REPORT REFERENCE NO.	**APRC/21/5**
MEETING	**AUDIT & PERFORMANCE REVIEW COMMITTEE**
DATE OF MEETING	**5 MARCH 2021**
SUBJECT OF REPORT	**CORPORATE RISK REGISTER**
LEAD OFFICER	**DIRECTOR OF GOVERNANCE & DIGITAL SERVICES**
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 & BENEFITS ASSESSMENT	Not applicable.
APPENDICES	Appendix 1 - Corporate Risk Register February 2021 Appendix 2 - Interdependencies between Corporate/Brexit/Covid Risk Registers
BACKGROUND PAPERS	APRC November 2019 – Corporate Risk Register APRC May 2019 – Corporate Risk Register

1. INTRODUCTION

1.1   The aims of Risk Management for the Devon & Somerset Fire & Rescue Service ("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 Authority'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   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 & Performance Review Committee (the Committee) to consider and comment.

2.3   The Service risk profile has changed since the last report. The corporate risk register entries total seventeen with thirteen risks escalated, three de-escalated to local risk registers and one risk closed (No Deal Brexit). The register is reviewed monthly by the Service Executive Board dependent on net risk score with high risks reviewed monthly and medium risks quarterly. Please refer to Appendix 1 of this report - Corporate Risk Register.

2.4   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 Her Majesty's 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 1 provides clarification on the high and medium corporate risks, grouped by risk category, with a high level summary of effective mitigation and actions in development.

2.5   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 Executive Board is satisfied with the adequacy of the risk mitigation progress.

3. **AMENDED CORPORATE RISKS SINCE THE LAST REPORT TO THE COMMITTEE**

3.1   The following two risks have been amended and remain on the corporate risk register:

- June 2020: CR041 Out of date policies may result in failure to comply with organisational and legislative requirements replaced by CR062 Failure to operate an effective Information Governance framework.   CR062 remains on the corporate risk register; and

- October 2020: CR056b Failure to monitor effectively and take appropriate action as and when required to ensure risk-critical safety equipment remains fit for purpose was combined with CR056 Failure to ensure that fleet and equipment is available and is fit for purpose. CR056 risk remains on the corporate risk register.

4. **EMERGING RISK ESCALATED TO CORPORATE RISK REGISTER**

4.1   On 23 October 2020, at the Fire Authority meeting, Members declared a climate emergency and the Authority's Climate Change and Sustainability Member champions developed appropriate targets and key performance indicators to facilitate monitoring of progress in implementing the Environmental Strategy. CR063 Failure to reduce the Service's greenhouse gas emissions and carbon footprint was added to the Corporate Risk Register.

5. **RISKS DELEGATED TO LOCAL RISK REGISTER**

5.1   The following three risks de-escalated to local risk registers now that they have been mitigated within a tolerable risk level.

- November 2020 CR051 Targeted negative media may undermine public assurance. Communication strategy published; de-escalated to Communications risk register.

- November 2020: CR059 Failure to comply with duty to collaborate; de-escalated to Covid-19 risk register.

- January 2021: CR060 Failure to prepare for impact of no deal exit from European Union; de-escalated to Covid-19 risk register to maintain a watching brief for potential supply chain disruptions.

6. **BREXIT, COVID & CORPORATE RISK REGISTER INTERDEPENDENCIES**

6.1   A Brexit working group was set up in January 2020 to review the risks related to Brexit.

6.2   As a consequence of the Covid-19 business continuity arrangements, the service planning process was suspended, which led to department and corporate risk registers not being updated between April and June 2020. Instead risk management focused on the development and implementation of a strategic Covid-19 risk register, to ensure that robust and effective control measures were operating as expected to deliver the strategic intents outlined in the Strategic Business Continuity Covid-19 Governance Arrangements. The Gold group (the Service Executive Board) approved the Covid-19 risk register on 9 June 2020.

6.3   Gold and Silver groups agreed to review the Covid-19 risk register initially weekly and from September 2020 moved to fortnightly.

6.4   The Brexit working group reviewed the Brexit risks and interdependencies against the Corporate and Covid-19 risk registers. The pictorial view at Appendix 2 of this report displays the specific risks for each risk register and their interdependencies. Where two risk registers intersect, the risk score increased by one level e.g. amber to red. Where all three risk registers intersected in the centre section, the risk score increased from red to grey.

6.5   The group recommended that the centre section formed a new combined risk register and that a review frequency was determined.

6.6   The Service's Executive Board agreed the combined risks and additional actions over and above those already captured on the Corporate or thematic Brexit and Covid-19 Risk Registers.

