

Annual Risk Management Report

2023-24



Cheshire
Fire & Rescue Service

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Introduction

1. Cheshire Fire & Rescue Service (CFRS) acknowledges that strong risk management arrangements are a vital part of organisational culture, linked to our values, and help to achieve our aims and objectives. Risk is present in everything we do to improve the outcomes and deliver excellent services to our communities, partners, and local authorities.
2. This Annual Report provides a summary of the risk management activity undertaken during 2023/24 and presents an overview of the Risk Management Framework (the policy & process).

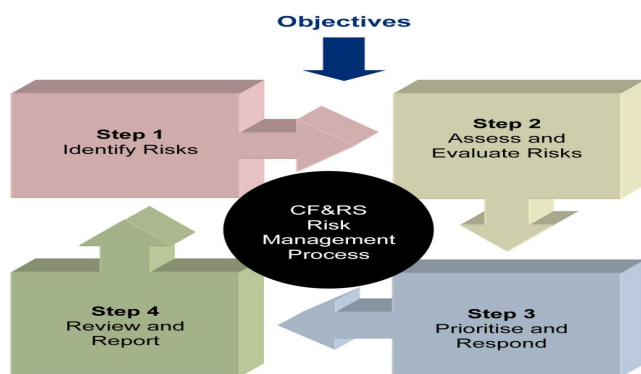
Risk Management - Overview

3. Risk Management is how Cheshire Fire & Rescue Service (CFRS) identifies, quantifies, and manages the risks it faces as it seeks to achieve organisational objectives. By having arrangements in place to manage risk, the Service increases its chances of achieving corporate and operational objectives and reduces the chance of failure. Good risk management also increases the ability to cope with developing and uncertain events.
4. Responsibility for risk management at Member level is currently delegated to the Audit Committee. Minutes for Risk Management Group (RMG) are included for information in Fire Authority papers to ensure Members maintain an appropriate level of knowledge and scrutiny on the organisation's key risks.
5. A key part of the risk management process is to report on compliance through the Risk Management Group (RMG). RMG meetings are scheduled quarterly and chaired by the Deputy Chief Fire Officer (DCFO). Having valuable and up to date risk information has enabled RMG to function effectively. The group is also responsible for promoting and supporting compliance to the Risk Management Policy and for managing and overseeing the Strategic Risk Register (SRR).
6. The Audit Committee has oversight and provides assurance of the risk management arrangements that are in place for CFRS, the committee also has responsibility for reviewing the Strategic Risk Register quarterly and receives an annual risk management report which provides additional assurances that the risk management processes, and control measures are working effectively.
7. The Terms of Reference for Risk Management Group and the Audit Committee are attached as Appendix 2 & 3.
8. In April 2023, the decision was made to transfer the risk management function back to Fire, this presented the opportunity to undertake a baseline review of the risk management policy and practitioners' guidance (the risk management framework) which were approved in early 2024.

Risk Management Process

9. Detailed guidance on CFRS risk management processes is set out in **The Risk Management Framework**. The framework is the guide that sets out how CFRS identifies, manages, and monitors risks. The strategic approach to managing risk is outlined in the Risk Management Policy.
10. In summary, the risk management process is broken down into the following four steps:

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11. These interactive steps in the process enable us to:
 - Understand the nature and scale of the risks we face.
 - Identify the level of risk we are willing to accept.
 - Recognise our ability to control and reduce risk.
 - Recognise where we cannot control the risk.
 - Take action where we can and when it would be the best use of resources. This helps us make better decisions and deliver better outcomes for our communities across Cheshire, Halton & Warrington.
12. The steps are applied across CFRS through the risk management framework, at strategic and operational levels and for programmes and projects. The adoption and compliance to the framework has helped to embed a risk management culture within CFRS.
13. Since risk is an event that could affect achievement of our corporate objectives, the process starts **with risk identification**. Risks are identified at two levels, **Departmental** and **Strategic**, you will see that there is a direct link between the two risk levels, this is because where an individual or group of operational risks start to have an impact on delivery of corporate objectives consideration is given to escalating to the Strategic Risk Register.
14. Once identified risks are evaluated, with the risk owners understanding how significant the current risk is by considering:
 - The existing control measures which are already in place to manage the risk.
 - How severely the service would be affected if the risk occurred (**the impact**).
 - The possibility of the risk materialising and becoming an event that needs managing (**the likelihood**).
15. All risks are recorded on comprehensive risk registers in the Cheshire Planning System (CPS), and it is these registers that are used to generate risk information across the organisation.

Departmental Risks – These risks are dynamic and subject to the frequent changing environment they are identified as part of day-to-day business but also as part of the annual corporate planning cycle. Risks are identified, assessed, reviewed, and mitigated by the Heads of Department on a regular basis. Any risks scoring **15** or above will be considered for escalation to the Strategic Risk Register.

