

# **Lancashire Combined Fire Authority**

## **Audit Committee**

Meeting to be held on 16 July 2025

### **Risk Management**

(Appendix A - Risk Matrix refers)

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#### **Executive Summary**

The Lancashire Fire and Rescue Service (LFRS) risk management policy, procedure, and the associated organisational risk register aligns with ISO 31000:2018 standards and is in line with the National Fire Chiefs Council (NFCC) template and represents good practice in the sector. Effective risk management practices are integrated into quarterly Executive Board and Corporate Performance Board (CPB) meetings, it provides strategic oversight, ensures legislative compliance, optimises resource allocation, and facilitates risk reporting to the Combined Fire Authority.

The Audit Committee provides independent assurance to governance stakeholders regarding the adequacy of LFRS's risk management processes. This report provides the Committee with the latest Risk Register and its content and is an opportunity to consider the adequacy of LFRS's risk management arrangements. The risk register is dynamic, and any changes are approved by the CPB.

#### **Recommendation(s)**

- The Audit Committee is requested to endorse LFRS's risk management arrangements and note the up-to-date Corporate Risk Matrix and Register.

### **Information**

The Audit Committee is a cornerstone of the Authority's governance framework, tasked with providing independent assurance to governance stakeholders regarding the adequacy of LFRS's risk management framework, annual governance processes, and internal control environment. Its primary function includes evaluating the effectiveness of the Authority's risk management arrangements.

The Civil Contingencies Act (CCA 2004) sets out the legal framework for contingency arrangements to assess, plan and advise against LFRS organisational risks, be it departmental or corporate, however, there is no prescriptive way within the framework of doing this. Therefore, the Service has the freedom to manage risk using a method that ensures a clear governance structure that best meets the needs of the business.

This moral and statutory duty not only requires LFRS to take all reasonable actions to safeguard its employees, assets, and the public, but also to ensure that it is not financially or operationally disrupted. It can meet this duty by ensuring that risk management plays an integral part in the governance of the Service at a strategic, tactical and operational level.

The risk management policy and procedure at LFRS ensures compliance with legislative requirements and NFCC good practice. The policy and procedure are aligned with ISO 31000:2018, to ensure an accurate description and appropriate monitoring and management of LFRS risks. Additionally, a tiered approach to risk is in place, allowing for escalation or de-escalation as needed.

Effective risk management practices aligned with ISO 31000:2018 yield numerous benefits for LFRS, including proactive risk mitigation, enhanced decision-making, clear accountability, and improved financial control.

Risk management is integrated into quarterly Executive Board and CPB meetings, as a standing agenda item LFRS aims to provide strategic oversight of the risk management process. Overall, these measures enable LFRS to fulfil its legislative duties and optimise resource allocation while providing a structured mechanism for reporting on risk to the Audit Committee.

The Corporate Risk register and matrix is reviewed quarterly, and updates provided by all pertinent risk managers and owners, the matrix and summary of the register is included as Appendix A for the Audit Committee's review.

### **Business risk**

The business risk to LFRS of not implementing an efficient and effective risk management system can be catastrophic in terms of financial impacts, service provision, health and safety, service objectives, KPIs, reputation and for government relationships.

### **Sustainability or Environmental Impact**

There are no identified impacts on sustainability or the environment.

### **Equality and Diversity Implications**

There are no identified implications on equality and diversity.

### **Data Protection (GDPR)**

Will the proposal(s) involve the processing of personal data? N

If the answer is yes, please contact a member of the Democratic Services Team to assist with the appropriate exemption clause for confidential consideration under part 2 of the agenda.

### **HR implications**

The long-term outcome of this proposal is that risks will be managed more efficiently therefore having a positive impact on managers time in dealing with risk impacts.

**Financial implications**

The long-term implications of this proposal will allow LFRS to make evidence-based decisions and consider the cost benefit of risk versus the acceptance of the risk impacts.

**Legal implications**

Failure to establish robust mechanisms for identifying and managing organisational risks within LFRS could lead to non-compliance with the Civil Contingencies Act (CCA) 2004.

**Local Government (Access to Information) Act 1985****List of background papers**

Paper:

Date:

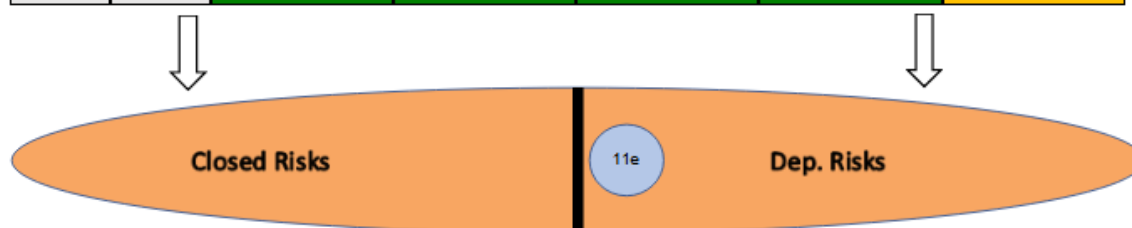
Contact:

