

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

7 DECEMBER 2020

1. **CORPORATE RISK UPDATE**

Report of the Chief Fire Officer.

RECOMMENDED

THAT Audit and Risk Committee approve the Corporate Risk Assurance Map Summary (Quarter 4, 2019/20, Appendix 1 and Quarter 2, 2020/21, Appendix 2) and note the management of Corporate Risk through the Business Continuity arrangements for Quarter 1 and 2, 2020/21.

2. **PURPOSE OF REPORT**

This update covers a nine-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 4, 2019/20 and Quarter 1 and Quarter 2, 2020/21.

3. **BACKGROUND**

- 3.1 This report includes the Corporate Risk Assurance Map Summary for Quarter 4, 2019/20 and Quarter 2, 2020/21. In addition, it provides an update on the management of Corporate Risk through the Business Continuity arrangements which were put in place in March 2020.

COVID-19 Pandemic

- 3.2 The World Health Organisation declared the COVID-19 outbreak a pandemic on 11 March 2020. Following the announcement, a notification of a major incident was declared across the West Midlands and Warwickshire by West Midlands Police on 19 March 2020.

Ref. AU/2020/Dec/91911206

- 3.3 In response, West Midlands Fire Service initiated business continuity arrangements. These were identified and managed by establishing a new 3PT project named COVID-19 Business Continuity. The project enabled the resources of the Service to be allocated to meet the challenges that COVID-19 presented. The project contained details of risk and issues and mitigation plans to manage them.
- 3.4 The Home Office initiated a risk rating system, for which each service submitted a regular report via the National Fire Chiefs Council. This system was known as BRAG (Blue, Red, Amber, Green).
- 3.5 The Quarter 4, 2019/20 Assurance Map Summary replicates the Summary provided for Quarter 3, 2019/20 as presented at the Audit and Risk Committee meeting on 27 July 2020. Due to the lockdown being established seven days prior to the end of Quarter 4 and risk management performance within that week being comparable to the rest of the quarter, there was no change to the Corporate Risks or ratings during the first three months of 2020.
- 3.6 A position statement was not produced for Quarter 4, 2019/20 as this was superseded by the BRAG report. In preparing the BRAG report, consideration was given to Corporate Risks that were aligned to the Business Continuity arrangements in place that were being managed through the 3PT project.
- 3.7 In accordance with the Service's risk management strategy, the Corporate Risk Assurance Map Summary is normally submitted for approval by the Audit and Risk Committee, following its submission and discussion at the Corporate Quarterly Performance Review Meeting. During Quarter 1, and Quarter 2, 2020/21 Corporate Risk was reported monthly into the SET meetings. This was through a combination of BRAG and the Business Continuity 3PT project. This procedure was established as the Quarterly Performance Review meetings were postponed. Performance against BRAG was reported to the Fire Authority each week at their COVID-19 briefing meetings which commenced on the 27 March 2020.

- 3.8 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 Plan’. Currently, the Service maintains 9 Corporate Risks, some of which have more than one element.
- 3.9 Each Corporate Risk is assigned to a Risk Owner, who is a member of the Strategic Enabling Team. The Risk Owner has the overall responsibility for monitoring and reviewing the progress being made in managing the risk.
- 3.10 To enable for effective risk management during the Business Continuity arrangement put in place in March 2020 due to COVID-19, the Risk Owner reviewed and assessed each corporate risk. The frequency of this review is on a monthly basis and although initially reported into the SET meetings on a monthly basis, this has now reverted to a quarterly basis, (as the adopted timescale used by the Corporate Quarterly Performance Review Meetings and due to the confidence embedded in risk management within business continuity arrangements). 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				
	3				
	2				
	1				
		1	2	3	4
		IMPACT			

	HIGH RISK - periodic review every 6 weeks
	MEDIUM RISK - periodic review every 3 months
	LOW RISK - periodic review every 6 months
	VERY LOW RISK - periodic review every 12 months

- 3.11 In order to ensure that Members are kept informed of corporate risk matters a Corporate Risk Assurance Map Summary for Quarter 4, 2019/20 (Appendix 1) and Quarter 2, 2020/21 (Appendix 2) is attached.
- 3.12 In undertaking a review of corporate risks, the Risk Owner has reviewed the Corporate Risk Assurance Map. The Assurance Map provides details of:-
- The strategic objectives and performance indicators relevant to the risk.
 - The current risk scores.
 - A description of events that could lead the corporate risk to be realised.
 - The control measures in place designed to reduce the likelihood of risk realisation or its impact should the risk be realised.
 - Additional control measures currently implemented to further reduce the likelihood or impact.
 - Control owners who are responsible for the implementation, maintenance and review of individual control measures.
- 3.13 As part of the review the Risk Owner has considered the risk score and rating and updated the Assurance Map. The Risk Owner has provided assurance that the control measures identified are still effective in the management of risk and identified whether any new risk events or controls have been implemented or are required.

- 3.14 Where ongoing additional controls are being implemented, Risk Owners have confirmed the progress in implementing such controls.

Increase/decrease in Overall Corporate Risk Score

- 3.15 During Quarter 1, 2020/21 there was a reduction in the risk score for Corporate Risk 1.2 External (Political and Legislative) Environment. This was due to the collaboration across the region including regular liaison with Local Authorities and the West Midlands Combined Authority through formal structures, e.g. the Strategic Co-ordinating Group and the Local Resilience Forum.

There was a reduction in the risk score for Corporate Risk 2.1 (People). This was due to the positive engagements with staff and representative bodies during the first three months of the pandemic.

There was an increase in the risk score for Corporate Risk 4.1 (Protection). This was due to COVID-19 having an impact on the ability for Fire Safety Inspection Officers being unable to visit high risk premises during the first three months of the pandemic. However, during Quarter 2, 2020/21 this was reduced due to the recommencing of audits of high-risk premises.

- 3.16 The Position Statement attached as Appendix 2 provides the detail of the risk management activity undertaken or ongoing in respect of the Authority's 9 Corporate Risks at the end of Quarter 2, 2020/21.
- Corporate Risks 1.2, 2.1, 2.3, 5.1, 5.2, 8.1 and 8.2 have been awarded a green (substantial) confidence opinion, which is the highest level that can be awarded.
 - Corporate Risks 2.2, 3.1, 3.2, 4.1, 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 6.1 has been awarded a red (limited) confidence opinion. Work continues to be in progress to move his risk to an Amber or a Green rating.

3.17 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-19 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

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

Delivery of The Plan 2019/22
Authority Report, 18 February 2019

Delivery of The Plan 2020/23
Authority Report, 17 February 2020

Corporate Risk Update to Audit Committee,
Audit Committee Report, 27 July 2020

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