REPORT REFERENCE NO.	**AGC/23/12**
MEETING	**AUDIT & GOVERNANCE COMMITTEE**
DATE OF MEETING	**21 JULY 2023**
SUBJECT OF REPORT	**CORPORATE RISK REGISTER**
LEAD OFFICER	**DIRECTOR OF FINANCE AND CORPORATE SERVICES (TREASURER)**
RECOMMENDATIONS	***That the report be noted.***
EXECUTIVE SUMMARY	Managing risks, both operational and strategic, is an important part of ensuring that the resources of Devon and Somerset Fire and Rescue Service are used to best advantage. Risk is inherent in most things that the Service does and much of its activity is already assessed and managed through the application of the operational risk management procedures and good common sense. The Corporate Risk Register sets out risks and mitigation to ensure that risk is managed appropriately and proportionately.
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	A – Risk management framework B - Sharpcloud risk register view V56
LIST OF BACKGROUND PAPERS	AGC 29 November 2022 (Minute AGC/22/12 refers) – Corporate Risk Register AGC 7 March 2022 (Minute AGC/21/19 refers) – Corporate Risk Register

1. INTRODUCTION

1.1 The aims of Risk Management for the Devon & Somerset Fire & Rescue Service (hereinafter referred to as "the Service") are to:

- Protect the assets of the Service;
- Ensure service continuity; and
- Facilitate innovation and opportunity.

1.2 Risk management does not mean risk avoidance. It is about encouraging officers and managers to identify, understand and control risk and to learn how to accept the right level of risk.

2. CORPORATE RISK REGISTER

2.1 The corporate risk register captures and describes the Service's most significant risks, with a focus on cross-cutting risks and major projects. It is formally reviewed and refreshed on a regular cycle. In order to embed the Service's approach to managing strategic and operational risks, risk management is integrated within the planning process so that it is part of direction setting, activity and resource planning and activity monitoring.

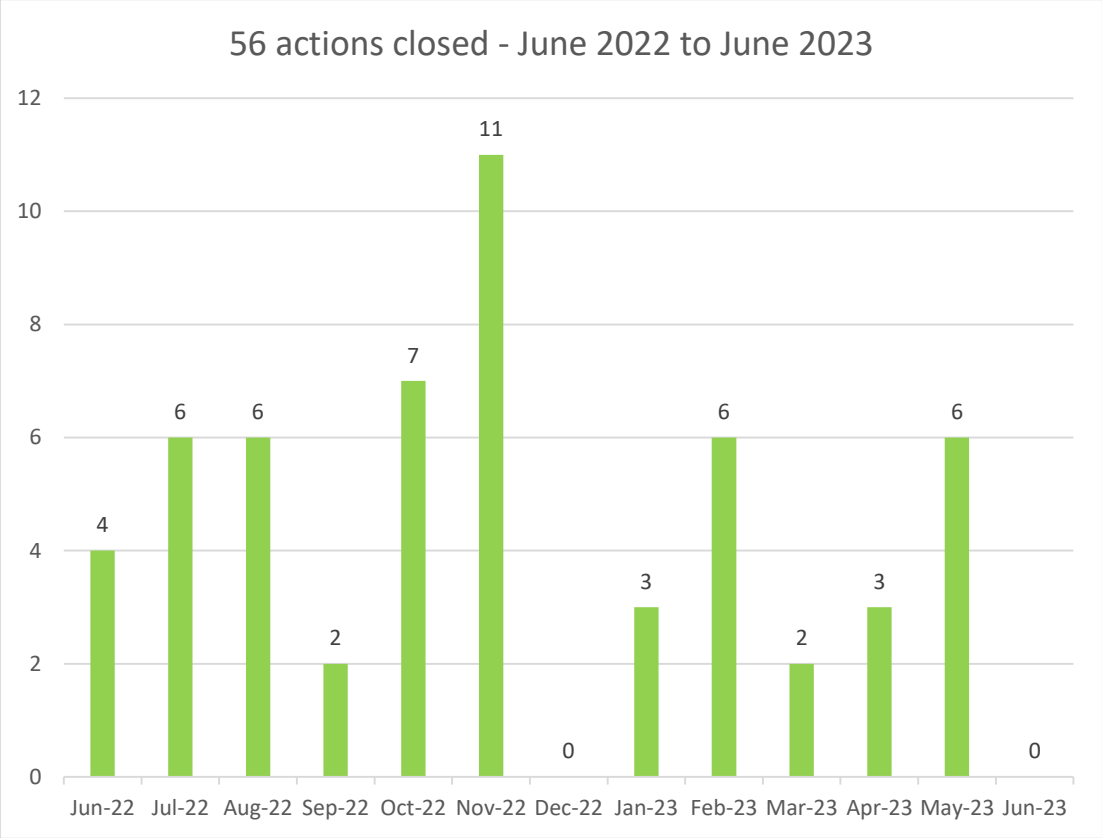
2.2 Risk management is the process by which risks are identified, assessed, recorded, mitigated and reviewed. A risk is the threat that an event or action will adversely affect the ability to achieve our objectives. This Risk Management Framework sets out responsibilities for the management of risk and seeks to ensure that key risks to the achievement of the Service's objectives are understood, reported and appropriately mitigated. It is important to recognise that an effective risk management framework is as much a way of thinking as it is a process or system as illustrated in Appendix A.

