

Corporate Risk Quarter 1 Position Statement July 2018

Individual Risk Position Statement

Corporate Risk 1 – External (Political and Legislative) Environment

Corporate Risk 1.1:

Public Service Reform enables new duties and/or major changes to the governance, structure, role or activities of the fire and rescue service requiring major re-organisation, resulting in an inability to deliver against organisational strategy and planned community outcomes.

Emerging Issues	<p>The overall risk score of 6 (likelihood 3 x Impact 2) and risk rating of 'low' is maintained against this corporate risk.</p> <p>The timeline of governance change has been progressed effectively in this period and a joint project team between West Midlands Combined Authority (WMCA) and West Midlands Fire Service (WMFS) has been convened to manage through the transfer process as an initial phase up to April 2019. It is proposed that this project team also seeks to bring the review and identification of transformation as part of this project in phase 2, post transfer to enable realisation of short and longer term public service reform outcomes.</p> <p>This approach will need to be managed effectively with the WMCA and indeed the West Midlands Fire Reformed Authority (WMFRA) to ensure influence in this approach, to ensure we can delivery against future strategic priorities.</p> <p>The benefits that will be delivered as an outcome of this governance change will reform the governance structure for the service and present opportunities to reform services delivered to communities through working with other public services to target vulnerable communities. These benefits are intended to ensure the Service is able to continue in its delivery of the Authority's approved Strategy and Integrated Risk Management Plan (IRMP) and as such planned community outcomes.</p> <p>Under the Authority's current governance structure, the National Joint Councils (NJC) trial with regards to Falls Response and the trade dispute lodged by the Fire Brigades Union (FBU) have led to a decision of the Executive Committee on 6 June to remove New Entrant Contracts to resolve the dispute. This has resulted in the need to review our strategy as the Service no longer has a sustainable mechanism to deliver wider health care services (a key platform for public service reform) from within the Service Delivery Model (SDM).</p>
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	<p>Consideration of this revision this year and for future years will be undertaken by Fire Authority over September, November and February 2019 Authority meetings. The decisions taken throughout these meetings have the potential to impact on effective management of this risk, to date.</p> <p>Whilst the environment around this risk is changing and there are changes to control measures to manage this, the risk scores remain the same as no impact to the legislative duties of the Service have been realised and are now more limited through public service reform.</p>
Changes to control measures	<p>Control measures have been updated to reflect status and there a few measures where control confidence has reduced. Engagement with the Police and Crime Commissioner (PCC) is not consistent and whilst the PCCs place on the Fire Authority provides ample opportunity for effective engagement to take place, attendance to date has not occurred. As cited above the decision taken by Executive Committee on the 6 June will impact on the future of public service reform. Whilst it will not prevent the delivery of legislative services there will be an impact on how these services can be delivered within increased financial pressures. An additional control measure has been allocated to this risk 1.1.1.11 – joint project team to manage the transfer of governance.</p>
Assurance updates	<p>The approaches and relationships needed to manage this risk effectively continue to be in place and are well established. The recent strategic changes now need to be managed from July through to February 2019 (Budget and Strategy setting) to understand the impacts and also early recognition of emerging threats.</p>

Corporate Risk 1.2:

The Fire Authority is unable to positively position itself within public service reform to sustain and create new services resulting in reduced confidence, credibility and/or reputational damage.