Strategic Risks –are those of significant, cross-cutting strategic importance. These risks are overseen by the Risk Management Group and Audit Committee and inherently carry higher impact level as they affect multiple services and or the organisations’ ability to achieve its corporate objectives.

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16. The next step in the process is to determine what, if any action needs to be taken to *respond* to the risk. The baseline level of response is determined by our risk tolerance and appetite which is illustrated below.
17. To understand the scale of risks a common risk scoring matrix is in place and embedded in the policy:

15-25	Red – these risks are within the upper limit of risk appetite controls and should be explored to bring risk down.
9-14	Amber – these risks do not pose an immediate threat but should remain under constant review.
Below 8	Green – these are low level risks and are monitored.

18. Where necessary planned actions should be documented, and the impact and likelihood scores continually reassessed to determine the overall mitigated risk.

Risk Register Reviews

19. Risk focus meetings continue to take place quarterly, the review of risk registers being facilitated by the risk & project officer with every Head of Department (HoD). These meetings provide an opportunity to discuss:

- New risks emerging
- Consider if current risks are still valid.
- Ensure the risk descriptions reflect the current risk.
- Assess risk scores.
- Assign mitigating actions to reduce risk to acceptable level.
- Identify any risks that can be closed or may need to be escalated.

Risk Map

20. RMG receive the fire risk map at every meeting, the map offers a visual high-level overview of all CFRS organisational risks which are mapped out by each department and also provides an opportunity for the group to ask questions regarding any of the risks and seek further clarity if required or request a 'deep dive' of a risk. [See Appendix 4].

Deep Dive Reports

21. CFRS recognise the value of looking at risks in more detail and, during 2023 we continued with the programme of "deep dive" reporting which gave RMG more clarity when required on the factors leading to the overall risk score, assessment and mitigating action put in place and reviewing the tolerances for accepting, escalating or closing the risk.

The following reports were presented to RMB:

- Industrial Action
- Fire in Iconic Heritage Buildings
- Overview of Project risks
- Crisis Management Plan - Update

Risk Champions

22. CFRS have appointed departmental joint Risk, Information and Business Continuity Champions, this group collectively receive additional specific themed training when required to allow them to support their departments in their role of embedding, promoting, supporting, and implementing effective risk, information, and business continuity management processes.

Annual Review of Risk Management

23. During 2023 the Strategic Risk Register (SRR) was reviewed by RMG at least quarterly, several of the strategic risks were reframed, and risk descriptions and scores revisited to ensure they truly reflected the current challenges and threats to CFRS. The group also monitor and recommend implementation of any identified mitigation to treat the risk and reduce to an acceptable level or de-escalate/close the risk. The group regularly receives a report of those risks that sit below the strategic threshold, this is to allow some discussion and consideration of those risks that could potentially be escalated in the future or for the group to request further clarity on any risks raising concern through the deep dive process.
24. Strategic risks take some time to respond to any risk treatment plans and by their very nature are complex. A few of the risk scores have remained static for some time despite intervention. *The table below illustrates changes that have taken place to the Service's strategic risk register since last reported:*

No	Risk	Opened	Closed	Risk Score increased or reduced	Escalated to SRR	De-escalated
1	Fire in Iconic Heritage Buildings			Reduced		9/8/2023
2	Industrial Action			Reduced		5/7/2023
3	Outcomes of McCloud Judgement. Firefighter Pensions. RMB requested these be merged into one overarching Strategic Risk. Pension risks overseen by the Pensions Board	February 2023 Reframed				
4	Beechmere Prosecution	11/1/2024				
5	Blue Light Collaboration - Review of Joint Corporate Services	9/8/2023				
6	Blue Light Collaboration – Delivery of Support Services	Reframed 24/8/2023		Reduced		
7	Station Modernisation Programme: - Warrington - Ellesmere Port			Increased	9/8/2023	

Risk Management Training

25. The risk & project officer delivered risk management training to Members of the Fire Authority in September 2023 as part of their annual Member Development Programme, feedback was extremely positive with Members keen to continue to enhance their understanding of how risk management is undertaken and the risk management arrangements CFRS has in place.
26. Service Leadership Team (SLT) undertook a specific risk management training event in March 2023 to refresh their knowledge in relation to the risk management processes and procedures, this was delivered by an external consultancy.
27. Ad hoc training for relevant officers has also been undertaken throughout 2023 when requested and staff can also highlight any training requirements through the Learning & Development process or directly with the risk and project officer.

