



**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

HIWFRA Standards and Governance Committee

Purpose: Noted

Date: **22 MARCH 2023**

Title: **ORGANISATIONAL RISK REGISTER UPDATE**

Report of Chief Fire Officer

SUMMARY

1. This paper updates the Standards and Governance Committee on the status of our Organisational Risk Register in line with our Risk Management Procedure. This follows the last Organisational Risk Register Quarterly Review on 6 January 2023.
2. We now have 12 organisational risks on the Organisational Risk Register although one (sickness due to flu/pandemic) will be de-escalated to directorate level due to the reduced severity we are presently experiencing. Two new risks were added at the Quarterly Review relating to staff shortages due to industrial action and reputational challenges following HMICFRS' recent report.
3. The Risk Team is working with directorates to embed the Service's new Risk Management Procedure. This will include adding a risk tolerance level to every risk, enabling us to define and record the amount of risk we are prepared to accept after all relevant mitigations have been put in place. In doing so, this will also enable us to focus our attention on the risks where further mitigations are needed.

BACKGROUND

4. The Organisational Risk Register is part of the Service's Risk Management Procedure and the Fire Authority's Safety Plan. The register enables effective management of the Service's strategic risks; risks that may affect the Service's ability to meet FRA's Safety Plan.
5. The Executive Group is responsible for risk management across the Organisation. It manages risk by:

- ensuring the practice of effective risk management is fully embedded through the organisation. It does this through reviewing the use of JCAD, considering the outcome of any related audits or inspections, and considering over time how risks are managed and reduced
- scrutinising the Organisational Risk Register
- identifying potential opportunities for service improvement
- collectively deciding what risks are logged on the Organisational Risk Register, either through escalation from directorate risk registers or new risks, setting the risk score for each

EXISTING RISKS

6. In January 2023, we conducted the latest quarterly review of the Organisational Risk Register. It was agreed that nine of the existing risks should remain on the risk register. Following discussion, it was agreed that the tenth risk relating to staff absences should be re-defined to cover flu/pandemic and de-escalated due the reduced impact it is now having on the organisation.
7. Two new risks were added. The first related to staff absences due to forthcoming industrial action. At the time of writing both the likelihood and severity are high to reflect the uncertainty we face despite numerous mitigations. The second new risk concerned handling and reputational challenges following the publication of the HMICFRS inspection report of the Service. At the time of writing there has been limited political, public and press interest and so this risk could be de-escalated at the next Quarterly Review meeting should the low external interest be maintained.
8. Further information on each risk is attached at Appendix A and the heat map at Appendix B.
9. Each directorate and team have their own risk register enabling risks to be managed and mitigated at the most appropriate level.

SOUTHERN INTERNAL AUDIT PARTNERSHIP

10. Last summer, the Southern Internal Audit Partnership (“SIAP”) reviewed the Service’s risk management arrangements, concluding they were “reasonable.”
11. SIAP made four observations to improve risk management, each of which we accepted. Three were minor and technical in nature: clarifying our procedures (eg. documenting our scoring methodology), ensuring information gaps in our risk management system are filled and requiring risk managers to periodically provide ‘positive’ assurance that they have

managed their risks and mitigating actions. We have revised our risk management procedure to include this.

12. The fourth observation required us to include within our risk management framework a risk appetite. This is the amount of risk that the Organisation is willing to accept whilst trying to meet its objectives. SIAP concluded that without formally defining or adopting the risk appetite of the Organisation and what level of risk is tolerated, it is not possible to assess whether the mitigating actions bring the management of risk to an acceptable level. We have accepted this and included it within our revised risk management procedure. The Risk team will work with each risk owner to define this and will report back to a future Standards and Governance Committee on the outcome of this work. While setting the risk appetite is an operational matter and so something for the Service to progress, we will need to explain our rationale to the Committee so they can understand our approach.

SUPPORTING OUR SAFETY PLAN AND PRIORITIES

13. In supporting our risk management framework, the Organisational Risk Register ensures that we remain focussed on achieving against our Safety Plan priorities. The risk register continues to assist in mitigating these risks to ensure effective service delivery.

RESOURCE IMPLICATIONS

14. There are no specific financial implications from the contents of this paper. Any financial impacts of future control measures would need to be assessed against the related risks and opportunities. Any plans with financial implications will be subject to appropriate review and governance.
15. We are hoping to upgrade our JCAD system. Their updated platform will provide better management recording as well as ease of use. We understand the cost will be approximately £8,000 and are considering if any underspends from existing directorate budgets could be used.

IMPACT ASSESSMENTS

16. There will be no negative environmental impacts associated with the adoption of this paper. The Organisational Risk Register ensures that we consider emerging issues through changes in climate, and these are accounted for in our prevention and response controls.
17. The implementation of the Organisational Risk Register will have no negative people impacts. However, through a more effective approach to identifying, assessing, and mitigating risks to our communities, a positive impact will be achieved through better understanding of protected characteristics within our communities and support our workforce.

