



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

CORPORATE RISK REGISTER

Report of the Chief Fire Officer

Agenda Item No:

Date: 12 July 2013

Purpose of Report:

To provide Members with an updated Strategic Risk Register, a Corporate Risk Register and with a Risk Management Strategy Statement.
To highlight the 10 most significant corporate risks for the Authority.

CONTACT OFFICER

Name : Neil Timms
Strategic Director of Finance & Resources

Tel : 0115 9670880

Email : neil.timms@notts-fire.gov.uk

Media Enquiries Contact : Matt Sismey
(0115) 967 5889 matt.sismey@notts-fire.gov.uk

1. BACKGROUND

- 1.1 Members of the Finance and Resources Committee on 5 April 2013 considered the Strategic Risk Register as well as the Internal Audit Annual report, which highlighted deficiencies in risk management within the Service. Members requested that the following items be brought back to the July 2013 committee:
- the Strategic Risk Register with the severity of impact included for each item;
 - the Corporate Risk Register;
 - a report containing both risk registers twice a year and evidence that employees are managing risks identified;
 - risk management training for Members at the next meeting of Finance and Resources Committee;
 - a list of the top 10 risks for the Authority;
 - the Corporate Risk Strategy, which would then need to be reported onto the full Fire Authority.
- 1.2 This report updates Members of the Finance and Resources Committee on progress made against these requests.

2. REPORT

- 2.1 The Strategic Risk Register is a document which is used to ensure that the Authority has the flexibility to respond to factors that may affect long-term strategic vision or aims. Following the April Finance and Resources Committee, the Business Risk Manager and Principal Accountant reviewed the Strategic Risk Register and assigned potential impact levels for each of the risks identified. One further amendment has been made to the register since April – the risks relating to green technologies now also refers to the issue of the security of future supply. The amended Strategic Risk Register was subsequently discussed and approved by the Corporate Management Board (CMB) and is attached at Appendix A.
- 2.2 Members of CMB, in conjunction with the Business Risk Manager, have agreed the content of a Corporate Risk Register. The Corporate Risk Register describes those risks that are so significant that they require management and monitoring at that level and relate primarily to the effective running of the Service as a legal entity. The Corporate Risk Register is attached at Appendix B.
- 2.3 Following this initial presentation of the Strategic and Corporate Risk Registers to the Finance and Resources Committee, the Business Risk Manager will bring a report to the January Committee meeting and every

second meeting thereafter. The report will provide assurance to Members on the management of risks identified in the Corporate Risk Register, and a commentary on any issues arising from the Strategic Risk Register.

2.4 At the last meeting of the Committee, Members requested that training be delivered at this meeting. However, given that the Committee is newly re-convened following the Authority's AGM, and because the intention is that the training will be practical and will refer to the strategic and corporate risk registers, it was felt that Members should have the opportunity to formally receive this initial report, confirm that they still wish to receive risk management training and, if appropriate, identify areas of interest to be covered in future training sessions.

2.5 The top 10 risks currently facing the Authority, following the implementation of control measure are (with their risk scores in brackets):

- Use of vehicles on Authority business (15)
- Major, multi-agency incident (12)
- Legal compliance (10)
- Preventable fire deaths (10)
- Health, safety, welfare and environment (10)
- Budget performance (9)
- Workforce issues (9)
- Major projects (9)
- Availability of assets (9)
- Mobilising and operational communications (8)

These are the key risks to which CMB should be allocating management effort and resource as they currently have the greatest potential of stopping the Authority from achieving its strategic aims and objectives.

If the control measures that are currently in place are disregarded, the top 10 risks facing the Authority are:

- Use of vehicles on Authority business (20)
- Legal compliance (20)
- Health, safety, welfare and environment (20)
- Preventable fire deaths (20)
- Budget performance (16)
- Workforce issues (16)
- Major projects (16)

- Major, multi-agency incident (16)
- Mobilising and operational communications (15)
- Availability of assets (15)

These are the key risks where Members and CMB should be seeking assurance that risk control measures are effective, as the failure of risk control measures may place the Authority at unacceptable risk.