Emerging Issues	<p>The overall risk score has been increased from 6 to 9 with likelihood being increased from 2 to 3, impact remaining at 3. The Authority and Service continues to progress effectively in leading on key work streams within the WMCA. However, the ability to continue to influence and deliver effective services in new areas of commissioned health work, supporting the priorities of three local authorities and targeting the needs of those most vulnerable in their homes, has been significantly reduced following the decision to withdraw New Entrant Contracts and reverse the Authorities Strategy. Business</p>
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	<p>Continuity plans have provided current commissioned health care work for three of the seven local authorities, but these plans cannot be sustained for the future as they not financially viable.</p> <p>The future proposed change in governance as outlined in risk 1.1, has the potential to change this in the future. These arrangements are not due to be implemented until April 2019. Some of the detail of the triggers for these risks are set out in the detail within risk 2.13</p>
Changes to control measures	<p>Control measures for this risk are aligned to risk 1.1</p> <p>Whilst control measures regarding governance change and engagement in areas of work with the WMCA are progressing, a key control measure relating to the delivery of wider health work has been changed to red for confidence and effectiveness. The ability for the service to continue to deliver these services is much reduced. This has the potential to impact on the ability of the Service to position itself favourably in the future, when seeking wider public service reform opportunities.</p> <p>An additional control measure has been introduced with regards to the stepped approach to the revision of the Authorities strategy. This will commence in September and be fully realised in February 2019.</p> <p>The work of the future governance working group maintains a strong evidence base upon which the proposals for governance change and the benefits of this have been built and progressed.</p> <p>Whilst control measures with regards to the progress of future governance change are positive, these need to be reviewed as the Home Office have received the scheme and are developing and challenging its content in the preparation of the Statutory Order.</p>
Assurance updates	<p>The approaches and relationships needed to manage this risk effectively continue to be in place and are well established. However, the amendment to control measure 1.2.1.8 presents a change in assurances around this risk.</p> <p>The recent strategic changes now need to be managed from July through to February 2019 (Budget and Strategy setting) to understand the impacts and early recognition of emerging threats.</p>

Corporate Risk 2 - People

Corporate Risk 2.1:

The Fire Authority is unable to maintain positive staff consultation and engagement, resulting in an inability to deliver strategic objectives, outcomes and continuous improvement.

Emerging Issues	<p>The overall risk remains at the increased level of 12 (likelihood 4 x Impact 3) therefore the risk rating is now high. This is due to the ongoing position regarding the withdraw of support for the National Joint Council (NJC) trials and a trade dispute that was lodged by the Fire Brigades Union on 11 April 2018.</p>
Changes to control measures	<p>As previously stated the withdraw from the NJC trials commenced on 18 October 2017. Because of this the local Fire Brigade Union (FBU) have instructed their members to withdraw from the delivery of non-emergency falls response service, back home safe and well and elements of the safe and well visit.</p> <p>Business Continuity (BC) remains in place for the delivery of Falls Response and is currently being delivered outside of the service delivery model. Regarding the risk assessment, the likelihood is high and the impact remains at 3 due to the BC arrangements being in place which continue to ensure the delivery of the services associated with Falls response and the wider health agenda.</p> <p>Following a local agreement being reached with UNISON and FOA, volunteers have been requested to deliver this service.</p> <p>West Midlands Fire Service (WMFS) received notice of a trade dispute on 11 April 2018 with five points stated for the reason for the dispute being lodged. Balloting commenced on 2nd May and closed on 29th May.</p> <p>In seeking to resolve and understand the trade dispute in the early stages WMFS expressed concerns regarding the inaccuracies of the five points raised and requested engagement with the National Joint Council (NJC), Joint Secretaries to reach a common understanding of the evidence base. A meeting took place on 15 May of which the outcomes of WMFS evidence base were shared with staff.</p> <p>It was stated at the meeting on 15 May that points 1 and 2 of the trade dispute could only be resolved through national negotiations and the NJC. Further negotiations meetings took place on 29 May and 21 June regarding these points.</p>

	<p>A ballot return of a yes vote was received on 29 May with strike dates announced for 30 May and 4 June. Following this a paper was presented to the Fire Authority Executive committee on 6 June. The outcome of this meeting was an instruction from the Fire Authority to withdrawal the new entrant contract with a view to ending the trade dispute.</p> <p>Following further negotiations on the 21 June a new contract was issued on 25 June to all new entrants including those staff in Fire Control. The strike dates were removed and we have not received any further notification in relation to dates.</p> <p>Further positive progress has continued with regards to the elements of the trade dispute.</p> <p>Due to the instruction to remove the new entrant contract the strategic enabling team will be making proposals for the revision of this year's strategy and 2019/20.</p>
Assurance updates	<p>Business continuity remains in place for the delivery of the wider health services. Further assessments are being conducted in relation to the visibility of continuing this work with a view of reaching a decision in the second quarter.</p> <p>The risk owner is confident that positive progress is being made in relation to the resolution of the trade dispute and ability to deliver the current strategy. It is anticipated that the trade dispute will be resolved in the second quarter and the risk owner anticipates reducing the likelihood to 3.</p>