LEGAL IMPLICATIONS

18. The requirement for each Fire and Rescue Authority to have an Integrated Risk Management Plan is set out within the National Framework for Fire and Rescue Services, made under the Fire and Rescue Services Act 2004.
19. The Organisational Risk Register, as part of our Risk Management Framework, will ensure our integrated risk management process is driving our priorities.

OPTIONS

20. The Standards and Governance Committee is asked to note the update and consider whether any other risks ought to be added and that existing risks are being well managed.

RISK ANALYSIS

21. The risk management framework provides a consistent and robust approach to the identification, analysis, and treatment of internal and external risks. This, in turn, ensures that major threats and opportunities are considered and managed appropriately, with adequate control measures implemented.

EVALUATION

22. The Organisational Risk Register will provide the appropriate prioritisation of risk management, and ensure risks are professionally managed and governance of plans and activities undertaken. The day-to-day management of those risks through the Executive Group, and accountability through Directorate Plans, ensures a risk management culture that will be overseen and scrutinised by Directors. Overall scrutiny will be provided by the Standards and Governance Committee under delegated authority from the Fire Authority.

CONCLUSION

23. Our risk management framework supports the identification of external risks and internal risks through the Hampshire and Isle of Wight Fire and Rescue Service Safety Plan, therefore ensuring a pro-active risk management culture. This report supports that continual monitoring and application of that framework.

RECOMMENDATION

24. That the risks identified and captured in the Service's Organisational Risk Register be **noted** by the Standards and Governance Committee .

APPENDICES ATTACHED

25. Appendix A: Organisational Risks
26. Appendix B: Organisational Risk Heat Map

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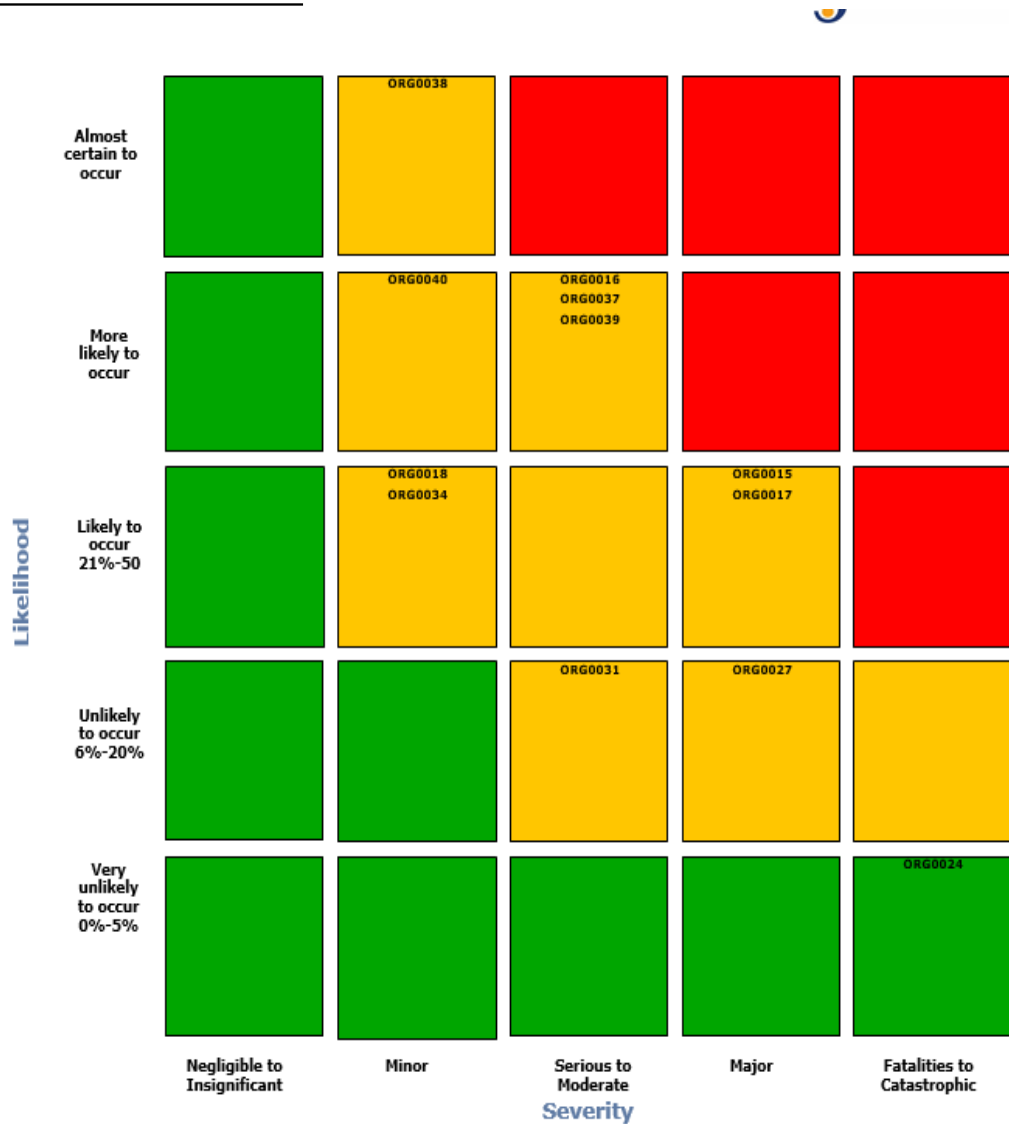
APPENDIX A: ORGANISATIONAL RISKS

