

## Corporate Risk Management Summary

### Report of the Chief Fire Officer

For further information about this report please contact Rod Hammerton, Chief Fire Officer, on 01743 260201 or Ged Edwards, Planning, Performance and Communications Manager, on 01743 260208.

### 1 Executive Summary

This report updates Members on the status of risks on the Corporate Risk Register.

### 2 Recommendations

The Committee is asked to note the contents of the report.

### 3 Background

Following recent discussions with Members including the Chair of the Standards, Audit and Performance (SAP) Committee, the format for reporting the corporate risk register has been amended.

It was felt that due to the nature of the entries on the register, it would be more beneficial for Members to receive updates on risks where the direction of travel has changed, new entries onto the register and risks where significant activity or activity of note is being under taken.

All risks on the register will still continue to be updated by their respective risk owner on a regular basis and reported to Risk Management Group (RMG) and the Performance and Risk Goup (PRG). In addition, an annual report containing all entries of the corporate risk register will continue to be reported to the Fire Authority at its annual general meeting.

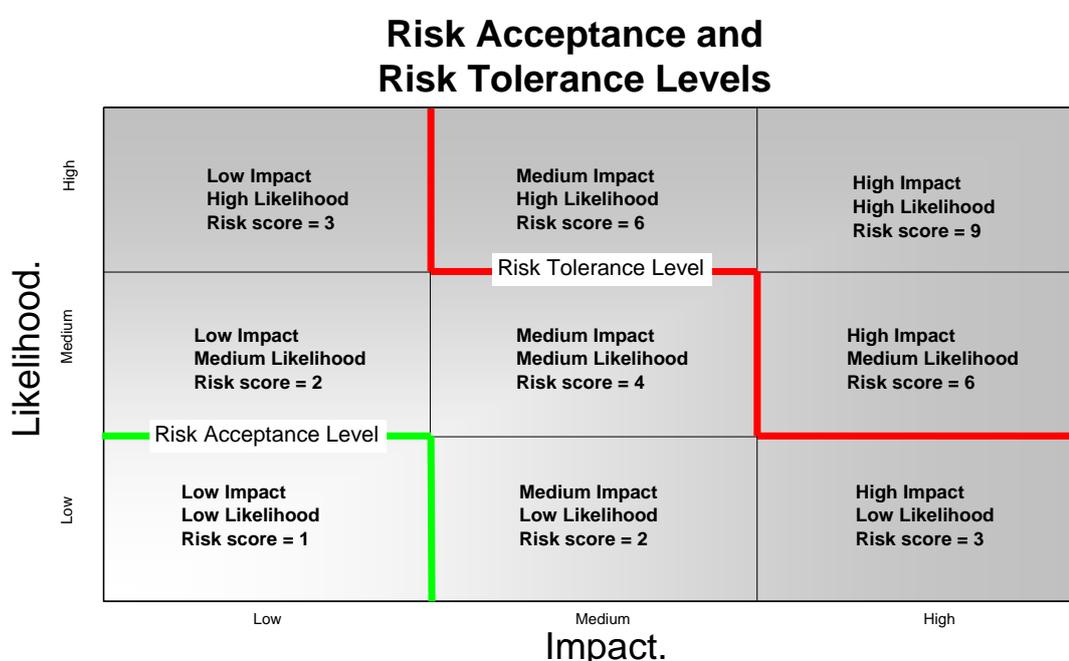
The Appendix to the report is a summary of the highlighted risks on the corporate risk register with the latest update by the risk owner on their respective risk.

## 4 Risk Acceptance and Tolerance Levels

The purpose of risk management is not to eliminate all risk, but 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 to set a lower level target, called 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.

The Risk Management Brigade Order reflects the current risk Tolerance and Acceptance level and are shown in the table below.



## 5 Risk Management Process

The table in the Appendix shows the open corporate risk register entries reported by exception. This has detailed information on each of the individual risk including: the risk title, the risk owner, a description of that risk, the counter measures that are either being applied or Officers are working to apply, the level of risk without controls, with controls, an assessment of the current level of risk and direction of travel. There is also a narrative column to enable risk owners to comment on the information provided where relevant.

## 6 Current Position

Three risks have been removed from the corporate risk register since the last SAP update. These are as following

Delay in implementing the new fitness standards – All activities required to meet the deadline of January 2022 have been achieved and the standard has now been implemented.

