



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: 31 March 2017

Purpose of Report:

To update Members on the review of the risk management policy and to provide an overview of the key strategic and corporate risks to which the Authority is exposed as part of the Authority's governance and scrutiny process.

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1. BACKGROUND

- 1.1 The Authority has a robust risk management process which enables the consideration of key external and internal risks as part of the management decision making process, and the management of those risks to an acceptable level.
- 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 has a Strategic Risk Register, which 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 Corporate Risk Register details those risks that are significant enough to warrant management by Officers. Specific risk control measures are put in place in order to reduce the likelihood and/or impact of a risk occurrence where this is felt to be practicable and/or appropriate.

2. REPORT

- 2.1 The Corporate Risk Management Policy provides a process to ensure risks are identified effectively controlled and scrutinised. To enhance this further, a joint business planning, risk management and business continuity policy is being developed and will be presented to Members in due course.
- 2.2 To assist Members and officers with their strategic decision-making, the strategic risk register contains details of a number of external factors that could pose a risk in the future, in order that they may be considered as part of the decision-making process. The Strategic Risk Register is attached at Appendix A.
- 2.3 Officers have reviewed the Corporate Risk Register and this is attached as Appendix B. describing those risks, which at this point are considered to be an appropriate number to manage, however, it is the expectation of officers that this number is reduced, ensuring time is directed to those risks that have the most significant consequence on the organisation.
- 2.4 The most significant risk continues to be the use of vehicles on Authority business. The Road Risk Group continues to look at ways of reducing the level of risk, and has been successful in addressing a range of factors. However, addressing the numbers of smaller accidents is proving to be challenging as it primarily relates to changes in culture and employee behaviour to see longer term, positive impact.

- 2.5 The two new risks identified within this update are Emergency Services Network and Protective Security Framework, although qualified as separate risks, they are seen as integral to each other. The Emergency Services Network is the intended communication platform that will replace the current Airwave system and relies upon a resilient infrastructure. Protective Security addresses the means by which the Service deals with the three key areas, namely: Personnel, Information and Premise Security.
- 2.6 Recent changes to staff through natural turnover have presented the opportunity to review how risk management is dealt with and the temporary team manager is tasked with reviewing current approaches and how these may be better delivered or enhanced. Outcomes will be included in a future update to Members as the policy is revised.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resource 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. COLLABORATION IMPLICATIONS

There are no collaboration implications arising from this report as this provides an update to Members on risks that are specific to the Authority and Service, however with an internal team restructure, collaboration will be included for consideration as a method to enhance existing measures for managing risk where these exist.

10. RECOMMENDATIONS

That Members note the content of this report.

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

None.

John Buckley
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 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 governance arrangements	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
'Leave' decision in EU membership referendum (a.k.a. 'Brexit')	Significant uncertainty around impact and outcomes resulting from decision to leave the EU in the June 2016 referendum. At this stage, the Service can identify key roles that should be involved in a working group to assess the risk and determine any management actions necessary once the government starts negotiating on exit terms.	High
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

Strategic Risk	Action	Potential Impact
National or local demographics, migration and age profiles	<p>Ensure that corporate objectives and long-term planning prepares the Service for serving an ageing population, not just a future elderly population.</p> <p>Question how the Service can attract and retain good quality employees in a situation of decreasing supply or competing alternative employment opportunities.</p> <p>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.</p>	Medium
Social media	<p>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.</p> <p>Ensure consistency of message across all media platforms.</p>	High
<p>Technology: Services provided The delivery of those services Back-office support for that delivery</p>	<p>Look to use technology to do better things, not simply the same things better.</p> <p>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.</p> <p>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.</p>	High
Weather extremes	<p>Assess whether the organisation will have sufficient flexibility in terms of people, equipment and finance to respond to extreme weather events.</p> <p>Question whether extreme weather events are identified as part of the IRMP.</p>	Medium
Green technologies	<p>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.</p>	Medium

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 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

