

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**AUDIT AND RISK COMMITTEE**

**22 JULY 2024**

1. **CORPORATE RISK UPDATE**

Report of the Head of Strategy.

**RECOMMENDED**

THAT Audit and Risk Committee approve the Corporate Risk Summaries (Quarter 3 2023/24, Appendix 1 and Quarter 4 2023/24 Appendix 2) and note the management of Corporate Risk.

2. **PURPOSE OF REPORT**

This update covers a six-month period and is provided to ensure Members remain informed about all aspects relating to the management of the Authority's Corporate Risks. It covers Quarter 3 2023/24 and Quarter 4 2023/24.

3. **BACKGROUND**

3.1 This report includes the Corporate Risk Summary for Quarter 3 2023/24 and Quarter 4 2023/24. In addition, it provides an update on the management of Corporate Risk.

3.2 Corporate Risks are those risks which if they occurred would seriously affect the Authority's ability to carry out its core function or deliver its strategic objectives as set out within the Strategy. Currently, the Service maintains eight Corporate Risks, some of which have more than one element.

3.3 Each Corporate Risk is assigned to a risk owner, who is a member of the Strategic Leadership Team. The risk owner has the overall

responsibility for monitoring and reviewing the progress being made in managing the risk.

- 3.4 To enable for effective risk management, the risk owner will review and assesses each Corporate Risk monthly. A report is subsequently submitted to SLT on a quarterly basis.

The review and the estimated risk rating undertaken is based on likelihood x impact. This quarter has seen the introduction of the new risk matrix as shown below.

The likelihood is a measure of probability of a given risk occurring using a scale of 1 (low) to 5 (high). The impact is a measure of the severity or loss should the risk occur again, using a scale of 1 (low) to 5 (high).

Fig.1 – Risk Matrix

		Impact				
		Negligible	Minor	Moderate	Critical	Catastrophic
Likelihood	Remote	1	2	3	4	5
	Unlikely	2	4	6	8	10
	Possible	3	6	9	12	15
	Likely	4	8	12	16	20
	Almost Certain	5	10	15	20	25

■ = Risk Appetite   
 ■ = Risk Tolerance   
 ■ = Unacceptable Risk

- 3.5 In undertaking a review of the Corporate Risks, the risk owner will consider the following:

- The direction of travel of the risk.
- The overall confidence that the owner has in the risk being realised. This is a professional judgement as to the owner's confidence in the control environment.

- The current risk scores (Likelihood and Impact).
- Any issues that have emerged during the previous month.
- Any forthcoming issues that may emerge that could affect the risk.
- Any changes to the control measures that are in place which are designed to reduce the likelihood of risk realisation, or its impact should the risk be realised.
- The requirement for additional control measures to further reduce the likelihood or impact and strengthen the control environment.
- Any interdependencies with other Corporate Risks.
- The recommended risk score rating.

3.6 As part of the review, the risk owner has considered the risk score and rating and updated the summary sheet. The risk owner has provided assurance that the control measures identified are still effective in the management of the risk and identified whether any new risk events or controls have been implemented or are required.

3.7 Where ongoing additional controls are being implemented, risk owners have confirmed the progress in implementing such controls. We have now moved from the use of an Excel document recording to operating within the Service's 3PT project management system which is working well. We are also now reporting risks live month by month and no longer reporting retrospectively which is an improvement and means recording and reporting are both more accurate and readily available.

#### 4 **QUARTER 3, 2023/24 (Oct, Nov, Dec)**

4.1 The Corporate Risk Assurance Map Summary for Quarter 3 is attached as Appendix 1. It provides the confidence levels of the risk

management activity in respect of the Authority's eight areas of Corporate Risk. It should be noted that some risks have more than one element, providing an update on 15 elements of the risks. The following is the status at the end of Quarter 3 (Dec 2023).

