

Corporate Risk Management Summary

Report of the Chief Fire Officer

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1 Purpose of Report

This is the second Annual Corporate Risk Management Summary Report to members. These reports aim to inform members about the corporate level risk management work that has been undertaken during the previous twelve months, as well as summarising the risk environment in which the service is currently operating.

2 Recommendations

Members are asked to note the contents of this report.

3 Background

Ongoing monitoring of the Authority's corporate risk management work is a responsibility of the service's Policy Group members and is a delegated responsibility for the Strategy and Resources Committee. However, risk management best practice guidance also indicates that the full Fire Authority should receive a summary report on at least an annual basis.

Because this report only comes to the full Fire Authority on an annual basis, much of the report consists of detailed explanation of the information contained in each section. The Risk Manager will be available to answer any questions Members may have about the risks described in this report.

4 Local Government Act 1972, Schedule 12A reporting exemptions

The public of Shropshire have a right to know that their Fire and Rescue Authority is taking appropriate measures to deal with risks that could potentially impact on its ability to deliver an effective emergency service. However, there are certain risks to which the Authority is exposed, the public disclosure of which could in itself present a risk to the Authority. For this reason, although an 'Open Session' version of this report will always be made



available, where an assessment against the requirements of the Local Government Act 1972, Schedule 12A indicates it would be appropriate, any exempted information would be excluded. Exempted information would then be incorporated in a separate 'Closed Session' report. 'Open Reports' will include all information about sensitive risks that is not likely to compromise the Authority (e.g. Risk ID, risk assessment results, Risk Owner etc), with only the sensitive information being exempted (e.g., Risk Description and any control measures included etc).

This approach should help to ensure that the public has as much information as possible, available to them, about the risk environment the Authority is operating in, whilst at the same time limiting any damage that could be caused through its inappropriate use.

5 Setting the Authority's Risk Acceptance and Risk Tolerance levels

The assessment of risk is based on the analysis of the potential for the risk to do harm (the detrimental impact on the Authority) and the likelihood that they will occur. The potential impact on the Authority is measured against three criteria:

- a Financial impact;
- b Reputation impact; and
- c Impact on the ability for the Authority to deliver its corporate aims and objectives.

Table 1 shows the three levels of impact against which S&WFA assesses corporate risk. The assessment results in an impact level of either low, medium or high (corresponding to an 'impact score' of 1, 2 or 3) against each of the criteria. The impact with the highest score would be used to calculate the overall risk level. Table 2 goes on to show the assessment criteria in terms of likelihood. Again this results in a level of either low, medium or high, with corresponding 'likelihood scores' of 1, 2 or 3.

Impact level	Score	Descriptor for each impact type
High	3	<ul style="list-style-type: none"> a. Financial impact on the Authority likely to exceed £75,000 b. Significant stakeholder concern c. Significant impact on the Authorities Strategies and on the Fire and Rescue Services operational activities
Medium	2	<ul style="list-style-type: none"> a. Financial impact on the Authority likely to be between £25,000 and £75,000 b. Moderate stakeholder concern c. Moderate impact on the Authorities Strategies and on the Fire and Rescue Services operational activities
Low	1	<ul style="list-style-type: none"> a. Financial Impact on the Authority likely to be less than £25,000 b. Low stakeholder concern. c. Low impact on the Authority's strategic or operational activities

Table 1 – S&WFA Impact assessment ratings.



Likelihood level	Score	Description	Indicators
High	3	Likely to occur each year or more than 25% chance of occurrence.	<ul style="list-style-type: none"> • Potential of it occurring several times within the time period (for example – ten years). • Has occurred recently.
Medium	2	Likely to occur in a ten year time period or less than 25% chance of occurrence.	<ul style="list-style-type: none"> • Could occur more than once within the time period (for example – ten years) • Could be difficult to control due to some external influences. • Is there a history of occurrence?
Low	1	Not likely to occur in a ten year period or less than 2% chance of occurrence.	<ul style="list-style-type: none"> • Has not occurred. • Unlikely to occur.

Table 2 – S&WFA Likelihood assessment ratings.

The overall 'Risk score' is then simply calculated by multiplying the highest 'Impact score' by the 'Likelihood score', resulting in a 'Risk score' range of 1 to 9. Those risks scoring 1 (very low risk) should attract minimal effort in their control (although they should continue to be monitored), whilst those scoring 9 (very high risk) obviously require a lot more attention.

The purpose of risk management is not to eliminate all risk; as well as taking an inordinate amount of effort and resources to attempt to do this, it is ultimately impossible to achieve. Instead, risk management aims to reduce the risk to a level that the Authority is prepared to tolerate. This will vary depending on the Authority's current level of 'Risk Appetite' and is defined by the Authority setting its '**Risk Tolerance Level**'. This level essentially acts as a target, with any risks higher than this level attracting appropriate effort and resources in an effort to reduce it to below this level. This target therefore acts as a management indicator, with greater levels of monitoring being required for those risks above the level, than for those below it.

In addition to the upper level, it is also appropriate for the Authority to set a lower level target, known as the '**Risk Acceptance Level**'. Any risks assessed as being lower than this level should attract minimal effort and resources. This helps to ensure that resources are not wasted trying to reduce risks unnecessarily.

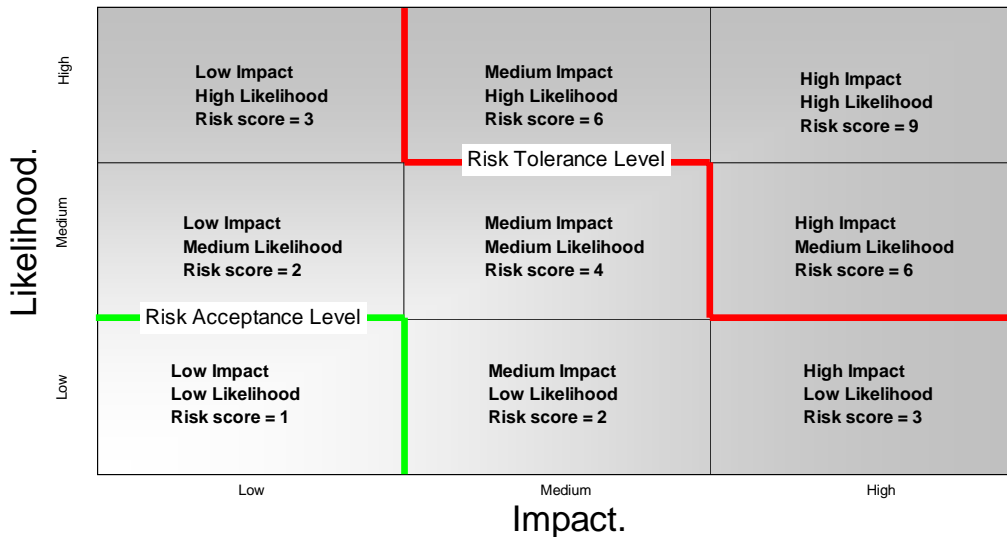
Members have previously agreed the following risk levels:

- '**Risk Acceptance Level**' = 1
- '**Risk Tolerance Level**' = 5

These are shown graphically in graph 1 below. This graph also describes the risks that sit either side of these levels.