CORPORATE RISK REGISTER

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Service Delivery										
Equipment	Adequacy of work equipment and personal protective equipment	3	4	12 VH	<p>Service needs identified and business cases required for significant purchases, project management process utilised for major work streams.</p> <p>Appropriate specifications for the selection of work equipment through involvement of relevant stakeholders.</p> <p>Procurement process follows industry standards to address risk issues.</p> <p>Robust inspection and maintenance procedures in place on the basis of PUWER and PPE risk assessments plus associated information documents and Standard Tests.</p> <p>Issues raised through Line Managers, Service Health, Safety and Welfare Committee and via Operational Assurance Team</p>	2	4	8H	<p>Codified auditing system utilising competent auditors required to complete the risk management loop.</p> <p>Learning loop requires clarification to ensure that reactive and proactive monitoring lessons inform future practice.</p> <p>Follow up to asset management audit and plans to audit the current PPE management system are being planned.</p>	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Service Delivery										
Mobilising	Service is unable to receive and act on emergency calls in contradiction of statutory duty	4	5	20 VH	Control has business continuity plans in place for failure of mobilising system and other disruptive events. These plans are practiced on a regular basis	4	4	16 VH	<p>BCM review has been agreed and action plan will update future BCPs.</p> <p>Greater ownership of process departmentally required.</p> <p>Communication of plans across employees required to activate plans effectively.</p> <p>Testing and exercising schedule required within action plan.</p>	DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Service Delivery										
Emergency Services Network	The risk that lack of robust operational communications will affect the delivery of public services during the transition to ESN	4	5	20 VH	<p>Nationally agreed programme funded by government.</p> <p>Airwave remains in place until successful transition has been achieved.</p> <p>Internal project team established with ACFO SRO.</p> <p>Regional Fire Board working in place/being developed.</p> <p>Regular assessment and reporting to the CFA on future implications on service delivery.</p>	3	5	15 VH	<p>Greater collaboration to assure transition and long-term capability management, seeking multi service support and reduce duplication in activity.</p> <p>PSN action plan to deliver a more robust and secure infrastructure.</p>	ACFO
Protective Security Framework	The risk that the organisation is vulnerable disruption or	4	5	20 VH	<p>Gap analysis completed against the mandatory requirements within the framework with action plan to address shortfalls.</p> <p>Existing policy framework being amended to support the mandatory requirements.</p>	3	5	15 VH	<p>Business plans to better reflect the need for protective security.</p> <p>PSN action plan to deliver a more robust and secure infrastructure.</p> <p>Staff awareness to support the framework requires design and implementation.</p>	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Service Delivery										
Availability of resources	The risk that the Service will lose widespread access to key resources – premises, equipment, ICT systems/employees impacting its ability to deliver services.	3	5	15 VH	<p>Business continuity plans in place.</p> <p>Service is implementing the principles of the protective security framework.</p> <p>Competent managers.</p> <p>Property Strategy.</p> <p>Transport Strategy.</p> <p>Service policy framework for employees.</p> <p>ICT Strategy – policies/procedures</p>	3	3	9 H	<p>BCM plans to be reviewed, with testing and exercising on a programmed, auditable basis.</p> <p>PSN action plan to update the ICT infrastructure to a standard equivalent to 27001 ongoing.</p>	ACFO
Employee engagement	<p>Negative industrial relations arising from a period of austerity and change</p> <p>Risk that the Service will be unable to introduce organisational change due to a lack of employee engagement</p>	3	5	15 VH	<p>Principal Officer team maintain positive industrial relations</p> <p>Transformation team, including organisational development, dedicated to managing the change programme.</p> <p>Multiple channels of communication available according to the culture and industrial relations of the Service, and used Service-wide.</p>	3	4	12 VH		DCFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Employees & Workforce										
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	<p>The existence of the safety management system and 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.</p> <p>7.2D process provides a structured methodology for assessing the risk from hazards associated with specific operational sites.</p> <p>Operational Assurance Team facilitates learning from operational incidents.</p> <p>Service learns from other major events affecting FRSs via reports to Service Health, Safety and Welfare Committee.</p> <p>Training ensures competence of employees.</p>	2	5	10 H	<p>Co-ordinated risk management approach to address NOGP involving peer FRSs to address issues of interoperability and achieve increased effectiveness.</p> <p>Ongoing review of the SMS to refresh and communicate across the organisation.</p> <p>Communications plan to promote SMS.</p> <p>Introduction of technology in relation to mobile working e.g. risk assessments and investigations.</p>	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Employees & Workforce										
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	<p>Various elements of policy, equipment procurement and maintenance, training and record keeping.</p> <p>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.</p>	3	5	15 VH	Re-audit to determine if the risk controls identified by the previous intervention have been applied to the required effect.	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Employees & Workforce										
Workforce sustainability	<p>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</p> <p>Specific risk relating to reduction in operational workforce numbers pending negotiation of a new ridership collective agreement during 2017.</p>	4	4	16 VH	<p>Annual workforce plan, provides an overview of workforce projections and identifies key priority areas and pinch points.</p> <p>L&D ensures delivery of effective acquisition and revalidation of operational training against national standards.</p> <p>Application of maintenance of competence policy ensures ongoing refreshing and practice of core operational skills and competencies.</p> <p>Managers identify and address SPOF as part of BCM and succession planning.</p> <p>Degradation policy</p>	4	3	12 VH	<p>Weekly overview and deployment of resources by Area Manager (Delivery) to maintain appliance availability across the county.</p>	DCFO