A summary of the changes in Risk Scores is shown below:

- Risks within Appetite (Green) = Six
- Risks within Tolerance (Amber) = Nine
- Unacceptable Risks (Red) = N/A
- Corporate Risks 1.2, 2.2, 3.3, 4.1, 5.1 and 8.2 were awarded a green confidence (within appetite) which is the highest level that can be awarded.
- Corporate Risks 2.1, 2.3, 3.1, 5.2, 6.1, 7.1, 7.2, 7.3 and 8.1 were awarded amber confidence (within tolerance). In all cases, work is in progress to enable for a green rating to be attained.
- There were no Corporate Risks at red at the end of the quarter (unacceptable)

#### **4.2 Increase/Decrease in Overall Corporate Risk Score**

During Quarter 3, (Oct, Nov, Dec 2023) there was a decrease in one Risk score.

- the risk score has decreased from a rating of 12 which is within Risk Tolerance to a risk rating of 9 remaining within Risk Tolerance
- 6.1 – the risk score between November and December decreased from a risk rating of 16 which is within the unacceptable Risk Tolerance to a risk rating of 12 placing it within Risk Tolerance

During Quarter 3, (Oct, Nov, Dec 2023) there was an Increase in two Risk scores.

- 2.3 – the risk score has increased from a rating of 6 which is within Risk Appetite to a risk rating of 9 remaining within Risk Appetite
- 6.1 – the risk score increased between October and November from a risk rating of 8 which is within Risk Tolerance to a risk rating of 16 which falls within the unacceptable levels of risk.

## **5 QUARTER 4 2023/24, (Jan, Feb, March)**

5.1 The Corporate Risk Assurance Map Summary for Quarter 4 is attached as Appendix 2. It provides the confidence levels of the risk management activity in respect of the Authority's eight Corporate Risks. It should be noted that some risks have more than one element, providing an update on 15 elements of the risks. The following is the status at the end of Quarter 4 (March 2024).

A summary of the changes in Risk Scores is shown below:

- Risks within Appetite (Green) = Four
- Risks within Tolerance (Amber) = Eleven
- Unacceptable Risks (Red) = N/A
- Corporate Risks 1.2, 3.3, 4.1 and 8.2 were awarded a green confidence (within appetite) which is the highest level that can be awarded.
- Corporate Risks 2.1, 2.2, 2.3, 3.1, 5.1, 5.2, 6.1, 7.1, 7.2, 7.3 and 8.1 were awarded amber confidence (within tolerance). In all cases, work is in progress to enable for a green rating to be attained.
- There were no Corporate Risks awarded red (Unacceptable)

## **5.2 Increase/Decrease in Overall Corporate Risk Score**

During Quarter 4, (Jan, Feb, March) there was a decrease in two Risk scores.

- 5.1 - the risk score has decreased from a rating of 9 which is within Risk Tolerance to a risk rating of 6 remaining within Risk Appetite
- 8.1 – the risk score has decreased from a risk rating of 12 which is within Risk Tolerance to a risk rating of 9 remaining within Risk Tolerance

During Quarter 4, (Jan, Feb, March) there was an increase in one Risk score.

- 2.2 - the risk score has increased from a rating of 6 which is within Risk Tolerance to a risk rating of 9 remaining within Risk Appetite

## **6. CORPORATE RISK STATEMENT SUMMARY QUARTER 3 & 4 2023/24**

### **6.1 Corporate Risk 1.2, External (Political and Legislative Environment)**

The risk owner reported the following during Quarters 3 and 4:-

Early conversations with the Combined Authority in Quarter indicated that the West Midlands Mayor would have the statutory ability to seek to take over Governance of the service as was being pursued with the role of the Police Crime Commissioner. Indications were that this would not be a priority for the current Mayor.

In Quarter 4 indications from Home Office was that such an approach would not be immediately possible and would still require the consent of constituent authorities. In addition, the move to bring the role of Police Crime Commissioner (PCC) within the Mayoralty was rejected by the courts.

Regular meetings with the Combined Authority continued to take place, with a dual purpose of ensuring the service and members are kept updated and also building solid foundations for any future collaboration.

