**For Publication**

**Bedfordshire Fire and Rescue Authority**
**Corporate Services Policy and Challenge Group**
**21 June 2018**
**Item No. 14**

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**REPORT AUTHOR:**   **HEAD OF SERVICE DEVELOPMENT AND ASSURANCE**

**SUBJECT:**   **CORPORATE SERVICES RISK REGISTER**

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Background Papers:    None

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Implications (tick ✓):

| LEGAL | | | FINANCIAL | |
|---|---|---|---|---|
| HUMAN RESOURCES | | | EQUALITY IMPACT | |
| ENVIRONMENTAL | | | POLICY | |
| CORPORATE RISK | Known | ✓ | OTHER (please specify) | |
| | New | | | |

*Any implications affecting this report are noted at the end of the report.*

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**PURPOSE:**
To consider the Service's Corporate Risk Register in relation to Corporate Services.

**RECOMMENDATION:**

That Members note and approve the review by the Service of the Corporate Risk Register in relation to Corporate Services.

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1.      Introduction

1.1     Members have requested a standing item to be placed on the Agenda of the Policy and Challenge Groups for the consideration of risks relating to the remit of each Group.  In addition, the Fire and Rescue Authority's (FRA) Audit and Standards Committee receives regular reports on the full Corporate Risk Register.

1.2     An extract of the Corporate Risk Register showing the risks appropriate to the Corporate Services Policy and Challenge Group together with explanatory notes regarding the risk ratings applied is appended to this report.

2.      Current Revisions

2.1     The register is reviewed on a monthly basis during the Service's Corporate Management Team (CMT) meetings and by CMT members between these meetings if required.  A copy of the risks relevant to the Corporate Services Policy and Challenge Group are attached for your information and approval.

2.2     Changes to individual risk ratings in the Corporate Risk Register:

- **CRR00008: If we do not monitor our key external suppliers of goods and services, particularly in regard to business continuity, then we may suffer a significant and detrimental impact on our ability to deliver our full range of services including emergency response:** Therefore following a review of the risk, the Risk Controls and Action Plan the Inherent Likelihood has reduced from 3 to 2 and the Inherent Impact has remained the same resulting in the overall Inherent rating from 6 to 4.

- **CRR00027: If we receive a poor budget settlement from government and reduce funding from our Local Unitary Authorities, and/or we have an adverse response from our Council Tax Precept increase consultation processes, then our ability to deliver a full range of services could be significantly affected. Potential key pressures for 2018/19 onwards may be the Firefighters pay award, the employer pension contributions and the**

**funding of these:** Therefore following a review of the risk, the Risk Controls and Action Plan the Inherent Likelihood has reduced from 5 to 4 and the Inherent Impact has remained the same resulting in the overall Inherent rating from 15 to 12.

- **CRR00016: If there is an unforeseen change of direction for the FRS (e.g. government request to do something which does not currently fall under the remit of the UK FRS), or there are changes in Government or EU policy on fire and rescue matters or other policy directly affecting the FRS then this may have an impact on our ability to deliver a full range of services due to the need to resource such changes:** Therefore following a review of the risk, the Risk Controls and Action Plan the Inherent Likelihood has increased from 1 to 2 and the Inherent Impact has remained the same resulting in the overall Inherent rating from 2 to 4.

2.3 Updates to individual risks in the Corporate Risk Register:

- **CRR00029: If we do not communicate well, both internal and external to the Service, then we will suffer from poor staff morale, miss the opportunity to promote ourselves and the excellent work that we do and potentially impact upon our ability to deliver a full range of services.** The new website was launched on the 21st May 2018, this is continually being monitored to ensure all links and platforms function correctly. Analytics are being measured to monitor hits on the website and to ensure customer engagement is maintained.

- **CRR00004: If there are a large number of staff absent from the workplace then our ability to deliver services to our communities is severely compromised and our reputation will be adversely affected:** The adverse weather plan has been removed from the action log as the plan has been reviewed and is now BAU. The risk score remains at 16 with the residual score of 12.

**STRATEGIC OPERATIONAL COMMANDER ANDY PECKHAM**
**HEAD OF SERVICE DEVELOPMENT AND ASSURANCE**

Explanatory tables in regard to the risk impact scores, the risk rating and the risk strategy.

