

LANCASHIRE COMBINED FIRE AUTHORITY

AUDIT COMMITTEE

Meeting to be held on 20 July 2021

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: -

Increase in costs associated with major Property projects due to changes in Building Regulations

A proposed upgrade of the Building Regulations was published as draft legislation in January 2021 and is subject to an on-going consultation. The construction industry was expecting a significant increase in the environmental standards for new buildings with a zero-carbon requirement anticipated, this has been confirmed in the draft legislation. However, the draft legislation also applies to existing buildings, whereby there will be a requirement to substantially upgrade the environmental credentials of existing buildings when a major refurbishment is undertaken.

This will potentially see significant increase in upfront costs with more energy efficient heating/insulation being required, such as air-source heat pumps, PV panels, triple glazing etc, all of which are dearer than our current standards.

In order to mitigate this, we will need to account for this in cost estimates for all major property projects and increase the contingency on projects to provide scope to meet potential cost increases.

Given the scale of the Authority's Capital programme over the next 5 years this is considered a high risk at the present time, as if the legislation is implemented it will increase costs significantly on all projects commencing after June 2022, and this was not allowed for in the initial budget estimates.

Existing Risks

Of the existing risks 7 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	No change, not due to report till 31/3/22	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 on a continuous basis although this is not consistent throughout the Service.	No change, not due to report till 30/11/21	9	Medium
3	Insufficient staffing resources, due to Industrial Action, to deal with operational demand and fulfil statutory responsibilities	LFRS has a separate contingency plan in place that is specific to industrial action. The Home Office has previously undertaken an audit of our arrangements, with the final report noting our arrangements. We continue to monitor the position regarding national pay awards, pensions and related role map reviews.	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. The dedicated Incident Command Training team continues to evaluate performance in this area, and Incident Commanders are now required to maintain a command license. TOR continue to work closely with Service Delivery to ensure attendance on Safety Critical mandatory training.	Remains at 9	Medium
7	Failure of key ICT systems resulting in disruption to services	In terms of the new WAN all Stations and Data centre links complete, direct internet access to be completed by Financial year. The accelerated adoption of Microsoft 365 and Teams is driving cloud services. Work has commenced on upgrading the Exchange infrastructure and is due completion in September. The majority of devices have migrated onto Windows 10 and the roll out of Office 2019 is complete.	Remains at 9	Medium
8	Loss of corporate reputation through negative publicity	No change, not due to report till 31/3/22	9	Medium
9	Retention and recruitment of RDS staff impacts on RDS appliance availability	No change, not due to report till 31/3/22	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 30/11/21	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 31/3/22	9	Medium
14	Delayed mobilisation, impacting on service delivery	No change, not due to report till 30/11/21	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.	The ESMCP Programme has consulted upon a refresh of the 2016 approved Full Business Case (FBC) and LFRS leads have engaged fully in the process in order to ensure that the proposed changes to the 2021 FBC are fully understood. Technical lead colleagues in LFRS and NWFC continue to work closely with the NFCC team to ensure that our NWFC mobilising system and internal supporting aspects such as station end equipment and vehicle mounted data terminals remain fit for purpose through and beyond ESMCP transition. Work to evaluate transition	Remains at 9	Medium

		planning remains ongoing and includes aspects such as dual device (Airwave and ESMCP) fitting within fire engines, device convergence opportunities, coverage testing and early trials and pilot of the voice product.		
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	Work has commenced on upgrading the Exchange infrastructure and is due completion in September. The majority of devices have migrated onto Widows 10 and the roll out of Office 2019 is complete. The Digital Transformation department, which was created last year, is now fully staffed, and delivering priorities as defined by BPIP, CPB & Exec board. By the end of July an additional 4 apprentices will have commenced in ICT and Digital Transformation departments.	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 31/3/22	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 30/11/21	10	Medium
22	Failure to maximise collaborative opportunities presented by Policing and Crime Act 2017	No change, not due to report till 30/11/21	9	Medium
23	Lack of leadership capacity impacting on delivery of services	The Talent Management workshops were postponed due to Covid-19 but will be relaunched at the end of July. Leadership development programmes continue to be	Remains at 9	Medium

		delivered despite Covid-19. Crew Manager Promotion Board currently advertised and Middle Manager promotion Board will be advertised September 2021. Future workforce needs have been reviewed as part of the development of the Workforce Plan.		
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.	Previously discharged		
26	Increase in costs of and/or lack of availability of goods and services, following Brexit	<p>We have started to see an increase in the price of construction materials in the last few months, as well as delays in obtaining them. With the contractor on our Workshop/BA school project awaiting some metal stud partitioning to finish one section of the building internally, this is indicative of the supply market at the present time.</p> <p>Furthermore the cost of some raw materials is anticipated to increase further in the coming months:</p> <ul style="list-style-type: none"> • Steel/ Copper up 30% • Sealants up 30% • Glass up 15% <p>In order to address this we need to increase the contingency on construction projects to provide scope to meet potential cost increases.</p>	Remains at 12	Medium

27	Increase in costs associated with changes to pensionability of allowances	No change, not due to report till 30/11/21	16	High
28	Discontinued or long-term malfunction in the KPI management software product (CORVU)	No change, not due to report till 30/11/21	6	Low
29	High levels of staff absence due to pandemic.	No change, not due to report till 30/11/21	15	High
30	Changes to Emergency Response Driver Training leading to a reduction in trained appliance drivers and hence impacting pump availability.	No change, not due to report till 31/3/22	12	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:		