



Agenda Item 7, Annex 1

# Annual Risk Management Report

2020

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## Risk Management – Introduction

1. Cheshire Fire & Rescue Service (CFRS) risk management framework is designed to provide a structured and continuous process for identifying, assessing and responding to threats and opportunities that impact the achievement of the Service's corporate objectives.
2. Responsibility for Risk Management at Member level has been delegated to the Performance & Overview Committee. The Authority appointed two Risk Management Member Champions who attend Risk Management Board (RMB) twice a year. The minutes from RMB are included for information in the Performance & Overview Committee papers to ensure Members are able to maintain an appropriate level of knowledge and scrutiny on the organisations key risks.
3. RMB meetings are scheduled every six months and chaired by the Chief Fire Officer and Chief Executive. The Board are also responsible for promoting and supporting compliance to the Risk Management Policy and for managing the Strategic Risk Register.
4. The Terms of Reference for the Board is reviewed annually and was last presented to RMB in March 2021. [See Appendix 2]
5. The Risk Management function for Fire and Police is facilitated by the Planning Performance and Risk team, Joint Corporate Services. Fire and Police are separate organisations each with their own risk appetite and risk tolerance levels.
6. CFRS are committed to continually improving the risk management process and practices. This report looks back over the past eighteen months and highlights some of the key activities and improvements progressed by the Risk Management Board.

## Risk Management Process

7. 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:



8. All risks are recorded on comprehensive risk registers in the Cheshire Planning System, and it is these registers that are used to generate risk information across the organisation. Risks are identified at two levels, **Departmental** and **Strategic**.

**Departmental Risks** – are identified as part of day to day business but also as part of the annual departmental planning cycle. Risks are assessed, reviewed, updated and mitigated by the Heads of Department on a quarterly basis. Any risks scoring **15** or above will be considered for escalation to the Strategic Risk Register by Senior Officers.

**Strategic Risks** – these risks are overseen by Risk Management Board and inherently carry a higher impact level.

9. A full review of the policy and practitioners guide was undertaken in 2020. The revised policy was approved by Risk Management Board on 13 October 2020.
10. A common risk scoring matrix is in place and embedded in the policies for both Fire and Police:
  - Red risks scoring **15-25**;
  - Amber risks scoring **9-14**;
  - Green risks below **8**.

## Quarterly Risk Register Reviews

11. Quarterly risk register review meetings are facilitated by the Planning, Performance & Risk team with every Head of Department (HoD) in Fire and Joint Corporate Services. These meetings provide an opportunity to discuss:
  - New risks identified
  - Consider if current risks are still valid
  - Ensure risk descriptions reflect the current risk
  - Assess risk scores
  - Assign mitigating actions
  - Identify any risks that can be closed

## Deep Dive Reporting

12. It was agreed by RMB that a '*deep dive*' of selected thematic or topical risks presented to the Board by the risk owner would be beneficial; this would be of specific interest if the risk has remained on the Strategic Risk Register for some time.
13. The following thematic reports have been presented to Risk Management Board to date:
  - Cyber Security – **2019**
  - Insurance Arrangements FRIC – **2019**
  - Payroll Arrangements – **2019**
  - Safety Central – presented to P&O Committee - **2019**
  - Cyber Security – **2020**
  - Covid 19 Interim De-brief Report – **2020**
  - On Call Availability Update – **2020**

## Risk Maps

14. At every Risk Management Board members receive the current Fire Risk Map which offers a visual high level overview of CFRS organisational risk profile mapped out by each department. The map is a really useful tool and helps improve understanding of the full risk profile the organisation is exposed to and allows Senior Officers to request further information on any risks that may have an impact on delivering corporate objectives. [See Appendix 3]

## Risk Champions Group

15. CFRS have departmental joint Risk, Information and Business Continuity Champions who receive additional training and support the promotion and implementation of effective business processes. A relaunch of the group took place in January 2020 and the following training presentations were delivered as part of the Risk Champions relaunched event:

- Planning, Performance & Risk – Overview of Risk Management
- Information Management and Compliance – Information Risk
- Operational Performance & Assurance – The Risk Management role
- Operational Performance and Assurance – Business Continuity Management.

16. A further Risk Champions event was scheduled for September 2020 but due to Covid 19 restrictions this had to be postponed. The planning team are exploring dates for delivering further Champions training during 2021.