2.6 A proposed risk management strategy statement is shown at Appendix C.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report, although risks relating to financial matters have been identified within the Corporate Risk Register

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications arising directly from this report, although risks relating to workforce issues have been identified within the Corporate Risk Register.

5. EQUALITIES IMPLICATIONS

An Equality Impact Assessment has not been undertaken because this report is not about a new policy, it is a presentation of corporate and strategic risks.

6. CRIME AND DISORDER IMPLICATIONS

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

7. LEGAL IMPLICATIONS

There are no legal implications arising directly from this report, although risks relating to legal compliance have been identified within the Corporate Risk Register.

8. RISK MANAGEMENT IMPLICATIONS

The failure of the Service to respond to the recommendations of Internal Audit with regard to corporate risk management in itself poses a risk. Risk management is a key element of the corporate governance framework and it is important to continue with the process of embedding risk management in the business culture of the Service and in reporting to Members and providing assurance on this matter.

9. RECOMMENDATIONS

It is recommended that:

- 9.1 Members note and endorse the Strategic Risk Register.
- 9.2 Members note and endorse the Corporate Risk Register.
- 9.3 Members in future receive a twice-yearly report from the Business Risk Manager as outlined in paragraph 2.3.
- 9.4 Members note the top ten most significant risks facing the Authority.
- 9.5 Members note and endorse the risk management strategy statement shown at Appendix C.

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

None.

Frank Swann
CHIEF FIRE OFFICER

Strategic Risk Register

Strategic Risk	Action	Potential Impact
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.	High
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.	Medium
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.	Medium
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.	Medium
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.	High
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	High
Increased levels of poverty	Question assumptions in IRMP with regard to the identification of vulnerable groups.	High

Strategic Risk	Action	Potential Impact
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.	High
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.	High
Social media	Be aware that social media invites interaction. Ensure consistency of message across all media platforms.	High
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.	Medium
Weather extremes	Assess whether the corporate objectives provide sufficient flexibility in terms of people, equipment and finance to respond to extreme weather events.	High
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. Security of supply may become an issue.	High

Strategic Risk	Action	Potential Impact
Statutory obligations: <ul style="list-style-type: none"> • What you deliver • How you deliver it 	Ensure clarity over which elements of current service provision are underpinned by statute and what is delivered under 'moral obligation'. 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. Remain informed, across all professions, of variations in legislative requirements.	Medium
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.	High
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.	High
Legal precedents	Maintain an awareness of live litigation that relates to operational activity or organisational management and act as appropriate on any outcomes.	Medium

Appendix B

Corporate Risk Register

Risk Title	Risk Description	L	S	Risk Score	Existing Controls	L	S	Risk Score	Further Controls Required	Risk Owner
Corporate Objective: Diversity and Workforce										
1. Health, safety, welfare and environment	The risk arising from the hazards associated with the Service's activities which may cause injury, ill-health or death to employees and / or non-employees and could result in both criminal and civil sanctions, reputational damage and negative effects on service delivery and employee morale	4	5	20 VH	The availability of "competent persons" to advise the Service of its duties and necessary risk controls which are then translated into safe systems of work	2	5	10 H		ACFO Corporate Support
2. Workforce Issues	Inability to maintain sufficient or adequate workforce to meet service requirements. Issues around competency of staff, loss of corporate memory and single points of failure or critical persons in specific roles Potential for poor industrial relations, resulting in a loss of morale or workforce availability	4	4	16 VH	HR function with advisory capacity and suite of policies. Workforce planning, providing overview of workforce.L&D function, operational training against role maps and PDR process to identify training needs. Maintenance of Competence policy.Formal negotiation and consultation channels with representative bodies through Industrial Relations Officer	3	3	9 H	CMB to discuss whether formal succession planning process required	ACFO Corporate Support