Corporate Risk 2.2:

The Fire Authority is unable to deliver its Service Delivery Model effectively, as a result of insufficient or ineffective employees, throughout the organisation, resulting in reduced confidence and credibility; and increased reputational damage.

Emerging Issues	The overall risk score is 3 (likelihood) x 3 (impact) total 9. The risk score remains at 9 due to the current position as discussed in 2.1.
Changes to control measures	The three-year staffing strategy continues to provide a strong level of forecasting for the organisation. Current recruitment and selection processes continue to ensure staffing levels are maintained to ensure the delivery of the Service Delivery Model. In addition, the revised attraction and selection process is enabling a high level of successful candidates from underrepresented groups.

	<p>The Competency Risk Assessment recommendations were approved for 2018/19 and have been applied for the first quarter of the year.</p> <p>Improvements to the Distributed Training Model (DTM) project are progressing well with the agreed standardised assessments implemented on 1st May with changes being made to our competency recording tool (melio). There was a capacity issue raised in the incident command centre in the ability to deliver the number of standardised assessments however this was addressed.</p> <p>The outcomes of the DTM project are also working towards providing assurance in relation to the inspectorate and inspection to ensure we achieve good/outstanding.</p> <p>The ongoing monitoring and support of staffing to achieve the ridership factor of 12.5 continues.</p>
Assurance updates	<p>The risk owner is assured that the current control measures ensure the delivery of the services – as stated this will be monitored due to the position relating to employee relations and the potential impact on 2.1.</p>

Corporate Risk 2.3:

The Fire Authority is unable to meet statutory duties to provide a safe and healthy workplace and protect the environment, resulting in a significant failure and reduced confidence and credibility; and increased criminal proceedings, litigation and reputational damage.

Emerging Issues	<p>The Health, Safety and Wellbeing team has moved from the People Support Services function, into Intelligence and Innovation. This does not directly affect the overall risk score but has generated several reviews to provide assurance.</p>
Changes to control measures	<ol style="list-style-type: none"> 1. The Health and Safety Policy statement and arrangements document will be reviewed under agreed Terms of Reference. 2. The Safety Committee structure will be reviewed, to provide a consistent approach between Command areas and consider improved attendance levels. 3. The Safety Event reporting structure will be reviewed, to ensure the correct reporting channels are used, e.g. near hits are received which should have been reported through other channels, such as building or vehicle defects.

	<p>4. 3 x IOSH Health and Safety in the Fire and Rescue Service courses have been arranged to catch up with several middle managers who require this training.</p> <p>5. Work is ongoing to provide assurance towards the health, safety and wellbeing elements of the HMICFRS inspection later this year.</p>
Assurance updates	

Corporate Risk 3 – Delivery of Services - Prevention

Corporate Risk 3.1:

The Fire Authority is unable to engage with the most vulnerable members of the community and reduce community risk resulting in increased fire and non-fire related incidents, fatalities and injuries.

