

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**AUDIT COMMITTEE**

**11 APRIL 2016**

**1. FREQUENCY OF CORPORATE RISK REPORTING TO  
AUDIT COMMITTEE**

Report of the Chief Fire Officer.

**RECOMMENDED**

- 1.1 THAT Audit Committee approve the change in frequency for providing the Committee with an overall corporate risk position statement update from four times a year to twice a year.
- 1.2 THAT Audit Committee approve the introduction of regular reports to Committee to provide timely and specific corporate risk information as a means of keeping members fully engaged in and aware of the emerging corporate risk matters.

**2. PURPOSE OF REPORT**

This report is submitted to request member approval to more effectively engage and involve Audit Committee in corporate risk management matters. In meeting this requirement it is proposed to reduce the frequency of corporate risk position statement reporting from four times per year to every six months. This will create the capacity to engage Audit Committee on emerging corporate risk matters and topics on a regular basis. This balanced approach will not only ensure that Members remain up to date and assured of the Service's arrangements for managing risks but are also more engaged and influential in supporting the management of emerging corporate risks. Appendix 1 provides an example of the type of report on risk matters which will be raised by Officers for discussion at Audit Committee on 11<sup>th</sup> April 2016.

### 3. **BACKGROUND**

- 3.1 As Members will be aware, the Service currently reports to Committee upon its corporate risk arrangements in the form of a quarterly position statement supported by the overall corporate risk assurance map summary. This approach enables Members to understand retrospectively how the Service continues to manage its eleven corporate risks and provides assurance as to the pro-active approach the Service takes to the ongoing management of its corporate risk environment.
- 3.2 It is recognised that the submission of the corporate risk position statement and risk summary to Audit Committee is a core component of the Authority's risk management framework and is integral to providing assurance to Audit Committee of the Service's overall management of its corporate risks. However, due to the volume and complexity of information contained in the position statement/assurance map summary, it is also recognised that this approach may not be the best approach for engaging and involving Members in timely corporate risk discussions. Therefore it is proposed to change the frequency of corporate risk reporting in this format from four times to two times per year.
- 3.3 In making this proposal the Deputy Chief Fire Officer has consulted the Audit Services and Risk Management Manager, who is comfortable with the proposal to reduce the reporting frequency. In arriving at this decision, the Audit Services and Risk Management Manager confirmed that the Service must ensure that appropriate arrangements are in place to ensure that Members are made aware of any significant changes to its corporate risks in a timely and effective way. In order to meet this requirement, Officers of the Service will report any specific changes in corporate risk profile, rating and score at the next available Audit Committee meeting creating an environment where Members will have the capacity to engage in a specific discussion about emerging risks, rather than a more generic debate.
- 3.4 Officers are continually seeking ways to improve the way the Service operates across the range of its activity.

To this end, the Deputy Chief Fire Officer has been considering how Officers can utilise Audit Committee to provide Members with relevant and timely risk information. Therefore it is proposed that, subject to Committee approval of recommendation 1.2 above, Audit Committee will be provided with regular updates upon specific risk issues as and when they emerge in the organisation. This approach will promote and enable Members to become more aware of specific risk critical issues in a timely way. It will also provide the opportunity for Members to discuss, critically challenge, shape and influence how the Service manages and controls its specific risks. Through this engaging and involving, Members will build their capability and understanding around risk management and will be provided with assurance as to the Service's arrangements for managing specific risks.

- 3.5 Subject to Member approval, the Service's corporate risk management strategy document will be refreshed to reflect this new approach. It will be submitted to Audit Committee for approval.

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 will not lead to and/or do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

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

6. **FINANCIAL IMPLICATIONS**

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

7. **ENVIRONMENTAL IMPLICATIONS**

None

**BACKGROUND PAPERS**

None

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PHIL LOACH  
CHIEF FIRE OFFICER

### **CORPORATE RISK: AUDIT COMMITTEE BRIEFING**

#### **Industrial Action Ballot: Additional Shifts**

Members will be aware that in order to continue to maintain its service delivery model to provide our core service of prevention, protection and response and deliver our objectives and outcomes as set out in our The Plan, the Service has recently introduced a voluntary additional shift model.

The implementation of an additional shift model has been necessitated by the requirement to save £10 million by 2019/20 as a consequence of a reduction in central government funding. The Additional Shifts model is a key component of our efficiency saving strategy and is forecast to save circa £4 million.

#### **Trade Dispute**

Despite the commitment of the Service to open and ongoing communication and negotiation with the Fire Brigades' Union (FBU) on this matter, a trade dispute has been registered by the FBU.

Following a ballot FBU Members voted in favour of taking industrial action in the form of action short of strike (commonly known as ASOS). Essentially this means that any other duties which sit outside core contractual activity, such as undertaking voluntary additional shifts for example, will not be undertaken by FBU members participating in this form of industrial action.

#### **Impact upon Service to the Community - The Risk**

There is the potential that there will be a shortfall in numbers of delivery personnel required to maintain our delivery model, meaning we cannot resource our fire engines and Brigade response vehicles at five and three. This may impact upon our attendance standard and the level of response to the community of the West Midlands.

#### **How we are Responding to the Risk**

- The Service continues to maintain its commitment to communication and negotiation with representative bodies.
- The Service has in place effective day to day workforce planning arrangements to identify and manage potential shortfalls in staffing.
- A communication strategy to ensure ongoing engagement of all Service personnel, setting out the reasons for implementing the Additional Staffing model and the benefits to both those undertaking voluntary shifts and to the community, is in place.

- Only 35% of FBU members voted for this course of action. This is a minority and means that 65% of eligible staff have either not felt they can support Industrial Action or have not had the opportunity to register their view.
- Alternative approaches to service delivery are being considered, for example staffing fire engines at four.
- Consideration is given to resourcing additional resilience utilising competent officers (Watch Commander and above) to undertake Firefighter and Crew Commander roles should the need arise.
- The Service has in place tried and tested Business Continuity Plans to be enacted should the Service Delivery Model become compromised and staffing fall below required levels.

### **Impacts upon Corporate Risks**

Industrial action and the risk controls in place to prevent (likelihood) and mitigate against the impacts should it occur are recorded, monitored and managed against a number of our Corporate Risks, namely:-

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.
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.
6. The Fire Authority would be unable to ensure that operational incidents are dealt with safely and effectively using appropriate levels of resources and personnel.