2020-21	22	21	20	16	79		82	↓ 3.7%
	2019-20	16	27	15	17	75	↑ 5.3%		
Smoke detector fitted which operated but didn't raise the alarm	2020-21	18	15	13	19	65		62	↑ 4.8%
	2019-20	21	12	18	12	63	↑ 3.2%		
Smoke detector not fitted	2020-21	16	11	13	11	51		49	↑ 4.1%
	2019-20	10	9	16	8	43	↑ 18.6%		
Comparisons against previous year and 3 year average are shown in right-hand column of table.									

*There was one dwelling fire attended in 2019/20 financial year which had two different types of alarms recorded; the count is one more than the total number of accidental dwelling fires attended.

Glossary

Fires	All fires fall into one of three categories – primary, secondary or chimney.
Primary Fires	<p>These are fires that are not chimney fires, and which are in any type of building (except if derelict), vehicles, caravans and trailers, outdoor storage, plant and machinery, agricultural and forestry property, and other outdoor structures such as bridges, post boxes, tunnels, etc.</p> <p>Fires in any location are categorised as primary fires if they involved casualties, rescues or escapes, as are fires in any location that were attended by five or more fire appliances.</p>
Secondary Fires	<p>Secondary fires are fires that are neither chimney fires nor primary fires.</p> <p>Secondary fires do not involve casualties, rescues or escapes, and will have been attended by four or fewer fire appliances.</p> <p>Secondary fires are those that would normally occur in locations such as open land, in single trees, fences, telegraph poles, refuse and refuse containers (but not paper banks, which would be considered - in the same way as agricultural and forestry property - to be primary fires), outdoor furniture, traffic lights, etc.</p>
Chimney Fires	<p>These are fires in occupied buildings where the fire is confined within the chimney structure, even if heat or smoke damage extends beyond the chimney itself.</p> <p>Chimney fires do not involve casualties, rescues or escapes, and will have been attended by four or fewer fire appliances.</p>
Special Service Incidents	<p>These are non-fire incidents which require the attendance of an appliance or officer and include:</p> <ul style="list-style-type: none"> a) Local emergencies e.g. flooding, road traffic incidents, rescue of persons, 'making safe' etc; b) Major disasters; c) Domestic incidents e.g. water leaks, persons locked in or out etc; d) Prior arrangements to attend incidents, which may include some provision of advice and inspections.
False Alarm (general guidance)	<p>Where the FRS attends a location believing there to be an incident, but on arrival discovers that no such incident exists, or existed.</p> <p>Note: if the appliance is 'turned around' by Control before arriving at the incident it is not classed as having been attended and does not need to be reported.</p>
False Alarms - Malicious	These are calls made with the intention of getting the FRS to attend a non-existent incident, including deliberate and suspected malicious intentions.
False Alarms – Good Intent	These are calls made in good faith in the belief that the FRS really would attend a fire or special service incident.
False Alarms - AFA	These are calls initiated by fire alarm and fire-fighting equipment. They include accidental initiation of alarm apparatus or where an alarm operates and a person then routinely calls the FRS as part of a standing arrangement, i.e. with no 'judgement' involved, for example from a security call centre or a nominated person in an organisation).

Report to	North Wales Fire and Rescue Authority
Date	21 June 2021
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer
Contact Officer	Helen MacArthur (01745 535286)
Subject	Audit Plan 2021



PURPOSE OF REPORT

- 1 To present to Members the audit plan 2021 for North Wales Fire and Rescue Authority as attached at appendix 1.

EXECUTIVE SUMMARY

- 2 The audit plan sets out the proposed work of Audit Wales for the coming year as well as its fee.

RECOMMENDATION

- 3 Members are asked to note the information provided.

BACKGROUND

- 4 The Auditor General for Wales has a statutory responsibility to undertake an audit and fulfil his obligations under the Public Audit (Wales) Act 2004, Wellbeing of Future Generations (Wales) 2015, Local Government Act 1999 and the Code of Audit Practice.
- 5 In previous years and in accordance with the Local Government (Wales) Measure 2009 the Authority has had to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General would assess whether the Authority is likely to (or has) met these requirements. Due to changes in legislation arising from the Local Government and Elections (Wales) Act 2021, it is anticipated that this Measure will be repealed, however, for the 2020-21 year, the Auditor will need to audit the Authority's published assessment of its performance.
- 6 The Auditor General must also assess the extent to which public bodies comply with the sustainable development principle when setting and taking steps to meet their well-being objectives.

INFORMATION

- 7 The Audit Plan 2021 attached at appendix 1 details the work that Audit Wales will undertake which includes:
- an audit of financial statements, an assessment as to whether the Authority's Narrative Report and Annual Governance Statement is prepared in line with relevant guidance and an audit of the Authority's Firefighters' Pension fund account.
 - an audit of performance work including audits of the improvement plan, a value for money review and examinations of the Authority's work in relation to the Well-being of Future Generations Act (Wales) 2015; further information will be provided in due course about these programmes of audit.
- 8 The estimated fee noted in the audit plan is £61,264. However, should additional work be identified as being necessary, there may be an additional fee.

IMPLICATIONS

Wellbeing Objectives	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	Cost of £61,264 for which budget provision has been made.
Legal	The work proposed by Audit Wales will prove an objective assessment of compliance with the following legislation and codes. Public Audit (Wales) Act 2004 Local Government (Wales) Measure 2009 Local Government Act 1999 Code of Audit Practice Well-being of Future Generations (Wales) Act 2015
Staffing	Fire and Rescue officers and Conwy CBC officers' time to work with Audit Wales during the audits.
Equalities/Human Rights/ Welsh Language	None
Risks	If financial audits were not undertaken errors or omissions to the accounts may not be detected which would provide a distorted view of expenditure to stakeholders.

Report to	North Wales Fire and Rescue Authority
Date	21 June 2021
Lead Officer	Ken Finch - Treasurer
Contact Officer	Ken Finch (01745 535286)
Subject	Draft Statement of Accounts 2020/21



PURPOSE OF REPORT

- 1 To present the draft 2020/21 Statement of Accounts (the Accounts) to Members and to seek delegation of the approval of the final audited version to the Executive Panel at its meeting on 26 July 2021.

EXECUTIVE SUMMARY

- 2 The Authority approved a revenue budget of £35.9m at its meeting on 16 December 2019. The final outturn position is an underspend of £0.06m.
- 3 The Authority approved a capital budget of £4.1m on 16 December 2019. This was reviewed and revised to £0.1m by the Authority on 9 November 2020. However, further delays were experienced due to Covid-19 and the capital plan was deferred to 2021/22.
- 4 The Authority maintains earmarked reserves to provide financial contingency for future events or risks. As at 31 March 2021 a total of £3.46m is held in earmarked reserves.
- 5 No bad debts were written off in 2020/21.

RECOMMENDATIONS

- 6 Members are asked to:
 - (i) note the draft revenue and capital outturn positions as detailed within the 2020/21 Statement of Accounts;
 - (ii) delegate approval of the final audited 2020/21 Statement of Accounts to the Executive Panel, at its meeting on 26 July 2021;
 - (iii) approve the earmarked reserves; and
 - (iv) note that no bad debts have been written off in 2020/21.

OBSERVATIONS FROM EXECUTIVE PANEL/AUDIT COMMITTEE

7 This report has not previously been considered by members.

BACKGROUND

8 This report provides information on the final revenue and capital expenditure outturn position for the 2020/21 financial year. The report also provides a summary of key balance sheet items including the maintenance of earmarked reserves.

9 Grants that have been awarded in year are detailed within this report.

INFORMATION

REVENUE BUDGET

10 The table below sets out the final revenue outturn position for the 2020/21 financial year. This details an underspend of £0.063m against the budget of £35.942m and includes the contributions to the earmarked reserves.

	2020/21 Budget £000	2020/21 Outturn £000	2020/21 Variance £000
Employee Costs	27,069	25,198	(1,871)
Premises	2,475	2,641	166
Transport	1,004	924	(80)
Supplies and third party payments	5,145	5,656	511
Income	-2,587	-2,666	(79)
Capital Financing and Interest Charges	2,836	2,484	(352)
Transfers to/from Reserves	0	1,642	1,642
Total Revenue	35,942	35,879	(63)

Employee Costs

11 For the 2020/21 financial year, the budget for expenditure relating to employees was £27.069m which represents 71% of expenditure. Due to Covid-19 restrictions, delays in recruitment were experienced and there is a budget underspend at year end. Recruitment has re-commenced and will be closely monitored during 2021/22.

Premises

- 12 The budget for premises was £2.475m and the outturn was an overspend of £0.166m. There were utility savings of £0.021m, compared with last year's costs. The overspend includes a charge for business rates arising from a backdated valuation amendment and costs required to ensure that our buildings fully complied with government guidance in relation to the Covid-19 pandemic.
- 13 A significant number of minor works have been delayed due to Covid-19 and therefore £0.340m has been included in the earmarked reserve to ensure funding is available to complete this work.

Transport

- 14 The expenditure for transport related costs was £0.924m which is £0.080m under budget. This underspend includes a reduction in fuel costs (£0.131m) for non-emergency vehicles resulting from the Covid-19 pandemic, which was offset by increased costs for repairs.

Supplies and Third Party Payments

- 15 The expenditure on supplies amounted to £5.656m which is an overspend of £0.511m against budget. There has been significant investment in relation to computer licences and equipment to ensure that staff could work from home, as well as starting improvements in ICT systems in order to support a more agile workforce. An earmarked reserve of £0.502m has been set up to ensure that there is funding available for this work to continue.
- 16 There has also been increased expenditure on personal protection equipment as a result of the Covid-19 pandemic.

Capital Financing

- 17 The capital financing budget was £2.836m. The capital financing costs include the charge to revenue for depreciation and also the cost of borrowing. The underspend of £0.352m reflects a reduction in interest rates as well as a reduction in the need to borrow.

Income

- 18 The income budget was £0.378m. Income (excluding grants) was £0.607m. The increase in income is due to claims submitted to Welsh Ambulance Service NHS Trust for the recovery of staff costs and money claimed from the Welsh Government's Covid-19 Hardship Fund during the first half of 2020/21.

Revenue Grant Funding

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

	Allocation £000	Actuals £000
Arson Reduction	157	157
Safe and Well Checks	223	136
Phoenix	148	162
National Resilience	154	143
Firefighters Pension Contributions	1,111	1,103
Firelink	416	416
Cyber Training	0	3
Ask and Act	0	1
Total Grant Funding	2,209	2,121

20 Although a number of activities funded by grants were impacted by Covid-19 restrictions significant action was taken to develop remote activities and adapt service delivery.