Risk Management Assurance

28. Positive results of an internal audit conducted in early 2022 provided assurances that the risk management arrangements that were in place were operating effectively and awarded **High Assurance**. A further audit was undertaken in March 2024 with the overall objective 'to provide assurance that core risk management controls have been adequately designed'.
29. Our current internal auditors MIAA also maintain a watching brief of our risk management process in practice through attendance at Audit Committee.
30. The Annual Governance Statement (AGS) remains a key feature of Cheshire Fire & Rescue Service's annual accounts. It is a document where we can provide assurance publicly regarding the management and controls which are in place in relation to risk management arrangements.

HMICFRS Inspections

31. The Service continues to be externally inspected by HMICFRS who assess both the effectiveness and efficiency of the organisation in addition to how well we look after our people. Our last overarching inspection took place in March 2023, with inspectors completing three weeks of in-service fieldwork during February and March. There was a strong focus on improvement and how the Service had responded to the nine 'Areas for Improvement' (AFIs) from the previous inspection in March 2021.
32. Results and the full report were published in August 2023 and the Service achieved 'Good' in six of the eleven inspection diagnostics, and 'Adequate' in the five remaining diagnostics. The Inspectorate recommended five AFIs in this inspection relating to areas where they have identified we can strengthen our performance. One AFI has remained from the 2021 inspection and, if not addressed to the satisfaction of the inspectors, has potential to be escalated to a cause of concern' in Round 4. The Service also received recognition for 'Innovative Practice' in the Managing Performance and Developing Leadership diagnostic.
33. Officers have developed a detailed action plan to resolve each of the five AFIs. The progress of which is being monitored by the Service Improvement Department and Performance and Overview Committee. Action to resolve all areas have been identified and are underway by relevant departments.

Review of Crisis Management Plan





34. RMG has responsibility for reviewing the Service Crisis Management Plan on an annual basis. The Crisis Management Plan was updated by the Policy and Planning Team, Operational Policy & Assurance and last reviewed in March 2024 considering new functions returning from Joint Corporate Services.
35. Business Continuity exercises are planned, and a full test of the Crisis Management Plan took place in October 2023. Business Continuity Plans (BCPs) for all Joint Corporate Services teams have been reviewed and a schedule of review and testing has been approved for 2024 and is now in the 2024 review cycle – Crisis Management Exercise (Exercise Icarus based on CFRS CMT response to notification of a National Power Outage) took place on 30th October 2023. A full debrief report was produced and this will be presented at next RMG. CMT Exercises, as well as local Business Continuity exercises, will now take place annually, there is a CMT exercise planned for 2024.
36. Internal Auditors MIAA conducted a Business Continuity planning review, with the final report produced in September 2022. Cheshire Fire & Rescue Service's Business Continuity methodology received a Substantial Assurance level. Recommendations identified to further improve operational practices are now fully implemented. A full review of CFRS Business Continuity Arrangements was conducted in 2023. An improvement plan was implemented with phase1 being completed, and phase2 supporting the Industrial Action reviews and embedding the learning from the National Power Outage exercise – Lemur & Mighty Oak' into CFRS learning and into our plans, the re-establishment of BC champions and funding for a course in early 2024 has been secured. In 2024 a full Business Impact Analysis is being completed to ensure all key risks are identified and embedded with a focus on critical activities and critical staff into team plans.
37. CFRS works closely with Cheshire Resilience Forum partners as part of the Civil Contingences Act 2004. Although responding to flooding and other water related incidents is not a statutory requirement under the Fire & Rescue Services Act 2004, we do undertake regular exercising with other Category 1 and 2 responders for recognised risks within Cheshire including those which are flooding related. Exercise Hunter took place on 7th February 2024. This was a multi-agency BC exercise based around a Cyber Attack.

38.

Next Steps

39. For risk management to remain relevant and valuable, it must be regularly updated and maintained. Consideration of the actions below will be our focus for 2024:
- Continue to review CFRS risk management profile.
 - Continue to deliver risk awareness training in line with agreed training programme.
 - Risk Champions Group – continue to work with OP&A supporting the scheduled training events to increase risk knowledge.
 - Improve risk register recording and reporting on the Cheshire Planning System to facilitate a full self-serve experience for users that is easy to navigate.
 - Consider development of a risk e-learning package/portal.
 - Explore benchmarking options and sharing of our risk management framework/arrangements with other Fire & rescue Services to ensure best practice.

Background Information

Appendix 1 – Risk Management Policy - (2023)	 Risk Management Policy 2023 v4 - Final.
Appendix 2 – Risk Management Group Terms of Reference	 Terms Of Reference - Risk Management Grc
Appendix 3 – Audit Committee Terms of Reference	 RESPONSIBILITIES OF AUDIT COMMITTE
Appendix 4 – Risk on a Page	 Risk Plan on a page mock V1.2.pdf

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