

**Hampshire Fire and Rescue Authority**

**Standards and Governance Committee**

**Item 9**

**17 December 2015**

**Corporate Risk Register**

**Report of the Chief Officer**

**Contact:** Becky Leigh, Assurance & Compliance Officer  
Telephone: 023 8062 6828

**1 Summary**

- 1.1 This paper is the annual presentation of the Corporate Risk Register to Members.

**2 Recommendations**

That the Committee:

- 2.1 Agree that the following new entries are added to the Corporate Risk Register
- 2.1.1 Entry number 22 – Due to a reliance on, or an association with, a third party, our ability to directly manage and control aspects of our business could diminish
- 2.1.2 Entry number 23 – Decrease in Organisational Performance
- 2.1.3 Entry number 24 – Failure to identify and capitalise on opportunities for investment (internally and externally)
- 2.2 Agree that the following risks be removed from the Corporate Risk Register and placed on the green list where they will still be monitored by Directors and SMT:
- 2.2.1 Entry number 06g/h - Failure to comply with and/or properly manage the Authority's legal and moral responsibilities for the health, safety and welfare of its employees under all relevant Health and Safety legislation and guidance, including the Corporate Manslaughter and Corporate Homicide Act 2007. This risk includes failure to have the appropriate policies and procedures in place to manage driving and vehicle related risks

- 2.2.2 Entry number 17 - The provision of information and communications technology that does not meet the needs of the business to promote and support improvement and innovation
- 2.2.3 Entry number 18a - Failure to adequately plan the Authority's Services within its financial resources in the medium term.
- 2.2.4 Entry number 18b - Failure to adequately manage the Authority's services within its financial resources in the medium term.
- 2.2.5 Entry number 19 - Failure to maintain accurate data in order to ensure correct training records for operational staff.
- 2.2.6 Entry number 8 - Impact of Members of the Authority continuing to pursue local interests and priorities
- 2.3 Agree that the following risks be removed from the Corporate Risk Register and placed on a Service Delivery Risk Register where they will be managed.
  - 2.3.1 Entry number 09b - Failure to maintain operational response on our retained duty system fire stations
  - 2.3.2 Entry number 11 - Failure to protect vulnerable members of the community and our staff in the course of our Service Delivery, where there is contact between them

### **3 Introduction**

- 3.1 The Risk Management Policy and Strategy was last reviewed and presented to this Committee in December 2013 along with the Register.

The Corporate Risk Register is reviewed by Directors and SMT quarterly. The last Directors review took place during October 2015. The last Service Management Team (SMT) review took place on 3 August 2015. SMT have also reviewed the new entries during October 2015.

The current Risk Management Policy is being reviewed and will be presented to Standards and Governance Committee on 7 April 2016 (Committee date not yet set so is subject to change).

Risk Management is also the subject of an internal audit which will be starting in January 2016. The findings of this audit will be presented to this committee using the usual reporting processes.

- 3.2 The Corporate risk management process aims to identify, prioritise and manage any corporate risks to the Authority's. These include risks that may affect the ability to achieve its Priorities and Objectives. Continual review of the Corporate Risk Register is a key part of our corporate planning process.

## 4 Risk Management Policy and Strategy

4.1 The objectives of risk management at Hampshire Fire and Rescue Service are to:

- Embed the risk methodology into HFRS culture
- Promote a risk tolerant culture
- Respond and adapt to the changing external and internal pressures
- Manage the cost of risk effectively in accordance with best practice and ensure that the cost of controls are always considered against the risk they are designed to manage
- Support informed risk taking which will enable sound decision making and planning
- Provide assurance to stakeholders that potential risks are being actively managed
- Ensure that staff have the relevant skills and support to identify and manage risks

4.2 Any member of staff and Member of the Authority can identify a risk and raise it to Senior Management. Senior Managers are responsible for identifying risks as part of the corporate planning process. Each Senior Manager leads on a Service Priority where risks to achieving this Priority are identified. If a risk poses a significant threat it will be escalated as a Corporate Risk.

Operational risks are identified and managed within the Service Delivery and also within support departments, both as part of their planning processes and on a day-to-day basis. Operational Service Delivery specific risks are recorded, managed and monitored in the Service Delivery risk register.

Risks that affect the delivery of objectives set by the Professional Services Directorate are recorded, managed and monitored in a Professional Services risk register. This is reviewed at Professional Services Directorate Managers meetings.

Risks affecting Directorates which have a significant affect on HFRS corporately are escalated to the Corporate Risk Register via Directors and SMT.

4.3 Horizon scanning exercises are carried out annually, as part of the corporate planning process, to ensure that strengths and opportunities are considered as well as emerging threats and risks.