CAPITAL PROGRAMME

21 The Authority approved a capital programme of £4.1m. The capital programme was reviewed in year to take account of the restrictions relating to the Covid-19 pandemic. Although it was initially anticipated that some works could have been completed in the second half of the year this was not possible due to further lockdown measures. Consequently, no capital expenditure has been incurred in 2020/21.

22 Projects in relation to building works and fire appliances which have been delayed due to the Covid-19 pandemic have been rescheduled for 2021/22.

23 Some ICT schemes have been delayed due to the reprioritisation of the work of the ICT team in order to manage the transition to remote working. Other schemes are under review and it is anticipated that all deferred schemes will commence in 2021/22.

BALANCE SHEET

24 The Balance Sheet provides further information on the Authority's long term financial position and includes both assets and liabilities.

Fixed Assets and Borrowing

- 25 Fixed assets relate to items with a cost in excess of £5,000 which are expected to be used over a period exceeding 12 months. The Authority's fixed assets include land and buildings, vehicles, operational equipment and ICT equipment and software costs. The estimated value as at 31 March 2021 is £40.6m (2019/20: £45.9m).
- 26 All land and buildings were revalued in 2020/21 and this resulted in a reduced valuation of £2.21m. The Authority's land and buildings account for 78% of total assets with a net book value of £31.6m as at 31 March 2021.
- 27 The Authority is permitted to enter into borrowing arrangements to fund the purchase of fixed assets. At as 31 March 2021 the value of borrowing was £26.2m (2019/20: £30.9m). The capital financing costs within the revenue position include £0.380 relating to interest payments on borrowing.

Current Assets and Current Liabilities

- 28 The Authority must maintain adequate resources to ensure that it is able to meet its obligations. This is achieved through the management of cash alongside debtor and creditor balances. As at the balance sheet date the Authority recorded a balance of £6.3m relating to cash and debtors. This is offset by £5.5m relating to amounts owed by the Authority to creditors.

Pension Liabilities

- 29 The Authority is required to account for the estimated liabilities relating to its pension schemes. The Authority has two schemes; the Firefighters' Pension Scheme and the Local Government Pension Scheme. The value of future liabilities is calculated by the actuary for each scheme and estimated to be £337.3m as at 31 March 2021 (2019/20: £312.1m). This valuation includes the actuarial assessment of the costs of national legal challenges including the McCloud judgment relating to age discrimination in public sector pension schemes.

Useable Reserves

- 30 The Authority's reserves as at 31 March 2021 amount to £4.91m. This includes £3.46m of earmarked reserves and £1.45m of general reserves.
- 31 An earmarked reserve is created for specific items which are known about at the balance sheet date and may create a future liability. The Authority's earmarked reserves are detailed in the table below.

Reserve	Value at 1 April 2020 £000	Transfers £000	Value at 31 March 2021 £000	Purpose of the Reserve
Pension reserve	85	0	85	This is a long term reserve which has been established to mitigate the impact of unforeseen in year costs associated with the pension schemes.
Radio Scheme	300	200	500	The Authority receives grant funding to support the national emergency services network for which a replacement is being procured. The reserve has been established to mitigate the risk of additional costs during the procurement phase.
Fire Safety Grant reduction	195	0	195	The Authority incurs revenue expenditure of £1.0m which is funded via Welsh Government grants. These are agreed on an annual basis and the reserve is in place to address short term costs arising from reductions in grant funding.
Interest reserve	100	0	100	To mitigate the impact of fluctuations in interest rates.
Fire Hydrant repairs	90	0	90	To cover the backlog maintenance.
Training	100	0	100	Implement legislative requirements regarding increased emergency vehicle driver training and future recommendations expected following the Grenfell public enquiry.
Legal Reserve	200	0	200	Amount set aside to provide for any future legal liabilities.
Service Improvements	350	450	800	To fund costs incurred to deliver transformational change and service improvement.
Facilities Improvements	150	340	490	To ensure buildings meet required standards and improve energy efficiency.


Reserve	Value at 1 April 2020 £000	Transfers £000	Value at 31 March 2021 £000	Purpose of the Reserve
Stock	250	0	250	To fund part of the costs of the replacement PPE kit.
Major Incident	0	150	150	2020/21: funding of additional costs for future major incidents.
Systems Improvements	0	502	502	2020/21: Covid-19 resulted in delays in updating IT systems and reserves have been established to ensure funding is available to finish the implementations.
Total	1,820	1,642	3,462	Increase in Reserves

BAD DEBTS

32 A review of balances due to the Authority was undertaken at the year-end. All amounts are deemed to be recoverable and it was not necessary to write off any bad debts during 2020/21.

IMPLICATIONS

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

Report to	North Wales Fire and Rescue Authority	
Date	21 June 2021	
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer	
Contact Officer	Helen Howard, Head of Finance (01745 535286)	
Subject	Annual Governance Statement 2020/21	

PURPOSE OF REPORT

- 1 This report is to present to Members the draft Annual Governance Statement for 2020/21.

EXECUTIVE SUMMARY

- 2 The CIPFA/Solace Delivering Good Governance in Local Government Framework (2016) (the Framework) requires the Fire and Rescue Authority (the Authority) to publish an Annual Governance Statement.
- 3 The draft Annual Governance Statement for 2020/21 is set out in Appendix 1 and has been prepared in accordance with the principles set out in the Framework. The forward work programme for 2021/22 is contained within the draft Annual Government Statement.
- 4 The Annual Governance Statement will be published as part of the production of the statutory financial statements for 2020/21. An assessment will be made by the external auditor to confirm whether it is consistent with the financial statements and has been produced in line with the Framework.

RECOMMENDATION

- 5 Members are asked to:
 - (i) note the governance arrangements outlined within the draft 2020/21 Annual Governance Statement;
 - (ii) note the forward work plan for 2021/22; and
 - (iii) approve the draft 2020/21 Annual Government Statement.

OBSERVATIONS FROM EXECUTIVE PANEL

- 6 The draft 2020/21 Annual Government Statement was reviewed by the Executive Panel at its meeting of 10 May 2021. The Panel noted the content and recommended approval by the Authority.

BACKGROUND

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

INFORMATION

- 9 In 2016, CIPFA and Solace published a new governance framework, Developing Good Governance in Local Government: Framework (the Framework). The Framework is structured around seven principles of governance which enables the Authority to demonstrate its overall arrangements and set out how it has discharged its responsibilities.
- 10 The purpose of the Annual Governance Statement is to set out the Authority's arrangements to ensure that:
- (i) business is conducted in accordance with all relevant laws and regulations;
 - (ii) public money is safeguarded and properly accounted for ; and
 - (iii) resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.
- 11 The draft 2020/21 Annual Governance Statement is set out in Appendix 1. It provides an overview of the governance arrangements and confirms the work plan for 2021/22.
- 12 The Annual Governance Statement is reviewed by Audit Wales to confirm that it is consistent with its knowledge of the Authority and the financial statements.

IMPLICATIONS

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

Annual Governance Statement 2020/21

Delivering Good Governance Framework

The CIPFA/Solace Delivering Good Governance in Local Government Framework (2016) (the Framework) requires the Fire and Rescue Authority to publish an Annual Governance Statement, and to be responsible for ensuring that:

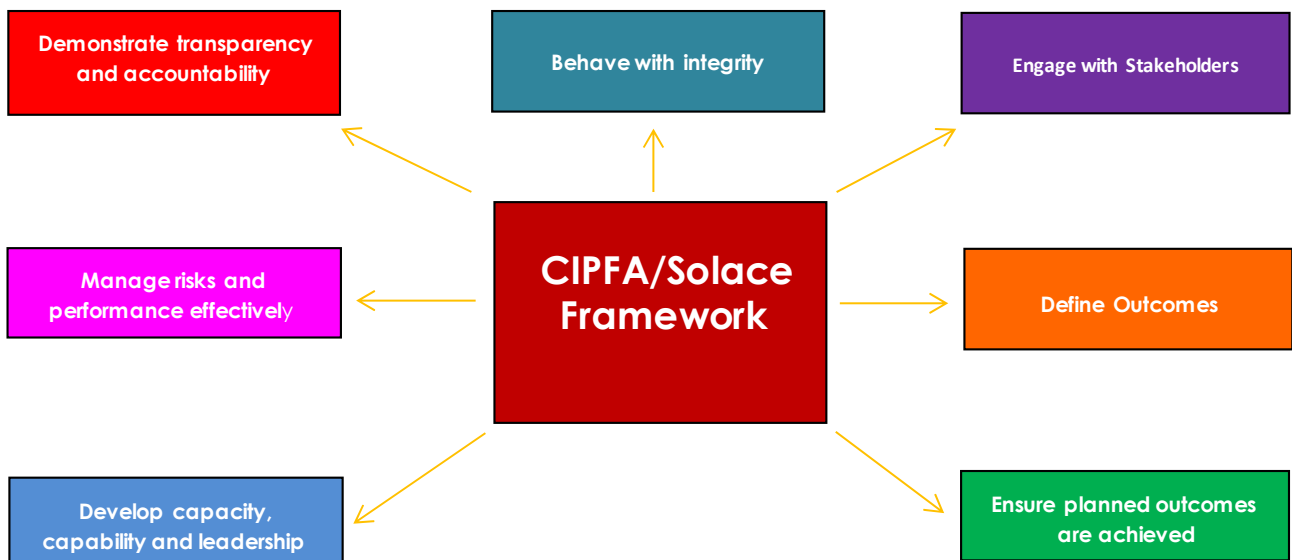
- business is conducted in accordance with all relevant laws and regulations;
- public money is safeguarded and properly accounted for ; and
- resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

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

Stakeholders are, therefore, interested in issues such as:

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

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



Summary: Governance Arrangements

The Authority is required to review the effectiveness of its arrangements each year to ensure that there is a sound system of governance. The key contributors to this process are summarised on page 12 and include:

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

Achievements against the core principles are set out within pages 5 – 11. The Authority's agreed improvement actions for 2020/21 are contained on page 13, which confirms the progress made.

Covid-19 Governance Impact

Throughout the Coronavirus pandemic the Authority have maintained an emergency response across North Wales, whilst putting the necessary control measures in place to reduce the risks associated with Covid-19 and to maintain the health, safety and wellbeing of our staff and the communities that we serve.

Whilst we were still able to deliver our emergency response, this has impacted on our 'business as usual' for non-emergency service delivery. Where possible, alternative models are being used to continue the delivery of our services.

In addition staff have undergone training, in order to be seconded to the Welsh Ambulance Service, to assist with driving ambulances and have also helped Betsi Cadwaladr Health Board with the Covid-19 vaccine rollout.

