

CHESHIRE FIRE AUTHORITY

MEETING OF: PERFORMANCE AND OVERVIEW COMMITTEE
DATE: 22ND JULY 2020
REPORT OF: DIRECTOR OF GOVERNANCE AND COMMISSIONING
AUTHOR: LOUISE WILLIS/CHRIS ASTALL

SUBJECT: RISK MANAGEMENT BOARD ANNUAL
REPORT 2018-19

Purpose of Report

1. To present to Members, the Risk Management Board Annual Report 2018-19 in order that they can consider the work of the Board.

Recommended: That Members

[1] Note the information in the report

Background

2. Risk Management Board (RMB) is chaired by the Chief Fire Office and Chief Executive, with a membership comprising senior managers, key advisers from the Joint Corporate Service Planning and Performance Department, a representative from internal audit and two Fire Authority Members. RMB meets twice a year. RMB is responsible for:

Ensuring that risks are managed effectively through the development and implementation of a comprehensive risk management framework. To this end it:

- Identifies, assesses and monitors strategic risks and ensures that they are managed in line with the risk management framework.
 - Reviews any high priority internal audit recommendations in the context of risk and assesses specific risks referred to it by managers.
 - Undertakes review of the Crisis Management Plan
3. Since March 2017 risk management advice and support has been provided by the Planning and Performance Department which is one of the Joint Corporate Services. Whilst Fire and Police are separate organisations each with their own risk appetite there have been opportunities to develop a more joined up, resilient and systematic approach to risk management.
 4. At its meeting in March RMB decided that an annual report should be presented to Performance and Overview Committee.

Information

5. Significant progress has been made in reviewing risk management arrangements over the past twelve months. The objective for the Planning and Performance Department has been to bring together and simplify risk management arrangements across both organisations, and improve the quality of risk information to enable management to have better focus on risk.

Risk Management Process

6. The approach to managing risk is outlined in the Service's Risk Management Policy. In summary, the risk management process is broken down into the following key steps:



7. All risks are recorded on comprehensive risk registers, and it is these registers that are used to generate risk information across the organisation. Risks are identified at two levels, Departmental and Strategic. Processes are in place to ensure new emerging risks are captured and significant risks are appropriately escalated.

Strategic Risks – these risks are overseen by RMB and will normally involve a higher impact level.

Departmental Risks – are identified as part of the annual departmental planning cycle, throughout the year these risks are reviewed and updated. They are reported on by the Heads of Department on a quarterly basis.

8. A review of the Policy and practitioners guide was commissioned by RMB with a view to simplifying, refreshing, and clarifying the approach to risk management. As a result the policy and practitioners guide is now produced as two separate documents and reviewed every 3 years.
9. A common risk scoring matrix was adopted by Fire and Police and some slight changes were approved to the Fire matrix:
 - Red risks scoring **15-25** (score unchanged);
 - Amber risks scoring **9-14** (previously 5-14)
 - Green risks below **8** (previously 1-4).

Quarterly Risk Register Reviews

10. Quarterly risk register review meetings are undertaken by the Planning and Performance Department with every Head of Department in Fire as well as those in the Joint Corporate Services. These meetings provide an opportunity to capture any new risks, discuss departmental risks in more detail and ensure, where possible, that progress is being made in managing/mitigating the risks.

Deep Dive Reporting

11. It was agreed by RMB that a 'deep dive' of selected thematic or topical risks should be presented to the Board by the respective risk owners; these would be of specific interest for any risk that had remained on the Strategic Risk Register for some time.
12. RMB decides if there is a need to consider a particular risk in a greater degree of depth in order to be assured that all reasonable steps are being taken to manage and mitigate the risk. Greater scrutiny may be requested when the selected risk has been on the register for some time with no change to the scoring.
13. The following thematic reports have been presented to Risk Management Board to date:
 - Heritage in Iconic buildings – fire safety activity in relation to irreplaceable loss or damage to heritage buildings.
 - On Call Availability – concerned with response times to incidents.
 - Cyber Security.
 - Physical Security at Fire Stations.
 - Payroll Arrangements.

Risk Maps

14. In 2018 the a Fire Risk Map was presented to RMB which offers a visual high-level overview of the Service's organisational risk profile mapped out by each department. The map has proved to be a really useful tool and helps improve understanding of the full risk profile the organisation is exposed to. A refreshed Map is presented to each RMB.

Risk Champions Group

15. Risk Champions Group is an important part of the Service's risk management arrangements. It is fair to say the Group has only met on a handful of occasions since 2018, due to the number of the champions leaving the Service, as well as the impact of Blue Light Collaboration, when many support staff transferred to become Police employees. It was previously recommended by our internal auditors Mersey Internal Audit Agency (MIAA) that the Service aligns the activities of its Risk Champions with Business Continuity and Information Compliance., An initial meeting of this group took place at the end of January 2020 to launch the

combined roles. Two extra training dates for Risk Champions have been scheduled for 2020.

