

## Appendix 3

### Corporate Risk Quarter 4 Position Statement May 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 risk score of 12 (likelihood 4 x Impact 3) remains. The likelihood of industrial action associated with the 'Pensions' trade dispute with the Government has reduced.</p> <p>The Fire Brigades' Union has lodged a trade dispute with the Service following the introduction of voluntary shifts and the development of proposals for change within Fire Control.</p>
Changes to control measures	<p><b>Consultation</b> Ongoing discussions/consultation with the FBU have proven to be positive with a reviewed offer now being considered. Closing date for the response is 16<sup>th</sup> May. The Trade dispute is still ongoing with fire control.</p> <p><b>Communication</b> Engagement with staff continues through the communication strategy and what's happening visits and middle manager webinars. The CFO is starting 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>There has been early engagement with the Fire Authority.</p> <p>Shared communication with the CFO, representative bodies and the Chair regarding the possible impacts of the Police Crime Commissioner and the Combined Authority.</p>
Assurance updates	<p>In spite of emerging issues, 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.</p>

**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 Fire Authority has approved the purchase licences for Office 365. 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	<p>The overall risk confidence opinion is amber.</p>

**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 is currently taking place and this has enabled a new structure to be developed.</p>
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	Implementation of the new Community Safety team will be in place from June 2016 onwards.
Changes to control measures	<p>The Action Plan for Prevention was developed and implemented from the 1<sup>st</sup> 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> <p>Business Development has aligned its recruitment strategy for opportunities to those staff members who are at risk of redundancy.</p>
Assurance updates	The Scrutiny Committee report provides for a level 3 independent assurance of the control environment and this is reflected on the assurance map.

#### **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 risk score of 12 (likelihood 4 x Impact 3) has been changed in this quarter and is interdependent with the increase in the risk score for Corporate Risk 11 associated with being unable to maintain a command and control function, resulting in an inability to receive, process and respond to emergency calls effectively. The overall risk score for corporate risk 11 has increased from 8 to 12 as a consequence of the likelihood score being increased from 2 to 3.</p> <p>The likelihood associated with risk occurrence has been reduced from 4 to 3. The reasons for this are detailed below.</p> <p>The overall risk score is 9 (likelihood 3x Impact 3). This has reduced the risk rating to 'medium'.</p> <p>In respect of staffing trials, positive engagement and negotiations between senior management and the Representative Bodies have continued. As a consequence of this a revised offer has been presented to the Representative Bodies with a view to enabling the brigade wide proposed Staffing Trials to continue in order to support our Service Delivery Model. The proposal has been considered at the Fire Brigades Union (FBU) Brigade Committee Meeting and a ballot issued which concluded a 76% yes return vote.</p>
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	<p>This means we are waiting for the Action Short of Strike to be lifted which can only be done nationally, but we anticipate this will be in June 2016. We will now be working closely with the representative bodies to plan the implementation of the additional shift trials.</p> <p>Also, the current trades' dispute with the FBU concerning proposals for change within Fire Control is still in place. However, a large amount of risk posed by the potential for Industrial Action has now been removed through recent agreement with Representative Bodies to use additional shifts to cover staffing shortfalls so this risk score can be downgraded to 3.</p> <p>In the unlikely event of Action Short of Strike by Fire Control, we are confident in the range of mitigating risk controls that have been put in place to reduce the impact of risk realisation.</p>
Changes to control measures	<p>There has been no significant amendment to control measures in this quarter regarding Service Delivery staffing as these controls are well established and have been tested.</p> <p>A series on new controls have been added to strengthen the risk mitigation environment around Fire Control industrial action. Specifically these are:</p> <ul style="list-style-type: none"> <li>• Rebalancing of Fire Control</li> <li>• Resilience via the Fire Control Day Team</li> <li>• Resilience via the Fire Control Command Team</li> <li>• A cohort of ex Fire Control staff working within the Service have been re-trained to support when required.</li> <li>• Incident Room Managers have received training to support when required</li> <li>• A Fire Control degradation plan is in place.</li> </ul>
Assurance updates	<p>The overall confidence opinion associated with this risk is amber on the basis of whilst the outcome of the ballot is positive, there is still likely to be a short term impact to the delivery of strategic priorities should industrial action through Fire Control (particularly Action Short of Strike) occur. In the event of industrial action being realised contingency arrangements in training additional personnel in use of the Command and Control systems has been completed.</p>