Covid-19 will continue to have an impact on the Authority's governance arrangements as summarised below:

- Impact on business as usual delivery of services;
- New areas of activity as part of the national pandemic response and any governance issues arising;
- The funding of the financial implications and logistical consequences of delivering the local government response; and
- Assessment of the long-term implications arising from the pandemic and developing sustainable models of future working.

This continues to be closely monitored including a review of the actions taken to inform our ongoing response and readiness in the event of further spikes.

A number of meetings were cancelled during the lockdown period and arrangements were made for members' decisions to be made following an exchange of emails.

The Welsh Government has issued the Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020. These regulations make temporary provision until 1 May 2021, in relation to fire and rescue authority meetings, and for public and press access to these meetings during the COVID-19 emergency. Moving forward remote meetings will be held during the period that social distancing arrangements are in place.

During the lockdown period temporary governance arrangements have been approved to enable essential decision making to continue, including:

- 1 The scheduled annual, business and committee meetings of NWFRA up to December 2020 were replaced by a single meeting of the full Authority conducted via videoconferencing on 9 November 2020;
- 2 Part of the agenda at the November meeting was dedicated to matters that would normally be dealt with at the Authority's annual meeting, including the election of Chairs and Deputy Chairs of the Authority and the Audit Committee for the period up to the next annual meeting in June 2021;
- 3 From September 2020 onwards, informal, closed sessions were held for all Members to receive information from officers and to discuss key issues ahead of the November 2020 meeting. These sessions focused primarily on shaping the Authority's improvement priorities and budget-setting for 2021/22; and
- 4 Online meetings have now commenced for the Executive Panel, Audit Committee and Authority meetings. These are likely to continue throughout 2021/22.

Actions for 2021/22 and monitoring arrangements

The action plan for 2021/22 is set out in Appendix A, which will be monitored, quarterly by the Executive Group.

Core Principles

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

- The Constitution sets out the responsibilities of the Fire and Rescue Authority and its committees and includes the Scheme of Delegation to Officers.
- The Monitoring Officer ensures that decisions taken are within the law and comply with the provisions of the Constitution.
- The Constitution includes the Code of Conduct for Members and this is monitored by the Standards Committee.
- Where necessary legal advice is sought to inform decision making.
- Codes of Conduct for Members and Officers are in place, which requires the declaration of business interests and recording of the receipt of gifts and/or hospitality.
- The Authority has a procedure to receive and respond to any complaints received. A summary report of complaints and appreciations is provided to the Fire and Rescue Authority annually.
- Key policies are in place to prevent and minimise the risk of fraud. Policies include: Whistleblowing Policy, Anti-Fraud and Corruption Policy and Financial Regulations and Contract Procedure Rules. Where irregularity is suspected arrangements are in place to ensure that it is thoroughly investigated.
- The recruitment policy, induction and training processes incorporate personal behaviours with ethical values. The core values of the Service are fully embedded and include; service to the community, striving for excellence, people and diversity and inclusivity.
- Attainment of the Public Health Wales Corporate Health Bronze and Platinum awards.
- The Inclusive Fire Service Group (IFSG) considers matters relating to equality, diversity and cultural issues. The Group reviewed and updated the core values in 2019/20 to reflect our modern and professional ways of working - [core-values](#)
- Disciplinary cases and any allegations of wrongdoing are investigated in accordance with the Service's Discipline Handbook.
- A Strategic Equality Plan is published in compliance with the Equality Act 2010. Equality objectives are reviewed annually and monitored throughout the year.
- As part of our commitment to the Welsh language, all new members of staff are required to achieve a minimum of Level 2 Welsh language skills.
- The Improvement and Well-being Plan is published on the Authority's website. This details the improvement objectives as required by the Local Government (Wales) Measure 2009, and well-being objectives in accordance with the Well-being of Future Generations (Wales) Act 2015.
- Safeguarding policy and procedure is in place to refer vulnerable people the Service come into contact with, to other agencies.

Core Principles

Ensuring openness and comprehensive stakeholder engagement

- All meetings are advertised and open to the public and full Authority meetings are webcast. Agendas and papers are available on the Authority's website.
- Information is published on the Authority's website as part of the publication scheme. Easy read/read speak/Welsh versions of documents are provided.
- Public consultation arrangements are in place to invite the views of stakeholders prior to developing and implementing key changes. This includes consultation on the Improvement and Well-being Plan
- The commitment to openness is also shown through:
 - completion of impact assessments for all key decisions;
 - the Complaints and Compliments Procedure which includes Authority reporting arrangements;
 - the Public Engagement and Consultation Strategy (presented to the July 2018 meeting of the Executive Panel);
 - engagement with Employee Representative Bodies;
 - membership of the North Wales Equality Group.
- A variety of engagement methods are used including:
 - directed communication using social media, with accounts on Facebook and Twitter. Ability to sign up for email updates on specific issues via the website;
 - engagement with young people via the Phoenix programme, Fire cadets and school visits;
 - community safety engagement with householders and businesses;
 - Positive Action events and attendance at park runs for firefighter recruitment (currently on hold due to the Covid 19 pandemic);
 - attendance at open days/events (currently on hold due to the Covid 19 pandemic) – for example the Eisteddfod;
 - internal communications include the Weekly Brief and Y Fflam newsletter;
 - participation in the Local Resilience Forum's Warning and Informing Group including an agreement to retweet messages to reach a wider audience;
 - public media campaigns, led by the Community Safety Managers.
- Partnership arrangements are in place to deliver certain outcomes. For example, Principal Officers attend the four local Public Services Boards and the Regional Partnership Board.
- Participation in the Emergency Services Collaboration Board and joint training and exercises undertaken.

Core Principles

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

- The Improvement and Well-being Plan sets the strategic direction for the Authority and details the improvement objectives in accordance with the Local Government (Wales) Measure 2009, and well-being objectives in accordance with the Well-being of Future Generations (Wales) Act 2015.
- The Service has four core values – People, Diversity and Inclusivity, Striving For Excellence and Service to the Community. These summarise the principles and personal values that staff are encouraged to adopt and demonstrate.
- The Service has gained White Ribbon accreditation which demonstrates a commitment to stop violence against women.
- The Service has a statutory duty to put in place business continuity arrangements. Plans across the Service have been updated. There is ongoing collaboration with the other fire and rescue services in Wales to improve planning and consider current risks. The National Issues Committee includes a business continuity work stream.
- The Medium Term Financial Strategy (MTFS) and annual budget process ensures that financial resources are directed to the Authority's priorities.
- Partnership working is undertaken where there are shared objectives and advantages from working together - for example, the Strategic Arson Reduction Board and Public Services Boards.
- The Strategic Risk Management Policy sets out the process used to identify and control exposure to uncertainty, which may impact on the achievement of the objectives or activities. This is reviewed throughout the year to ensure that risks are identified and appropriately assessed. The Corporate Risk Register records these risks, and they are regularly monitored, by the Corporate Planning Department and reported to the Executive Panel.
- Key decisions are subject to an integrated impact assessment, which takes account of equality, protection, health, safety and wellbeing, Welsh language, finance, sustainability and staffing, Well-being of Future Generations (Wales) Act 2015.
- Safeguarding policy and procedure is in place to refer vulnerable people the Service come into contact with, to other agencies.

Core Principles

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

- Public consultation is carried out as part of setting the Authority's objectives which are set out in the Improvement and Well-being Plan. This outlines how the Authority intends to work together with other public bodies to tackle the complex issues that affect people's lives. An assessment of the Authority's performance is produced in October each year and published.
- The Authority's Strategic Risk Management Policy sets out the process used to identify and control exposure to uncertainty, which may impact on the achievement of the objectives or activities. This is reviewed throughout the year to ensure that risks are appropriately managed.
- Following scrutiny from the Executive Group, performance and financial reports are presented to the Authority and its committees.
- Monitoring of availability, incidents, the workforce and budgets ensures that issues are identified and appropriate interventions agreed.
- National Operational Guidance available and an operational learning forum manages and implements any changes
- There is a significant amount of partnership working across Wales to respond to issues facing the fire sector and other more general public sector issues. Collaboration with multiple agencies is an important aspect of the Authority's work including prevention and protection, responding to incidents and use of resources.
- The budget planning processes ensure budgets are prepared in accordance with objectives, strategies and the Medium Term Financial Strategy (MTFS). This involves input from both Service leads and Authority Members. It shows how the resources will be deployed over the next few years to deliver agreed outcomes and agreed priorities.

Core Principles

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

- The Authority's Constitution outlines the roles of elected members and designated officers to enable shared understanding of roles and objectives. The designated posts include the Chief Fire Officer, Treasurer and Monitoring Officer.
- Collaborative and partnership working is in place regionally and nationally. For example, the three fire and rescue services in Wales are part of the all Wales Fire Investigation Training Forum. This supports shared learning and promotes a consistent approach across Wales.
- The All Wales People and Organisational Development Strategy 2018-2021 underpins the commitment to lifelong learning and workplace competence.
- Induction processes are in place for Members and employees. These include an introduction to the organisation's core values, the standards of conduct and the role requirements.
- The development needs of employees are identified through one to one, supervision and appraisal meetings. The Service operates a future leaders programme for staff already employed and has developed a future leader apprenticeship programme, which commences in April 2021, in conjunction with Coleg Llandrillo.
- The health and wellbeing of the workforce is key to the organisation and support is provided to maintain physical and mental wellbeing. This is achieved through a range of measures including HR policies and guidance documents, flexible working approach, the occupational health service and the employee assistance programme.
- The Service has a dedicated training department, with competency frameworks for operational staff. Training is delivered using a variety of methods including e-learning modules which are mandatory for certain subjects e.g. Data Protection.
- Arrangements are in place for internal reviews of compliance with Service standards and health and safety requirements.
- Staff are members of relevant professional bodies and undertake the required continual professional development.

Core Principles

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

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

Core Principles

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

- The Authority, with assistance from the Monitoring Officer, oversees and reviews the adequacy and effectiveness of the governance arrangements and internal control environment.
- Agendas and minutes of meetings are publicly available on the internet along with webcasts of the Authority meetings (when available).
- Authority reports follow a structured format which ensures that key information is presented in a clear and consistent manner to aid decision making.
- The Authority has a publication scheme and complies with the requirements of the Information Commissioner in relation to Freedom of Information requests which ensures the public have access to information held.
- The Improvement and Well-being Plan documents the objectives of the Authority.
- The Annual Statement of Accounts are produced in a user friendly format. This provides clear information on income and expenditure and demonstrates the stewardship of public money for the year. The accounts are submitted for audit by the statutory deadline of 31 May.
- The Annual Pay Policy Statement is approved and published in accordance with the Localism Act 2011. Members' salaries are paid in accordance with the Independent Remuneration Panel decisions and reported on the internet.
- Members and senior officers declare relevant interests in accordance with the Code of Practice on Local Authority Accounting in the UK. These declarations enable the Authority to identify and report any related party transactions.
- The Annual Governance Statement provides transparency on the governance arrangements and the planned improvements for the coming year.
- The Annual Statement of Accounts and Annual Governance Statement are subject to scrutiny and approval in accordance with the Authority's Constitution.
- Audit Wales is the appointed external auditor and provides an opinion on the Statement of Accounts, which is published on the Authority's website. The Authority acts on recommendations and, where necessary, takes corrective action.
- The Internal Audit arrangements include a risk based approach, which provides assurance that key risks are being managed. The Authority acts on recommendations and where necessary, takes corrective action.
- Processes are in place to ensure that recommendations from inspection and regulatory bodies are actioned.