## Risk Management Governance

17. Risk information is reported to Risk Management Board every six months. RMB review and refresh the Strategic Risk Register to ensure that risks are being escalated and removed as required and that they have been consistently assessed across the service and monitor implementation of actions to treat the risk to acceptable level.

18. The table highlights the changes to the Service's key risks:

No	Risk	Dates			
		Opened	Closed	Escalated to SRR	De-escalated
1	<b>Inability to sustain sufficient level of operational staff</b> – transferring out due to GMFRS inter transfer process	31/10/18	<b>10/12/20</b>	18/1/19	4/10/19
2	<b>ESCMP/ESN</b> – Maintenance San A and San J Radios	1/3/19			13/10/20
3	<b>Impact of McCloud/Sergeant Pension Judgement</b>	4/6/20		7/8/20	
4	<b>NWFC</b> – Change of Governance Arrangements	31/10/18	<b>2/5/19</b>		
5	<b>Brexit</b> – Planning No deal Brexit	27/11/18	<b>7/2/20</b>		
6	Extension of Payroll Contract - Kier	8/3/19	<b>8/6/19</b>		
7	<b>Blue Light Collaboration</b> - Performance	1/10/20			
8	<b>COVID 19</b> – response and recovery	30/3/20			
9	<b>Financial Uncertainty</b> – this risk was refreshed and refocused to reflect the current climate	15/2/21			

## Risk Management Training

19. The Joint Corporate Services Planning Performance & Risk team delivered training to Members of the Fire Authority in March 2019 and February 2021 as part of the Member Development Programme. Feedback after the events has been extremely positive with Members keen to enhance their understanding of how risk management is undertaken and the risk arrangements in place. Risk Management Training for relevant Officers and Staff can be requested through Learning & Development if required for the role.
20. During the past eighteen months Planning, Performance & Risk team Joint Corporate Services have fulfilled ad hoc training requests for a number of departments e.g. Prevention & Operational Performance and Assurance (OP&A). There has also been a number of opportunities to cover the risk management processes as part of an overview to the Cheshire Planning System for those staff who are new to the system

## Risk Management Assurance

21. An audit of our risk management process was included in the audit plan for 2020-21; this was finalised by MIAA in January 2021. The audit was awarded High Assurance with only 2 low level recommendations identified. The auditors MIAA also maintain a watching brief of our risk management process in practice through attendance at Risk Management Board.
22. The Annual Governance Statement (AGS) is a key feature of Cheshire Fire & Rescue Service's annual accounts. It is a document where we are able to provide assurance publicly regarding the management and controls which are in place in relation to risk management arrangements.

## Risk Management – Benchmarking

23. It was agreed by Risk Management Board 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 therefore it was difficult to make a direct comparison or to gain real value from completing this work.
24. 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 team explore what other options could be considered.
25. In October 2019 the Board agreed to the implementation of the following five options:

Option No	Option	Progress Update
1	Risk Management questionnaire to be sent out to all Fire & Rescue Services to compare current risk management arrangements.	The Risk Management questionnaire has been developed and is ready to go out to a number of Fire & Rescue Services who have previously agreed to take part in completing the benchmarking questionnaire; this is subject to NFCC steer that will assess the benefits of running a NFCC wide Risk Management exercise. During

Option No	Option	Progress Update
		COVID Pandemic this is not seen as a priority for NFCC and will pick this up post COVID.
2	Host a peer group <b>Benchmarking Day</b> at Clemonds Hey for North West Fire & Rescue Services.	All contact details for local and border F&RS have been collated. Early indications are that 90% would be interested in attending a peer group event in the future. A Zoom meeting would need to be explored later in 2021.
3	Risk Management to be an agenda item at future Family Group 4 (FG4) events.	Currently there are no Family Group 4 (FG4) meetings scheduled due to the current situation. However a Risk Management questionnaire has been sent electronically to FG4 members to try to ascertain current arrangements FG4 members may have in place.
4	Risk Management arrangements to be included in future audit plans with MIAA.	Included in 20/21 audit plan. This audit is now complete with High Assurance awarded.
5	Consider the introduction of an annual report to Performance & Overview Committee	Risk Management Annual Report presented to Performance & Overview Committee Annually

## HMICFRS Inspection

26. The Policing and Crime Act 2017 sets out that HMICFRS will inspect and report on the efficiency and effectiveness of all fire and rescue authorities in England.
27. The Service was inspected by her Majesty's inspectorate for Constabulary and Fire and Rescue Services (HMICFRS) in early July 2018 as part of the first tranche of inspections of Fire & Rescue Services.
28. *The Service has been rated as:*
- Good in its effectiveness in keeping people safe and secure from fires and other emergencies.
  - Good in its efficiency, which is use of resources and in ensuring it, is affordable now and in the future.
  - Requires improvement in how it looks after its people. While it judged the Service as "good" in getting the right people with the right skills and in managing performance and developing leaders, it requires improvement in promoting the right values and culture and in ensuring fairness and promoting diversity.