Emerging Issues	<p>The National Joint Councils trial with regards to Falls Response and wider health work along with the trade dispute lodged by the Fire Brigades Union have led to a decision of the Executive Committee on 6 June to remove New Entrant Contracts to resolve the dispute. This has resulted in the need to review the strategy as the Service no longer has a sustainable mechanism to deliver wider health care services from within the Service Delivery Model. This has the potential to have a detrimental impact on the overall outcomes achieved through delivery of Safe and Well checks. At this present time, it is unclear of both the Local and National Fire Brigades Union position on their members asking what they perceive to be “health related” questions within the safe and well check. As part of the trades dispute the FBU instructed their members that asking of these questions was not contractual and therefore it was voluntary for them to be asked. Conversations are progressing to establish the current position around this issue. Initial conversations have revealed that the lifting of the voluntary status around this questions is tied into the conditions to satisfy the trade dispute (although there is no explicit reference to this anywhere).</p> <p>Our evidence shows that there is a clear link between health conditions (covered by the health related questions) and an increased risk in death or serious injury from fire in the home. By not asking these questions we leave a significant gap in our data base for managing existing and future emerging risk.</p>
Changes to control measures	No changes are currently required, however once the FBU position is known a control measures will need to be implemented to ensure effective delivery of the strategy to

	continue to effectively manage this risk or the strategy may require a refresh.
Assurance updates	

Corporate Risk 3.2:

The Fire Authority is unable to establish effective partnership arrangements and deliver community outcomes, resulting in a significant impact upon the organisation's financial standing, reputation and ability to deliver key objectives.

Emerging Issues	<p>It is currently unclear what the impact of the trade dispute and the withdrawal from the falls response contracts will be on this Corporate Risk indicator.</p> <p>Initial feedback from one of the commissioners (City of Wolverhampton Council) has not been positive and it is fair to assume that there has been some reputational damage caused.</p> <p>It remains to be seen what the impact will be with wider partnerships. We have been successful in creating two-way referral pathways with health and social care partners whereby we are notified of an increased fire risk and we refer to health, mental health and social care services.</p>
Changes to control measures	No changes are currently required, however once the FBU position is known control measures will need to be implemented to ensure effective delivery of the strategy to continue to effectively manage this risk or the strategy may require a refresh.
Assurance updates	

Corporate Risk 4 – Delivery of Services – Protection

Corporate Risk 4.1:

The Fire Authority is unable to effectively discharge its duties under the Regulatory Reform (Fire Safety) Order and associated legislation, resulting in a decline in non-domestic fire safety standards; reduced confidence and credibility; and increased litigation and reputational damage.

Emerging Issues	Whilst the overall risk score remains at 6 – medium, the likelihood and impact scores have been amended to reflect positive progress continues with the development of the new
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	<p>Risk Based Inspection Programme and enhancements being made to enriching the data sets that inform premise risk scores within the risk scheduler.</p> <p>The likelihood score is remains at 2 and the impact score remains at 3 = 6 medium.</p> <p>Due to an unpredictable and as such unforeseeable increase in demand, allied to reduced resources, the Planning and Building Regulations Protection Team have not met the statutory consultation timescales of 15 days for some building regulation consultations although there has been a significant increase in performance. The associated risk of not providing consultation feedback within the agreed timescales with local authorities means that opportunities are missed to ensure buildings following development or refurbishment are compliant with legislative requirements and safe when occupied.</p> <p>The programme of work to address the areas of consideration identified within the Organisational Assurance report into the effectiveness of our current Risk Based Inspection Programme (ILAP) (as reported in last quarters submission) continues to be developed. The programme of work is being managed within a project management methodology and is currently on target for completion within scheduled milestones with the exception of the Risk Based Inspection Scheduler that has been extended to August to enable enhancement and enriching of the data sets that inform the risk score. Testing of the minimal viable product by a small number of Fire Safety Officers before going live as the Organisational Risk Based Inspection Programme is scheduled to be completed early August 2018. Because of the architect of the Risk Based Inspection Programme leaving the service before the Risk Based Inspection Programme is completed and going live additional resources from Protection, ICT and the Strategic Hub have been secured to prioritise those elements of work that require contribution of the architect before they leave the service.</p> <p>Notifications of aluminum cladding material failures or buildings with registered concerns of risks associated with aluminum cladding within the West Midlands has reduced significantly following the Grenfell Tower incident in London.</p>
Changes to control measures	<p>There are no changes to control measures in relation to the control of this risk.</p> <p>A review of the Planning and Building Regulations Protection team has been undertaken to ensure that the team is appropriately and flexibly resourced to respond to variable</p>