Key Contributors to Developing and Maintaining the Governance Framework

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

How has the Authority Addressed the Governance Improvement Actions from 2020/21?

The Annual Governance and Improvement Assessment 2019/20 contained the following improvement actions. Here is how they have been addressed:

Improvement Action	Responsibility	Progress as at March 2021
Financial Regulations and Finance Policies to be reviewed in line with the CIPFA model to ensure they reflect the requirements of the Authority.	ACFO (Finance and Resources) Head of Finance	First draft completed. Scheme of Financial Delegation circulated to senior managers in October 2020. Financial Reserves Strategy approved by the Authority in March 2021.
Standards of Conduct for staff to be reviewed.	ACFO (Operations & Training) ACFO (Finance and Resources) Head of HR	The Standards of Conduct are currently being redrafted and will be submitted to the Executive Group for approval.
Complete Cyber Essentials Plus to guard against cyber threats.	ACFO (Fire Safety) Senior Control and ICT Manager	A baseline assessment has been undertaken by the ICT Department with action plans in place to address risks and ensure compliance. Work is currently ongoing to meet specific requirements, in particular the migration to Microsoft 365. Regular updates are provided to the Information Strategy Group.
Embed a co-ordinated corporate planning and financial planning cycle. To assist with the future planning and financing of the service objectives, a co-ordinated corporate planning and financial	Head of Finance Corporate Planning Manager	Session held with senior officers, to explain the integrated planning approach and timeline. Departmental objectives for 2020/21 and 2021/22 have been formulated and are being kept under review. 3 year departmental plans submitted to provide information for 2021/22 budget setting and development of the MTFs.

Improvement Action	Responsibility	Progress as at March 2021
planning cycle will be introduced to ensure the Authority and officers are engaged in forward planning in line with the corporate objectives and Medium Term Financial Strategy.		Work will continue into 2021/22 to further embed this process, within the Service.
Following on from the environmental and energy policy statements adopted previously, the Planning Working Group will consider a new environmental strategy.	ACO (Planning and Performance) Corporate Planning Manager	Initial meeting held, by officers, to look at the various areas involved, but work has been delayed due to Covid 19.
Support a regional and national response to the Grenfell incident and implement any procedural changes resulting from the independent review.	ACFO (Fire Safety) Senior Fire Safety Manager	During 2020 NWFRS has responded to a number of consultations including the Fire Safety Bill, Fire Safety Order, Building Safety Bill, Welsh Government planning consultation and to a WG position paper on Building Safety. WG published the white paper on Building Safety in Wales in January 2021, with a 12 week consultation period. This has been considered, by the Fire Safety Department and a response issued.
Following the implementation of business continuity plans, in March 2020, a review will be completed to ensure lessons learned and where applicable arrangements updated.	Principal Officers	A review of the Covid-19 response has been undertaken across the Service and a report setting out opportunities for learning drafted. This will be monitored by the Executive Group during 2021/22.
Ensure government guidance in relation to transitional pension arrangements is actioned. Complete all actions and requirements arising from the Scheme Advisory Board for Wales.	ACFO (Finance and Resources) Pensions Manager	The government consulted across the public sector between July – October 2020. The detailed proposals have not been issued by government but are expected during 2021/22. The position is reported to each meeting of the Local Pension Board and the Scheme Advisory Board and updates provided to the Authority.

Governance Opinion and Conclusion

The Authority recognises that good governance provides the foundation for the delivery of good quality services that meet the needs of stakeholders and ensures that public money is well spent. This review confirms the governance systems and monitoring in place for 2020/21 and the steps taken to ensure that they are working effectively.

The Authority is satisfied that appropriate governance arrangements are in place and remains committed to enhancing these through the implementation of the action plan for 2021/22.

Signed: (Chair) 2021

Signed:(Chief Fire Officer).....2021

Appendix A - Governance Improvement Action Plan 2021/22

Improvement Action	Action	Responsibility	Timescale
Standing Financial Instructions	The Financial Regulations will be reviewed to ensure they reflect the requirements of the Fire and Rescue Authority.	ACFO (Finance and Resources) Head of Finance	September 2021
Cyber Security	Continuation of 2019/2020 action by the ICT Department, in relation to Cyber Essentials Plus to guard against cyber threats,	ACFO (Fire Safety) Senior Control and ICT Manager	March 2022
Environmental Strategy	Following on from the environmental and energy policy statements adopted previously, the Planning Working Group will consider a new environmental strategy.	ACO (Planning and Performance) Corporate Planning Manager	March 2022
Fire Safety regulatory environment	Support a regional and national response to the Grenfell incident and implement any procedural changes resulting from the independent review.	ACFO (Fire Safety) Senior Fire Safety Manager	March 2022

Improvement Action	Action	Responsibility	Timescale
Review of Business Continuity Arrangements	Ensure the recommendations from the Covid-19 response report are progressed during 2021/22.	ACFO (Operations and Training) Senior Operations and Training Managers	September 2021
Ensure government guidance in relation to transitional pension arrangements is actioned	Complete all actions and requirements arising from the updated government advice and Scheme Advisory Board for Wales.	ACFO (Finance & Resources) Pensions Manager	March 2022

Appendix B - Summary of the Authority's Governance Framework

Principles of Good Governance

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

Evidence Sources

- Medium Term Financial Strategy
- Financial planning
- Partnership arrangements
- HR strategy & policies
- Procurement Strategy
- Constitution
- Job descriptions
- Chief Fire Officer
- Treasurer
- Monitoring Officer
- Published reports
- Community Engagement Plan
- Communication Strategy
- Improvement and Well-being Plan
- Integrated Impact Assessments

Assurance Sources

- Performance reports
- Financial reports
- Democratic arrangements
- Reports from external audit and regulators
- Internal Audit reports
- Partnership boards
- Customer feedback
- Consultations

Members

- Fire and Rescue Authority and its committees

Executive

- Executive Group

Evidence Sources

- Leadership
- Core Values
- Equalities arrangements
- FOI arrangements
- Codes of Conduct
- Anti-fraud and Corruption Policy
- Whistle-blowing Policy
- Audit and Standards Committees
- Expert advice and guidance
- Risk management
- Internal controls
- Internal Audit service
- Information management
- Staff and elected member development
- Complaints processes



Annual Governance and Improvement Assessment signed by Chair and Chief Fire Officer



Governance Improvement Action Plan reviewed quarterly by Executive Group

Report to	North Wales Fire and Rescue Authority
Date	21 June 2021
Lead Officer	Ken Finch, Treasurer
Contact Officer	Ken Finch (01745 535286)
Subject	Treasury Management Activity and Actual Prudential Indicators for 2020/2021



PURPOSE OF REPORT

1. To inform Members of the Authority's borrowing position and final prudential indicators for North Wales Fire and Rescue Authority (the Authority) for the 2020/21 financial year. This report is a requirement of the Prudential Code (the Code).

EXECUTIVE SUMMARY

2. The Authority's treasury management activities are regulated by professional codes, statutes and guidance. The borrowing position as at 31 March 2021 was £26.1m which is within the limit approved by members. The value of market loans maturing within 12 months was £14m which is within the limit set within the strategy. No variable rate loans were held during the financial year.

RECOMMENDATION

3. Members are requested to:
 - (i) note the outstanding borrowing as at 31 March 2021; and
 - (ii) approve the final prudential indicators for 2020/21.

BACKGROUND

4. The Authority's treasury management activity is regulated by professional codes, statutes and relevant guidance. The key requirements include the production of a Treasury Management Strategy and prudential indicators to demonstrate affordability of capital and borrowing decisions. These documents were approved by the Authority at its meeting of the 16 March 2020. Arrangements are in place to monitor and report the prudential indicators during the financial year and report the outturn position to the Authority.

- The prudential indicators were revised in year due to the re-profiling of the capital programme which resulted in a reduced borrowing requirement. These revisions were approved by the Authority at its meeting of the 9th November 2020. This is the final report for 2020/21 which sets out the actual prudential indicators for the year and provides an analysis of outstanding debt at the year end. The report is in line with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code.

Information

Summary of the Strategy Agreed for 2020/2021

- The day to day decisions on borrowing are delegated to the Treasurer to the Authority who is required to ensure the most appropriate form of borrowing depending on the prevailing interest rates at the time. This includes the use of shorter term fixed rates which may provide lower cost opportunities in the short term.
- Surplus funds are only held for working capital purposes and invested on a short term basis with banks or building societies. During 2020/2021 no long term investments were made by the Authority in line with the strategy approved that investments would be held for cash-flow purposes only.

Borrowing Activity

- Loans are taken out to finance the Authority's capital expenditure programme. The outstanding loan debt as at 31 March 2021 was £26.1m.

	2019/20		2020/21	
	Rates	Loans £000	Rates	Loans £000
Market Loans	0.85-1.20	16,000	0.05-0.10	14,000
Public Works Loan Board	1.45-4.9	14,909	1.45-4.9	12,119
Total External Borrowing		30,909		26,119

	2019/20		2020/21	
	Short Term £000	Long Term £000	Short Term £000	Long Term £000
Market Loans	16,000	0	14,000	0
Public Works Loan Board	0	14,909	2,684	9,435
Total External Borrowing	16,000	14,909	16,684	9,435

9. The Public Works Loans Board (PWLB) loans held as at 31 March 2021 are detailed below and amounted to £12.12m:

Maturity profile of PWLB loans at inception	Percentage of total borrowing	Amount (£)
1 to 2 years	28.2%	7.36m
3 to 5 years	8.3%	2.17m
6 to 10 years	0.7%	0.17m
10 and more years	9.3%	2.42m
Total PWLB	46.4%	12.12m

10. During the year no new PWLB loans were taken out. The loan portfolio includes Equal Instalment of Principal loans which reduced by £2.79m compared to the previous year.
11. The short term market loans held at the year-end amounted to £14m and related to borrowing with other local authorities:

Organisation	Percentage of total borrowing	Amount (£)
East Riding of Yorkshire Council	11.5%	3.0m
Warwickshire County Council	11.5%	3.0m
Conwy County Borough Council	30.6%	8.0m
Total Short Term Borrowing	53.6%	14m

12. These loans provided a low cost option for the Authority with an average interest rate of 0.085% which compares favourably with the rate which is currently 0.99% being offered by the PWLB for one year loans.
13. The Authority approved an upper limit of 55% for short term loans maturing within 12 months. The position at 31st March 2021 was that 53.6% of loans were short term loans taken out with other Local Authorities. The remaining loans were PWLB loans which on maturity will be replaced with other PWLB loans.

