

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

2 SEPTEMBER 2019

1. CORPORATE RISK UPDATE

Report of the Chief Fire Officer.

RECOMMENDED

THAT Audit and Risk Committee approve the Corporate Risk Assurance Map Summary (Quarter 1, 2019/20, Appendix 1) and note the Position Statement (Quarter 1, 2019/20, Appendix 2) for each risk.

THAT Audit and Risk Committee approve the removal of Corporate Risk 9.1 and 9.2.

2. PURPOSE OF REPORT

This six-monthly update is provided to ensure Members remain informed about all aspects relating to the management of the Authority's corporate risks. It covers Quarter 4 2018/19 and Quarter 1 2019/20.

3. BACKGROUND

- 3.1 This report includes the Corporate Risk Assurance Map Summary and the Position Statement for Quarter 1 2019/20. This is the combined six-monthly report as agreed by Members at the Audit Committee Meeting held on the 25 July 2016.
- 3.2 In accordance with the Service's risk management strategy, the Corporate Risk Assurance Map Summary is submitted for approval by the Audit and Risk Committee, following its submission and discussion at the Corporate Quarterly Performance Review Meeting.

Ref. AR/2019/Sept/11208196

- 3.3 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.
- 3.4 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.
- 3.5 To enable for effective risk management, the Risk Owner will periodically undertake an assessment of each corporate risk. The frequency of this review will be based upon the estimated risk rating undertaken 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

- 3.6 In order to ensure that Members are kept informed of corporate risk matters a Corporate Risk Assurance Map

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Summary for Quarter 1 2019/20 (Appendix 1) and the Position Statement for Quarter 1 2019/20 (Appendix 2) are attached.

3.7 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.

3.8 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.

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

Increase/decrease in Overall Corporate Risk Score

3.10 During Quarter 4 2018/19 there was an increase in the risk score for Corporate Risk 4.1, Protection. This risk score increased from 6 (Likelihood 2 x Impact 3) to 9 (Likelihood 3 to Impact 3).

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This was due to the high demand and complexity in the building applications received. These applications included two high profile developments, High Speed Rail (HS2) and the Commonwealth Games. Additional investment for Protection resources into the Planning and Building Applications team was agreed by the Authority in November 2018, however it would take approximately 12 months for the additional Protection officers to become competent.

- 3.11 In Quarter 1 2019/20 there was a decrease in Corporate Risk 1.1 External (Political and Legislative) Environment. This decreased from 6 (Likelihood 3 x Impact 2) to 2 (Likelihood 1 x Impact 2).

The change in The Plan 2019-2022 indicates there is currently limited risk of public service reform impacting on the delivery of strategy and core service delivery.

- 3.12 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 for the six months (Quarter 4 2018/19 and Quarter 1 2019/20).

- Corporate Risks 1.1, 1.2, 2.3, 4.1, 5.1, 5.2, 8.1 and 8.2 have been awarded a green confidence (substantial) opinion, which is the highest level that can be awarded.
- Corporate Risks 2.1, 2.2, 3.1, 3.2, 6.1, 7.1, 7.2, 9.1 and 9.2 have been awarded an amber (satisfactory) confidence opinion. In all cases, work is in progress to enable for a green rating to be attained.

Position Statement Summary

- 3.13 **Corporate Risk 2 – People** The risk owner is confident that positive progress continues to be made in the delivery of several elements of the collective agreements and the Employee Relations Framework (ERF) has now been issued. An E-cademy learning package for all employees is being developed, to enable all employees to ensure a greater understanding of the ERF and the specific elements of it.

- 3.14 **Corporate Risk 3 – Prevention** An IT solution to assist with Safe and Well visits is currently being developed as part of the introduction of Tymly, which is currently being piloted in the Black Country South. This is with the view to eventually rolling it out across the organisation.
- 3.15 **Corporate Risk 5 – Response** The continuation of the flexible use of resources to achieve the savings outlined in the financial efficiency plan and deliver a balanced budget, means that there is an overall reduction in fleet availability. The reduction in fleet generally applies across the Brigade Response Vehicles and is supplemented by 2nd appliances riding at 4, instead of 5 personnel.
- 3.16 **Corporate Risk 6 – Business Continuity and Preparedness** The Emergency Planning team, alongside Local Resilience Forum Partners continue to engage with EU Exit No Deal planning. West Midlands Fire Service are maintaining awareness of updated government planning assumptions and have continued engagement with the Ministry of Housing Communities and Local Government.
- 3.17 **Corporate Risk 7 – Information, Communications and Technology** The organisation continues to take a cloud-based approach to data storage thus reducing the reliance on in-house processes, procedures and infrastructure to access and maintain data. Cloud based solutions for business continuity and disaster recovery are being considered to improve resilience.
- 3.18 **Corporate Risk 8 – Finance and Assets** The budget was set in February 2019 with several significant issues still to be determined regarding future funding impacts. This specifically related to the Firefighters Pension Scheme, Firefighters pay awards, the outcome of the Governments Fair Funding Review and a lack of clarity around future Government funding settlements linked to the uncertainty of the timing and impact of public sector Comprehensive Spending Reviews. Details regarding these issues have not yet been determined.
- 3.19 **Corporate Risk 9 – Business Development** The recommendation is for Corporate Risk 9.1 and 9.2 to be removed. This is due to the Fire Authority commissioning officers to develop options to make appropriate budget

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Reductions, in order to set a balance budget. The revised strategy was presented and agreed at the 18 February 2019 Authority meeting, where it was agreed that “The Plan” and the balanced budget would be delivered through the flexible risk-based management of resources daily. There is no longer a requirement to achieve flexible funding targets through business development. The health contracts that were in place were finally closed on the 3 April 2019.

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

Corporate Risk Update to Audit Committee,
Audit Committee Report, 25 July 2016

Delivery of The Plan 2018-21
Executive Committee Report, 6 June 2018

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Strategy Options
Fire Authority, 17 September 2018

Strategy Options
Fire Authority, 19 November 2018

Investment Report
Fire Authority, 18 February 2019

Strategy Options 2019 – 2020
Fire Authority, 18 February 2019

The contact for this report is Assistant Chief Fire Officer, Gary Taylor, Strategic Enabler – Process, telephone number 0121 380 6914.

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CHIEF FIRE OFFICER

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