Reason for inclusion in Part 2 if appropriate: Insert Exemption Clause

Appendix A: Corporate Risk Matrix and Summary Register

## Corporate Risk Matrix and Summary Register

Impact		1	2	3	4	5
Likelihood		Minor	Noticable	Significant	Critical	Catastrophic
5	Certain/Almost certain			11f		
4	Very likely		2d		2a	
3	Likely		2c	4b, 2b, 5, 9a, 11c	4a	
2	Unlikely		8b	1b, 10a, 10b, 1a, 1d, 12a, 3c, 3d, 12b, 3b-i, 3a, 6a		
1	Rare/Very Unlikely			1c, 12b, 11b, 11a		

KEY

- New Risk
- Existing Risk
- Priority Reduction
- Tolerance (ongoing reduction)
- Within Appetite (monitor)

- ↓ 3a – Loss of Telecommunication  
6a – Changes to Emergency Response Driver Training  
11a – Fire Spread in High Rise  
12a – Management of Personal Data
- ↑ 4a – Cyber Security

2a – Loss of funding  
11f – Retention and recruitment of on-call staff

Risk ID	Sub Risk ID	Risk Cause	Triggers
<b>1</b>		<b>Loss or lack of staff due to...</b>	A widespread event or situation that leads to a significant loss of workforce ability to undertake normal business
	1a	Industrial Action	A local or national dispute with a major or multiple unions leading to staff undertaking partial performance or withdrawal of labour
	1b	Inability to recruit or retain key staff	Decline in available workforce due to a number of factors a. long term illnesses b. high level of retirement c. Service cannot offer competitive salary d. poor levels of recruitment due to social, or financial pressures and capacity of current workforce to undertake promotion processes e. perception of service and culture discouraging applications f. ineffective recruitment programme
	1c	Inability to provide sufficient staff in leadership roles	a. The ECR, delivered in 2024, resulted in an increase in the number of supervisory roles available b. The historical retirement profile has resulted in a large number of promotions over the years resulting in a reduced pool of staff available for promotion.
	1d	Pandemic/ill-health epidemic	An ill-health epidemic or pandemic reducing ability of staff to attend or access to workplace, either due to their own illness, to prevent or reduce transmission and to care for dependants
<b>2</b>		<b>Financial Pressures</b>	Insufficient funding or unbudgeted cost pressures that financial sustainability and ability to maintain critical functions
	2a	Loss of funding	a. Government reduction of grant monies affecting income b. Change in Fair Funding Formula or Business Rates Retention impacting on LFRS share of funding c. Change in local or national economic circumstances resulting in reductions in Council Tax or Business Rates
	2b	Overspending and future financial pressures on MTFS due to increase in costs of goods and services and pay	a. Unexpected event that leads to rise in costs for goods and services and pay e.g. Fuel costs due to Ukraine war, Global recession b. higher than budgeted pay award
	2c	Future financial pressures on MTFS due to changes in legislation	a. Changes in building regulations resulting in higher costs than in our MTFS assumptions i.e. BREEM regulations b. New environmental targets resulting in increase costs in the future i.e. Net zero targets

Risk ID	Sub Risk ID	Risk Cause	Triggers
	2d	Emerging risk associated with grey book pensions and overspending due to increase in costs and administrations associated with changes to pensions	a. Unexpected changes to the pension schemes due to court rulings.
<b>3</b>		<b>Loss of Utilities</b>	An event or situation, malicious or non-malicious, that causes a partial or total loss of a utilities services
	3a	Telecommunications	Severe weather, Space weather, failure of equipment due to fault or malicious attack on national or local telecoms infrastructure at LFRS and/or NWFC. This could also be due to loss or withdrawal of contracts from suppliers.
	3b (i)	Power outage - Generally	Severe weather, space weather, failure of equipment due to fault or malicious attack on national or local power infrastructure or supply chains. Local or national demand is above capacity leading to Rota load disconnections etc.
	3b (ii)	Power outage - SHQ	Severe weather, space weather, failure of equipment due to fault or malicious attack on national or local power infrastructure or supply chains. Local or national demand is above capacity leading to Rota load disconnections etc.
	3b (iii)	Power outage - LDC	Severe weather, space weather, failure of equipment due to fault or malicious attack on national or local power infrastructure or supply chains. Local or national demand is above capacity leading to Rota load disconnections etc.
	3c	Water	Large scale failure of water company equipment due to fault or malicious attack on national or local processing and pumping infrastructure or supply chains, or failure of private company.
	3d	Fuel	Failure of equipment due to fault, incident, industrial action or malicious attack on national or local infrastructure or supply chains. Geopolitical issues affecting access to fuel from international sources. Public behaviour (panic buying as a result of any of above scenarios)
<b>4</b>		<b>Loss of ICT</b>	Partial or total loss of physical or electronic/virtual ICT systems due to a fault, accidental damage or malicious attack.
	4a	Cyber Security	Partial or total loss of electronic/virtual ICT systems due to a malicious attack.
	4b	Failure of key ICT systems	Partial or total loss of physical or electronic/virtual ICT systems due to a fault, accidental damage or malicious attack.
<b>5</b>		<b>Death or Serious injury of...</b>	An incident that causes the death or serious injury of a person either in or interacting with the Service