	<p>changes in demand. This will ensure that statutory consultation timescales are consistently achieved and maintained in the most effective and efficient way. Resources have been redirected and refocused within the team to ensure that planning and building consultations are the priority over other external activities. A significant improvement has already been reported in the number of applications being processed within the stipulated time frames.</p> <p>Protection teams continue to utilise Command Risk Profiles refined by the IRM team and professional judgement as a control measure to inform and deliver an audit schedule whilst the revised Risk Based Inspection Programme is being developed. This interim control measure provides some level of assurance that the Protection function targeting risk in the absence of a Risk Based Inspection Programme.</p> <p>The definition of fire safety risk continues to be considered within work streams of the National Fire Chiefs Council. Consideration is also being afforded within our project management methodology as to how fire safety risk can better influence and inform our Integrated Risk Management Plan. In the absence of a consistent national definition being confirmed local integrated Risk Management have provided an intelligent led approach to identifying high fire safety risks.</p> <p>Protection officers continue to prioritise notifications of buildings with suspected or confirmed aluminum cladding materials to ensure compliance with fire safety legislation to ensure public safety and enhance public confidence. All residential high-rise buildings have been audited by Fire Safety Officers.</p>
Assurance updates	Level 1 – assurance is provided by the control owner and is verified by the risk owners.

Corporate Risk 5 – Delivery of Services - Response

Corporate Risk 5.1:

The Fire Authority is unable to ensure that operational incidents are dealt with safely, assertively and effectively using appropriate levels of resources and personnel, resulting in increased firefighter and community risk; reduced confidence and credibility; and increased reputational damage.

Emerging Issues	The risk of industrial action as reported in the previous quarter has reduced due to positive progress being made to bring the trade dispute to a resolution.
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	<p>The high level of fleet availability remains consistent although this continues to be enabled through the payment of a non-evidence based disturbance allowance payment which becomes more challenging to maintain because of withdrawal from health-related activity. The current high level of fleet availability means that we are continuing to achieve some of the best attendance times to Category 1 incidents; enabling assertive, effective and safe response.</p> <p>The ridership factor remains above the organisation's target which further compounds the budgetary pressure in maintaining fleet availability.</p>
Changes to control measures	There are currently no changes to control measures however the data and intelligence is regularly analysed and updated so that the impact of any changes to current arrangements can be understood.
Assurance updates	Delivered through Quarterly Performance Reporting and has a green confidence level.

Corporate Risk 5.2:

The Fire Authority is unable to maintain its command and control function, resulting in an inability to receive, process and respond to emergency calls effectively, so increasing community risk; reducing confidence and credibility; and increasing reputational damage.

Emerging Issues	<p>The Warwickshire Collaboration Programme Board decision to explore the option of delivery of a single control room for Warwickshire, West Midlands and Staffordshire from WMFS Headquarters.</p> <p>Changes to Governance arrangements within Staffordshire Fire and Rescue Service to the Police and Crime Commissioner could have an impact on shared fire control.</p>
Changes to control measures	<p>A comprehensive and joint communication plan is being developed across West Midlands and Warwickshire to ensure staff remain updated and engaged in the collaboration programme without impacting upon performance.</p> <p>Further detailed research, analysis and recommendations will take place over the next 3 months to enable a decision to be taken on how a single control room could operate. Effective project management including a focus on risks and issues will be maintained.</p>

Assurance updates	Delivered through Quarterly Performance Reporting and has an amber rating.
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Corporate Risk 6 – Business Continuity & Preparedness

Corporate Risk 6.1:

The Fire Authority is unable to provide business continuity arrangements, to maintain delivery of core functions, as a result of extensive disruption to normal working arrangements, including national and international deployments, significant and major events, resulting in increased community risk; reduced confidence; increased reputational damage; and external scrutiny.

