



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

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

# **CORPORATE RISK MANAGEMENT**

Report of the Chief Fire Officer

**Date:** 15 January 2016

**Purpose of Report:**

As part of the Authority's governance and scrutiny process, to update Members on the key strategic and corporate risks to which the Authority is exposed. The Authority's proposed method for integrating the business planning, risk management and business continuity processes is highlighted.

## **CONTACT OFFICER**

**Name :** Craig Parkin  
Assistant Chief Fire Officer

**Tel :** 0115 967 0880

**Email :** craig.parkin@notts-fire.gov.uk

**Media Enquiries Contact :** Bridget Aherne  
(0115) 967 0880 bridget.aherne@notts-fire.gov.uk

## **1. BACKGROUND**

- 1.1 The Authority's risk management process requires that the Corporate Risk Register, which is used to gain assurance on the management of the key risks to which the Service is exposed and to guide resource allocation, is updated on a regular basis to ensure that it remains relevant. This updating is done on a quarterly basis and reported to the Authority twice a year. The key criteria for reporting a risk on the Corporate Risk Register is that it is sufficiently significant to warrant ownership by a Principal Officer.
- 1.2 This report provides Members with an oversight of the key risks to which the Authority is exposed and an opportunity to debate any of the risks or associated control measures as part of the assurance and scrutiny process.
- 1.3 The Authority also has a Strategic Risk Register. This is an outward-facing assessment of the potential external risks that could have a future impact on the strategic direction of the Authority, or should be considered when setting Service Priorities. It serves to ensure that the Authority remains alert, and agile enough to respond to potential change.
- 1.4 The Authority's risk management process has been closely aligned with strategic decision-making and business planning for a number of years, and has provided an opportunity for linking with business continuity processes. This synergy has been reflected with the Business Risk Manager now reporting to the Performance Manager as part of the Corporate Support team, assuming additional responsibilities for business planning and business continuity management.

## **2. REPORT**

- 2.1 The updated Corporate Risk Register has been consulted on and discussed at both Executive Delivery Team and Service Leadership Team, and is provided at appendix A.
- 2.2 At the present time, the three risks with the highest residual rating, after the application of existing risk control/mitigation measures are:
  - Mobilising (16 VH) – as part of the go-live of the Systel mobilising system, a number of fall-back processes have been put in to place with regional partners. There is also consultation at a national level and the availability of Airwave has been extended to 2019. These measures have seen the level of risk reduce from 20 to 16;
  - Working at Height (15 VH) – Incidents in other FRS have resulted in an audit of the Services' working at height arrangements. A number of recommendations have been made to ensure that there is a safe system of

work in place. This work highlights that the Authority is a learning organisation;

- The use of vehicles on Authority business (15 VH) – The Finance and Resources Committee have taken an active role in gaining assurance of the work being undertaken to address this risk. A report updating Members of the progress against the Road Risk Group action plan is to be presented to this Committee at the April meeting;
- Competing demand of projects (15 VH) – This risk reflect the significant change that the Service will be required to undertake in forthcoming years in response to meeting fiscal cuts, and potential changes in the Authority's governance structure. The risk reflects the growing requirement to ensure that a risk-based approach is taken to prioritisation of projects and the impacts that projects in one area of the Authority may have on other areas.

2.3 The Strategic Risk Register is included at Appendix B. Members are asked to note the contents of the Strategic Risk Register and to consider its contents when engaged in medium-long term strategic decision-making.

2.4 Following the move of the Business Risk Manager to the Performance Team, and the delegation of additional tasks relating to business planning and business continuity management, Members are asked to note the outline workflow (at appendix C) that will be consulted upon and will form the basis of a new, simplified process for managing business activities.

2.5 Risk is a term that is used extensively throughout the organisation. In order to provide clarity over the focus of the work being undertaken by the Business Risk Manager, appendix D describes the different objectives and the different focus of the various risk management activities currently undertaken within the service. In summary the major differences that exist in the management of risks are that one aspect relates to manging risk to the organisation, and the other being the management of risks to people.

### **3. FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

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

There are no human resources or learning and development implications arising from this report.

## **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because this report consolidates existing work streams that may themselves be subject to an equalities impact assessment.

## **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 from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

The failure of the Authority to effectively manage the risks to which it is exposed in itself poses a risk, particularly where there is a systemic failure that could leave the Authority and individual managers at risk of legal action. Risk management is a key element of the corporate governance framework and it is imperative that risk identification and management is both up-to-date and embedded in the decision-making, governance and scrutiny processes of the Authority.

