

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

6 JUNE 2022

1. **CORPORATE RISK UPDATE**

Report of the Chief Fire Officer.

RECOMMENDED

- 1.1 THAT Audit and Risk Committee approve the Corporate Risk Summaries (Quarter 3, 2021/22, Appendix 1 and Quarter 4, 2021/22, Appendix 2) and note the management of Corporate Risk through and emerging from the Business Continuity arrangements.

2. **PURPOSE OF REPORT**

- 2.1 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 3, 2021/22 and Quarter 4, 2021/22.

3. **BACKGROUND**

- 3.1 This report includes the Corporate Risk Summary for Quarter 3, 2021/22 and Quarter 4, 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				
	3				
	2				
	1				
		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.
- 3.8 Work is currently taking place to move Corporate Risk from an isolated Excel document to being incorporated into a 'One Risk Management Approach' for the Service. The Audit & Risk Committee will be fully briefed as this work progresses.
- 3.9 **Increase/decrease in Overall Corporate Risk Score**
- 3.9.1 During Quarter 3, October 2021, Corporate Risk 7.1 increased its risk score to Likelihood 4, Impact 3, providing an overall risk score of 12, 'Limited Assurance'. This was from a previous risk score of Likelihood 3 x Impact 3, providing a risk score of 9 'Satisfactory Assurance'. This increase was due to the risk owner having reduced confidence in the 'Voluntary Additional Shifts' (VAS) system due to issues in delays in procuring the replacement system.
- 3.9.2 In addition, in December of Quarter 3, Corporate Risk 5.1 increased its risk score to Likelihood 3 and Impact 4 and overall score of 12 'Limited Assurance'. The previous score had been Likelihood 2 and Impact 4, giving an overall score of 8, 'Satisfactory Assurance'. This was due to the Omicron variant and the number of absences over the Christmas/New Year holiday period. The highest number saw 198 Covid related absences. This had a significant impact on staffing and the number of appliances available for incidents.

3.9.3 At the end of Quarter 4, (March 2022), Corporate Risk 7.1 and 5.1 remain with a risk score of 12 and 'Limited Assurance'.

3.9.4 There has been no decrease in the overall risk scores during Quarter 3 and 4 2021/22.

3.10 **Quarter 3, 2021/22 (October, November, and December)**
Quarter 4, 2021/22 (January, February, and March)

The Corporate Risk Summary for Quarter 3 (December), 2021/22 is attached as Appendix 1 and Quarter 4 (March) 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 4 (March 2022).

- Corporate Risks 1.2, 2.1, 2.2, 2.3, 4.1, 8.1 and 8.2 have been awarded a green confidence (substantial) opinion, which is the highest level that can be awarded.
- Corporate Risks 3.1, 3.2, 5.1 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, 6.1 and 7.1 have been awarded a red (limited) confidence opinion, due to the inadequacy of key internal controls being in place.

3.11 **Corporate Risk Statement Summary**

3.11.1 **Corporate Risk 1.2, External (Political and Legislative Environment)**

The risk owner reported the following during Quarters 3 and 4:-

The levelling up white paper has now been considered by West Midlands Combined Authority (WMCA) and this has led to the development of 20 workstreams within the Combined Authority. West Midlands Fire Service (WMFS) have been engaged through this process and the following workstreams have been identified as relevant to the delivery of our strategy, or workstreams which the Service can add value to; these include:-

Crime and Community Safety, Health, Housing, Regeneration and Planning, Transport, Funding and Homelessness prevention.

3.11.2 Corporate Risk 2.1, People (Positive staff engagement)

The risk owner reported the following during Quarters 3 and 4:-

An issue has been identified with a disciplinary investigation for gross misconduct that has taken six months for a conclusion to be reached. The outcome was that there was 'no case to answer'. A review of the Disciplinary and Grievance policy and procedure will be carried out following this outcome.

3.11.3 Corporate Risk 2.2, People (Insufficient or ineffective employees)

The risk owner reported the following during Quarters 3 and 4:-

There is a plan in place to support Resilience Officers competence, (and resolve a cause for concern that was raised) this has been communicated to Resilience Officers. The plan is to create a sustainable way to support findings of Station Peer Assessments (SPA) and continue the work that the SPA team have carried out.

3.11.4 Corporate Risk 2.3, People (Safe and healthy workplace)

The risk owner reported the following during Quarters 3 and 4:-

The Service is exploring new ways of delivering Health & Safety training to the workforce as the provision through an external provider was paused during the Covid period.