2.3 The process includes the identification, assessment and recording of risks and mitigating activities which is incorporated into annual service plans. The final stage of the process, once risks have been reviewed by risk owners and directors, is for the Audit & Governance Committee (the Committee) to note the contents of this report.

2.4 The Service risk profile has changed since the last report. The corporate risk register entries total sixteen risks with four risks escalated from local risk registers, two de-escalated to local and thematic risk registers and no risks closed. One of the four risks escalated was added to the corporate risk register. The register is reviewed monthly by the Service's Executive Board dependent on net risk score with high risks reviewed monthly and medium risks quarterly.

2.5 Risk sources are both internal and external to Service activities, therefore establishing categories for risks provides a mechanism for collecting and organising risks as well as ensuring appropriate scrutiny and management attention for those risks that can have more serious consequences to meeting objectives. Risk categories consolidate risks into a two dimensional view, strategic process and directorate; either may exist in a single directorate or cut across multiple directorates. Service corporate risks are aligned to HM Treasury Orange Book (2020) risk categories. Failure to manage risks in any of these categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences. The table in Appendix B provides clarification on the high and medium corporate risks.

2.6 Over the last twelve months 56 actions have been closed. The graph below illustrates actions closed per month.



2.7 As is normal, there have been minor changes to control measures across the risk portfolio. Risk owners are assigned to each risk with active mitigation in place. All risk register owners have reviewed and updated their risk mitigations and agreed new review dates. Overall, the Service's Executive Board is duly satisfied with the adequacy of the risk mitigation progress.

3. CORPORATE RISKS ADDED AND AMENDED SINCE THE LAST REPORT TO THE COMMITTEE

3.1 Executive Board considered the following risks and made decisions on appropriate risk register inclusion:

- December 2022 CR050b Failure to agree actions to set a balanced budget in future years, further exacerbated by reduced council tax and business rates and inflation. Agreed to combine risk into existing corporate risk CR050, refer to section 3.2.;
- March 2023 CR082 Inability to maintain Academy training facilities. Agreed to add risk to Academy risk register;
- March 2023 CR083 Failure to operate Safeguarding effectively. Agreed to add risk to Community Safety risk register;
- May 2023 CR084 Digital capability at risk due to lack of clarity of future Digital direction. Agreed to add risk to corporate risk register; and

3.2 Executive Board agreed to amend the following risks on the corporate risk register:

- December 2022 CR077 Industrial action, including withdrawal from voluntary arrangements to do non contractual working, December 2022 increased likelihood score from 3 to 4 due to FBU ballot 5 December 2022; and
- March 2023 CR050 Failure to agree actions to set a balanced budget in future years, further exacerbated by reduced council tax and business rates and inflation; impact score increased from 3 to 5 thereby increasing risk level from medium to high due to budget pressures associated with 2024/25 financial year and beyond.

4. RISKS DELEGATED TO LOCAL RISK REGISTER

4.1 The following two risks have been delegated to local risk registers now that they have been mitigated within a tolerable risk level.

- December 2022 CR066 Failure to adequately plan and implement recruitment and promotion processes was delegated to Human Resources risk register;
    - Recruitment and promotion processes established and being managed as business as usual.
    - Four actions completed
        - External recruitment process.
        - Workforce planning reports.
        - Strategic workforce planning profile.
        - Formalised sustainable leadership structure.

- March 2023 CR077 Industrial action, including withdrawal from voluntary arrangements to do non contractual working, was delegated to Service Delivery risk register.
    - The Fire Brigades Union's (FBU) postponed industrial action following the National Joint Council's (NJC) new offer of a 7% increase for 2022/23 (backdated to July 2022), and 5% for 2023/24. The previous offer was 5% for 2022/23. The FBU voted by 96% and accepted the revised pay offer on 6 March 2023.
    - The pay award has been funded out of the Service budget as there was no indication that the government would be providing additional funds to support this.

5. RISK HORIZON SCAN REPORTS

5.1 The concept of horizon scanning aims to detect early warning signs of emerging risk to prompt the Service to make decisions to act when needed.

5.2 Many different external reports are used to compile a forward look, one being the UK Government Horizon Scan methodology. This recommends that everyone in the public sector has a responsibility to think about the future in the work they do. Decisions made today have long term consequences. However, the future in which these decisions have an impact is uncertain and making decisions is difficult.

5.3 The horizon scan report aims to illustrate how strategic issues can change over time and the benefits that horizon scanning considerations can bring. The topics discussed relate to short term, medium term and long term risks.

5.4 Quarterly reports offer general horizon scan updates with a deeper dive that explores specific topics such as how citizen data might change and to help decision makers form strategies that are resilient to future uncertainties.

5.5 An important element of horizon scanning, which sets it apart from risk assessment, is that it considers information which cannot normally be sourced from within the Service. Emerging risks, by their nature are varied, difficult to identify and quantify. They can have a detrimental impact on the Service's ability to deliver future prevention, protection and rescue activities to communities so it is important to recognise them as early as possible.