## **9. RECOMMENDATIONS**

It is recommended that Members:

- 9.1 Note the content of the Corporate Risk Register, and acknowledge the control measures in place.
- 9.2 Note the contents of the Strategic Risk Register.

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

None.

John Buckley  
**CHIEF FIRE OFFICER**

## Appendix A – Corporate Risk Register

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
<b>Service Priority: Service Delivery</b>										
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 Robust maintenance procedures in place	2	3	6 M		ACFO
Mobilising	Loss of mobilising and communication capability. New mobilising system is now live and bedding in with some loss of system and functionality experienced to date.  Replacement of Airwave system – Emergency Services Network (ESN). Extent of financial impact not yet known and potential issues during transition.	4	5	20 VH	Fallback telephony and mobilising arrangements to LFRS and DFRS in place. Maintenance arrangements in place for Systel mobilising system.  Business Continuity Management arrangements  Engagement with relevant CFOA and ESN groups with regional delivery group forming. Airwave availability supported by extended contract to 2019	4	4	16 VH	Work continuing with Systel to improve system stability and performance.  Work on ESN expected to start mid 2016 – SLT to consider the impact of this and what lessons can be learned from the Tri-Service Control project	DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
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 and repair procedures in place Competent management and managers	3	3	9 H		ACFO
Major, multi-agency incident	The risk that the Service will fail to work effectively in such an incident The risk that the Service will become involved in a terrorism incident	4	4	16 VH	Multi-agency exercises to practice response Partnership working on the development of protocols Training resulting from JESIP being delivered and incorporated in to major exercise planning	4	3	12 H		DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Workforce issues	Poor industrial relations arising from local decision making due to financial constraints and national political/macro-economic factors resulting in a loss of morale or workforce availability Risk that the Service will be unable to effectively introduce organisational change due to a lack of employee engagement	3	5	15 VH	Contingency plans in place to provide cover during strike action by operational staff DCFO and ACFO have responsibility for maintaining positive industrial relations	3	4	12 VH		DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
<b>Service Priority: Employees and Workforce</b>										
Health, Safety, and Welfare	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 in to safe systems of work 7.2D process provides a structured methodology for assessing the hazards and risks associated with specific sites Operational Assurance Team facilitates learning from operational incidents	2	5	10 H	Case study of Meridian Lightweight Technologies will test adequacy of site specific risk identification	ACFO
Working at Height	Aspects of working at height activities, equipment and training have been identified as requiring review to ensure strategy, governance and change-management etc. are being adequately addressed to ensure that NFRS is confident that it is adopting and maintaining safe systems of work	4	5	20 VH	Various elements of policy, equipment procurement and maintenance, training and record keeping	3	5	15 VH	Action plan based on the findings of an audit [completed] and subsequent further research to be devised and administered and eventually signed off by Service Health, Safety and Welfare Committee	ACFO



Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Workforce sustainability	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	3	4	12 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 PDR review undertaken 2014	3	3	9 H	Operational competence progression being reviewed Scheme for maintenance of competence to be updated on delivery of new HR system Monitoring of (re)training requirements arising from redundancy situations	DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
<b>Service Priority: Improvement and Governance</b>										
The 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, with action plan progress reported to SHSWC Transport function to manage vehicle assets Driver training by L&D function Insurance cover to mitigate financial losses Driving safety policy Generic blue-light risk assessment Generic non-emergency driving risk assessment External review completed by insurers Engagement with Nottingham Trent University Emergency Services Research Group on eye-tracking research	3	5	15 VH	Road Risk Group action plan progress due to be reported to Finance and Resources Committee in April 2016	ACFO
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	9 H		CFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Employee and Member conduct	Any or all of the following risks: the Service will suffer a major irregularity or fraud 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) Elected Member code of conduct reviewed and up-to-date	2	3	6 M	HR currently undertaking a review of the Code of conduct for Employees	ACFO
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 helps to identify vulnerabilities Use of external lawyers to advise on compliance in areas not covered by in-house expertise Policies and procedures setting out expectations for compliance with legal requirements	2	5	10 H		ACFO