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

The risk owner reported the following during Quarters 3 and 4:-

The supply and stocks of smoke alarms is improving significantly although the 'Hearing Impaired' alarm supply remains a challenge, primarily because they require two microchips. Although microchips for detectors from WMFS suppliers are

manufactured in Texas and China, the neon gas and the palladium used in production may be affected by the war in Ukraine. The 'lead' times for some component parts are as long as 64 weeks and costs have increased significantly although the costs of the draft forecasted orders for 2022/23 currently still remain within budget, however, there is a risk that prices may increase again.

3.11.6 Corporate Risk 3.2, Prevention (Partnership arrangements)

The risk owner reported the following during Quarters 3 and 4:-

The ongoing Covid infection rates resulting in hospitalisation rates have impacted the pace of recovery for partnership activity.

3.11.7 Corporate Risk 4.1, Protection

The risk owner reported the following during Quarters 3 and 4:-

The Representative bodies position on the changes to how the Service mobilises to Automatic Fire Alarms based on the Community Risk Management Plan (CRMP) proposal is currently in consultation with the Fire Brigades' Union (FBU) and the Fire Officers' Association (FOA).

3.11.8 Corporate Risk 5.1, Response (Operational)

The risk owner reported the following during Quarters 3 and 4:-

Blue light fits for Flexi Duty Officers have been paused due to near hits and issues being raised by the Officers. This has resulted in approximately 20 blue light responders who utilise personal vehicles no longer having blue lights fitted. This impacts on the response times for Flexi Duty Officers.

3.11.9 Corporate Risk 5.2, Response (Fire Control)

The risk owner reported the following during Quarters 3 and 4:-

Staffing within Fire Control is being impacted by absences and these are being managed through a variety of approaches. This will be included in the review of Fire Control that began in May 2022.

3.11.10 Corporate Risk 6.1, Business Continuity & Preparedness

The risk owner reported the following during Quarters 3 and 4:-

The continued disruption to the supply of raw materials (due to the Russia/Ukraine conflict) may lead to knock-on effects across the Fire Sector. However, current assessments have not identified any risks or issues. These disruptions, coupled with the increased fuel and energy costs, are likely to lead to the increased costs of goods and services.

The protest group 'Just Stop Oil' are planning to arrange further protests, with the potential for forecourts to be targeted. Regional fuel stock levels are below acceptable levels of depletion; however, this has not impacted WMFS at present.

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

The risk owner reported the following during Quarters 3 and 4:-

The NCSC (National Cyber Security Centre) has advised that all UK organisations are to act in response to the current situation in and around the Ukrainian conflict with Russia. Cyberattacks will be on the increase through Phishing e-mails.

The Home Office have notified that the 'Airwave' contract will be extended until 2026, however, there are some potential impacts to the existing radios which are old, and replacements are becoming hard to source.

The Service is experiencing ongoing supply chain issues for IT hardware.

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

The risk owner reported the following during Quarters 3 and 4:-

Updates have been made to the 'Management of Information' Policy, the changes include the use of tools to extract data and to provide a greater understanding of the scope of disclosable information.

3.11.13 Corporate Risk 8.1, Finance & Assets (Funding)

The risk owner reported the following during Quarters 3 and 4:-

The situation in Ukraine/Russia is anticipated to further impact supply chains and result in delays to a range of products/services. It is also expected there will be associated inflationary impacts on a number of commodities resulting in price increases, therefore causing budget pressures.

The outcome of a 2-year Comprehensive Spending Review (CSR) for 2023/24 is anticipated in December 2022. Also, the potential ongoing impact of COVID and any other elements of the Ridership Factor above next year's budget assumptions would lead to cost pressures. In addition, it is anticipated that there will be pay award pressures generally in 2022/23 due primarily to cost of living increases.

3.11.14 Corporate Risk 8.2, Finance & Assets (Financial management)

The risk owner reported the following during Quarters 3 and 4:-

The Service is vigilant that there may be potential future ICT security breaches. In addition, the ongoing possibility of inappropriate acts by employees.

3.12 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.

4. EQUALITY IMPACT ASSESSMENT

4.1 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

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

6. **FINANCIAL IMPLICATIONS**

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

7. **ENVIRONMENTAL IMPLICATIONS**

7.1 There are no environmental implications.

BACKGROUND PAPERS

Delivery of The Plan 2022/25
Authority Report, 14 February 2022

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

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

PHIL LOACH
CHIEF FIRE OFFICER