Risk Acceptance and Risk Tolerance Levels



Graph 1 – S&WFA’s levels for Risk Acceptance and Risk Tolerance .

The remainder of this report provides the summary data on the current contents of the Authority’s Corporate Risk Register.

6 Risk Management progress

This section of the report will normally include information about the significant risk management events that have occurred over the last twelve months. However, with this being the first of these annual reports, it is appropriate that members are made aware of all events that have led up to the current status with the Authority’s Corporate Risk Management system.

- **July 2006** – following the nomination of Councillor Jon Tandy, as the Authority’s ‘Risk Management and Audit’ Champion, the Risk Manager and Councillor Tandy have a several meetings and discussions which are helping to enable the Councillor to fill this new role. The first Annual Risk Management Summary Report was received by the Fire Authority. The Risk Manager gave a short presentation to all Members that attended the Fire Authority’s annual meeting on the Authority’s Risk Management process and Members involvement and responsibilities within that process.
- **September 2006** - Internal Audit made a follow-up visit to look at how the Fire Authority was progressing with the recommendations that came out of the risk management audit, undertaken at the beginning of the year. They concluded that good progress was being made against all of their earlier recommendations, but also made one additional recommendation relating to the development of an instruction manual for the new risk register.



- **October 2006** - Councillor Tandy (Member Champion for Risk Management and Audit), the Corporate Services Manager and Treasurer attended a Risk Management Training seminar in Swansea.
- **November 2006** - The Fire Authority's system of internal control (SIC) was audited by the Audit Commission as part of the Use of Resources Assessment.
- **December 2006** - The Service's Business Continuity Manual was published and distributed throughout the Brigade.
- **January 2007** – The Strategy and Resources Committee received a Risk Management Summary Report.
The Risk Management Group met and discussed, amongst other things, how the organisation was progressing with embedding risk management into its various functions.
- **February 2007** - Following the publication and distribution of the Fire Authority's Business Continuity Manual, the Risk Manager gave two training sessions, for members of Policy Group and middle management, on the purpose and benefits of the Manual and the Business Continuity Plans contained therein.
Councillor Jon Tandy, gave a presentation on his role as the Member Champion for Business Risk Management and Audit to the Fire Authority.
The Service's Policy Group attended its annual Strategic Planning Workshop. This included the annual risk assessment of all of the Authority's current activities and identification of the potential threats to the Authority achieving its stated aims and objectives.
- **March 2007** - The Fire Authority's Statement on Internal Control (SIC) Improvement Plan for 2006/07 was formally closed and a detailed closure report considered by the Audit and Performance Management Committee.
- **April 2007** - The new SIC Assurance Process was implemented through one-to-one meetings between the Risk Manager and all Heads of Departments.
The Risk Manager attended a Chief Fire Officers Association (CFOA) Business Continuity meeting, where progress and developments on this important issue, from across the country, were discussed.
Following the resignation of Councillor Tandy, the Fire Authority appointed Councillor Dr Jean Jones as its Member Champion for Business Risk Management and Audit. Councillor Jones was given risk management awareness training by the Risk Manager.
- **May 2007** – Fire Authority members attended a Training Day, including a risk management awareness session
- **June 2007** – The Fire Authority signed off its Statement on Internal Control 2006/07 and its SIC Improvement Plan 2007/08.
The Service carried out its first exercise of the procedures detailed in the new Business Continuity Manual.

Members will see that the Authority's corporate risk management procedures have been fully embedded over the last twelve months. The next 12 months will see greater focus on the departmental level, with the Departmental Risk Registers, created as part of the SIC process, being further embedded into



the organisation's ongoing business monitoring activities. This should result in more corporate level risks being identified and reported up from the departmental level.



7 New Risks

There have been eleven new threats and three new opportunities added to the Corporate Risk Register since the last report. Summary details of each of these risks are included in the table below. These risks are listed in the order they were identified, starting with the most recent.

Opportunity or Threat	ID	Risk Description	Raised By	Risk Owner	Pre-Risk Result	Action Required	Control Owner	Post-Risk Result
Opportunity	57	Organisation structural changes to the council in Shropshire, as a result of the recent Local Government White Paper, could present potential opportunities to the way the Fire Authority achieves its strategic objectives, depending on the shape and structure any new Unitary Authority.	Policy Group	Alan Taylor	3	Monitoring progress of any proposals made by SCC. Continue to work closely with all current partners in the county.	Paul Raymond	3
Opportunity	53	The national FireBuy project, looking into the possibility of setting up a Mutual Insurance Company for Fire Authorities, may present this Authority with the chance to reduce its insurance premiums. However, there are attendant risks in this approach that need to be explored.	Policy Group	Alan Taylor	1	Explore the potential savings that could be accrued from getting involved in the project. Explore the potential savings that could be accrued from other activities. Report to the appropriate Fire Authority Committee (Oct/Nov 2006)	Sharon Lloyd	2
Opportunity	48	If the Authority does not monitor its budgets closely then it could miss the opportunity to reinvest identified under-spends where this occurs in its various budgets, or take action to deal with any loss of service that may have occurred.	Policy Group	Alan Taylor	3	Regular, comprehensive budget monitoring which is timely. Discussion with budget holders and key service officers to identify under-spends. Discussions at Policy Group to identify opportunities and possibilities with under-spend. Approval for CFA Action Plan for under-spend implementation.	Joanne Coadey	9
Threat	62	The electrical system at Shrewsbury will be shut off to enable full testing of the circuits. This could cause faults to occur in the various communications and IT systems within headquarters, which may also have an impact on operational effectiveness.	Glyn Williams	Steve Worrall	6	Overtime for IT staff to be available during work Explore possibility of having engineer cover from Airwave and CYFAS Review existing contingency measures that would support any loss of Fire Control communications ability. Report to go to Policy Group	Glyn Williams	4



Opportunity or Threat	ID	Risk Description	Raised By	Risk Owner	Pre-Risk Result	Action Required	Control Owner	Post-Risk Result
Threat	61	National proposals to change from the Long Service Increments payment system to a Continuous Professional Development payment system could have a significant financial impact on the Authority.	Policy Group	Alan Taylor	6	Clear policy on adopting the NJC circular Clear measurement of liabilities - especially for Retained staff Monitoring of pay and prices contingency 2007/08 Reserve for 2006/07	Keith Dixon	6
Threat	60	Organisation structural changes to the council in Shropshire, as a result of the recent Local Government White Paper, could present potential threats to the way the Fire Authority achieves its strategic objectives, depending on the shape and structure any new Unitary Authority.	Paul Raymond	Alan Taylor	6	Potential threats already identified relate to the possibility of an increased number of local groups that we would need to influence/be represented at (e.g. new parishes). Monitoring progress of any proposals made by SCC. Continue to work closely with all current partners in the county.	Paul Raymond	6
Threat	59	Until the Regional Fire Control Local Authority Company is set up and has its own insurance arranged, the Authority's insurance cannot indemnify its representative on that company and would therefore have to indemnify any claims from its own reserves. The contribution the Authority will have to make to the insurance is also currently unknown.	Risk Management Group	Paul Raymond	2	Raise concerns through the RMB Have as an agenda item for first meeting of LACC. Discuss at Regional Insurance Officers meeting on 15/01/2007. Aim to have insurance in place by the end of February.	Sharon Lloyd	1
Threat	58	The Government's Comprehensive Spending Review 2007 presents the Fire Authority with a lot of uncertainty about its future funding.	Policy Group	Alan Taylor	9	Treat risk by raising awareness and lobbying. Exposure in Medium Term Financial Plan Lobbying and representation ahead of the C.S.R. and Grant Settlement	Keith Dixon	6
Threat	55	The Service is going through a period of change in the way it manages and records all of the on-station training activities. If the methods used to manage this process are not sufficiently robust then there is a risk that the organisation may be subject to prosecution under health and safety legislation.	Paul Raymond	Paul Raymond	9	Work towards linking payment of CPD with satisfactory completion of IDR's etc. Make checking of IDR's an objective of all Watch Managers - monitored quarterly. Ensure frequencies of IDR activities are realistic and risk based.	Jon Wagstaff	1