## **6.2 Corporate Risk 2.1, People (Positive staff engagement)**

The risk owner reported the following during Quarters 3 and 4:

During December 2023, WMFS received a failure to agree from the FBU in regard to the implementation of the new flexi duty system (FDS) rota. JCP convened on a number of occasions. This led to an agreed way forward and the risk was mitigated.

## **Corporate Risk 2.2, People (Insufficient or ineffective employees)**

The risk owner reported the following during Quarters 3 and 4:

Following increasing feedback that the 8 weeks Trainee Firefighter Development Programme (TFDP) course was failing to meet the needs of the Service, and new recruits, the course was extended to 12 weeks, with the first being completed in October 2023. All recruits passed out of this course and feedback regarding the move (from 8 to 12 weeks) has been wholly positive.

Many development sessions have been delivered to supervisory and middle managers around people processes; attendance management and disciplinary which, over time, will develop the competence levels of middle management.

A risk remains in regard to resilience shifts and resilience officers, and work has been completed to fully understand the issues. SLT will be discussing and agreeing a way forward in June 2024, with a view that once implemented any changes will further reduce this risk.

## **6.3 Corporate Risk 3.1, Prevention (Engagement with community)**

The risk owner reported the following during Quarters 3 and 4:

The long waiting list for people who have multiple and complex needs who require the support of a Complex Needs Officer (CNO) has now reduced significantly with +/- 20 Unallocated CNO cases - down from 200+. A review of the Prevention Specialist Roles,

including CNOs, has been completed and a new approach to the delivery of this service will be implemented in Q1 2024/25.

An action plan has been developed to manage Safe and Well to-do lists on stations. There were 5,500+ referrals on the system but following a focused effort by Operational crews this has reduced to approximately 1,700 and this would appear to be a steady state condition for all commands apart from Black Country South. This will continue to be monitored during the next year to ensure this positive position is maintained.

#### **6.4 Corporate Risk 3.3, Prevention**

The risk owner reported the following during Quarters 3 and 4:

The Fire Investigation Team is now fully staffed with the approval and recruitment to the Quality Officer post and additional Fire Investigator. Work continues on gaining ISO Accreditation. A compliance timeline has been received with the first major milestone in March 2025 when it will be required that a Quality Management System and Code of Conduct are in place. The FIPs team are already compliant with these requirements.

A full programme of Internal Audits is in place and being completed and peer external audits have taken place with other organisations.

SLAs are in place with West Midlands Police, Staffordshire Police and Royal Berkshire FRS to supply Tier 2 fire investigation. There are ongoing discussions with West Mercia Police to establish a Service Level Agreement (SLA) with them for Tier 2 investigations.

#### **6.5 Corporate Risk 4.1, Protection**

The risk owner reported the following during Quarters 3 and 4:

An SLT decision paper was submitted for consideration on 09/01/24 which was ultimately determined through informal consultation with SLT members. The paper proposed alignment of the grey book Fire Engineer (FE) roles to grey book T&C's, specifically the opportunity for grey book FE's to develop Emergency Fire Service Management

2 (EFSM2 – a part of National Occupational Standards) and providing operational cover as a Flexi Duty Officer. This means the 20% pay enhancement becomes available, and officers have opportunities to progress to other grey book roles. The intent was to make the role more attractive, in advance of an impending round of FE recruitment to return FE group to full establishment following departure of experienced FE's in 2023.

## **6.6 Risk 5.1, Response (Operational)**

The risk owner reported the following during Quarters 3 and 4:-

### **Emerging Risk Water rescue provision**

Personal Flotation Devices (PFD) have been removed from front line appliances due to health and safety reasons.

Not all frontline appliances have the capability to enter water to carry out a water rescue.

### **Interim solution**

Additional land-based rescue equipment has been ordered, including an 18m 'reach pole'. New technology is also being tested.

An additional Mod 2 station is being introduced in the Black Country. This will ensure all command areas will have the ability to enter the water.

Further work is being developed to introduce tethered swim to replace the Voluntary Rescue Swim (VRS).

