

**LANCASHIRE COMBINED FIRE AUTHORITY  
AUDIT COMMITTEE**

Meeting to be held on 2 April 2019

**RISK MANAGEMENT  
(Appendix 1 refers)**

Contact for further information:

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**Executive Summary**

The report highlights action taken in respect of corporate risk since these were last reported to the Audit Committee.

**Recommendation**

The Committee is asked to note the actions taken and endorse the revised corporate risk register.

**Information**

The latest review of the corporate risk register has identified one new risk which warrants consideration for inclusion on the corporate risk register:-

Brexit – there remains a great deal of uncertainty surrounding this issue, however from a risk perspective the following appear to be the key issues to consider:

- Community tensions – this is picked up by the Lancashire Resilience Forum;
- UK economy and impact on longer term funding – this is already covered by Risk 1 (as set out below);
- Business rate income, and hence impact on longer term funding - this is already covered by Risk 1 (as set out below);
- EU funding – we do not budget for any long term EU funding, with the only funding received being one-off funding of approx. £50k for Prince's Trust in 2018/19;
- Procurement issues, including availability and cost of goods – we will clearly need to comply with any changes to legislation arising from exiting the EU, however all indications are that our procurement rules will remain broadly the same. Whilst there is a possibility that the cost of goods will increase it is too early to say the extent and impact of any such increase, as such if this occurs we may need to draw down reserves in order to balance the budget. In terms of availability of goods/services we do not anticipate a significant impact in the short term however, this situation will continue to be closely monitored.

Based on the above analysis it is clear that Brexit presents significant risk however, with the exception of the procurement risk it is felt that these are already covered within the exiting risk register and the LRF risk register. As such it is proposed to add the risk relating to the cost and availability of goods and services to the corporate risk register as a medium risk, with the situation going forward being monitored.

## Existing Risks

Of the existing risks 4 have been reviewed, and an updated corporate risk register is attached as appendix 1, with changes summarised below:-

		Update since last meeting	Proposed Risk Score	
1	Insufficient resources due to poor funding settlement, inability to make required savings, additional financial pressures such as RDS pensions etc., plus council tax limits via local referendum resulting in Authority being unable to set a balanced budget.	<p>2019/20 is the final year of the 4 year funding settlement. Funding in 2020 and beyond will be determined by the Government's overall budget and the 2019 Spending Review. The Budget will set overall total for public sector spending which will then be allocated out to departments as part of the Spending Review. Until such time as the outcome of this is known it is impossible to accurately predict future funding levels.</p> <p>Running alongside this is a Fair Funding review and the prospect of moving to a 75% Business Rates Retention model, both of which will impact future funding.</p> <p>As such it is impossible to predict what future funding will look like, which is reflected in the 2019/20 budget report.</p> <p>The draft budget for 2020/21 and beyond assumes a funding freeze, after allowing for additional funding in respect of pension contributions, resulting in an assumed funding gap of up to £1m. The Authority holds sufficient reserves to meet this in the short to medium term.</p>	Increase to 16	High
2	Premises Risk Information: That operational staff do not have available adequate and reliable premises information to efficiently resolve operational incidents: Risk information is provided to operational staff based on premises information and premises risk are identified	No change, not due to report till 31/12/19.	9	Medium

	on a continuous basis although this is not consistent throughout the Service.			
3	Insufficient staffing resources, due to Industrial Action, to deal with operational demand and fulfil statutory responsibilities.	Following lengthy discussions the employer's side has drafted out a proposed agreement for a multi-year pay settlement. The Fire Brigade Union (FBU) has commenced a consultation exercise with its members prior to further discussion within National Joint Council. Funding of any agreement is dependent on national government contributions, which is currently uncertain, nor should it be assumed that the agreement will be acceptable to the FBU. The FBU has undertaken an audit of all work currently undertaken within Fire and Rescue Services in order to identify those areas which are outside of the agreed role maps. No outcome has been shared with the Service.	Remains at 12	Medium
4	Lack of availability of water supplies for fire fighting prevents effective fire fighting resulting in additional damage to property and increased risk to life.	Previously discharged		
5	The increasing age profile of operational staff could adversely affect our ability to deliver effective emergency response.	Previously discharged		
6	Operational staff do not have the required skills to operate safely at an incident with the potential to result in F/F injuries or fatalities.	The Operational Assurance Team continues to assess operational readiness through station visits, incident / exercise monitoring and debriefing. The team publishes a quarterly performance report to promote staff awareness of key operational performance issues, and monitor knowledge/understanding of issues identified in this.	Remains at 9	Medium