Opportunity or Threat	ID	Risk Description	Raised By	Risk Owner	Pre-Risk Result	Action Required	Control Owner	Post-Risk Result
Threat	51	If the Brigade's data quality systems lack the appropriate quality processes and controls, then the Brigade's funding and its allocation of resources against stated objectives may be compromised.	Ged Edwards	Alan Taylor	9	Undertake a Data Quality Review. Identify any shortfalls in our systems and processes. Explore alternative data systems and/or improve current processes. Identify any resource issues. Explore the procurement of electronic information systems. Develop appropriate information flow process maps. Implement the required changes. Any changes to be implemented using appropriate project management controls. Develop appropriate information flow process maps.	Ged Edwards	1
Threat	50	Lack of understanding of the proposed Manslaughter Bill and its implications, could render the Authority more likely to be prosecuted in the event of an on-duty death of an employee.	Policy Group	Alan Taylor	6	Confirm name of appropriate Control Owner. Legal advice on the implications of the Bill should be obtained. Bill should be tracked through Parliament. All appropriate persons should be advised of any implications the Bill might have on them and the actions they need to take. The Service's Health and Safety measures should be reviewed to ensure the new legislation does not require any modifications to these systems. Full Legal Expense Insurance Cover to be explored. Report to CFA, post implementation (Risk Register summary reporting)	Sharon Lloyd	6
Threat	49	If the two confidential databases used by CFS ('Contact Point' (previously Information Sharing Assessment partnership) and the Fire Setters database) are not subject to effective controls then there is a risk that people may be able to gain and make improper use of confidential information.	Partnership Group	Mike Ablitt	9	Appropriate security controls should be included with all computers used to access the information available from the ISA. Compliance with the requirements of the signed agreement should be regularly audited to ensure continuing compliance is achieved. Staff should receive appropriate training on the security measures that are in place and the appropriate use of the data available to them.	Lynn Hosking	3



Opportunity or Threat	ID	Risk Description	Raised By	Risk Owner	Pre-Risk Result	Action Required	Control Owner	Post-Risk Result
Threat	47	If the Regional Fire Control/Fire Link projects suffer long delays or fail, then the Brigade's ability to maintain a robust command and control function may be comprised. This would also have an impact on all future planning decisions for the Service.	Peer Review Feedback Team	Paul Raymond	6	National, Regional and Local Project Management. Continual monitoring of project progress. Continual dialogue with current suppliers. Once known, start dialogue with potential new Infrastructure Services Contract (back office). Impact assessment required on HR issues involved through the regional project. Impact assessment required on Budgets. Contingency plan to be developed to meet assessed needs. Ensure that the RMB FireCon Programme Board is aware of the risk.	Jim Cameron	6
Threat	46	By undertaking a cultural audit, staff expectations will be raised and the identification of significant issues could result in a large increase in work load for the service and a reduction in morale if expectations are not managed/met.	Policy Group	Louise McKenzie	6	Communications strategy. Reformatting to identify problem locations. Providing resources to properly deal with outcomes. Regular future measurement.	Lisa Vickers	2



8 Closed Risks

Four risks have been closed since the last year's Annual Report. Details of these risks are provided in the table below. They are presented in the order that they were closed, with the most recently closed risk being given first.

ID	Risk Description	Opportunity or Threat	Risk Owner	Date closed	Reason for closure
22	If the Authority does not meet all of the compulsory requirements of the National Framework Document, then the DCLG could use its powers to force improvements	Threat	Alan Taylor	18/04/2007	Level of risk is considered low. Assessment is based upon current CPA performance results.
25	If we do not equip our Uniformed Managers with the correct skills to implement disciplinary procedures following ACAS guidance then we are at risk of challenge through Industrial/Employment Tribunals which may have a financial impact. There is also a risk that our investigations may compromise a criminal investigation.	Threat	Louise McKenzie	19/12/2006	Extensive training delivered to all levels of management. Very small group of individuals outstanding. Additional 1/2 day training to be made available to ensure 100% delivered. Ongoing training now programmed for delivery in SMDP. Current Risk levels dropped to 1. With training now a standard feature, this risk can be closed.
30	If the current main scheme radio system does not remain operational to the date when the regional fire controls are implemented, then there is a risk that the Brigade will not be able to respond to incidents in an effective manner.	Threat	Steve Worrall	16/09/2006	With Airwave now known to have got the FIRELINK contract, the fact that the Brigade already has Airwave has put it in a very robust position. The Brigade's current Airwave contract already includes the ability to extend to cover the interim period at 'peppercorn rent' rates. This facility will be used to carry the Brigade over from its current contract across to the new national contracts. The risks from the regional control project therefore relate to the mobilising systems rather than radio systems. These are already captured in Risk ID: 47. Therefore this risk is now being closed.
40	The public reporting of some of the risks managed by the Authority could in itself present risks to the Authority, either due to undermining the control measures being put in place, or compromising supplier/customer relations.	Threat	Alan Taylor	07/09/2006	All risks have been assessed against their impact on confidentiality, in accordance with the LGA 1972 Schedule A. The process in place to assess new risks is working effectively. Risk can be closed.



9 Current entries in the Corporate Risk Register

This section provides an overall summary of all entries in the Authority's electronic Corporate Risk Register. Subsequent versions of this report will include comparative figures against which Members will be able to identify any trends in our risk management processes. The comments box attempts to give members an overview as to how each piece of information will help the Authority to monitor its risk environment over subsequent years.

Descriptor	Number	Comment
Total number of entries	36	Previous figure 22 This will increase over time. The rate at which it increases will demonstrate how active the Risk Management process is.
Total number of threats	32	Previous figure 21 Comment as above
Total number of opportunities	4	Previous figure 1 Comment as above
Total number of closed entries	8	Previous figure 4 Comment as above
Number of 'live' threats	24	Previous figure 16 Whilst we do not want to discourage risk reporting, we would want this to remain within a manageable number. Identifying the optimum number of manageable risks to have in the risk register will come through experience to be gained over the coming months and years.
Average risk level of all currently 'live' threats.	4.92	Previous figure 3.8 This is on a scale where 1 is minimal risk, through to 9, which is maximum risk. Although there will inevitably be times when this figure increases (especially in the early stages of managing high risks), we would be looking for this figure to show a general downward trend. This would demonstrate that the Fire Authority is successfully managing its risks.
Number of 'live' opportunities	4	Previous figure 1 We would be looking for this figure to increase, but again not to the extent that it becomes unmanageable. Inclusion of opportunities in the risk register is an area that is under development within both this and other fire authorities' risk registers. The importance and usefulness of this side of risk management is expected to increase as the Fire Authority's risk management process matures.
Average level of opportunity	4.25	Previous figure 4.0 Scale of 1 to 9 We would tend to want this figure to grow.

