

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

6 DECEMBER 2021

1. **CORPORATE RISK UPDATE**

Report of the Chief Fire Officer.

RECOMMENDED

THAT Audit and Risk Committee approve the Corporate Risk Summaries (Quarter 1, 2021/22, Appendix 1 and Quarter 2, 2021/22, Appendix 2) and note the management of Corporate Risk through and emerging from the Business Continuity arrangements.

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 1, 2021/22 and Quarter 2, 2021/22.

3. **BACKGROUND**

3.1 This report includes the Corporate Risk Summary for Quarter 1, 2021/22 and Quarter 2, 2021/22. In addition, it provides an update on the management of Corporate Risk through and emerging from the Business Continuity arrangements which were put in place in March 2020.

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 in 'The Annual Plan'. Currently, the Service maintains 8 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 Enabling Team (SET). 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 reviews and assesses each corporate risk monthly. A report is subsequently submitted to SET on a quarterly basis.

The review and the estimated risk rating undertaken is based on likelihood x impact. The likelihood is a measure of probability of a given risk occurring using a scale of 1 (low) to 4 (high). The impact is a measure of the severity or loss should the risk occur again, using a scale of 1 (low) to 4 (high).

LIKELIHOOD	4	Yellow	Yellow	Red	Red
	3	Orange	Yellow	Yellow	Red
	2	Green	Orange	Yellow	Yellow
	1	Green	Green	Orange	Yellow
		1	2	3	4
		IMPACT			

- 3.5 In undertaking a review of the Corporate Risks, the risk owner reviews the Corporate Risks and in doing so considers the following:-
- The direction of travel of the risk
 - The overall confidence that the risk owner has in the risk being realised
 - The current risk scores (Likelihood and Impact)
 - Any issues that have emerged during the previous month
 - Any forthcoming issues that may be likely to emerge that could affect the risk
 - Any changes to the control measures that are in place which are designed to reduce the likelihood of the risk realisation or its impact should the risk be realised

- Additional control measures currently implemented to further reduce the likelihood or impact
- 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.

Increase/decrease in Overall Corporate Risk Score

- 3.8 During Quarter 1. Corporate Risk 5.2 increased its risk score in April 2021 to Likelihood 3, Impact 3, providing a risk score of 9 (an increase from 8). This has not changed the green 'overall confidence level'. This increase was due to ongoing issues with the Command and Control System, Vision 4.

During Quarter 2, Corporate Risk 5.2 increased its risk score further in July 2021 to Likelihood 4, Impact 3, providing a risk score of 12 (an increase from 9). This has changed the 'overall confidence level' from green to red. This further increase was due to the ongoing issues with Vision 4 and a delay to the upgrade.

Corporate Risk 5.2 has remained at this level throughout Quarter 2.

During Quarter 1, Corporate Risk 7.1 increased in April 2021 to Likelihood 3, Impact 3, providing a risk score of 9 (an increase from 6). This has not changed the amber 'overall confidence level'. This risk score has remained during Quarter 2. The increase in the overall risk score was due to a significant failure

of the mobilisation system which resulted in four hours of downtime. Business continuity arrangements were put in place.

During Quarter 2, (September) Corporate Risk 4.1 decreased its risk score to Likelihood 2, Impact 2, providing a risk score of 4 (a decrease from 6). The 'overall confidence level' changed from amber to green. The decrease in the risk score was due to the frequency of testing of water hydrants and the engagement with the water providers. This has progressed and is being managed as part of a 3PT project.

Quarter 1, 2021/22 (April, May, and June)

Quarter 2, 2021/22 (July, August, and September)

3.9 The Corporate Risk Summary for Quarter 1 (June), 2021/22 is attached as Appendix 1 and Quarter 2 (September) 2021/22 is Appendix 2. It provides the confidence levels of the risk management activity in respect of the Authority's 8 Corporate Risks. It should be noted that some risks have more than one element, providing an update on 14 elements of the risks. The following is the status at the end of Quarter 2 (September 2021).