Emerging Issues	<p>Trade Dispute</p> <p>WMFRA/S and the FBU are working closely to resolve several issues concerned in the ongoing trade dispute. As such the FBU cancelled their two announced industrial action dates. Whilst the current discussions are positive it is recognised that there are some issues still outstanding. Business continuity arrangements have been developed and pre-planning will continue to ensure future preparedness. Business Continuity arrangements for 'Falls Response' are still meeting demand.</p> <p>Health Services Overview</p> <p>A local agreement has been reached to implement the delivery of the Health-related activities with the Fire Officer Association (FOA) and Unison. The local agreement potentially allows for a sustainable delivery of the Health Agenda that is embedded within The Plan. WMFS are now seeking volunteers or expressions of interest for staff to carry out non-emergency falls response at one of the WMFS pre-determined premises.</p>
Changes to control measures	The overall risk score has remained the same. The risk score is: 4 (likelihood) x 3 (impact) = 12 (High).
Assurance updates	The WMFS Heatwave plan will be in operation from 1 st June 2018 until 15 th September 2018. This plan uses the Met Office temperature thresholds and alert levels to determine the most appropriate advice and actions for WMFS staff. Alert levels will

be used to trigger notifications and advice to staff in relation to appropriate precautions to maintain welfare.

The West Midlands Fire Service Emergency Planning team and Incident Room Managers all receive alert notifications for any events or occurrences which may impact business continuity. These notifications include Met. Office severe weather warnings, heatwave warning, external industrial action notifications, highways disruptions and event/protest notifications. These ensure appropriate plans and actions are in place to minimise disruption to West Midlands Fire Service.

West Midlands Emergency Planning team have arranged a number of training sessions delivered by the Emergency Planning College. These include practical recovery management, tactical emergency management and planning for mass fatalities. These were attended by the West Midlands Fire Service and Wolverhampton Emergency Planning teams, as well as some partner agencies. These training sessions will be used to ensure specific internal and multi-agency plans and arrangements in the West Midlands are sufficient and meet national guidance.

A gap analysis is currently underway following the publication of the Kerslake Report – an independent review into the preparedness for and emergency response to the Manchester Arena Attack on 22nd May 2017. This will identify best practice and areas for improvement to consider both internally and as part of the multi-agency West Midlands Local Resilience Forum.

Operation Pelkin, which involves multi-agency planning for the upcoming Conservative Party Conference is in progress. This has involved site visits and attendance at multi-agency planning meetings and exercises.

The new recall to duty system is in progress, the Privacy Impact Assessment has been completed in line with new General Data Protection Regulation (GDPR). Following data management approval, the system will be signed off by Area Commander Steve Vincent. The system will then be set up with all relevant contact details and associated training will take place with staff. At present, the existing recall to duty system on the intranet will be in use, as well as WhatsApp groups which have been created as a contingency option until the new system is in place.

Fire Control have further developed and enhanced their business continuity arrangements through the training of non-

	fire control staff in emergency call handling. These arrangements will supplement a number of contingency options and help minimise disruption by creating a pool of trained volunteers in advance of a disruption to staffing.
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Corporate Risk 7 – Information, Communications and Technology

Corporate Risk 7.1:

The Fire Authority is unable to provide and maintain an effective ICT provision to support the delivery of core functions, resulting in significant disruption to the organisation's functionality, reduced confidence, credibility, reputational damage and external scrutiny.