**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 overall risk Score remains at 2 (likelihood) x 4 (impact) = 8 and the risk remains at Medium.
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"><li>• Voluntary Bank Shifts</li><li>• Integrated Resilience</li><li>• Voluntary Additional Shifts.</li></ul> <p>These are reflected as controls on the assurance map.</p> <p>In order to enable for 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 the FRS has in place the appropriate infrastructures, frameworks, networks and processes for the timely and risk managed delivery of this programme.</p>
Assurance updates	<p>Level 1 assurance has been provided across the risk environment. However, the Risk Owner has awarded an overall 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 outstanding. 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 researching technology to extend our use of 'card reader' access schemes. 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 is being undertaken.</p>
Assurance updates	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 for the Risk Owner to provide a Substantial (green) confidence opinion and this is reflected on the Corporate Risk Assurance Map summary.

**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</p>
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	and approval of an efficiency plan. Details of what is required by the Authority have not yet been received. 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.
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>Following a review of the Strategic Enabling Team (SET) a post of Strategic Enabler Business Development was established. This post will support the Service in meeting its flexible funding ambition of circa £2M in 3 years.</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. 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	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).
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 to provide the frequency for core Firefighter activities for 2016/17.</p> <p>Reviewing our approach to providing a learning and development framework and recruitment and selection framework. 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.</p> <p>Following the PSS restructure a review will be undertaken to ensure the provision of occupational health requirements are being delivered, specifically:</p> <p>3 year health screening 2 year asbestos screening Introduction of the Fitness policy</p>
Assurance updates	<p>The level of control provided by the Service's Health and Fitness Standing Order is still at amber as the Service is currently moving towards the Sector recognised CFOA health standard and in implementing this approach will need to 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>A plan has been put in place to upskill Firefighters to carry out low complexity Fire Safety work. This will build knowledge and increase capacity in Fire Safety and the number of businesses Fire Safety are able to support and will be supported through experienced Fire Safety Officers based on stations.</p> <p>The external Fire Safety Policy documents have been updated and have been placed on the Internet as this is an expectation for regulators.</p> <p>Continued progress continues to be made to ensure all Fire Safety Inspecting Officers are qualified in accordance with the CFOA qualifications framework.</p>
Changes to control measures	<p>There is no change to the control measures associated with the effective management of this risk.</p>
Assurance updates	<p>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</p>

**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 increased, the likelihood is 3 x Impact of 4 = 12.</p>
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	<p>A review of Fire Control is ongoing and currently there is an outstanding trade dispute registered by the FBU involving Fire Control staff. Action short of a strike has taken place on one occasion with no impact on our ability to provide the Command and Control function as the action took place at a time when staffing levels were high.</p> <p>Ongoing positive consultation is taking place between all parties and a revised offer has been presented to the Representative Bodies who will be recommending the proposal to their members.</p> <p>Fire Control and management remain in a period of active consultation and are optimistic of the revised proposal being accepted enabling the trade dispute to be lifted.</p> <p>Appropriate business continuity arrangements have been maintained and improved as referred to in corporate risk 5 above.</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	<p>The risk score of 6 remains unchanged.</p> <p>Although the Safety, Health and Environment team (SHE) is performing well a focus will be placed on the top two type of injuries – slips, trips and falls and manual handling.</p>
Changes to control measures	SHE team to provide a collaborative and co-ordinated approach to delivering health and safety messages across PSS team.

	Distributed Training Model (DTM) trainers are now providing manual handling assessing to teams on stations.
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.</p> <p>Review of SHE performance across command areas remains positive and continues to be a focus.</p> <p>This has enables 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>