6.7   The Extended Leadership Team (comprising the Service's Executive Board and Heads of Departments) participated in a virtual table top business continuity exercise on 18 December 2020 that considered current business plan adequacy if concurrent business continuity events were to occur, for example Covid, a no deal Brexit and severe weather. The outcome of this exercise was agreement to additional control measures and a decision to maintain a watching brief. The Business Continuity framework was updated to include guidance on concurrent events and which event would take primacy.

6.8   The business continuity exercise debrief report was issued on 22 December 2020 with an action for the Service Executive Board and Heads of Departments to run an exercise and update their business continuity plans by the end of January 2021. The key learning points captured were:

- Business continuity plans to be regularly exercised at strategic, tactical and operational levels.

- Single points of failure and staff welfare to be monitored and redeployment of additional staff to share knowledge and work load.

6.9   The Brexit working group was dissolved when the Brexit UK/EU agreement was signed on 24 December 2020. Subsequently, the supply chain elements of the related Brexit risk, CR060, was de-escalated from the Corporate to the Covid-19 risk register on 12 January 2021 with a directive to maintain a watching brief for any future supply chain disruption as a result of Covid-19 or leaving the European Union.

7.   **RISK MANAGEMENT POLICY AND HMICFRS COVID INSPECTION REPORT**

7.1   The 2019 Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) inspection report identified the following areas of improvement for the Service's risk management processes:

- The service needs to assure itself that its risk management and control process has a mechanism that allows escalation of risks to the appropriate level in the organisation; and

- Inspectors reviewed some service and directorate plans and found no way to score the risk or any guidance on taking the risk to the corporate risk register. This could lead to significant organisational risks remaining at the department level, with no oversight from the corporate management team or the fire and rescue authority.

7.2   The Risk Management policy and framework has been reviewed and updated and the Director of Governance & Digital Services has adopted the role of Risk Management Champion for the Service.

7.3   Risk escalation between local and corporate risk registers has now been embedded monthly at the Service's Executive Board meetings. From February 2021, monthly risk review meetings with Service's Executive Board risk owners include the control and action owners. Monthly review meetings are also held with Area Managers and the Risk Team also attends Group and Station Manager's monthly meetings to promote the risk escalation process, with an evidence folder capturing escalation requests and tracking process.

7.4   Risk register template amendments include gross, net and target risk scores, risk, control and action owners, actions now have implementation dates, narrative on monthly updates, escalation / de-escalation, closed risks and a delegated risks audit trail. The Service's Executive Board decisions are recorded in meeting minutes and are monitored, dependant on risk severity, in a monthly action timeline.

7.5   HMICFRS was asked by the Home Office to consider what is working well and what is being learnt during the Covid-19 pandemic, how fire and rescue services are dealing with the problems they face, and what changes are likely as a result of the pandemic. In summary the Service report published in January 2021 noted that:

- The Service maintained its statutory functions;

- It was innovative in reviewing its risk profiles which allowed the Service to use data to refocus its activities;

- Worked collaboratively with partner organisations and supported both Local Resilience Forums;

- Many staff volunteered for extra roles; the Service coordinated the south west region response to drive ambulances;

- The Service was instrumental in supporting the National Fire Chiefs Council in developing pay protection for the on call firefighters model and maintenance of competence options to enable Services to continue their on call training;

- Changed the way protection and prevention activities were delivered to keep our communities safe; and

- In preparing for the pandemic the Service had station, department and specific business continuity plans that were reviewed regularly and captured lessons learnt that reflected the changing, often dynamic nature of the pandemic.

7.6   The report recommends that looking to the future it is now essential to use the lessons learnt during Covid-19 as a platform for lasting reform and modernisation.

8.   <u>NEXT STEPS</u>

8.1   The Corporate risk register will continue to be subject to monthly review by the Service Executive Board. The next formal review of the corporate risk register by the Committee is due to take place at the second meeting of the 2021/22 municipal meeting cycle.

MIKE PEARSON
Director of Governance & Digital Services

Corporate Risk Register – February 2021

Risk Category	Corporate Risk	Mitigation and Development status
7 high risks monitored monthly		
Safety: Risks arising from safety deficiencies or poorly designed or ineffective/inefficient hazard management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.	CR055 Failure to report and learn and take corrective action to prevent foreseeable accidents. CR056 Failure to ensure that fleet and equipment is available and is fit for purpose.	• Development of Safety Event Management System (SEMS). • Phase 1 equipment review completed. • Phase 2 progressing.
Financial: Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.	CR050 Failure to agree and set a balanced budget 2022/2023. CR067 Lack of guidance on calculating grant income may result in funding gap between estimated and actual figure.	• Value for money assessment completed. • Benefits realisation monthly report. • Rolling efficiencies review. • Reserve strategy. • Risk based medium term financial planning. • Budget monitoring.

People: Risks arising from ineffective leadership & engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity & capability, industrial action, and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.	CR064 Failure to provide demonstrable consistent standards in firefighter competence.
	
