

Appendix 4

Corporate Risk Quarter 1 Position Statement July 2016

Individual Risk Position Statement

Corporate Risk 1:

The Fire Authority would be unable to maintain the positive engagement of its employees, resulting in an inability to deliver its key priorities and objectives.

Emerging Issues	<p>The overall risk score of 9 (likelihood 3 x Impact 3) and risk rating of 'medium' remains as a result of reduced risk score associated with Corporate Risk 11, maintaining a command and control function, resulting in an inability to receive, process and respond to emergency calls effectively. Whilst certain aspects of the Shared Fire Control review are ongoing, there is a local collective agreement for staffing and supervision arrangements for the shared control function.</p>
Changes to control measures	<p>Consultation Ongoing discussions/consultation with the FBU have proven to be positive with a reviewed offer now agreed and in place for the trial period until 30th April 2017. A close working relationship has been continued with ongoing discussions taking place on a regular basis.</p> <p>The local trade dispute has been removed and the FBU are assisting in supporting the trial for VAS. Ongoing discussions and dialogue continue with the FBU regarding the Fire Control review.</p> <p>Communication Engagement with staff continues through the communication strategy and what's happening visits and middle manager webinars. The CFO has started a new set of communication visits that provides teams with the opportunity to show how they are thinking critically and evaluating how they are delivering the key priorities and objectives.</p> <p>We have had early engagement with the Fire Authority through Policy Planning Forum.</p> <p>The trade unions now attend strategic enabling team meetings – this enables the strategic team and trade unions to have early discussions relating to future planning and emerging change programmes within the organisation.</p>

Assurance updates	The Risk Owner is confident that the frameworks and procedures are in place to enable for the continued positive engagement of employees are sufficient. Therefore overall confidence as to the strength of the control environment remains substantial. It is anticipated that this risk score will remain at 9 for the next quarter
-------------------	---

Corporate Risk 2:

The Fire Authority would be unable to maintain and effective ICT provision (excluding mobilising and communications) resulting in significant disruption to the organisations ICT functionality.

Emerging Issues	<p>The overall risk score is 8. The risk continues to be medium. The risk level is likely to reduce over the next quarter as the implementation of Office 365 commences. Approval has been given to appoint a project manager and third party consultation is being used to expedite the project.</p> <p>This suite of products will enable secure accessibility to ICT functionality from a wider range of devices and locations including ones not provided by the organisation. 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. This project is in its design stage and will not impact the risk level until some of the outcomes are delivered.</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 as yet unconfirmed.</p>
Changes to control measures	<p>The planned implementation of Office 365 reduces the impact significantly of the loss of an on-premises data centre.</p> <p>Work is ongoing to establish accreditation for Code of Connection (CoCo) to the Emergency Services Network (ESN) and the Public Services Network (PSN).</p> <p>Consultation is currently underway to create appropriate accreditation processes for in-house developed systems such as the Incident Recording System.</p>
Assurance updates	The overall risk confidence opinion is amber.

Corporate Risk 4:

The Fire Authority would be unable to ensure that proper controls are established whilst working in partnership with other agencies/groups, resulting in a significant impact upon the organisation's financial standing, reputation and ability to deliver key objectives.

Emerging Issues	<p>The risk score associated with this risk remains unchanged at 6.</p> <p>The Fire Authority approved the implementation plan for Community Safety which was referenced in the recommendations of the Partnership Scrutiny Report in January 2016. A period of staff engagement and representative body consultation has taken place enabling a new structure to be developed. Implementation of the new Community Safety team will be in place from June 2016 onwards.</p> <p>Arson is an issue across the organisation with 3 of the 4 PI's above the upper tolerance limits.</p> <p>The Action Plan for Prevention was developed and implemented from the 1st April 2016.</p> <p>Staff are being supported through development and one to one discussions with managers to enable them to be recruited into the new roles within the revised restructure.</p>
Changes to control measures	<p>Arson action plan calls for more partnership work at a Local Authority level to look at enforcing legislation around void buildings and abandoned vehicle removal schemes.</p> <p>In relation to the Arson indicators, an increase in partnership work with local authorities and police will continue to be the focus of the next quarter to try and obtain any links between arson vehicles/arson derelict and crime hot spots, as well as any underlying local authority ward issues.</p>
Assurance updates	<p>The Scrutiny Committee report provides for a level 3 independent assurance of the control environment and this is reflected on the assurance map.</p>

Corporate Risk 5:

The Fire Authority would be unable to deliver the core objectives of preventing, protecting and responding effectively as a result of extensive disruption to normal working methods.