14. The Treasury Management Strategy confirms that the borrowing portfolio should have a maximum of 35% of debt in variable loans with up to 100% of loans having fixed terms. During 2020/21 the Authority only borrowed on fixed rate terms due to prevailing interest rates and to allow certainty.
15. The actual borrowing for 2020/21 was £3.27m below the approved capital financing requirement (CFR) mainly due to further reductions in the capital programme. Total interest of £0.380m was paid compared to the budget of £0.568m. The average short term borrowing rate for the year was 0.86% and the average long term rate was 2.30%.

Investments

16. The principles governing the Authority's investment policy are contained in the National Assembly for Wales Guidance in 2003. The investment activity during the year conformed to these principles and the Authority had no liquidity difficulties.
17. The investment strategy for 2020/21 approved by the Authority on 16 March 2020 included approval of the following criteria for counterparties:
 - I. Debt Management Office of the Treasury: limit £5.0m
 - II. Local Authorities (except rate-capped): limit £2.0m
 - III. All UK and Irish banks and their subsidiaries that have good ratings (Fitch or equivalent of A-). – limit: £5.0m
18. Banks whose ratings fall below those in the table above will be used if wholesale deposits are covered by a government guarantee, and the deposits fall within the terms of the guarantee.
19. Building Societies with a rating (as for the banking sector) all have a lending: limit £2.0m. Building societies without a rating but with assets of £1 billion or more: limit of £2m with a maximum time limit of 9 months.
20. The balance of investments as at 31 March 2021 was £1.49m compared to £1.73m, as at 31 March 2020. In order to maintain the Authority's liquidity position, the money was mostly held within instant access call accounts. The average rate achieved on investments was 0.05%.The budget for investment interest was nil and the actual interest achieved was £0.002m.

Prudential Indicators

21. The Authority is required by the Prudential Code to approve the actual prudential indicators after the year end which are set out in Appendix A. The table below confirms the key limits approved by the Authority and the outturn for 2020/21:

	2020/2021 Revised Indicator £'000	2020/2021 Actual £'000
Borrowing position	27,791	26,119
Capital Financing Requirement	30,551	29,389

22. The Capital Financing Requirement (CFR) shows the Authority's underlying need to borrow for a capital purpose. In the short term the borrowing requirement may exceed the capital financing requirement due to the effect of cash and investments. The table above shows the gross borrowing position was lower than the CFR for 2020/21 by £3.27m.
23. The Authorised Limit is the affordable borrowing limit required by section 3 of the Local Government Act 2003. During 2020/21 the Authority has maintained its gross borrowing within its Authorised Limit of £32.5m.
24. The Operational Boundary is the expected borrowing position of the Authority during the year, and periods where the actual position is either below or over the Boundary is acceptable subject to the Authorised Limit not being breached.

	2020/21 £'000
Revised Indicator - Authorised Limit	32,551
Revised Indicator - Operational Boundary	30,551
Maximum borrowing position during the year	31,248
Minimum borrowing position during the year	26,119

REGULATORY FRAMEWORK, RISK AND PERFORMANCE


25. The Authority's treasury management activities are regulated by professional codes, statutes and guidance as set out below:
26. The Local Government Act 2003 (the Act), provides the powers to borrow and invest as well as providing controls and limits on this activity. The Act permits the National Assembly for Wales to set limits either on the Authority or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2019/20). Under the Act the National Assembly for Wales has issued Investment Guidance to structure and regulate the Authority's investment activities.
27. Statutory Instrument (SI) 3239 (W319) 2003, as amended, develops the controls and powers within the Act. This requires the Authority to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities and requires the Authority to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services; The Authority has complied with all of the above relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

IMPLICATIONS

Wellbeing Objectives	This report links to NWFA's long-term well-being objectives. Ensures that the purchase of assets to support front line service delivery is prudent, affordable and sustainable. Ensures there is sufficient investment in infrastructure to enable the Service to provide emergency responses and prevention work well in to the future.
Budget	Budget is set annually for capital financing in line with the Treasury report.
Legal	The regulatory framework is set out in paragraph 18.
Staffing	None
Equalities/Human Rights/ Welsh Language	None
Risks	Investment of surplus funds – there is a risk that the financial institution in which the service's funds are invested could fail with a loss of part of the principal invested. However, one of the purposes of the report is to mitigate this risk.

Prudential Indicators

		2020/21 Revised Indicators £'000	2020/21 Actual £'000
1	Capital Expenditure	1,014	0
2	Capital Financing Requirement	30,551	29,389
3	Borrowing	27,791	26,119
4	Authorised Limit	32,551	32,551
5	Operational Boundary	30,551	30,551
6	Ratio of Financing Costs to Net Expenditure	7.48%	6.91%
7	Investments	2,640	1,495
8	Fixed Interest rate loans as a % of Total Borrowing	100%	100%
9	Variable rate loans as a % of Total Borrowing	0%	0%
10	Maturity Structure of Fixed Rate Borrowing - at inception of loan		
	Under 12 months	0% - 55%	53.6%
	12 months to 2 years	0% - 45%	23.24%
	2 years to 5 years	0% - 45%	3.13%
	5 years to 10 years	0% - 75%	0.87%
	10 years and above	0% - 100%	8.88%

Report to	North Wales Fire and Rescue Authority	
Date	21 June 2021	
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer (Finance and Resources)	
Contact Officer	Helen MacArthur (01745 535286)	
Subject	Legal challenge to the 2015 pension reforms	

PURPOSE OF REPORT

- 1 To provide members of the Fire and Rescue Authority (the Authority) with an update on the legal challenge to the implementation of the firefighter pension scheme reforms which were effected in 2015. The successful legal challenge was brought by the Fire Brigades Union (FBU) on behalf of its members on the grounds of direct age discrimination. The outcome has implications across all public sector pension schemes.

EXECUTIVE SUMMARY

- 2 Following the lengthy legal process regarding age discrimination in the public sector pension reforms, the Court of Appeal ruled in favour of the claimants and the judgment was issued on the 18 December 2018. This confirmed that the age discrimination inherent within the 2015 pension reforms had not been justified. The case is referred to as the McCloud/Sargeant Judgment (the Judgment).
- 3 The UK Government has confirmed that eligible members will be transferred back to their legacy schemes for the period of remedy which is 1 April 2015 – 31 March 2022. On 1 April 2022 all members will revert to the reformed schemes, irrespective of previous protections.
- 4 Members transferred into their legacy scheme for the period of remedy will be permitted to make a choice at the point of retirement. Known as the deferred choice underpin this allows members to choose between receiving the pension benefits accrued during the remedy period in either their legacy scheme or the reformed scheme.
- 5 To facilitate these changes there is a requirement to amend primary legislation and develop specific guidance on the detailed aspects of the remedy. Changes will then be required to the Welsh Government regulations to provide the legal framework for Scheme Managers. National work is ongoing to develop the provisional definition documents which will allow software providers to commence system updates.

- 6 Although the detailed timetable is not yet known it is anticipated that the work will be completed by October 2023. Members who are due to retire prior to legislative arrangements being finalised are considered to be in immediate detriment. Until the detailed planning documents are provided it is not considered feasible to calculate their benefits due to the technical uncertainties.
- 7 The FBU has brought further litigation against two fire and rescue authorities in respect of immediate detriment cases, seeking a legal judgment requiring them to be processed ahead of the regulatory changes. Although North Wales Fire and Rescue Authority is not party to the litigation the outcome is relevant to all authorities within the sector.
- 8 The legal advisors for the UK fire and rescue authorities recognise the difficulties being experienced across the sector. They are seeking to agree an approach with the FBU which would enable immediate detriment cases to be dealt with swiftly, fairly and in a consistent manner.

OBSERVATIONS FROM THE EXECUTIVE PANEL OR AUDIT COMMITTEE

- 9 This report has not previously been considered by either the Executive Panel or the Audit Committee. The Local Pension Board received an update on this matter during its meeting on 21st April 2021.

RECOMMENDATIONS

- 10 Members are requested to:
 - (i) note the background to the McCloud/ Sargeant Judgement;
 - (ii) note the current position with regards to remedy; and
 - (iii) approve the recommendation that immediate detriment cases are not progressed pending further guidance from legal advisors or the receipt of national guidance.

BACKGROUND

- 11 Following Lord Hutton's 2011 review of public sector pensions, the Public Service Pensions Act (2013) provided the legal framework to reform public sector pension schemes. Reforms included restricting existing final salary schemes, extending retirement ages and introducing career average schemes.

- 12 During 2015 all main public service pensions, including the firefighters' scheme, were reformed to provide defined benefits on a career-average basis and extend the normal retirement age of members. To effect these changes the pension scheme regulations were amended.
- 13 The amended regulations also provided protection for members of existing final salary schemes. This protection was age related and members reaching the normal pension age of 55 by 31 March 2022 were afforded full protection with other members receiving protection on a tapered basis depending on their age. This protection was known as transitional protection and members who did not qualify for protection were moved directly into the new 2015 Firefighters Pension Scheme.
- 14 Two legal claims were combined and taken through the legal process; one against the judges' pension scheme (the McCloud case) and the other against the firefighters' pension scheme (the Sargeant case). The basis of the legal challenge was that the transitional arrangements were discriminatory on the basis of age, sex and race.
- 15 In December 2018, the Court of Appeal determined that the transitional protection gave rise to unlawful age discrimination. The Supreme Court refused the Government's application for permission to appeal, meaning that the Court of Appeal decision stands.
- 16 In July 2019, the UK Government confirmed its intention to work with the Employment Tribunal to effect remedy across all public sector schemes. This removed the need for further litigation by members of other public sector schemes similarly affected by the Judgment.

REMEDY

- 17 The UK Government has confirmed that eligible members will be transferred back to their legacy schemes for the period of remedy which is 1 April 2015 – 31 March 2022. On 1 April 2022 all members will revert to the reformed schemes, irrespective of previous protections.
- 18 Members transferred back into their legacy scheme will be required to make a choice at the point of retirement. Known as the deferred choice underpin members will choose between receiving the pension benefits accrued during the remedy period in either their legacy scheme or the reformed scheme.