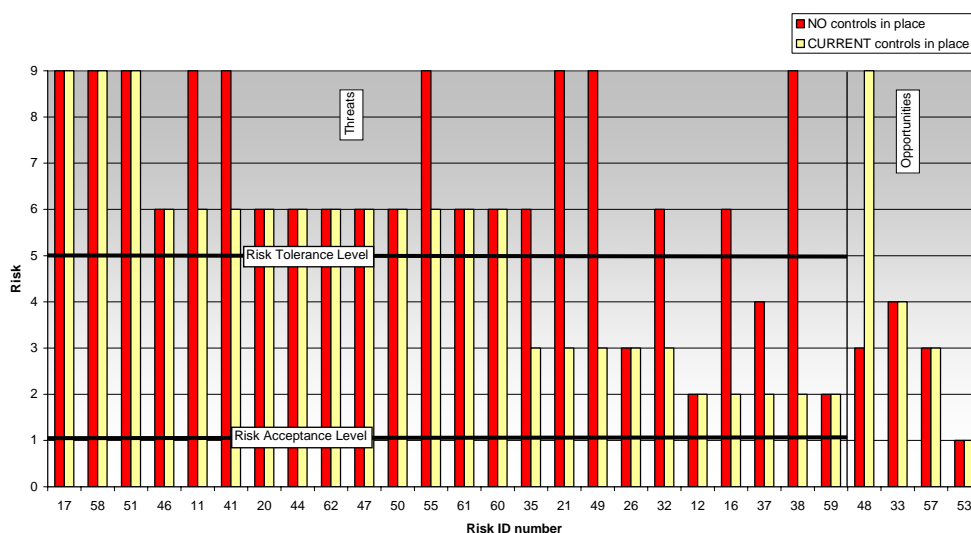


10 Graphical representation of the Corporate Risk Register

The following graphs provide Members with an overall impression of the level and type of risk environment, in which the Fire Authority is currently operating.

Graph 2 shows the impact that our risk control measures are having on each of the individual threats and opportunities that are currently 'live' in the risk register. Members should note that, whilst the aim of risk control for 'threats' is to reduce the level of risk, the purpose of risk control for 'opportunities' is actually to increase the likelihood and/or benefit to be gained.

Detailed information about each of the threats and opportunities shown in Graph 2 is provided in the Appendix.

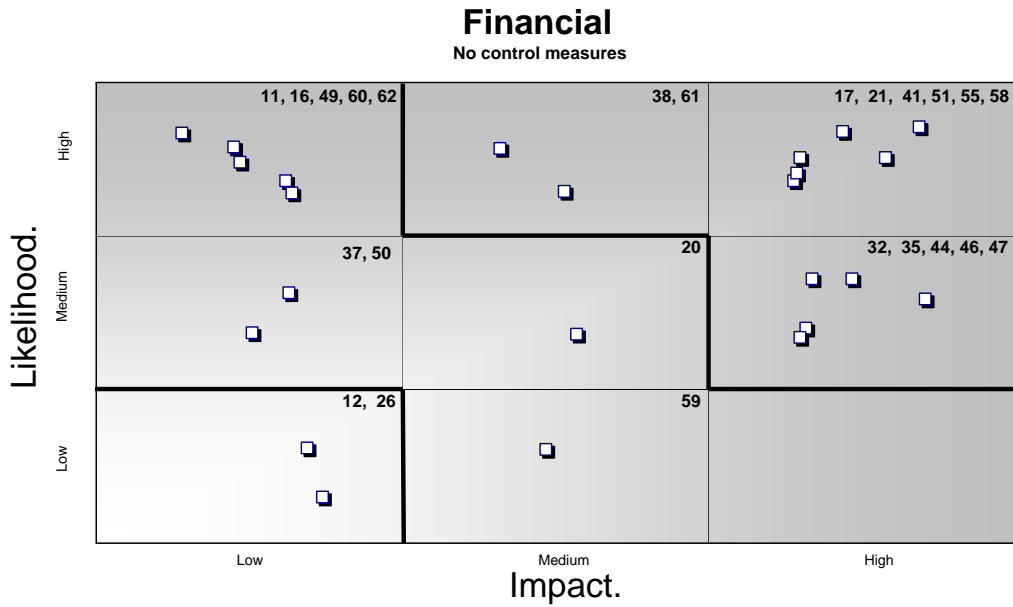


Graph 2 - Risk levels for all 'live' threats and opportunities in the Authority's Corporate Risk Register. Comparison between no control measures in place and the current control measures in place.

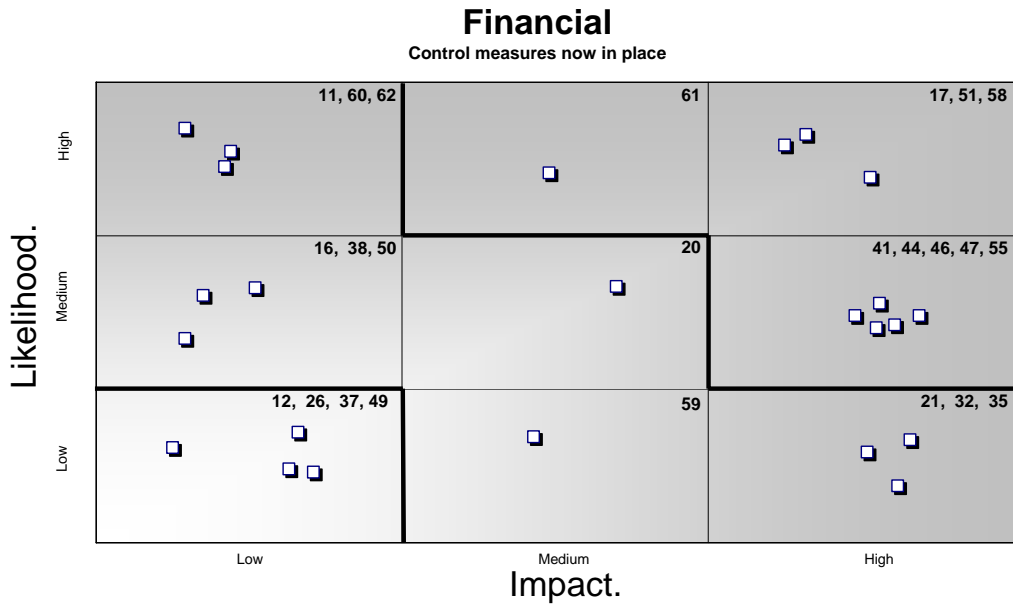
The following graphs (graphs 3 to 10) provide an overview as to which of the three potential impact areas (finance, reputation or objectives) the risks could hit. They simply map all of the **threats** against their corresponding likelihood and impact ratings.