Reference	Risk	Inherent Score (Current risk score)	Residual Score (Risk score after mitigations)	Commentary
ORG0015	Successful attack on our ICT infrastructure	16	12	The risk of a cyber-attack still remains high despite the Service taking a number of steps to protect systems and networks.
ORG0016	Reduced central government funding	16	12	Risk remains despite Service taking prudent steps to carefully financially plan. Current Safety Plan fully funded including Year 4 deliverables. Risk to be re-considered following budget setting at February's Fire Authority.
ORG0017	Fire Ground Contaminants leading to ill health in workforce	16	12	Considerable work has been done with further planned to better equip the Service to deal with contaminants. New procedure published in November is starting to change staff behaviour. Expectation that likelihood can be reduced over coming months but nature of risk requires it to remain on the ORR for the foreseeable.
ORG0018	Sub-optimal data quality	8	6	The risk remains, although work is in hand to improve how the Service captures, records and uses data. Expectation risk can be de-escalated off ORR over coming months subject to successful remedial measures.
ORG0024	The impact to the organisation of death or serious injury to an employee at work in the course of their duties	10	5	It was agreed that the very nature of this risk necessitates maintaining this risk on the ORR. Considerable work underway to keep our firefighters as safe as possible including alignment to current approved code of practice (National Operational Guidance).

ORG0027	Insufficient staff available to provide critical services (flu/pandemic)	20	8	This risk originally covered COVID-19. Risk has now been more clearly defined to cover "flu/pandemic" and be de-escalated off the ORR in lieu of lower staff absences and a new risk about staff loss due to industrial action being added.
ORG0031	Reduced wellbeing and resilience within workforce	16	6	Mitigations are in place but risk shouldn't be de-escalated at this point due to current climate and the ongoing need to support and look after staff.
ORG0034	Failure to respond to the impacts of the McCloud pension remedy	12	6	Risk has evolved to reflect the mechanics of fulfilling the remedy rather than the consequences of the remedy itself.
ORG0037	Rise of the cost of living increasing the costs of goods and services	15	12	New risk added in Summer 2022. Still relevant and needs to remain. The mitigations remain appropriate. The Service will continue to monitor incident data on what effect the cost of living is having.
ORG0038	Pay and price inflation lead to overspends on the capital and revenue budgets that cannot be managed within the available resources of the Service	15	10	Service continues to prudently financially plan and informed of changing interest and financial rates, as well as inflation. Risk to be reviewed following February's Fire Authority.
ORG0039	Forthcoming possible industrial action may lead to significant withdrawal of labour across the Service, impacting Service's ability to fulfil core duties	16	12	A new risk following the increasing likelihood of some industrial action during 2023. The very nature of industrial action is that it will be disruptive and so likely to impact our service delivery. Mitigations are in place to limit disruption.

ORG0040	HMICFRS report identifies some shortcomings in Service's performance, thereby creating reputational and handling pressures	12	8	A new risk to reflect possible handling and reputational challenges created by the HMCFRSI Report. Report was published on 20 January but received limited media/public interest; however, we will continue to monitor response from public, media and others. This risk may be de-escalated at next Quarterly Review should limited coverage continue.
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APPENDIX B: HEAT MAP



Detailed Risk Information

Current Risk Rating	Risk Ref	Description of Risk	Owner	Review Date
12	ORG0015	Successful attack on our ICT infrastructure, impacting the access and functionality of our ICT network.	Matt Robertson	17/04/2023
12	ORG0016	Reduced central government funding	Catherine Edgecombe	22/12/2022
12	ORG0017	Fire Ground Contaminants leading to ill health in work force	Stew Adamson	01/10/2022
12	ORG0037	Rise of the cost of living increasing the costs of goods and services	Shantha Dickinson	03/04/2023
12	ORG0039	Forthcoming possible industrial action may lead to significant withdrawal of labour across the Service, impacting Service's ability to fulfil core duties	Shantha Dickinson	03/04/2023
10	ORG0038	Pay and price inflation lead to overspends on the capital and revenue budgets that cannot be managed within the available resources of the service	Catherine Edgecombe	22/12/2022

Detailed Risk Information

Current Risk Rating	Risk Ref	Description of Risk	Owner	Review Date
8	ORG0027	Insufficient staff available for delivery of critical services	Shantha Dickinson	28/02/2023
8	ORG0040	HMICFRS report identifies some shortcomings in Service's performance, thereby creating reputational and handling pressures	Shantha Dickinson	03/04/2023
6	ORG0018	Sub-optimal data quality in some areas owing to systems and processes impacting on decision making.	Shantha Dickinson	03/04/2023
6	ORG0031	Reduced wellbeing and resilience within workforce	Molly Rowland	20/03/2023
6	ORG0034	Failure to respond to the impacts of the McCloud pension remedy	Catherine Edgecombe	22/12/2022
5	ORG0024	Death of an Employee at work in the course of their duties	Shantha Dickinson	03/04/2023