- Corporate Risks 1.2, 2.1, 2.3, 4.1, 5.1, 8.1 and 8.2 have been awarded a green confidence (substantial) opinion, which is the highest level that can be awarded.
- Corporate Risks 2.2, 3.1, 3.2, 7.1 and 7.2 have been awarded an amber (satisfactory) confidence opinion. In all cases, work is in progress to enable for a green rating to be attained.
- Corporate Risk 5.2 and 6.1 has been awarded a red (limited) confidence opinion, due to the inadequacy of key internal controls being in place.

3.10 Corporate Risk Statement Summary

Corporate Risk 1.2, External (Political and Legislative Environment)

The risk owner reported the following during Quarters 1 and 2:-

To create a basis for the Fire Authority consideration of ongoing change aligned to the Community Risk Management Plan (CRMP), Strategy, and the pending White Paper, the Collaboration and Transformation Committee reaffirmed a strategy for collaboration and transformation. This committee will enable an approach which allows the Authority to be at the forefront of considering wider sector change that will impact on the ability for West Midlands Fire Service (WMFS) to implement CRMP outcomes.

Corporate Risk 2.1, People (Positive staff engagement)

The risk owner reported the following during Quarters 1 and 2:-

The Employee Relations Framework continues to be applied with consultation and engagement internally remaining high with potential areas of change being consulted upon at the earliest opportunity. The focus within the current Joint Consultative Committee regarding organisational change continues to be the CRMP. Positive progress is being made in relation to the Technical Rescue Unit at Sutton Coldfield station and the trials for flexible crewing arrangements.

Corporate Risk 2.2, People (Insufficient or ineffective employees)

The risk owner reported the following during Quarters 1 and 2:-

There has been a supply chain issue with wood and pallets impacting on BA courses and potentially Tac Vent. In addition, a new provider is to be sourced prior to the recommencement of water training during 2022.

In addition, there is a low number of Station Based Assessments in some core skills areas impacting on competence and the standard assessment. Measures are being put in place to rectify this.

Corporate Risk 2.3, People (Safe and healthy workplace)

The risk owner reported the following during Quarters 1 and 2:-

There has been a rise in Manual Handling injuries across the Service and the need for a reduction in injuries and to meet our legal obligation. A procurement process has commenced to identify trainers to assist with this.

To provide compliance and assurance information to the Service a rigorous audit process must be in place, Health Safety and Well-being are in the process of testing until December 2021, this will involve the audit of three sites across the Service to ensure the process is fit for purpose and provides the Service with the strategic information required.

Corporate Risk 3.1, Prevention (Engagement with vulnerable members of the community)

The risk owner reported the following during Quarters 1 and 2:-

There is a national shortage of smoke detectors with two of the suppliers on the Safe & Well National Equipment Framework. Stock levels within WMFS are low and procedures for fitting have been amended to accommodate this whilst we await supply from an alternative supplier. Orders are being placed as a contingency if FireAngel cannot supply in sufficient quantities.

The completion of the Tymly Remote Safe and Well data collection form is due to be released shortly. This will allow for a distinction between Safe and Well's carried out face to face and those remotely over the telephone.

Corporate Risk 3.2, Prevention (Partnership arrangements)

The risk owner reported the following during Quarters 1 and 2:-

The supply chain issues with smoke detectors which has resulted in a change to the process for fitting detectors, delaying the completion of the visit and mitigation of vulnerability as far as possible may become a reputational issue with partners

The performance indicators for Safe & Well have started to highlight a drop in performance which may be linked to the continued impact of

the pandemic on partners. The percentage of Safe & Wells that are completed because of a referral from a partner is below target.

Corporate Risk 4.1, Protection

The risk owner reported the following during Quarters 1 and 2:-

There is currently a reduction in posts across the Protection team, however, whilst there is a reduced number of competent Fire Safety Officers, WMFS is effectively discharging its duties under the Regulatory Reform (Fire Safety) Order.

An issue has arisen regarding water supplies for firefighting. Whilst there is no statutory duty to test fire hydrants, we must take all reasonable measures to secure water supplies for firefighting. Recommendations to move this issue forward will be managed within the Protection 3PT Project.