The four 'Opportunities' currently in the risk register are not included in any of these graphs. The graphs, therefore, represent a true picture of the **known** risk that currently exists in the Fire Authority. The numbers in the upper right corner of each section of the graphs are the Risk Identification numbers for the risks that sit in that particular portion of the graph. To find details about a specific risk simply find the equivalent Risk ID number in the detailed risk summary table included as the Appendix to this report.





Graph 3 - Financial impact with NO controls in place

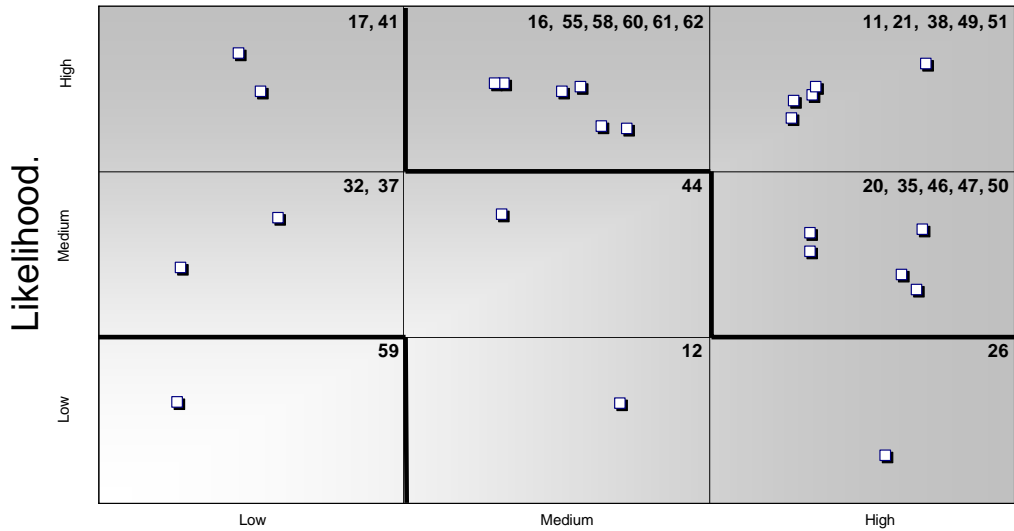


Graph 4 - Financial impact with current level of controls in place



Reputation

No control measures

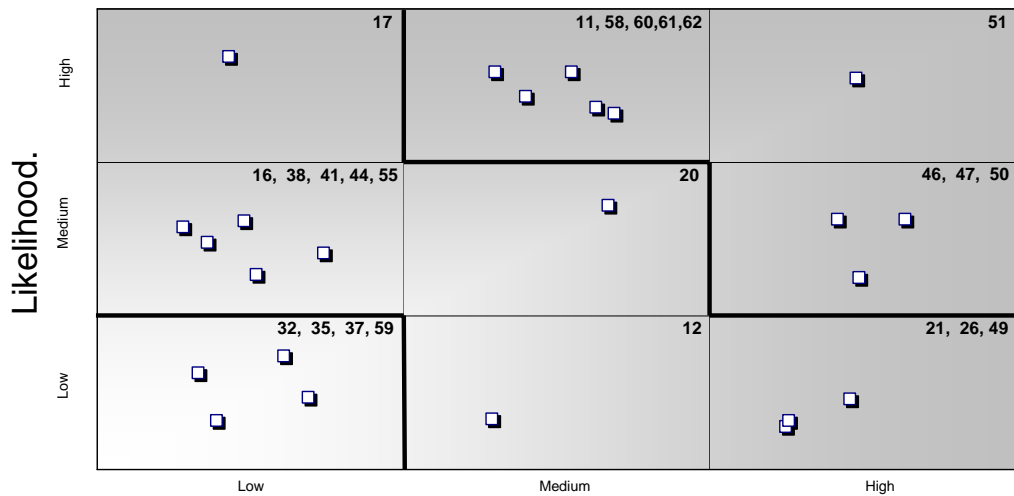


Impact.

Graph 5 - Reputation impact with NO controls in place

Reputation

Control measures now in place



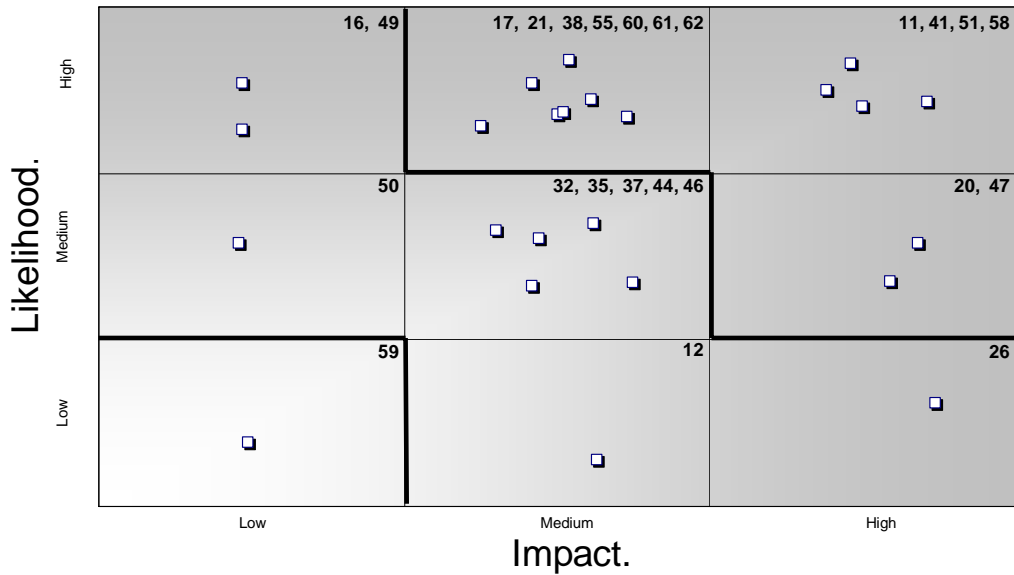
Impact.

