



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority  
Finance and Resources Committee

# STRATEGIC RISK REGISTER

Report of the Chief Fire Officer

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**Agenda Item No:**

**Date:** 5 April 2013

**Purpose of Report:**

To ask the Finance and Resources Committee to accept the risks that have been identified by the Corporate Management Board (CMB) as having a potential impact on future strategic direction and objectives.

## CONTACT OFFICER

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## **1. BACKGROUND**

- 1.1 Risk management is a methodical process addressing the risks that either impact on the long-term direction and sustainability of the Authority (strategic risks), or arise from the delivery of strategic objectives (corporate risks).
- 1.2 Change is a significant source of risk. The political, economic, socio-cultural, technological, environmental and legal paradigm in which the Authority operates is constantly changing and evolving. Where change occurs at this strategic level, it has the potential to affect both the organisation as a whole and its stakeholders. Organisations that do not have the ability to predict, adapt, or react to change at the strategic level will cease to be effective and may ultimately fail.
- 1.3 Internal Audit has highlighted the need to have a more formal approach to corporate and strategic risk registers in their last two reports on the risk management function. The absence of these key documents has also resulted in the Service falling behind the best practice demonstrated by other local authority organisations.
- 1.4 The purpose of this paper is to ask Members to accept the strategic risks identified by CMB as having the potential to impact the future strategic direction and objectives of the Authority.

## **2. REPORT**

- 2.1 The strategic risk register outlines some of the key factors that may affect the future strategic direction of the Service as encapsulated in the corporate vision and objectives. The strategic risk register is a snap-shot in time and its validity will be maintained through a process of continual review.
- 2.2 The strategic risk register is provided at Appendix A. Strategic risks are those external opportunities and threats that may have an impact on the strategic direction of the Service and the setting of corporate objectives. They are often classified through a PESTEL analysis (Political; Economic; Socio-cultural; Technological; Environmental; Legal), are forward-looking, and can be local, national or international in their nature. These impacts can arise from singular risks, but often result from a combination of different factors.
- 2.3 This strategic risk register is used to help inform the development of the Service's corporate objectives and ensure that the organisation remains sufficiently flexible to respond to future change through long-term strategic planning. It is therefore essential to demonstrate that Principal Officers are actively engaged with the risk management process and are maintaining effective organisational control. The strategic risk register provides Members with the assurance that risk is being actively considered by CMB as part of the strategy formulation process.

- 2.4 The Strategic Risk Register plays a vital role in the Authority's overall approach to risk management which aims to underpin the Service's corporate objectives by both informing their development and ensuring their successful delivery.

### **3. FINANCIAL IMPLICATIONS**

The introduction and use of the strategic risk register will contribute towards the effective management of finance by providing a risk-based approach to resource allocation

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

There are no human resources implications arising directly from this report. However, there may be learning and development requirements for Principal Officers and these will be the subject of discussions between the Training Delivery Manager and the Business Risk Manager.

### **5. EQUALITIES IMPLICATIONS**

An initial equality impact assessment is not required as this paper does not relate to a new policy or service.

### **6. CRIME AND DISORDER IMPLICATIONS**

There are no crime and disorder implications arising from this report.

### **7. LEGAL IMPLICATIONS**

The strategic risk register will provide an opportunity for future legal requirements to be identified.

### **8. RISK MANAGEMENT IMPLICATIONS**

The adoption of the strategic risk register will enable the Service to address failures highlighted in consecutive internal audit reports, engage CMB and Members in the risk management process, and also help the Service demonstrate that it is working towards the adoption of best-practice in risk management.

## **9. RECOMMENDATIONS**

It is recommended that Members:

- 9.1 Accept the risks that have been identified by the Corporate Management Board as having a potential impact on future strategic direction and objectives.
- 9.2 Agree to receive an annual update from the Corporate Management Board.

## **10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)**

None.

Frank Swann  
**CHIEF FIRE OFFICER**

**STRATEGIC RISK REGISTER****APPENDIX A**

<b>Strategic Risk</b>	<b>Action</b>
Change in UK government	Keep informed of political intentions at a national level to establish whether a future government may change the emphasis of fire and rescue service activity, i.e. localism, greater national resilience roles, shifts in the balance of prevention/response/enforcement.
Change in local balance of power	Keep informed of political intentions at local level to ascertain possible future intentions in terms of budget setting and significant shifts in local priorities.
Impacts from EU: admittance of new Member States	No direct funding from EU, but must be alert to the wider financial implications for the UK in the event of greater net contributions to EU funds.
Interest rates: currently low	Consider implications as part of annual Treasury Management Strategy. May choose to undertake capital projects on basis of low borrowing rates, but remain aware of potential future refinancing costs when interest rates rise.
Inflation	Monitor economic situation and forecasting data as any significant or sustained rise in the inflation rate may put pressure on interest rates and on cost base.
Recession/growth and the burden of taxation	Recession and associated decreases in tax receipts. Develop means of effectively utilising increased funding once sustained growth is achieved in order to minimise future risk of recession
Increased levels of poverty	Question assumptions in IRMP with regard to the identification of vulnerable groups.
Stakeholder expectations increased in periods of strong funding	Focus corporate objectives on statutory responsibilities. Consider potential impact of future funding restrictions prior to committing to work not covered by statute and have an exit strategy planned. Manage public expectation to a level that is consistently attainable, rather than to short-term levels of funding.
National or local demographics, migration and age profiles	Ensure that corporate objectives and long-term planning prepares the Service for serving an ageing population, not just a future elderly population. Question how the Service can attract and retain good quality employees in a situation of decreasing supply. Be aware that cultural migration has the potential to influence the cultural balance of a whole community. Individual cultures should not be viewed in isolation.
Social media	Be aware that social media invites interaction. Ensure consistency of message across all media platforms.
Technology: Delivery of services Management of delivery Back-office support	Look to use technology to do better things, not simply the same things better. Take a balanced view – be aware of the capabilities of new technologies, but ensure that the use of technology is driven by the corporate objectives and not the other way around.
Weather extremes	Assess whether the corporate objectives provide sufficient flexibility in terms of people, equipment and finance to respond to extreme weather events.

Green technologies	Increasingly mandated through legislation, or encouraged by taxation policy and social pressure, the corporate objectives should reflect, or be developed in the context of the increasing importance of green technologies.
Statutory obligations: <ul style="list-style-type: none"> <li>• What you deliver</li> <li>• How you deliver it</li> </ul>	<p>Ensure clarity over which elements of current service provision are underpinned by statute and what is delivered under 'moral obligation'.</p> <p>Acknowledge that any elements of the current service delivered under moral obligation and not likely to become a statutory obligation constitute a low priority and may have to cease.</p> <p>Remain informed, across all professions, of variations in legislative requirements.</p>
Competition law: Deregulation of sector	Consider how the Service would respond to partial or total deregulation of fire service provision, for example, an increase in the number of private fire and rescue services serving large commercial organisations, or the contracting out of non-statutory or specialist functions.
Employment law	Be alert to changes in societal norms and expectations that may result in the need to more clearly reflect equalities, diversity and human rights in corporate objectives.
Legal precedents	Maintain an awareness of live litigation that relates to operational activity or organisational management and act as appropriate on any outcomes.