

**AUDIT AND RISK COMMITTEE****22 May 2018****CORPORATE RISK REGISTER - POSITION AT 31 MARCH 2018**

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**REPORT OF HEAD OF CORPORATE RESOURCES**

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**PURPOSE OF THE REPORT**

1. To provide Members with details of the Corporate Risk Register as at 31 March 2018.

**BACKGROUND**

2. The Service actively manages risks at all levels of the organisation. The Authority's Risk Management Strategy sets out the framework for the reporting of risks and mitigating actions to members of the Fire Authority. This process also enables members to consider any risks that they have identified and their impact on the Authority.

**CORPORATE RISK REGISTER**

3. The corporate risk register is a dynamic document that provides a summary of the high-level risks facing the Service. Officers review the risks facing the Service on an on-going basis as part of the overall control framework within individual sections. The Service Management Team and the Service Leadership Team also scrutinise risks on a monthly basis to ensure a corporate and cross cutting approach.
4. There are currently eight risks on the corporate risk register as at 31 March 2018. The register shows the original risk that has been identified, the gross risk score and the residual risk score after mitigating actions. A copy of the corporate risk register is attached.

**Closed Risks**

No risks were closed during the period.

**New Risks**

No new risks were added during the period.

## **Risks Removed from the Corporate Register**

No risks were removed during the period.

## **Risks that have increased in severity**

### ***ER224 – Failure to respond effectively and provide services due to industrial action.***

The new National Framework requires all national resilience assets to be available 24/7 during periods of industrial action. Whilst there is currently no industrial action pending, this requirement is over and above our current resilience arrangements therefore the residual score has been increased to reflect the increase in risk.

## **Risks that have reduced in severity**




No risks have reduced in severity during the period.




## **RECOMMENDATIONS**


6. Members are requested to:-

- (i) **Consider** the Corporate Risk Register Report attached.
- (ii) **Advise** of any risks that may impact on the Service and Authority that are not shown in the Corporate Risk Register.

## Corporate Risk Register – 31 March 2018

<u>Risk Reference</u>	<u>Risk Description</u>	<u>Risk Score</u>	<u>Residual Score</u>	<u>Status</u>	<u>Progress</u>
CR215	Outstanding backlog maintenance on the Service's buildings in excess of £3M.	<b>16</b> <b>L=4</b> <b>I=4</b>	<b>12</b> <b>L=3</b> <b>I=4</b>	The Authority has taken the decision to bring the existing headquarters facilities management function inhouse and the scope of the Estates Team has been widened to include all estate management. Planned capital projects at Stanhope and Darlington fire stations will also reduce the level of backlog maintenance.	
ER218	Heightened terrorist threat in County Durham and Darlington increasing the risk to CDDFRS staff and communities. This also covers the organisation not being able to provide critical services to the community due to major disruption.	<b>12</b> <b>L=3</b> <b>I=4</b>	<b>9</b> <b>L=3</b> <b>I=3</b>	Score reflects the latest intelligence.	
ER224	Failure to respond effectively and provide services due to Industrial Action.	<b>20</b> <b>L=4</b> <b>I=5</b>	<b>10</b> <b>L=2</b> <b>I=5</b>	No industrial action pending.  The residual score has been increased to reflect the fact that the new National Framework requires all national resilience assets to be available 24/7 including during periods of industrial action.	

<b><u>Risk Reference</u></b>	<b><u>Risk Description</u></b>	<b><u>Risk Score</u></b>	<b><u>Residual Score</u></b>	<b><u>Status</u></b>	<b><u>Progress</u></b>
FIN152	Failure to achieve the savings via the service transformation options outlined in the IRMP consultation leading to a greater budget deficit.	<b>20</b> <b>L=4</b> <b>I=5</b>	<b>4</b> <b>L= 1</b> <b>I=4</b>	Further efficiency savings have been identified and the revised deficit over the MTFP period is now £0.7M. The Emergency Response Review has identified further savings and work is underway to develop options to bridge this gap.	
FIN153	The actual position relating to pay awards, inflation and grant cuts etc, turns out to be different to the assumptions underpinning the MTFP leading to a greater budget deficit.	<b>20</b> <b>L=4</b> <b>I=5</b>	<b>16</b> <b>L=4</b> <b>I=4</b>	The Authority has agreed to accept a 4 year funding settlement which significantly enhances long term planning however recent developments around pay awards are a cause for concern. The revised MTFP includes provision for pay awards of 2% per annum and any pay awards in excess of this would increase the MTFP deficit. Each additional 1% increase in firefighter pay costs £170K.	
FIN 225	Insufficient government funding to meet capital programme requirements which could impact on the revenue budget leading to an increased MTFP deficit.	<b>12</b> <b>L=3</b> <b>I=4</b>	<b>9</b> <b>L=3</b> <b>I=3</b>	The Authority no longer receives government funding for capital expenditure which was previously c £1.3M per annum. Provision will need to be made in the revenue budget from 2018/19 onwards to meet the impact of borrowing and/or direct funding.	

<u>Risk Reference</u>	<u>Risk Description</u>	<u>Risk Score</u>	<u>Residual Score</u>	<u>Status</u>	<u>Progress</u>
ASN01	Unknown resource requirement needed to manage the HMIC inspection programme. Currently the content of the inspection is unspecified.	<b>16</b> <b>L=4</b> <b>I=4</b>	<b>12</b> <b>L=4</b> <b>I=3</b>	A regional inspectorate working group has been established to monitor the impact of HMICFRS inspections. Liaison is ongoing with Durham Police to establish potential resource requirements.	
ICT 208	Failure to meet the Emergency Services Mobile Communications Programme (ESMCP) local transition schedule.	<b>25</b> <b>L=5</b> <b>I=5</b>	<b>16</b> <b>L=4</b> <b>I=4</b>	Regional management structure in line with national government requirements in place and agreement on programme support has now been reached for the airwave network equipment beyond contracted dates.	