## **6.7 Corporate Risk 5.2, Response (Fire Control)**

The risk owner reported the following during Quarters 3 and 4:

There were continued operational issues in Fire Control, these were being logged with Secure Solutions and Services (SSS - our Fire Control system provider) and managed especially as a result of a "cause for concern" raised by Avon FRS. There have been

escalations where the matter was raised with the senior leadership of SSS and explained that they share the risk aligned to this and this has resulted in some further progress. We are actively involved in the new consortium of Fire Sector SSS users.

### **Corporate Risk 6.1, Business Continuity & Preparedness**

The risk owner reported the following during Quarters 3 and 4:

A highlight report and recommendation for the development of internal resilience contracts was presented to the Audit & Risk Committee in November which was supported.

There was a view that we were heading towards further rounds of pay negotiation in 2024/25 (grey book), and ongoing focus on areas such as pensions detriment, as well as local changes in the coming years. It felt reasonable to conclude medium term further industrial action was likely.

### **6.8 Corporate Risk 7.1, Digital and Data (Provide and support ICT)**

The risk owner reported the following during Quarters 3 and 4:

The performance of our Computer Aided Dispatch (CAD) Integrated Communication Control System (ICCS) continues to be an issue; a new version has been released and tested but several issues need to be resolved before it can be rolled out. We continue to monitor and work with our supplier to resolve the ongoing issues.

Changes to the way the Command Development Centre (CDC) is used will likely impact the location of secondary control in the future. Timescales and scope of move are not fully decided to understand the impacts of this risk.

The Integrated Services Digital Network (ISDN) is due to be switched off requiring a technology change to support. Our incumbent supplier has been slow to provide solutions, along with a notification of early termination. Discussions with Virgin, our ISDN supplier, to extend have been positive. At this time, we do not have the confirmation of extension. Mitigations are in place.

## **6.9 Corporate Risk 7.2, Digital and Data (Management of information)**

The risk owner reported the following during Quarters 3 and 4:

There had been increases in Freedom of Information/Subject Access Request workload with the wider press and events around West Midlands Fire Service. This has led to resignations in the teams that support this important work. Recruitment and external support is underway, however there is potential for impact against compliance with statutory response time limits for these activities.

## **6.10 Corporate Risk 7.3, Digital and Data (Cyber Security)**

The risk owner reported the following during Quarters 3 and 4:

Investment in cyber is needed, this has been identified internally, via audits and through work with the National Fire Chiefs Council and Home Office. There are several areas where investment is needed to increase technical mitigation as well as enhance policy and deliver training.

An SLT paper for cyber investment was approved in March 2024 and a plan is in place to have achieved a recognised standard for security by the end of the financial year 24/25.

## **6.11 Corporate Risk 8.1, Finance & Assets (Funding)**

The risk owner reported the following during Quarters 3 and 4:

The balanced budget for 2024-25 was set with £1.9 million efficiency target. To ensure this was achieved throughout the year and that there is no overspend.

## **6.12 Corporate Risk 8.2, Finance & Assets (Financial management)**

The risk owner reported the following during Quarters 3 and 4:

There was a breach in financial regulations whereby a staff member was ordering items using a WMFS supplier account. Following an internal review and a review undertaken by internal audit, this was a

one-off and the items were paid for by the employee in cash. They have been advised that is not appropriate and a documented discussion will take place. The supplier has changed their processes to only allow supplier/PO orders.

7. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters contained in this report do not relate to a policy change.

8. **LEGAL IMPLICATIONS**

There are no direct legal implications associated with the implementation of the recommendations set out in this report.

9. **FINANCIAL IMPLICATIONS**

There are no financial implications associated with the implementation of the recommendations set out in this report.

10. **ENVIRONMENTAL IMPLICATIONS**

None

**BACKGROUND PAPERS**

- Appendix 1 Assurance Map Qtr 1
- Appendix 2 Assurance Map Qtr 2
- Audit and Risk Committee Report 22 Nov 2023

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