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Service Priority: Improvement & Governance										
The use of vehicles on Authority business	<p>The risk of accidents or other events arising from driving-related activity or a shortfall in driving standards.</p> <p>The impact of vehicle accidents or other events on insurance premiums and retained loss costs.</p>	4	5	20 VH	<p>Road Risk Group action plan progress reported to SHSWC and Finance & Resources Committee.</p> <p>Performance framework activity to enable managers to address shortfalls.</p> <p>Driver training (quality framework) by L&D function.</p> <p>Insurance cover to mitigate financial losses.</p> <p>Driving safety policy.</p> <p>Generic blue-light risk assessment.</p> <p>Generic non-emergency driving risk assessment.</p> <p>External review completed by insurers.</p> <p>Engagement with Nottingham Trent University Emergency Services Research Group.</p> <p>Communications approach.</p>	4	5	20 VH	<p>Introduce and embed single means of event reporting and associated event investigation, root cause identification, risk control application and costings.</p> <p>Specification being developed to deliver event investigation across the Service.</p> <p>Improvement of vehicle collision investigations to maximise organisational learning and improved management of risk.</p> <p>Greater engagement by line managers over standards and expectations in the workplace for driving-related activities.</p> <p>Communications plan development to address gaps in</p>	ACFO

								<p>understanding and awareness.</p> <p>Wider publication of event information across the Service to highlight the implications of failures in management systems and workplace practices.</p>	
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Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Improvement & Governance										
Budget performance	<p>Poor budget management results in significant overspend or underspend</p> <p>Political impact on short to medium-term budgets</p>	4	4	16 VH	<p>Medium term financial strategy; Annual review of budget assumptions; Finance staff work with budget holders to develop realistic budgets for essential expenditure which they have the capacity to deliver; Budget holders trained in finance system based budget monitoring; Budget monitoring reported regularly to SLT and F&R Committee. General reserves are risk-assessed to include elements to cover overspends.</p> <p>Recognition that underspends may arise due to early implementation of savings as part of medium term financial strategy, which is a positive situation</p>	3	3	9 H	Budget assumptions have been revised for 2017/18 to achieve a more realistic budget, which increases the risk of overspend. Impact to be closely monitored during 2017/18.	Head of Finance

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Improvement & Governance										
Legal knowledge	The risk that the Service will make decisions without full understanding of legal requirements	4	5	20 VH	<p>Business Risk Manager coordinates the identification of vulnerabilities through the risk management process with departmental leads.</p> <p>Key roles maintain subject matter expertise/CPD to mitigate risk.</p> <p>Use of external professionals to support the Service on compliance in areas not covered by in-house expertise.</p>	2	5	10 H	<p>Business Risk Manager and topic specialists to provide annual horizon-scanning report on legislative development.</p> <p>Embed the local code of governance into daily decision making and practice.</p> <p>Formally identify subject matter experts in the organisation and ensure they are enabled to maintain CPD.</p>	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Improvement & Governance										
Programme governance	The risk that the Service fails to effectively prioritise and resource programmes and projects, resulting in acute capacity issues and potential financial strain	5	4	20 VH	Business case process requires authorisation of Executive Delivery Team and Strategic Leadership Team as appropriate, who have knowledge of competing demands and priorities Approved programmes and projects managed through project and programme management framework	2	4	8 H	<p>The Service Project Manager reports on project and programme status to the Executive Delivery Team on a monthly basis.</p> <p>Greater accountability and challenge in governance arrangements to ensure works being introduced are resourced.</p> <p>Awareness raising across the Service of current and planned demands and the process required to introduce new demands as a business case.</p>	ACFO

Risk Title	Risk Description	L	I	Risk Score	Existing Controls	L	I	Risk Score	Further Controls Required	Risk Owner
Service Priority: Engagement & Partnerships										
Preventable deaths	The risk that a person will die in an 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 Collaborative working with other agencies to identify and target interventions at high risk individuals 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
Service Priority: Environment										
Environmental impact	<p>The risk that the Service will fail to comply with its environmental duties resulting in the potential for enforcement action.</p> <p>Failure to give consideration to environmental factors when making other business decisions may result in missed opportunities for reducing waste and emissions and purchasing environmentally superior assets or consumables that may deliver financial savings.</p>	3	5	15 VH	<p>Property Strategy – Energy saving and generation considered as part of new build/refurbishment projects.</p> <p>Transport strategy now agreed.</p> <p>Access to competent environmental advice.</p> <p>Environmental Strategy signed off September 2016.</p> <p>Procurement process considers ‘whole life’ implications of equipment and other products bought into service.</p> <p>When procuring services, tender requirements include assessment of environmental management skills of contractors.</p> <p>Collaborative working with the Environment Agency and partners at operational incidents.</p>	2	5	10 H	<p>Develop environmental performance improvement targets.</p> <p>Develop environmental reporting to all levels of the Service, EDT, SLT and the CFA to allow transparency and scrutiny.</p>	ACFO

Risk Scoring Matrix