Risk Rating

| Risk Rating/Colour | Risk Rating Considerations / Action |
|---|---|
| **Very High** | High risks which require urgent management attention and action.  Where appropriate, practical and proportionate to do so, new risk controls must be implemented as soon as possible, to reduce the risk rating. New controls aim to:<br>• reduce the likelihood of a disruption<br>• shorten the period of a disruption if it occurs<br>• limit the impact of a disruption if it occurs<br>These risks are monitored by CMT risk owner on a regular basis and reviewed quarterly and annually by CMT. |
| **High** | These are high risks which require management attention and action.  Where practical and proportionate to do so, new risk controls *should* be implemented to reduce the risk rating as the aim above.  These risks are monitored by CMT risk owner on a regular basis and reviewed quarterly and annually by CMT. |
| **Moderate** | These are moderate risks.  New risk controls should be considered and scoped.  Where practical and proportionate, selected controls should be prioritised for implementation.  These risks are monitored and reviewed by CMT. |
| **Low** | These risks are unlikely to occur and are not significant in their impact.  They are managed within CMT management framework and reviewed by CMT. |

Risk Strategy

| Risk Strategy | Description |
|---|---|
| Treat | Implement and monitor the effectiveness of new controls to reduce the risk rating.  This may involve significant resource to achieve (IT infrastructure for data replication/storage, cross-training of specialist staff, providing standby-premises etc) or may comprise a number of low cost, or cost neutral, mitigating  measures which cumulatively reduce the risk rating (a validated Business Continuity plan, documented and regularly rehearsed building evacuation procedures etc) |
| Tolerate | A risk may be acceptable without any further action being taken depending on the risk appetite of the organisation.  Also, while there may clearly be additional new controls which could be implemented to 'treat' a risk, if the cost of treating the risk is greater than the anticipated impact and loss should the risk occur, then it may be decided to tolerate the risk maintaining existing risk controls only |
| Transfer | It may be possible to transfer the risk to a third party  (conventional insurance or service provision (outsourcing)), however it is not possible to transfer the responsibility for the risk which remains with BLFRS |
| Terminate | In some circumstances it may be appropriate or possible to terminate or remove the risk altogether by changing policy, process, procedure or function |

## Risk Assessment Process

### Risk = Likelihood x Impact

Likelihood is made up of two variables, vulnerability and probability, each giving a possible value of 1 – 5.  An average of both values is taken to calculate likelihood.

Impact is a direct value, from 1 – 5, which when multiplied by the averaged likelihood score gives a level of risk to the Service.

### Vulnerability - Factors within the Service's control

Vulnerability is a component of likelihood, below are the levels that have to be defined to allow threats to be rated against this variable.  For each threat, a vulnerability score is assessed.   This is a 1-5 rating that takes into account the Service's current levels of control that could prevent this threat.

| Number | Variable Level Name | Variable Level Description |
|--------|---------------------|---------------------------|
| 5 | Very High | No controls in place. Large number of vulnerabilities exist |
| 4 | High | No controls in place to prevent threat materialising. |
| 3 | Medium | Limited controls in place to prevent threat. Responsibilities not defined/unknown. |
| 2 | Low | Known/documented controls are in place to prevent threat materialising. Responsibilities relating to controls are known and practised. |
| 1 | Very Low | Mature and embedded controls in place to prevent this threat. |

Figure 3 – Vulnerability

### Probability - Factors outside of the Service's control

Probability is another component of likelihood.  Below are the levels that have to be defined to allow threats to be rated against this variable.  This reflects both the historical occurrence of a threat taking place and the estimated frequency for that threat based on intelligence available at the time of risk assessment.

| Number | Variable Level Name | Variable Level Description |
|--------|---------------------|---------------------------|
| 5 | Almost Certain | Probability of occurrence is above 90% in the next five years |
| 4 | Highly Likely | Probability of occurrence is between 66% and 90% in the next five years |
| 3 | Likely | Probability of occurrence is between 36% and 65% in the next five years |
| 2 | Unlikely | Probability of occurrence is between 11% and 35% in the next five years |
| 1 | Rare | Probability of occurrence is below 10% in the next five years |

Figure 4 – Probability

**Impact**

Below are the levels that have to be defined to allow threats to be rated against this variable. In the example shown, the impact of the threat is defined in relation to the resources within the risk assessment e.g. people, premises, technology etc. Each of these would be justified in terms of loss of life/injury, financial loss or damage to stock and equipment.

| Number | Variable Level Name | Variable Level Description |
|--------|---------------------|---------------------------|
| 5 | Catastrophic | Catastrophic impact upon long term Service prospects due to non-delivery of regulatory or compliance obligations and reputational damage within industry |
| 4 | Critical | Critical impact, immediate action required to prevent affecting long term prospects of the Service |
| 3 | Major | Major impact which requires active involvement of senior staff to contain |
| 2 | Moderate | Moderate impact which can be effectively managed |
| 1 | Minor | Minor impact which can be effectively managed |

Figure 5 – Impact