

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT & RISK COMMITTEE

4 SEPTEMBER 2018

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, 2018/19, Appendix 1) and note the Position Statement (Quarter 1, 2018/19, Appendix 2) for each risk.

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 2017/18 and Quarter 1 2018/19.

3. BACKGROUND

- 3.1 This report includes the Corporate Risk Assurance Map Summary and the Position Statement for Quarter 1 2018/19. 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 Performance Review Meeting.
- 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 Summary for Quarter 1 2018/19 (Appendix 1) and the Position Statement for Quarter 1 2018/19 (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 the six months (Quarter 4 2017/18 and Quarter 1 2018/19) there has been an increase in the risk scores for Corporate Risk 9, Business Development, 9.1 and 9.2. These two risks have materialised and so Officers are unable to provide assurance for these risks.

3.11 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 2017/18 and Quarter 1 2018/19).

- Corporate Risks 1.1, 1.2, 2.3, 4.1, 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 Risk 1.2 has increased from 6 to 9, with likelihood being increased from 2 to 3.
- Corporate Risks 2.1, 2.2, 3.1, 3.2, 5.1, 6.1, 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 Risks 9.1 and 9.2 have been awarded a red (high risk) confidence opinion. Corporate Risk 9.2 both likelihood and impact have increased from 3 to 4 giving an overall risk score of 16. Work is in progress for these to be reduced.

Position Statement Summary

3.14 **Corporate Risk 1 – External (Political and Legislative) Environment** The timeline of governance change has progressed effectively and a joint project team between West Midlands Combined Authority (WMCA) and West Midlands Fire Service (WMFS) has been established to manage through the transfer process as an initial phase to April 2019.

3.15 **Corporate Risk 2 – People** The risk owner is confident that positive progress is being made in relation to the resolution of the trade dispute. It is anticipated that the trade dispute will be resolved in the second quarter of 2018/19, and the risk owner anticipates reducing the likelihood from 4 to 3.

- 3.16 **Corporate Risk 3 – Prevention** It is currently unclear what the impact of the trade dispute and the withdrawal from the falls response contracts will be on this Corporate Risk. Initial feedback from one of the commissioners (Wolverhampton City Council) has not been positive and there has been some reputational damage caused.
- 3.17 **Corporate Risk 4 – Protection** Due to an unpredictable and unforeseeable increase in demand, the Planning and Building Regulations Protection Team have not met the statutory consultation timescales of 15 days for some building regulation consultations. The associated risk of not providing consultation feedback within the agreed timescales with local authorities could lead to opportunities being missed to ensure buildings following development or refurbishment are compliant with legislative requirements and safe when occupied.
- 3.18 **Corporate Risk 5 – Response** The high level of fleet availability remains consistent although this continues to be enabled through the payment of a non-evidence based disturbance allowance payment which becomes more challenging to maintain as a result of withdrawal from health related activity. The current high level of fleet availability means that WMFS continues to achieve some of the best ever attendance times to Cat 1 incidents, enabling an assertive, effective and safe response.
- 3.19 **Corporate Risk 6 – Business Continuity and Preparedness** A gap analysis is underway following the publication of the Kerslake Report – an independent review into the preparedness for and emergency response to the Manchester Arena Attack in May 2017. This will identify best practice and areas for improvement to consider both internally and as part of the multi-agency West Midlands Local Resilience Forum.
- 3.20 **Corporate Risk 7 – Information, Communications and Technology** Virtual Device Infrastructure terminals have replaced desktop computers at several organisational locations; this has reduced the storage of data on individual computers. The majority of organisational data will be held in cloud storage, reducing the reliance on in-house processes, procedures and infrastructure to access and maintain data.

3.21 Corporate Risk 8 – Finance and Assets For part or potentially all of 2018/19, the further use of General Balances is likely to be required together with a review of the Authority's Strategy to ensure the 2019/20 budget and beyond can be set in a balanced manner. However, the External Auditors commented in the Audit Findings Report that the continued use of balances is not sustainable and in their view, significant funding alternatives or service reductions should be identified by the Authority before the anticipated transfer to WMCA (i.e. 31 March 2019).

3.22 Corporate Risk 9 – Business Development On 6 June 2018 the Executive Committee approved the removal of New Entrant contacts in order to avoid industrial action by Grey Book staff. This decision will have a significant impact on the Service's ability to generate Alternative Funding and achieve the full level of staff savings reflected within the Efficiency Plan. WMFS are currently liaising with Commissioners to identify options for withdrawal from contracts, including any reputational, legal or financial issues that may arise. The Strategic Enabling Team are reviewing The Plan, IRMP and the Efficiency Plan to identify options to make further savings from other areas of the organisation. This has the potential to impact on the front-line service provision of the organisation.

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

The contact for this report is Deputy Chief Fire Officer, Philip Hales,
telephone number 0121 380 6004.

PHIL LOACH
CHIEF FIRE OFFICER

[Appendix 1](#)

[Appendix 2](#)