Emerging Issues	<p>The overall risk score is 6. The risk continues to be medium. The risk level has reduced over the quarter based on the implementation of Office 365. This suite of Office 365 products has enabled secure accessibility to ICT functionality from a wider range of devices and locations including ones not provided by the organisation.</p> <p>The rollout of Virtual Device Infrastructure (VDI) terminals to replace desktop computers at several organisational locations has reduced the storage of data on individual computers. This means that the majority of organisational data will be held in cloud storage thus reducing the reliance on in-house processes, procedures and infrastructure to access and maintain data. The reliance upon the in-house data centre has reduced significantly.</p> <p>However, this needs to be balanced against the uplift in malicious cyber-attacks being experienced. We are working with external companies and peers in following national guidance with regard the recent increase in cyber security threat. We have also bolstered the level of in-house expertise in relation to systems and information security.</p> <p>Transfer of organisational responsibility from Department of Communities and Local Government to the Home office may change information security requirements but these are still unconfirmed.</p>
Changes to control measures	<p>The implementation of Office 365 has reduced the impact significantly of the loss of an on-premises data centre. Work is ongoing to establish accreditation for Code of Connection (CoCo) to the Emergency Services Network (ESN) and the Public Services Network (PSN) ensuring that Home Office and NFCC requirements around cyber security threats are met.</p>

Assurance updates	The overall risk confidence opinion is amber.
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Corporate Risk 7.2:

The Fire Authority is unable to provide effective management and security of organisational information and documentation including the receipt, storage, sharing and transfer of information and data, resulting in reputational damage, litigation, substantial fines and external scrutiny.

Emerging Issues	<p>The overall risk score remains at 6. The risk continues to be medium. The risk level may reduce further over the next few quarters as the Management of Information Framework is embedded and improved.</p> <p>Post implementation of the European Union General Data Protection Regulations (EU GDPR) on 25th May 2018 there is an increased requirement for organisations to demonstrate ongoing compliance with the legislation.</p>
Changes to control measures	<p>Advice and guidance about information security has been published to all employees as well as the rollout of bespoke training packages related to EU GDPR to improve organisational understanding.</p> <p>Automated tools for marking documents and managing requests will replace the existing processes and provide better assurance by auditing compliance with the Management of Information framework.</p> <p>Resource was allocated and a project plan was executed to implement the requirements of the EU GDPR. The post project review will identify ongoing activities to provide continued compliance and assurance. Officers are continuing to work collaboratively through National Fire Chief's Council (NFCC) work streams to ensure national guidance is embedded consistently.</p>
Assurance updates	The overall risk confidence opinion is amber.

Corporate Risk 8.1:

The Fire Authority is unable to deliver its statutory responsibilities, predominantly through the Service Delivery Model, due to insufficient funds, resulting in external scrutiny and intervention; reduced confidence and credibility; and increased reputational damage.

Emerging Issues	<p>The risk score remains at 3 (Likelihood) x 3 (Impact) = 9.</p> <p>The overall risk level is Medium.</p>
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	<p>In February 2016, The Government communicated the Authority's Core Funding settlement. In setting out a provisional 4-year settlement (2016/17 to 2019/20), confirmation was received that the core funding reduction would be circa £10 Million by 2019/20. This level of reduction presents a significant challenge to the Service in terms of maintaining the Service Delivery Model whilst setting a balanced budget. In planning for significant funding reductions, the Service has set out an Efficiency Plan, which was considered and approved by the Fire Authority on 19th September 2016 and submitted to the Home Office by 14th October 2016.</p> <p>The Finance Settlement for the period 2018/19 to 2019/20 received in February 2018 was broadly in line with the figures used as the basis for the Efficiency Plan. However, the ongoing changes to the staffing arrangements which have not been fully embedded (£4 million of the Efficiency Plan) combined with the Alternative Funding target of £2 million as part of the Efficiency Plan, which have not been fully achieved at this stage, placed increasing pressure on the budgetary arrangements. Combined with this, the increasing pressure of being able to restrain public sector pay increase to 1% in particular has resulted in the use of General Balances in each of the 3 years 2018/19 to 2019/20.</p> <p>On June 6th 2018 the Executive Committee approved the removal of New Entrant contracts to avoid industrial action by Grey Book staff. This decision will have a significant impact on the Services ability to generate Alternative Funding and achieve the full level of staff savings reflected within the Efficiency Plan. For part or potentially all of 2018/19, the further use of General Balances is likely to be required together with a review of the Authority's Strategy to ensure the 2019/20 budget and beyond can be set in a balanced manner.</p> <p>As a result, the Risk Owner considers the likelihood score of 3 should remain unchanged at this stage.</p>
Changes to control measures	<p>The Authority continues to manage its budget and accounts in such a way that has enabled for an unqualified financial opinion and value for money conclusion to be provided by the external auditors. This has been confirmed to the Authority and provides a substantial independent assurance as to the quality of the financial management arrangements.</p> <p>However, The External Auditors also commented in the Audit Findings Report, regarding the Executive Committee decision</p>