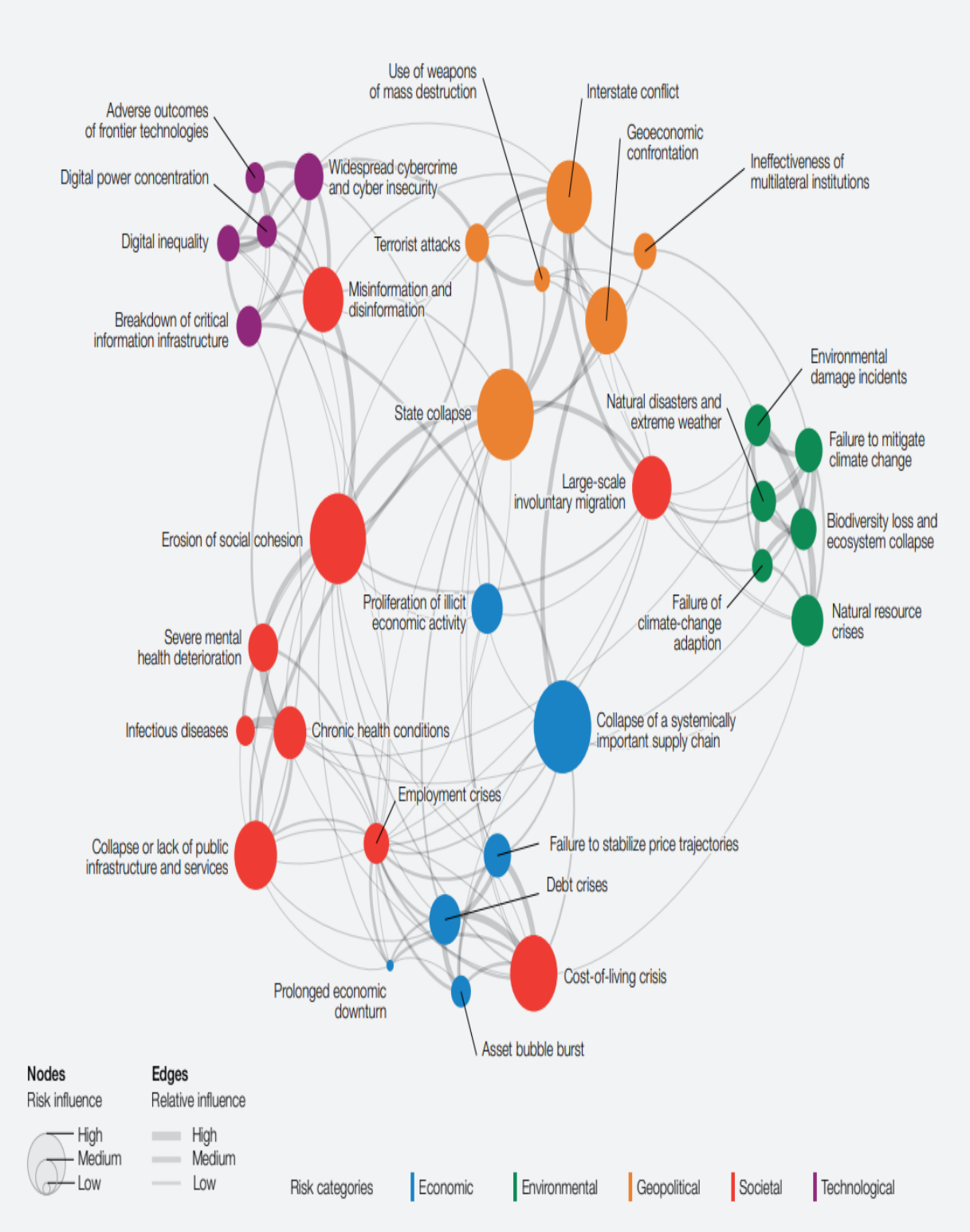
5.6 Over the last six months. Executive Board and Service Leadership team (ELT) met twice to consider future key risks, milestones and changes. The outputs inform corporate risk register, reports and planning. The latest session was held on 17 May 2023 and focused on topic noted below;

- Use of artificial intelligence within the workplace. Decision made to research the topic and make recommendations on how the Service can make best use of artificial intelligence with an appropriate governance framework.

5.7 Horizon scanning sessions use different sources of information and the illustrations below are from the World Economic Forum Global Risk Report 2023, ranking risks by severity and risk categories over the short and medium terms. The report is underpinned by an annual risk perceptions survey that brings together insights from over 1,200 risk professionals and data from across the globe.1