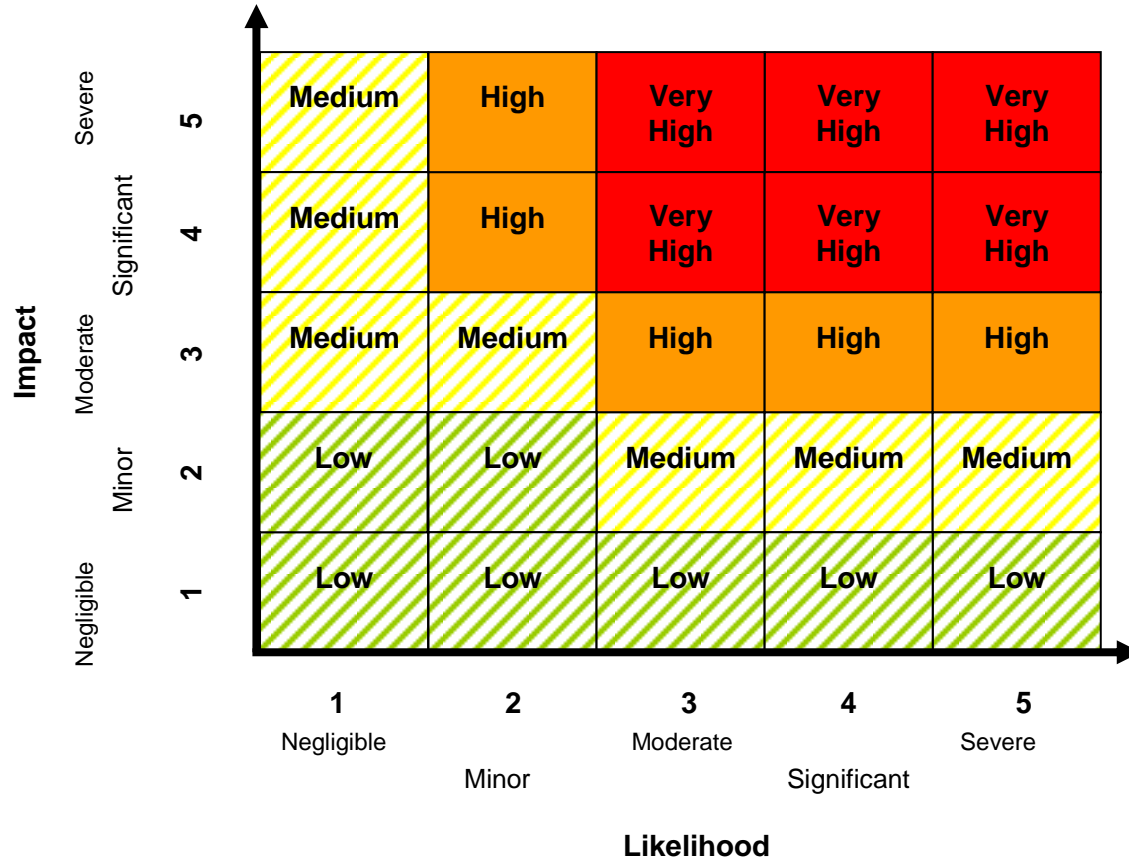
Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
State aid challenge	The risk that the Service will become liable for a proportion of any EU fine in respect of alleged state aid to FRS trading companies	3	2	6 M	If state aid is proven, NFRS (Trading) Limited does not make sufficient profit to meet the deminimus limit for liability to attach. Guidance available in respect of operation of trading companies by FRS	3	2	6 M	Directors to adhere to decision made in Fire Authority meeting of 18/12/15 in respect of adherence to guidance.	DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Major ICT systems	The risk that the Service fails to identify or make adequate resource provision for on-going updating and development, resulting in earlier obsolescence and sub-optimal functionality, or the need for costly reactive technical support	5	3	15 VH	Project management process in place Post implementation support considered as part of the project management process	3	3	9 H	Ongoing consideration given to greater collaboration with partners	DCFO
Competing demands of projects	The risk that the Service does not prioritise projects or understand their interdependencies; fully understand the resources required to undertake projects, or the competing demands on those resources	5	4	20 VH	Service employs a Programme and Project Manager Project management framework in place but under review	5	3	15 VH	Project management framework is under review. Framework will establish a methodology with the necessary governance and structure models which will enable EDT to prioritise projects whilst identifying and managing interdependencies Costing of internal resources will be incorporated in to project budgets 'Single points of failure' will be identified and addressed	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
<b>Service Priority: Engagement and Partnerships</b>										
Preventable deaths	The risk that a person will die in a incident, where the Service failed to put in place an intervention which would have reduced the risk, or where an intervention was ineffective	4	5	20 VH	Operational response Work with partner agencies to identify and target high risk individuals with community safety interventions Fire investigations can identify instances where interventions were not made, or were ineffective Risk Reduction initiatives being evaluated for effectiveness Serious fire incident review panel in place to investigate 'near misses'	2	5	10 H		DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
<b>Service Priority: Environment</b>										
Avoidable environmental impact	The risk that the Service will fail to comply with environmental legislation resulting in the potential for enforcement action Failure to give consideration to environmental factors when making other business decisions may result in missed opportunities for financial savings, reducing waste and emissions and purchasing environmentally superior assets of consumables	3	5	15 VH	Energy saving and generation considered as part of new build/refurbishment projects Emissions control considered as part of vehicle procurement Access to competent environmental advice	2	5	10 H	Report arising from environmental risk management audit. Develop environmental strategy based on findings of the audit Integrate and embed environmental priorities into day-to-day business Set targets for the reduction of waste, energy consumption and fuel usage	ACFO