- 19 To facilitate these changes there is a requirement to amend primary legislation and develop specific guidance on the detailed aspects of the remedy. Changes will then be required to the Welsh Government regulations to provide the legal framework for Scheme Managers. National work is ongoing to develop the provisional definition documents which will allow software providers to commence system updates.
- 20 Although the detailed timetable is not yet known it is anticipated that the work will be completed by October 2023. Members who are due to retire prior to legislative arrangements being finalised are considered to be in immediate detriment. Until the detailed planning documents are provided it is not considered feasible to calculate their benefits due to the technical uncertainties, especially for more complex cases involving transfers into the scheme, pension sharing on divorce or cases involving breaches to the lifetime or annual tax allowances.
- 21 The FBU has brought further litigation against two fire and rescue authorities in respect of immediate detriment cases, seeking a legal judgment that these should be processed ahead of the regulatory changes. North Wales Fire and Rescue Authority is not party to the litigation although the outcome is relevant to all authorities.
- 22 The legal advisors for the UK fire and rescue authorities recognise the difficulties being experienced across the sector. They are seeking to agree an approach with the FBU which would enable immediate detriment cases to be dealt with swiftly, fairly and in a consistent manner.
- 23 Technical discussions have also been held with both Welsh Government officials and colleagues from other Welsh fire and rescue authorities to agree a common approach. All of the authorities are undertaking preparatory work to enable cases to be processed as swiftly as possible, when feasible to do so, although no immediate detriment cases are currently being processed.

IMPLICATIONS

Wellbeing Objectives	Although not directly linked to the well-being objectives all members of the public pension schemes offered by the Authority will be impacted by the proposed changes.
Budget	Future remedy will have an implication on the Authority's budget; remedy will result in increased administration and employer superannuation costs.
Legal	The Authority is under a legal duty to ensure compliance with the Scheme Regulations.

Staffing	This matter directly impacts on employees who are members of the public sector pension schemes offered by the Authority; depending on the scheme, members may choose to retire earlier under the new proposals than under current regulations.
Equalities/ Human Rights/ Welsh Language	The proposals address the unlawful age-based transitional protection arrangements in the 2015 pension schemes, ensuring fair treatment for all pension members.
Risks	The processing of immediate detriment cases prior to amendments in the scheme regulations increases the risk of error and further litigation.

Report to	North Wales Fire and Rescue Authority
Date	21 June 2021
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer
Contact Officer	Helen MacArthur (01745 535286)
Subject	Modern Slavery Statement 2020/21



PURPOSE OF REPORT

- 1 To present to Members the 2020/21 Modern Slavery Statement for North Wales Fire and Rescue Authority as attached at appendix 1.

EXECUTIVE SUMMARY

- 2 This statement is the Authority's first Modern Slavery Statement and sets out the arrangements for the 2020/21 financial year. This confirms the Authority's commitment to ensure it does not actively encourage nor support slavery or human trafficking.

RECOMMENDATION

- 3 Members are asked to approve the 2020/21 Modern Slavery Statement and note the actions taken.

BACKGROUND

- 4 The Modern Slavery Act came into force in 2015 and requires commercial companies with a turnover in excess of £36m to produce an annual statement. As a public body, it is good practice for North Wales Fire and Authority (the Authority) to produce and publish a Modern Slavery Statement outlining potential modern slavery risks and detailing plans in place to mitigate these risks.

INFORMATION

- 5 The statement contained within appendix 1 is the Authority's first Modern Slavery Statement and sets out actions and activities during the 2020/21 financial year to demonstrate compliance with the requirements of the Modern Slavery Act 2015.
- 6 The statement sets out the Authority's commitment to ensure it does not actively encourage nor support slavery or human trafficking within the organisation's workforce, within supply chains or as part of the service delivery activities.

IMPLICATIONS

Wellbeing Objectives	The arrangements in place align to the wellbeing objectives and goals and support our global responsibilities.
Budget	Not applicable.
Legal	The Statement provides assurances that the Authority is acting within the principles of the Modern Slavery Act (2015).
Staffing	Not applicable.
Equalities/Human Rights/ Welsh Language	Robust arrangement to prevent and detect occurrences of human trafficking or slavery support the organisation's equality and diversity agenda.
Risks	The framework described within the Statement support the risk management in relation to modern slavery.

MODERN SLAVERY STATEMENT



Gwasanaeth Tân ac Achub
Fire and Rescue Service

Introduction

Modern slavery is the illegal exploitation of people for personal or commercial gain. It covers a wide range of abuse and exploitation including sexual exploitation, domestic servitude, forced labour, criminal exploitation, organ harvesting and human trafficking.

The Modern Slavery Act came into force in 2015. As a public body, it is good practice for North Wales Fire and Authority (the Authority) to produce and publish a Modern Slavery Statement outlining potential modern slavery risks and detailing plans in place to mitigate these risks.

The Authority is committed to preventing slavery and human trafficking in its corporate activities, and ensuring that its supply chains are free from slavery and human trafficking.

Arrangements are in place for concerns or suspicions surrounding modern slavery to be reported in accordance with the Modern Slavery Act (2015).

Period covered by this statement

This statement is the Authority's first Modern Slavery Statement. This statement relates to actions and activities during the financial year 1st April 2020 to 31st March 2021 and sets out compliance with the requirements of Section 54 of the Modern Slavery Act 2015. This statement sets out the Authority's commitment to ensure it does not actively encourage nor support slavery or human trafficking within the organisation, business activities or within supply chains.

Scope of this statement

The Authority is made up of 28 elected members from six constituent local authorities and provides direction and governance for the delivery of services across North Wales. The North Wales Fire and Rescue Service (the Service) delivers the day to day activities to achieve the Authority's objectives.

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

Service structure

North Wales Fire and Rescue Service is one of three fire and rescue Services in Wales. The Service helps to protect an estimated population of 678,461 people over an area of 2,400 square miles as well as hundreds of thousands of tourists and visitors to North Wales every year.

The Service employs almost 900 staff in operational and support roles. The Executive Group, comprising of the Chief Fire Officer, three Assistant Chief Fire Officers and an Assistant Chief Officer are responsible for ensuring the day-to-day running of the Service.

The Core Values demonstrate the Service's commitment to valuing people by practising and promoting fairness, respect, and being committed to honesty, integrity and mutual trust. North Wales Fire and Rescue Service's relationships with suppliers and decision-making in connection with the Service's supply chain are important factors in earning and maintaining that trust with both employees and the wider community.

Relevant Policies

The Service is committed to meeting the aims of the Act and has the following policies in place that support its commitment:

Whistleblowing Policy – The Service encourages employees to maintain the highest standards of conduct throughout the organisation. The Whistleblowing Policy enables employees to draw attention to any concerns that they may have. Employees can raise a concern via the Whistleblowing Manager by calling a confidential Whistleblowing telephone number with a 24-hour message service, by contacting a dedicated Whistleblowing email address or by writing to the Whistleblowing Manager.

Procurement Policy – Working in partnership, North Wales Police provide procurement services to North Wales Fire and Rescue Service via a Service Level Agreement. North Wales Police, on behalf of the Service, are committed to ensuring that suppliers adhere to the highest ethical standards. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically within the law. It is made clear to suppliers that North Wales Police, acting on behalf of the Service, will not tolerate slavery and human trafficking in supply chains or any part of the organisation. The right is reserved to terminate agreements with any third party found to have engaged in unfair employment practices.

Discipline Handbook – The Handbook makes it clear to employees the standard of behaviour expected of them. The Service strives to maintain the highest standards of employee conduct and ethical behaviour at all times. Diversity and inclusivity are one of the Service's Core Values, enabling people to reach their full potential no matter what their background or circumstances, through promotion of equal opportunities and by challenging prejudice and discrimination.

Safeguarding - in light of the role of the Service in terms of operational incidents and community engagement in respect of fire safety and prevention, the Service has implemented a Safeguarding Policy to promote welfare and protect from harm. The policy details the roles and responsibilities of all employees in relation to the safeguarding of adults and children who are suffering from, or are at risk of abuse, neglect or self-neglect including modern slavery and human trafficking.

Recruitment – All employees that work for the Service are in receipt of at least the UK minimum wage and as part of the recruitment process will undergo immigration and pre-employment checks in accordance with Government guidance. When sourcing temporary staff via an agency assurance is sought on the use of the UK minimum wage and immigration checks. DBS checks are carried out on all employees.

Equality and Diversity Policy - The Policy aims to provide diversity and equality to all in employees and raises awareness and details how the Service aims to create a safe and inclusive atmosphere for employees and service users.

Complaints Management Policy – The Policy details the Service's commitment to the principles of accountability, quality and customer care. The policy provides a consistent approach for dealing with complaints from the public, allowing the Service to, where appropriate, correct behaviour, procedures or policy, to enable the highest standard of service to be maintained.

Grievance Policy - The Policy outlines how employees can seek redress for any grievance that may arise in relation to their employment.

Job Evaluation and Pay Policy – The Service operates a job evaluation scheme to ensure that all employees are paid fair and equitably. The software assesses jobs through an objective, systematic process using a consistent set of factors, skills and requirements to align compensation strategies ensuring a fair and transparent process.

Training

All employees are required to undertake mandatory training in relation to safeguarding those at risk, many of whom encounter members of the public as part of their duties and how to report suspected slavery or human trafficking activity. Training is undertaken via an e-learning package on safeguarding children and vulnerable adults which encompasses modern slavery.

Managing supply chains

The Service takes its responsibilities as a purchaser seriously and has acted to ensure that its suppliers meet rigorous ethical standards in order to ensure that supply chains are free from slavery.

Through partnership working, both North Wales Police and the Service are committed to the promotion of ethical sourcing by:

- Expecting suppliers to support working conditions that are legal, fair and safe;
- Requiring suppliers and their sub-contractors to meet ethical sourcing standards to ensure transparency in the supply chain, this includes meeting new and established legal standards.

The Service adheres to the Code of Practice - Ethical Employment in Supply Chains which was developed to support the development of more ethical public sector supply chains.

Due diligence and risk management

The Service is committed to ensuring contracts are compliant with the Modern Slavery Act 2015.

For all contracts with organisations to whom the requirements of Part 6 of the Modern Slavery Act applies, the organisation's Slavery and Human Trafficking Statement must be reviewed as part of the tender process to ensure that any risks are suitably addressed.

Efforts are taken to monitor and reduce the risk of slavery and human trafficking occurring within the supply chain. Most purchases are against existing supply contracts or frameworks e.g. the National Procurement Service, which have been negotiated and have the requirement for suppliers to have suitable anti-slavery and human trafficking policies and processes in place.