Risk Management Governance

16. Risk information is reported to RMB every six months and changes to the Strategic Risk Register are made following a review by RMB and individual risk owners.

17. The following table details the 'movement' of some of the Service's risks to demonstrate that new risks are identified and logged, risks are escalated where appropriate and that mitigating actions or change in circumstances will result in a rescore.

Risk	Opened	Closed	Revised Score	Escalated to Strategic Risk Register
Inability to sustain sufficient level of operational staff This risk was specifically about the increased number of operational staff transferring away from Cheshire due to Greater Manchester Fire and Rescue Service opening their inter-brigade transfer process.	X	X		X
ESCMP/ESN Ongoing maintenance of legacy SanA/SanJ radios and vodapage system	X			
McCloud/Sergeant Pension Liability Case Impact of the outcome	X			
North West Fire Control Change of governance arrangements		X		
Brexit Planning for a no deal - January 2020	X	X		
Prince's Trust Funding Loss or shortfall in funding			X	
Extension of Payroll Contract – Kier New payroll provider required	X	X		X

18. At the request of RMB a review of all green risks was undertaken with a view to closing any low level risks which were now seen as 'business as usual'. As a result

a total of 18 green risks were closed allowing greater focus on the most significant risks facing the organisation.

Risk Management Training

19. The Planning and Performance Department has delivered training to Members of the Fire Authority for the last two years as part of the Member Development Programme. Feedback after the event has been extremely positive with Members keen to enhance their understanding of how risk management is undertaken and of the risk arrangements in place. Risk management training for relevant staff for 2020-21 is under development and there is an opportunity to deliver some joint training of Fire and Police.

Risk Management Assurance

20. A full risk management review is included in the audit plan for 2020-21; however our auditors MIAA already have a watching brief through attendance at RMB.

21. The Annual Governance Statement (AGS) is published as part of the Service's annual accounts. It provides evidence of the management and controls which are in place in relation to risk management.

Risk Management – Benchmarking

22. It was agreed by RMB not to commission a further ALARM benchmarking exercise in 2019. The decision was based largely on the diminishing number of fire and rescue services (only 3) who have taken part in the exercise over the past few years and the fact that it was becoming difficult to make a direct comparison.

23. However, the Board did recognise the importance of finding alternative options to compare risk processes in order to continuously improve our risk maturity, and requested that the Planning and Performance Department explore whether other options exist.

24. In October 2019 RMB agreed to explore the feasibility of the following five options:

- Risk Management questionnaire to be sent out to all fire and rescue services to compare current risk management arrangements.
- Host a peer group Benchmarking Day for North West fire and rescue services.
- Risk Management to be an agenda item at future Family Group 4 (FG4) events.
- Risk Management arrangements to be included in future audit plans with MIAA.
- Consider introduction of an annual report to Performance and Overview Committee.

Annual Review of Crisis Management Plan

25. RMB has responsibility for reviewing the Service's Crisis Management Plan on an annual basis. A verbal update on the Crisis Management Plan was provided by the Operational, Support, Risk, Research and Development Lead in March 2019.

- 26.** Business continuity exercises are planned for 2020 and a full test of the Crisis Management Plan is currently in development. It was agreed that Members should be invited to the next planned business continuity exercise. Business Continuity Plans (BCPs) for all Joint Corporate Service Departments are now in place and a schedule of review and testing has been approved for 2020-21.
- 27.** An additional point of note – the COVID 19 Business Continuity Group has been meeting daily since March to review the impact on the Service. Although the level of COVID 19 sickness has remained low throughout there are robust degradation plans in place if required. The COVID 19 Risk Recovery Group has also been established to consider how the Service moves towards post-Covid operation.
- 28.** The Service 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 and Rescue Services Act 2004, the Service undertakes regular exercising with other Category 1 and 2 responders for recognised risks within Cheshire including those which are flooding related.

Risk Management Action Plan

- 29.** The actions below will be considered for 2020-21:
- Planned review of Risk Management Policy and Practitioners Guide;
 - Risk Management Training - for risk owners to be considered with a refresher for Members and managers;
 - Consideration of development of an e-learning package covering the risk management process in a more interactive environment.
 - Risk Champions Group – further alignment with business continuity and information compliance and training and development associated with the role of a Risk Champion;
 - Agreed benchmarking options approved by the Risk Management Board to be implemented.

Financial Implications

- 30.** Any costs relating to implementing risk treatment plans are considered on a case-by-case basis and either met from existing budgets or referred to the Service Management Team (SMT) if funding is required.

Legal Implications

- 31.** Legal risks are incorporated in the Service's risk registers.

Equality and Diversity Implications

- 32.** There are risks that have equality and inclusion implications, which are identified in themed, or departmental risk registers.

Environmental Implications

33. There are risks that have environmental implications, which are identified in themed or departmental risk registers.

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BACKGROUND PAPERS: NONE