Emerging Issues	<p>The overall risk score for Quarter 1 remains unchanged at 9.</p> <p>This has reduced the risk rating to 'medium' as a result of reduced risk score associated with Corporate Risk 11,</p>
-----------------	--

	<p>maintaining a command and control function, resulting in an inability to receive, process and respond to emergency calls effectively. Whilst certain aspects of the Shared Fire Control review are ongoing, there is a local collective agreement for staffing and supervision arrangements for the shared control function.</p> <p>In the unlikely event of Action Short of Strike by Fire Control, WMFS are confident in the range of mitigating risk controls that have been put in place to reduce the impact of risk realisation. The current trade dispute with the Fire Brigades Union in respect of the continued staffing trials and use of additional voluntary shifts to support the Service Delivery Model has now been satisfactorily resolved.</p> <p>As a result of the rapid pace of change and organisational restructures a number of organisational policies and procedures supporting the control of corporate risks require reviewing to reflect changes in operating practices and line manager reports.</p> <p>As part of the testing strategy for Business Continuity Planning an internal audit has been conducted and an award of 'Substantial' assurance provided which is the highest award rating. Substantial defined as a robust framework of controls which are applied continuously. Minor areas for improvement have been highlighted by internal audit and these are being addressed.</p> <p>Introduction of flexible funding strategy to meet government funding reductions and support the maintenance of the Service Delivery Model, staff from Business Development are liaise with Emergency Response Planning to develop and implement suitable BCP arrangements around commissioned services to ensure that in the event of a disruption to normal working, contractual obligations can continue to be met.'</p>
Changes to control measures	<p>There has been no significant amendment to control measures in this quarter regarding Service Delivery staffing trials as these controls are well established and have been tested.</p> <p>There has been no significant amendments to the additional control measures instigated and reported on in Quarter 4 2015/16 due to the positive progress made with the local collective agreement with representative bodies for staffing and supervision arrangements within the shared fire control. Organisational policies and procedures supporting the control of corporate risk are currently being reviewed through a structured</p>

	programme to further strengthen the control environment.
Assurance updates	Overall the risk score was reduced in Quarter 4 2015/16 and this score remains appropriate pending the conclusion of the shared Fire Control Review. The overall confidence opinion associated with this risk is amber and the service remains confident in the quality of the continued control measures in place to support the effective management of risk in this environment.

Corporate Risk 6:

The Fire Authority would be unable to ensure that operational incidents are dealt with safely and effectively, using appropriate levels of resource and personnel.

Emerging Issues	The likelihood score has reduced from 2 to 1. This is due to the trade dispute being lifted and the negotiated position in relation to staffing having been agreed. 1 (likelihood) x 4 (impact) = 5
Changes to control measures	<p>In meeting the current funding challenge the Service has implemented three contributing mechanisms to sustain the Service's Delivery Model against a reducing establishment. These are</p> <ul style="list-style-type: none"> • Voluntary Bank Shifts • Integrated Resilience • Voluntary Additional Shifts. <p>These are reflected as controls on the assurance map. It should be noted that the use of VAS is currently high and this will have an impact on our forecasted budget spend in relation to staffing.</p> <p>In order to enable a consistent and appropriate approach to the management of risk appertaining to the implementation of the requirements of Emergency Services Mobile Communications Programme (ESMCP) a single nationally agreed approach to the management of risk has been agreed and a single risk register has been developed. This approach will enable Fire and Rescue Services (FRS) to locally identify, manage and monitor risks associated with the implementation of ESMCP upon their own FRS whilst also providing a framework to identify, communicate and develop national good practice for managing the shared risks associated with this programme. This approach provides assurance to SET, Members, Stakeholders and DCLG alike that FRS has in place the appropriate infrastructures, frameworks, networks and processes for the timely and risk managed delivery of this programme.</p>
Assurance updates	Level 1 assurance has been provided across the risk environment. However, the Risk Owner has awarded an overall

	<p>Satisfactory (amber) confidence opinion as to the collective strength of the controls in preventing or reducing risk realisation. This judgement has been informed by the independent limited (red) assurance awarded in respect of SRS. A project to improve SRS (SSRI) arrangements is being put in place and SSRI audits are likely to start being undertaken in quarter 2. Subject to the new arrangements becoming embedded and the Risk Owner being assured as to their effectiveness, the Risk Owner will consider the effectiveness opinion of SRS as a preventative control measure. This will provide the opportunity for the Risk Owner to reconsider his confidence opinion of the overall control environment.</p>
--	--

Corporate Risk 7:

The Fire Authority would be unable to deliver the core objectives of preventing, protecting and responding effectively as a result of insufficient or ineffective key assets, such as buildings and vehicles.