Delays in replacing the Integrated Communications Control System (ICCS) - The replacement ICCS in Fire Control has now been commissioned and is fully operational.

Service disruptions due to Covid – Following the latest meeting of the Covid Management Group in April, the risk has been removed from the corporate risk register. Activities and issues, such as future staffing shortages, will now be managed through department business continuity plans.

Of the current entries on the register, the risk relating to supply chains for goods and services is currently presenting challenges to the Service. Further details are included in the Appendix. The risk owner, Andrew Kelcey, Head of Resources, will give Members a brief overview of the actions and counter measures being adopted by the Service.

## **7 Conclusions**

The Committee is asked to note the contents of the report

## **8 Financial Implications**

There are no financial implications arising from this report

## **9 Legal Comment**

There are no legal implications arising from this report.

## **10 Equality Impact Assessment**

There are no equality or diversity implications arising from this report. An e-EQIA is not, therefore, required

## **11 Appendix**

Open Corporate Risk Register Entries Reported By Exception

## **12 Background Papers**

There are no background papers associated with this report.

### Open Corporate Risk Register Entries Reported by Exception (Open Session)

| Risk Title  | Risk Category    | Risk Owner    | Date Raised | Controls or Counter Measures  | Risk Rating (current assessment) | Direction of travel | Action History  |
|---|------------------|---------------|-------------|---|----------------------------------|---------------------|---|
| Failure of Primary Contractor/ Supplier or Failure or disruption of Supply Chain for critical goods | Service Delivery | Andrew Kelcey | 11/03/2013  | <p>Review current contracts register (Contracts in excess of £10,000) and risk assess all suppliers against the criteria of Poor Performance and Contract Failure. (Completed)</p> <p>Any supplier classed as high risk in either criteria will be identified as a departmental risk and be subject to a full supplier risk assessment and contingency plan if required. (Started and Ongoing)</p> <p>The full assessment will consider whether any further actions need to be addressed in order to mitigate against potential poor performance/contract failure. (Ongoing).</p> | 6                                | ➔                   | <p>Further supply chain disruption and excessive cost increases are being experienced across all supply chains.</p> <p>Significant cost increases are now being seen, including 20% on paper, 15-25% in construction and 37% in energy. The Service will review its inflation and reserves strategy in light of these cost increases. The impact of increased fuel, staff and material costs raises additional concerns about the viability of more suppliers. Product delays are also being experienced in construction works, vehicle builds (eg 12 months) and with delivery periods of 6-12 months being quoted across other supplies. An unwillingness to enter into long term contracts or to commit to future pricing is</p> |

| Risk Title | Risk Category | Risk Owner | Date Raised | Controls or Counter Measures   | Risk Rating (current assessment) | Direction of travel | Action History   |
|------------|---------------|------------|-------------|--|----------------------------------|---------------------|--|
|            |               |            |             | <p>09/03/2020 -A review of critical goods or supplies will be carried out and stock levels held by suppliers or in our own stores will be assessed and increased if necessary. (Ongoing).</p> <p>06/09/2021 - A further review has identified that there are issues with increased cost and delayed delivery on some items, but the risk is being managed and is unchanged.</p> <p>04/04/2022 - Significant cost increases are now being seen. The Service will review its inflation and reserves strategy in light of these cost increases.<br/>Fuel stocks at Wellington are being increased slightly above normal holdings due to concerns regarding diesel supplies.</p> |                                  |                     | <p>also emerging, limiting some potential control measures. The Home Office have also questioned fuel resilience leading to some concern that further disruption is expected in this supply chain.</p> |

| Risk Title | Risk Category | Risk Owner | Date Raised | Controls or Counter Measures   | Risk Rating (current assessment) | Direction of travel | Action History |
|------------|---------------|------------|-------------|--|----------------------------------|---------------------|----------------|
|            |               |            |             | <p>The capital programme is being reviewed in the anticipation of moving towards delivering short-term single trade building works rather than major projects to minimise the risk to the Service and contractors.</p> <p>Vehicle replacements are also being reviewed in light of supply problems, balanced against current high values if we were to sell used vehicles.</p> |                                  |                     |                |

**Key to Direction of Travel:**

- ➔ shows that the general direction of the risk is unchanged.
- ⬇ shows that the general direction of the risk is reducing.
- ⬆ shows that the general direction of the risk is increasing.