## **HMICFRS 2018 Action Plan**

- 29.** Following the inspection the Service produced a HMICFRS 2018 Action Plan in response to the identified 'Areas for Improvement' from the inspection report. The outline action plan was developed by the Service Management Team (SMT) and was informed by inclusive engagement and consultation across the organisation. It was agreed by Members of the Fire Authority in July 2019.
- 30.** Delivery of the action plan is monitored by SMT on a quarterly basis with further Fire Authority Member scrutiny undertaken at the Performance and Overview Committee on a six monthly basis. The action plan contains measures of success for each area of the report and is a dynamic and iterative document that continued to be developed as work is progressed.
- 31.** In 2020 MIAA were commissioned to carry out an audit of the action plan and the review found evidence to support the progress reported.

The vast majority of the HMICFRS actions are now complete, with completion of all actions expected by the end of March 2021.

## **COVID 19- RESPONSE**

- 32.** In March 2020 the UK went into national lockdown as a result of rising infection cases of COVID 19. The response to the COVID 19 emergency required all organisations to operate in a different way to 'business as usual' practice. In the current emergency situation and during recovery maintaining robust management processes is fundamental to delivering services
- 33.** The Covid 19 SMT group has continued to meet twice weekly during the whole of 2020. The services response to the C19 pandemic has been guided by our four organisational principles that were agreed at the outset:
  - Minimum numbers of staff on duty at any time
  - Minimum contact between members of staff
  - Minimum movement between our Fire stations
  - Maximum hygiene to be observed at all times

The Service have adapted working practices during the pandemic, developed a specific Covid-19 business continuity plan and have completed an interim debrief into our response. Our recent HMICFRS Covid-19 inspection was very positive with parts of our organisational response being highlighted as best practice.

Our absence levels remain manageable; however the second wave of the pandemic in late 2020 has had greater impact on the organisation than the first.

The recovery group continue to meet regularly however whilst we remain in the response phase of the pandemic.

## **HMICFRS Covid-19 inspection**

- 34.** In August 2020, HMICFRS were commissioned by the Home Secretary to inspect how fire and rescue services in England are responding to the Covid-19 pandemic.
- 35.** Cheshire Fire and Rescue Service received positive feedback with HMICFRS stating "the service has effectively carried out its statutory functions during the pandemic". It was impressed by how

the service looked after the welfare of its staff, and the additional support it gave to the community during the first phase of the pandemic.

## **Annual Review of Crisis Management Plan**

- 36.** RMB has responsibility for reviewing the Service 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 2021.
- 37.** Business continuity exercises are planned for 2021 and a full test of the Crisis Management Plan is currently planned for late 2021 with an emphasis on the notification, cascade and membership of the group. Business Continuity Plans (BCPs) for all Joint Corporate Services teams have been reviewed in 2020/21 and a schedule of review and testing has been approved for 2021-22.
- 38.** An additional point of note – the COVID 19 Business Continuity Group met daily during the peak of the pandemic to review impacts on the service. Although levels 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 and is chaired by ACFO.
- 39.** 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.

## **Risk Management Action Plan**

**40.** *The actions below will be considered for 2020-21*

- Continued Risk Management Training - for risk practitioners; risk champions and refreshed training for Members of Fire Authority;
- Consideration of Development of an e-learning package to be explored overseeing the risk management process in a more interactive environment for risk practitioners;
- Risk Champions Group – catch up on the training events postponed due to COVID;
- Implement 2 low level recommendations identified in the Internal Audit Report;
- Implement the 2 outstanding benchmarking options approved by the Risk Management Board.

## **Background Information**

**Appendix 1** – Risk Management Policy 2020

**Appendix 2** – Risk Management Board Terms of Reference

**Appendix 3** – Risk Map May 2021