

LANCASHIRE COMBINED FIRE AUTHORITY

AUDIT COMMITTEE

Meeting to be held on 30 November 2021

RISK MANAGEMENT

(Appendix 1 refers)

Contact for further information:

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Table 1 Executive Summary and Recommendations

Executive Summary

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

Recommendation(s)

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 energy costs

The Service currently spends approx. £400k on energy. The contracts for both gas and electricity (let via a national framework agreement) fix the tariff at the start of each year, meaning that the increased costs on the market will not be passed onto the Service in the current financial year. However, when prices are fixed for next year, we will potentially see a significant increase in costs. We are currently reviewing the potential increase for inclusion in the budget setting exercise, however even a 25% uplift will result in an increase in excess of £100k.

In order to mitigate the risk of significant increase we use a YPO framework which fixes prices. YPO actively review the market attempting to fix prices at the most favourable rates. We also look to introduce more energy efficient lighting and heating as well as improving thermal qualities of buildings (e.g. replacing windows/ doors/ facades).

Given the potential cost increase this is a medium risk as whilst the increase seems certain the overall financial impact in terms of our total budget is relatively low.

Existing Risks

Of the existing risks 8 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.	A key priority through the pandemic was the continued review programme of SSRI plans for built environment risks. As a function central to the management of risk it was safeguarded during the pandemic, given that risk sites may have needed to review their own operating procedures and policies in light of C-19 impacts upon them. REP have completed assurance (dip samples) of Level 4 PORIS sites and a formal Service level project has now commenced to further strengthen our Risk Information policy, practices, guidance and training.	Remains at 9	Medium
3	Insufficient staffing resources, due to Industrial Action, to deal with operational demand and fulfil statutory responsibilities	No change, not due to report till 31/7/22	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.	No change, not due to report till 31/7/22	9	Medium
7	Failure of key ICT systems resulting in disruption to services	No change, not due to report till 31/7/22	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.	In April 2021 LFRS was audited for 9 for re-certification to the ISO 14001:2015 standard and year two surveillance for continuation for ISO 45001:2018. The British Assessment Bureau carried out the audit against the 2 standards. The Service received no major or minor non-conformances with 5 opportunities for improvement identified. These have been incorporated into an improvement plan	Remains at 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	<p>The road speed software at NWFC has been updated, taking account of average road speed giving a more accurate ETA for appliances. Pump Delay times used by NWFC was matched against actual performance over the past 12 months as opposed to traditional calculations. These changes came into effect in April and were reviewed in October. REP reviewed the last six months of data for pump delay times which has seen more improvements in times to mobilise.</p> <p>Mobilising configurations are being reviewed to ensure that they remain fit for purpose. LFRS are currently looking at dynamic cover software to further enhance response arrangements, this will enable appliances to be redeployed based on risk and other incident activity ensuring we have the right fire cover in place at the right time.</p>	Remains at 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 31/7/22	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	No change, not due to report till 31/7/22	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	<p>The organisational structure has been refined to ensure there are sufficient resources to mitigate the risk.</p> <p>This includes the introduction of a Protection Transformation Team, who have responsibility to oversee the Building Risk Review (BRR). Furthermore, revised governance for Fire Protection has been introduced to drive reform with the introduction of dedicated Area Manager and Group Managers for Prevention and Protection.</p> <p>As a result of the BRR and from ongoing audits, Policy has been introduced to manage buildings that have been identified as requiring 'interim measures', This includes details of what NWFC, Response Emergency Planning, Protection and Service Delivery will do, including quarterly visits from Operational staff to premises in interim measures</p> <p>Operational Assurance Group are progressing the Grenfell Tower Inquiry action plan. Current activity includes ongoing training of Operational staff for responding to high rise incidents. An evacuation policy and the associated training is now being planned.</p>	Remains at 10	Medium
22	Failure to maximise collaborative opportunities presented by Policing and Crime Act 2017	Two Blue Light Collaboration meetings have been held in Q2. The next steps are to present the journey so far, and proposals for the ongoing work plan, to the Collaboration Executive team. (This is particularly relevant given recent	Remains at 9	Medium

		changes at executive level and programme board level within LanCon.). Shared values will be discussed with a refresh of the MOU. Subsequently. key information will then be cascaded through management teams.		
23	Lack of leadership capacity impacting on delivery of services	No change, not due to report till 31/7/22	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.	Previously discharged		
26	Increase in costs of and/or lack of availability of goods and services, following Brexit	No change, not due to report till 31/7/22	12	Medium
27	Increase in costs and administration associated with changes to pensions	Following Court decisions re FF pension schemes there are two issues which have implications for the Service in terms of costs and administrative capacity:- <ul style="list-style-type: none"> • Various allowances were deemed pensionable, this being agreed with the FBU. However, as the Service has been unable to reach agreement with the FBU on backdating it has implemented a policy of 6 years backdating for relevant allowance. • The McCloud/Sergeant judgement deemed that the protection arrangements for staff transferring from the 92 scheme to the 2015 scheme was age discriminatory and therefore illegal, hence a 	16	High

		<p>national agreement has been reached to remedy this, giving personnel the option of having their benefits calculated based on the scheme they were transferred into (2015 scheme) or the scheme that they transferred from (92 or 2006 scheme)</p> <p>Both of these changes have significant implications in terms of capacity, and cost, to calculate correct benefits due, as well as backdating of pension contributions. They also significantly increase the forecast cost of pension payments due at retirement, and the costs of pensions paid to those who have already retired.</p>		
28	Discontinued or long-term malfunction in the KPI management software product (CORVU)	<p>A key member of staff continues to carry out basic maintenance to ensure KPI management software (CORVU) continues to deliver statistical data in support of performance reporting. Work is progressing within Digital Transformation, alongside a Microsoft Gold delivery partner, to develop/introduce a new technology/software that will replace the existing KPI management software. A recruitment process is underway to employ a second data analyst that can provide resilience within the department.</p>	Remains at 6	Low
29	High levels of staff absence due to pandemic.	<p>Higher levels of absence have materialised as expected. The position continues to be closely monitored to establish any impact.</p> <p>The Service has implemented a model of Hybrid Working, so staff can continue to work flexibly from home.</p> <p>The Service has promoted the availability and reimbursement of the flu vaccine to minimise</p>	Remains at 15	High

		the additional risks associated with seasonal flu. The availability of Lateral Flow Tests is promoted, and staff continue to regularly test themselves to minimise the risk of transmission of Covid-19.		
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
31	Increase in costs associated with major Property projects due to changes in Building Regulations	No change, not due to report till 31/7/22	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

Table 2 Details of any background papers

Paper:	
Date:	
Contact:	
Reason for inclusion in Part 2 if appropriate:	