



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 23/12

MEETING	Finance & Audit Committee
DATE OF MEETING	8 March 2023
SUBJECT OF THE REPORT	Strategic Risk Register
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	For review and to note
EXECUTIVE SUMMARY	<p>This paper provides Members with the latest position of the Strategic Risk Register and associated controls.</p> <p>The strategic risk control mitigations are activities within the Service Delivery Plan, with progress reviewed monthly through the Service's performance reporting structures, and to Members within the quarterly performance reports.</p> <p>Supplementary commentary against each risk has been provided within this report to provide additional context to the current position of each of the strategic risks.</p> <p>Furthermore, Risk 555: <i>Recruitment and retention of corporate staff</i>, has been highlighted to Members as a potential emerging strategic risk. Whilst it is not currently being recommended for inclusion on the strategic risk register and being closely monitored by the Service, Members are asked to note its growing significance.</p> <p>The Finance & Audit Committee will next review the Strategic Risk Register at its meeting in July 2023.</p>

RISK ASSESSMENT	Failure to identify, monitor and manage risks may undermine the corporate reputation of the Authority and potentially heighten risk exposure
COMMUNITY IMPACT ASSESSMENT	None for the purposes of this report
BUDGET IMPLICATIONS	None for the purposes of this report
RECOMMENDATION	Members are asked to: 1. Review and note the strategic risks and mitigations set out in Appendix A.
BACKGROUND PAPERS	1. Risk Matrix 2. Strategic Assessment of Risk
APPENDIX	Appendix A – Strategic Risk Register
REPORT ORIGINATOR AND CONTACT	Name: Jill McCrae, Assistant Chief Officer, Director of Service Support. Email: jill.mccrae@dwfire.org.uk Tel no: 01722 691073

1. Introduction

- 1.1 As part of its terms of reference, the Finance & Audit Committee is required to review the Authority's strategic risks on a quarterly basis.
- 1.2 These were last reviewed and approved by the Committee on 7 December 2022.

2. Strategic risks

- 2.1 Risks are managed within the planning, performance and risk management system, Sytle and monitored at all levels throughout the Service.
- 2.2 All risks are scored using the agreed risk appetite matrix and those identified as scoring 15 and above are classified at strategic level.
- 2.3 The strategic risks are reviewed by the Service monthly by the Strategic Leadership Team, where progress against controls is discussed and monitored.
- 2.4 Appendix A - Strategic Risk Register, provides Members with details of the strategic risks, their current and targeted risk ratings and the controls planned to reduce and mitigate the risk to the targeted level.
- 2.5 All risk mitigations are monitored through the Service performance reporting protocols.
- 2.6 Commentary against the progress of the controls is provided within the quarterly performance reports presented to Members. However, supplementary commentary against each risk has been provided within this report to provide additional context to the current position of the risks.
- 2.7 **Risk 0006:** *Failure to secure financial sustainability that ensures and maintains effective service provision*
- 2.8 The direction of risk now shows a stable trajectory following the publication of the new Medium Term Finance Plan. We still face significant financial risks though, particularly due to the impact of pay and price inflation and the general economic outlook. We also remain concerned about the long-term funding of the Service as we head towards the next general election and a new Comprehensive Spending Review likely to occur early in the next parliament. There is concern that this could result in a new period of reduced grant funding for local government as the Government seek to reduce the overall national debt.
- 2.9 **Risk 0009:** *Failure to have a robust and financially sustainable on-call duty system to meet the needs of the Service*

- 2.10 Significant work continues to ensure the sustainability of the Service's on-call duty system. This has included strengthening areas, such as, recruitment practises, performance reporting and undertaking contractual reviews. The increased focus on on-call recruitment and our 'Have-a-Go' events is starting to show a positive impact, whereby we are employing higher numbers of on-call staff. This also benefits the Service through improved availability and a more diverse workforce.
- 2.11 The sustainability of the on-call model is a challenge nationally for the sector. Assistant Chief Fire Officer Andy Cole is undertaking a lead role at national level, working across the sector to establish future opportunities and lead change.
- 2.12 This risk is likely to remain at strategic level for some time, however the risk is stabilised with the current Service improvements made and being pursued.
- 2.13 **Risk 301:** *Failure to protect the Service against cyber threats and attacks*
- 2.14 Whilst the Service continues to ensure that it has appropriate robust arrangements in place across the organisation, to protect against the threats of a cyber-attack, this risk has remained at a strategic level due to the national risk level.
- 2.15 The Internal Audit programme for 2023/24 includes a specific cyber audit, following this the level of this risk will be reviewed, with a view to its reduction following a positive assurance report.
- 2.16 **Risk 412:** *Failure to sufficiently resource potential changes to the fire safety and building safety regimes*
- 2.17 With the new legislation now in effect and the resources increased within the Protection teams the direction of travel for this risk has begun to decrease. Should this positively continue it is likely that this risk will be recommended for removal from the strategic risk register at the next meeting.
- 2.18 **Risk 529:** *Sustainability of operational training provision*
- 2.19 Following Members' approval of the operational training provision project, this risk has now stabilised. Good progress is being made and planning permission due for submission by the end of February 2023.
- 2.20 Should the Service secure planning permission the likelihood of this risk will reduce, which will result in the recommendation for the risk to be removed from strategic level. It is anticipated that the results of the planning application will be known in July 2023.
- 2.21 **Risk 530:** *Reduction in frontline services due to the loss of staff due to industrial action.*

- 2.22 This risk is continuing to rise, due to the national situation, with strike action impacting several sectors. Furthermore, with a positive response for strike action, following the Fire Brigade Unions recent ballot, the Service continues to prepare and plan for the potential strike date announcements.

3. Emerging Strategic Risks

3.1 **Risk 555:** *Recruitment and retention of corporate staff*

- 3.2 Attracting and retaining talented staff is crucial to the ongoing success of the Service. Instability within the workforce has Service wide impacts, including to the continuation of ongoing high performance, loss of organisational knowledge and cost implications associated with recruitment and training.
- 3.3 It is becoming increasingly difficult to recruit and retain the corporate members of staff particularly to roles that are regularly attracting higher salaries in the private sector. Like many organisations we are suffering the wider effects of a more generalised labour market imbalance that has to some extent precipitated by the covid pandemic. This is also currently compounded by the current cost-of-living crisis.
- 3.4 Whilst this risk is currently being closely managed by the Service, it is increasing causing concern to senior management and has the potential to reach strategic level. As part of the risk mitigations a corporate pay structure review has been independently commissioned.
- 3.5 The Service would like to assure Members that this risk will continue to be closely monitored. Should it continue to rise then a recommendation for its escalation, to strategic level, will be brought to a forth-coming Finance & Audit Committee.

4. Summary and key points

- 4.1 Officers will continue to regularly review these risks and a progress report will be brought to the Finance & Audit Committee at its next meeting in July 2023.