As part of the tendering process, potential suppliers must complete a self-declaration questionnaire which seeks confirmation and assurances of their compliance with the Modern Slavery Act 2015 and the nature of checks made on their own supply chain.

Action Plan

During 2020/21, the Service has:

- Developed, ratified and published a Safeguarding Policy;
- Developed and provided training on safeguarding which is a mandatory requirement for all employees;
- Produced the Service's first Modern Slavery Statement; and
- Reviewed and updated the Whistleblowing Policy.

During 2021/22, the Service will:

- Consider appropriate procurement training to support implementation of the Service's ethical sourcing approach;
- Engage with key suppliers to better understand their actions to mitigate risk and using influence to encourage those suppliers who fall short of their obligations to take action;
- Ensure that suppliers are asked if they have a Modern Slavery Statement as part of the tender process; and
- Review the Equality and Diversity Policy.

This statement was approved on **DATE** by the Chief Fire Officer.

The statement will be reviewed and updated annually.

Signed:.....

Printed:.....

Report to	North Wales Fire and Rescue Authority
Date	21 June 2021
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer (Finance and Resources)
Contact Officer	Julie Brown (07787578430)
Subject	Firefighters Pension Schemes Local Pension Board – Annual Report 2020/21



PURPOSE OF REPORT

- 1 To present to Authority members the annual report of the Local Pension Board which details the work of the board during the 2020/21 financial year. The annual report is attached at appendix 1.

EXECUTIVE SUMMARY

- 2 The annual report of the Local Pension Board details the work undertaken by the board during 2020/21 and provides a work programme for 2021/22.

RECOMMENDATION

- 3 Members approve the Local Pension Board annual report 2020/21 for publication on the Authority's website.

OBSERVATIONS FROM THE LOCAL PENSION BOARD

- 4 The Annual Report was considered by the Local Pension Board on 21 April 2021 and a recommendation for approval was made.

BACKGROUND

- 5 This document sets out the work undertaken by the Local Pension Board of North Wales Fire and Rescue Authority (the Authority). The Authority is the Scheme Manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board is established in accordance with Section 5 of that Act.

INFORMATION

- 6 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.

- 7 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 require the Authority to establish a Local Pension Board in respect of the Firefighter's Pension Scheme by 1 April 2015.
- 8 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 is complying with relevant laws and regulations. In order to aid transparency, the Scheme Manager is required to publish the annual report of its Local Pension Board.
- 9 As set in the terms of reference for the Local Pension Board, the annual report should include:
- a summary of the work of the Local Pension Board and a work plan for the coming year;
 - details of areas of concern reported to or raised by the Board and recommendations made;
 - details of any conflicts of interest that have arisen in respect of individual Local Pension Board members and how these have been managed;
 - any areas of risk or concern the Board wish to raise with the Scheme Manager;
 - details of training received and identified training needs; and
 - details of any expenses and costs incurred by the Local Pension Board and any anticipated expenses for the forthcoming year.

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. FPS (Amendment) Governance regulations 2015.
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
2020/21**

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1.0 Introduction

This is the Annual Report of the North Wales Fire and Rescue Authority Local Pension Board (the Board), covering the period from 1 April 2020 to 31 March 2021. This report includes commentary on the following:

- details of any conflict of interest that have arisen in respect of Board members;
- details of training received and identified training needs for Board members;
- a summary of the work undertaken by the Board during 2020/21;
- areas of concern or risk reported to or raised by the Board; and
- the forward work programme for 2021/22.

2.0 Roles and Functions

In accordance with Section 5 and Section 30 (1) of the Public Services Pensions Act 2013 and Regulation 4A of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, the North Wales Fire and Rescue Authority Local Pension Board (the Board) was established in April 2015. The role and remit of the Board is to assist the Scheme Manager (North Wales Fire and Rescue Authority) to secure compliance with:

- The relevant laws and regulations;
- Any other legislation relating to the governance and administration of the Scheme;
- 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 Board is expected to complement and enhance the Authority's existing arrangements for managing the firefighter pension schemes. 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.

3.0 Membership and meetings of the Board

During the reporting period, the Board comprised of 10 members as follows:

- Five employer representatives comprising of three members of North Wales Fire and Rescue Authority, the Clerk to the Authority (or nominated deputy) and Treasurer of the Authority.
- Five employee representatives – all of whom are from each representative body officially associated with North Wales Fire and Rescue Authority (the Authority).

In addition to local pension Board members, the following key officers support the Board and attend Board meetings:

- Assistant Chief Fire Officer (Finance and Resources) and
- Pensions Manager

The term of appointment for all members currently falls in line with council elections.

Membership ceased for two members during the period; following an appointment process in line with the Terms of Reference, both posts were filled at the end of the reporting period.

Chair of the Board

The Chairperson of the Board is rotated every two years between a member representing employers and those representing scheme members.

Councillor B Apsley was elected as Chair for the period 2019-2021. The Chair is also nominated to sit on the National Firefighters' Pension Scheme Advisory Board.

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

4.0 Conflicts of Interest Policy

The Public Service Pensions Act 2013 requires that a member of a pension board does not have a conflict of interest. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of a pension board. The Act is clear that actual membership of one of the Firefighter Pension Schemes is not in itself a conflict of interest, so would not preclude a scheme member from serving on the Board.

The Board has a policy for the management of potential conflicts in order to ensure that they do not become actual conflicts and all members of the Board are familiar with the policy. In addition, conflicts of interest is a standing item on all Board agendas and any interests noted by members are recorded so that appropriate action can be taken to manage the conflict.

There have been no declarations made by any member, advisor or attendee during the relevant period.

[Click to see the Conflict of Interest Policy](#)

5.0 Knowledge and Understanding

It is a statutory requirement of the Public Service Pensions Act 2013 that members of the Local Pension Board should have the capacity to become conversant with, and develop a knowledge of, detailed pension related issues to effectively carry out their duties.

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

A Board member should have an understanding of what is relevant to their role and be able to identify and challenge a failure to comply with:

- The Firefighter Pension Scheme regulations;
- Other legislation relating to the governance and administration of the schemes;
- Requirements imposed by the Pensions Regulator; or
- The standards and expectations set out in any relevant code of practice issued by the Pensions Regulator.

Within six months of appointment, members are required to complete the online training modules available on the Pensions Regulator's website. In addition, the Authority provides both induction training to new Board members and ongoing training sessions during Board meetings for all members to assist them in undertaking their role.

The Scheme Manager keeps appropriate records of the learning activities of individual members and the Board as a whole. This assists the Authority and members in demonstrating compliance, if necessary, with the legal requirement and records how risks associated with knowledge gaps have been mitigated. Annually, members complete a knowledge and training needs analysis self-assessment form, which is used to prepare a forward training programme. The training of Board members is largely carried out in house at no direct cost; the national events such as the LGA conference have, so far, been free of charge. Where Board members are required to travel to attend training events this cost is contained in existing budgets.

A schedule detailing the training undertaken by Board members during 2020/21 is detailed below:

Date	Topics Covered
26/10/20	Local Government Association – Six Key Areas of Governance
20/01/21	Pensionable Pay

6.0 Work Programme 2020/21

The Board has met four times during the year; 27 May 2020, 10 August, 26 October and 20 January 2021. The work undertaken by the Board during the course of the year has been defined by the Terms of Reference. The Board approves and reviews the Terms of Reference on an annual basis, click to see the [Terms of Reference](#)

During the period 1 April 2020 to 31 March 2021 the following specific matters were considered by the Board:

- Review and approval of the Terms of Reference
- Annual Report 2019/20
- Consideration of the national legal challenge relating to the transitional pension scheme arrangements (McCloud Judgment)
- Consideration of the High Court Judgment on pensionable pay components (Booth vs Mid and West Wales FRA)
- Knowledge and training needs analysis update
- Conflict of Interest policy review
- Consideration of complaints received under the Internal Dispute Resolution Procedures and Pension Ombudsman cases
- A review of the risk register
- Consideration of Business Continuity Plans during the COVID 19 pandemic.

Each agenda also includes the following standing items:

- Declaration of Interest
- Minutes of last meeting
- Firefighters' Pension Schemes Update Report (including legislative update)
- Administrators Update Report (Dyfed Pension Fund)
- Scheme Advisory Board Update
- Training needs
- Risk Register
- Matters for escalation to full FRA.

Since the Local Firefighter Pension Board was set up in 2015, the work of the Board has been shaped by the Board members and by officers supporting the Board. Some regular reports have been developed and these are:

- The Firefighters' Pension Schemes Update Report provides the Board with the latest information on areas of significant pension work, and includes both local and national issues. As well as enhancing the knowledge and understanding of Board members, this regular report serves to prompt discussion at the Board about the impact of issues on pension Scheme members and about how workloads are being managed. This helps to achieve the Board's purpose of securing effective governance and administration;

- The Dyfed Pension Fund Update Report is produced by the administrators and provides assurance that the scheme is being properly administered. As well as providing regulatory updates, the report focuses on specific workload issues, such as, the Guaranteed Minimum Pension reconciliation, data quality, appeals, breaches and activity levels on the 'My Pensions Online' tool; and
- Specific areas of the Risk Register are reviewed regularly by the Scheme Manager and is presented to the Board at each meeting, with any amendments highlighted. This allows the Board to keep track of the key risks and the control measures designed to manage those risks.

To improve the efficient and effective administration and governance of the pension function, the Board made the following recommendation which was carried out over the year:

- The Service to undertake measures to improve the registrations on 'My Pensions Online'.


More detail is available in the agendas and minutes of the above Board meetings which can be accessed by clicking this [link](#).

7.0 Work Programme 2021/22

The Firefighters' Pension Scheme Board maintains a work programme which is considered at every meeting. Now that the Board has 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 2021/22 is as set out below:

- Election of Chair;
- Review of Terms of Reference and agreement of the Annual Report for 2020/21;
- Undertake a training needs analysis with members of the Board and agree a training programme including updates on and presentations on current pension issues as necessary;
- Review and update the risk register;
- Provide updates to each meeting on regulatory matters contained within Welsh Government circulars and Local Government Association bulletins;
- Receive updates on the work of the Scheme Advisory Board (Wales);
- Annual Pension Surveys and consultations (if applicable);
- Monitor the delivery of the administrator's Data Improvement Plan;
- Review the outcome of internal and external audit reports;
- Monitor the Service Level Agreement renewal for the role of administrator;
- Continue to improve registrations on My Pensions Online; and
- Assess data and software requirements for implementation.

Report to	North Wales Fire and Rescue Authority	
Date	21 June 2021	
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer (Finance and Resources)	
Contact Officer	Julie Brown (07787578430)	
Subject	Firefighters' Pension Schemes Local Pension Board – Terms of Reference	

PURPOSE OF REPORT

- 1 To present to members of the North Wales Fire and Rescue Authority (the Authority) the Terms of Reference for the Local Pension Board covering the 2021/22 financial year.