Emerging Issues	The risk score of 2 (likelihood) x 3 (impact) remains at 6 (medium).
Changes to control measures	<p>In maintaining and seeking to improve the security of Authority building stock, representatives from Facilities Management are currently seeking to extend the use of 'card reader' access schemes with a tender exercise due to take place in July 2016. Currently, access to the majority of fire stations is through a traditional key system, with the same key giving access to the vast majority of fire stations. Whilst controls are in place to manage who has keys, a technological solution will significantly enhance the Service's ability to manage and control access to fire stations.</p> <p>As part of the Service's commitment to ensuring the continued efficiency and effectiveness of its service delivery model, a project to look at future optimum fleet solutions was undertaken which confirmed the current plans for the replacement of operational vehicles to be appropriate.</p>
Assurance updates	<p>Level 1 assurance has been provided across the range of control measures. The level 1 control environment provides for substantial assurance (green rating) across the majority of controls. No controls were identified as providing limited assurance (red rating) and therefore no immediate interventions were identified as being required. This has enabled the Risk Owner to provide a Substantial (green) confidence opinion and this is reflected on the Corporate Risk Assurance Map summary.</p>

Corporate Risk 8:

The Fire Authority would be unable to deliver the core objectives of preventing, protecting and responding effectively due to a lack of funding or the misuse of funds e.g. fraudulent activity.

Emerging Issues	<p>The risk score remains at 3 (Likelihood) x 3 (Impact) = 9. The overall risk level is Medium.</p> <p>In February 2016, The Government communicated the Authority's Core Funding settlement. In setting out a provisional 4 year settlement, confirmation was received that the core funding reduction would be circa £10 Million by 2019/20. Whilst this reduction is less than was forecast, it still presents a significant challenge to the Service in terms of setting a balanced budget. In planning for significant funding reductions, the Service has in place a number approaches to bridge the funding gap. Years two to four of the settlement period are subject to the submission and approval of an efficiency plan. Full details of what is required by the Authority have not yet been received although a submission date of 14th October 2016 has been identified. Given the potential certainty provided by a four year settlement and the planned approaches to meeting the funding gap the Risk Owner will consider the reduction of the likelihood score from 3 to 2 during the next quarterly review.</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>
Assurance updates	<p>The work and associated reports of the 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 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 particular risk.</p>

Corporate Risk 9:

The Fire Authority would be unable to deliver the core objectives of preventing, protecting and responding effectively as a result of insufficient or ineffective employees.

Emerging Issues	<p>The overall risk score is 2 (likelihood) x 3 (impact) = 6 although the risk level remains at Medium. This means that it is likely to occur within a period of 2-5 years (10-24% chance).</p>
Changes to control measures	<p>Workforce planning</p> <p>As part of the workforce planning and succession planning strategy, guidance to support managers through the business partners has been provided.</p> <p>The three year staffing strategy continues to provide a strong level of forecasting for the organisation.</p> <p>The organisation is providing a recruitment strategy for April 2017 that will provide the potential for a blended approach to recruitment that will provide flexibility in supporting the staffing model.</p> <p>The competency risk assessment has been reviewed with a number of recommendations – an implementation plan is currently being drafted which will provide a robust approach to S/O 6/3. There will also be a review of S/O 6 policies which outlines our approach to learning and development and competency framework.</p> <p>The approach to incident command has been reviewed with a number of recommendations – an implementation plan is currently being drafted.</p> <p>Reviewing our approach to the recruitment and selection framework and progression. This will enable individuals to have an improved understanding regarding progression and development that is based on their natural performance within the workplace, feedback and development.</p> <p>Task and finish group regarding attendance management has seen an improvement in attendance to include</p> <p>Fitness policy will be implemented in the next quarter which will be supported with a communication plan and ongoing support from the PSS team to assist individuals and managers.</p> <p>The ability to retain employees within specific roles and loss of skills is being constantly reviewed.</p>