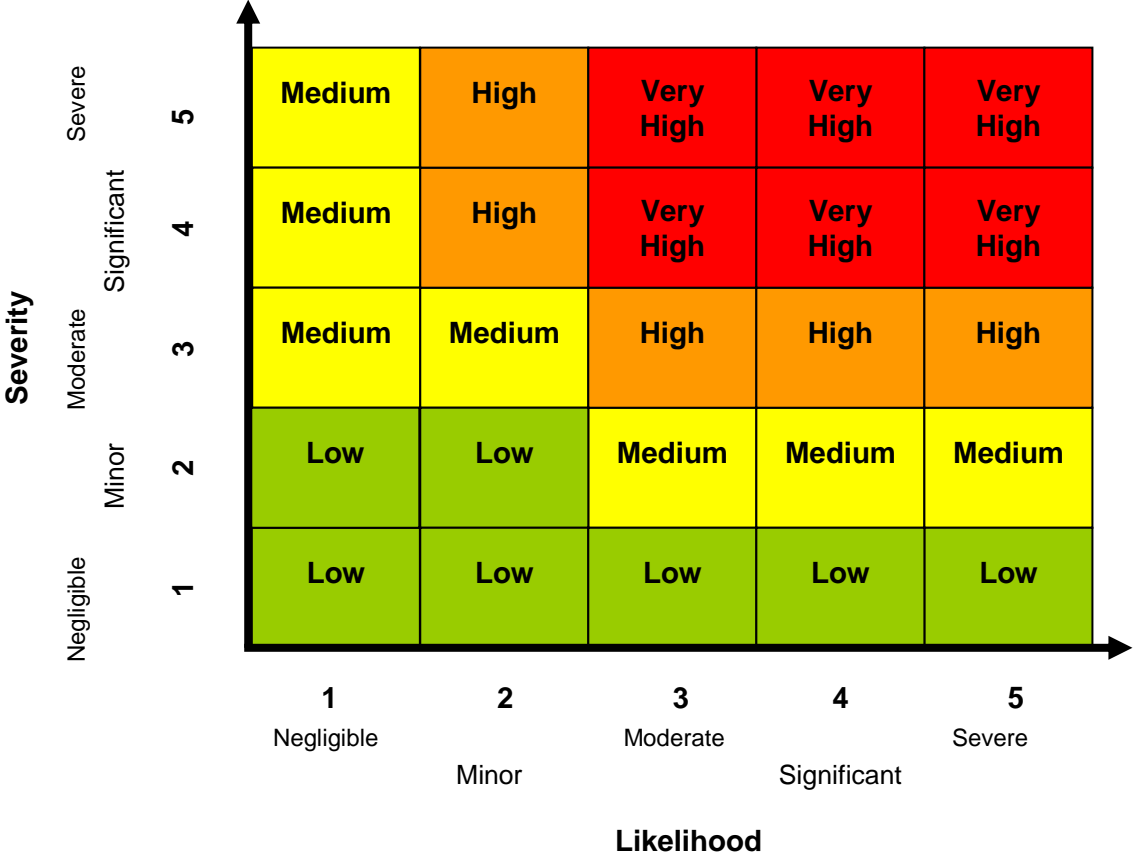
Risk Title	Risk Description	L	S	Risk Score	Existing Controls	L	S	Risk Score	Further Controls Required	Risk Owner
3. Use of vehicles on Authority business	The risk of accidents or other events arising from vehicle defects or by the driving of employees	4	5	20 VH	Road Risk Group Transport function to manage vehicle assets Driver training by L&D function Insurance cover to mitigate financial losses	3	5	15 VH	Driving safety policy currently under consultation Blue-light risk assessment Non-emergency driving generic risk assessment External review by insurers	ACFO Corporate Support
Corporate Objective: Response										
4. Operational equipment	Inadequacy of operational equipment or personal protective equipment	3	4	12 VH	Appropriate specification and selection of equipment, process for commissioning and procuring equipment	2	3	6 M		ACO Finance & Resources