EXECUTIVE SUMMARY

- 2 The Public Service Pensions Act (2013) requires the Authority in its capacity of Scheme Manager for the Firefighters' Pension Schemes to establish a Local Pension Board (the Board). The Board was established in 2015 and the Terms of Reference provide the governance framework to ensure its effectiveness. The Terms of Reference are updated annually at the start of each financial year and are attached at Appendix 1.

RECOMMENDATION

- 3 That Members approve the revised Terms of Reference of the Local Pension Board for 2021/22, prior to publication on the Authority's website.

OBSERVATIONS FROM THE LOCAL PENSION BOARD

- 4 The proposed Terms of Reference were considered by the Local Pension Board (Board) at its meeting of 21 April 2021. The Board recommended approval by the Authority.

BACKGROUND

- 5 The Local Pension Board (the Board) is established in accordance with the requirements of Section 5 of the Public Service Pensions Act 2013. The North Wales Fire and Rescue Authority (the Authority) is deemed to be the Scheme Manager and is, therefore, responsible for establishing the Board and ensuring its effective operation.

INFORMATION

- 6 Each Scheme Manager is required to determine the Terms of Reference of the Board to provide a framework for its operation.
- 7 The Terms of Reference are reviewed annually or following any statutory or regulatory changes.

IMPLICATIONS

Wellbeing Objectives	Considered not relevant
Budget	No cost implications
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.

Terms of reference for the Local Pension Board of North Wales Fire and Rescue Service

1. This document sets out the terms of reference for the Local Pension Board of North Wales Fire and Rescue Service, Firefighters' Pension Scheme as required by the Public Service Pensions Act 2013 and the Local Government (Amendment) (Governance) Regulations 2014.

Scheme Management

2. North Wales Fire and Rescue, as administering authority, is the Scheme Manager. Its functions are discharged in accordance with the Authority's scheme of delegation by the Treasurer and Chief Fire Officer.

The Local Pension Board

3. The role of the Local Pension Board is to assist North Wales Fire and Rescue Authority (NWFRA), as the administering authority:
 - to secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme;
 - to secure compliance with requirements imposed in relation to the scheme by the Pensions Regulator;
 - ensure the effective and efficient governance and administration of the Firefighters' Pension Schemes for Dyfed Pension Fund;
 - the role of the Board will be oversight of these matters and not decision making;
 - in undertaking any relevant work as requested;
 - in such other matters as the scheme regulations may specify.
4. The Local Pension Board will ensure that the Code of Practice on governance and administration issued by the Pensions Regulator is complied with. The Board will also ensure that it complies with the knowledge and understanding requirements in the Pensions Regulator's Code of Practice.
5. The Local Pension Board is accountable to the Pensions Regulator, the National Scheme Advisory Board and the Administering Authority in their role as Scheme Manager.
6. The principal functions of the Local Pension Board shall include, but not be limited to:
 - reviewing decision making processes, policies and procedures to ensure they are compliant with relevant Regulations;
 - seeking assurance that these are followed and adhered to with regard to Pensions decisions;
 - seeking assurance that administration performance is in compliance with the Authority's performance framework and that monitoring arrangements are adequate and robust;

- considering the effectiveness of communication with employers and scheme members including a review of the Communication Strategy;
 - considering and commenting on internal audit recommendations and external auditor reports.
7. Any complaint or allegation of a breach of the Regulations brought to the attention of the Local Pension Board shall be dealt with in accordance with the Code of Practice as published by the Pensions Regulator.

Frequency and Notice of Meetings

8. The Local Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively; four meetings will be scheduled during each financial year.
9. The Members' Liaison Officer shall give notice to all Local Pension Board members of each meeting of the Board, including the date, location and time of the meeting and shall ensure that a formal record of the Local Pension Board proceedings is maintained.
10. Papers will be provided three working days before each of the formal Local Pension Board meetings.
11. All agendas and non-confidential Local Pension Board papers and minutes of meetings will be published on NWFRA' website, together with the Board Terms of Reference and details of the Board membership.

Membership

12. The Local Pension Board shall consist of no fewer than six members (in total), and must include an equal balance of employer and scheme member (employee) representatives. These shall be constituted as follows:

Constituency	Definition/Constraints
Employer	To represent NWFRA
Scheme Member (employee)	To represent all members of the scheme (active, deferred and pensioner)

13. The term of office for all members of the Board will fall in line with council elections and therefore it is anticipated that the membership will remain until 2022. Members may at the end of their term, express a wish to be considered for re-election.
14. Local Pension Board members must meet key attendance and training requirements to retain their membership during this period. All members must:
- endeavour to attend all meetings of the Board
 - comply with the training plan produced by the Pensions Manager
 - ensure compliance with the Pension Regulator's Code of Practice.

15. Each Employer Representative and Scheme Member Representative will have an individual voting right.
16. All members within the Firefighters' Pension Schemes must have an equal opportunity to be nominated for the role of member representative.
17. For the purpose of appointing employer representatives to the Board, nominations will be sought from all Fire and Rescue Authority members. The Treasurer and Monitoring Officer (or deputy) will also provide employer representation.
18. For the purpose of appointing scheme member (employee) representatives to the Board, nominations will be requested through the Departmental Representatives and Trade Union Forum with further nominations being sought via an advert placed on the Authority's website. Where more than three nominations are received candidates will be considered, shortlisted and interviewed by a representative of the Scheme Manager who will then make recommendations to the Chief Fire Officer to formally appoint.
19. If a Local Pension Board member acting as an employer representative leaves the employment of the employer they are representing they will no longer be eligible to sit on the Board.
20. In the event of consistent non-attendance of a Board member, or for failure to meet key attendance and training requirements as set out in (13) above, the tenure of that membership will be reviewed. In the case of a member representative, this will be done by a representative of the Scheme Manager who may make recommendation for the membership to be revoked if considered necessary. In such event, there will be a right of appeal to the Chief Fire Officer prior to any recommendation. In the case of an employer representative, any such decision will be considered by the chair of the Fire and Rescue Authority.
21. If an employer or scheme member representative wishes to resign they must write to the Chief Fire Officer, giving at least one month notice.
22. The Chairperson of the Local Pension Board will be rotated on a bi-annual basis between a member representing employers and those representing scheme members.
23. It will be the role of a representative acting as Chairperson to:
 - agree and set the agenda for a meeting of the Board
 - manage the meetings to ensure that the business of the meeting is completed in the agreed time
 - ensure that all members of the Board show due respect for process and that all views are fully heard and considered
 - strive as far as possible to achieve a consensus as an outcome
 - ensure that the actions and rationale for decisions taken are clear and properly recorded.

24. Due to the specialist nature of the work of the Board, personal attendance at all meetings is expected of all Board members with no provision for a substitute. However, deputies would be allowed, but they would be responsible for maintaining their own training to ensure they were *au fait* with pension's issues.
25. The Board may, with the approval of the Chief Fire Officer, co-opt persons who are not members to aid the Board for a period of time or for a specific task where this would provide additional skills, knowledge or experience. The co-opted members would not be permitted to vote.

Quorum

26. Four of the Board members must be present for a meeting to be quorate. If the Chairperson is absent at a meeting and there is a quorum then the attending members must choose a Chairperson to preside over that meeting.

Knowledge and Skills

27. A member of the Pension Board must be conversant with:
 - the legislation and associated guidance of the four Firefighter Pension Schemes;
 - any policies, procedures or decision-making processes about the administration of the Schemes adopted by NWFRA and Dyfed Pension Fund.
28. A member of the Local Pension Board must have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in Regulations.
29. It is for individual Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board.
30. Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.
31. Pension Board members must confirm to the Pensions Manager within six months of joining the Board that they have completed the Pension Regulator training.
32. During the first meeting of the financial year, Pension Board members must consider and agree an annual training programme.

Standards of Conduct and Conflicts of Interest

- 33 The role of the Local Pension Board members requires the highest standards of conduct and therefore the 'seven principles of public life' will be applied to all Local Pension Board members. Board members will be required to observe the members' code of conduct and data protection policies of NWFRA. The Board is required to always act within these terms of reference. In accordance with the Public Service Pension Act 2013, a board member must not have a financial or other interest that could prejudice them in carrying out their Board duties. This does not include a financial or other interest arising merely by virtue of membership of the FPS.
- 34 As such all members of the Local Pension Board will be required to declare any interests and any potential conflicts of interest in line with the requirements of the Public Service Pensions Act 2013 and the Pension Regulator's Code. These declarations are required as part of the appointment process, as well as at regular intervals throughout a member's tenure.

Reporting

- 35 The Board is expected to produce an annual report to the Fire and Rescue Authority which should include:
- a summary of the work of the Local Pension Board and a work plan for the coming year
 - details of areas of concern reported to or raised by the Board and recommendations made
 - details of any conflicts of interest that have arisen in respect of individual Local Pension Board members and how these have been managed
 - any areas of risk or concern the Board wish to raise with the Scheme Manager
 - details of training received and identified training needs
 - details of any expenses and costs incurred by the Local Pension Board and any anticipated expenses for the forthcoming year.
- 36 Although the Board is only required to produce a single annual report, minutes for each meeting of the Board will be published on the Authority's website.
- 37 Should the Board have concerns believed to be sufficiently serious that they should be reported at a higher level than is standard (to the Pensions Manager) they should report to the Chief Fire Officer. This may include, but not be limited to, occasions where the Board feel that previous recommendations have not been acted upon. In extreme cases such as a fundamental breach of Regulations or a fundamental failure by the Administering Authority to ensure effective governance of the fund, the Board may consider reporting to the National Scheme Advisory Board and/or the Pensions Regulator.

Remuneration

- 38 Remuneration for members of the Local Pension Board will be limited to a refund of actual expenses incurred in attending Board meetings and training. It is expected that employers of board members will provide appropriate capacity to allow the member to perform this role within their normal working day without any reduction to pay.
- 39 Expense claims should be submitted no later than 1 month following the incursion.

Publication of Local Pension Board Information

- 40 Up to date information will be posted on NWFRA' website showing:
- names and information of the Local Pension Board members
 - how the scheme members and employers are represented on the Local Pension Board
 - responsibilities of the Local Pension Board as a whole
 - full terms of reference and policies of the Local Pension Board and how they operate
 - Local Pension Board appointment process.

Review

- 41 These terms of reference were formally adopted by the Board at its first meeting on 20 April 2015 and are reviewed annually to or upon statutory or regulatory changes in line with paragraph 41.
- 42 The Chief Fire Officer is authorised to make minor amendments, consequential upon statutory or regulatory change, or to update arrangements consequential on other external factors.