Corporate Risk 5.1, Response (Operational)

The risk owner reported the following during Quarters 1 and 2:-

The number of water Station Based Assessors (SBA) and Voluntary Rescue Swimmers (VRS) continues to fall below the required numbers. There is little opportunity to increase VRS at this stage due to the inability to deliver open water training between November and April.

There is an impact on staffing figures due to the continued high numbers of Voluntary Additional Shifts (VAS) not being filled. This has impacted fleet availability affecting the Service Delivery Model (SDM.)

September saw the transfer to use digital functionality on Motorola fireground radios, this was after software updates and extensive testing. No issues were identified during testing and the transition date of 27/09/2021 was met. No issues were reported during the first 5 days, however, 10 near hits were received from the 01/10/2021 that radio communication was an issue, with clarity and messages that could not be understood. This was deemed a safety critical risk, and a decision was taken to revert to analogue functionality. Work is now being undertaken by ICT to understand the issue and make changes to enable digital to be used.

Corporate Risk 5.2, Response (Fire Control)

The risk owner reported the following during Quarters 1 and 2:-

There is an ongoing situation with 'Gazetteer' which is restricting progress for the upgrade to Vision 4 for Command & Control. Vision 4 needs to be upgraded, as the risk of not progressing with the upgrade is that the current system has limitations, and the technology is becoming older and less reliable.

Corporate Risk 6.1, Business Continuity & Preparedness

The risk owner reported the following during Quarters 1 and 2:-

Due to media reporting, truck driver numbers and consumer behaviour led to filling stations running low on fuel or temporarily closing due to demand exceeding supply. Overall, WMFS had sufficient stocks of fuel to maintain normal activities. Some local stations experienced shortages due to an issue with the fuel ordering system (now on Oracle) and extended delivery periods. These were managed locally; fuel orders have now progressed, and deliveries have taken place.

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

The risk owner reported the following during Quarters 1 and 2:-

With the implementation of Oracle Cloud there have been issues with delays to payroll, mitigations remain in place through agreements with Sandwell Metropolitan Borough Council to ensure continued pay for staff.

There has also been issues with accounts payable, accounts receivable and procurement, this has led to delays in paying suppliers and delays relating to outgoing orders. This has potential for reputational damage and reduced supply chain, mitigations are in place and the backlog is being cleared

There are ongoing supply chain issues for IT Hardware.

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

The risk owner reported the following during Quarters 1 and 2:-

WMFS are in receipt of positive substantial assurance from External Audit on the data area, evidencing positive progress in this area.

There is a requirement for on-going development of Data Protection Impact Assessments (DPIA) and early consideration of data which is needed to prevent further data breaches.

In addition, plans are in place for further updates to be made to the Management of Information policy.

Corporate Risk 8.1, Finance & Assets (Funding)

The risk owner reported the following during Quarters 1 and 2:-

The Treasury indicated that the Comprehensive Spending Review (CSR) would cover a 3-year period, 2022/23 to 2024/25. The Authority's 2022/23 budget process and revised 2021/22 budget process has commenced.

The potential resurgence of COVID could have associated costs above current funding allocations.

There is consideration nationally to the annual pay award for Fire Service Green Book staff (budgeted at 0% following the Chancellors statement re: 'pay pause' for the current year).

It may be that there are 'investment' requirements associated with the CRMP proposals.

Corporate Risk 8.2, Finance & Assets (Financial management)

The risk owner reported the following during Quarters 1 and 2:-

The potential for future ICT security breaches and the possibility of inappropriate acts by employees.

3.11 Corporate Risks will continue to be submitted to the SET meetings on a quarterly basis and reported into the Audit and Risk Committee every six months whilst the Covid pandemic continues.

4. **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.

5. **LEGAL IMPLICATIONS**

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

6. **FINANCIAL IMPLICATIONS**

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

7. **ENVIRONMENTAL IMPLICATIONS**

None

BACKGROUND PAPERS

Delivery of The Plan 2021/24
Authority Report, 15 February 2021

Corporate Risk Update to Audit Committee,
Audit Committee Report, 7 December 2020

Frequency of Risk Reporting to Audit Committee,
Audit Committee Report, 11 April 2016

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CHIEF FIRE OFFICER