Risk Title	Risk Description	L	S	Risk Score	Existing Controls	L	S	Risk Score	Further Controls Required	Risk Owner
5. Mobilising	Loss of mobilising capability Risks around replacement of Airwave system – details not yet known	3	5	15 VH	Secondary and tertiary mobilising arrangements in place. Maintenance contract in place for current system. Replacement mobilising system under consideration – to include cover arrangements.	2	3	6 M		ACO Finance & Resources
Corporate Objective: Resilience										
6. Availability of assets	The risk that the Service will lose widespread access to key assets – this may include premises, equipment, ICT systems and data or employees	3	5	15 VH	Business continuity management plan and process in place. Asset maintenance plans supported by Redkite asset management system. Planned replacement and upgrade programmes. Defect reporting in place. Competent operational managers.	3	3	9H		ACFO Corporate Support
7. Major, multi-agency incident	The risk that the Service will fail to work effectively in such an incident	4	4	16 VH	Multi-agency exercises to practice response Partnership working on the development of protocols	4	3	12 H		DCFO

Risk Title	Risk Description	L	S	Risk Score	Existing Controls	L	S	Risk Score	Further Controls Required	Risk Owner
Corporate Objective: Prevention										
8. Preventable fire deaths	The risk that a person will die in a fire, where the Service failed to put in place an intervention which would have reduced the risk	4	5	20 VH	Operational response Work with partner agencies to identify and target high risk individuals with community safety interventions	2	5	10 VH		DCFO
Corporate Objective: Governance and Improvement										
9. Budget performance	The risk that revenue or capital budgets will significantly overspend or underspend	4	4	16 VH	Medium-term financial strategy. Annual review of budget planning assumptions. Finance staff work with budget managers to develop realistic budgets. Regular budget monitoring reported to CMB and F&R Committee.	3	3	9H		ACO Finance & Resources
10. Major projects	The risk that a key project will over-run, overspend or fail to achieve its objectives 2013/14 Year: <ul style="list-style-type: none"> • . Tri-Service Control project • . HR system project • . Auto-enrolment. 	4	4	16 VH	Programme and project management framework Active risk management by Project Leads	3	3	9H		DCFO

Risk Title	Risk Description	L	S	Risk Score	Existing Controls	L	S	Risk Score	Further Controls Required	Risk Owner
11. Employee and Member conduct	<p>Any or all of the following risks:</p> <ul style="list-style-type: none"> a) The risk that the Service will suffer a major irregularity or fraud b) The risk of unethical behaviour or misconduct on the part of employees or Members. 	3	4	12 VH	Finance and Business Risk Management function. Effectiveness of financial internal controls assessed by Internal Audit function. Scheme of Financial Management. Counter-fraud policy. Indemnity insurance (does not cover fraud).	2	3	6M		ACO Finance & Resources
12. Legal compliance	The risk that the Service will fail to comply with legal requirements	4	5	20 VH	Professional experts employed in areas such as HR, Finance, Procurement, Health & Safety. Monitoring Officer. Business Risk Manager to help identify vulnerabilities. Use of external lawyers to advise on compliance in areas not covered by in-house expertise.	2	5	19 H		DCFO

Risk Scoring Matrix



Corporate Risk Management Strategy Statement

Nottinghamshire Fire and Rescue Service is a risk aware organisation. It recognises that the structure and management of the 'business' gives rise to risks that need to be managed at the corporate level.

These 'corporate risks' are different to community risk, which is identified through IRMP and statutory duties, and informs the nature of the services to be delivered; and operational risk, such as the health and safety of employees when delivering those services.

The Service will seek to manage its corporate risks using proven, internationally-recognised techniques and standards and strives to achieve excellence in corporate risk management activity when assessed against both recognised standards and peer organisations. It will effect this excellence in corporate risk management through a Principal Officer 'Champion', the employment of a professionally qualified and experienced Business Risk Manager, and the engagement of Elected Members in an assurance role via the Finance and Resources Committee. Corporate Management Board shall have the overall responsibility for ensuring that the Service's corporate risks are effectively managed.

Individual corporate risk management responsibilities will be detailed in a corporate risk management policy, with tools and techniques for effecting corporate risk management made available via associated procedures and/or guidance documents.

The Service recognises that it is not always possible, nor desirable to completely eliminate risk, and that this may result in different levels of risk being acceptable for different work streams or elements of business activity. This appetite and tolerance for risk will be established through debate and consensus, and reports concerning performance against those appetites and tolerances will be scrutinised by management and Elected Members. Managers will be encouraged to embrace projects and work that involve well-managed risk as part of an overall low risk approach.