Graph 6 - Reputation impact with current level of controls in place



Objectives

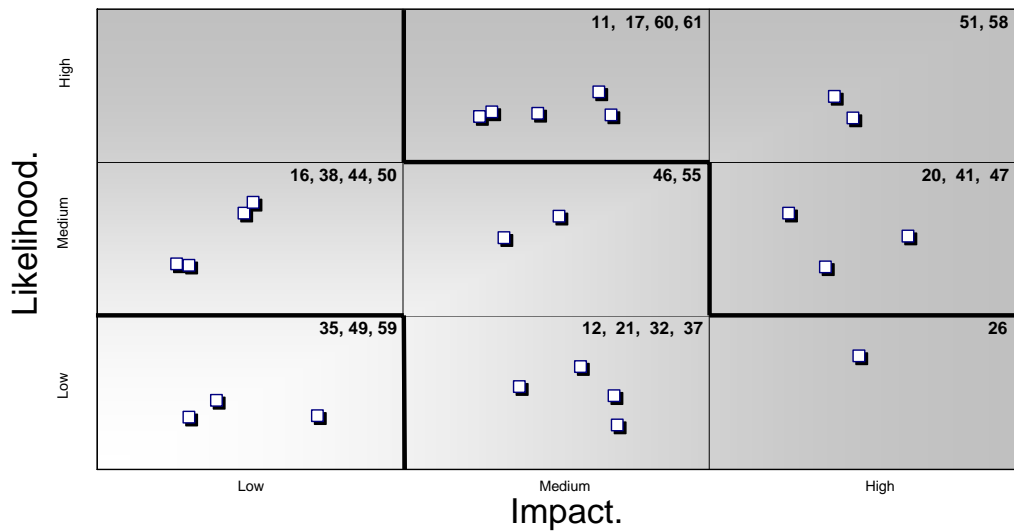
No control measures



Graph 7 - Aims and objectives impact with NO controls in place

Objectives

Control measures now in place

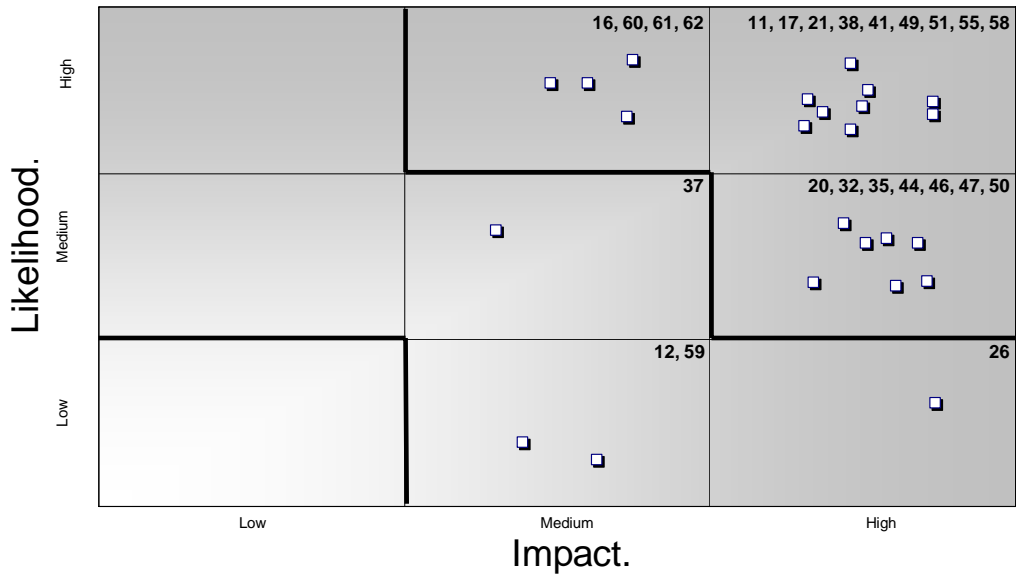


Graph 8 - Aims and objectives impact with current level of controls in place



Summary Risk

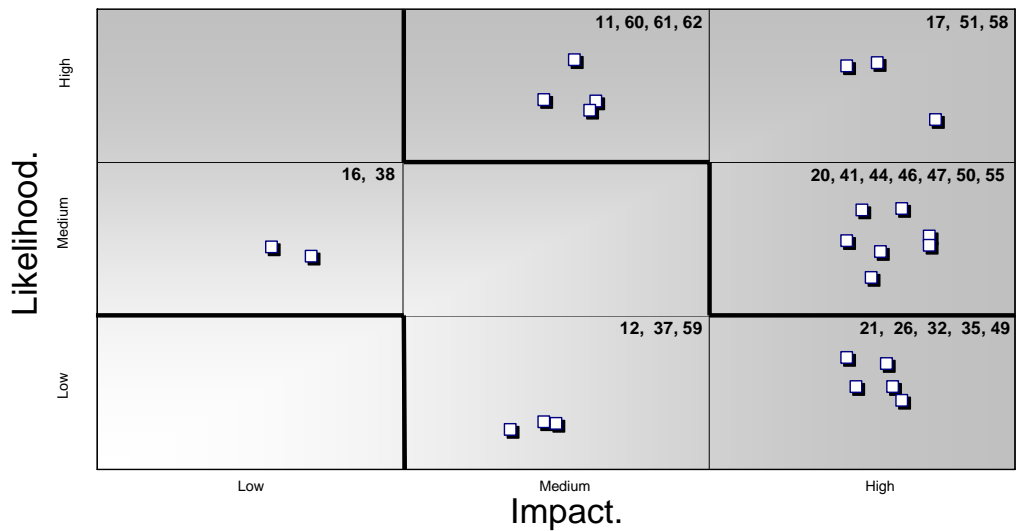
No control measures



Graph 9 - Overall risk levels with NO controls in place

Summary Risk

Control measures now in place

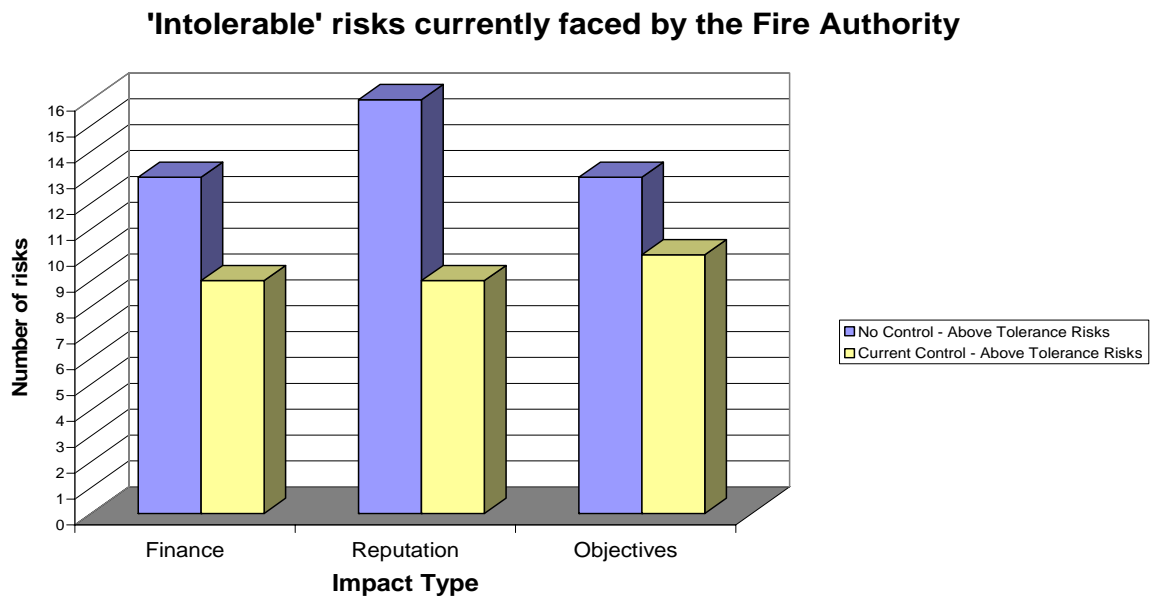


Graph 10 - Overall risk levels with current levels of control in place



11 Overall Summary

Whilst Graph 10 shows that there are 14 risks that are currently assessed as being above the Fire Authority's 'Tolerance Level', this graph does not demonstrate which of the three impact assessments is at greatest risk. Indeed, some of these risks could have a potentially significant impact on more than one of these areas. Graph 11 attempts to demonstrate this by showing how many risks are above the 'Tolerance Level', assuming firstly that we had no risk controls in place and secondly that we have the current level of risk controls in place. Each of the three separate areas of impact, i.e. finance, reputation and objectives, is depicted in the graph.