# Risk Scoring Matrix





## Appendix B – Strategic Risk Register

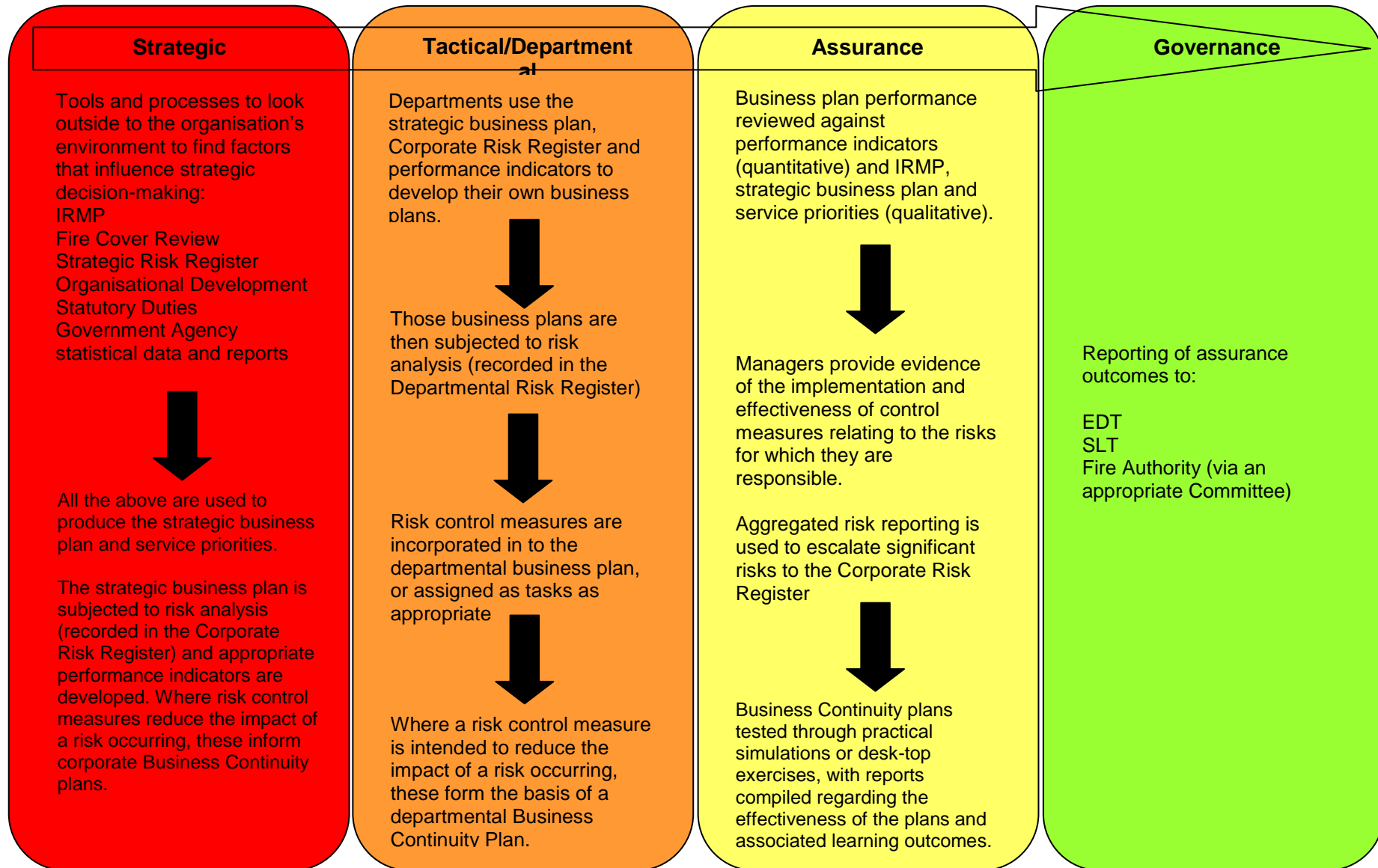
Strategic Risk	Action	Potential Impact
Change in UK government	Keep informed of political intentions at a national level to understand whether a future government may change the emphasis of fire and rescue service activity, in particular significant reversal of current government policy in respect of the structure of the emergency services/public sector.	Medium (General Election not due until May 2020)
Change in local balance of power	Keep informed of political intentions at local level to ascertain possible future intentions in terms of significant shifts in local priorities and views in terms of working collaboratively with other partners. In particular consider the potential future assumption of responsibility for fire and rescue by the Police and Crime Commissioner or, in the case of a successful bid for devolution, an Elected Mayor. In addition to potential changes in stakeholder expectations, such a significant change to the governance of the Service could have a high impact on employee morale.	High
Interest rates: currently low	BoE rates currently low, but uncertainty as to when and how fast rates will rise and the impact this may have on investment and borrowing rates Consider implications as part of annual Treasury Management Strategy with reference to BoE forward guidance. May choose to undertake capital projects on basis of low borrowing rates, but remain aware of potential future refinancing costs when interest rates rise.	High

