



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

## **HIWFRA Standards and Governance Committee**

Purpose: Noted

Date: **29 July 2022**

Title: **ORGANISATIONAL RISK REGISTER UPDATE**

Report of Chief Fire Officer

### SUMMARY

1. This paper reports to the Standards and Governance Committee (S&G) on the revised status of our Organisational Risk Register (Appendix A) in line with our Risk Management policy and procedure. To embed and strengthen internal governance of risk management, this report enables the Fire Authority to scrutinise the Organisational Risk Register through delegated authority to the Standards and Governance Committee.
2. Since the Standards and Governance Committee last met, the Executive Group (EG) continues to scrutinise existing and emerging organisational risk. Two new risks - both financial - have been added to the Organisational Risk Register taking the total number of risks to ten. The new risks are:
  - i. Rise of the cost of living increasing the costs of goods and services
  - ii. Pay and price inflation lead to overspends on the capital and revenue budgets that cannot be managed within the available resources of the service

### BACKGROUND

3. The Organisational Risk Register is part of the Service's Risk Management Framework and the FRA's Safety Plan. The register enables effective management of the Service's strategic risks that may affect our ability to meet the Safety Plan's priorities.

4. The EG is responsible for risk management across the organisation and routinely reviews and scrutinises the Organisational Risk Register as required. It manages risk by:
  - ensuring the practice of effective risk management is fully embedded through the organisation
  - scrutinising the Organisational Risk Register to manage risks which could impact the functioning of the organisation, and identify potential opportunities for service improvement
  - deciding what risks are logged on the Organisational Risk Register, either through escalation from Directorate Risk Registers or new risks, setting the risk score and the risk tolerance level for each risk
5. This spring, Service governance and risk management arrangements were independently audited by the Southern Internal Audit Partnership (SIAP). SIAP found HIWFRS arrangements are “reasonable” and that *“there is a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.”*
6. The partnership made four recommendations which have been considered and accepted. Three are minor and technical in nature: clarifying our procedures (e.g. documenting scoring methodology), ensuring information gaps in the risk management system are filled and requiring risk managers to periodically provide ‘positive’ assurance that they have managed their risks and mitigating actions.
7. Of substance is to factor into the Service’s Risk Management Framework the **risk appetite** (the amount of risk the organisation is willing to accept whilst trying to deliver its objectives) or **risk tolerance** (the degree of variation or the maximum level of risk that is acceptable) levels of the Service. In SIAP’s professional opinion, 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 will progress this work and update the Health and Safety Committee once complete.

#### AMENDMENTS AND UPDATES

8. In June, a full review of the Organisational Risk Register was carried out. It was agreed that all eight existing risks should remain on the risk register, albeit with a review of the inherent and residual assessments in some cases. Each risk’s mitigations were reviewed to ensure ongoing work captured. To note:

- i. ORG0024: Death of an employee at work in the course of their duties

We will consider lowering the inherent assessment's likelihood rating to "unlikely," reflecting the ongoing work to make firefighting as safe as possible, albeit never risk-free.

- ii. ORG0027: Insufficient staff available for BAU

We will amend the risk to ensure it's framed around business as usual rather than COVID.

9. As said above, it was agreed to add two new risks onto the risk register:

- i. Rise of the cost of living increasing the costs of goods and services

10. We are cognisant of national and global external factors which are significantly increasing inflation, which in turn is raising the cost of living including fuel and other provisions/services. This risk will impact both communities and the organisation.

11. Community impacts could include a change to our risk profile, with increase in all incident types, including more unsafe behaviours relating to heating and cooking. Each local authority may respond differently, thereby creating different risk profiles across our geographical area. Demand could also increase on primary care and other partners (health inequalities widened) leading to an increase in request for support.

12. Organisational impacts could see a higher turnover of staff with Green Book staff seeking higher paid employment elsewhere, challenges recruiting to temporary roles and Grey Book staff retiring earlier than profiled. We may also see a detrimental impact on all aspects of wellbeing, potentially increasing sickness, and our ability to provide services. We will also face higher costs which may impact maintenance and improvement plans due to increase in raw materials.

- ii. Pay and price inflation lead to overspends on the capital and revenue budgets that cannot be managed within the available resources of the Service

13. As above, external factors are continuing to increase inflation and we are going to receive further pressure for higher Green and Grey book pay awards. The risk is either that we will need to overspend our planned budget or scale back activities to live within the available budget.

14. We have robust financial management arrangements in place to monitor pressures on the Service's budget. This fiscal year we have also budgeted an inflation contingency.

15. As we previously reported, we have now successfully implemented our new risk management system (JCAD) and all legacy risk registers are being closed. We are working with directorates to further enhance understanding of the system to manage risk effectively across the Service.

#### SUPPORTING OUR SAFETY PLAN AND PRIORITIES

16. In supporting our Risk Management Framework, the Organisational Risk Register ensures we remain focussed on delivery against our Safety Plan priorities. The safety plan is now entering year three of five, and this risk register continues to assist in mitigating these risks to ensure effective service delivery.

#### RESOURCE IMPLICATIONS

17. 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.

#### IMPACT ASSESSMENTS

18. There will be no negative environmental impacts associated with the adoption of this paper. The Organisational Risk Register ensures we consider emerging issues through changes in climate, and these are accounted for in our prevention and response controls.
19. 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

20. 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.
21. The Organisational Risk Register, as part of our Risk Management Framework, will ensure our integrated risk management process is driving our priorities.

## RISK ANALYSIS

22. 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

23. 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.

## CONCLUSION

24. 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 proactive risk management culture. This report supports that continual monitoring and application of that framework.

## RECOMMENDATION

25. The HIWFRS Organisational Risk Register status under the delegated management of the Chief Fire Officer is noted by the HIWFRA Standards and Governance Committee

## APPENDICES ATTACHED

- A. Organisation Risk Register Heat Map

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