		The dedicated Incident Command Training team continues to evaluate performance in this area, and Incident Commanders are now required to maintain a command license.		
7	Failure of key ICT systems resulting in disruption to services.	No change, not due to report till 30/6/2019.	9	Medium
8	Loss of corporate reputation through negative publicity.	No change, not due to report till 31/12/19.	9	Medium
9	Retention and recruitment of RDS staff impacts on RDS appliance availability.	No change, not due to report till 31/12/19.	9	Medium
10	Lack of workforce planning resulting in significant over/under provision of staff and resulting impact on service and finances.	Previously discharged.		Medium
11	Lack of compliance with legislation resulting in prosecution or compliance order.	Previously discharged.		
12	Ineffective Health and Safety in the workplace, resulting in prosecution, intervention fees etc.	No change, not due to report till 31/12/19.	9	Medium
13	Lack of effective Information Management impacting on service delivery and support or leading to a breach of data protection/freedom of information or a loss of sensitive/personal information.	No change, not due to report till 31/12/19.	9	Medium
14	Delayed mobilisation, impacting on service delivery.	No change, not due to report till 31/12/19.	9	Medium
15	High levels of staff absence due to outbreak of ebola.	Previously discharged.		
16	Lack of clarity on future of FRS, leading to inertia.	Previously discharged.		
17	Failure of ESMCP to deliver a viable communication facility.	No change, not due to report till 31/12/19.	9	Medium
18	Inability to maintain service provision in spate conditions.	Previously discharged.		

19	Failure to maximise the opportunities that technological advances present due to a lack of capacity within the ICT department, and an inability of staff to keep pace with new development that are implemented.	We have achieved a Security accreditation in Cyber Essentials, which demonstrates that we are a secure organisation to deal with and will help promote collaborative working. We have been updating our back office infrastructure and preparing for the next generation Windows 10 and Office 2016 that will be delivered next financial year. We have continued to develop bespoke packages, such as Assurance Monitoring System. We continue to carry vacancies within the team and are working with HR to fill these.	Remains at 9	Medium
20	Loss of support for Vector Incident Command product with the product name Command Support System (CSS) leading to ineffective command function at large incidents.	No change, not due to report till 31/12/19.	9	Medium
21	Risk of rapid external fire spread in high rise premise resulting in a major incident.	No change, not due to report till 31/12/19.	10	Medium
22	Failure to maximise collaborative opportunities presented by Policing and Crime Act 2017.	No change, not due to report till 31/12/19.	9	Medium
23	Lack of leadership capacity impacting on delivery of services.	No change, not due to report till 31/12/19.	9	Medium
24	Insufficient preparation for inspection programme leading to opportunities being lost in terms of national learning and Lancashire's ability to effectively communicate its progress and awareness.	Previously discharged.		
25	The outcome of the EU court ruling on the Matzak case relating to on-call arrangements in Belgium has a detrimental impact on service provision and/or cost.	No change, not due to report till 30/9/19.	10	Medium

**Financial Implications**

None.

**Human Resource Implications**

None.

**Equality and Diversity Implications**

None.

**Environmental Impact**

None.

**Business Risk Implications**

The improvement in risk management arrangements should result in reduced business risk.

**Local Government (Access to Information) Act 1985****List of Background Papers**

Paper	Date	Contact
None		
Reason for inclusion in Part II, if appropriate:		