Strategic Risk	Action	Potential Impact
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.	Medium
Increased levels or greater concentrations of poverty	Question assumptions in IRMP with regard to the identification of vulnerable groups.	High
Increasing stakeholder expectations	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 or competing alternative employment opportunities. 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.	Medium

Strategic Risk	Action	Potential Impact
Social media	Be aware that social media invites interaction, and may place pressure on political and management decisions. Control of key messages and reputation may be driven by others with a variety of different motives. Ensure consistency of message across all media platforms.	High
Technology: Services provided The delivery of those services Back-office support for that delivery	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. Consider the impact of public and political expectation based on technological development and balance this with the risk appetite of the organisation in respect of the implementation of new technology and how this balance may affect reputation and the risk to delivery of outcomes or priorities.	High
Weather extremes	Assess whether the organisation will have sufficient flexibility in terms of people, equipment and finance to respond to extreme weather events. Question whether extreme weather events are identified as part of the IRMP.	Medium
Green technologies	Increasingly mandated through legislation, or encouraged by taxation policy and social pressure, long-term decision-making should reflect the likely direction of travel in respect of green technologies and initiatives. Security of supply may become an issue.	Medium

Strategic Risk	Action	Potential Impact
Statutory obligations: <ul style="list-style-type: none"> <li>• What you deliver</li> <li>• How you deliver it</li> </ul>	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 react 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 C – Business Process Management flow



**Appendix D – Risk Foci**

Strategic	Tactical/Departmental	Assurance	Governance
<p>Strategic direction and top-level business plan/priorities informed by: IRMP/FCR; statutory duties; Strategic Risk Register; Organisational Development.</p> <p>Strategic business plan analysed to establish significant organisational risk (corporate risk) the acceptability of risk, and the development of appropriate performance measures.</p> <p>Strategic business plan analysed to inform the development of a people strategy.</p>	<p align="center"><b>Managing Risk to the Organisation</b></p> <p>Strategic business plan and corporate risk register used to plan business activities and aid management decision-making. Assess the risks to those business activities, establish acceptability. Determine acceptable levels of performance. Incorporate risk avoidance measures in to business plans. Develop business continuity plans for when risks materialise.</p>	<p>Review of performance against performance measures (quantitative) and service priorities (qualitative). Aggregated risk reporting and risk escalation where appropriate. Test business continuity plans. Reports detailing the above and highlighting variances against statutory obligations, achievement of priorities and acceptable risk.</p>	<p>Reporting of assurance outcomes to:</p> <p>EDT SLT Fire Authority (or an appropriate Committee)</p>
	<p>Strategic business plan and people strategy used to develop: workforce plans to meet organisational needs; learning and development plans to equip people with the requisite skills; health, safety and welfare arrangements to keep people safe; occupational health provision to keep people healthy; and building good industrial relations to keep people engaged</p> <p align="center"><b>Managing Risk to People</b></p>	<p>Use of PDR process to review employee's contribution to organisational needs and establish training or skills requirements. Audit of risk assessments, investigation of events and review of operational incidents to ensure employee safety. Discussion of health, safety, welfare and occupational health issues to foster good industrial relations</p>	<p>Reporting of assurance outcomes to:</p> <p>SHSW Committee Equalities Board EDT SLT Fire Authority (or an appropriate Committee)</p>