	The use of the 3R's policy and in particular transferable and voluntary redundancy is now established within the organisation.
Assurance updates	<p>The level of control provided by the Service's Health and Fitness Standing Order will change next quarter to green. This approach will ensure the appropriate framework is in place to achieve the performance requirements set out in the CFOA guidance.</p> <p>The Risk Owner has ensured that control owners have provided assurance for the controls for this particular risk. This proactive approach has strengthened the control. No limited assurances have been identified and as such no immediate interventions are required.</p> <p>The Risk Owner has provided a high (green) confidence opinion as to the effectiveness of the control environment in managing this risk.</p>

Risk 10-

The Fire Authority would be unable to manage its responsibilities under the Regulatory Reform (Fire Safety) Order and associated legislation, resulting in a decline in non domestic fire safety standards or legal action being taken against the Authority.

Emerging Issues	<p>The risk score using the likelihood x impact matrix is 2 (likelihood) x 2 (Impact) generating an overall risk score of 4 which is unchanged from the previous quarter.</p> <p>The Level 2 plan for Protection has been refreshed and signed off for 2016/17.</p> <p>ILAP continues to be developed to support decision making and the identification of the premises where we can have most impact – this is being completed in conjunction with South Wales FRS.</p> <p>Fire safety are engaging within the three West Midlands LEPs to understand how we can work more collaboratively with other regulators and how we can minimise the impact of our regulatory activities in support of business growth.</p>
Changes to control measures	There is no change to the control measures associated with the effective management of this risk.
Assurance updates	Level 1 assurance has been updated and provided across the range of control measures. The level 1 control environment provides for substantial assurance (green rating) across the majority of controls. No controls were identified as providing limited assurance (red rating) and therefore no immediate

	interventions were identified as being required. This has enabled for the Risk Owner to provide a Substantial (green) confidence opinion and this is reflected on the Corporate Risk Assurance Map summary
--	--

Risk 11 –

The Fire Authority would be unable to maintain its command and control function, resulting in an inability to receive, process and respond to emergency calls effectively.

Emerging Issues	<p>The overall risk score has decreased, the (likelihood) is 3 x (Impact) of 3 = 9.</p> <p>Whilst certain aspects of the review of Shared Fire Control are ongoing, we have reached a local collective agreement on the staffing and supervision arrangements for the shared control function. This means that the trade dispute raised earlier in the year has been resolved and implementation plans have been agreed. It is for these reasons that corporate risk has been reduced for this quarter.</p> <p>The next phase of the Shared Fire Control review will focus on the middle manager, FDS and day team elements and consultation on these areas is ongoing.</p> <p>Positive engagement between Staffs FRS and WMFS continues and will result in a shared vision document for the Shared Fire Control function being released in August setting out the future strategy for the next three years.</p>
Changes to control measures	There is no change to the control measures associated with the effective management of this risk
Assurance updates	<p>A number of the dates of the assurance controls require refreshing as some controls have not been updated for over two years. This will be done as part of the ongoing review to Corporate Risk; with some rationalisation of the triggers.</p> <p>To date no limited assurances (red ratings) have been identified and as such no immediate interventions are required. Therefore, the Risk Owner has provided a Substantial (green) confidence opinion as to the overall collective strength of the control environment and this is reflected on the Corporate Risk Assurance Map summary.</p>

Risk 13 –

The Fire Authority suffered a significant health, safety or environmental failure, resulting in a legal challenge and/or litigation

Emerging Issues	Overall score remains likelihood 2 (likelihood) x 3 (impact) = 6 amber. Although the SHE is performing well a focus will be placed on the top two type of injuries – slips, trips and falls and manual handling.
Changes to control measures	SHE team to provide a collaborative and co-ordinated approach to delivering health and safety messages across PSS team.
Assurance updates	<p>There continues to be good performance around key health, safety and environment performance indicators, there is nothing to suggest that the control level is anything other than substantial. Last year performance was high with a 22% reduction in injuries against the previous year.</p> <p>Review of SHE performance across command areas remains positive and continues to be a focus for SHE and the organisation.</p> <p>This has enabled the organisation to provide a Substantial (green) confidence opinion as to the overall collective strength of the control environment and this is reflected on the Corporate Risk Assurance Map summary.</p>