4.4 Directors and SMT review the Corporate Risk Register quarterly. They examine and evaluate the strategies and controls put in place to mitigate or manage the identified risk to the required level. They are also responsible for scoring and re-scoring risk entries. A current and target risk score is calculated using a scale of one to five. The score relates to

the likelihood of the risk occurring and the impact/consequence that is perceived should the risk materialise. Both scores are multiplied together to give an overall risk rating.

- 4.5 Risks remain on the Corporate Risk Register until they are given a score of ten or less (which equates to low or very low green risk). Once a risk entry reaches this score, it is reported to Directors and SMT and then the Authority, with the proposal to remove it from the live Corporate Risk Register. Occasionally, scores of ten or less will remain on the Corporate Risk Register to ensure control measures are fully completed. When a risk is taken off the 'live' Corporate Risk Register, it is retained on a separate 'Green List' which is monitored and reviewed periodically by Directors and SMT to ensure that the low score is still appropriate. If necessary, the risk can be returned to the live Corporate Risk Register.
- 4.6 A key element of the corporate risk management process is the monitoring of the progress of each risk entry and the action plans created to prevent and mitigate the risk. Each risk entry is reviewed periodically by Knowledge Management and the risk owner. Each control owner of an action is also asked to provide an update on their progress. A formal review of the progress of each risk entry takes place at Directors and SMT.
- 4.7 It is important that decisions taken by the Authority's elected members and Senior Management give full consideration to the risks associated with them. Risk management implications are included in all reports so that these can be taken into account in making decisions. As such, a separate section is inserted in all Fire Authority/Committee/Service Management Team reports in which the author states what, if any, risks have been identified and how will be these managed.

## **5 Review of the current Register**

- 5.1 The summary of the live Corporate Risk Register, shown in Appendix A, illustrates the direction of travel of the risk score since it was last presented to this Committee in April 2015. It gives a summary of the key controls in place and those planned for each entry.
- 5.2 'High' or 'red' risks
  - 5.2.1 **Entry number 9b – Failure to maintain operational response at specific Retained Duty System (RDS) fire stations**

This entry reflects the risk to the Service relating to our Retained Duty System workforce in specific areas within the County. It is concerned with ensuring that we have the appropriate level of staffing and cover to ensure the effective running of the retained duty system. It also covers training and workloads of staff.

The current score is red 16 with the majority of the actions to mitigate this risk being linked to the Risk Review project. This entry has been reviewed by Directors and SMT and it is felt that it will be better managed and monitored if moved onto the Service Delivery risk register.

### 5.3 'Medium' or 'amber' risks

#### 5.3.1 **Entry number 11 - Failure to protect vulnerable members of the community and our staff in the course of our service delivery, where there is contact between them.**

This risk relates to ensuring we have safeguarded our workforce and the community against risks they are faced with as result of HFRS carrying out services.

This entry is currently an amber risk with several actions still to be implemented. Directors and SMT have reviewed the entry and it is felt that it will be better managed and monitored if moved onto the Service Delivery risk register.

### 5.4 'Very low/low' or 'green' risks

#### 5.4.1 **Entry number 17 – The provision of information and communications technology that does not meet the needs of the business to promote and support improvement and innovation**

This risk relates to ensuring we have the appropriate information and communications technologies to support the needs of the Service.

An ICT Transformation project which will review the complete scope of the ICT provision to ensure the right direction is taken to best meet the Service's needs in terms of improvement, innovation and meeting financial challenge is currently in progress. The current score of this risk entry is green 8. All the control measures have been implemented and are effectively working, it is therefore proposed to remove this risk from the live Corporate Risk Register and add it to the green list.

#### 5.4.2 **Entry number 8 – Impact of Members of the Authority continuing to pursue local interest and priorities**

This risk entry, scored at green 10, ensures mechanisms are in place to support Members of the Fire Authority to carry out their role.

All the controls have been reviewed and are effectively working to mitigate the risk. It is proposed to remove this risk from the live Corporate Risk Register and add it to the green list.

**5.4.3 Entry number 06g/h – Failure to comply with and/or properly manage the Authority’s legal and moral responsibilities for the health, safety and welfare of its employees under all relevant Health and Safety legislation and guidance, including the Corporate Manslaughter and Corporate Homicide Act 2007. This risk includes failure to have the appropriate policies and procedures in place to manage driving and vehicle related risks**

The risk is in place to ensure the effective management of the health, safety and welfare of all employees including road related risks.

A full review of this entry has taken place and control mechanisms implemented to mitigate this risk. The score of this risk has reduced to green 6 and it is therefore proposed to remove this risk from the live Corporate Risk Register and place it on the green list where it will still be monitored.

