

**Governance Committee**

**22 November 2010**

**Strategic Risk Register**

**Report of the Chief Officer**

**Contact:** Nicki Whitehouse, Performance Review Manager  
Telephone: 023 8062 6850

**1 Summary**

- 1.1 The Strategic Risk Register is presented to Members annually. It has previously been reported to the Fire Authority, but this was changed when the terms of reference of this Committee were reviewed earlier this year.

**2 Recommendation**

- 2.1 That the current version of the Strategic Risk Register be approved, and Members be invited to make any comments or amendments.

**3 Introduction**

- 3.1 The Risk Management Policy and Strategy was first presented to the Authority on 9<sup>th</sup> February 2005. The Register is reviewed on a quarterly basis by Service Management Team and was last reported to the Fire Authority in September 2009. It is also presented to the Corporate Management Team to provide a further opportunity for Members' input.
- 3.2 The strategic risk management process aims to identify, prioritise and manage any risks to the Authority's ability to achieve its objectives and targets, and manage its business. Continual review of the Register is a key part of our corporate planning process.

**4 Risk Management Policy and Strategy**

- 4.1 The aims of the Risk Management Policy and Strategy are to:
- Anticipate and respond to changing external and internal pressures to avoid unwelcome surprises.
  - Identify new priorities, objectives, and targets.
  - Raise awareness of the need for effective risk management by all those involved in the delivery of our services.

- Manage risk in accordance with best practice thus helping to ensure the most effective use of our resources.
- Promote and support well thought through risk taking to ensure innovations and improvement opportunities are maximised.
- Integrate risk management into the culture of the Authority.

4.2 The approach taken is that Members and senior managers are responsible for identifying and managing any significant strategic risks to the Authority's ability to achieve its corporate aims and objectives. Operational risks are identified and managed within the Service Delivery and support departments, both as part of their planning processes, and on a day-to-day basis.

4.3 Issues of strategic significance identified at operational levels are escalated to the Service Management Team (SMT) for further assessment. SMT examine and evaluate the strategies and controls put in place to mitigate or manage the identified risk to the required level. A current and target risk score are determined, which comprise a score between one to five, and which relate to the perceived likelihood of the event occurring, multiplied by the perceived impact relating to that risk. SMT review the risk entries on the Register, and their scores, formally on a quarterly basis and more frequently if and when required. It should be noted that members of SMT are also informed by their teams, who also review the Register regularly. Risks remain on the Register until they are given a score of ten or less which equates to low or very low risk, and have been reported to the Authority. When a risk is taken off the 'active' Strategic Risk Register, it is retained in a separate 'Green Risk Register' which itself is reviewed annually by SMT to ensure that the low score is still appropriate. If necessary it can be returned to the active Strategic Risk Register.

4.4 A key element of the strategic risk strategy is the monitoring of the progress against the action plans to prevent and mitigate the risks. These are monitored and reviewed formally by SMT as part of their quarterly review.

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

5.1 The summary of the Strategic Risk Register shown in Appendix 1 illustrates the direction of travel of the risk score since it was last presented to the Fire and Rescue Authority in September 2009. It gives a summary of the key controls in place and those planned and being worked on for each entry.

5.2 Members will note that one risk has increased in score since that time; ref number 14 'failure to plan and react to the implications of the Comprehensive Spending Review (CSR) 2011/14'. Before the announcements in the CSR, this was described as 'failure to anticipate, plan and react to the implications of changes to the economic

environment'. The Financial Challenge Programme Board has been set up to coordinate the key savings projects that are underway, as well as work ongoing with our partners. Communications to explain the implications of the Comprehensive Spending review are being made to staff, our elected Members and the public.

5.3 Two other risks remain at a high (red) score. These are 'failure to sustain an efficient retained duty system with consistent operational availability', and 'failure to protect vulnerable members of the community and our staff in the course of our service delivery where there is contact between them.' A summary of the actions and work to prevent and mitigate these risks can be found in the appendix.

5.4 It is pleasing to note that the scores for three of the entries have reduced since last year due to work that has been undertaken to prevent and mitigate risks. These are:

- Ref number 06h – failure to have the appropriate policies and procedures in place to manage driving and vehicle related risks.
- Ref number 13 – failure to collect, maintain, store and provide relevant, timely and accurate site specific risk information to adequately inform the risk assessment at an incident.
- Ref number 15 – failure to develop, implement and maintain information communication technology systems that are resilient and support the achievement of the Service's objectives and capitalise on the benefits in terms of efficiency and effectiveness of our systems.

5.5 More detail relating to the individual risk entries, the controls in place and proposed can be found on the Strategic Risk Register itself, the latest copy of which can be accessed from the link mentioned in paragraph 11 of this report.

## **6 Current and future work**

6.1 The Performance Review Team maintains and updates the Strategic Risk Register. The Performance Review Manager is active on the Fire Sector Group of Alarm, the Public Risk Management Association. The Group is used to benchmark our risk management processes against other fire and rescue services and ensure that we are working towards current best practice. It has also been a useful vehicle to detect new and emerging risks, and to discuss and benchmark proposed control measures with other services.

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

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. Sound risk management processes – that are embedded throughout the organisation

– are critical to sound decision making, especially in the current financial climate. The process (which is an integral part of our planning process and performance management framework) helps to identify new and emerging issues which could impact on existing corporate aims and objectives, and provide a focus for new ones.

## **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 strategic risks. This in turn ensures that major threats are considered and managed appropriately with adequate control measures, and equally 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 with the function have attended training courses and seminars in order to develop their knowledge, and keep up to date with best practices. One member of the team is studying risk management at MSc level. 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 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 within this report are considered compatible with the provisions of the European Convention on Human Rights, the Human Rights Act 1998, and the Race Relations (Amendment) Act 2000.

## **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:

The Risk Management Policy and Strategy and a full copy of the Risk Register (version 26 – October 2010) can be found, and is accessible from, the Authority's web site at [www.hantsfire.gov.uk/theservice/corporateplan/corporateplan-strategies/corporateplan-policiesplans.htm](http://www.hantsfire.gov.uk/theservice/corporateplan/corporateplan-strategies/corporateplan-policiesplans.htm)

Note: The list excludes: (1) published works; and (2) documents that disclose exempt or confidential information defined in the Act.

## Appendix 1 – Strategic Risk Register - Summary