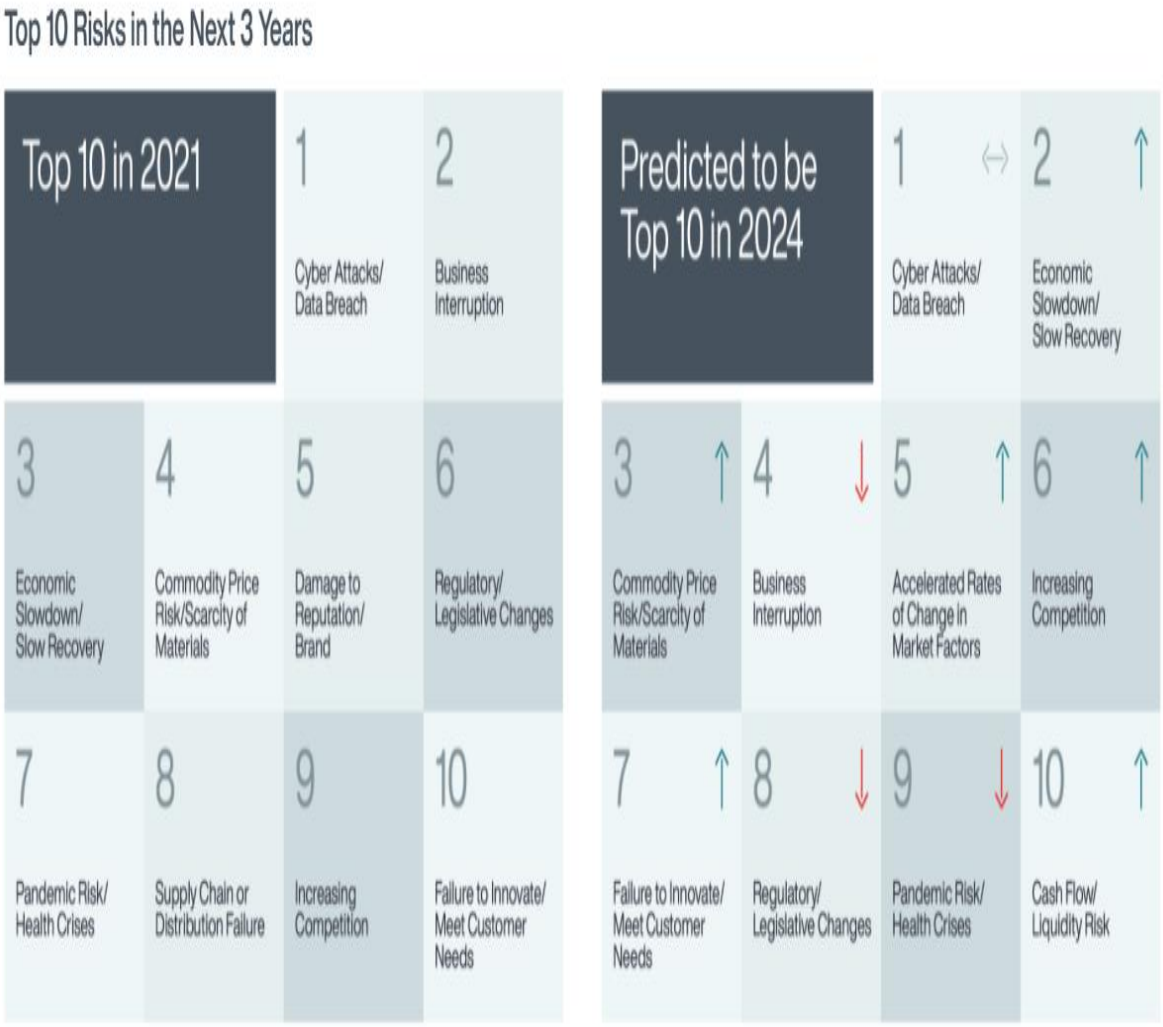
5.8 The next illustration is a global risk landscape interconnections map. Assessing the potential impact of relationships between global risks can help the Service anticipate potential connections directing preparedness measures towards minimising the scale and scope of risks before they arise. [2]

[1] Global Risks Report 2023 | World Economic Forum | World Economic Forum (weforum.org)
[2] Global Risks Report 2023 | World Economic Forum | World Economic Forum (weforum.org)



5.9 Last year Aon prediction of risks 2022 until 2024 indicates that cyber-attack / data breach is expected to remain on corporate risk registers, followed by economic slowdown and scarcity of materials. Leaders anticipate the rapid pace of change will bring about changing internal and citizen risk profiles and behaviours, changing the way we work, gaining greater insights for data.[3]

[3] 9. Increasing Competition - 2021 Global Risk Management Survey (aon.com)