**5.4.4 Entry number 18a - Failure to adequately plan the Authority’s Services within its financial resources in the medium term.**

This risk entry aims to ensure adequate planning controls are put into place to control the current risks faced as a result of cuts in government grants and funding.

The current score of green 10 reflects all the control measures in place. It is proposed to remove this risk from the live Corporate Risk Register and place it on the green list where it will still be monitored.

**5.4.5 Entry number 18b - Failure to adequately manage the Authority’s services within its financial resources in the medium term**

This entry aims to ensure adequate controls are put into place to manage the current risks faced as a result of cuts in government grants and funding.

This risk is being effectively controlled with all the control measures that have been implemented. The risk has been scored at green 10. It is proposed to remove this risk from the live Corporate Risk Register and place it on the green list where it will still be monitored.

**5.4.6 Entry number 19 - Failure to maintain accurate data in order to ensure correct training records for operational staff.**

This risk entry was been developed as a result of the identification that we currently do not have accurate training record data for operational staff.

Control measures have been implemented to significantly mitigate this risk. The current score is green 10. It is proposed to remove this risk from

the live Corporate Risk Register and place it on the green list where it will still be monitored.

## **5.5 New risk entries**

5.5.1 Members will note that there are three new entries since last year.

5.5.2 Entry number 22 – Due to a reliance on, or an association with, a third party, our ability to directly manage and control aspects of our business could diminish

This risk entry has been created to ensure that as a result of our expanding partnership work, we have controls in place to mitigate any aspect of our business that could diminish as a result of the partnership.

There is variety of control measures to be carried out to give assurance that this risk is well controlled and mitigated.

The current score is red 20. This entry will be added to the live Corporate risk register to monitor the progress of all the control measures.

5.5.3 Entry number 23 – Decrease in Organisational Performance

This risk entry has been created to ensure control measures are in place to mitigate a decrease in organisational performance.

There are several control measures already in place but a further set of control measures will control this risk further. The risk entry has been scored at green 8. Although scored green, it is expected that due to the significant change taking place throughout the organisation, that the score of this risk entry will fluctuate up and down over the coming months. For this reason the control measures will be monitored and the risk entry will stay on the live corporate risk register until it is felt that the risk has been adequately mitigated and controlled.

5.5.4 Entry number 24 - Failure to identify and capitalise on opportunities for investment (internally and externally)

This risk entry has been created to ensure control measures are in place to mitigate failure identify and capitalise on opportunities for improvement within the Service.

There are control measures still to be completed to give assurance that this risk is mitigated. The entry has been scored at amber 12 and will be added to the live Corporate risk register for monitoring.

## **5.6 Risks being developed**

There are no risks entries in development.

## **6 Assurance**

- 6.1 Knowledge Management maintains and updates the Corporate Risk Register. The Assurance and Compliance Officer is a member of the Fire Sector Group of Alarm, the Public Risk Management Association. HFRS are also part of the Fire and Rescue Indemnity Company (FRIC). The FRIC work collaboratively to recognise emerging trends related to risk and to apply best practice to mitigate the risk.

## **7 Contribution to corporate priorities and aims**

- 7.1 We want to be the best fire and rescue service in the country and make life safer for everyone by reducing risks in the community. Effective risk management processes, that are embedded throughout the organisation, are critical to ensuring thorough decision making, especially in the current financial climate.

Our planning processes and performance management framework are an integral part of our ability to identify new and emerging risks and issues which could impact on existing corporate aims and objectives. The identification of risks and issues through the planning process also provides a focus for developing new corporate aims and objectives.

## **8 Risk analysis**

- 8.1 It is essential that a risk management policy and strategy is in place across the organisation to ensure that there is a consistent and robust approach to the identification, analysis and treatment of corporate risks. This in turn ensures that major threats are considered and managed appropriately with adequate control measures implemented. Equally, it ensures that opportunities are identified and considered.

## **9 Resource implications**

- 9.1 The Authority has a corporate membership with Alarm, the Public Risk Management Association, and staff involved within this area of work have attended training courses and seminars in order to develop their knowledge and keep up to date with best practices. These costs are met from existing training and departmental budgets.

## **10 People Impact Assessments**

- 10.1 Carrying out people impact assessments will strengthen our risk management practices by ensuring that the consequences of our proposed policies and actions and projects comply with current legislation

and expectations for improving equality and diversity in the workplace and in the delivery of services to the public.

10.2 The proposals in this report are considered compatible with the provisions of the equality and human rights legislation.

**11 Background information (Section 100D of Local Government Act 1972)**

11.1 The following documents disclose the facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of the report:

Appendix A – Corporate Risk Register – Summary