	on 6 th June 2018 that the continued use of balances is not sustainable and in their view, significant funding alternatives or service reductions should be identified by the Authority before the transfer to WMCA.
Assurance updates	<p>The work and associated reports of the external auditor provides assurance against several controls in place to manage against the realisation of risk on the assurance map.</p> <p>Level 1 assurance has been provided across the majority of the control environment with most controls measures being awarded at substantial (green) rating in terms of their effectiveness in managing risk triggers and are supported by a number of level 3 assurances. No controls were identified as providing limited assurance (red rating) and therefore no immediate interventions were identified as being required.</p> <p>The Risk Owner therefore has provided for a substantial (Green) confidence opinion as to the collective strength of the control environment in managing this risk.</p>

Corporate Risk 8.2:

The Fire Authority is unable to deliver effective financial management arrangements, due to misuse of funds, resulting in external scrutiny, intervention and litigation.

Emerging Issues	The risk score is 2 (Likelihood) x 3 (Impact) = 6. The overall risk level is Medium.
Changes to control measures	There is no change to the control measures associated with the effective management of this risk
Assurance updates	<p>The work and associated reports of the Internal Auditor and External Auditor provides assurance against a number of controls in place to manage against the realisation of risk on the assurance map.</p> <p>Level 1 assurance has been provided across most the control environment with most controls measures being awarded at substantial (green) rating in terms of their effectiveness in managing risk triggers and are supported by several level 3 assurances. No controls were identified as providing limited assurance (red rating) and therefore no immediate interventions were identified as being required.</p> <p>The Risk Owner therefore has provided for a substantial (Green) confidence opinion as to the collective strength of the control environment in managing this risk.</p>

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Corporate Risk 9 – Business Development

Corporate Risk 9.1:

The Fire Authority is unable to create, grow and sustain appropriate flexible funding opportunities and meet financial targets, through the delivery of these opportunities via the Service Delivery Model. This will result in a budget shortfall impacting upon our ability to maintain the Service Delivery Model and delivery of core services.

Emerging Issues	Due to the ongoing trade dispute and the direction received from the fire authority the opportunity to generate 2 million from alternative funding has not materialised. This has a significant impact on both business development and the organisations financial plans.
Changes to control measures	The Strategic Enabling Team will review the Plan, IRMP and efficiency plan to identify options to make further savings from other areas of the organisation, this has the potential to impact on the front-line service provision of the organisation. A full assurance review of the business development function will be completed by September 2018 and reported back to SET.
Assurance updates	Officers are unable to provide assurance that this risk will not materialise until new proposals for the organisational strategy are agreed by the Authority.

Corporate Risk 9.2:

The Fire Authority is unable to meet contractually binding arrangements for the provision of commissioned and/or paid services resulting in litigation; reduced confidence and credibility; and increased reputational damage.

Emerging Issues	This risk has materialised and due to the withdrawal of new entrant's contracts by the Authority and the ceasing of wider health related work by Firefighters we are no longer able to meet our contractually binding arrangements.
Changes to control measures	We are liaising with Commissioners to identify options for withdrawal from contracts. Including any reputational, legal or financial issues that may arise from the Authorities decision to withdraw from this work. Business continuity arrangements are

	<p>being considered in terms of cost and resources to enable notice periods to be honoured where possible.</p> <p>Vacancies in the business development team have not been filled and the future structure of the team will be dependent on the review of the IRMP and the Assurance review of Business Development.</p>
Assurance updates	<p>This risk has materialised so Officers are unable to provide assurance for this risk.</p>