6. RISK DASHBOARD

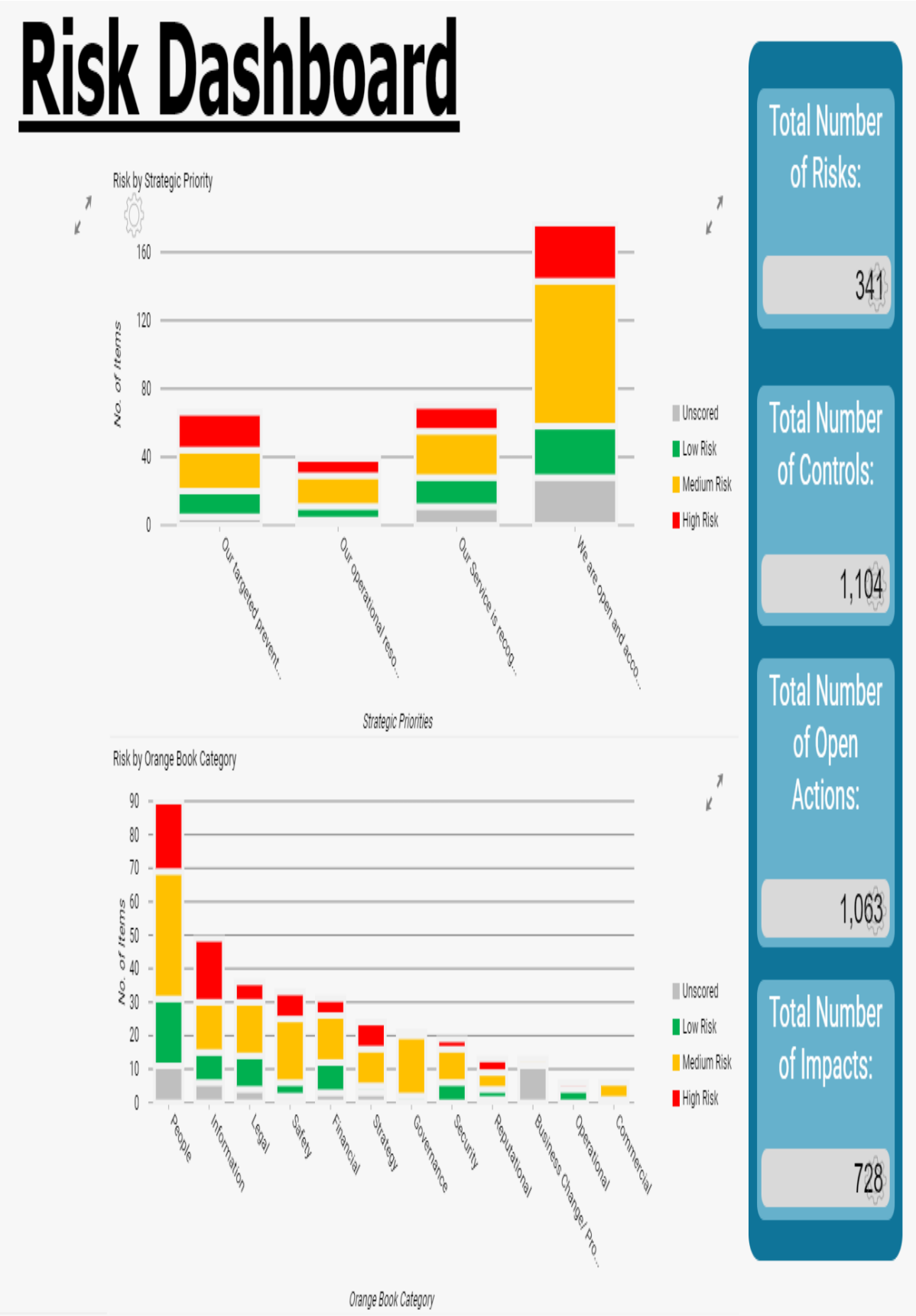
6.1 Following the Audit and Governance Committee meeting, 29 November 2022, the Risk and Insurance team were tasked to research and develop a risk dashboard. The objective of this work was to create a product that would facilitate the strategic overview of all current risks recorded, within the Service's suite of risk registers.

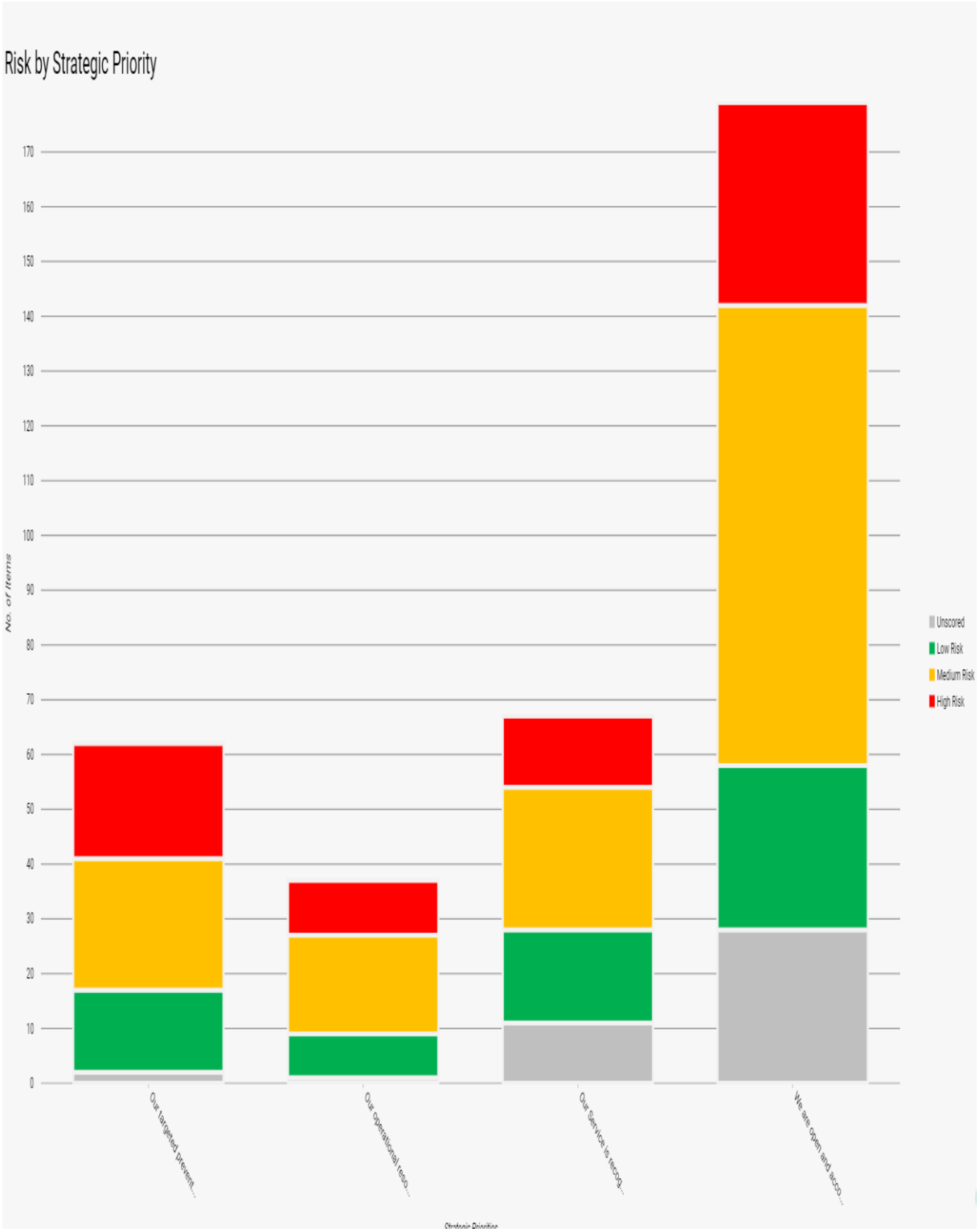
6.2 The risk dashboard was presented to Service Leadership Team on 29 March 2023. Initial feedback was positive and several areas for improvement were agreed.

