

Corporate Risk Register – 30 September 2020

<u>Risk Reference</u>	<u>Risk Description</u>	<u>Risk Score</u>	<u>Residual Score</u>	<u>Status</u>	<u>Progress</u>
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.	12 L=3 I=4	9 L=3 I=3	Score reflects the latest intelligence.	
ER224	Failure to respond effectively and provide services due to Industrial Action.	20 L=4 I=5	5 L=1 I=5	No industrial action pending. The residual score reflects the fact that we have effective management of industrial relations and a communications strategy to all stakeholders together with a business continuity plan relating to industrial action.	
FIN 152	Failure to achieve the savings via the service transformation options outlined in the IRMP consultation leading to a greater budget deficit.	20 L=4 I=5	8 L=2 I=4	Due to the uncertainty surrounding the level of government funding beyond 2020/21 three MTFP scenarios have been modelled based on differing levels of funding. The best case scenario shows a deficit of £0.174m in 2021/22 rising to £0.186m in 2023/24, the mid case shows a deficit of £0.357m in 2021/22 rising to £0.747m in 2023/24 and the worst case shows a deficit of £1.916m in 2021/22 rising to £2.307m in 2023/24. At this stage based on our current MTFP assumptions on pensions and the level of pay awards and inflation we are reasonably confident that the savings being considered will be	

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				sufficient to balance the budget over the medium term.	
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.	20 L=4 I=5	16 L=4 I=4	The MTFP assumptions are monitored on an on-going basis and were updated during the preparation of the 2020/21 budget and MTFP. The financial impact of COVID-19 is currently being managed through a combination of additional government funding and the resilience reserve. If this funding is insufficient to meet the costs incurred there is a risk that reserves will be reduced to an unsustainable level going forward. We also have no visibility on the level of government funding and support for pensions beyond 2020/21 and whilst the government have previously committed to providing certainty via a multi-year settlement later in 2020, this may change as a result of the current COVID-19 pandemic. Early indications are that there will be a significant fall in council tax income together with a reduction in the council tax base which is currently built into the MTFP due to COVID-19.	

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				The 3 MTFP models all include allowance for a 2% increase in pay each year from 2020/21 onwards. Each additional 1% would cost £171K for firefighters and £195K for the whole workforce. Any increase in the cost of pay or inflation above 2% will have a significant impact on the MTFP deficit position unless further savings are identified to offset the additional cost. The increase in the FPS employer contribution rate is currently funded by government grant however the position beyond 2020/21 is uncertain at this stage. Loss of the grant funding of £1.6M is a significant risk to the Authority's MTFP.	
FIN 225	Insufficient government funding to meet capital programme requirements which could impact on the revenue budget leading to an increased MTFP deficit.	12 L=3 I=4	9 L=3 I=3	The Authority no longer receives government funding for capital expenditure which was previously £1.3M per annum. Provision will need to be made in the revenue budget going forward to meet the impact of borrowing and/or direct funding.	

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ICT 208	Failure to meet the Emergency Services Mobile Communications Programme (ESMCP) local transition schedule.	25 L=5 I=5	4 L=2 I=2	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. National emphasis is now for a locally managed incremental approach.	
CR217	UK Exit from the European Union with no deal.	12 L=3 I=4	8 L=2 I=4	The UK is now in a transitional period until December 2020 by which time it is anticipated that a trade deal can be reached with the European Union. There is however a risk of a longer term impact from an economic and procurement perspective. The purchase cost of items such as vehicles could increase and there is the potential for a rise in demand should poverty increase in the service area.	
FIN 08	Changes to public sector pension schemes could lead to higher employer and employee contributions; increased turnover of staff; difficulty in recruiting and retaining high calibre staff and a reduction in staff morale and productivity.	20 L=4 I=5	16 L=4 I=4	The proposals to address age discrimination in the Firefighters pension schemes resulting from the McCleod Sargeant case could lead to a significant increase in the level of employers pension contributions and a range of staff retiring and accessing their pension earlier than anticipated. The recruitment strategy includes options to bring in replacement staff quickly if necessary in order to maintain operational response.	NEW

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SLT 1	Absence of significant numbers of staff leading to the inability to deliver statutory duties as a result of the COVID-19 pandemic.	25 L=5 I=5	12 L=3 I=4	The initial risk of significant numbers of staff absence leading to the inability to deliver statutory functions was managed through a range of controls that reduced contact between staff where possible, enabled symptomatic staff to self isolate and the application of national guidance.	NEW
RISK 38	Failure to provide an effective emergency response due to the reductions in the availability of on-call personnel.	20 L=5 I=4	12 L=3 I=4	A project has started to review the RDS duty system and implementation of cross sectional RDS Working Group. The project will form part of the ER strategy from April 2020. The Service have developed and are trialling a degradation plan to effectively manage emergency response.	NEW
SLT 02	Change of governance of CDDFRS from a combined fire authority to that of a Police and Crime Commissioner (currently PCVC)	16 L=4 I=4	12 L=4 I=3	Principal officers are working with colleagues from the police, PCVC office and members of the CFA. The Chief Fire officer will monitor government policy and work with members of the NFCC.	NEW