Graph 31 - Number of 'Intolerable' risks to which the Fire Authority is currently exposed, as assessed against each risk impact type

The graph suggests that the most significant risk types currently threatening the Fire Authority are those that could have an impact on its reputation. However, it is also this type of risk that the Fire Authority's risk management process appears to be having greatest impact on: nearly half of those risks potentially impacting in this way have already been reduced to a tolerable level.

The most significant risks currently facing the Fire Authority are Risks 17, 51 and 58. Details about these particular risks, including how they are being dealt with, are given in the three boxes below.



Figure 1 – Details about Risk 17

Risk ID:	17
Risk Description:	If the Retained Firefighters "Working Time" court case goes against Fire Authorities, then there is potential for this Authority to have to pay significant sums of money out in court costs, and backdated pension contributions.
Risk Owner:	Alan Taylor (Chief Fire Officer)
Control Owner:	Keith Dixon (Treasurer)
Risk Score based upon:	
a. NO Controls in place:	9
b. ALL Controls in place:	9
c. CURRENT Controls in place:	9
Actions taken to date:	
<p>Employers Circular 02/05 - The initial court case went against the firefighters. They appealed against the decision, and again the decision was upheld. They then appealed to the House of Lords. This was believed to take 12 to 18 months from release of the circular, which would put the proximity of the risk somewhere in the first half of 2006.</p> <p>Employers Circular 02/06 (March 2006) stated that the appeal to the House of Lords had gone against the Fire Authorities. The case must now go back to the Employment Tribunal for a decision on outcomes. The Employers side of the National Joint Council is considering the potential impact on individual Fire Authorities and will then provide more guidance. In view of the results from the appeal to the Lords, in March 2006, the risk assessment was reviewed and the "likelihood" was increased from Medium to High. This resulted in the risk going from a rating of "6" up to a rating of "9", thereby becoming one of the Fire Authority's most significant risks.</p> <p>A new Employers Circular was issued in March 2007. It reported the outcome of the Employment Tribunal which met that month to consider the issues referred back by the House of Lords decision. The Employment Tribunal allowed both parties to submit further evidence and will call a further hearing in November 2007. This will result in further delay with no decision expected until early 2008. In the meantime the risk is quantified and included as part of the general balance and is updated regularly for inflation.</p> <p>The Human Resources Director continues to keep abreast of any progress made with the Employment Tribunal, keeping Policy Group and the Fire Authority informed of progress and outcome.</p> <p>It is assumed that the costs likely to be incurred by most Fire Authorities, if the Tribunal case goes with the retained firefighters, will be too large for any Authority to budget for. It is, therefore, assumed that this national issue will attract Government intervention in some way.</p>	



Figure 2 – Details about Risk 51

Risk ID:	51
Risk Description:	If the Brigade's data quality systems lack the appropriate quality processes and controls, then the Brigade's funding and its allocation of resources against stated objectives may be compromised.
Risk Owner:	Alan Taylor (Chief Fire Officer)
Control Owner:	Ged Edwards (Programme Manager)
Risk Score based upon:	
a. NO Controls in place:	9
b. ALL Controls in place:	1
c. CURRENT Controls in place:	9
Actions taken to date:	
<p>This risk relates to the gathering and analysis of all data within the Brigade that is converted into information on which business decisions are regularly made. It, therefore, includes issues relating to the Service's Management Information System (MIS) as well as Performance Management Systems (PMS). Whilst there are numerous types of data used by the Service, two of the most important types relate to information on the incidents the Service responds to (captured in the Fire Damage Reports or FDR1's) and data about our staff (captured in various systems used by the Human Resources Department). A preliminary Data Quality Audit, undertaken by the Audit Commission as part of the 'Use of Resources' assessment in 2007, identified this as an area for Service improvement.</p> <p>A thorough review of the Service's MIS and PMS facilities was undertaken over the last twelve months, which resulted in several proposals being made to the Fire Authority for improvements in this area. With the Fire Authority having budgeted for this work in its 2007/08 budget, the proposals are now being implemented. This includes:</p> <ul style="list-style-type: none">• Procurement and implementation of the Service's new Performance Management System Information• Procurement and implementation of the Resourcelink information system (run by Shirehall), as a solution to all of the Service's human resource data issues• The replacement of the current paper based FDR1 system with the national electronic solution (known as the Incident Reporting System)• Recruitment of an Information Manager <p>Once fully implemented, these controls will help to reduce the level of risk from this significant threat.</p>	



Figure 3 – Details about Risk 58

Risk ID:	58
Risk Description:	The Government's Comprehensive Spending Review 2007 presents the Fire Authority with a lot of uncertainty about its future funding.
Risk Owner:	Alan Taylor (Chief Fire Officer)
Control Owner:	Keith Dixon (Treasurer)
Risk Score based upon:	
a. NO Controls in place:	9
b. ALL Controls in place:	6
c. CURRENT Controls in place:	9
Actions taken to date:	
Actions to be taken are:	
	<ul style="list-style-type: none">• Raising awareness and lobbying• Exposure in Medium Term Financial Plan (MTFP)• Lobbying and representation ahead of the Comprehensive Spending Review (CSR) and Grant Settlement
	<p>In practice we can do little about this risk as it is expressed as uncertainty about the outcomes from the CSR, which will remain despite lobbying. All we can do is plan and thereby reduce the uncertainty about the consequences of significant variations. We can also delay decisions that may be overtaken by events. The vehicle for doing this planning is the MTFP.</p>



12 Legal Comment

There is no legislative duty for the Fire Authority to assess the risks to which its business objectives are faced. Corporate Risk Management does, however, form a fundamental element of good corporate management practices.

The Fire Authority has the power to act as proposed in this report. Care will need to be taken to ensure that the provisions of Schedule 12A of Local Government Act 1972 are correctly applied.

13 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have determined that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.