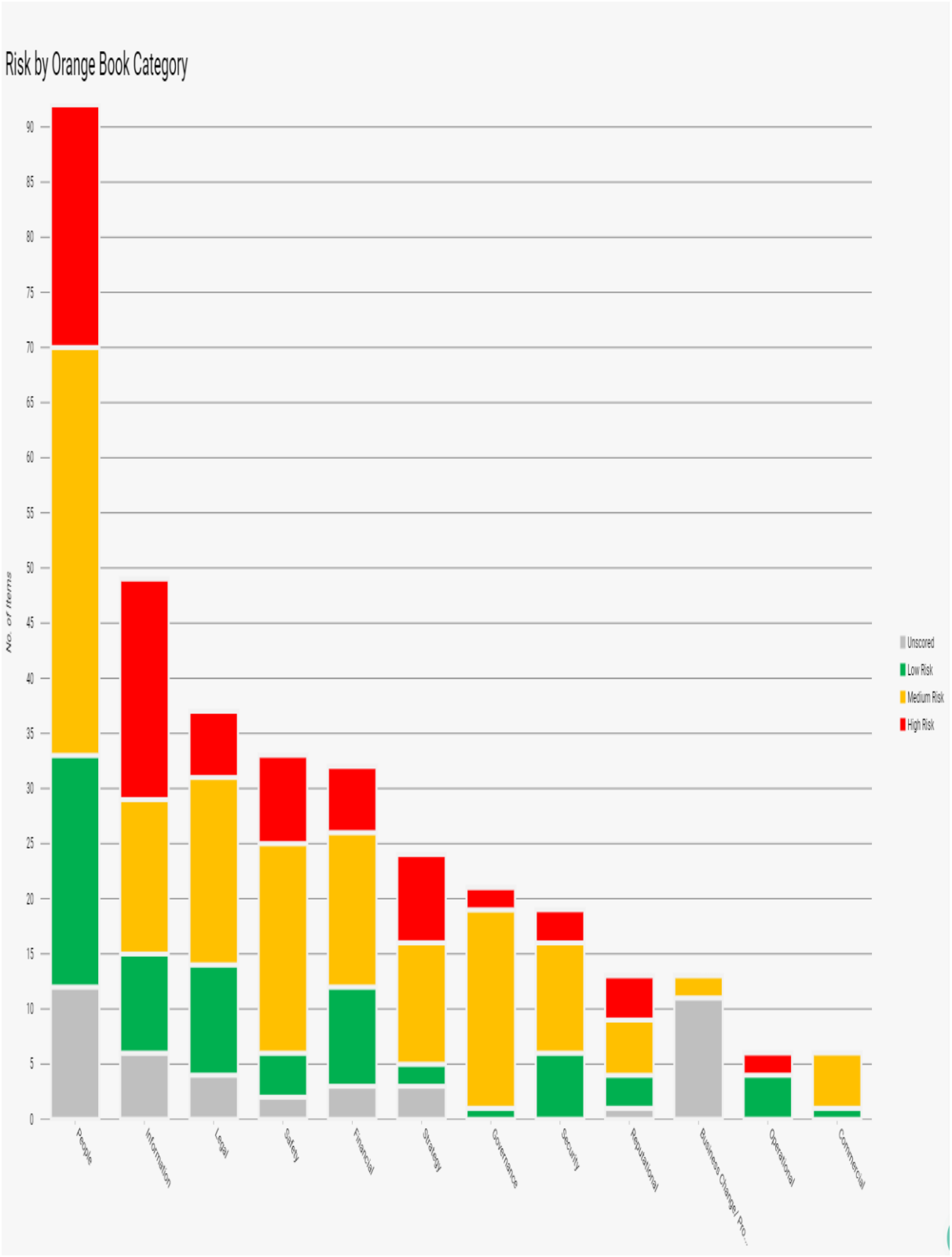
6.3 As part of this work, all risks identified have been assessed against the relevant Service priority, objectives and HM Treasury Orange Book risk category on which they impact.

6.4 This assessment was conducted initially by a member of the risk and insurance team and will form the basis of further scrutiny by the risk owners in subsequent risk review meetings.