Risk ID	Sub Risk ID	Risk Cause	Triggers
	5a	A member of staff or contractor during work activities	An incident in the workplace related to general duties e.g. a member of staff involved in RTC whilst undertaking duties, slips trips and falls.
	5b	A member of staff during operational activities	An incident enroute to, on an incident ground or in operational training scenario e.g. falling debris.
	5c	A member of the public due to Service activities	An incident or situation that leads to the death or serious injury of a member of the public. During operational response, training activities or any other public interaction, or incident on Service premises. OR Failure to appropriately assess, inform or safeguard the public from hazards and risks associated with fires
	5d	Death of member of staff, visitor or contractor due to on service premises	An incident or situation on service premises or estate that leads to death or serious injury. Failure to provide appropriate risk assessment, first aid provision/ training, damaged or faulty equipment or buildings/structures.
	5e	Failure to identify and implement learning from past events.	Failure to properly investigate and implement actions following recommendations, from a near miss, death or serious injury to mitigate risk for the future
<b>6</b>		<b>Change in national legislation requiring additional workloads to assess implement and embed.</b>	Change in national legislation requiring additional workloads, this might be due to a significant event requiring learning, new government initiatives or change in political landscape
	6a	Changes to Emergency Response Driver Training	Change in Fire Standard for Emergency Response Driver Training requiring additional workloads in training
<b>8</b>		<b>Loss of Service Premises</b>	An event or situation, malicious or non-malicious, that causes a partial or total loss of a fire service asset
	8b	Control room	Severe weather, physical or technical attack or failure, general damage to building, denial of access (e.g. Protests/ IA), failure of contracts with third party supplier (e.g. joint/co-located premises)
<b>9</b>		<b>Failure to maximise opportunities</b>	An event or situation that could provide an opportunity to improve the Service, which if not utilised could have a negative impact on the Service's progress

Risk ID	Sub Risk ID	Risk Cause	Triggers
	9a	Technological advances	Failure to maximise the opportunities that technological advances present due to a lack of capacity within the ICT & DT department, and an inability of staff to keep pace with new developments that are implemented
<b>10</b>		<b>Failure to manage incidents or staff conduct effectively, including inadequate handling of complaints or disciplinary processes, leading to loss of public confidence or reputational damage.</b>	An incident or situation that results in loss of public or staff confidence due to employee conduct (in the workplace, personal life, or on social media), non-compliance with Service policies, the Core Code of Ethics, or EDI principles; compounded by negative media coverage or the Service's mismanagement of the response.
	10a	Failure to provide appropriate communications on events, situations or incidents that could lead to a loss of public confidence in LFRS	An event or situation relating to, loss of public or staff confidence due to Employee conduct at work, in personal life and on social media, failure to adhere to service policy/core code of ethics/ EDI and related negative press, or Sector events.
	10b	Failure to implement appropriate people processes in response to staff misconduct or complaints.	Allegations or evidence of staff misconduct (e.g., bullying, harassment, discrimination). Failure to act in line with Service Values, Core Code of Ethics, Staff Code of Conduct or service policy. Delays or inconsistencies in investigations or decision making. Lack of transparency or perceived fairness in internal procedures
<b>11</b>		<b>Operational</b>	An event or situation that could impact on LFRS ability to respond effectively and efficiently.
	11a	Rapid external fire spread in high rise premises	An event or situation relating to lack of prevention, protection and operational response leading to a major incident.
	11b	Complete removal of DCP	A challenge from a Union to current local agreement.
	11c	Lack of required skills of operational staff	A situation where operational staff do not possess the required skill to operate safely at an incident
	11f	Retention, development and recruitment of On Call staff	The failure to recruit and retain on-call staff caused by lack of on-call recruiting strategies, not being perceived as a desirable employer, not being competitive in pay rates, not providing enough flexibility to on-call staff with work arrangements.
<b>12</b>		<b>General</b>	An event or situation that could impact on LFRS



<b>Risk ID</b>	<b>Sub Risk ID</b>	<b>Risk Cause</b>	<b>Triggers</b>
	12a	Major lack of effective Management of personal data	A situation or event caused by the lack of effective information management in LFRS
	12b	Lack of effective Management of personal data in relation to pager messages	A situation or event caused by the lack of effective information management due to information cascade, such as sensitive information shared by pager message, and consequent mitigating measures