14 Appendix

Detailed information on all current entries in the Corporate Risk Register

15 Background Papers

Shropshire and Wrekin Fire Authority

Meeting 19 July 2006 Report 20 – Corporate Risk Management Summary

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balance Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	*
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment	*	Operational Assurance	
Efficiency Savings		Retained	
Environmental		Risk and Insurance	*
Financial		Staff	
Fire Control/Fire Link	*	Strategic Planning	*
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	



Detailed information on all current entries in the Corporate Risk Register (in order of 'Current Risk' level)

Threat or Opportunity	Risk ID	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks	Currently under review
Threat	17	If the Retained Firefighters "Working Time" court case goes against Fire Authorities, then there is potential for the Authority to have to pay significant sums of money out in court costs, and backdated pension contributions (Employers Circular 20/2005)	Alan Taylor	Keith Dixon	9	9	9		No
Threat	58	The Government's Comprehensive Spending Review 2007 presents the Fire Authority with a lot of uncertainty about its future funding.	Alan Taylor	Keith Dixon	9	6	9		No
Threat	51	If the Brigade's data quality systems lack the appropriate quality processes and controls, then the Brigade's funding and its allocation of resources against stated objectives may be compromised.	Alan Taylor	Ged Edwards	9	1	9	21, 16, 26, 44, 48	No
Threat	44	There are risks inherent in the Fire Authority working in partnership with other agencies/groups. If these are not properly controlled they could potentially impact on the financial standing and reputation of the Fire Authority.	Alan Taylor	Paul Raymond	6	1	6	30, 32, 41	No
Threat	11	If the County suffers a harsh winter, then there is a chance that the Service will not be able to deliver an appropriate level of service to the people of Shropshire.	Paul Raymond	Martin Timmis	9	6	6	20	No



Threat or Opportunity	Risk ID	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks	Currently under review
Threat	20	If the organisation is not able to use its buildings, its people and/or its other resources due to a disaster scenario, then it is unlikely to be able to deliver essential services to the communities of Shropshire (not including strike action)	Alan Taylor	Andy Johnson	6	4	6	35, 11	No
Threat	41	The current push by Government for centralised purchasing of Fire Service products and services (FireControl and FireBuy etc) could impact on the commercial viability of the Authority's current contracts.	Alan Taylor	Andrew Kelcey	9	6	6	30, 32, 47	No
Threat	62	The electrical system at Shrewsbury will be shut off to enable full testing of the circuits. This could cause faults to occur in the various communications and IT systems within headquarters, which may also have an impact on operational effectiveness.	Steve Worrall	Glyn Williams	6	4	6		No
Threat	46	By undertaking a cultural audit, staff expectations will be raised and the identification of significant issues could result in a large increase in work load for the Service and a reduction in morale if expectations are not managed/met.	Louise McKenzie	Lisa Vickers	6	2	6		No
Threat	47	If the Regional Fire Control/Fire Link projects suffer long delays or fail, then the Brigade's ability to maintain a robust command and control function may be comprised. This would also have an impact on all future planning decisions for the Service.	Paul Raymond	Jim Cameron	6	6	6	26, 30, 32, 41, 59	No



Threat or Opportunity	Risk ID	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks	Currently under review
Threat	50	Lack of understanding of the proposed Manslaughter Bill and its implications, could render the Authority more likely to be prosecuted in the event of an on-duty death of an employee.	Alan Taylor	Sharon Lloyd	6	6	6		No
Threat	55	The Service is going through a period of change in the way it manages and records all of the on-station training activities. If the methods used to manage this process are not sufficiently robust then there is a risk that the organisation may be subject to prosecution under health and safety legislation.	Paul Raymond	Jon Wagstaff	9	1	6	None	No
Threat	60	Organisation structural changes to the councils in Shropshire, as a result of the recent Local Government White Paper, could present potential threats to the way the Fire Authority achieves its strategic objectives, depending on the shape and structure any new Unitary Authority.	Alan Taylor	Paul Raymond	6	6	6	57	No
Threat	61	National proposals to change from the Long Service Increments payment system to a Continuous Professional Development payment system could have a significant financial impact on the Authority.	Alan Taylor	Keith Dixon	6	6	6		No



Threat or Opportunity	Risk ID	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks	Currently under review
Threat	49	If the two confidential databases used by Community Fire Safety ('Contact Point' previously Information Sharing Assessment partnership and the Fire Setters database) are not subject to effective controls then there is a risk that people may be able to gain, and make improper use of, confidential information.	Mike Ablitt	Lynn Hosking	9	3	3		No
Threat	35	Information exempt from publication by virtue of the Local Governments Act 1972, Schedule 12A, paragraph 4.	Alan Taylor	Paul Raymond	6	3	3	12, 23, 36	No
Threat	26	Information exempt from publication by virtue of the Local Governments Act 1972, Schedule 12A, paragraph 3.	Paul Raymond	Jim Cameron	3	3	3	30, 32, 47, 59	No
Threat	21	If the Authority does not meet all financial regulations, then it may be subject to fraudulent activity, unnecessary or illegal (ultra-vires) expenditure.	Alan Taylor	Keith Dixon	9	3	3		No
Threat	32	If the financial costs of the new Regional Controls is not known, then the Authority will not be able to make appropriate budget plans, which could impair our ability to meet the Authority's stated priorities.	Alan Taylor	Keith Dixon	6	3	3	26, 30, 47, 59	No



Threat or Opportunity	Risk ID	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks	Currently under review
Threat	59	Until the Regional Fire Control Local Authority Company is set up and has its own insurance arranged, the Authority's insurance cannot indemnify its representative on that company and would therefore have to indemnify any claims from its own reserves. The contribution the Authority will have to make to the insurance is also currently unknown.	Paul Raymond	Sharon Lloyd	2	1	2	26,32,47,59	No
Threat	38	If the pension arrangements are subject to significant change at this late stage, then there could be a financial and social impact on the Authority.	Alan Taylor	Alan Taylor	9	9	2		No
Threat	37	If the organisation does not make adequate succession planning arrangements, then when key staff leave the organisation there may be an impact on our ability to deliver our services.	Alan Taylor	Louise McKenzie	4	2	2		No
Threat	16	If the Brigade does not have appropriate procedures in place to meet the requirements of the Data Protection Act, then it may be subject to penalties	Steve Worrall	Louise Goodhead	6	1	2		No
Threat	12	If neighbouring brigades suffer industrial action, then the support from those brigades during large incidents in our county is likely to be reduced thereby impacting on our ability to deal with incidents effectively.	Paul Raymond	Martin Timmis	2	2	2	35, 36	No



Threat or Opportunity	Risk ID	Description	Risk Owner	Control Owner	Risk with NO Controls	Risk with ALL Controls	Current Risk	Links to other risks	Currently under review
Opportunity	48	If the Authority does not monitor its budgets closely then it could miss the opportunity to reinvest identified under-spends where this occurs in its various budgets.	Alan Taylor	Joanne Coadey	3	9	9		No
Opportunity	33	If the Authority is not clear as to the rules that apply to Government's specific Funding, then it could miss the opportunity to seek additional funding for the activities it is required to undertake in order to meet the Government's Modernisation Agenda and local priorities.	Alan Taylor	Keith Dixon	2	4	4		No
Opportunity	57	The recent Local Government White Paper presents an opportunity for the Fire Authority to explore the potential benefits to be gained from any possible changes to the local government structure in Shropshire. This risk will pull together the management of the various aspects of the proposed changes that will be explored; thereby ensuring the greatest benefit possible is achieved.	Alan Taylor	Paul Raymond	3	3	3		No
Opportunity	53	The national FireBuy project, looking into the possibility of setting up a Mutual Insurance Company for Fire Authorities, may present this Authority with the chance to reduce its insurance premiums. However, there are attendant risks in this approach that need to be explored.	Alan Taylor	Sharon Lloyd	1	2	1		No