	CR069 People structure does not support the needs of the organisation.
		• Professional, Safe and High Performing' report; transformation of 6 themes:
		  ▪ Station based training
		  ▪ Setting standards
		  ▪ Audit & assessment
		  ▪ Central training/T4C
		  ▪ Role Development
		  ▪ Service Support
		
		• Contingency plans.
		• Options paper.

Operational: Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money	CR068 Failure to capitalise on benefits of Apprenticeship levy.	• Apprenticeship working party. • Development of workforce planning strategy. • Development of apprenticeship strategy.

Risk Category	Corporate Risk	Mitigation and Development status
10 medium risks monitored quarterly		
Governance: Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.	CR035: Failure to agree performance measures & inability to fully & immediately report against agreed measures which may reduce the ability to make informed decisions.	• Procurement process underway for new performance and planning system with system due to be implemented Q3 2021.
Information: Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.	CR062: Failure to operate an effective Information Governance framework.	• MS365 rolled out. • Development of document management system.
People: Risks arising from ineffective leadership & engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity & capability, industrial action, and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.	CR057 Covid results in significant staff absence. CR061 Failure to undertake adequate workforce planning in respect of number of firefighters due to retire before 1st April 2022. CR066 Failure to adequately plan and implement recruitment and promotion processes.	• Thematic Covid-19 risk register, reviewed fortnightly. • Strategic, operational and tactical business continuity governance established. • Development of workforce planning strategy. • MS365 rolled out. • Development of document management system.
Reputational: Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations.	CR058 Failure to identify organisational learning and respond to consultation / changes to complex buildings. CR063 Failure to reduce the Service's greenhouse gas emissions and carbon Footprint.	• Grenfell actions tracked. • MORI systems being developed, two apps due for roll out April 2021. • Development of climate emergency strategy.
Security: Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with General	CR044 Cyber-attack on ICT services causes sustained ICT outage.	• Protective monitoring system implemented. • Business continuity plans and system resilience established. • MS365 rolled out. • Development of Digital roadmap.

Risk Category	Corporate Risk	Mitigation and Development status
Data Protection Regulation requirements.	CR065 Cyber-attack or accidental loss leads to data breach of sensitive operational and/or personal data.	• Protective monitoring system implemented. • Business continuity plans and system resilience established. • MS365 rolled out. • Development of Digital roadmap.
Technology: Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.	CR037 Physical loss of ICT services causes sustained ICT outage.	• Business continuity plans and system resilience established. • MS365 rolled out. • Digital roadmap in development.

Risk Categories with no current corporate risks
Business Change/ Project / Programme: Risks that change programme and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time cost and quality.
Commercial: Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and/or failure to meet business requirements/objectives.
Legal: Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets and people (for example intellectual property).
Strategy: Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change) and changing micro-environment (competing strategic perspectives)

- Risk included in 2 risk registers - net risk score weighting x 2 (green to amber, amber to red)
- Risk included in 3 risk registers - net risk score weighting x 3 (red to grey)

Corporate
- CR035 Performance reporting
- CR037 Weak ICT BC plans
- CR044 Cyber attack
- CR050 Budget setting
- CR055 Report & learn from events
- CR056 Fleet & equipment fit for purpose
- CR057 Covid
- CR058 Organisational learning (complex buildings)
- CR060 Brexit
- CR061 Workforce planning
- CR062 Information Governance

CRR & Covid
- Covid
- ICT reliance
- Budget & increasing costs
- Learning lessons
- Supplies chain

CRR & Brexit
- Brexit
- Fleet & equipment availability
- Information Governance

ICT reliance
- Increasing costs
- Fleet & equipment
- Learning lessons
- Staff welfare
- Staff availability
- BC plans / multi events
- NFSP resilience
- Assisting partners
- Service Delivery

Covid
- CV002 ICT infrastructure
- CV003 Volume of change
- CV005 increasing non pay costs
- CV006 HMG new ways of working
- CV007 Availability of staff
- CV008 Safer together programme
- CV009 Drive innovation
- CV010 Horizon scanning
- CV011 Fraud
- CV012 Staff Welfare
- CV014 Supply chain disruption
- CV016 Threats to FF safety
- CV017 Staff don't report Covid symptoms
- CV018 FF skills fade & fitness tests
- CV019 NHS test & trace availability

Covid & Brexit
- Supply chain failure
- Staff availability
- Staff welfare
- Volume of change
- ICT reliance

Brexit
- BD003 Insufficient fuel for operations
- BD009 Delays in deliveries of equipment & services
- BD027 Increase in costs
- BD020 Public panic buying
- BD012 Increased fly tipping
- BD014 Social media
- BD025 Data protection & information sharing