6.5 The following view shows the number of risks allocated to each of the Service's four priorities, objectives and risk categories by risk score.




Risk by Strategic Priority
No. of Items
170
160
150
140
130
120
110
100
90
80
70
60
50
40
30
20
10
0
Unscored
Low Risk
Medium Risk
High Risk
Our targeted prevent...
Our operational reso...
Our service is recog...
We are open and acco...



7. HEALTH AND SAFETY THEMATIC RISK REGISTER

7.1. On the corporate risk register there are five health and safety corporate risks. Executive Board decided on 10 August 2021 to set up a thematic health and safety risk register to focus on health, safety and wellbeing risks with a wider stakeholder group.

7.2. The strategic health and safety thematic risk register workshop is chaired by ACFO Taylor, reviewed quarterly by Health and Safety stakeholders, including representative bodies, and quarterly by Strategic Safety Committee which is chaired by a member of the Executive Board. The risks are owned by Service Leadership team leads, and managers are the control and action owners.

8. BUSINESS CONTINUITY

8.1 Since the previous report, strategic and tactical debrief sessions have been completed and lessons learnt captured. Business continuity planning continues to ensure the Service complies with the Civil Contingences Act 2004 (CCA) that places a duty upon the Service as a category one responder, to ensure that activities are maintained to deliver core services in adverse conditions.

8.2 On the 25 June 2023, the 999 call system experienced a national outage affecting Police and Fire and Rescue Services. BT reverted to a call back system, however, it was unable to determine the call location or number. The 999 system became available later the same day. Initial learning points were identified.

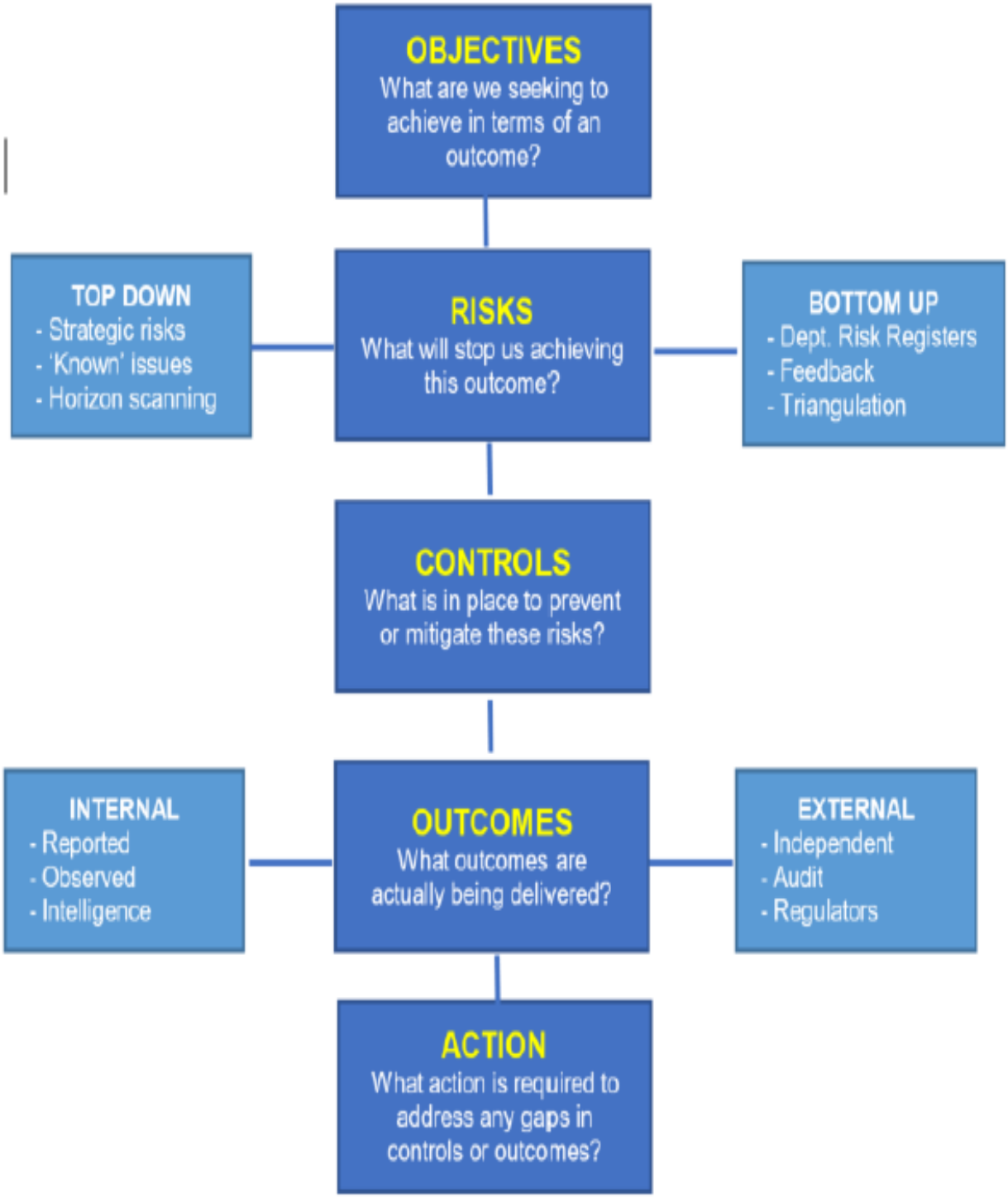
9. NEXT STEPS

9.1 The Corporate Risk Register will continue to be subject to monthly review by the Service's Executive Board. The next formal review of the Corporate Risk Register by the Committee is due to take place in six months' time.

SHAYNE SCOTT
Director of Finance and Corporate Services (Treasurer)

APPENDIX A TO REPORT AGC/23/12

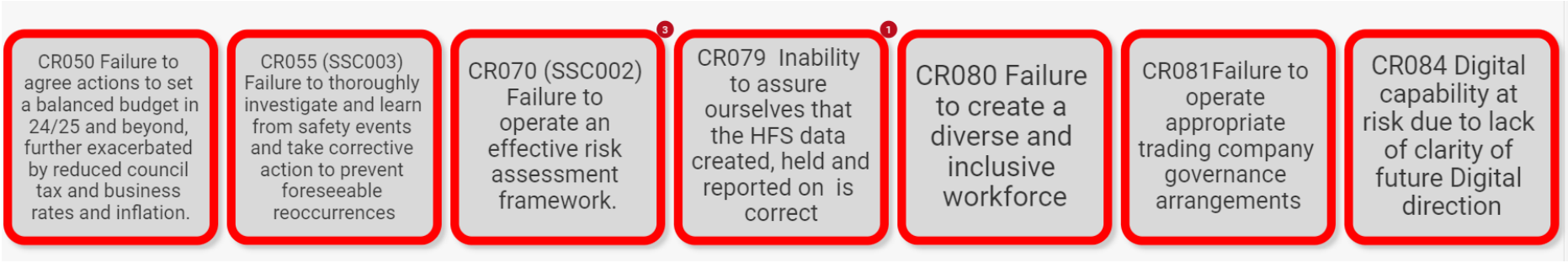
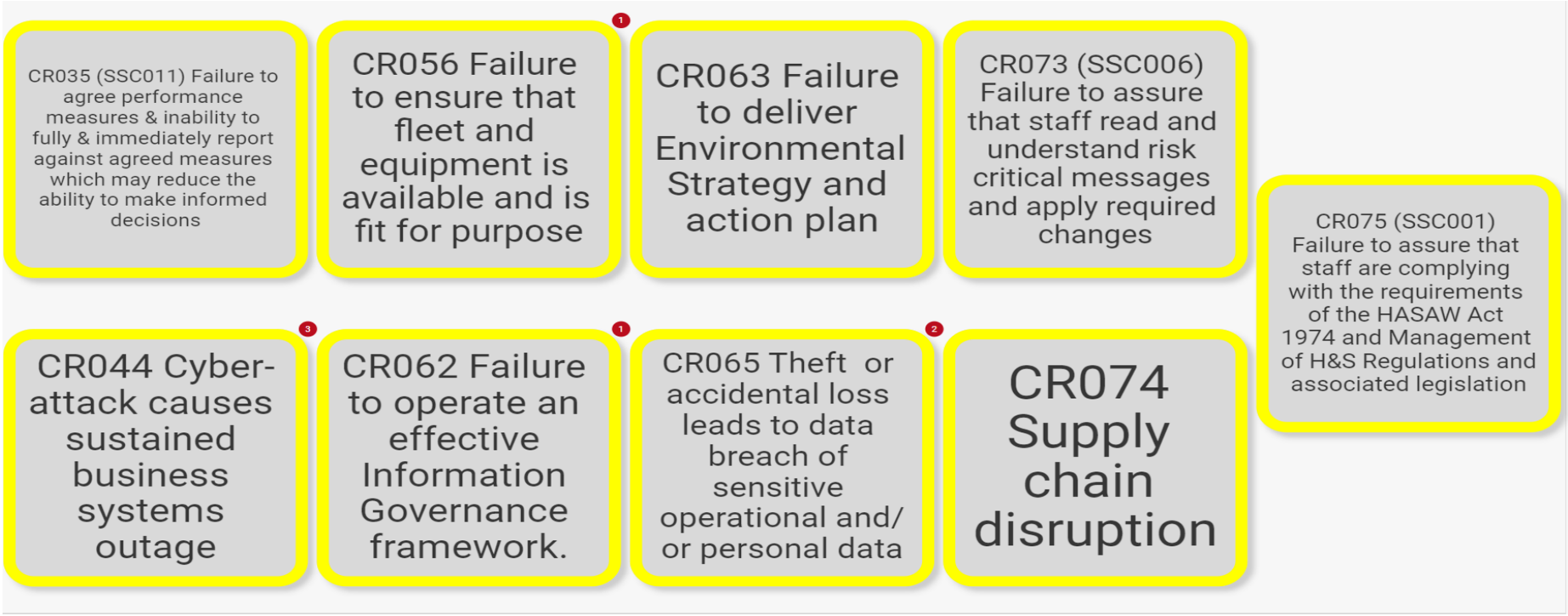
RISK MANAGEMENT FRAMEWORK



Corporate Risk Register V56 11 July 2023

V56 Corporate Risk Register – border colour indicates net risk score – 16 corporate risks:

- 7 x high risks. Increase of 2 from previous report November 2022.



- 13 medium risks. Decrease of 4 from previous report November 2023.